



Draft Budget

2010 - 2011

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Mayor's Introduction

Hepburn Shire Council's Budget for 2010/11 reflects the four key commitments in the 2009 - 2013 Council Plan being:

- We will deliver good governance to the Hepburn Shire.
- We will help improve economic prosperity.
- We will assist our residents to improve the health, safety and vibrancy of our communities.
- We will guide our Shire towards environmental sustainability.

We will increase rates by 7.6 percent in the 2010/11 financial year. This level allows us to maintain existing service levels, fund a number of new initiatives and continue to allocate additional funds to close the shire's infrastructure gap by better maintaining our road assets. This rate increase has been kept in line with the Council's 10 year financial plan.

Further, we believe improving the environmental sustainability of the Hepburn Shire is one of our most fundamental challenges. To promote the importance of reducing carbon emissions, we need to play a different role. It is about leadership, policy development, innovation and behavioural change. From the 2010/11 we will increase our focus on the environmental sustainability as we want the Hepburn Shire community to significantly reduce its carbon dioxide emissions by 2025. We propose introducing a new environmental change which will raise \$648 thousand over three years and will be crucial to meeting the objectives in our Council Plan and becoming a leader in this area.

Other New Initiatives:

- Preparing main street revitalisation plans for our key towns (\$60,000)
- Review of the waste management strategy (\$60,000) and development of an organic waste treatment strategy (\$15,000)
- Emergency Management Officer to organise and implement emergency management services as a result of climate change (\$48,900)
- Development of an Energy Discount Action Plan (\$43,500)

The total Capital Works program will be \$9.9 million, of which \$3.3 million is carried forward from 2009/10 and 69% of works will be asset renewal. Of the \$9.9 million in capital funding required, \$2.4 million will come from capital grants and asset sales, \$380 thousand will be borrowed and the remainder will come from reserves, cash and operations.

Highlights of the Capital Works program are:

- Roads and Bridges (\$4 million) - including reseals, resheets, stabilisation, footpath improvement and bridge design and construction
- Recreation, Land and Buildings (\$4.7 million) - the major project in 2010/11 being the completion of the Doug Lindsay Recreation Reserve project.

We believe this budget is financially responsible and that it will best meet the needs of our community during 2010/11 and beyond.

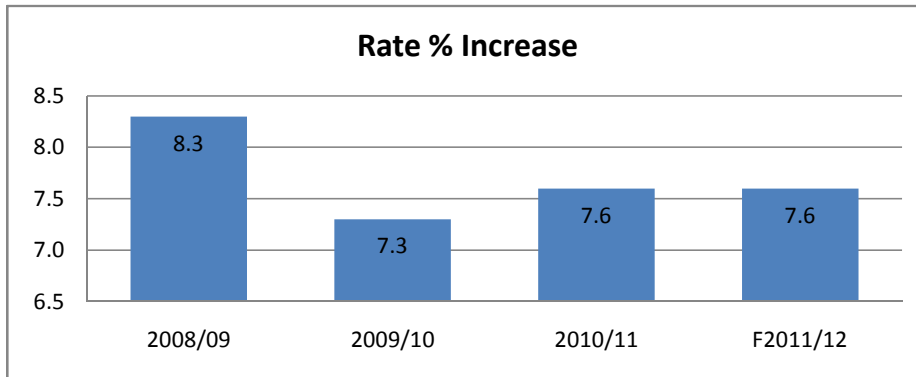
Ratepayers, residents and other interested members of the community are welcome to view and make comments and submissions on the budget. Council will also hold information sessions for residents and I encourage interested people to come along.

Cr Janine Booth
Mayor

Chief Executive Officer's Summary

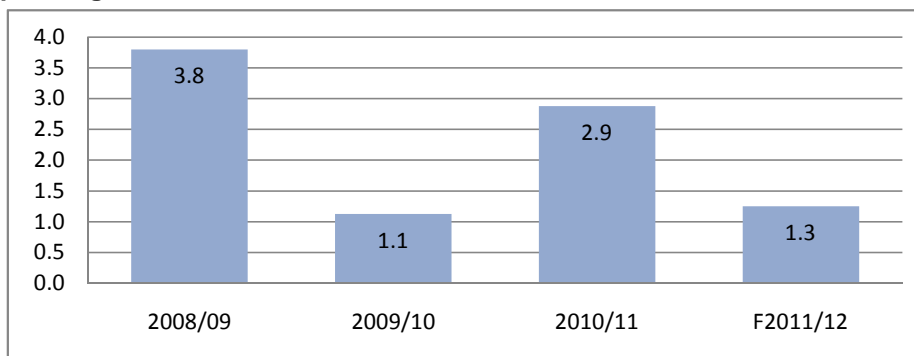
Council has prepared a Budget for the 2010/11 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council.

1. Rates



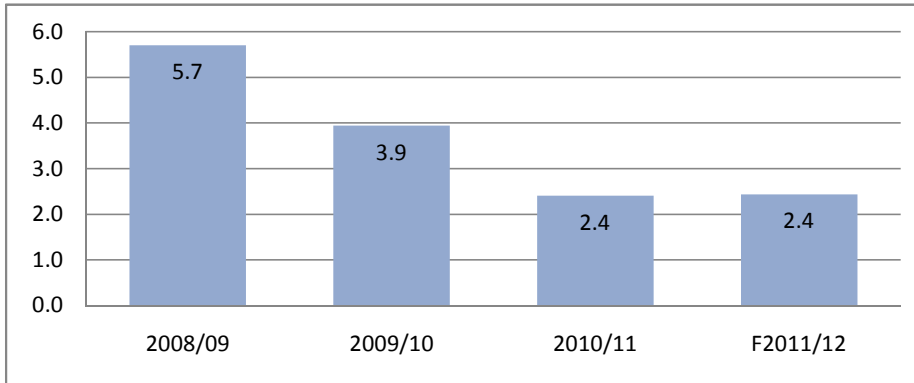
The total of rates and the municipal charge will increase by 7.6% for the 2010/11 year, raising total rates and municipal charges of \$11.75 million, including \$150 thousand generated from supplementary rates. Of the 7.6% increase, 2.7% will go toward maintaining service levels and meeting the cost of a number of external influences affecting the operating budget. The remaining 4.9% increase will go toward capital works to address the asset renewal needs of the Shire and increase the council's working capacity ratio. This rate increase is in line with Council's rating strategy. (The rate increase for the 2009/10 year was 7.3%.)

2. Operating Result



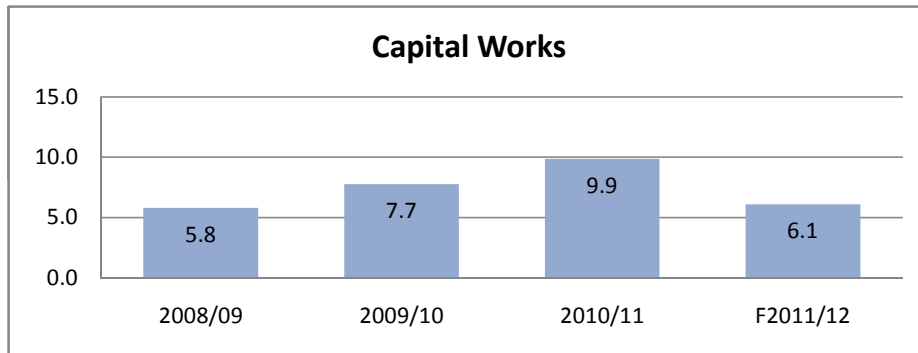
The anticipated operating result for the 2010/11 year is a surplus of \$2.9 million, which is an increase of \$1.8 million over the 2009/10 financial year. The variance has been substantially distorted by the early payment of the first quarters 2009/10 Federal Grants Commission allocation of \$858 thousand in 2008/09, hence the variance on 2009/10 is \$960 thousand. This was also the reason for the high surplus in 2008/09. Further, in 2010/11 greater funds will be put towards the capital works program and also increasing the council's working capital ratio.

3. Cash and Investments



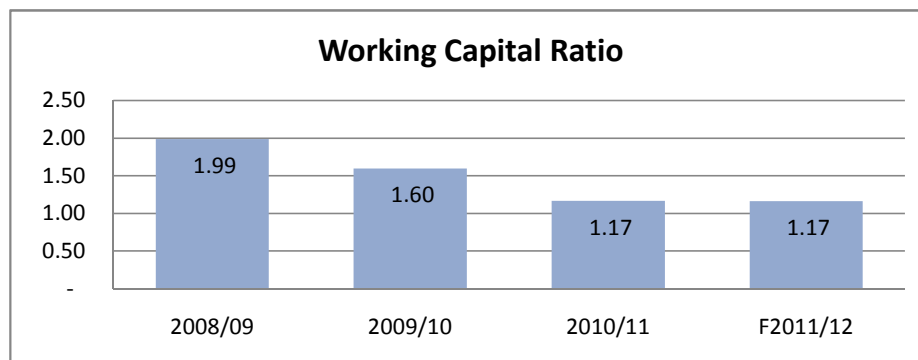
Cash and investments are expected to decrease by \$1.5 million during the year to \$2.4 million as at 30 June 2011. This is due mainly to the carried forward component of the 2009/10 capital works program and a number of major building projects and the expenditure of prepaid grants.

4. Capital Works



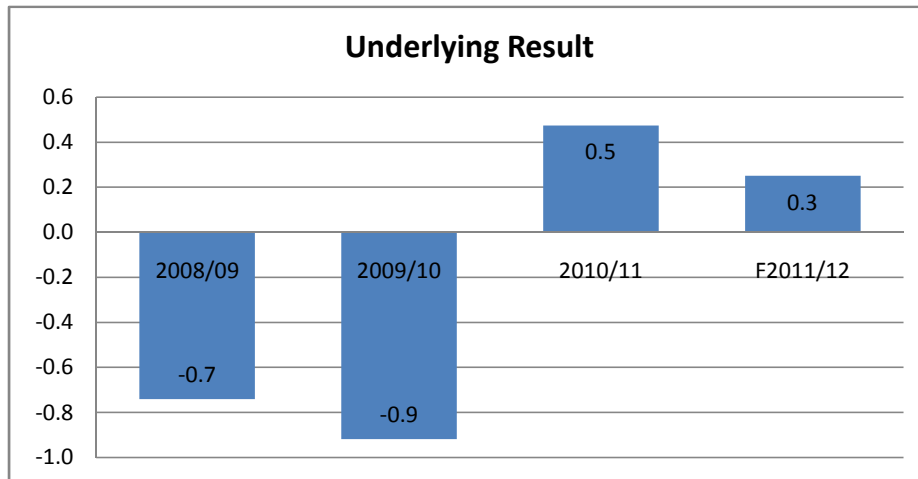
The total Capital Works program will be \$9.9 million, of which \$3.3 million is carried forward from 2009/10, the majority of this being the construction of the Doug Lindsay Recreation Reserve facility. Of the \$9.9 million in capital funding required, \$2.4 million will come from capital grants and asset sales, \$380 thousand will be borrowed and the remainder will come from reserves, cash and operations. The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes \$4 million to be spent on roads an increase of \$350 thousand on 2009/10.

5. Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$3 million to \$166 million although net current assets (working capital) will reduce by \$1.5 million to \$563 thousand at 30 June 2011. This is mainly due to the use of cash reserves and prepaid grants received in prior years to fund the capital works program. This represents a forecasted working capital ratio of 117% as at 30 June 2011 which is in line with the Council's target of 118% per the Council's Strategic Resource Plan.

6. Financial sustainability



The underlying result for 2010/11 is anticipated to be \$473 thousand, which is an improvement on the deficit of \$918 thousand forecasted for the 2009/10 financial year.

A high level Strategic Resource Plan for the years 2010/11 to 2013/14 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 plan predicts both an operating and underlying surplus for the next four years.

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

Kaylene Conrick
Chief Executive Officer

Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Act and Regulations.

The preparation of the budget begins with Officers preparing the operating and capital components of the annual budget during February and March. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including public information sessions, 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 and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

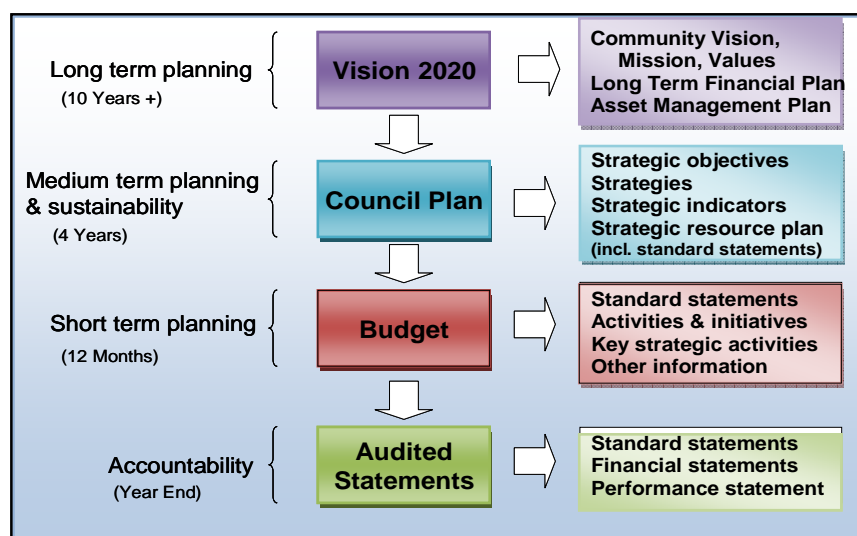
Budget process	Timing
1. Officers prepare operating and capital budgets	Dec - 2009 to Jan - 2010
2. Council considers draft budgets at informal briefings	Feb - 2010 to April - 2010
3. Proposed budget submitted to Council for approval	20-April-2010
4. Budget available for public inspection and comment	22-April-2010
5. Public notice advising intention to adopt budget	24-April-2010
6. Community engagement process undertaken	22-April-2010 to 14-May-2010
7. Submissions period closes (28 days)	24-May-2010
8. Submissions considered by Council/Committee	08-June-2010
9. Budget and submissions presented to Council for adoption	22-June-2010
10. Copy of adopted budget submitted to the Minister	30-June-2010

1. Linkage to the Council Plan

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

1.1 Strategic planning framework

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



The 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 by February to ensure that there is sufficient time for officers to develop their Activities & Initiatives and Key Strategic Activities in draft form prior to the commencement of the Annual Budget process in March. It also allows time for targets to be established during the Strategic Resource Planning process to guide the preparation of the Annual Budget.

