



Strathbogie Shire Council Budget Report – 2017/18

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Mayor's introduction

MAYOR'S INTRODUCTION

On behalf of your recently elected Council, I am pleased to release the proposed Budget 2017/18 to the Community. Since November 2016 we have been focussed on consulting with the community in development of both this Budget and the Council Plan. This has included a series of activities designed to obtain community feedback.

BUDGET HIGHLIGHTS

The budget is based on a rate increase of 2.0 per cent. This is in line with the Fair Go Rates System (FGRS) which has capped rates increases by Victorian councils to the forecast movement in the Consumer Price Index (CPI)

This is the second year of the Fair Go Rates System.

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

OPERATING BUDGET

Council has worked hard to develop a budget that balances ratepayer affordability with the continuing and newly emerging demands of a growing community. Operating costs have been contained, with employee costs rising by only 0.12% and expenditure on materials and contracts reducing by 2.1 %. This has enabled some increase in service levels but also investment in infrastructure.

It has also enabled Council to propose a scheme of rate relief to benefit first home buyers who wish to locate in our Shire, bringing with them additional population and investment.

Within the Operating budget provision has been made for:

- increased level of road maintenance
- ongoing flood mapping of risk areas
- increased resourcing of arts,culture and tourism

CAPITAL PROGRAM

Asset Management

Council has worked hard in recent years to improve its financial position and to address its previous gap in infrastructure renewal (maintaining assets such as roads and bridges in a serviceable condition) .With the assistance of government funding an extensive bridge maintenance and upgrade program has been implemented.

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

Capital Works

Council is committed to the renewal and replacement of its ageing infrastructure and in this financial year has a capital works budget of \$13.09M, including projects carried forward from 2016/17 of \$3.42M. \$11.15 M of the capital works budget will be applied to renewal and upgrade projects.

Specific Projects include:

Reseal Program	1,120,000
Sealed Road Shoulders	440,000
Road rehabilitation	1,309,000
Resheeting (gravel)	460,000
Kerb and Channel	224,000
Birkett Street Railway pedestrian crossing	250,000
Northern roundabout investigation – High Street Nagambie	100,000
Safety investigation – Euroa-Shepparton/Boundary Road (Saleyards)	150,000
Euroa High School/Campbell Street improvements	250,000
Nagambie Locksley Road/McDonalds Road intersection upgrade	753,950
Bridge upgrades	2,436,215
Walking tracks /paths/footpaths	186,000
Drainage projects	1,259,635
Euroa Maternal and Child Health Centre upgrade	135,000
Avenel Hall upgrade	300,000
Toilets High Street Nagambie	200,000
Toilets Brock Street Euroa	184,000
Toilets Violet Town Oval	100,000

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

Executive Summary

Council has prepared a Budget for 2017/18 which is aligned to the vision in the Council Plan 2017/21. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the 2.0 per cent rate increase mandated by the State Government.

This Budget projects a surplus of \$3.20M for 2017/18. The adjusted underlying result is a surplus of \$2.42M after adjusting for capital grants and contributions (refer Sections 5 and 10.1).

1. Key things we are funding

1) Ongoing delivery of services to the Strathbogie Shire community funded by a budget of \$24.90 m. These services are summarised in Section 2.

2) Continued high level of capital investment with a strong infrastructure asset renewal effort with total Capital Works of \$13.09m including roads \$5.94m; bridges \$2.44m; footpaths and bicycle paths \$0.186m; drainage \$1.26m; and parks, open space and streetscapes \$0.465m; (these figures include works carried forward from 2016/17) The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and

Relating the Budget to the Council Plan Goals sees the following:

Goal 1: To enhance community health and wellbeing

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

Goal 2: To sustainably manage our natural and built environment

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

Goal 3: To provide quality infrastructure

Maintenance of a significant network of roads and bridges is a critical function of Council as is reviewing the assets that Council holds to ensure that they remain relevant to service needs. Buildings and swimming pools are also important to the community. Details of capital works projects are provided in Section 12 of the budget.

Goal 4: To support and drive Economic Development

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

Goal 5: To be a high performing Shire

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

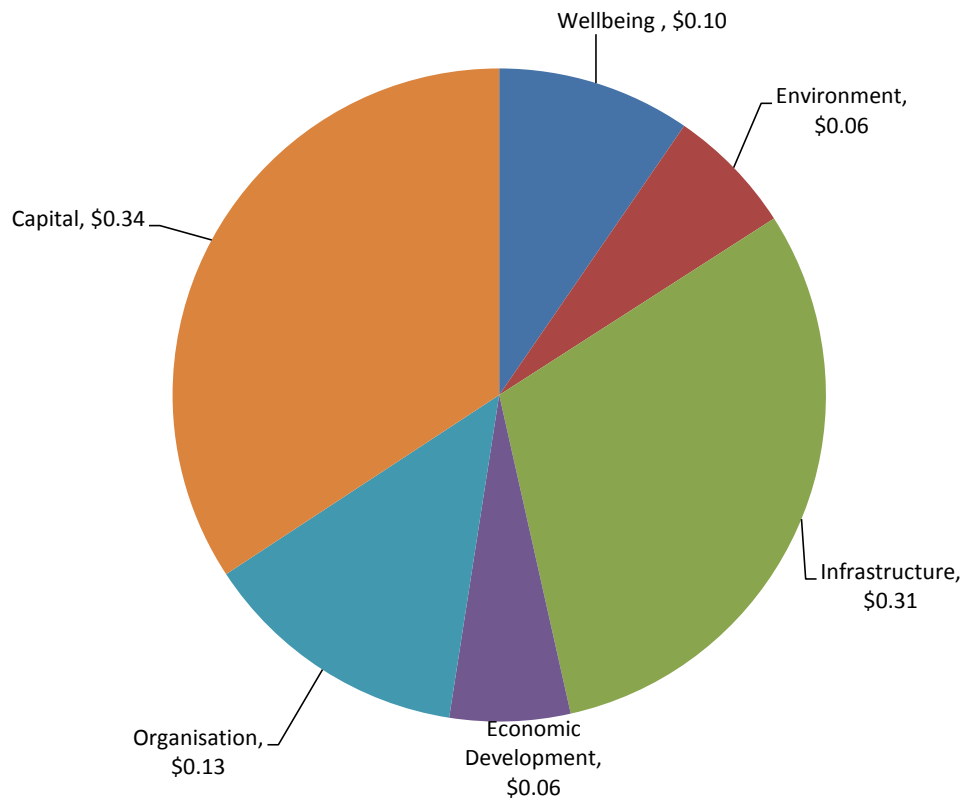
2. The Rate Rise

- a. The rate rise is 2.0%, in line with the order of the Minister for Local Government under the Fair Go Rates System.
- b. Key drivers
 - i. To fund ongoing service delivery - business as usual (plus increasing service demands from residents)
 - ii. To fund renewal of infrastructure and community assets
 - iii. To cope with growth in the population of Strathbogie Shire residents (est 0.9% in the last year)
 - iv. To cope with cost shifting from the State Government
 - v. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant ,which it is hoped will be lifted in the upcoming Federal Budget
- c. The waste service charge incorporating kerbside collection and recycling will increase by 3%.
- d. Refer Section 15 for further Rates and Charges details.

3. Key Statistics

- Total Revenue: \$29.7M (2016/17 = \$28.08m)
- Total Expenditure: \$26.50M (2016/17 = \$27.10M)
- Operating Result: \$3.20M Surplus (2016/17 = \$0.982m surplus)
(Refer Income Statement in Section 3)
- Underlying operating result: Surplus of \$2.42M (2016/17 = Surplus of \$.336m)
(Refer Analysis of operating Budget in Section 10.1)
- Cash result: \$3.43M outflow (2016/17 = \$1.32M outflow)
(Refer Statement of Cash Flows in Section 3)
This is the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
- Total Capital Works Program of \$13.09M
 - o \$6.545 m from Council operations (rates funded)
 - o \$0.15 m from Contributions
 - o \$1.13 m from asset sales
 - o \$3.63M from external grants
 - o \$1.62 m from unrestricted cash and investments

Council Expenditure Profile



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

4. Budget Influences

External Influences

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

- The Victorian State Government has introduced a cap on rate increases from 2016/2017. The cap for 2017/2018 has been set at 2.0% (2016/2017 - 2.5%).
- CPI for Victoria is forecast to be 2.5% for the 2017/2018 year (Victorian Department of Treasury & Finance, 2016-2017 Budget Update).
- The Victorian Wage Price Index is projected to be 3.0% in 2017/2018 (Victorian Department of Treasury & Finance, 2016-2017 Budget Update).
- Employee costs will increase by 2.15% during 2017/18 under Council's Collective Agreement.

Internal Influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2017/18 Budget.

- The maintenance of services at 2016/17 levels;
- Ongoing commitment to asset renewal and rehabilitation;
- Continued application of continuous improvement and best practice principles to Council operations.;
- Sale of assets no longer required by Council; and,
- No new borrowings.

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 15 of this report.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

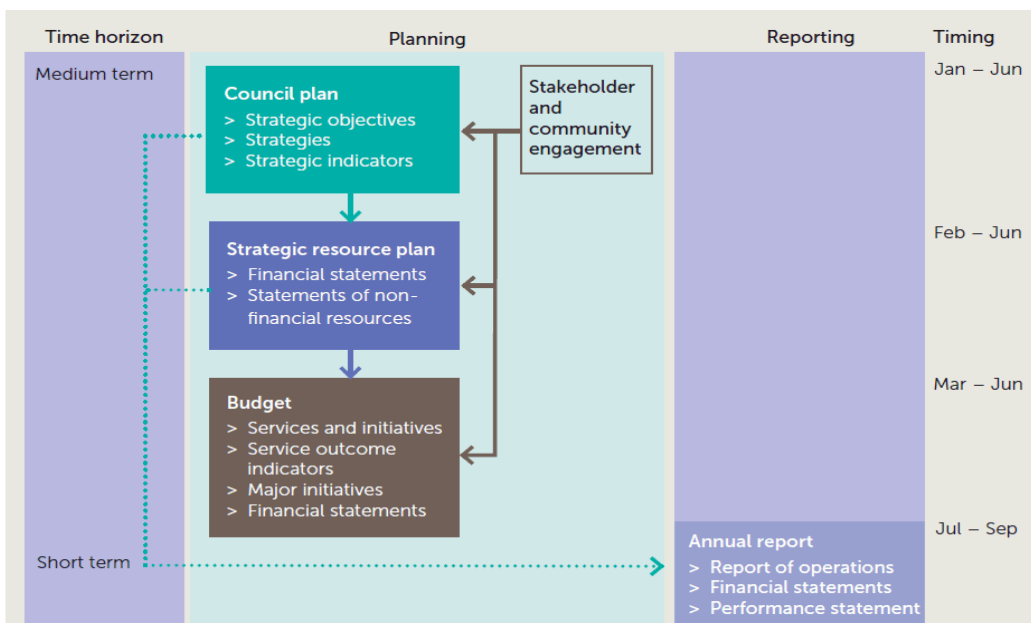
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

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

1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning (Formerly the Department of Transport, Planning and Local Infrastructure)

In addition to the above, Council has a long term financial plan which provides a basis for determining a strategic approach for the effective and efficient use of Council resources over a 20 year timeframe.

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

1.2 Our Purpose

Our Vision:

"Together we are building a flourishing community"

Our Mission:

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

Our Values:

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

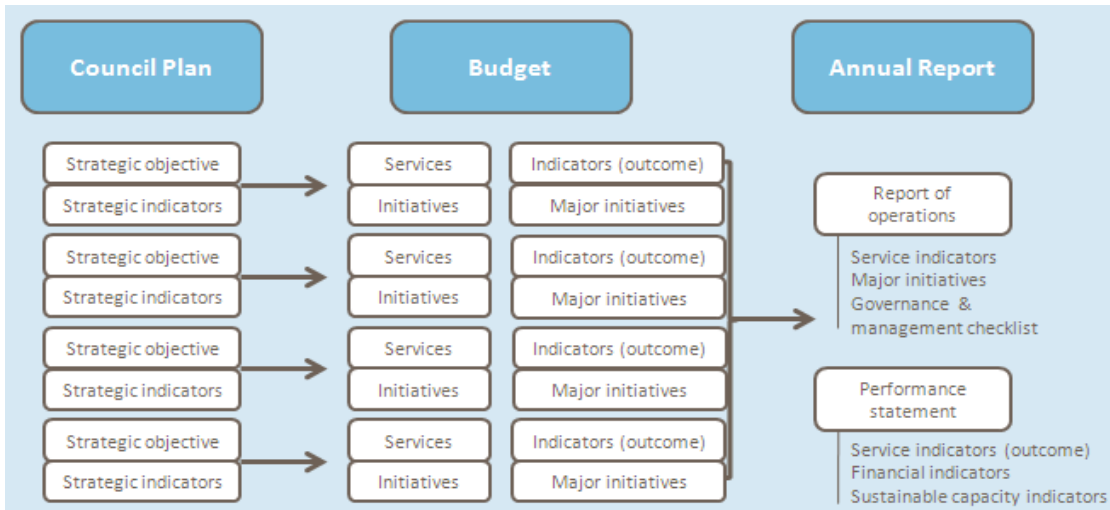
1.3 Goals

Council delivers activities and initiatives under various service categories. Each contributes to the achievement of one of the five Goals as set out in the Council Plan for the 2017-21 years. The following table lists the five Goals as described in the Council Plan.