1.2 Our purpose

Hepburn Shire Council is devoted to four fundamental commitments:

- We will deliver good governance to the Hepburn Shire.
- We will help improve economic prosperity.
- We will assist our residents to improve the health, safety and vibrancy of our communities.
- We will guide our Shire towards environmental sustainability.

As an innovative and accountable organisation, Hepburn Shire Council will promote vibrant democracy and provide high-quality services.

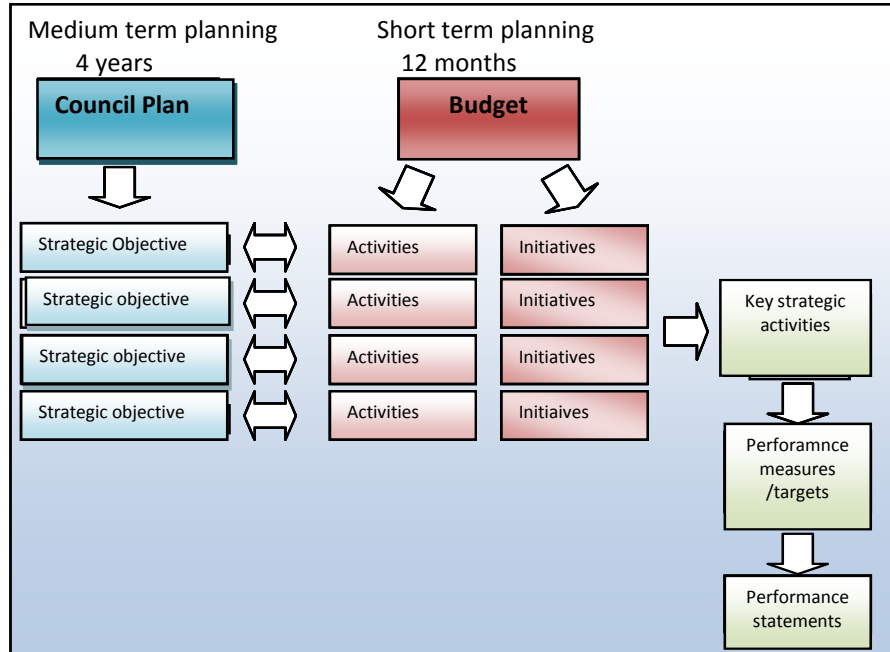
1.3 Strategic objectives

The Council delivers activities and initiatives under 30 major service categories. Each contributes to the achievement of one of the four Strategic Objectives as set out in the Council Plan for the 2009 - 13 years. The following table lists the four Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Good Governance	<p>We think that there are several essential ingredients for good governance which need our immediate and sustained attention. Long term financial sustainability for the future, which includes developing asset management plans for all assets is imperative to the delivery of good governance. Along with this, we understand that transparent decision making is vital; this goes hand in hand with developing and maintaining sound working relationships between Councillors and Council management. Council acknowledges that advocacy on behalf of the community on important issues and committing to a better process of community engagement are two more essential ingredients which will help deliver good governance to the community.</p>
2. A More Prosperous Economy	<p>The economy of the Shire is based on tourism, agriculture, retail and service industries. Council is committed to encouraging development of these industries in a way which is sustainable and takes into consideration the needs of the community. Council is committed to a broader economic development which encourages a more balanced economy, which is less reliant on tourism and which uses the community development model of economic development.</p>
3. Healthy, Safe and Vibrant Communities	<p>With a population of just under 15,000 citizens our Shire is made up of many communities. These communities are often based on town centres with a diverse range of interest in culture, heritage, the arts, the environment, sport and recreation, industry, tourism and various other common interest. One of Council's key roles is to work with the communities of the Shire to improve social cohesion, mental and physical health and encourage a satisfying and meaningful lifestyle in Hepburn Shire.</p>
4. Environmental Sustainability	<p>Council is committed to demonstrating leadership with issues relating to environmental sustainability, particularly in regard to regional planning and environmental management issues. Council is committed to leading our communities towards being carbon negative, and understanding and being prepared for the impacts of phenomenon such as climate change and peak oil. Council is also committed to strong advocacy on behalf of the community in regards to securing our water supplies into the future.</p>

2. Activities, initiatives and key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget for the 2010/11 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of key strategic activities and performance targets and measures in relation to these. The relationship between these components of the Budget and the Council Plan is shown below.



2.1 Strategic Objective 1: Good Governance

To achieve our objective of Good Governance, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

Activities

Activity	Description	Budget 2010/11 Expenditure (Revenue) Net Cost \$'000
Executive Services	This area includes the Mayor, Councillors and the Chief Executive Officer and other administrative support which cannot be easily attributed to the direct service provision areas.	1,274 0 1,274
Financial Services	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, raising and collection of rates and charges and valuation of properties throughout the municipality.	1,085 <u>(403)</u> 682

2.1 Strategic Objective 1: Good Governance (Continued)

Activities

Activity	Description	Budget 2010/11
		Expenditure (Revenue) Net Cost \$'000
Information Services	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	494 <u>0</u> 494
Civic Facilities	There are 14 public halls in the Shire. Each has a range of maintenance, usage and management challenges. Council provides some financial assistance to many of the community halls and have more extensive responsibilities with the Town Halls at Daylesford, Creswick and Clunes. Community use is encouraged by Council through the provision of reduced or waived fees at some halls.	77 <u>(5)</u> 72
Organisational Development	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource and industrial relations services.	311 <u>0</u> 311

Initiatives

- 1) Increasing spending on Shire assets by a total of \$2.5 million over our four year term. \$250,000.
- 2) Completing Asset Management Plans for all of the Shire's assets and preparing a Ten Year Capital Works Program. \$60,000
- 3) Disposing of poorly utilised, inefficient or surplus assets in consultation with the community where appropriate.
- 4) Stronger residential investment in Hepburn Shire by reviewing the Hepburn Planning Scheme.
- 5) Repaying existing debt by \$1.2 million during our term and ensuring new loans are for assets which generate new revenues or enable us to relinquish old assets and are accompanied by a thorough and balanced business case. \$373,000.
- 6) Maintaining sound risk management through an independently chaired Audit and Risk Committee and an ongoing Internal Audit and Risk Program. \$70,000.

2.1 Strategic Objective 1: Good Governance (Continued)

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Community Consultation	Increase in community satisfaction with Councils consultative processes	Annual customer contact increased to 70%
Financial Performance	Underlying result – Adjusted net operating result	Target of \$564 thousand for 2010/11 financial year
Financial Performance	Current Ratio – Current assets/current liabilities	Target of 117% at 30 June 2011
Financial Performance	Operating Cash flow ratio – Net operating cash flows/underlying revenue	Target of 34% for 2010/11 financial year
Financial Performance	Borrowing ratio – Non current liabilities/own sourced revenue	Target of 25% for 2010/11 financial year
Asset Management	Three Asset Management Plans complete. Parks and Recreation, Footpaths, Kerb and Channel and Furniture and Equipment.	Plans complete by 30 June 2011

2.2 Strategic Objective 2: A More Prosperous Economy

To achieve our objective of A More Prosperous Economy, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

Activities

Activity	Description	Budget 2010/11 Expenditure (Revenue) Net Cost \$'000
Economic Development and Tourism Services	Council supports the maintenance and running costs of 4 visitor information centres in Clunes, Trentham, Creswick and Daylesford, managed by 200 volunteers and used by over 115,000 visitors per year, with the region having approximately 693,000 visitors in 2009. Councils' visitor information websites are used by over 600,000 people each year. Both the information centres and the websites support the Tourism industry which impacts on most other industries in the Shire and coupled with retail is the biggest source of employment in the Shire.	518 (220) 298

2.2 Strategic Objective 2: A More Prosperous Economy (Continued)

Activities

Activity	Description	Budget 2010/11
		Expenditure (Revenue) Net Cost \$'000
Town Planning Services	<p>The Planning Department is responsible for managing the processing of planning permit applications and administering the Hepburn Planning Scheme including the strategic land use and The Statutory Planning Unit processes planning permit applications including subdivision compliance certificates, planning permit amendments and planning certificates. The Unit also manages planning activities compliance and provides free pre-application advice through a Planning Liaison Officer.</p> <p>The Strategic Planning Unit considers new planning scheme amendment proposals, prepares new planning policies, and will review the Municipal Strategic Statement of the Hepburn Planning Scheme every three years ensuring the currency of the Hepburn Planning Scheme.</p>	1,031 <u>(156)</u> 875
Events	<p>Council provides advice, assistance, marketing, insurance assistance, resources, event organisation information and coordination to over 40 events each year. At least 3 meetings per event are held with Council staff and police prior to any event being held on public land. We also encourage new events each year to visit the Shire provided the event is suitable for the area and benefits the region. The largest events in the Shire supported by Council include, Chill Out and Clunes Booktown.</p>	71 <u>0</u> 71

Initiatives

- 1) Supporting Tourism Victoria and Hepburn (Shire) Regional Tourist Association, by assisting with the establishment of an adequately resourced Regional Tourism Board with strong local representation and a strong local purpose for the whole of the Hepburn Shire. \$75,000
- 2) Supporting various drawcard events like Chillout and Booktown which draw large numbers of visitors to Hepburn Shire. \$71,200
- 3) Preparing main street revitalisation plans for our key towns and completing as a priority the rejuvenation of Vincent St Daylesford \$60,000
- 4) Review of the Municipal Strategic Statement to address the strategic directions Economic Redevelopment, Rural Land, Agriculture, Environment and Heritage in the Hepburn Shire. \$58,000

2.2 Strategic Objective 2: A More Prosperous Economy (Continued)

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Supporting Regional Tourism Board	Ongoing increasing trend in annual visitor numbers as reported by Tourism Research Australia	Increase in visitation from the 2009/10 year
Supporting drawcard events that will draw large numbers	Drawcard events will continue to achieve high attendances	Attendance levels at Chillout and Booktown events maintained
Preparing main street revitalisation plans	Council will complete a main street revitalisation plan for Vincent St Daylesford	Plan developed by 30 June 2011
Preparing a review of the Municipal Strategic Statement (MSS)	Council will conduct a review of the MSS for the Hepburn Shire. The project is expected to take two years.	Review existing documentation prior to the community consultation phase

2.3 Strategic Objective 3: Healthy, Safe and Vibrant Communities

To achieve our objective of Healthy, Safe and Vibrant Communities, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

2.3 Strategic Objective 3: Healthy, Safe and Vibrant Communities (Continued)

Activities

Activity	Description	Budget 2010/11
		Expenditure (Revenue) Net Cost \$'000
Community Development	The Community Development unit includes Youth Services, Culture & Arts, Community Grants administration, Community Housing, Transport Connections and involvement in a range of community development initiatives including Mineral Springs Preschool Association, Central Highlands Primary Care Partnership and the Disability Housing Project.	683 <u>(135)</u> 548
Recreation	<p>Council maintains gardens at Creswick-Park Lake, Daylesford-Wombat Hill and parklands in all towns of the Shire, 7 sports ovals and reserves, 15 playgrounds, 11 netball courts, 4 skate parks and 34 tennis courts. It is also responsible for maintenance of mineral springs reserves and lakes including Jubilee and Daylesford Lake and Calembreen Park Lake.</p> <p>Council has two indoor recreation centres in the Shire. A single court stadium at Clunes and the new ARC Daylesford Indoor Recreation Centre. Council allows up to \$20,000 to operate the Centre. The facility is managed by the YMCA.</p> <p>Council has provided \$280 thousand in its capital budget for recreation and anticipates 59% can be government funded. Further, Council has allocated \$168 thousand to projects in the recreation area, of which 64% will be funded with government grants and/or community contributions.</p>	1,359 <u>(694)</u> 665
Swimming Areas	Swimming pools are provided for the community at Clunes, Trentham, Daylesford and supervised diving at Calembreen Park Creswick. Management of these facilities is contracted to the YMCA and maintenance is undertaken by Council staff. The swimming pools are generally open from 1st weekend in December and close the Monday of Labour Day weekend.	245 <u>(0)</u> 245
Community Amenities	Council undertakes an efficient and prioritized maintenance program for the cleaning and repairs of the 27 public convenience facilities within the municipality. Facilities at Daylesford, Hepburn Springs, Creswick, Clunes, Trentham and the various recreation reserves grounds form part of this service.	179 <u>0</u> 179

2.3 Strategic Objective 3: Healthy, Safe and Vibrant Communities (Continued)

Activities

Activity	Description	Budget 2010/11 Expenditure (Revenue) Net Cost \$'000
Engineering and Technical Services	This Unit undertakes and implements capital works and long term maintenance programs for Council infrastructure optimizing its strategic value and service potential. These include roads, bridges, drains, buildings, footpaths, parks, reserves, pavilions and other community facilities. The unit also undertakes design, tendering, contract management and supervision of various works for Council's infrastructure works program. Council has allocated \$60 thousand in the budget to continue developing the Asset Management Plans which will set out the capital expenditure requirements of the Council for the next 10 years.	673 <u>(23)</u> 650
Routine Road Maintenance	This service provides for maintenance on Councils infrastructure incorporating roads, bridges, drainage, footpaths, kerb and channel, street furniture, line marking and signage. This service also includes the program of road inspections as part of the Road Management Act and Plan for Council managed local roads. Throughout the municipality, Council maintains 590 kms of sealed roads, 730 kms of gravel roads, 75 kms of formed tracks, 87 bridges, 39 major culverts, 30 kms of urban drainage, 30 kms of footpaths and 77 kms of kerb and channel.	2,054 <u>(1,208)</u> 846
Fleet and Transport Services	This services purchases and maintains Councils vehicles, plant and equipment. The service attends to the fleet functionality and safety needs of the organisation, maximising its performance and minimising its operational needs. Included in this service are any private works that the organisation undertakes, which Council limits as its prime focus is core Council business rather than private works and any overheads associated with the Works and Parks departments.	409 <u>(1,009)</u> -600
Depots	This service allows for the operation of the three (3) depots for the Works and Parks departments, These depots are at Hepburn, Wombat Gardens and Creswick. Currently the main depot is located at Hepburn.	49 <u>0</u> 49
Public Safety	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment by providing services including a dog and cat collection service, a pound service with livestock control, a registration and administration service, an after hours service and an emergency service. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	352 <u>(137)</u> 215

2.3 Strategic Objective 3: Healthy, Safe and Vibrant Communities (Continued)

Activities

Activity	Description	Budget 2010/11 Expenditure (Revenue) Net Cost \$'000
Fire Prevention	This service provides for fire prevention throughout the municipality under the CFA Act with close liaison with the various CFA brigades, planning for the declared fire season. Inspection of approximately 5,500 properties prior to the fire season and undertaking follow up assessments of 1,300 properties for fire prevention notices and processing of some 60 permits to burn within the declared fire season. Also included is the roadside slashing of strategic fire breaks.	50 <u>(18)</u> 32
Street Cleaning	This service provides for weekly street cleaning undertaken by Council staff in Clunes, Creswick, Daylesford and Trentham. Mechanical street sweeping is undertaken in July, November, February, March and May in the same town precincts. Included in this service is the monthly servicing of Council's storm water gross pollutant traps in Daylesford (3) and Creswick (3).	117 <u>(0)</u> 117
Environmental Health	This service protects the community health and well being by co-ordinating food safety programs with the 360 registered food businesses, undertakes infectious disease control through 92 registered businesses, oversees wastewater systems and installation, Tobacco Act control and oversees health promotion through the Municipal Public Health plan, of which a new plan will be developed in 2010/11.	292 <u>(142)</u> 150
Building Control	The Building Services Department is responsible for the health and safety of people and the built environment in Hepburn Shire through services which promote building safety, environmental standards and ensure compliance with building legislation and industry standards. The Building Services Department is responsible for enforcing statutory requirements for building works in Hepburn Shire.	166 <u>(131)</u> 35
Family & Children's Services	The Family and Children's Services unit comprises Maternal & Child Health Services, Preschool and Child Care Centre maintenance, and annual Children's Week activities. The Maternal and Child Health nurse provide more than 2,500 consultations to families across the shire each year.	278 <u>(105)</u> 173

2.3 Strategic Objective 3: Healthy, Safe and Vibrant Communities (Continued)

Activities

Activity	Description	Budget 2010/11 Expenditure (Revenue) Net Cost \$'000
Aged & Disability Services	The Aged & Disability Services Department provides Management and Administration of the Home and Community Care (HACC) which includes Housekeeping (13,500 hours per annum), personal care (3,400 hours per annum) and respite care (2,700), home maintenance (500) and activity groups (12,000) to around 500 eligible residents per week. The Department also administers the Meals on Wheels program providing more than 23,000 meals annually. Other activities include the Community Visitor's Scheme.	1,809 <u>(1,566)</u> 243
Heritage Services	The Planning Department is responsible for the provision of heritage advice in relation to the requirements of the Hepburn Planning Scheme and the development of sites and places affected by the Heritage Overlay. The unit is responsible for the provision of administrative services to the Heritage Advisory Committee.	91 <u>(12)</u> 79
Library Services	Libraries Services are provided by the Central Highlands Regional Library Corporation of which Council is a member. Libraries are located in Daylesford, Creswick and Clunes. A mobile library service is available to residents in Trentham. Approximately 120,000 loans are made each year to Hepburn Shire residents.	436 <u>0</u> 436

Initiatives

- 1) Developing a Community Plans Funding Program which will provide communities with assistance to implement their Community Plans \$30,000.
- 2) Using Community Plans as the basis for fixing priorities for Council's Capital Works Program \$160,000 (\$44,000 contribution from Council)
- 3) Completing a significant tree register and enabling appropriate protection through the Hepburn Planning Scheme \$40,000

2.3 Strategic Objective 3: Healthy, Safe and Vibrant Communities (Continued)

Strategic Activity	Performance Measure	Performance Target
Completing and implementing Community Plans	Council will assist with the development of community plans	Two new Community Plans developed by 30 June 2011
Protection of Significant Trees	Completion of a significant tree register through the Hepburn Planning Scheme	Complete collation of public submissions to identify trees to be assessed by 30 June 2010.
Providing high quality comprehensive aged and disability services	Continuing to provide high quality comprehensive aged and disability services to the frail aged, disabled and their carers across the Hepburn Shire	Minimum of 13,650 hours of Housekeeping 3,400 hours of Personal care and 2,750 hours of Respite Care provided
Community Satisfaction	Satisfaction with Council's health and human services remain high	Community satisfaction rating for overall performance of 74% in the Health and Human Services area

2.4 Strategic Objective 4: Environmental Sustainability

To achieve our objective of Environmental Sustainability, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The activities and initiatives for each service category and key strategic activities is described below.

Activities

Activity	Description	Budget 2010/11
		Expenditure (Revenue) Net Cost \$'000
Environmental Services	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions and the carbon footprint within Council operations and facilitate community reductions are a key focus of the Council. Therefore Council will be involved in Utility Tracking and the ongoing ICLEI Pathway and subsequent programs and will develop an Energy Decent Action Plan for the future.	350 <u>(186)</u> 164

2.4 Strategic Objective 4: Environmental Sustainability (Continued)

Activities

Activity	Description	Budget 2010/11
		Expenditure (Revenue) Net Cost \$'000
Transfer Stations	This service provides for the operation of Councils Transfer Stations located at Daylesford, Creswick and Trentham. These facilities are located on rehabilitated landfills and also serve as resource recovery facilities for waste throughout the municipality. Some 1850 tonnes of waste is transported to the Smythesdale landfill 400 tonnes of recyclables are removed from the waste stream and sorted at the MRF, 2500m3 of green waste is processed on site and in excess of 400 tonnes of steel is deposited at these facilities for reuse. Ongoing environmental monitoring of the former tips at Clunes, Creswick, Daylesford and Trentham will continue at these sites for in excess of 25 years.	597 <u>(87)</u> 510
Garbage and Recycling	This service provides for kerbside collection of household garbage, household recyclables and some commercial properties in the municipality and disposal of these collections. Included in the service is the collection and disposal of litterbins from streets within the commercial precincts of the towns and also within various reserves throughout the municipality. It also includes the receive and sorting of the recyclables at Council's Municipal Recycling Facility (MRF) in Daylesford. Some 4,800 properties receive a weekly garbage collection, 4,750 properties receive a fortnightly recyclable collection. Annually 1,600 tonnes of household collection waste is transported to the Smythesdale landfill whilst 1,100 tonnes of recyclable collection is processed at the Daylesford MRF.	1,142 <u>(9)</u> 1,133

Initiatives

- 1) Development of a Waste Management Strategy to reduce waste taken to landfill and investigate options for extension of kerbside collections \$60,000
- 2) Development of an Energy Descent Action Plan to encourage environmentally sustainable measures particularly relating to energy initiatives and transport \$43,500 (\$21,750 contribution from Council)
- 3) Implement a utility tracking system to measure Council's carbon emissions to monitor performance \$3,500

2.4 Strategic Objective 4: Environmental Sustainability

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Waste Management	Increase the level of recyclable collection processed at the Daylesford Municipal Recycling Facility (MRF)	Process in excess of 1,100 tonnes of recyclable collection
Reduced Carbon Footprint	Reduce the carbon output from Council's operations, verified through utility tracking	Carbon output reduced by 5%
Complete the Energy Descent Plan	Council will implement priorities identified in the Energy Descent Plan.	Completion by 30 June 2011

2.5 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Good Governance	2,832	3,241	408
A More Prosperous Economy	1,244	1,620	376
Healthy, Safe and Vibrant Communities	4,062	9,242	5,180
Environmental Sustainability	1,807	2,089	282
Total activities & initiatives	9,945	16,192	6,246
Other non-attributable	5,756		
Deficit before funding sources	15,701		
Rates & charges	13,789		
Grants Commission	2,385		
Capital grants	2,404		
Total funding sources	18,578		
Surplus for the year	2,878		

3. Budget Influences

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

3.1 Snapshot of Hepburn Shire Council

Hepburn Shire Council is located in central Victoria, just over an hour from Melbourne and covers an area of 1,470 square kilometres. The Shire of Ballarat joins the Shire to the west, Moorabool Shire to the south, Macedon Ranges shire to the east and Mount Alexander shire to the north.

Hepburn Shire was created in January 1995 by the amalgamation of the former Shires of Creswick, Daylesford and Glenlyon, the Clunes portion of the Shire of Talbot and Clunes and the Trentham portion of the Shire of Kyneton.

Population

At 30 June 2008, the estimated population of the Shire was 14,489 which was a 1.2% increase from 2007 (Source: Australian Bureau of Statistics, 2008).

Main Towns

The Shire's main townships are: Creswick with 3,064 residents; Clunes with 1,026 residents; Daylesford with 3073 residents; Hepburn Springs with 976 residents; Trentham with 924 residents. The remaining 5,172 residents live in the many small townships and rural areas across the Shire. (Source: Australian Bureau of Statistics 2006 census).

Infrastructure maintenance and renewal

Hepburn Shire has 590.4 km of sealed roads; 723.6 km of gravel roads; 28.4 km of footpaths; 126.1 km of kerb and channelling; 117 Bridges; 34.2 km of drains and a significant number of buildings that require maintenance and renewal.

There is a significant gap between the amount of funds the Council should be spending on infrastructure for maintenance and renewal and the amount of funds it can afford to spend on its infrastructure assets. This gap has been recognised by Shire Councillors and Officers for several years and the effects of this gap in terms of infrastructure quality and maintenance has been widely recognised by our residents and ratepayers.

One of the key goals of the Council's 10 Year Financial Plan was to maintain an annual reduction in the infrastructure funding gap.

3.2 External influences

In preparing the 2010/11 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:

- Consumer Price Index (CPI) increases on goods and services of 2.3% per annum (ABS release 27 Jan 2010). State-wide CPI is projected to be 2.5% for the 2010/11 year (Victorian Budget Papers 2010/11);
- The 'Road Maintenance and Construction' Index prepared by the Bureau of Transport and Regional Services and the 'ABS Non-Residential Building' Index are both running at 5% and 4% respectively (MAV Local Government Cost Index Report, June 2009);
- Receipt of significant capital works funding of \$1.5 million for the Development of the Doug Lindsay Recreation Reserve and construction of a multi purpose pavilion;
- Prevailing economic conditions which are expected to remain difficult during the budget period impacting on investment interest rates.
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to November 2009 was 5.7% (ABS release 15 November 2009). Wages growth in Victoria is projected to be 4.0% per annum over the next four years (Victorian Budget Papers 2010/11). Council must renegotiate a new Collective Agreement during the 2010/11 year.

3.3 Budget principles

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

- Existing fees and charges to be increased in line with CPI or market levels;
- Grants to be based on confirmed funding levels;
- New revenue sources to be identified where possible;
- Service levels to be maintained at 2009/10 levels with the aim to use less resources with an emphasis on innovation and efficiency;
- Salaries and wages to be increased in line with Council's Enterprise Bargaining Agreement;
- Construction and material costs to increase in line with the Road Maintenance and Construction Index;
- Real savings in expenditure and increases in revenue identified in 2009/10 to be preserved;
- Operating revenues and expenses arising from completed 2009/10 capital projects to be included.

3.5 Legislative requirements

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

The 2010/11 budget, which is included in this report, is for the year 1 July 2010 to 30 June 2011 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2011 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2010/11 to 2013/14 (section 8.), Rating Strategy (section 9.) and Other Long Term Strategies (section 10.) including borrowings, infrastructure and service delivery.

4. Analysis of Operating Budget

This section analyses the operating budget including expected revenues and expenses of the Council for the 2010/11 year.

4.1 Underlying Result

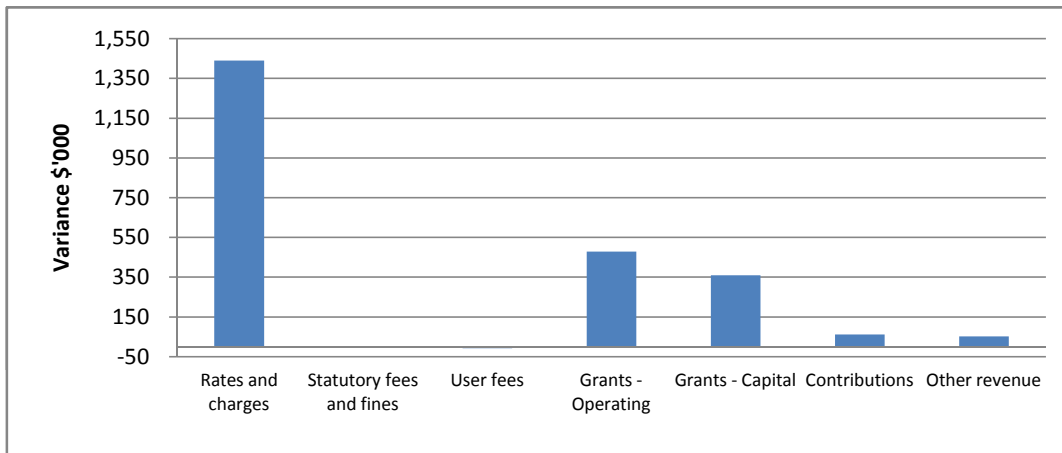
		Forecast Actual 2009/10 \$'000	Budget 2010/11 \$'000	Variance \$'000
Operating revenue	4.2	21,543	23,927	2,384
Operating expenditure	4.3	-20,418	-21,049	-632
Surplus (deficit) for the year		1,125	2,878	1,752
Grants – Capital	4.2	-2,044	-2,404	-361
Underlying surplus (deficit)		-918	473	1,392

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

The underlying result for the 2010/11 year is a surplus of \$473 thousand, which is an increase of \$1.4 million over the 2009/10 financial year. Again this variance has been substantially distorted by the early payment of the first quarters 2009/10 Federal Grants Commission allocation of \$858 thousand in 2008/09, hence the variance on 2009/10 is \$960 thousand. Further, 4.9% of the 7.6% rate increase has been retained to be put towards capital works, in particular to address the infrastructure gap and towards improving the working capital ratio.