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

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/18 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives, major initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

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

2.1 Goal 1: Community Wellbeing

To enhance community health and wellbeing

Services

Business area	Description of services provided	Expenditure (Revenue)
		Net Cost \$
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities, immunisation programs and public health promotions. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	215,000
		(85,000)
		130,000
Animal Management	This service provides for the management of domestic animals (mostly dogs and cats) through registration, education and enforcement where necessary. It is also concerned with issues that arise out of the application of Council's Community Local Law.	246,000
		(90,000)
		156,000
Libraries and Arts	This service provides public library services at three locations and a community cinema in Euroa. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	317,100
		(60,000)
		257,100
Community Grants and Recreational Planning	This service provides funding for the development of community facilities and activities.	187,366
		(2,500)
		184,866
Maternal and Child Health	This service provides family oriented, visiting and centre based maternal and child health services.	201,916
		(112,500)
		89,416
Youth Services	This service provides youth facilities and a range of recreation and education based youth activities. Programs include Freeza, National Youth Week and L2P driving experience program.	187,708
		(55,000)
		132,708
Street Lighting	This service enhances public safety and community access by providing street lighting in urban areas.	120,000
		0
		120,000
Parks and Reserves	This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.	1,592,370
		(9,000)
		1,583,370
Boating Operations and	Council is the boating authority for Nagambie Lakes. This service area provides patrol services, maintenance of boating infrastructure and support for on-water recreational activities.	90,200
		(6,000)
		84,200
Community Development	This program oversees activities in the areas of access and inclusion, committee of management support, community planning and other activities designed to strengthen communities.	208,876
		(35,400)
		173,476
Emergency Services	This service includes financial assistance for the SES service, fire prevention activities and flood risk planning and mitigation.	296,402
		(83,300)
		213,102

2.1 Goal 1: Community Wellbeing

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Libraries and Arts	Participation	Active library members (Percentage of the municipal population that are active library members).	[Number of active library members / municipal population] x100
Maternal and Child Health (MCH)	Participation	Participation in MCH key ages and stages visits (Percentage of children attending the MCH key ages and stages visits).	Number of actual MCH visits / Number of expected MCH visits] x100
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions).	Number of successful animal management prosecutions.
Environmental Health	Health and safety	Number of critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council).	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.2 Goal 2: Environment

To sustainably manage our natural and built environment

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Sustainability Management	Council is committed to responsible and sustainable management of the Shire's natural resources. Programs in this service area include Pests and Weeds program, Implementation of Council's environmental strategy and Carbon Footprint Assessment program.	56,400 (53,400) 3,000
Waste Management	This service includes kerbside garbage and recycling collections, transfer station operations and waste management of public areas.	2,363,636 (2,380,500) (16,864)

Service Performance Outcome Indicators

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

2.3 Goal 3: Infrastructure

To provide quality infrastructure

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Municipal Buildings	This service area is responsible for the maintenance of Council owned and controlled buildings.	1,241,216 (32,300) 1,208,916
Swimming Pools and Beaches	Council operates outdoor pools in Euroa, Nagambie, Violet Town and Avenel.	414,245 (10,500) 403,745
Roads and Bridge Maintenance Operations	This service area is responsible for the maintenance of Council's roads and bridges network.	10,033,114 (2,318,000) 7,715,114

Service Performance Outcome Indicators

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

2.4 Goal 4: Economic Development

To support and drive economic development

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Planning	This service area processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, development, economic and social issues affecting Council.	868,754 (167,200)
		701,554
Building	This service area provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of Council buildings and investigations of complaints and illegal works.	104,500 (43,000)
		61,500
Strategic Projects	This service area provides resources for key strategic projects which generally have long term outcomes for the development of the Shire. These projects often involve partnerships with other tiers of government and are often supported by external funding.	122,400 0
		122,400
Tourism and Events	Strathbogie Shire has a high tourism profile with broad ranging attractions including, natural environment, water based activities, wineries events and festivals. This service area is responsible for promoting the area generally and supporting local tourism bodies and tourism related events. This service area provides support for the planning promotion and	716,616 (29,000)
		687,616
Caravan Parks	Council has control of caravan parks at Nagambie Lakes and Euroa.	14,000 (217,600)
		(203,600)
Saleyards	This service area refers to the Euroa Saleyards. The saleyards operate on an approximately one sale per month basis.	219,102 (257,500)
		(38,398)

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality).	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100
Statutory planning	Decision making	Council planning decisions upheld at VCAT. (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council).	[Number of VCAT decisions that upheld Council's decision in relation to a planning application / Number of decisions in relation to planning applications subject to review by VCAT] x100

2.3 Goal 5: Organisation

To be a high performing Shire

Services

Business area	Description of services provided	Expenditure (Revenue)
		Net Cost \$
Financial and Administration Services	This service area provides financial advice and support to providers of all Council services, including budget preparation, long term financial planning, periodic reporting, processing of debtors and creditors, and statutory financial requirements, including FBT and GST reporting.	1,353,322 0
		1,353,322
Information Technology	This service maintains and improves Council's information technology systems, ensures compliance with legislation relating to records management including administering and recording all incoming correspondence. This also includes telephones , intranet , photocopiers , aerial photography and geographic information	1,326,790 0
		1,326,790
Human Resources and Risk Management	Management of recruitment and induction , occupational health and safety , procedures relating to employment matters , administration of insurances , staff training and development , employee assistance program.	506,094 (150,000)
		356,094
Community Relations	Customer service contact , media , communications , public notices , community surveys , website , marketing and community engagement.	1,073,672 (5,000)
		1,068,672
Governance	The area of governance includes the Mayor, Councillors, Chief Executive Officer , regulatory reporting , Council elections , compliance with relevant Acts and other Executive Management costs which cannot be easily attributed to the direct service provision areas.	827,518 (107,400)
		720,118

Service Performance Outcome Indicators

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

2.7 Performance Statement

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

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Total services and initiatives	18,594	24,904	(6,310)
Other non-attributable	-1,758		
Deficit before funding sources	16,836		
Funding sources:			
Rates & charges	16,403		
Capital grants	3,634		
Total funding sources	20,037		
Surplus for the year	3,201		

3. Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2017/18 to 2020/21 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Income					
Rates and charges	17,909	18,550	19,007	19,528	20,005
Statutory fees and fines	339	367	377	386	395
User fees	668	709	722	741	771
Grants - operating recurrent	5,500	5,517	5,632	5,784	5,940
Grants - operating non-recurrent	0	0	0	0	0
Grants - capital recurrent	1,980	3,134	1,027	1,055	1,083
Grants - capital non-recurrent	0	500	0	0	0
Contributions - monetary	646	277	193	198	204
Contributions - non-monetary	307	0	0	0	0
Fair value adjustments for investment property	0	0	0	0	0
Share of net profits/(losses) of associates and joint ventures	0	0	0	0	0
Other income	735	650	659	669	678
Total income	28,084	29,704	27,617	28,361	29,076
Expenses					
Employee costs	8,702	8,713	9,042	9,286	9,506
Materials and services	11,786	11,537	11,575	11,944	12,276
Bad and doubtful debts	1	0	0	0	0
Depreciation and amortisation	5,234	5,259	5,429	5,612	5,917
Borrowing costs	103	54	32	25	18
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	711	641	(152)	(35)	300
Other expenses	565	299	194	199	204
Total expenses	27,102	26,503	26,120	27,031	28,221
Surplus/(deficit) for the year	982	3,201	1,497	1,330	855
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods:					
Net asset revaluation increment	100	0	0	0	14,225
Total comprehensive result	1,082	3,201	1,497	1,330	15,080

3.2 Balance Sheet

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Assets					
Current assets					
Cash and cash equivalents	9,255	5,823	5,819	6,056	5,846
Trade and other receivables	1,903	1,903	1,876	1,921	1,976
Other assets	2,016	1057	1057	1058	1057
Total current assets	13,174	8,783	8,752	9,035	8,879
Non-current assets					
Trade and other receivables	244	244	244	244	244
Property, infrastructure, plant & equipment	275,377	282,401	283,538	284,498	299,680
Total non-current assets	275,621	282,645	283,782	284,742	299,924
Total assets	288,795	291,428	292,534	293,777	308,803
Liabilities					
Current liabilities					
Trade and other payables	3,346	3,292	3,043	3,104	3,172
Provisions	3,038	3038	3,038	3,038	3,038
Interest-bearing loans and borrowings	522	522	149	121	128
Total current liabilities	6,906	6,852	6,230	6,263	6,338
Non-current liabilities					
Provisions	699	699	699	699	699
Interest-bearing loans and borrowings	678	164	395	274	146
Total non-current liabilities	1,377	863	1,094	973	845
Total liabilities	8,283	7,715	7,324	7,236	7,183
Net assets	280,512	283,713	285,210	286,541	301,620
Equity					
Accumulated surplus	82,093	84,794	85,791	86,622	87,476
Asset revaluation reserves	197,819	197,819	197,819	197,819	212,044
Other reserves	600	1,100	1,600	2,100	2,100
Total equity	280,512	283,713	285,210	286,541	301,620

3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017/2018				
Balance at beginning of the financial year	280,512	82,093	197,819	600
Surplus/(deficit) for the year	3,201	3,201	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	(500)	(500)	0	0
Transfer from other reserves	500	0	0	500
Balance at end of the financial year	283,713	84,794	197,819	1,100
2018/2019				
Balance at beginning of the financial year	283,713	84,794	197,819	1,100
Surplus/(deficit) for the year	1,497	1,497	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	(500)	(500)	0	0
Transfer from other reserves	500	0	0	500
Balance at end of the financial year	285,210	85,791	197,819	1,600
2019/2020				
Balance at beginning of the financial year	285,210	85,791	197,819	1,600
Surplus/(deficit) for the year	1,330	1,330	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	(500)	(500)	0	0
Transfer from other reserves	500	0	0	500
Balance at end of the financial year	286,540	86,621	197,819	2,100
2020/2021				
Balance at beginning of the financial year	286,540	86,621	197,819	2,100
Surplus/(deficit) for the year	855	855	0	0
Net asset revaluation increment/(decrement)	14,225	0	14,225	0
Transfer to other reserves	0	0	0	0
Transfer from other reserves	0	0	0	0
Balance at end of the financial year	301,620	87,476	212,044	2,100

3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	17,909	18,550	19,026	19,496	19,967
Statutory fees and fines	339	367	377	385	394
User fees	668	709	723	740	770
Grants - operating	5,500	5,517	5,638	5,775	5,929
Grants - capital	1,980	3,634	1,028	1,053	1,081
Contributions - monetary	646	277	193	198	204
Interest received	290	200	230	230	230
Other receipts	446	400	430	438	447
Net GST refund / payment	0	0	0	0	0
Employee costs	(8,702)	(8,713)	(9,150)	(9,259)	(9,477)
Materials and services	(11,788)	(11,554)	(11,714)	(11,910)	(12,239)
Other payments	(566)	(299)	(197)	(199)	(203)
Net cash provided by/(used in) operating activities	6,722	9,088	6,584	6,947	7,103
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(7,888)	(13,086)	(7,366)	(7,371)	(7,674)
Proceeds from sale of property, infrastructure, plant and equipment	940	1,132	952	835	500
Payments for landfill rehabilitation	(524)	0	0	0	0
Net cash provided by/ (used in) investing activities	(7,472)	(11,954)	(6,414)	(6,536)	(7,174)
Cash flows from financing activities					
Finance costs	(103)	(54)	(32)	(25)	(18)
Proceeds from borrowings	0	0	0	0	0
Repayment of borrowings	(472)	(512)	(142)	(149)	(121)
Net cash provided by/(used in) financing activities	(575)	(566)	(174)	(174)	(139)
Net increase/(decrease) in cash & cash equivalents	(1,325)	(3,432)	(4)	237	(210)
Cash and cash equivalents at the beginning of the financial year	10,580	9,255	5,823	5,819	6,056
Cash and cash equivalents at the end of the financial year	9,255	5,823	5,819	6,056	5,846

3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Property					
Land	40	0	0	0	0
Total land	40	0	0	0	0
Buildings	921	1,412	1,181	2,304	2,530
Total buildings	921	1,412	1,181	2,304	2,530
Total property	961	1,412	1,181	2,304	2,530
Plant and equipment					
Plant, machinery and equipment	480	984	1,286	698	1,578
Fixtures, fittings and furniture	371	406	294	294	294
Computers and telecommunications	0	0	0	0	0
Total plant and equipment	851	1,390	1,580	992	1,872
Infrastructure					
Roads	3,108	5,716	4,132	3,588	2,610
Bridges	1,897	2,436	432	441	610
Footpaths and cycleways	162	186	34	36	39
Drainage	549	1,260	7	10	13
Other infrastructure	360	689	0	0	0
Total infrastructure	6,076	10,287	4,605	4,075	3,272
Total capital works expenditure	7,888	13,089	7,366	7,371	7,674
Represented by:					
New asset expenditure	902	1,769	551	437	434
Asset renewal expenditure	5,466	8,964	5,692	5,821	6,087
Asset upgrade expenditure	1,371	2151	1123	1,113	1153
Asset expansion expenditure	149	205	0	0	0
Total capital works expenditure	7,888	13,089	7,366	7,371	7,674

3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Staff expenditure					
Employee costs - operating	8,702	8713	9,042	9,286	9,506
Employee costs - capital	0	0	0	0	0
Total staff expenditure	8,702	8713	9,042	9,286	9,506
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	96	96	96	96	96
Total staff numbers	96	96	96	96	96

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

Department	Budget 2017/18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Executive	333	333	0
Corporate and Liveability	1,385	1,053	332
Sustainable development	1,398	1,024	374
Assets	5,198	4,869	329
Total permanent staff expenditure	8,314	7,279	1,035
Casuals and other expenditure	332		
Capitalised labour costs	67		
Total expenditure	8,713		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Executive	2	2	
Corporate and Liveability	18	12	10
Sustainable development	15	12	5
Assets	58	48	8
Total	93	74	23
Casuals and other	2		
Capitalised labour costs	1		
Total staff	96		

4. Financial performance indicators

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

Indicator	Measure	Notes	Forecast		Budget 2017/18	Strategic Resource Plan Projections			Trend +/- 0
			Actual 2015/16	Actual 2016/17		2018/19	2019/20	2020/21	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-16.0%	0.1%	8.4%	4.8%	4.0%	2.3%	o
Liquidity									
Working Capital	Current assets / current liabilities	2	203.7%	190.8%	128.2%	140.5%	144.3%	140.1%	-
Unrestricted cash	Unrestricted cash / current liabilities		129.4%	73.4%	72.4%	91.8%	95.1%	90.7%	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	122.0%	6.7%	3.7%	2.9%	2.0%	1.4%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.2%	3.2%	3.1%	0.9%	0.9%	0.7%	+
Indebtedness	Non-current liabilities / own source revenue		14.9%	7.0%	4.3%	5.3%	4.6%	3.9%	+
Asset renewal	Asset renewal expenditure / depreciation	4	122.0%	104.4%	170.5%	104.8%	103.7%	102.9%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	78.1%	65.3%	64.1%	69.3%	69.3%	69.3%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$3,477	\$3,667	\$3,586	\$3,508	\$3,604	\$3,735	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,599	\$1,621	\$1,665	\$1,707	\$1,749	\$1,793	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		11.4%	9.3%	8.8%	8.4%	8.0%	7.6%	o

Key to Forecast Trend:

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

Notes to indicators

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

2 Working Capital - The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2016/17 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