4.2 Operating Revenue

Revenue Types	Ref	Forecast	Budget	Variance
		Actual 2009/10 \$'000	2010/11 \$'000	\$'000
Rates and charges	4.1.1	12,350	13,789	1,439
Statutory fees and fines	4.1.2	335	330	-5
User fees	4.1.3	855	850	-6
Grants - Operating	4.1.6	4,666	5,145	479
Grants - Capital	4.1.7	2,044	2,404	361
Contributions	4.1.4	111	174	63
Other revenue	4.1.8	1,182	1,235	52
Total operating revenue		21,543	23,927	2,384



4.1.1 Rates and Charges

It is proposed that general rates and municipal charge income be increased by 7.6% or \$985 thousand from the current rate base which includes \$150 thousand in supplementary valuations since the general rates were raised in August 2009. An additional \$216 thousand will be generated from the environmental charge. Further, it is proposed that the garbage, recycling and waste management charges be increased by an average of 9% in accordance with the increased costs in these areas. Section 9, "Rating Strategy" includes a more detailed analysis of the rates and charges to be levied for 2010/11.

4.1.2 Statutory Fees and Fines

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

Statutory fees are forecast to be fairly consistent with 2009/10.

A detailed listing of statutory fees is included as appendix D at the end of this document and can also be inspected at Council's customer service centres.

4.1.3 User Fees

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

User charges are projected to be fairly consistent with 2009/10.

A detailed listing of fees and charges is included as appendix D at the end of this document and can also be inspected at Council's customer service centres.

4.1.4 Contributions

Contributions relate to monies paid by developers in regard to public resort & recreation, drainage and car parking in accordance with planning permits issued for property development. Also included under this heading are community contributions to Council projects and gifted assets.

Contributions are projected to increase by \$63 thousand, with \$153 thousand of the contributions in relation to capital works.

4.1.6 Grants - Operating

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers and contributions from other parties towards property development costs.

Overall, operating grant income has increased \$479 thousand compared to 2009/10. A portion of the Victorian Grant Commission and Local Roads Grant for the 2009/10 year was received in late 2008/09. Consequently, the increase in 2010/11 appears greater than 3% anticipated for the Grants Commission (actual increase anticipated is \$69 thousand) and 2% anticipated for the Local Roads Grant (actual increase anticipated is \$24 thousand).

As a result of the bushfires and the federal government's stimulus packages, grants money received to fund projects was greater than anticipated in 2009/10. Such grants are not anticipated in 2010/11.

Significant components of total operating grant income and summarised below:

Grant Funding Types	Forecast	Budget	Variance
	Actual 2009/10 \$'000	2010/11 \$'000	\$'000
Aged and disability services	730	745	15
Local roads Grant	891	1,208	317
Victorian Grants Commission	1,743	2,385	642
Project grant income	734	145	-589

4.1.7 Grants - Capital

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has increased by \$371 thousand compared to 2009/10, the majority of this is due to the funding to be received for the Doug Lindsay Recreation Reserve. Section 6, "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2010/11 year.

4.1.8 Other Revenue

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

Due to general market condition, rent income and interest income is expected to increase a combined \$64 thousand. However, income in relation to valuation reimbursements is anticipated to be \$55 thousand greater in 2009/10 as it is a revaluation year.

4.2 Operating expenditure

Expenditure Types	Ref	Forecast	Budget	Variance
		Actual 2009/10 \$'000	2010/11 \$'000	\$'000
Employee benefits	4.2.1	8,069	8,783	715
Materials and services	4.2.2	6,535	6,223	-313
Bad and doubtful debts	4.2.3	4	4	0
Depreciation and amortisation	4.2.4	4,626	4,787	161
Finance costs	4.2.5	223	220	-3
Other expenses	4.2.6	961	1,032	71
Total operating expenditure		20,418	21,049	632

4.2.1 Employee Benefits

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 \$715 thousand compared to 2009/10. This relates to a number of key factors:

- 2009/10 actual was less than budget due to staff vacancies during the year, the actual increase in salaries from 2009/10 budget is 5.4%;
- Increases inline with the Council's Enterprise Bargaining Agreement (EBA) which is estimated to cost \$327 thousand;
- Movement of some staff to a higher pay band upon their anniversary date (average 3%); and
- \$45 thousand (0.55%) has been accrued in superannuation expense to record half of the expense associated with an anticipated top up of the Council's defined benefit superannuation fund in 2011.

In summary, average staff numbers (based on monthly averages) during the budget period are as follows:

Type of employment	Forecast	Budget	Variance
	Actual 2009/10 EFT's	2010/11 EFT's	EFT's
Permanent	120	119.9	-0.1
Casual	2.9	2.9	0
Funded	1.6	1.6	0
Total	124.5	124.4	-0.1

4.2.2 Materials and Services

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs.

Materials and services are forecast to increase by \$204 thousand (3.8%) compared to 2009/10, however, this increase has been offset by a \$747 thousand decrease in anticipated project expenditure in 2010/11. These additional projects in 2009/10 were as a result of the increased grant funds received.

These additional projects in 2009/10 were as a result of the increased grants funds received.

	Forecast Actual 2009/10 \$'000	Budget 2010/11 \$'000	Variance \$'000
Materials and Services			
Utilities	390	376	-14
Contractors	1,681	1,897	216
Consumables	5,309	5,283	-26

The decrease in utilities is a result of a cost reduction, due to participation in a share services agreement, of approximately 30% on phones, however electricity costs are anticipated to increase between 15 and 20%.

Contractors have increased 13% as a result of market conditions. Part of this increase has resulted in the increased garbage, recycling and waste management charges in 2010/11.

4.2.3 Bad and Doubtful Debts

Bad and doubtful debts are projected to remain at a similar level to last year.

4.2.4 Depreciation and Amortisation

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 \$161 thousand for 2010/11 is due to the anticipated increase in capital assets. Refer to section 6, 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2010/11 year.

4.2.5 Finance Costs

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The movement in finance costs is associated with a new loan anticipated to be taken out during the 2010/11 year, however, a five year loan taken out in 2005 will be fully repaid by the end of the 2009/10 financial year.

4.2.6 Other Expenses

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, civic operations (including Councillor allowances) and other miscellaneous expenditure items. Other expenses are forecast to increase \$71 thousand compared to 2009/10. An additional \$31 thousand (8%) is required to be contributed to the Central Highlands Regional Library service. Due to market conditions, the Council's insurance expense is anticipated to increase by \$20 thousand.

5. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2010/11 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.

- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

5.1 Budgeted cash flow statement

	Ref	Forecast Actual 2009/10 \$'000	Budget 2010/11 \$'000	Variance \$'000
Cash flows from operating activities	5.1.1			
<i>Receipts</i>				
General rates and charges		12,350	14,022	1,672
Grants - Operating		4,722	5,166	444
Grants - Capital		2,099	2,557	459
Interest		210	263	53
User charges and fees		855	850	-6
Other		1,307	1,302	-6
		21,543	24,160	2,617
<i>Payments</i>				
Employee costs		-8,069	-8,624	-556
Other		-7,723	-7,593	130
		-15,792	-16,217	-426
Net cash provided by operating activities		5,751	7,943	2,191
Cash flows from investing activities	5.1.2			
Proceeds from sales of property, plant & equipment		386	417	31
Payments for property, plant and equipment		-7,740	-9,851	-2,111
Net cash used in investing activities		-7,354	-9,434	-2,081
Cash flows from financing activities	5.1.3			
Proceeds from borrowings		300	380	80
Repayment of borrowings		-419	-418	1
Net cash used in financing activities		-119	-38	81
Net decrease in cash and cash equivalents		-1,722	-1,529	193
Cash and cash equivalents at the beginning of the year		5,661	3,939	-1,722
Cash and cash equivalents at end of the year	5.1.4/5 .2	3,939	2,410	-1,529

5.1.1 Operating activities

The increase in cash inflows from operating activities is due mainly to a \$1.7 million increase in rates and charges, which is as a result of the rate increase of 7.6%, the new environmental charge and the increased garbage and waste management charge. The increase in operating grants is due to the early payment of the first quarters 2009/10 Federal Grants Commission allocation in 2008/09, therefore distorting the increase compared to 2009/10. However, this has been offset by a decrease in non-recurrent government grants anticipated to be received in 2010/11. The increase in capital grants is due to the grants associated with the Doug Lindsay Recreation Reserve project to be received in 2010/11.

The net cash flows from operating activities does not equal the operating result 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 2009/10 \$'000	Budget 2010/11 \$'000	Variance \$'000
Surplus for the year	1,125	2,878	1,752
Depreciation	4,626	4,787	161
Net movement in current assets and liabilities	-	278	278
Cash flows available from operating activities	5,751	7,943	2,191

5.1.2 Investing activities

The increase in payments for investing activities represents the increased allocation of \$250 thousand to help address the infrastructure gap and \$2.8 million in costs carried forward to the 2010/11 year in relation to the Doug Lindsay Recreation Reserve project. The capital works expenditure is disclosed in section 6 of this budget report.

5.1.3 Financing activities

Council proposed to borrow \$380 thousand, \$100 thousand for the completion of the Doug Lindsay Recreation Reserve project and \$280 thousand to contribute towards the building of new units at Cameron Court, Clunes. Refer to section 10 for further details regarding the borrowing strategy.

5.1.4 Cash and cash equivalents at end of the year

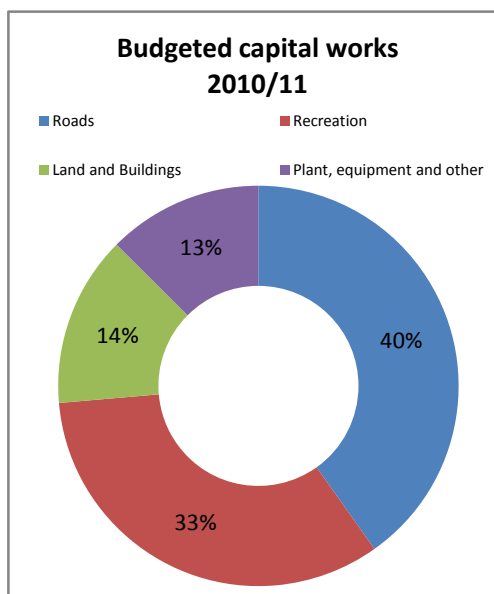
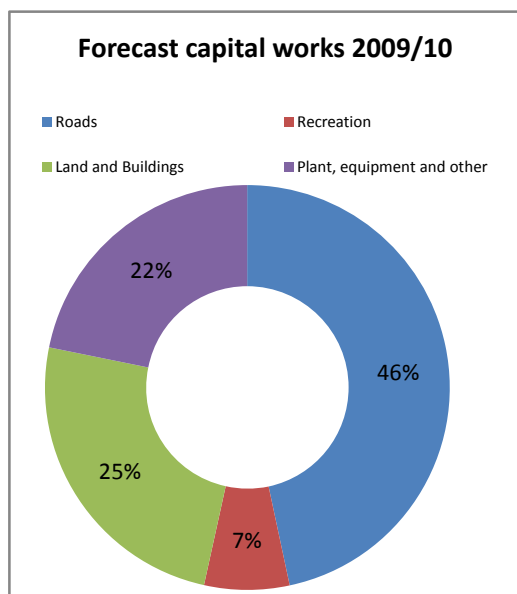
Overall, total cash and investments is forecast to decrease to 30 June 2011, due primarily to the carrying forward of capital work projects not being completed as planned in 2009/10, where corresponding grant income has been recognised in either the 2008/09 or 2009/10 financial year.

6. Analysis of Capital Budget

This section analyses the planned capital expenditure budget for the 2010/11 year and the sources of funding for the capital budget.

6.1 Capital Works

Capital Works Areas	Ref	Forecast Actual 2009/10 \$'000	Budget 2010/11 \$'000	Variance \$'000
Works carried forward				
Roads	6.1.1	-	-	-
Recreation	6.1.1	-	3,017	3,017
Land and Buildings	6.1.1	304	250	54
Plant, equipment and other	6.1.1	150	-	150
Total works carried forward		454	3,267	2,813
New works				
Roads	6.1.2	3,610	3,956	346
Recreation	6.1.3	526	280	246
Land and Buildings	6.1.4	1,611	1,113	498
Plant, equipment and other	6.1.5	1,539	1,234	305
Total new works		7,286	6,583	703
Total capital works		7,740	9,851	2,111
Represented by:				
Asset renewal	6.1.8	6,069	6,768	699
New assets	6.1.8	1,107	2,345	1,238
Asset expansion/upgrade	6.1.8	564	738	174
Total capital works		7,740	9,851	2,111



6.1.1 Carried forward works

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

At the end of each financial year there are projects which are either incomplete or not commenced due to planning issues, weather delays, extended consultation etc. Projects that will need to be carried forward have been estimated for the 2009/10 year.

6.1.2 Roads

Roads includes local roads, car parks, footpaths, bike paths, bridges & culverts, declared main roads, traffic devices, street lighting and traffic signals.

Details of the 2010/11 roads program are contained in Appendix C.

6.1.3 Recreation

Open Space includes parks, playing surfaces, streetscapes, playground equipment, irrigation systems, trees and public art.

Details of the 2009/10 recreation program are contained in Appendix C.

6.1.4 Buildings

Buildings includes community facilities, municipal offices, sports facilities, pavilions.

Details of the 2009/10 buildings program are contained in Appendix C.

6.1.5 Plant, equipment and other

Plant, equipment and other includes information technology, motor vehicles and plant and office furniture and equipment purchases.

Details of the 2009/10 plant and equipment program are contained in Appendix C.

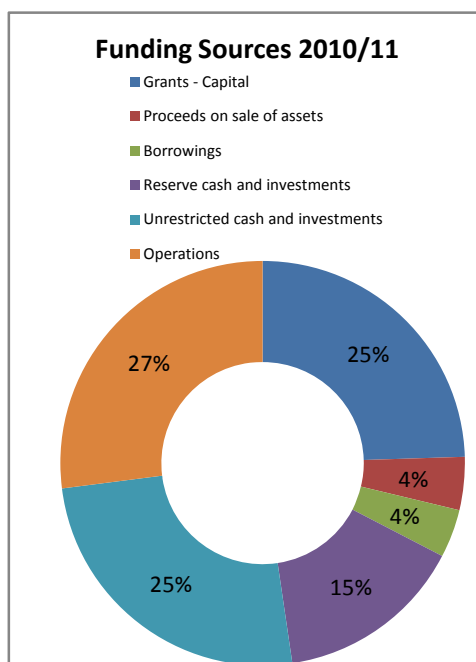
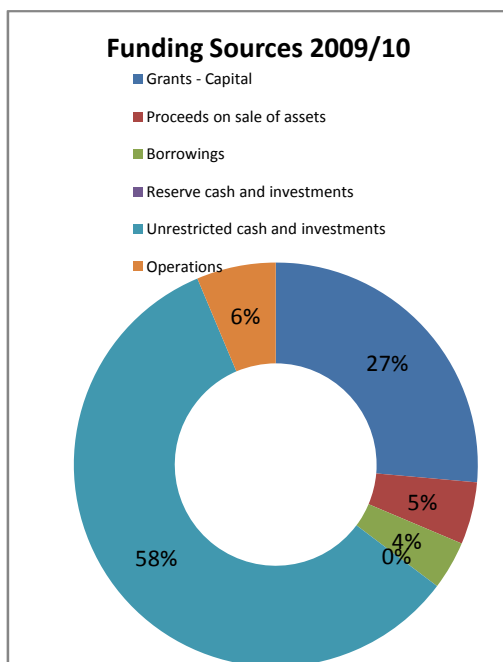
6.1.6 Asset renewal, new assets, and expansion/upgrade

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

The major projects included in the above categories, which constitute expenditure on new assets, are the Doug Lindsay Recreation Reserve project (\$1.4 million new and \$1.4 renewal) and housing units Cameron Court Clunes \$600 thousand. The majority of the remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

6.2 Funding Sources

Sources of funding	Ref	Forecast Actual 2009/10 \$'000	Budget 2010/11 \$'000	Variance \$'000
Works carried forward				
<i>External</i>				
Grants - Capital	6.1.1	-	1,573	1,573
Proceeds on sale of assets	6.1.1	-	-	0
			1,573	1,573
<i>Internal</i>				
Reserve cash and investments	6.2.4	-	1,200	1,200
Unrestricted cash and investments	6.2.5	454	494	40
		454	1,694	1,240
Total works carried forward		454	3,267	2,813
New works				
<i>External</i>				
Grants - Capital	6.2.1	2,044	841	-1,202
Borrowings	6.2.2	300	380	80
Proceeds on sale of assets	6.2.2	386	417	31
		2,730	1,638	-1,092
<i>Internal</i>				
Reserve cash and investments	6.2.4	-	282	282
Unrestricted cash and investments	6.2.5	4,065	2,005	-2,060
Operations	6.2.6	491	2,659	2,168
		4,556	4,946	390
Total new works		7,286	6,584	-702
Total funding sources		7,740	9,851	2,111



6.2.1 Grants - Capital

Capital grants and contributions include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Doug Lindsay Recreation Reserve project (\$1.5 million) and Roads to Recovery projects (\$671 thousand).

6.2.2 Proceeds from loans

Council proposes to take out a further loan for the Doug Lindsay Recreation Reserve project during the year of \$100 thousand and \$280 thousand for the Cameron Court Units, Clunes.

6.2.3 Proceeds from sale of assets

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$412 thousand.

6.2.4 Reserve investments

The Council has specific cash reserves, which it uses from time to time to fund its annual capital works program. The reserves include monies set aside for specific purposes such as Waste Management, Car Parking, Public Open space etc. For 2010/11 \$37 thousand from the Plant Replacement Reserve will be used to fund part of the capital works program and \$245 thousand from the Public Open Space reserve.

6.2.5 Unrestricted cash and investment

In addition to reserve investments, Council has uncommitted cash and investments which represent unrestricted cash and investments and funds preserved from the previous year mainly as a result of grants and contributions being received in advance. It is forecast that \$2 million will be available from the 2009/10 year to fund the 2010/11 capital works program including \$1.2 million of unspent grant funds in relation to the Doug Lindsay Recreation Reserve.

6.2.6 Operations

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$2.7 million will be generated from operations to fund the 2010/11 capital works program. Refer to section 5. 'Budgeted Cash Position' for more information on funds from operations.

7. Analysis of Budgeted Financial Position

This section analyses the movements in assets, liabilities and equity between 2009/10 and 2010/11. It also considers a number of key performance indicators.

7.1 Budgeted Balance Sheet

	Ref	Forecast Actual 2009/10 \$'000	Budget 2010/11 \$'000	Variance \$'000
Current assets	7.1.1			
Cash and cash equivalents		3,939	2,410	-1,530
Trade and other receivables		1,352	1,352	0
Other assets		119	119	0
Total current assets		5,410	3,881	-1,530
Non-current assets	7.1.2			
Trade and other receivables		2	2	0
Financial assets		899	899	0
Investment in associates		447	447	0
Property, infrastructure, plant and equipment		163,334	167,981	4,647
Total non-current assets		164,682	169,329	4,647
Total assets		170,092	173,210	3,117
Current liabilities	7.1.3			
Trade and other payables		1,308	1,308	0
Interest-bearing loans and borrowings		418	433	-15
Provisions		1,660	1,577	83
Total current liabilities		3,386	3,318	68
Non-current liabilities	7.1.4			
Interest-bearing loans and borrowings		3,075	3,022	53
Provisions		736	1,097	-361
Total non-current liabilities		3,811	4,119	-308
Total liabilities		7,197	7,437	-240
Net assets	7.1.5	162,895	165,773	2,877
Equity	7.1.6			
Accumulated surplus		97,436	100,596	3,160
Asset revaluation reserve		64,603	64,603	0
Other reserves		856	574	-282
Total equity		162,895	165,773	2,878

7.1.1 & 7.1.2 Current Assets and Non-Current Assets

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 less than 12 months. These balances are projected to decrease by \$1.5 million during the year mainly to fund the capital works program during the year and expenditure of grant funds received in advance.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors are expected to remain constant as well and relate to low interest Heritage Loans which as they are paid off new loans are made.

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

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by the Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$10 million of asset renewal, upgrade or new assets), depreciation of assets (\$4.8 million) and through the sale of property, plant and equipment (\$383 thousand).

7.1.3 & 7.1.4 Current Liabilities and Non Current Liabilities

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2009/10 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to remain consistent on the assumption staff take their leave as it accrues.

Interest-bearing loans and borrowings are borrowings of Council. The Council is proposing to take out a loan of \$380 thousand and is budgeting to repay loan principal of \$418 thousand over the year.

7.1.5 Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June.

The increase in net assets of \$3 million results directly from the operating surplus.

7.1.6 Equity

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. \$282 thousand of these reserves will be utilised during 2010/11;
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2011 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- The level of debtors and creditors to remain consistent with 2009/10 levels, hence despite the increase in rate and charges revenue collectability will improve;
- Employee entitlements to be increased by the Collective Agreement outcome offset by the impact of more active management of leave entitlements of staff;
- A loan of \$380 thousand will be taken out in the second half of the financial year;
- Repayment of loan principal to be \$418 thousand;
- Total capital expenditure to be \$10 million.

8. Strategic Resource Plan and Key Financial Indicators

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

8.1 Plan Development

Council has prepared a Strategic Resource Plan (SRP) for the four years 2010/11 to 2013/14 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 SRP is in essence the first four years of the Council's 10 Year Financial Plan which is reviewed annually.

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

- To continue to deliver an acceptable level of services to the community;
- To ensure that debt levels stay at an acceptable level;
- To maintain a responsible and sustainable asset management program;
- To achieve financial sustainability into the future.

In turn, specific financial goals have been established to support Council decision making, and to track progress against the above objectives.

These goals are:

- Maintain a balanced, or cash positive, annual 'cash' budget;
- Ensure that Debt Servicing Costs (Principal & Interest) as a % of Rates remains less than 7.5%;
- Council set a target for its working capital ratio (current assets / current liabilities) of greater than 140%;
- Maintain an annual reduction in the infrastructure funding gap;
- Generate on going surpluses from annual operations.

8.2 Financial Resources

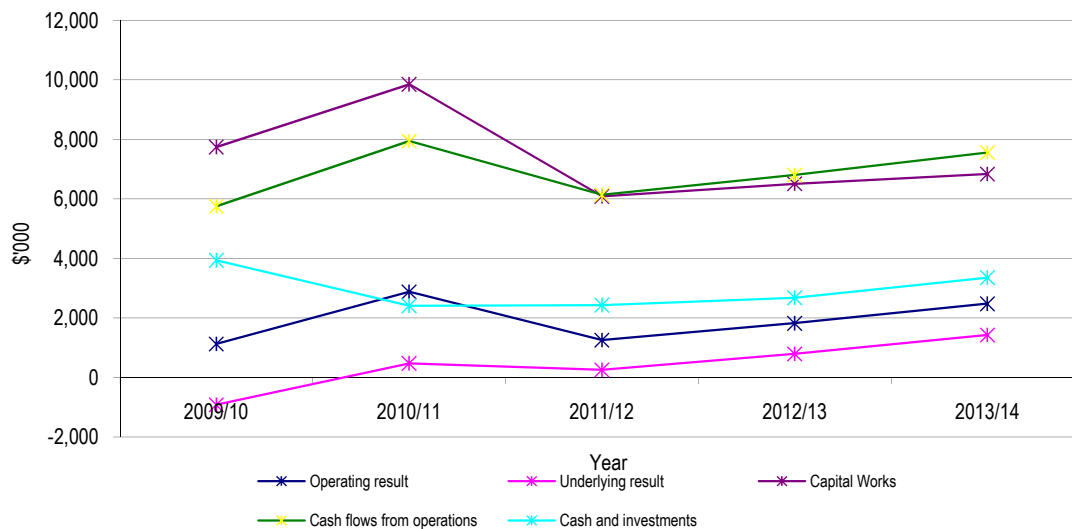
The following table summaries the key financial results for the next four years as set out in the SRP for years 2010/11 to 2013/14. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2009/10	2010/11	2011/12	2012/13	2013/14	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating result	1,125	2,878	1,251	1,820	2,476	+
Underlying operating result	-918	473	251	795	1,426	+
Cash and investments	3,939	2,410	2,434	2,681	3,358	+
Cash flows from operations	5,751	7,943	6,138	6,805	7,560	+
Capital works	7,740	9,851	6,081	6,506	6,831	+

Key to Forecast Trend:

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

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



The key outcomes of the Plan are as follows:

- **Financial sustainability (section 5)** - Cash and investments are forecast to decrease in 2010/11 due to the spending of prepaid grants and then increase steadily as Council rebuilds its working capital over the four year period from a forecasted \$2.4 million at 30 June 2011 to \$3.7 million at 30 June 2014.
- **Rating strategy (section 9)** – Above inflation rate increases are forecast over the four years at an average of 7.3%, Council considers that increases in real terms are necessary to address the infrastructure gap presently facing council.
- **Service delivery strategy (section 10)** – Service levels have been maintained throughout the four year period. Operating surpluses and underlying operating surpluses are forecast over the four years. The underlying result is a measure of financial sustainability and is an important measure as once-off items can often mask the operating result.
- **Borrowing strategy (section 10)** – Borrowings are forecast to decrease from \$3.5 million to \$2.1 million over the four year period. This includes new borrowings of \$380 thousand in 2010/11.
- **Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total \$30 million at an average of \$7.4 million.

8.3 Non-financial Resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. The following table summaries the non-financial resources for the next four years.

Indicator	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2009/10 \$'000	2010/11 \$'000	2011/12 \$'000	2012/13 \$'000	2013/14 \$'000
Employee costs	8,069	8,783	9,223	9,684	10,168
Employee numbers (EFTs)	124.5	124.4	124.4	124.4	124.4

9. Rating Strategy

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

9.1 Strategy Development

In developing the Strategic Resource Plan (referred to in Section 8.), rates and charges were identified as an important source of revenue, accounting for over 50% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly given the change to bi-annual general revaluations, and recent significant increases in valuations and subsequently rates for some properties in the municipality. The shires rate increases have been above the state average for the past few years however it must be noted that these increases have come off a very low base and even with the above inflation increases is below the state average and the small shires average rate.

9.2 Current Year Rate Increase

The Council's 10 Year Financial Plan is based on the following key objectives:

- To continue to deliver an acceptable level of services to the community;
- To ensure that debt levels stay at an acceptable level;
- To maintain a responsible and sustainable asset management program;
- To achieve financial sustainability into the future.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, general rates and the municipal charge will increase by 7.6% in 2010/11 raising a total rate of \$11.75 million, including \$150 thousand generated from supplementary rates. The following table sets out future proposed rate and municipal charge increases and total rates to be raised including allowances for supplementary rates, based on the forecast financial position of Council as at 30 June 2010.

Year	Rate Increase %	Total Rates Raised \$'000
2009/10	7.3	10,759
2010/11	7.6	11,750
2011/12	7.6	12,643
2012/13	7.0	13,528
2013/14	7.0	14,474

9.3 Rating Structure

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

- Property values, which reflect capacity to pay;
- User pays component to reflect usage of services provided by 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, commercial, industrial, mixed use (combination of residential and one or more other uses), vacant land, trust for nature and recreational purposes. This distinction is based on the concept that each use should pay a fair and equitable contribution to rates taking into account the benefits they each derive from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, Council made a decision 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.

The existing rating structure comprises nine differential rates being residential, farming, commercial, industrial, mixed use, vacant land township and vacant land other and a rate concession for recreational land and trust for nature land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Act. The commercial, industrial and mixed use are set at 110% of the residential rate, and vacant land township rates are set at 125% of the residential rate, the farm rate is set at 70% of the residential rate, the trust for nature is set at 50% of the residential rate and the rate concession for recreational land is set at 50% of the residential rate. Vacant land has been split into two differentials in 2010/11, township and other. Only the vacant land township differential has been set at 125% of the residential rate as Council has identified that vacant land outside townships may not be appropriate for development and therefore should not attract the higher rate.