3 Debt compared to rates - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

4 Asset renewal - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

5 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

5. Other budget information (required by the Regulations)

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

5.1.1 Grants operating (\$108 million Increase)

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 is projected to increase by 1.96% or \$.108 million compared to 2016/17. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below:

Grants - operating	Forecast		
	Actual	Budget	Variance
	2016/17 \$'000	2017/18 \$'000	\$'000
Recurrent - Commonwealth Government			
Victoria Grants Commission	4,948	5,116	168
Commonwealth Roads of Access	38	39	1
Recurrent - State Government			
Youth	52	55	3
Health	5	7	2
Senior Citizens' Centres	34	36	2
Vulnerable Persons Register	17	17	0
School crossing supervisors	14	14	0
Fire Service Property Levy financial support		0	0
Maternal and Child Health	110	113	3
Recreation - beach cleaning	3	0	(3)
Community safety - Emergency resourcing	60	60	0
Roads - median strip	7	7	0
Pest and plants program	53	53	0
Total recurrent grants	5,341	5,517	176
Non-recurrent - Commonwealth Government			
	0	0	0
Non-recurrent - State Government			
Nagambie Business Case	68	0	(68)
Ruffy Fire reimbursement	91		
Recreation			
Total non-recurrent grants	159	0	(68)
Total operating grants	5,500	5,517	108

5.1.2 Grants capital (\$1.154 million increase)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants is expected to increase by 58.3% or \$1.154 million compared to 2016/17. This is affected by rollover of \$1.08 m in bridge funding through the Roads To Recovery program. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2016/17 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - capital	Forecast		
	Actual	Budget	Variance
	2016/17 \$'000	2017/18 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	1282	3134	1,852
<i>Recurrent - State Government</i>			
	0	0	-
Total recurrent grants	1282	3134	1,852
<i>Non-recurrent - Commonwealth Government</i>			
Bridges			0
<i>Non-recurrent - State Government</i>			
Local Roads to Market		500	
Bridges - Birkett Street, Bridge renewal	325		(325)
Buildings - Saleyards/Library	253		(253)
Flood Mitigation	120		(120)
Waste Management			0
Streetscapes			0
Land		0	0
Total non-recurrent grants	698	500	(698)
Total capital grants	1,980	3,634	1,154

5.1.3 Statement of Borrowings

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

	2016/17	2017/18
Total amount borrowed as at 30 June of the prior year	1,690	1,202
Total amount proposed to be borrowed	0	
Total amount projected to be redeemed	(488)	(512)
Total amount of borrowings as at 30 June	1,202	690

6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2017/18 year.

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

- New works for 2017/18
- Works carried forward from the 2016/17 year.

Capital works program

For the year ending 30 June 2018

6.1 New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Avenel Swimming pool	10		10					10	0
Avenel Hall roof clading	50		50					50	0
Avenel Hall main floor sand and seal	15		15					15	0
Balmattum School hall	40		40					40	0
Euroa tennis club roof clading	30		30					30	0
Euroa civic centre roof clading	80		80					80	0
Euroa maternal child health upgrade	135		100	35				135	0
Euroa visitor information centre- new	100	100						100	0
Longwood community centre club room repair	15		15					15	0
Ruffy Table Land community centre repair	30		30					30	0
Violet Town recreation reserve -repairs	40		40					40	0
Violet Town community centre meeting room refurbish	10		10					10	0
Swimming Pools - new pool vacums	15		15					15	0
Swimming Pools - 4 defibrillators	8	8						8	0
Total buildings	578	108	435	35	0	0	0	578	0
TOTAL PROPERTY	578	108	435	35	0	0	0	578	0
PLANT AND EQUIPMENT									
Plant and vehicle replacement	984		984					984	0
Total plant, machinery and equipment	984	0	984	0	0	0	0	984	0
Fixtures, fittings and furniture	0	0	0	0	0	0	0	0	0
Computers and telecommunications									
Information technology: workstation and network systems	406		206	200				406	0
Total computers and telecommunications	406	0	206	200	0	0	0	406	0
TOTAL PLANT AND EQUIPMENT	1,390	0	1,190	200	0	0	0	1,390	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
INFRASTRUCTURE									
Roads									
Reseals	1,120		1,120			1,027		93	0
Shoulder Pavement Program	440		440					440	0
Rehabilitation Program	1,309		1,309					1,309	0
Euroa Strathbogie Road Guardrail replacement	175		175					175	0
Burns Ave Euroa widen existing seal	60				60		30	30	0
High Street Nagambie northern roundabout investigation	100	100						100	0
Ewings Livingstone Road intersection investig/design	10			10				10	0
Drysdale Road Euroa complete agreed development works	16	16						16	0
Euroa Shepp Road safety investigation - saleyards	150			150				150	0
Resheeting	460		460					460	0
Kerb	179		179					179	0
High St Nagambie on roads bicycle marking	30			30		30			0
Upgrade zero class road	500			500				500	0
Nagambie Locksley / Mc Donald road intersection	754			754		500		254	0
Total roads	5,303	116	3,683	1,444	60	1,557	30	3,716	0
Bridges									
Arcadia Tamleugh major culvert No 542	32		32			32			0
Grimwade Road No 138 redeck	90		90			90			0
Merton Strathbogie No 3 redeck	230		230			230			0
Oak Valley No 124 redeck	60		60			60			0
Leckies Road No 50 replace	255		255			255			0
Kings Road No 93 redeck	100		100			100			0
Robinson Road No 94 replace	80		80			80			0
Ross Road No 95 replace	180		180			180			0
Avenel Longwood Road major culvert No184	45				45			45	0
Total bridges	1,072	0	1,027	0	45	1,027	0	45	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
Footpaths and cycleways									
Footpaths	46		46					46	0
Walking Tracks	140		140					140	
Total footpaths and cycleways	186	0	186	0	0	0	0	186	0
Drainage									
Euroa Mansfield Road Stages 2 and 3	222		222			89		133	
Campbell Street Euroa Special Charge Scheme	255	255					25	230	
Cree Street Euroa - Williams to De Boos	45		45					45	
Tip Road Euroa	10		10					10	
Brock Street laying of brick drain	10		10					10	
Avenel Longwood Road investigation	5			5				5	0
Stormwater Pipelines and Pit renewal	200		200					200	0
Total drainage	747	255	487	5	0	89	25	633	0
Recreational, leisure and community facilities									
Library Lane Euroa lighting upgrade	5		5					5	0
Euroa Caravan Park - tree replacement north side	65		65					65	0
Euroa Caravan Park - residence and reception refurb	45		45					45	0
Total rec, leisure and comm'y facilities	115	0	115	0	0	0	0	115	0
Parks, open space and streetscapes									
Shadforth Reserve Violet Town master plan	50		0	50				50	0
Play equipment	60		60					60	
Landscaping	5		5					5	
Bores, pumps and oval irrigation	10		10					10	
Tree Management Plan - Eliza Street trial	20		20					20	
Carrick Cres Nagambie - fencing	20		20					20	0
Nagambie Rec Reserve irrigation supply	60	60						60	
Nagambie Rec Reserve fencing	50		50					50	
Total parks, open space and streetscapes	275	60	165	50	0	0	0	275	0
TOTAL INFRASTRUCTURE	7,698	431	5,663	1,499	105	2,673	55	4,970	0
TOTAL NEW CAPITAL WORKS 2017/18	9,666	539	7,288	1,734	105	2,673	55	6,938	0

6.2 Works carried forward from the 2016/17 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
BUILDINGS									
Nagambie High st Toliets	200	200						200	
Brock St Euroa Tolites	184	184						184	
Euroa Civic centre solar Pannel	50	50						50	
Avenel Hall	300	300				300			
Violet Town Oval Toliets	100	100					100		
Total buildings	834	834	0	0	0	300	100	434	0
TOTAL PROPERTY	834	834	0	0	0	300	100	434	0
PLANT AND EQUIPMENT									
Computers and telecommunications									
IT: workstation and network systems									0
TotalComputers and telecommunications	0	0	0	0	0	0	0	0	0
TOTAL PLANT AND EQUIPMENT	0	0	0	0	0	0	0	0	0
INFRASTRUCTURE									
Roads									
Birkett Street Railway Pedestrian Crossing	250	250				125		125	0
Euroa Primary School / Campbell St	250			250		100		150	
Binney Street upgrade splitter on	20			20				20	
Nagambie Angle Parking	36			36				36	
Avenel Hall car park and foot path	36			36				36	
Total roads	592	250	0	342	0	225	0	367	0
Bridges									
Sheeans Rd Bridge No 05	400		400			400			
Ben Kell Bridge No 36	154		154			154			
Brookleigh Rd Bridge No 120	250		250			250			
Nagambie Rushworth Bridge No 75	180		180			96		84	
Tarcombe Ruffy Bridge No 14	180		180			180			
Avenel Longwood Road Bridge No62	200		200					200	
Total bridges	1,364	0	1364	0	0	1080	0	284	0
Drainage									
Shiffner St Violet Town Kerb and Channel	45		45					45	
Shiffner St Violet Town Drainage	87		87					87	
Euroa Flood Levee	180		180			120		60	
Garrett St Euroa main drainage extension	100				100			100	
Nagambie Industrial Area Drainage - Scope	23	23						23	0
Nagambie Industrial Area Drainage - Implementation	43	43						43	0
Nagambie Drainage Retention Dam	80	80						80	0
Total drainage	558	146	312	0	100	120	0	438	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
Parks, open space and streetscapes									
Implement Violet Town Rec reserve master plan	60			60				60	0
Euroa caravan park perimeter planting	15			15				15	0
									0
Total parks, open space and streetscapes	75	0	0	75	0	0	0	75	0
TOTAL INFRASTRUCTURE	2,589	396	1,676	417	100	1,425	0	1,164	0
TOTAL CARRIED FWD WORKS 2016/17	3,423	1,230	1,676	417	100	1,725	100	1,598	0
6.3 Summary									
PROPERTY	1,412	942	435	35	0	300	100	1,012	0
PLANT AND EQUIPMENT	1,390	0	1,190	200	0	0	0	1,390	0
INFRASTRUCTURE	10,287	827	7,339	1,916	205	4,098	55	6,134	0
TOTAL CAPITAL WORKS	13,089	1,769	8,964	2,151	205	4,398	155	8,536	0

7. Rates and charges

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's annual budget

7. Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 64.0% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government has introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2017/18 the FGRS cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

In order to achieve Council's objectives while maintaining service levels and a strong capital expenditure program, the average general rate and municipal charge will increase by 2.0% in line with the rate cap. This will raise total rates and charges for 2017/18 of \$18.445 million, including \$.112 million generated from supplementary rates.

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

Type or class of land	2016/17 cents/\$CIV	2017/18 cents/\$CIV	Change
General rate for rateable residential properties	0.5225790	0.5340485	2.19%
General rate for rateable vacant residential	0.9145133	0.934585	2.19%
General rate for rateable farm properties	0.4441922	0.4539412	2.19%
General rate for rateable commercial/industrial	0.6270948	0.6408582	2.19%
General rate for rateable vacant comm/ind properties	1.0974160	1.1215019	2.19%

7.2 The estimated total amount to be raised by general rates in relation to each type or class of

Type or class of land	2016/17 \$	2017/18 \$	Change
Residential	6,084,891	6,345,200	4.3%
Vacant residential	521,185	518,207	-0.6%
Farm	6,500,696	6,682,286	2.8%
Commercial/industrial	691,462	713,560	3.2%
Vacant commercial/industrial	12,895	13,178	2.2%
Total amount to be raised by general rates	13,811,129	14,272,431	3.3%

7.3 The number of assessments in relation to each type or class of land, and the total number of

Type or class of land	2016/17 \$	2017/18 \$	Change
Residential	4,490	4,535	1.00%
Vacant residential	375	379	1.00%
Farm	2,218	2,229	0.50%
Commercial/industrial	301	304	1.00%
Vacant commercial/industrial	7	7	1.00%
Total number of assessments	7,391	7,454	1.10%

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

7.5 The estimated total value of each type or class of land, and the estimated total value of land,

Type or class of land	2016/17 \$	2017/18 \$	Change
Residential	1,182,200,000	1,194,022,000	1.0%
Vacant residential	58,452,000	59,036,520	1.0%
Farm	1,464,736,000	1,472,059,680	0.5%
Commercial/industrial	110,242,000	111,344,420	1.0%
Vacant commercial/industrial	1,175,000	1,175,000	0.0%
Total value of land	2,816,805,000	2,837,637,620	0.7%

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

Type of Charge	Per Rateable Property 2016/17 \$	Per Rateable Property 2017/18 \$	Change
Municipal	266	266	0.00%

7.7 The estimated total amount to be raised by municipal charges compared with the previous

Type of Charge	2016/17 \$	2017/18 \$	Change
Municipal	1,768,633	1,793,186	1.39%

7.8 The rate or unit amount to be levied for each type of service rate or charge under section 162

Type of Charge	Per Rateable Property 2016/17 \$	Per Rateable Property 2017/18 \$	Change
Kerbside collection - 80 litre	339	349	3.00%
Kerbside collection - 120 litre	339	349	3.00%
Kerbside collection - 240 litre	679	699	3.00%
Recycling - 120 Litre	161	166	3.00%
Recycling - 240 Litre	161	166	3.00%
Recycling - 360 Litre	161	166	3.00%
Kerbside/recycling/organics	500	515	3.00%
Kerbside/organics	339	349	3.00%
Tree management service charge	25	26	3.00%

7.9 The estimated total amount to be raised by each type of service rate or charge, and the

Type of Charge	2016/17 \$	2017/18 \$	Change
Kerbside/recycling/organics	1,526,556	1,590,487	4.2%
Kerbside	445,778	460,402	3.3%
Recycling	149,682	155,834	4.1%
Tree management service charge	166,286	173,636	4.4%
Total	2,288,302	2,380,359	4.0%

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

Type of Charge	2016/17 \$	2017/18 \$	Change
General rates (excluding CIV growth)	13,811,129	14,159,750	2.52%
- Budgeted growth in CIV 2017/18	0	111,800	
- Greater than budgeted growth in CIV 2016/17	0	0	
Municipal charge	1,768,633	1,793,186	1.39%
Kerbside collection/recycling/organics	2,122,016	2,206,723	3.99%
Tree management service charge	166,286	173,636	4.42%
Rates and charges	17,868,064	18,445,095	3.23%

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

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

- The making of supplementary valuations (2017/18: estimated \$ 0.112 million)
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.
- Introduction of new waste management system and consequent new revenue from service expansion.

7.12 Differential rates

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 0.5340485% (0.5340485 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 0.934585% (0.934585 cents in the dollar of CIV) for all rateable Vacant Residential properties.
- A differential rate of 0.4539412% (0.4539412 cents in the dollar of CIV) for all rateable Farm properties.
- A differential rate of 0.6408582% (0.6408582 cents in the dollar of CIV) for all rateable Commercial/Industrial properties.
- A differential rate of 1.215019% (1.215019 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 -

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.

Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

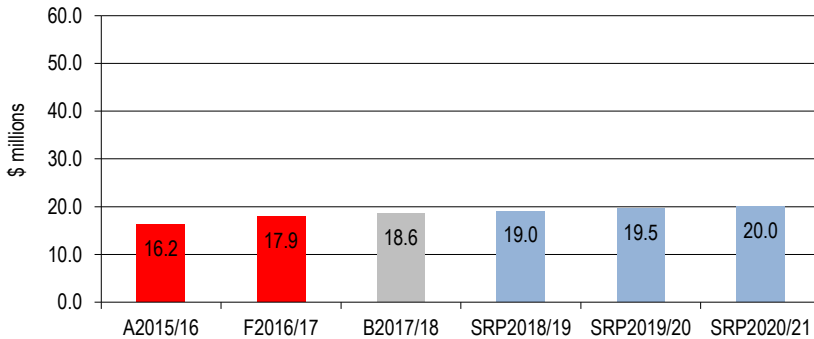
This section includes the following analysis and information.

- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

8. Summary of financial position

Council has prepared a Budget for the 2017/18 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

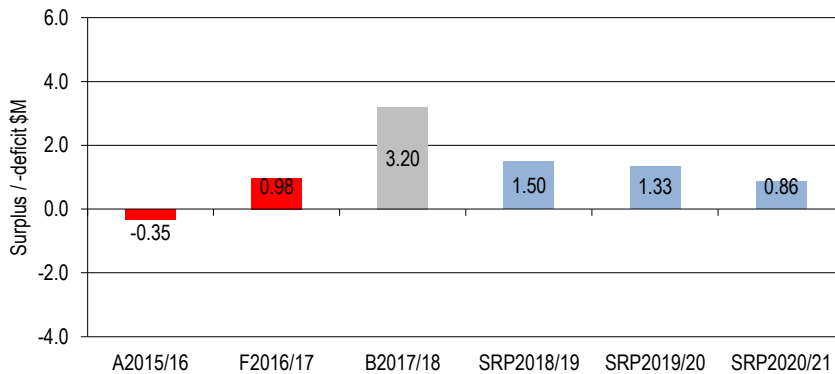
8.1 Rates and charges



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

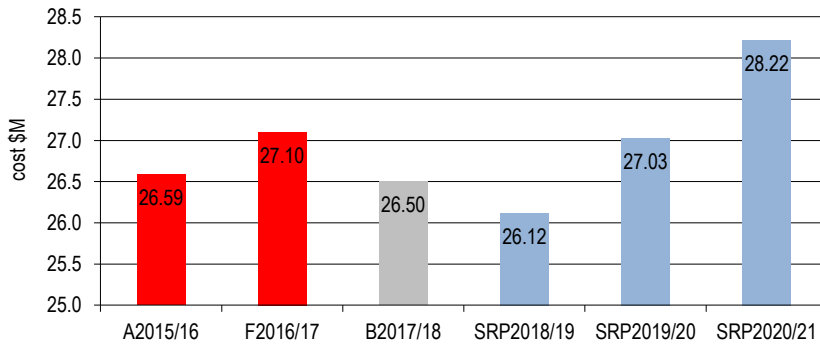
It is proposed that the average rates, including the municipal charge, increase by 2.0% for the 2017/18 year, raising total rates of \$18.50 M. The increase in total rates and charges is 3.30%. This increase in rate and charges includes the increase of 2.0% is in line with the rate cap set by the Minister for Local Government, the 3% increase in waste management charges and estimated 0.74% increase in the rate base. (The rate increase for the 2016/17 year was 2.5%). Refer Sections 7 and 10 for more information.

8.2 Operating result



The expected operating result for the 2017/18 year is a surplus of \$3.2M, which is an increase of \$2.22 M over 2016/17. The improved operating result is largely due to the transfer of road to recovery funding of \$1.08M from FY2016/17 to 2017/18. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a surplus of \$2.42M, which is an increase of \$2.09M over 2016/17 - refer to section 7 of this summary for further information. (The forecast operating result for the 2016/17 year is a surplus of \$0.98M).

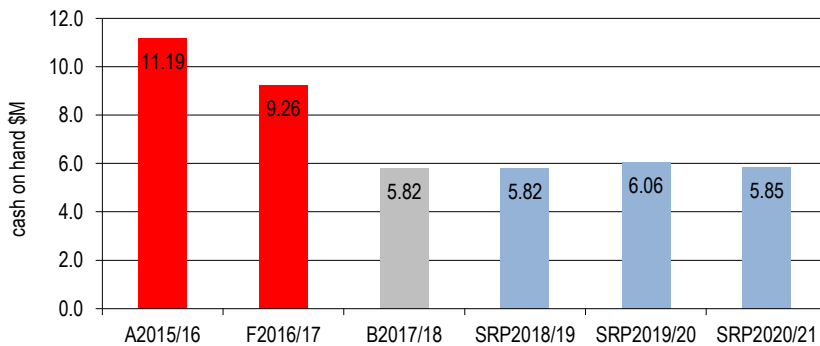
8.3 Services



The cost of services delivered to the community for the 2017/18 year is expected to be \$26.50M. For the 2017/18 year, service levels have been maintained and a number of initiatives proposed. (The forecast net cost for the 2016/17 year is \$27.10 M).

Refer Section 2 for a list of services

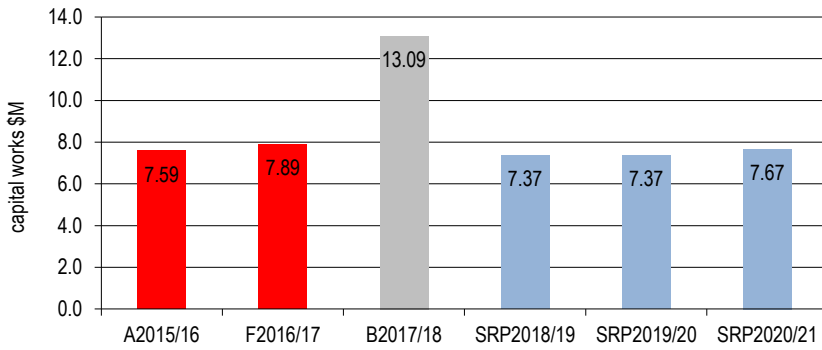
8.4 Cash and investments



Cash and investments are expected to decrease by \$3.43M during the year to \$5.82M as at 30 June 2018. This is due mainly to the utilisation of available cash resources to fund Council's infrastructure renewal effort which includes capital works of \$3.33M carried forward from 2016/17 . The reduction in cash and investments is in line with Council's Strategic Resource Plan. (Cash and investments are forecast to be \$9.26M as at 30 June 2017).

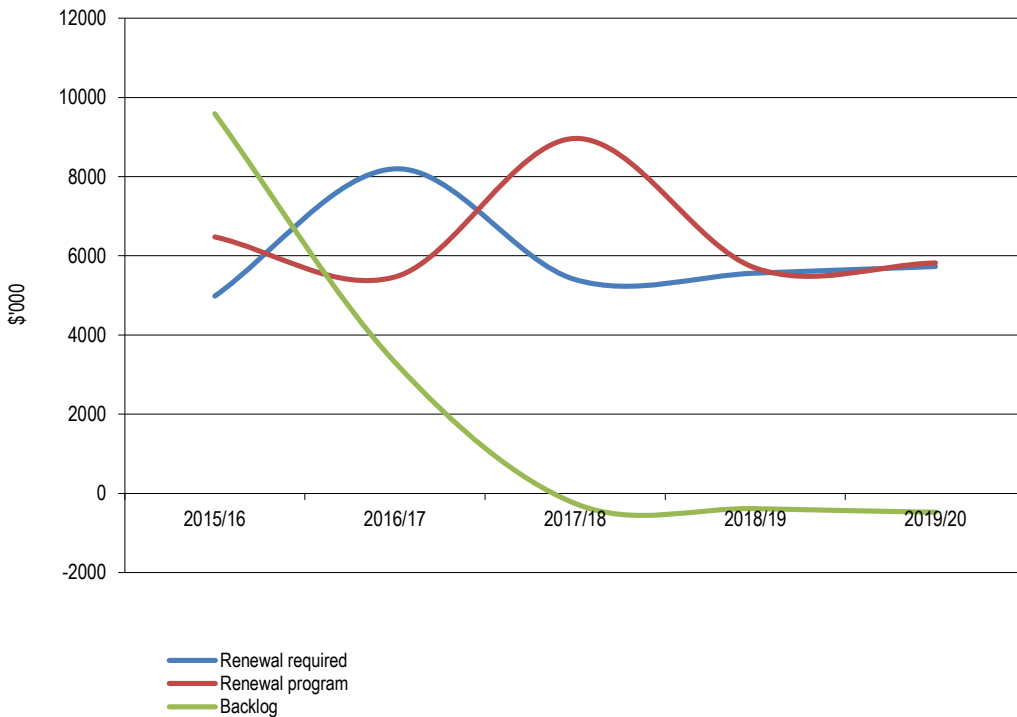
Refer also Section 3 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

8.5 Capital works



The capital works program for the 2017/18 year is expected to be \$13.09M. Of this total \$3.42M is budgeted to be carried forward from the 2016/17 year. Of the \$13.09M of capital funding required, \$3.63M will come from external grants, \$0.15 M from contributions, with the balance of \$9.30M from Council cash. The Council cash amount comprises asset sales (\$1.13M), cash generated through operations in the 2017/18 financial year (\$6.55 million) and unrestricted cash and investments (\$1.62 million). The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. This year's program continues to focus on roads and bridges renewal. (Capital works is forecast to be \$7.89M for the 2016/17 year).

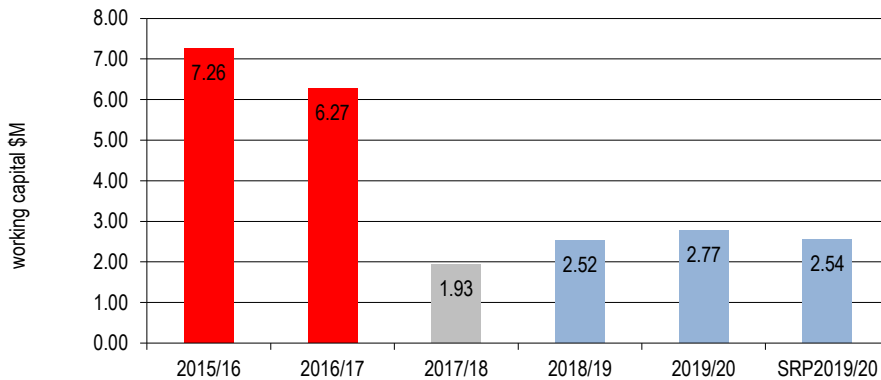
The graph below sets out the required and actual asset renewal over the life of the current Strategic Resource Plan and the renewal backlog.



The asset renewal program of \$8.96M for the 2017/18 year will continue to significantly reduce the infrastructure asset renewal gap.

Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

8.6 Financial position

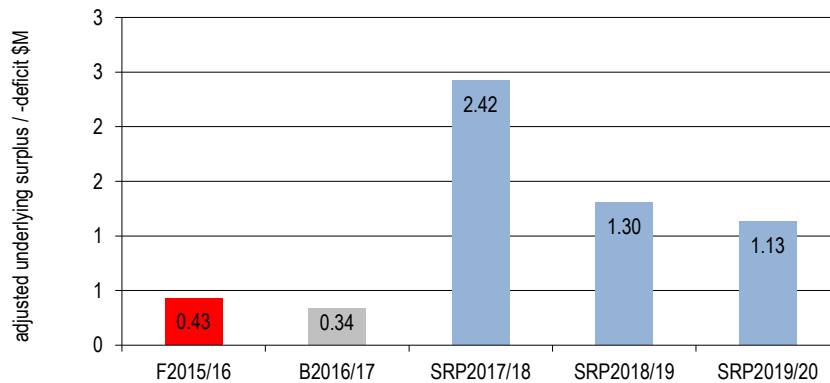


The financial position is expected to improve with net assets (net worth) to increase by \$3.20M to \$283.70M although net current assets (working capital) will reduce by \$4.34M to \$1.93M as at 30 June 2018. This is mainly due to the use of cash reserves to fund the capital works program. (Total equity is forecast to be \$283.70M as at 30 June 2018).

Working capital is the net value of current assets less current liabilities and reflects the Council's short term capacity to fund its operations.

Refer also Section 3 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

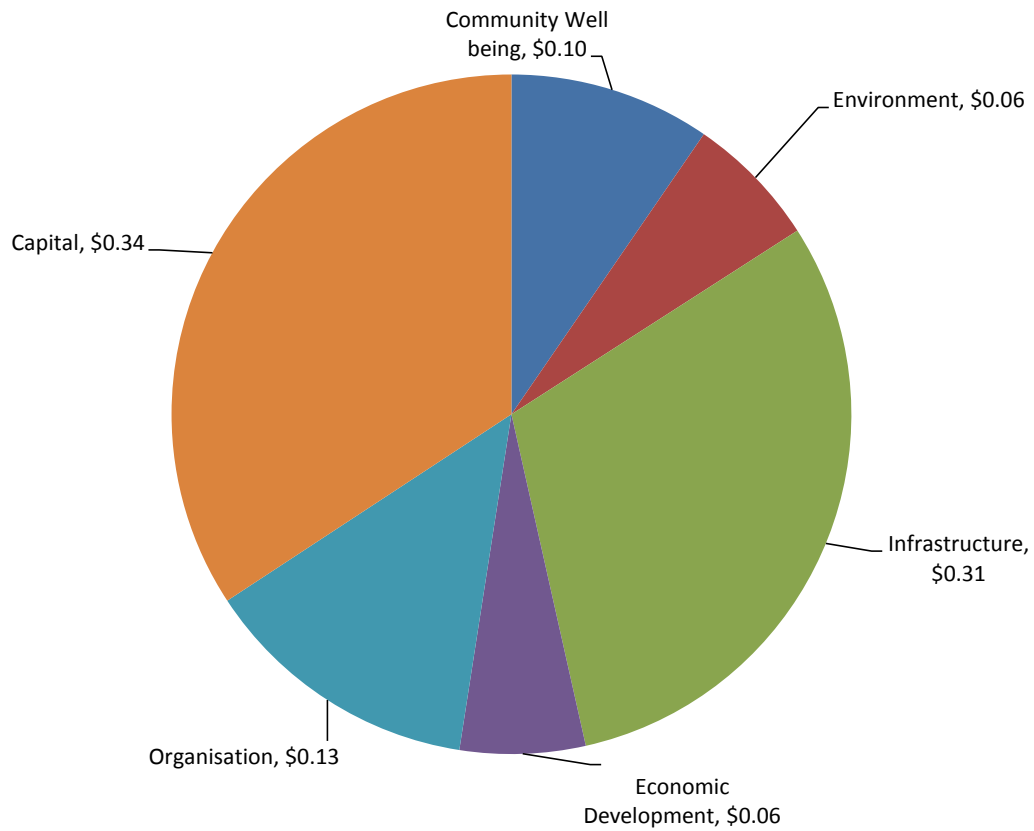
8.7 Financial sustainability



A high level Strategic Resource Plan for the years 2017/18 to 2021/22 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, is steady for the forecast years.