Council also has a municipal charge, a waste management charge, a kerbside collection charge and a recycling charge as allowed under the Act.

Council has been phasing out the administration municipal charge over the past 4 years which has seen it reduce from \$110 to \$22, however it is proposed to retain the Charge at its present level for the 2010/11 financial year so that a review of the rating options can be undertaken during the year.

A new environmental charge has been introduced this year at \$22 per assessment. Over three years this will raise \$648 thousand to fund key environmental initiatives that will benefit the whole community.

The waste management charge, garbage and recycling charges are set to recover the costs associated with this area of service. As the cost of contractors, transport and associated levies have increased by an average of 9%, the charges have increased proportionately.

The following table summarises the rates to be made for the 2010/11 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	2009/10	2010/11
General rate	Cents/\$ CIV	0.3787	0.3891
Farm rate	Cents/\$ CIV	0.2651	0.2723
Commercial rate	Cents/\$ CIV	0.4166	0.4280
Industry rate	Cents/\$ CIV	0.4166	0.4280
Mixed use rate	Cents/\$ CIV	0.4166	0.4280
Vacant land rate - township	Cents/\$ CIV	0.4734	0.4864
Vacant land rate - other	Cents/\$ CIV	0.4734	0.3891
Trust for nature rate	Cents/\$ CIV	0.1894	0.1946
Recreational rate	Cents/\$ CIV	0.1894	0.1946
Municipal Charge	\$/ property	\$22	\$22
Environmental Charge	\$/ property	\$0	\$22
Recycling charge	\$/ property	\$66	\$66
Commercial garbage charge	\$/ property	\$188	\$199
Waste management charge	\$/ property	\$90	\$101

9.4 General Revaluation of Properties

During the 2009/10 year, a revaluation of all properties within the municipality was carried out and will apply from 1 January 2010 for the 2010/11 year. The outcome of the general revaluation has been a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 6%. Of this increase, residential properties have increased by 6% and rural properties by 15%.

The following table summarises the valuation changes between the 2008 and 2010 general revaluations for residential properties by town and by property type.

Type of Property	2008 CIV (\$'000)	2010 CIV (\$'000)	Valuation Change (\$'000)	Valuation Change %
Commercial	247,502	237,302	-10,200	-4%
Industrial	21,128	22,942	1,814	9%
Residential	2,127,714	2,246,861	119,147	6%
Rural	460,295	531,604	71,309	15%

In view of the outcomes of the general revaluation of all properties within the Council's municipal district during the 2009/10 year, with the exception of the new vacant land - other property type, Council has chosen not to make any changes to the existing rate differential. Therefore, in aggregate total rates and charges will increase by 7.6% compared to 2009/10.

10. Other Strategies

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

10.1 Borrowings

In developing the 10 Year Financial plan, borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed to finance large infrastructure projects, there have also been periods where no loans were borrowed resulting in phase's of debt reduction. The 10 Year Financial Plan has set an upper limit on the level of borrowing by setting the following objective "Ensure Debt Servicing Costs (Principal & Interest) as a % of Rates remains less than 7.5%".

For the 2010/11 year, Council is anticipating to borrow \$380 thousand to fund the final third of the local contribution to the Doug Lindsay Recreation Reserve Project and \$280 thousand to fund the construction of new units at Cameron Court, Clunes. After making loan repayments of \$418 thousand Council will decrease its total borrowings to \$3.45 million as at 30 June 2011. It is likely that in future years, borrowings will be required to fund future infrastructure initiatives, however as specific works have not been identified, further borrowings have not been included in 2011 - 13. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2011.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2009/10	300	419	223	3,493
2010/11	380	418	220	3,455
2011/12	0	433	223	3,022
2012/13	0	462	194	2,560
2013/14	0	452	137	2,108

10.2 Infrastructure

The Council has in place a basic infrastructure approach, however it recognises that this approach needs substantial further development based on developing a strategy which set out the capital expenditure requirements of the Council for the next 10 years by class of asset. An allocation of \$60 thousand has been set aside in this budget to develop a series of Asset Management Plans that will be a key input to the long term financial plan. The plans will predict infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. 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.

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.

At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in the Infrastructure Strategy. To address this situation Council has included in its plan a commitment to increase expenditure on infrastructure by \$250 thousand annually from 2008/09 to 2011/12.

10.3 Service Delivery

The preparation of this budget has been based on the objective of maintaining service levels throughout the four year period with improvements where possible through changes to operating process's and efficiency gains.

Appendices

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

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

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted standard statements	50
B	Statutory disclosures	55
C	Capital works program	60
D	Schedule of Fees and Charges	64

Appendix A

Budgeted standard statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2010/11 to 2013/14 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

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

Budgeted Standard Income Statement

For the four years ending 30 June 2014

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2009/10	2010/11	2011/12	2012/13	2013/14
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues from ordinary activities					
Rates charges	12,350	13,789	14,999	16,246	17,588
Statutory fees and fines	335	330	338	346	355
User fees	855	850	871	893	915
Grants - Operating	4,666	5,145	4,500	4,613	4,728
Grants - Capital	2,044	2,404	1,000	1,025	1,051
Contributions	111	174	200	205	210
Other revenue	1,182	1,235	1,272	1,310	1,349
Total revenues	21,543	23,927	23,179	24,638	26,196
Expenses from ordinary activities					
Employee benefits	8,069	8,783	9,223	9,684	10,168
Materials and services	6,535	6,223	6,534	6,861	7,204
Bad and doubtful debts	4	4	4	4	4
Depreciation and amortisation	4,626	4,787	4,883	4,980	5,080
Finance costs	223	220	222	194	137
Other expenses	961	1,032	1,063	1,095	1,128
Total expenses	20,418	21,049	21,928	22,817	23,720
Surplus (deficit) for the year	1,125	2,878	1,251	1,820	2,476

Budgeted Standard Balance Sheet

For the four years ending 30 June 2013

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2009/10		2011/12	2012/13	2013/14
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	3,939	2,410	2,434	2,681	3,358
Trade and other receivables	1,352	1,352	1,352	1,352	1,352
Other assets	119	119	119	119	119
Total current assets	<u>5,410</u>	<u>3,881</u>	<u>3,905</u>	<u>4,152</u>	<u>4,829</u>
Non-current assets					
Trade and other receivables	2	2	2	2	2
Financial assets	899	899	899	899	899
Investments in associates	447	447	447	447	447
Property, infrastructure, plant & equipment	163,334	167,981	168,780	169,905	171,256
Total non-current assets	<u>164,682</u>	<u>169,329</u>	<u>170,128</u>	<u>171,253</u>	<u>172,604</u>
Total assets	<u>170,092</u>	<u>173,210</u>	<u>174,032</u>	<u>175,405</u>	<u>177,433</u>
Current liabilities					
Trade and other payables	1,308	1,308	1,308	1,308	1,308
Interest-bearing loans and borrowings	418	433	462	452	372
Provisions	1,660	1,577	1,577	1,577	1,577
Total current liabilities	<u>3,386</u>	<u>3,318</u>	<u>3,347</u>	<u>3,337</u>	<u>3,257</u>
Non-current liabilities					
Interest-bearing loans and borrowings	3,075	3,022	2,560	1,656	1,736
Provisions	736	1,097	1,101	1,101	1,101
Total non-current liabilities	<u>3,811</u>	<u>4,119</u>	<u>3,661</u>	<u>2,757</u>	<u>2,837</u>
Total liabilities	<u>7,197</u>	<u>7,437</u>	<u>7,008</u>	<u>6,094</u>	<u>6,094</u>
Net assets	<u>162,895</u>	<u>165,773</u>	<u>167,024</u>	<u>169,311</u>	<u>171,339</u>
Equity					
Accumulated surplus	97,436	100,596	101,921	104,258	106,326
Asset revaluation reserve	64,603	64,603	64,603	64,603	64,603
Other reserves	856	574	500	450	410
Total equity	<u>162,895</u>	<u>165,773</u>	<u>167,024</u>	<u>169,311</u>	<u>171,339</u>

Budgeted Standard Cash Flow Statement

For the four years ending 30 June 2013

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2009/10	2010/11	2011/12	2012/13	2013/14
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities					
<i>Receipts</i>					
General rates	12,350	14,022	14,999	16,246	17,588
Operating grants and contributions	4,777	5,319	4,700	4,818	4,938
Capital grants and contributions	2,044	2,404	1,000	1,025	1,051
Interest	210	263	0	53	53
User charges	855	850	871	893	915
Statutory fees	335	330	338	346	355
Other revenue	972	972	1,272	1,257	1,296
	<u>21,543</u>	<u>24,160</u>	<u>23,179</u>	<u>24,638</u>	<u>26,196</u>
<i>Payments</i>					
Employee costs	-8,069	-8,738	-9,223	-9,684	-10,168
Materials & consumables	-6,535	-6,223	-6,534	-6,861	-7,204
Interest	-223	-220	-222	-194	-137
Other expenses	-965	-1,036	-1,063	-1,095	-1,128
	<u>-15,792</u>	<u>-16,217</u>	<u>-17,041</u>	<u>-17,833</u>	<u>-18,636</u>
Net cash provided by operating activities	<u>5,751</u>	<u>7,943</u>	<u>6,138</u>	<u>6,805</u>	<u>7,560</u>
Cash flows from investing activities					
Proceeds from property, plant and equipment	386	417	400	400	400
Payments for property, plant and equipment	-7,740	-9,851	-6,081	-6,506	-6,831
Net cash used in investing activities	<u>-7,354</u>	<u>-9,434</u>	<u>-5,681</u>	<u>-6,106</u>	<u>-6,431</u>
Cash flows from financing activities					
Finance costs	0	0	0	0	0
Proceeds from borrowings	300	380	0	0	0
Repayment of borrowings	-419	-418	-433	-452	-452
Net cash provided by (used in) financing activities	<u>-119</u>	<u>-38</u>	<u>-433</u>	<u>-452</u>	<u>-452</u>
Net decrease in cash & cash equivalents	<u>-1,722</u>	<u>-1,530</u>	<u>24</u>	<u>247</u>	<u>677</u>
Cash & cash equivalents at beginning of year	<u>5,661</u>	<u>3,939</u>	<u>2,410</u>	<u>2,434</u>	<u>2,681</u>
Cash & cash equivalents at end of year	<u><u>3,939</u></u>	<u><u>2,410</u></u>	<u><u>2,434</u></u>	<u><u>2,681</u></u>	<u><u>3,358</u></u>

Budgeted Standard Capital Works Statement

For the four years ending 30 June 2013

	Forecast		Strategic Resource Plan		
	Actual	-1,411	Projections		
	2009/10	2010/11	2011/12	2012/13	2013/14
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital works areas					
Roads & bridges	3,610	3,956	4,206	4,456	4,706
Recreation	526	3,297	75	100	125
Buildings	1,915	1,363	600	650	700
Plant, equipment & other	1,689	1,234	1,200	1,300	1,300
Total capital works	7,740	9,851	6,081	6,506	6,831
Represented by:					
Asset renewal	6,069	6,768	4,178	4,470	4,693
New assets	1,107	2,345	1,448	1,549	1,626
Asset expansion/upgrade	564	738	455	487	512
Total capital works	7,740	9,851	6,081	6,506	6,831

Appendix B Statutory disclosures

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

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates

Statutory disclosures

1. Borrowings

	2009/10 \$'000	2010/11 \$'000
New borrowings (other than refinancing)	300	380
Debt redemption	419	418

2. Rates and charges

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

Type of Property	2009/10 cents/\$CIV	2010/11 cents/\$CIV
General rate for rateable residential properties	0.3787	0.3891
Farm rate for rateable farm land properties	0.2651	0.2723
Commercial rate for rateable commercial properties	0.4166	0.4280
Industry rate for rateable industry properties	0.4166	0.4280
Mixed use rate for mixed use properties	0.4166	0.4280
Vacant land rate - township	0.4734	0.4864
Vacant land rate -other	0.4734	0.3891
Rate concession for rateable trust for nature properties	0.1894	0.1946
Rate concession for rateable recreational properties	0.1894	0.1946

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

Type of Property	2009/10 \$'000	2010/11 \$'000
Residential	6,634	7,071
Farm	1,335	1,594
Commercial	1,251	1,469
Industry	58	63
Mixed use	162	238
Vacant land rate - township	930	436
Vacant land rate -other	0	487
Trust for nature	11	14
Recreational	10	11

2.3 The estimated total amount to be raised by rates

	2009/10 \$	2010/11 \$
Total rates to be raised	10,391	11,383

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

Type of Property	2009/10 Change %	2010/11 Change %
Residential	-2.05	1.04%
Farm	-14.28	0.72%
Commercial	-2.05	1.14%
Industry	-2.05	1.14%
Mixed use	-2.05	1.14%
Vacant land rate - township	11.29	1.30%
Vacant land rate -other	11.29	-8.44%
Trust for nature	-2.05	0.52%
Recreational	-2.05	0.52%

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

Type of Property	2009/10 \$	2010/11 \$
Residential	6,580	6,672
Farm	1,061	1,076
Commercial	687	702
Industry	46	45
Mixed use	126	118
Vacant land rate - township	702	740
Vacant land rate - other	903	938
Trust for nature	16	16
Recreational	12	13
Total number of assessments	10,133	10,320

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

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

Type of Property	2009/10 \$'000	2010/11 \$'000
Residential	1,751,642	1,813,119
Farm	503,744	607,004
Commercial	300,377	343,340
Industry	14,022	14,774
Mixed use	38,857	55,564
Vacant land rate - township	87,281	90,898
Vacant land rate - other	111,661	124,104
Trust for nature	6,054	7,146
Recreational	5,027	5,620
Total	2,818,665	3,061,569

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

Type of Charge	Per Rateable Property 2009/10 \$	Per Rateable Property 2010/11 \$
Municipal Charge	22	22
Environmental Charge	0	22
Kerbside collection (garbage)	76	96
Recycling	66	66
Commercial garbage charge	188	199
Waste management charge	90	101
Total	442	506

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

Type of Charge	2009/10 \$'000	2010/11 \$'000
Municipal Charge	213	216
Environmental Charge	0	216
Kerbside collection (Garbage)	382	462
Recycling	324	325
Commercial garbage charge	31	33
Waste management charge	885	1,004
Total	1,835	2,256

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

	2009/10 \$'000	2010/11 \$'000
Rates and charges	12,226	13,639
Supplementary rates	150	150
Total	12,376	13,789

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

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

3. Differential rates

3.1 Rates to be levied

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

- A general rate of 0.3876% (0.003876 cents in the dollar of CIV) for all rateable residential properties; and
 - A farm rate of 0.2713% (0.002713 cents in the dollar of CIV) for all rateable farm properties; and
 - A commercial rate of 0.4264% (0.004264 cents in the dollar of CIV) for all rateable commercial properties; and
 - An industry rate of 0.4264% (0.004264 cents in the dollar of CIV) for all rateable industry properties; and
 - A mixed use rate of 0.4264% (0.004264 cents in the dollar of CIV) for all rateable mixed use properties; and
 - A vacant land rate of 0.4264% (0.004264 cents in the dollar of CIV) for all rateable vacant land properties in town; and a vacant land rate of 0.3876% (0.003876 cents in the dollar of CIV) for all rateable vacant land properties in outside townships
 - A trust for nature rate of 0.1938% (0.001938 cents in the dollar of CIV) for all rateable residential properties; and
 - A recreation rate of 0.1938% (0.001938 cents in the dollar of CIV) for all rateable recreation 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.