Refer Section 14 for more information on the Strategic Resource Plan.

8.9 Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the Council Plan goals that it deliver. It shows how much is allocated to each area for every dollar that Council spends.

9. Budget influences

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

9.1 Snapshot of Strathbogrie Shire Council

Strathbogrie 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.

Strathbogrie 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

The estimated resident population of the shire was 9,958 people in 2016. 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.

9.2 External influences

In preparing the 2017/18 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:

- Enterprise Bargaining Agreement renegotiated 1 July 2015. Annual increment of 2.15% for 2017/18;
- Consumer Price Index (CPI) increases of less than 3% per annum;
- Continuation of rate capping for Victorian Local Governments; and,
- Climate and other environmental impacts.

9.3 Internal influences

As well as external influences, there are also a number of internal influences which will have a significant impact on the preparation of the 2017/18 Budget. These include:

- Council's continuing support for shared services arrangements with other councils; and,
- Focus on service review and containment of costs; and,
- Council's continuing long term strategic investment on infrastructure renewal.

9.4 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 2016/17 levels with an aim to use less resources with an emphasis on innovation and efficiency; and,
- Real savings in expenditure and increases in revenue identified in 2016/17 to be preserved.

9.5 Long Term Strategies

The budget includes consideration of a number of long term strategies which assist Council in considering the Budget in a strategic financial management context. These include a Strategic Resource Plan for the years 2017 to 2021 (section 14), Rating Strategy (section 15) and Other long term strategies (section 16) including borrowings, infrastructure and service delivery.

10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2017/18 year.

10.1 Budgeted income statement

		Forecast		
	Ref	Actual 2016/17	Budget 2017/18	Variance
		\$'000	\$'000	\$'000
Total income	10.2	28,084	29,704	1,620
Total expenses	10.3	(27,102)	(26,503)	599
Surplus (deficit) for the year		982	3,201	2,219
Grants –non-recurrent capital	10.2.6	0	(500)	(500)
Contributions - non-monetary assets		0	0	0
Capital contributions - other sources	10.2.4	(646)	(277)	369
Adjusted underlying surplus (deficit)		336	2,424	2,088

10.1.1 Adjusted underlying result (\$2.09 M increase)

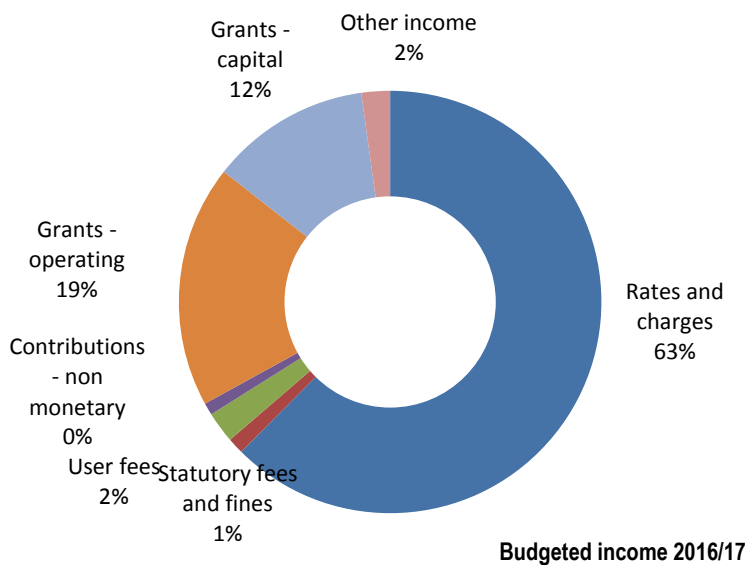
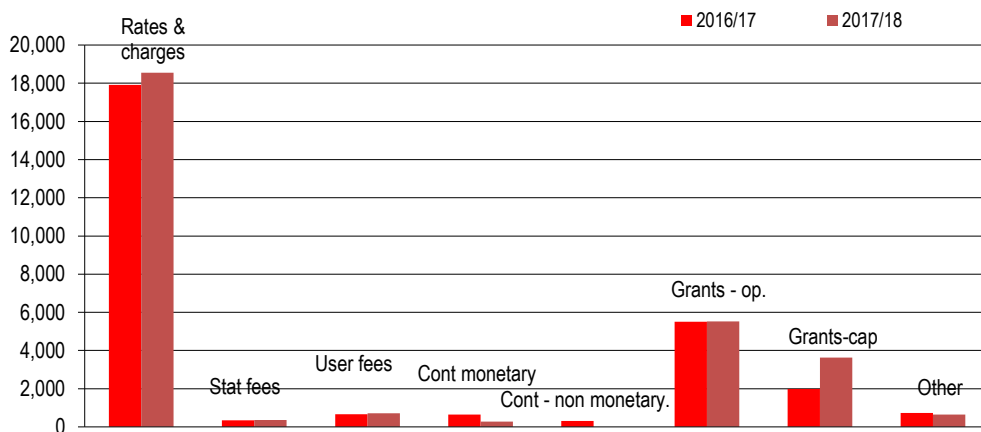
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/18 year is a surplus of \$2.42M which is an increase of \$2.09M from the 2016/17 year.

The variance primarily relates to the transfer of 2016/17 Roads to recovery funding of \$1.08M to 2017/18.

10.2 Income

Income Types	Ref	Forecast		Variance
		Actual 2016/17 \$'000	Budget 2017/18 \$'000	
Rates and charges	10.2.1	17,909	18,550	641
Statutory fees and fines	10.2.2	339	367	28
User fees	10.2.3	668	709	41
Contributions - monetary	10.2.4	646	277	(369)
Contributions - non monetary	10.2.5	307	0	(307)
Grants - operating	5.1.1	5,500	5,517	17
Grants - capital	5.1.2	1,980	3,634	1,654
Other income	10.2.6	735	650	(85)
Total income		28,084	29,704	1,620

\$'000



Source: Section 3

10.2.1 Rates and charges (\$0.641M increase)

It is proposed that income raised by rates and charges be increased by 3.3% or \$0.59 million over 2016/17 to \$18.5 million. General rates and the Municipal Charge are proposed to increase a combined 2.0%, with the Municipal Charge remaining unchanged at \$266. Waste management charges are increased by 3%. The difference between the percentage increase for total rates and charges (3.3%) and the proposed rates increase of 2.0% is the result of a budgeted 0.74% growth in the rate base for 2017/18, and an increase in the number and cost of waste management services. The total increase of \$0.641M includes charges for special rate schemes totalling \$0.05M.

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017/18 and the rates and charges specifically required by the Regulations.

10.2.2 Statutory fees and fines (\$0.028M increase)

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

Statutory fees are forecast to increase by 8.26% or \$0.028M compared to 2016/17 largely due to increases in Statutory Planning fees introduced by State Government.

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

10.2.3 User fees (\$0.041M increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These services include saleyards, Euroa Cinema, Nagambie Regatta Centre, caravan parks and transfer stations. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels.

User fees are forecast to increase by 6.14% or \$0.041M compared to 2016/17.

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

10.2.4 Contributions - monetary (\$0.369M decrease)

Contributions relate to monies paid by developers for public resort and recreation, drainage and car parking in accordance with planning permits issued for property development.

Contributions-monetary are projected to decrease by \$0.369M compared to 2016/17.

10.2.5 Contributions - non monetary (\$0.307M decrease)

Contributions-non monetary are contributions of non-current assets for which there is no monetary consideration.

Contributions-non monetary are projected to decrease by \$0.307 million compared to 2016/17.

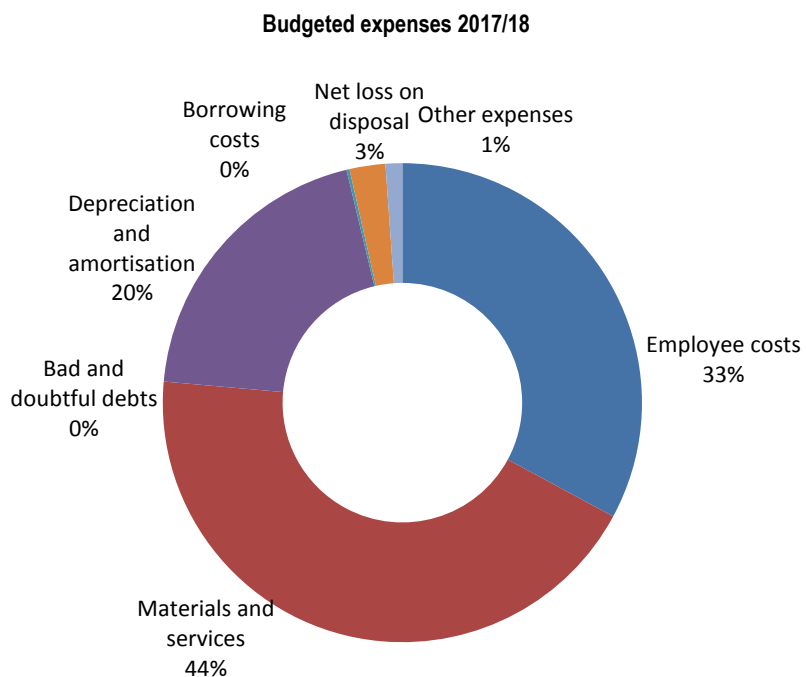
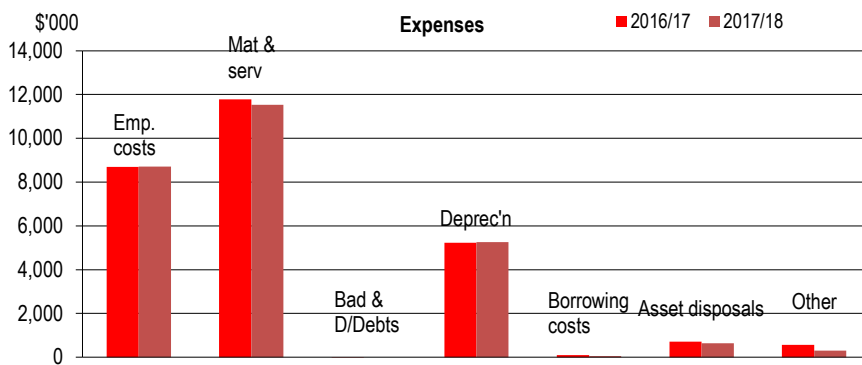
10.2.6 Other income (\$0.085M decrease)

Other income relates to a range of miscellaneous income items and including interest revenue on investments and rate arrears and payments from insurers for work cover and income protection claims.

Other income is forecast to decrease by \$0.085M compared to 2016/17.

10.3 Expenses

Expense Types	Ref	Forecast		Variance \$'000
		Actual 2016/17 \$'000	Budget 2017/18 \$'000	
Employee costs	10.3.1	8,702	8,713	11
Materials and services	10.3.2	11,786	11,537	(249)
Bad and doubtful debts	10.3.3	1	0	(1)
Depreciation and amortisation	10.3.4	5,234	5,259	25
Borrowing costs	10.3.5	103	54	(49)
Net loss on disposal of property, infrastructure, plant and equipment	10.3.6	711	641	(70)
Other expenses	10.3.7	565	299	(266)
Total expenses		27,102	26,503	(599)



Source: Section 3

10.3.1 Employee costs (\$0.011M increase)

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

Employee costs are forecast to increase by 0.13% or \$0.011M compared to 2016/17. This increase relates to two key factors:

- Renegotiation of Council's Enterprise Bargaining Agreement (EBA) which applies a 2.15% increment for 2017/18.
- Impact of organisation restructure in 2016/17 and consequent savings in 2017/18.

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

Department	Budget 2017/18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Executive	333	333	0
Corporate and community	1,385	1,053	332
Sustainable development	1,398	1,024	374
Assets	5,198	4,869	329
Total permanent staff expenditure	8,314	7,279	1,035
Casuals and other expenditure costs	332		
	8,646		
Capitalised labour costs	67		
Total expenditure	8,713		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Executive	2	2	0
Corporate and community	18	14	4
Sustainable development	15	10	5
Assets	58	54	4
Total	93	80	13
Casuals and other	2		
Capitalised labour costs	1		
Total staff	96		

The movements in employee costs by service unit are summarised below:

Department	ServiceUnit	Forecast	Budget 2017/18 \$'000	Variance \$'000
		Actual 2016/17 \$'000		
Executive		310	332	22
Corporate and community		2,027	1640	(387)
Sustainable development		1,479	1398	(81)
Assets		4,886	5343	457
		8,702	8,713	11

10.3.2 Materials and services (\$0.249M decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 2.11% or \$0.249M compared to 2016/17.

10.3.3 Bad and doubtful debts (zero movement)

No bad debt write offs or increase in doubtful debt provision are provided.

10.3.4 Depreciation and amortisation (\$0.025M increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.025M for 2017/18 is due mainly to the impacts of Council's capital works program and infrastructure asset revaluations. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/18 year.

10.3.5 Borrowing costs (\$0.049M decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

10.3.6 Net loss on disposal of property, infrastructure, plant and equipment (\$0.070M decrease)

Proceeds from the disposal of Council assets is forecast to be \$1.132M for 2017/18 and relates to the sale of land at the former Nagambie works depot (\$0.352M) and other council properties (\$0.48M) the planned cyclical replacement of part of the plant and vehicle fleet (\$0.30M) . The written down value of assets sold is forecast to be \$1.273M.

This item also includes the written down value of assets replaced (\$0.500 million)

10.3.7 Other expenses (\$0.266M decrease)

Other expenses relate to a range of unclassified items including Councillor allowances and expenses. The decrease largely reflects removal of a one off contribution of \$300,000 to Euroa Hospital provided in the 2016/17 budget.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 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.

11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		17,909	18,550	641
User fees and fines		1,007	1,076	69
Grants - operating		5,500	5,517	17
Grants - capital		1,980	3,634	1,654
Interest		290	200	(90)
Other receipts		1,092	677	(415)
		27,778	29,654	1,876
<i>Payments</i>				
Employee costs		(8,702)	(8,713)	(11)
Other payments		(12,354)	(11,853)	501
		(21,056)	(20,566)	490
Net cash provided by operating activities		6,722	9,088	2,366
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant & equip.		(7,888)	(13,086)	(5,198)
Proceeds from sale of property, infrastructure, plant and equipment		940	1,132	192
Payments for landfill rehabilitation		(524)	0	524
Net cash used in investing activities		(7,472)	(11,954)	(4,482)
Cash flows from financing activities	11.1.3			
Finance costs		(103)	(54)	49
Proceeds from borrowings		0	0	0
Repayment of borrowings		(472)	(512)	(40)
Net cash used in financing activities		(575)	(566)	9
Net decrease in cash and cash equivalents		(1,325)	(3,432)	(2,107)
Cash and cash equivalents at the beginning of the year		10,580	9,255	(1,325)
Cash and cash equivalents at end of the year	11.1.4	9,255	5,823	(3,432)

11.1.1 Operating activities (\$2.37M increase)

The increase in receipts from operating activities is due mainly to increased rates and charges (\$0.641M) and user fees and fines (\$0.069M) increased capital grants (rollover of R2R)(\$1.654M), and is offset by the decreased interest in investments (\$0.09M) and decreased other receipts (\$0.415M) . Other payments have decreased by \$0.501M.

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

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Surplus (deficit) for the year	982	3,201	2,219
Depreciation	5,234	5,259	25
Loss (gain) on disposal of property, infrastructure, plant & equipment	(711)	(641)	70
Finance costs	103	54	(49)
Net movement in current assets and liabilities	1,114	1,215	101
Cash flows available from operating activities	6,722	9,088	2,366

11.1.2 Investing activities (\$4.482M increase)

The increase relates primarily to works carried forward from 2016/17 (\$3.33M). Council has maintained a high level of capital works, with continuing emphasis on infrastructure asset renewal. The capital works budget of \$13.09M is detailed in Sections 6 and 12 of this budget.

11.1.3 Financing activities (\$0.009M decrease)

For 2017/18 the total of principal repayments is \$0.512M and finance charges is \$0.054M.

11.1.4 Cash and cash equivalents at end of the year (\$3.432M decrease)

Overall, total cash and investments is forecast to decrease by \$3.432M to \$5.823M as at 30 June 2018, reflecting Council's strategy of using excess cash and investments for infrastructure renewal, including capital works carried forward from 2016/17 (\$3.33M). This is consistent with Council's Strategic Resource Plan (see Section 8), which forecasts Council's continuing efforts to reduce the infrastructure renewal gap.

11.2 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 2018 it will have cash and investments of \$5.823M, which has been restricted as shown in the following table.

		Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Total cash and investments		9,255	5,823	(3,432)
Restricted cash and investments				
- Statutory reserves	11.2.1	(100)	(100)	0
- Cash held to carry forward capital works	11.2.2	(3,327)	0	3,327
- Trust funds and deposits		(762)	(762)	0
Unrestricted cash and investments	11.2.3	5,066	4,961	(105)
- Discretionary reserves	11.2.4	(500)	(1,000)	(500)
Unrestricted cash adjusted for discretionary reserves	11.2.5	4,566	3,961	(605)

11.2.1 Statutory reserves (\$0.10 million)

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

11.2.2 Cash held to fund carry forward capital works

Council's forecasts \$3.33M in capital works to be carried forward from 2016/17.

11.2.3 Unrestricted cash and investments (\$4.96M)

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

11.2.4 Discretionary reserves (\$1.00M)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

11.2.5 Unrestricted cash adjusted for discretionary reserves (\$3.96M million)

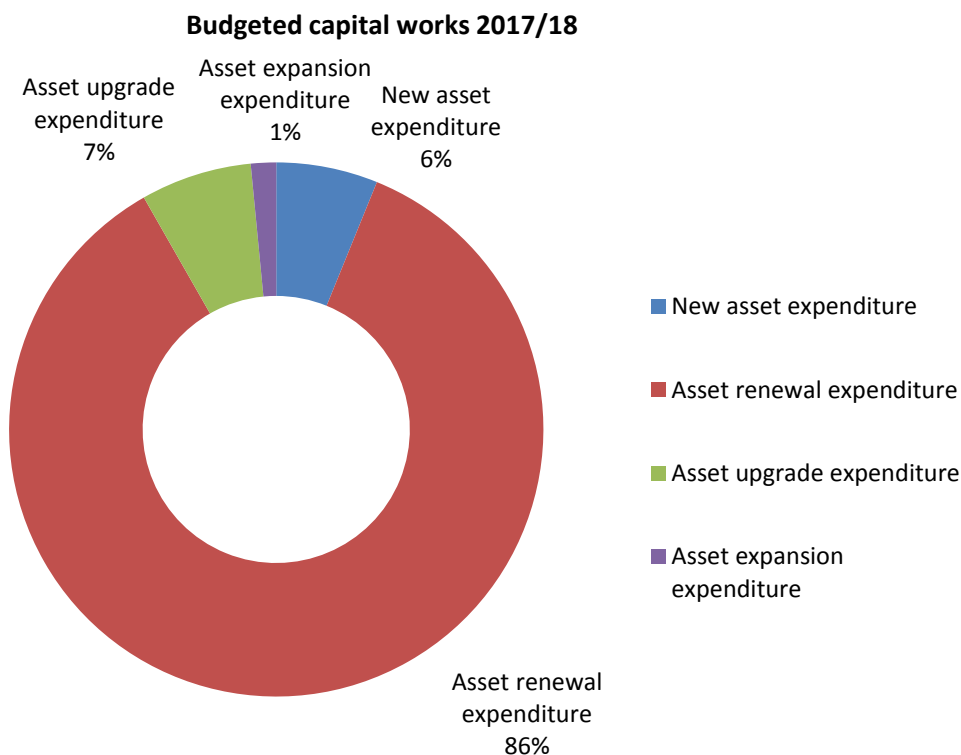
These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum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

12. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2016/17 year and the sources of funding for the capital budget.

12.1 Capital works

Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Works carried forward	12.1.1			
Property				
Buildings		450	834	(384)
Total buildings		450	834	(384)
Total property		450	834	(384)
Plant and equipment				
Computers and telecommunications		95	0	95
Total plant and equipment		95	0	95
Infrastructure				
Roads		273	652	(379)
Bridges		640	1,364	(724)
Drainage		263	513	(250)
Waste management		0	0	0
Parks, open space and streetscapes		134	60	74
Total infrastructure		1,310	2,589	(900)
Total works carried forward		1,855	3,423	(1,189)
New works				
Property	12.1.2			
Land		40	0	40
Buildings		471	578	(107)
Total buildings		511	578	(107)
Total property		511	578	(107)
Plant and equipment	12.1.3			
Plant, machinery and equipment		480	984	(504)
Fixtures, fittings and furniture		216	206	10
Computers and telecommunications		155	200	(45)
Total plant and equipment		851	1,390	(539)
Infrastructure	12.1.4			
Roads		2,478	5,288	(2,810)
Bridges		1,257	1,072	185
Footpaths and cycleways		548	186	362
Drainage		161	747	(586)
Recreational, leisure and community		0	0	0
Parks, open space and streetscapes		226	405	(179)
Total infrastructure		4,670	7,698	(3,028)
Total new works		6,032	9,666	(3,674)
Total capital works expenditure		7,887	13,089	(4,863)
Represented by:				
New asset expenditure	12.1.5	768	1,769	(1,001)
Asset renewal expenditure	12.1.5	6,360	8,964	(2,604)
Asset upgrade expenditure	12.1.5	710	2,151	(1,441)
Asset expansion expenditure	12.1.5	49	205	(156)
Total capital works expenditure		7,887	13,089	(5,202)



Source: Section 3. A more detailed listing of capital works is included in Section 6.

12.1.1 Carried forward works (\$3.42 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016/17 year it is forecast that \$3.42 million of capital works will be carried forward.

12.1.2 Property (\$1.41 million)

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

For the 2017/18 year, \$1.41 million will be expended on building and building improvement projects. The more significant projects include works on Avenel Hall (\$300,000), Nagambie High street Toilets (\$200,000), Brock Street, Euroa Toilets (\$184,000), Euroa maternal health upgarde (\$135,000), Violet Town Oval Toilets (\$100,000) and Euroa visitor information centre (\$100,000)

12.1.3 Plant and equipment (\$1.39 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, and library books.

For the 2017/18 year, \$1.39 million will be expended on plant, equipment and other projects. The more significant projects include OH&S programs (\$676,000), upgrade and replacement of information technology including replacement of phone system (\$406,000) ongoing cyclical replacement of the plant and vehicle fleet (\$307,500).

12.1.4 Infrastructure (\$10.287 million)

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

For the 2017/18 year, \$5.940 million will be expended on road projects. Details of the proposed roads works are provided in Section 6.

\$2.436 million will be expended on the replacement and rehabilitation of bridges as a result of receiving additional roads to recovery funding. This will significantly improve the life and load capacity of these bridges.

\$1.26 million will be expended on drainage projects. The more significant of these include the Campbell street Euroa(\$255,000),Euroa- Mansfield drainage (\$221,635), Stormwater pipelines and pit renewal (\$200,000)Euroa flood levee(\$180,000)

Other infrastructure expenditure includes \$651,000 on the extension and rehabilitation of Council footpaths and pathways and the upgrade of facilities at caravan park \$110,000.

12.1.5 Asset renewal (\$8.964 million), new assets (\$1.769 million), upgrade (\$2.151 million) and expansion (\$0.205 million)

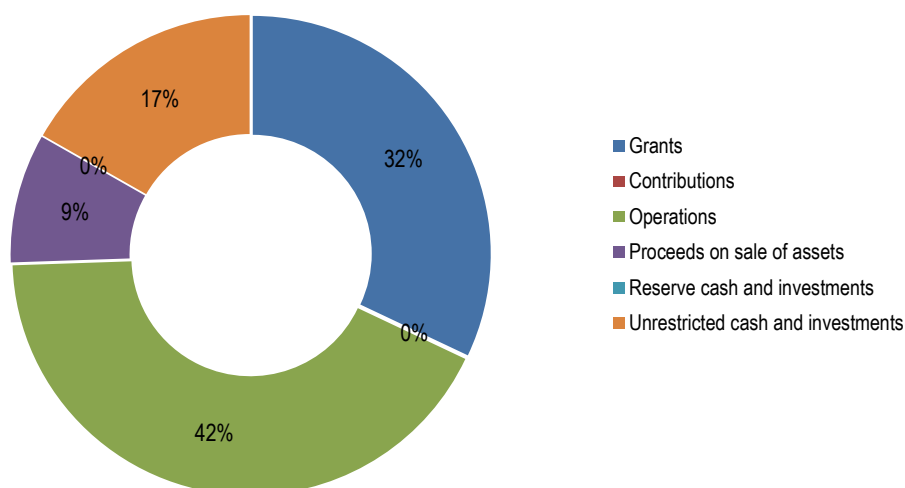
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have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

Strathbogie Council has a strong commitment to the renewal of its assets, with a particular emphasis on the renewal of Council bridges during the 2017/18 financial year (\$2.436 million). Council will spend a further \$5.94 million on road reconstruction, reseals and resheeting during the year.

12.2 Funding sources

Sources of funding	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Works carried forward				
Current year funding				
Grants		0	1,800	(1,800)
Contributions		0		0
Borrowings		0		0
Council cash		0		0
- operations		0		0
- proceeds on sale of assets		0		0
- reserve cash and investments		0		0
- unrestricted cash and investments		1,855	1,623	(232)
Total works carried forward	12.2.1	1,855	3,423	(2,032)
New works				
Current year funding				
Grants	12.2.2	1,991	1,834	(157)
Contributions		0	155	155
Borrowings		0	0	0
Council cash				0
- operations	12.2.3	3,071	6,545	3,474
- proceeds on sale of assets	12.2.4	970	1,132	162
- reserve cash and investments		0		0
- unrestricted cash and investments		0		0
Total new works		6,032	9,666	3,634
Total funding sources		7,887	13,089	1,602

Budgeted total funding sources 2017/18



Source: Section 6

12.2.1 Carried forward works (\$3.423 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2017/18 year it is forecast that \$3.423 million of capital works will be carried forward.

12.2.2 Grants - Capital (\$3.634 million)

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

12.2.3 Council cash - operations (\$5.781 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$5.781 million will be generated from operations to fund the 2017/18 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$1.132 million)

Proceeds from sale of assets include plant and motor vehicle sales in accordance with Council's fleet renewal policy along with other assets that have been identified to be in surplus of Council's needs, \$1.132 million.

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/17 and 2017/18. It also considers a number of key financial performance indicators.

13.1 Budgeted balance sheet

		Forecast		
	Ref	Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		9,255	5,823	(3,432)
Trade and other receivables		1,903	1,903	0
Other assets		2,016	1,057	(959)
Total current assets		13,174	8,783	(4,391)
Non-current assets	13.1.1			
Trade and other receivables		244	244	0
Property, infrastructure, plant and equipment		275,377	282,401	7,024
Total non-current assets		275,621	282,645	7,024
Total assets		288,795	291,428	2,633
Current liabilities	13.1.2			
Trade and other payables		3,346	3,292	54
Provisions		3,038	3,038	0
Interest-bearing loans and borrowings		522	522	0
Total current liabilities		6,906	6,852	54
Non-current liabilities	13.1.2			
Provisions		699	699	0
Interest-bearing loans and borrowings		678	164	514
Total non-current liabilities		1,377	863	514
Total liabilities		8,283	7,715	568
Net assets		280,512	283,713	3,201
Equity	13.1.4			
Accumulated surplus		82,093	84,794	2,701
Reserves		198,419	198,919	500
Total equity		280,512	283,713	3,201

Source: Section 3

13.1.1 Current Assets (\$4.391M decrease) and Non-Current Assets (\$7.024M 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 \$3.432M during the year mainly to fund the capital works program during the year including capital works carried forward from 2016/17 of \$3.42M.