3.2 General Residential

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land.

3.3 Farmland

To ensure an equitable contribution towards the total rate income commensurate with nature of the land, the services available and the use to which the land is put.

3.4 Commercial

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties. As well as the use and services available to the land.

3.5 Industrial

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties. As well as the use and services available to the land.

3.6 Mixed Use

To ensure an equitable contribution towards the total rate income where the use is not solely residential or commercial or farmland or industrial or recreational, but maintains the characteristics of residential use and at least one other use category.

3.7 Vacant Land

To ensure an equitable contribution towards the total rate income and encourage the development of vacant land.

3.8 Trust for Nature

To recognise the contribution this land makes towards the environment and habitat of native flora and fauna.

3.9 Recreational

To recognise the contribution this land makes towards the social, cultural and physical well being of the community.

Appendix C Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2010/11 year.

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

- New works for 2010/11.
- Works carried forward from the 2009/10 year.

Capital works program

For the year ending 30 June 2011

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
ROADS & BRIDGES			
Asset renewal			
Reseals	255	1,245	1,500
Reseal Preparation	-	78	78
Shoulder Resheets	-	100	100
Gravel Resheets	160	440	600
Stabilisation Project	136	654	790
Bridge Replacement Design	-	30	30
Bridge Maintenance	-	290	290
Mullers Lane Bridge Construction	58	92	150
Footpath Improvement	-	40	40
Total asset renewal	609	2,969	3,578
Asset expansion/upgrade			
Shoulder Sealing	140	223	363
Swords Road Road Works	-	15	15
Total asset expansion/upgrade	140	238	378
TOTAL ROADS	749	3,207	3,956

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
RECREATION			
Asset renewal			
Newlyn Football & Netball Club Upgrade	45	15	60
Playground Equipment Replacement Program	-	20	20
Total asset renewal	45	35	80
New assets			
Installation of Playground at Daylesford Community Park	60	40	100
Calembeen Park Walking Track	60	40	100
Total new assets	120	80	200
TOTAL RECREATION	165	115	280

Capital works program

For the year ending 30 June 2011

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
BUILDINGS			
Asset renewal			
Buildings Renewal	-	180	180
Trentham Pool Filter	-	90	90
Painting Daylesford Pool	-	40	40
Replacement of Seals at Daylesford Pool	-	5	5
Pool Entrance Steps Rails	-	5	5
Repairs to Pound	-	4	4
Street Litter & Recycling Bins	-	50	50
Duke St Drainage Works	-	30	30
Total asset renewal	-	403	403
Asset expansion/upgrade			
Wombat Hill Gardens Kiosk	-	250	250
Pool Entrance Steps Rails	-	5	5
Landing Providing Access to Medlyn Bottle Museum	-	15	15
Transfer Station Facility Upgrade	-	60	60
Duke St Drainage Works	-	30	30
Total asset expansion/upgrade	-	360	360
New assets			
Cameron Court Units	70	280	350
Total new assets	70	280	350
TOTAL BUILDINGS	70	1,043	1,113

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
PLANT, EQUIPMENT and OTHER			
Asset renewal			
Corporate System	-	99	99
Computer Equipment	3	87	90
Upgrade Data Link between Daylesford and Creswick	-	27	27
Survey Total Station	-	19	19
Passenger & Commercial Fleet	97	122	219
Works Plant & Equipment	317	434	750
Total asset renewal	417	787	1,203
New assets			
Creswick Office Refit	-	20	20
Auto Startup Generator	-	5	5
Air Conditioning - Economic Development & Tourism Office	-	6	6
Total new assets	-	31	31
TOTAL PLANT, EQUIPMENT and OTHER	417	818	1,234

Capital works program

For the year ending 30 June 2011

TOTAL CAPITAL WORKS 2010/11	1,401	5,183	6,583
Asset renewal	1,071	4,194	5,265
New assets	190	391	581
Asset expansion/upgrade	140	598	738

2. Works carried forward from the 2009/10 year

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
RECREATION			
Asset renewal			
Doug Lindsay Recreation Reserve Multi Purpose Facility	786	592	1,378
Calambeen Park - Dive Tower	-	125	125
Total asset renewal	786	717	1,503
New assets			
Doug Lindsay Recreation Reserve Multi Purpose Facility	786	592	1,378
CDDA Magic Pudding Playground	-	71	71
Carbon Negative Initiatives	-	65	65
Total new assets	786	727	1,514
TOTAL RECREATION	1,573	1,444	3,017
BUILDINGS			
New assets			
Cameron Court Units	-	250	250
Total new assets	-	250	250
TOTAL BUILDINGS	-	250	250
TOTAL CARRIED FORWARD WORKS 2009/10	1,573	1,694	3,267
Asset renewal	786	717	1,503
New assets	786	977	1,764
Asset expansion/upgrade	-	-	-

3. Summary

	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
Asset renewal	1,857	4,911	6,768
New assets	976	1,368	2,345
Asset expansion/upgrade	140	598	738
TOTAL CAPITAL WORKS	2,974	6,877	9,851

SCHEDULE OF FEES AND CHARGES

This appendix presents a listing of the Fees and Charges that will apply for the 2010/2011 year.

The fees and charges are grouped by functional area and include the following:

- Visitor Information Centre
- Compliance
- Building Services
- Town Planning related information
- Environmental Health
- Domestic and Commercial Waste
- Daylesford - Victoria Park, Wombat Gardens & Lake Foreshore
- Home and Community Care Services
- Rates Information
- Technical Services
- Community Services
- Creswick Town Hall
- Daylesford Town Hall
- Photocopying
- Freedom of Information

All these items include GST, except where denoted with a *

VISITORS INFORMATION CENTRE

Use	Current Fee 2009/2010 (incl GST)	Recommended Fee 2010/2011 (incl GST)
Level One VIC fees	\$130	\$150
Level Two VIC fees	\$160	\$185
Level Three VIC fees	\$320	\$350
Level Four VIC Fees		\$450

Special Conditions

VIC fees for volunteers

To be entitled to the discount you must:

1. Be on the permanent roster, or complete a minimum of ten shifts per annum on the emergency roster, and
2. This discount is for one business only displayed in a single brochure section.

Level One VIC fees	\$0	\$0
Level Two VIC fees	\$60	\$60
Level Three VIC fees	\$120	\$120
Level Three A VIC Fees	\$175	\$175

COMPLIANCE

	Recommended Fee/Charge 2009/2010 (incl GST)	Recommended Fee/Charge 2010/2011 (incl GST)
Registration Fees		
Dog – full fee*	\$81.00	\$73.00
Dog – discounted fee*#	\$27.00	\$24.00
Cat – full fee*	\$66.00	\$60.00
Cat – discounted fee*#	\$22.00	\$20.00
Replacement Tags	\$5.50	\$5.50
Domestic Animal Impound Release Fees		
Unregistered dog not desexed	\$88.00 + \$11.00/day	\$132 + \$11.00/day
Unregistered dog desexed	\$66.00 + \$11.00/day	\$110 + \$11.00/day
Registered dog not desexed	\$66.00 + \$11.00/day	\$110 + \$11.00/day
Registered dog desexed	\$33.00 + \$11.00/day	\$77 + \$11.00/day
Unregistered cat not desexed	\$77.00 + \$11.00/day	\$110 + \$11.00/day
Unregistered cat desexed	\$55.00 + \$11.00/day	\$99 + \$11.00/day
Registered cat not desexed	\$66.00 + \$11.00/day	\$110 + \$11.00/day
Registered cat desexed	\$44.00 + \$11.00/day	\$88 + \$11.00/day
Local Law Permits		
Permits issued in accordance with the provisions of General local Law No.2	To range from \$100.00 to \$500 dependant on permit requested	Same as 2009/10
Fire Prevention		
Private grass slashing administration fee (in addition to the contractors charges)	\$121.00	\$126.50
Parking Fines		
Overstaying time*	\$57	\$58
In No Parking area*	\$57	\$58
Not within parking bay*	\$57	\$58
Not completely within parking bay*	\$57	\$58

Street Furniture		
<i>All fees associated with the street furniture, goods for sale & a-frame signs are reduced by 50% outside of the designated Daylesford CBD area</i>		
A-frame signage	\$90.00/year	Daylesford CBD: \$90.00/year Outside Daylesford CBD: \$45.00/year
Tables & two chairs	\$150.00/set/year for first two table sets \$400/set/annum thereafter	Daylesford CBD: \$150.00/year in trading zone (up to 3 sets) Above 3 sets a further \$150.00 Outside Daylesford CBD: \$75.00/year in trading zone (up to 3 sets)
Goods for Display or Sale	\$150.00/set/year for first two table sets \$400/set/year thereafter	Daylesford CBD: \$150.00/year Outside Daylesford CBD: \$75.00/year
Wind barriers	\$90.00 each/year	Daylesford CBD: \$90.00 each/year Outside Daylesford CBD: \$45.00 each/year
Cat cage hire*	\$50.00 Bond refundable on return of cage	\$50.00 Bond refundable on return of cage

The discounted fees are one-third of the full fee and only apply if the animal:

- is over ten years old
- is kept for working stock (dogs only)
- is kept for breeding on a registered premises
- has undergone obedience training (dogs only)
- is registered with the relevant association
- is permanently identified in the prescribed manner.

Denotes fees as determined by legislation and therefore subject to any change in legislation

BUILDING SERVICES

	Recommended Fee/Charge 2009/2010 (incl GST)	Recommended Fee/Charge 2010/2011 (incl GST)
Residential		
New Dwelling	\$300 plus \$3 per m2 (Minimum \$500)	\$330 plus \$3.41 per m2 (Minimum \$500)
Alteration to Dwelling	\$300 plus \$3 per m2 (Minimum \$500)	\$330 plus \$3.41 per m2 (Minimum \$500)
Addition to Dwelling	\$300 plus \$3 per m2 (Minimum \$500)	\$330 plus \$3.41 per m2 (Minimum \$500)
Units	\$300 plus \$3 per m2 each	\$330 plus \$3.41 per m2
Garages/Carports up to \$10,000	\$250	\$297
Garages/Carports over \$10,000	\$350	\$396
Swimming Pools	\$350	\$385
Solid Fuel Heaters	\$150	\$171
Restump	\$200	\$226
Lodgment Fees - (Payable on Council & Private Building Surveyor Projects)*	\$32.60	\$32.60
Conducting an assessment for compliance under AS3959 (Bushfire Code)	\$200	\$220
Commercial/Industrial New/Alterations/Additions		
All works under \$5,000	\$300	\$341
Works valued \$5,000 - \$30,000	\$400	\$451
Works valued \$30,000 - \$250,000	\$Cost x 0.25% plus \$400 (Minimum \$500)	\$Cost x 0.25% plus \$451 (Minimum \$500)
Works valued \$250,000 - \$500,000	\$Cost x 0.25% plus \$800	\$Cost x 0.25% plus \$902
Works valued over \$500,000	\$Cost x 0.25% plus \$1,425	\$Cost x 0.25% plus \$1,606
Lodgment Fees (Commercial/Industrial)*	\$32.60	\$32.60
Demolition		
Single Storey building	\$250 plus \$52.75 (section 29A)	\$275 plus \$58.03 (section 29A)
Any other building more than one storey	\$250 per storey plus (section 29A)	\$275 per storey plus (section 29A)

	Recommended Fee/Charge 2009/2010 (incl GST)	Recommended Fee/Charge 2010/2011 (incl GST)
Other Permits/Services		
Fences and signs	\$180	\$204
Swimming Pool Reports (Existing)	\$120	\$138
Request for variation of siting	\$217.50	\$239.25
Permit to erect hoarding/public protection	\$100	\$116
Any other service not otherwise provided for	P.O.A. (hourly rates apply)	P.O.A. (hourly rates apply)
Extension of time for a permit		
Extension of time for a permit	\$100	\$110
Inspection associated with lapsed permits	\$66 per inspection	\$110
Illegal works	As per policy adopted by Council	
State Government Building Levy		
Cost recovery of levy*	1.28 per \$1,000 value of works (i.e.. Cost of works x 0.00128)	1.28 per \$1,000 value of works (i.e.. Cost of works x 0.00128)
HIH Levy		
(Domestic works over \$10,000)*	0.32 per \$1,000 value of works (i.e.. Cost of works x 0.00032)	0.32 per \$1,000 value of works (i.e.. Cost of works x 0.00032)
Requests for Information		
Property Certificates (last 10 years information*)	\$43.45	\$43.45
Temporary structures	\$200	\$220
Copies of plans from building files	\$43.45 Minimum	\$43.45 Minimum
Inspection on behalf of other practitioner	\$100 per inspection	\$112.75
Any other service	P.O.A	P.O.A

Notes:

1. Square meters calculated on total floor area, including garages, verandahs, etc.
2. Cost of works determined by Relevant Building Surveyor, unless contract applies.
3. All fees quoted (unless determined by regulation) are a minimum basis.