Trade and other receivables are monies owed to Council by ratepayers and others. Debtors are expected to remain constant

Other assets includes items such as non current assets held for resale are projected to reduce by \$0.959M, prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

13.1.2 Current Liabilities (\$0.054M decrease) and Non Current Liabilities (\$0.514M decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to decrease by \$0.054M.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase generally in line with award and EBA increments.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$0.512M over the year.

13.1.3 Working Capital (\$4.337M decrease)

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

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

	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	13,174	8,783	4,391
Current liabilities	6,906	6,852	54
Working capital	6,268	1,931	4,337
Restricted cash and investment current assets			
- Statutory reserves	(100)	(100)	0
Unrestricted working capital	6,168	1,831	4,337

In addition to the restricted cash shown above, Council is also projected to hold \$1.1 million in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes, which is to replace Council's aging bridges.

13.1.4 Equity (\$3.201 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.

During the year an amount of \$0.50 million is budgeted to be transferred from accumulated surplus to discretionary reserves. This reserve is for planned future capital works where a Council contribution may be required to supplement Government or other funding.

13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Trade and other receivables increased 5% from 2016/17 levels.
- Trade and other payables remain consistent with 2016/17 levels.
- Other debtors and creditors to remain consistent with 2016/17 levels.
- Employee entitlements to be increased generally in line with award and EBA increments.
- Repayment of loan principal to be \$0.51 million.
- Total capital expenditure to be \$13.089 million.

Long Term Strategies

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies

14. Strategic resource plan

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

14.1 Plan development

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

Council has prepared an SRP for the four years 2017/18 to 2021/22 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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

- Maintain existing service levels
- Achieve a breakeven operating result
- Maintain a capital expenditure program which will manage the renewal gap and allow for investment in new and upgraded assets over time
- Achieve a balanced budget on a cash basis.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Maintain a rating strategy which supports the long term renewal of Council's infrastructure assets
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

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

14.2 Financial resources

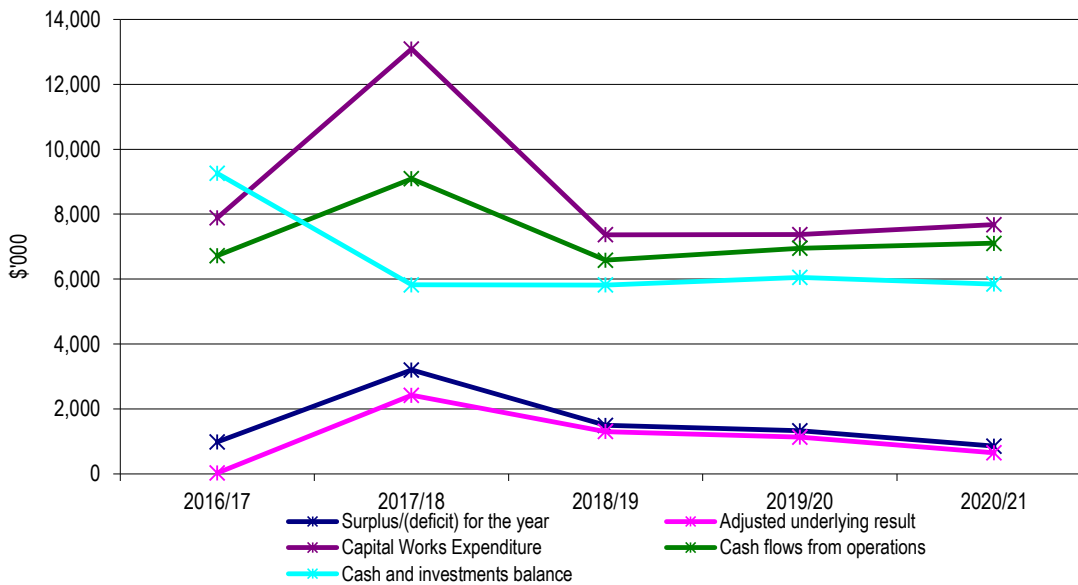
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/18 to 2020/21. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2016/17	2017/18	2018/19	2019/20	2020/21	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	982	3,201	1,497	1,330	855	o
Adjusted underlying result	29	2,424	1,304	1,132	651	o
Cash and investments balance	9,255	5,823	5,819	6,056	5,846	-
Cash flows from operations	6,722	9,088	6,584	6,947	7,103	o
Capital works expenditure	7,888	13,089	7,366	7,371	7,674	o

Key to Forecast Trend:

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

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 11)** - Cash and investments is forecast to remain stable over the four year period at between \$5.8 and \$6.0 million with an operating surplus in each year on a cash basis in each year
- Rating levels (Section 15)** - Modest rate increases are forecast over the four years commencing with an increase of 2.0% for 2017/18
- Service delivery strategy (section 16)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are budgeted for 2017/18 and forecast years. The profile for the adjusted underlying result is similar to the operating result as a consequence of reduced levels of capital funding over the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$1.2 million to \$0.29 million over the four year period. No new borrowings are proposed.
- Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$30.23 million at an average of \$7.55 million.

15. Rating information

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

15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 63.0% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Victorian community.

Council has had a recent history of relatively high rate increases, the specific and strategic purpose of which has been the long term renewal of infrastructure assets, ie roads, bridges, drainage etc. Significant progress has been made in relation to the condition of infrastructure assets and Council is now better placed to operate in the context of the Victorian Government's recently introduced rate capping regime.

15.2 Future rate increases

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2016.

Year	Rates and Mun. Charge Increase *	Waste Management Charges Increase	Total Rates & Charges Raised
	\$'000	\$'000	\$'000
2015/16	4.00	0.00	17,175
2016/17	2.50	0.00	17,909
2017/18	2.00	3.00	18,550
2018/19	2.00	3.00	19,007
2019/20	2.00	3.00	19,528

* Municipal Charge to remain unchanged at \$266

15.3 Rating structure

Council has established a rating structure which is comprised of three key elements. These are:

- Property values, form the central basis of rating under the *Local Government Act 1989*;
- A user pays component to reflect usage of certain services provided by Council; and,
- A fixed municipal charge per property to cover some of other administrative costs of the Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential, farming or commercial/industrial purposes. This distinction is based on the concept that farms and business/industrial properties should pay a fair and equitable contribution to rates taking into account the benefits those properties derive from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every four years.

The existing rating structure comprises five differential rates (residential, vacant residential, farm, commercial/industrial and vacant commercial/industrial), and a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to levy the rate for recreational lands at "such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands". The vacant residential rate is set at 175% of the residential rate, the farm rate at 85% of the residential rate, the commercial rate at 120% of the residential rate and the vacant commercial/industrial at 175% of the residential rate. The rate concession for recreational land is set at 50% of the residential rate. Council also levies a municipal charge, a kerbside collection charge, a recycling charge, an organics waste charge and a tree management charge as allowed under the Act.

First Home Buyers In order to promote development and attract new residents Council proposes to implement a scheme to assist buyers of new homes or those who build new homes with the following features :

- No rates payable for the first two years
- Proof of eligibility for and receipt of State First Home Buyers Grant to be provided
- Land must be rated as vacant residential land if a house does not exist on it
- House must be constructed within a period of 2 years from date of contract to purchase
- Rebate expires either at end of 2 year period or when a Certificate of Occupancy for a house is issued
- In the case where a First Home Buyer acquires a new house, Council would excuse those rates for a 2 year period

The following table summarises the rates to be determined for the 2017/18 year. A more detailed analysis of the rates to be raised is contained in Section 7 "Statutory Disclosures".

Rate type	How applied	2016/17	2017/18	Change
Residential rates	Cents/\$ CIV	0.522579	0.5340485	2.19%
Vacant residential rates	Cents/\$ CIV	0.9145133	0.934585	2.19%
Farm rates	Cents/\$ CIV	0.4441922	0.4539412	2.19%
Commercial/industrial rates	Cents/\$ CIV	0.6270948	0.6408582	2.19%
Vacant commercial/industrial rates	Cents/\$ CIV	1.097416	1.1215019	2.19%
Municipal charge	\$/ property	\$266	\$266	0.00%
Kerbside/recycling/organics	\$/ service	\$500	\$515	3.00%
Kerbside collection charge 80 litre	\$/ service	\$339	\$349	2.95%
Kerbside collection charge 120 litre	\$/ service	\$339	\$349	2.95%
Kerbside collection charge 240 litre	\$/ service	\$679	\$699	2.95%
Recycling charge	\$/ service	\$161	\$166	3.11%
Tree management charge	\$/ property	\$25	\$26	4.00%

Council has prepared a *Rating Strategy which is incorporated into the Strategic Resource Plan* that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

15.4 General revaluation of properties

During the 2015/16 year, a revaluation of all properties within the municipality was carried out and applies from 1 July 2016 for the 2016/17 and 2017/18 years. The outcome of the general revaluation was a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district increased by 5.3%. Of this increase, residential properties increased by 3%, commercial properties by 7% and farm properties by 8%.

In view of the outcomes of the general revaluation of all properties within the Council's municipal district during the 2015/16 year, Council has chosen not to make any changes to the existing rate differentials. Total rates and municipal charges will increase by 2.0% (excluding supplementary growth) compared to 2016/17.

16. Summary of other strategies

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

16.1 Borrowings

In developing the Strategic Resource Plan SRP (see Section 14), it was identified that Council could maintain its infrastructure renewal effort without reliance on additional borrowings over the four year forecast period. Consequently the level of borrowings reduces over the period to \$0.294 million in 2020/21.

For the 2017/18 year, Council will make loan repayments of \$0.512 million, reducing its total borrowings to \$.706 million as at 30 June 2018. However, it is likely that in future years, borrowings will be required to fund infrastructure initiatives. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	0	488	103	1,202
2017/18	0	511	54	691
2018/19	0	186	35	505
2019/20	0	137	25	368
2020/21	0	86	18	282

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

	2016/17	2017/18
Total amount borrowed as at 30 June of the prior year	1,690,258	1,202,184
Total amount proposed to be borrowed	0	0
Total amount projected to be redeemed	(488,074)	(511,551)
Total amount of borrowings as at 30 June	1,202,184	690,633

16.2 Infrastructure

The Council has developed an Infrastructure Strategy based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 20 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The Strategy has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

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

A key objective of the Infrastructure Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

Council has continued to maintain a strong focus on infrastructure renewal. The budget indicates that, over the forecast period, expenditure on infrastructure renewal will be maintained at a levels to meet renewal demand , subject to acceptance of a small percentage (3%) being out of intervention and some significant assets being subject to alternative renewal strategies. In the longer term however, the constraints of rate capping will impact future renewal effort.

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

Summary of funding sources					
Year	Total Capital Program \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2016/17	7,888	1,980	0	5,908	0
2017/18	13,089	3,634	0	9,455	0
2018/19	7,366	1,027	0	6,339	0
2019/20	7,371	1,055	0	6,316	0
2020/21	7,674	1,083	0	6,591	0

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

16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve ongoing breakeven operating results. The Rating Information (see Section 15.) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

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

	2017/18	2018/19	2019/20	2020/21
	%	%	%	%
Consumer Price Index	2.50	2.5	2.5	2.5
Rate increases	2.00	2.0	2.0	2.0
Property growth	0.70	0.7	0.7	0.7
Enterprise agreement	2.15	2.1	2.1	2.1
Government funding	2.00	2.0	2.0	2.0
Statutory fees	3.00	3.0	3.0	3.0
Investment return	2.50	2.5	2.5	2.5

Service levels have been maintained throughout the four year period with operating surpluses forecast in all years.

Appendix A
Fees and charges schedule

nature which will be charged in respect to various goods and services provided during the 2017/18 year.

Budget 2017/2018 - Council Fees	Fee Unit	GST Applicable	Current Fees 2016/17 (IncGST)	Fee 2017/18 (Inc GST)	% Increase 2017/18 (Inc GST)
<u>Euroa Cinema</u>					
Single Ticket	1 ticket	Yes	10.00	10.00	0.00%
Book of Tickets					
cinema hire fee - half day or evening	session	Yes	181.00	200.00	3.00%
<u>Swimming Pools</u>					
Family	Season	Yes	87.00	87.00	0.00%
Adult	Season	Yes	58.00	58.00	0.00%
Child	Season	Yes	38.00	38.00	0.00%
Adult	Day	Yes	5.00	5.00	0.00%
Child	Day	Yes	4.00	4.00	0.00%
<u>Tip/Transfer Station Fees</u>					
Commercial Garbage (Residents)	m3	Yes	54.00	56.00	3.70%
Commercial Garbage (Non - Residents)	m3	Yes	98.00	101.00	3.06%
Domestic Garbage (Residents)	m3	Yes	34.00	35.00	2.94%
Domestic Garbage (Non - Residents)	m3	Yes	68.00	70.00	2.94%
Greenwaste (Residents)	m3	Yes	17.00	17.00	0.00%
Greenwaste (Non-Residents)	m3	Yes	22.00	22.00	0.00%
Whitegoods (Requiring degassing)	unit	Yes	9.00	9.00	0.00%
Mattresses/Mattress Bases (Single) (Residents)	unit	Yes	20.00	24.00	20.00%
Mattresses/Mattress Bases (Single) (Non-Residents)	unit	Yes	40.00	48.00	20.00%
Mattresses/Mattress Bases (Double) (Residents)	unit	Yes	27.00	27.00	0.00%
Mattresses/Mattress Bases (Double) (Non-Residents)	unit	Yes	54.00	54.00	0.00%
Tyres - Car (Residents)	unit	Yes	5.00	5.00	0.00%
Tyres - Car (Non-Residents)	unit	Yes	10.00	10.00	0.00%
Tyres - Light Truck/4WD (Residents)	unit	Yes	12.00	12.00	0.00%
Tyres - Light Truck/4WD (Non-Residents)	unit	Yes	17.00	17.00	0.00%
Tyres - Heavy Truck (Residents)	unit	Yes	26.00	26.00	0.00%
Tyres - Heavy Truck (Non-Residents)	unit	Yes	31.00	31.00	0.00%
Tyres - Tractor (Residents)	unit	Yes	65.00	66.00	1.54%
Tyres - Tractor (Non-Residents)	unit	Yes	75.00	76.00	1.33%
Tyres - Earthmoving (Residents)	unit	Yes	155.00	155.00	0.00%
Tyres - Earthmoving (Non-Residents)	unit	Yes	185.00	185.00	0.00%
Co-mingled Recyclables - Residential (Residents)	m3		No charge	No charge	
Co-mingled Recyclables - Residential (Non-Residents)	m3	Yes	7.00	7.00	0.00%
Co-mingled Recyclables -Commercial/Business (Residents)	m3	Yes	5.00	5.00	0.00%
Co-mingled Recyclables -Commercial/Business (Non-Residents)	m3	Yes	10.00	10.00	0.00%
Gas Bottles (<9kg) (Residents)	unit	Yes	7.00	8.00	14.29%
Gas Bottles (<9kg) (Non-Residents)	unit	Yes	11.00	12.00	9.09%
Gas Bottles (9kg) (Residents)	unit	Yes	10.00	10.00	0.00%
Gas Bottles (9kg) (Non-Residents)	unit	Yes	17.00	17.00	0.00%
Gas Bottles (>9kg) (Residents)	unit	Yes	16.00	18.00	12.50%
Gas Bottles (>9kg) (Non-Residents)	unit	Yes	24.00	26.00	8.33%
TV's/Computers	unit	Yes	No charge	No charge	0.00%
<u>General File/Permit Retrieval</u>					
Admin Fee Electronic Retrieval of file (Planning, Building,Health, Septic, Food)	per file	Yes	37.00	-	-100.00%
plus scan up to A3 1-50 pages	page	Yes	0.17	-	-100.00%
plus scan up to A3 51-100 pages	page	Yes	0.16	-	-100.00%
plus scan greater than A3	page	Yes	1.60	-	-100.00%
Admin Fee Hard Copy Retrieval of file (Planning, Building,Health, Septic, Food)	per file	Yes	37.00	-	-100.00%
Scan up to A3 1-50 pages plus general photocopying charge	page	Yes	0.17	-	-100.00%
Scan up to A3 51-100 pages plus general photocopying charge	page	Yes	0.16	-	-100.00%
Scan greater than A3 plus general photocopying charge	page	Yes	1.60	-	-100.00%
<u>General Photocopying</u>					

A4 (each)	page	Yes	1.00	-	-100.00%
A3 (each)	page	Yes	2.00	-	-100.00%
A2 (each)	page	Yes	3.00	-	-100.00%
A1 (each)	page	Yes	5.00	-	-100.00%
<u>Building Fees</u>					
Domestic Building Works:					
New Dwellings up to \$180,000	app'n	No	2,622.00	2,701.00	3.01%
New Dwellings Over \$180,000	app'n	No	2,896.00	2,983.00	3.00%
Additions to Dwelling, Garage, Decks, Pergolas, Fencing, Masts etc. \$0 - \$30,000	app'n	No	819.00	843.00	2.93%
Additions Over \$30,000 to \$180,000	app'n	No	1,202.00	1,238.00	3.00%
Industrial / Commercial					
Minor Works to \$10,000	app'n	No	1,978.00	2,037.00	2.98%
Minor Works \$10,000 to \$30,000 (Cost of works x 0.0145+\$2,000)	app'n				
Building Works \$30,000 to \$500,000 (Cost of works x0.0145+\$2,000)	app'n				
Building Works Above \$500,000 (POA)	app'n				
Service Fees					
Building Permit Extension Class 1	app'n	No	196.00	202.00	3.06%
Building Permit Extension Class 10	app'n	No	109.00	112.00	2.75%
Essential Safety Measures Report per hour (Minimum 2 hour charge)	hour	No	165.00	180.00	9.09%
Occupancy Inspection per hour (Minimum 2 hour charge)	hour	No	165.00	180.00	9.09%
Building Permit Amendments per hour (Minimum 2 hour charge)	hour	No	165.00	180.00	9.09%
Preparation of Reports per hour (Minimum 2 hour charge)	hour	No	165.00	180.00	9.09%
Installation Permit (Removable Dwellings under <i>Residential Tenancies Act</i>)	app'n	No	876.00	902.00	2.97%
P.O.P.E. Places Of Public Entertainment Approval	app'n	No	1,591.00	1,639.00	3.02%
P.O.P.E. Siting MBS approvals (Min 2 hours)	hour	No	170.00	180.00	5.88%
<u>Road Opening Permit Fees</u>					
Vehicle Crossing	Permit	No	127.00	130.00	2.36%
Other Road Openings - per Regulations					
Permit for removal of fallen timber	Permit	No	10.00	10.00	0.00%
Service Connections/Other	Permit	No	81.60	84.00	2.94%
<u>Domestic Animal Registration Fees</u>					
Standard Fee (As Set by Council)	Animal	No	170.00	175.00	2.94%
Reduced Fee (Set by the Act =not greater than 33.33% of Maximum Fee)	Animal	No	39.00	40.00	2.56%
Pensioner Fee (Set by the Act = 50% of Reduced Fees)	Animal	No	20.00	20.00	0.00%
Declared dogs (no concession)	Animal	No	258.00	350.00	35.66%
Declared Dogs - property inspection fee for dangerous, menacing or restricted breed	Inspection	No		50.00	
<u>Pound Fees</u>					
Domestic Animals (Dogs/Cats)	Day	No	17.00	20.00	17.65%
Domestic Animal - Administration Fee (Accounting/Advertising/Release etc)		No	103.00	125.00	21.36%
Domestic Animals - After Hours Collection Fee when impounded	Collection	No	103.00	125.00	21.36%
Livestock - Sheep	Head/Day	No	6.40	7.00	9.37%
Livestock - Cattle	Head/Day	No	17.00	20.00	17.65%
Livestock - Horses	Head/Day	No	17.00	20.00	17.65%
Livestock - Stallions & Bulls	Head/Day	No	60.80	70.00	15.13%
Livestock - Other	Head/Day	No	17.00	20.00	17.65%
Transport - By Staff	Trip	No	104.00	-	-100.00%
Transport - By Contractor	Trip				
Livestock - Administration Fee (Accounting/Advertising/Release etc)	per event	No	104.00	125.00	20.19%
<u>Impound/Call Out Fees</u>					
Staff impound/Call out fee		No	104.00	120.00	15.38%
Contractor impound/Call out fee					
<u>Surrender of Animals</u>					
Animals to be euthanased where owner surrenders -		No	88.00	90.00	2.27%
All animals		No	88.00	90.00	2.27%
<u>Other Fees</u>					
Vet Fees (all animals)		Yes			

<u>Domestic Animal Business</u>					
Registration and Renewal		No	229.00	240.00	4.80%
Additional Inspections		No	109.00	115.00	5.50%
New Business Establishment Fee		No	229.00	240.00	4.80%
<u>Local Laws - Permits</u>					
Roadside Fire collection				15.00	
Permit to graze livestock by resident owner	Permit	No	38.00	40.00	5.26%
Other Permits (Administration Fee)	Permit	No	71.00	80.00	12.68%
Annual Permits, including single item street trading	Permit	No	71.00	80.00	12.68%
Annual Permits for multiple use in street trading	Permit	No	124.00	130.00	4.84%
Impounded vehicle reclaim	per vehicle	No		200.00	
<u>Saleyards</u>					
Agents Yard Fee for sale days (cattle sold per head) or		Yes	0.34	0.35	2.94%
Fee per sale (whichever is greater		Yes	350.00	360.00	2.86%
NLIS Tags		Yes	57.00	60.00	5.26%
Weighings		Yes	4.60	4.80	4.35%
Scanning		Yes	2.80	2.90	3.57%
Sheep		Yes	0.30	0.30	0.00%
Horse		Yes	6.40	6.60	3.12%
Alpaca		Yes	6.40	6.60	3.12%
Llama		Yes	6.40	6.60	3.12%
Truck wash		Yes	1.80	1.90	5.56%
<u>Fees Associated with Sales</u>					
Sale day		Yes	9.90	10.20	3.03%
Day after Sale day (before 5.00pm)		Yes	9.90	10.20	3.03%
Use of yards as a trans-shipment point (max. 12hours)		Yes	257.20	260.00	1.09%
Single Truck Operators		Yes	128.00	130.00	1.56%
<u>Health Fees</u>					
<u>Food Premises etc Fees</u>					
Class 1 Food Premises (includes one routine inspection and audit)	Permit	No	503.00	515.00	2.39%
- Additional fees for late registration (add 50% of scheduled fee)		No	251.00	257.00	2.39%
Class 2 Food Premises (includes one routine inspection and compliance check)	Permit	No	503.00	515.00	2.39%
- Additional fees for late registration (add 50% of scheduled fee)		No	251.00	257.00	2.39%
Class 2 with 3rd party FSP (includes one routine inspection and compliance check)	Permit	No	503.00	515.00	2.39%
- Additional fees for late registration (add 50% of scheduled fee)		No	251.00	257.00	2.39%
Class 3 Food Premises (includes one routine inspection)	Permit	No	218.00	225.00	3.21%
- Additional fees for late registration (add 50% of scheduled fee)		No	109.00	112.00	2.75%
New Business Establishment Fee	Permit		50% Sched. Fee	-	
More than 5 persons employed (\$10 per person to a maximum \$2,500)	Permit	No	10.00	-	-100.00%
Sporting Clubs/Community Groups (not for profit)	Permit			50.00	
<u>Food vehicle</u>					
Class 2	Permit	No	284.00	290.00	2.11%
Class 3	Permit	No	175.00	180.00	2.86%
<u>Temporary Food Stall</u>					
<u>Single event</u>					
Class 2	Permit	No	121.00	124.00	2.48%
Class 3	Permit	No	66.00	70.00	6.06%
Class 4 (sausage sizzlesetc,for fund raising)	Permit	No	-	-	
Single event for Sporting Clubs/Community Groups (not for profit) registered in Strathgairn	Permit	No	-	50.00	
<u>Annual Fee</u>					
Class 2	Permit	No	218.00	225.00	3.21%
Class 3	Permit	No	109.00	112.00	2.75%
Class 4 (sausage sizzlesetc,for fund raising)	Permit				
Food stall for Sporting Clubs/Community Groups (not for profit)	Permit			50.00	
<u>Refunds</u>					
Refund due to closure	Permit	No	No Refund	-	

Submission of plans					
Application fee for submission of plans (50% of applicable registration fee)			No	50% Sched.Fee	25% Sched Fee
Inspections					
Additional inspections (all categories)	Each	No	109.00	113.00	3.67%
Pre Inspection of New Premise prior to opening	Each	No	109.00	-	
Pre Inspection of Premise being sold (Rename Transfer Fee)	Each	No	109.00	113.00	3.67%
Priority inspection request (within 5 days)	Each	No	164.00	170.00	3.66%
Urgent inspection request (within 48 hrs)	Each	No	284.00	295.00	3.87%
Public Health & Well being Act Fees					
Beauty parlours, skin penetration or similar	Permit	No	152.00	160.00	5.26%
Allied Health and Alternative Therapy Including Massage Therapy and Acupuncture, etc		No	152.00	160.00	5.26%
Hairdressers	Inspection	No	152.00	-	
Prescribed Accommodation (no kitchen)	Permit	No	196.00	200.00	2.04%
New Business Establishment Fee	Permit	No	160.00	160.00	
Septic Tank Application Fees					
New Installation	Permit	No	383.00	395.00	3.13%
Alteration	Permit	No	196.00	200.00	2.04%
Boat Ramp Fees					
Boat Ramp	Day	Yes	11.00	12.00	9.09%
Boat Ramp Residents	Annum	Yes	76.00	79.00	3.95%
Boat Ramp Non-Residents	Annum	Yes	125.00	128.00	2.40%
Regatta Centre Building					
Downstairs Function area - no staff - 1/2 day hire (4 hours)	1/2 Day	Yes	70.00	72.00	2.86%
Downstairs Function area - no staff - full day hire (8 hours)	Full Day	Yes	163.00	168.00	3.07%
Upstairs Conference area - no staff - 1/2 Day hire (4 hours)	1/2 Day	Yes	70.00	72.00	2.86%
Upstairs Conference area - no staff - Full Day hire (8 hours)	Full Day	Yes	163.00	168.00	3.07%
Kitchen - commercial (if selling) - 1/2 Day hire (4 hours)	1/2 Day	Yes	117.00	120.00	2.56%
Kitchen - commercial (if selling) - Full Day hire (8 hours)	Full Day	Yes	233.00	240.00	3.00%
Kitchen - private function 1/2 Day Hire (4 hours)	1/2 Day	Yes	59.00	61.00	3.39%
Kitchen - private function Full Day Hire (8 hours)	Full Day	Yes	117.00	120.00	2.56%
Boatshed - showers & toilets - 1/2 Day (4 hours)	1/2 Day	Yes	59.00	61.00	3.39%
Boatshed - showers & toilets - Full Day (8 hours)	Full Day	Yes	117.00	120.00	2.56%
Entire Regatta Centre Building not including kitchen - no staff - 1/2 Day hire (4 hours)	1/2 Day	Yes	187.00	193.00	3.21%
Entire Regatta Centre Building not including kitchen - no staff - Full Day hire (8 hours)	Full Day	Yes	374.00	385.00	2.94%
Peninsular - 1/2 Day hire (4 hours)	1/2 Day	Yes	467.00	481.00	3.00%
Peninsular - Full Day hire (8 hours)	Full Day	Yes	934.00	962.00	3.00%
Training Camps - Groups of 50 or less	Day	Yes	59.00	61.00	3.39%
Training Camps - Groups of more than 51	Day	Yes	117.00	120.00	2.56%
Entire Venue - no staff - 1/2 Day hire (4 hours)	1/2 Day	Yes	583.00	601.00	3.09%
Entire Venue - no staff - Full Day hire (8 hours)	Day	Yes	1,167.00	1,202.00	3.00%
Tourist Attraction Signage					
4' Standard Name Blade	Sign	Yes	193.00	198.00	2.59%
Other sizes	Sign				
Official Visitor Guide (OVG) Advertising					
1/4 Page	Advertisement	Yes	304.00	313.00	2.96%
1/2 Page	Advertisement	Yes	510.00	525.00	2.94%
Full Page	Advertisement	Yes	922.00	950.00	3.04%
Back Cover	Advertisement	Yes	1,334.00	1,374.00	3.00%
Inside Back Cover	Advertisement	Yes	1,128.00	1,162.00	3.01%
Wesley Hall User Fees					
Main Hall - half day hire	1/2 Day	Yes	181.00	-	
Main Hall - full day hire	Full Day	Yes	340.00	-	
Main Hall - evening hire	Evening	Yes	181.00	-	
Kitchen - half day hire	1/2 Day	Yes	68.00	-	
Kitchen - full day hire	Full Day	Yes	122.00	-	
Bond	Yes	Yes	350.00	-	

Budget processes

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

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

The 2017/18 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

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

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

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