Denotes fees as determined by legislation and therefore subject to any change in legislation

TOWN PLANNING RELATED INFORMATION

Part 1: Prescribed Statutory Fees (subject to change by State Government)

APPLICATIONS FOR PLANNING PERMITS (Regulation 7)			
Class	Application Type	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
1	Use Only	\$487	\$502
To develop land or to use and develop the land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application is:			
2b	> \$10,000 ...\$100,000	\$232	\$239
3b	> \$100,001	\$476	\$490
To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:			
4c	< \$10,000	\$99	\$102
5d	> \$10,000 ...\$250,000	\$586	\$604
6e	> \$250,001 ...\$500,000	\$686	\$707
7e	> \$500,001 ...\$1,000,000	\$791	\$815
8e	> \$1,000,001 ...\$7,000,000	\$1,119	\$1,153
9e	> \$7,000,001 ...\$10,000,000	\$4,696	\$4,837
10e	> \$10,000,001 ...\$50,000,000	\$7,829	\$8,064
11e	> \$50,000,001	\$15,660	\$16,130
Subdivision			
12	To subdivide existing building.	\$375	\$386
13f	To subdivide land into two (2) lots.	\$375	\$386
14	To effect a realignment of a common boundary between lots or to	\$375	\$386
15g	To subdivide land (3 or more lots)	\$758	\$781
16	To remove restriction (within the meaning of the <i>Subdivision Act 1988</i>) over land if the land has been used or developed for more than 2 years before the date of the applications in a manner which would have been lawful under the <i>Planning and Environment Act 1987</i> but for the existence of the restriction.	\$242	\$249
17h	To create, vary or remove a restriction within the meaning of the <i>Subdivision Act 198</i> ; or To create or remove a right of way.	\$525	\$541
18h	To create, vary or remove an easement other than a right of way; or To vary or remove a condition in the nature of an easement other than a right of way in a Crown grant.	\$392	\$404

CLASS DESCRIPTIONS (Regulations 7 & 8)	
Class	Class Descriptions
a	Applications for permit under Section 47, other than an application under Section 96(1) of the <i>Planning & Environment Act 1987</i>
b	Other than an application to subdivide land
c	Other than an application to undertake development ancillary to the use of the land for a single dwelling per lot; or an application to subdivide land
d	Other than a Class 2 application; or a Class 3 application; or an application to subdivide land
e	Other than a Class 3 application; or an application to subdivide land
f	Other than a Class 12 application
g	Other than a Class 12 application; or a Class 13 application; or a Class 14 application
h	Other than a Class 16 application
i	Other than a Class 4 application
j	Other than a Class 5 application
k	Other than a permit to develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a
l	Other than an application to subdivide land
m	Other than a permit to undertake development ancillary to the use of the land for a single dwelling per lot where the total estimated cost of the development originally permitted and the additional development to be permitted by the amendment is not more than \$10 000; or an application to subdivide land
n	Other than a Class 3 application or a Class 4 application
o	Other than a Class 4 application

COMBINED PERMIT APPLICATIONS
The fee for an application for any combination of the classes of application outlined above is the sum arrived at by adding the highest of the fees, which would have applied if separate applications had been made, plus 50% of each of the other fees that would have applied if separate applications had been made.

FEES TO AMEND APPLICATIONS AFTER NOTICE HAS BEEN GIVEN (Regulation 8a)		
	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
Amend an application for a permit after notice has been given under Section 52 for every Class of application (other than a Class 4 application) set out in the table in Regulation 8	\$99	\$102
Amend an application to amend a permit after notice has been given under Section 52 for every Class of application (other than a Class 5 application) set out in the table in Regulation 8b	\$99	\$102

APPLICATIONS FOR AMENDMENTS TO PERMITS (Regulation 8B)			
Class	Application Type	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
	To amend a permit to use land if that amendment is to change the use of which the land may be used.	\$487	\$502
2k	To amend a permit:	\$487	\$502
	a) to change the statement of what the permit allows; or		
	b) to change any or all of the conditions which apply to the permit; or		
	c) in any way not otherwise provided for in Regulation 8B		

APPLICATIONS FOR AMENDMENTS TO PERMITS (Regulation 8B)			
	Amended Plans Single Dwelling on a lot less than 500 square meters		
3l	To amend a permit to develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of any additional development to be permitted by the amendment is:		
	< \$10,000	\$99	\$102
	> \$10,000 - \$100,000	\$232	\$239
	> \$100,001	\$476	\$490
4l	Amended Plans Two (2) or more dwellings or Industrial & Commercial Developments		
5m	To amend a permit to develop land if the estimated cost of any additional development to be permitted by the amendment is \$10,000 or less	\$99	\$102
6n	To amend a permit if the estimated cost of any additional development to be permitted by the amendment is:		
	> \$10,001 - \$250,000	\$586	\$604
7o	> \$250,001 - \$500,000	\$686	\$707
8g	> \$500,001	\$791	\$815
	Amendment to Permit & Plans Subdivision		
9	To amend a permit to:	\$375	\$386
	a) subdivide an existing building; or		
	b) subdivide land into two (2) lots; or		
	c) effect realignment of a common boundary between lots or to consolidate		

AMENDMENTS TO PLANNING SCHEMES (Regulation 6)		Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
Stage 1	<ul style="list-style-type: none"> · Considering a request to amend a planning scheme; And · Taking action required by Division 1 of Part 3 of the <i>Planning and Environment Act 1987</i>; And · Considering any submissions which do not seek a change to the amendment; And If applicable, abandoning the amendments in accordance with Section 28 	\$775	\$798
Stage 2	<ul style="list-style-type: none"> · Considering submissions which seek a change to an amendment, and where necessary referring the submissions to a panel; And · Providing assistance to a panel in accordance with Section 158; And · Making a submission in accordance with Section 24(b); And · Considering the report in accordance with Section 27; And · After considering submissions and the report in accordance with Section 27, if applicable, abandoning the amendment in accordance with Section 28 	\$775	\$798
Stage 3	<ul style="list-style-type: none"> · Adopting an amendment or a part of an amendment in accordance with Section 29; And · Submitting the amendment for approval in accordance with Section 31 	\$509	\$524
Stage 4	<ul style="list-style-type: none"> · Considering a request to approve an amendment in accordance with Section 35; And · Giving notice of approval of an amendment in accordance with Section 36 	\$775	\$798

NOTE: Fees for Stages 1, 2 & 3 are paid to the planning authority by the person who requested the amendment. The fee for Stage 4 is paid to the Minister by the

COMBINED PERMIT APPLICATION AND PLANNING PERMIT SCHEME AMENDMENT

The fee for an application for a planning permit combined with a request for amendment of a planning scheme, made in accordance with Section 96A, is the sum arrived at by adding the higher of the fees plus 50% of the lower of the fees which would have applied if separate applications had been made.

If the application for a planning permit is for any combination of the classes of application outlined previously, the fee for the planning permit is for the purposes of this calculation is the higher of the fees which would have applied if separate applications for permits had been made.

CERTIFICATES OF COMPLIANCE (Regulation 10)

	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
Application for a Certificate of Compliance under Section 97N	\$143	\$147

PLANNING CERTIFICATES (Regulation 11)

	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
Application for a Planning Certificate under Section 198 Applications for	\$17.70	\$18.20

SATISFACTION MATTERS (Regulation 12)

	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
Determining a matter where a planning scheme specifies that the matter must be done to the satisfaction of a Responsible Authority or a Referral Authority	\$99	\$102

Part 2: Administrative Charges (Non Statutory Fees)**ISSUED PERMITS & ENDORSED PLANS**

This administrative fee is set internally to cover the cost associated with the planning process such as a review of the planning history and copying.

	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
Application to Amend Endorsed Plans	\$155.00	\$155.00
Application to Amend Planning Permit	\$155.00	\$155.00
Application for Secondary Consent	\$206.00	\$206.00
Correction to a Planning Permit, Notice of Decision or Refusal	FREE	FREE

ENQUIRIES

	Current Fee/Charge 2009/2010	Recommended Fee/Charge 2010/2011
Written request for Heritage Control advice	\$60.00	\$60.00
Written request for Demolition Control advice (Section 29a – Form B)	\$60.00	\$60.00
Written request for General Planning advice	\$55.00	\$55.00
Request for e-mail aerial photographs	\$23.95	\$23.95
Property Enquiries/Plan Search – Commercial (Site history/copies of permits/copies	\$60 minimum	\$60 minimum
Property Enquiries/Plan Search – Residential (Site history/copies of permits/copies	\$60 minimum	\$60 minimum

EXTENSION OF TIME		
	Current Fee/Charge 2009/2010 *	Recommended Fee/Charge 2010/2011
Extension of Time for permits - 1 st request	\$155	\$155.00
Extension of Time for permits - 2nd request	\$260	\$260.00
Extension of Time for permits - 3rd request	\$360	\$360.00
Extension of Time for permits - subsequent requests	\$470 thereafter	\$470 thereafter

REFUNDS		
	Current Fee/Charge 2009/2010 *	Recommended Fee/Charge 2010/2011
Cancellation of application when no work carried out	Refund 3/4 of application fee	No change
Cancellation after direction to advertise but before commenced	Refund 1/2 of application fee	No change
Cancellation after advertising commenced	No Refund	No change
Cancellation due to prohibited proposal	Full Refund	No change

NOTES

Statutory Fees

These fees are cumulative unless otherwise stated. If your application or request falls into several categories the highest fee and half the lower fee are payable.

Administrative charges for photocopying and printing of charges

GST

Planning fees are exempt from GST unless otherwise denoted by an asterisk*

End Note

The preceding sections are a summary of the fees prescribed under the *Planning and Environment (Fees) Regulations 2000*, and is not a complete representation of these Regulations or other legislative provisions. Reference should be made to the Regulations to obtain the complete wording of individual fee Regulations and other Regulations (which include waiving and rebating provisions). Please visit www.dms.dpc.vic.gov.au or select link provided Victorian Law Today Statutory Rule for more details on amended *Planning and Environment (Fees) Regulations 2000* setting out the new fees.

Note:

Fee for amending a planning permit application depends on the Schedule of fees as per the Planning & Environment Regulations (Fees).

Fee for lodging amended subdivision plans at certification stage depends on the schedule of fees as per the Planning & Environment Regulations (Fees)

Denotes fees as determined by legislation and therefore subject to any change in legislation

The non-statutory fees are above the benchmark for the surrounding municipalities. A policy is to be formed to determine future non stat fees rises.

ENVIRONMENTAL HEALTH

Type of Premises/Activity	Current Fee/Charge 2009/2010 (Incl GST)	Recommended Fee/Charge 2010/2011 (Incl GST)
Food Premises (Class 1) – nursing homes, child care centers, Special Residential Support,	\$310	\$318
Food Premises (Class 2) – restaurants, takeaways, cafes, supermarkets, bakeries,	\$310	\$318
Food Premises (Class 2) – guesthouse, B&B, host farm – (prepare and serve breakfast and/or	\$210	\$215
Food Premises (Class 2) – Pre-Packaged Food*	\$110	\$113
Food Premises – (Class 2) Sporting Clubs, Schools – Run by Volunteers, Parents*	\$100	\$103
Home Kitchen*	\$160	\$164
Food Vehicles – preparing and selling food from vehicle*	\$310	\$318
Food Market Stalls*	\$120	\$123
Temporary Food Stalls*	\$20	\$20
Hairdressers, Beauty Parlours*	\$110	\$113
Skin Penetration*	\$240	\$246
Prescribed Accommodation – hotels/motels, recreation camps, B&B's (NOT self contained or exclusive use of Units, Villas, Houses) 6 to 10 persons*	\$210	\$215
Prescribed Accommodation – hotels/motels, recreation camps, B&B's (NOT self contained or exclusive use of Units, Villas, Houses) over 10 persons*	\$260	\$266
Caravan Parks*	\$2.50/site	\$2.50/site
Transfer of Registration*	½ Registration fee	½ Registration fee
Special Visit – Pre-purchase inspections*	\$155	\$160
New Septic Tank systems*	\$410	\$420
Alterations to Septic Tank systems*	\$205	\$210

Note:

A 50% discount on *Temporary Food Stall* fees applies to “Not For Profit Community Organisations”

A late fee will apply for late applications and payments of annual registrations at a rate of 50% of the annual registration fee applicable if the application and/or fee is not received within 14 days of the due date.

Full Registration fees are to be paid up until 31st August, registrations after this date i.e. from 1st September onwards are only required to pay 50% of the full fee.

DOMESTIC & COMMERCIAL WASTE - TIPPING FEES SCHEDULE

Item	Current Fee 2009/2010 (incl GST)	Recommended Fee 2010/2011 (incl GST)
DOMESTIC & COMMERCIAL WASTE		
Car/Boot Load (½m ³ max)	\$14.00	\$14.00
Utility/Small Trailer (1.0 m ³ max)	\$28.00	\$28.00
Small Truck/Tandem Trailer (2.0 m ³ max)	\$56.00	\$56.00
Other Loads that are non commercial	\$30.00	\$30.00
Commercial Waste	Not applicable	Not applicable
Approved Green Waste	\$14.00	\$14.00
Approved Domestic Recyclables	No Charge	No Charge
Approved Commercial Recyclables	No Charge	No Charge
Commercial Paper & Cardboard	\$14.00/m ³	\$14.00/m ³
Commercial Paper & Cardboard	\$28.00/m ³	\$28.00/m ³
TYRES		
Car	\$12.00	\$12.00
Light Truck	\$25.00	\$25.00
Truck	\$25.00	\$25.00
Tractor – Small	\$130.00	\$130.00
Tractor – Large	\$200.00	\$200.00
Rims only	No Charge	No Charge
OTHER		
Oil	No Charge	No Charge
Batteries	No Charge	No Charge
Scrap Steel	No Charge	No Charge
Car Bodies	No Charge	No Charge
Refrigerators & Freezers (Degassed)	No Charge	No Charge
Refrigerators & Freezers (Gassed)	\$50.00	\$50.00
Mattresses	\$20.00	\$20.00
Sale of Garbage bins		
120ltr bin	\$45.00	\$45.00
240ltr bin	\$60.00	\$60.00

Note: Approved Recyclables must be sorted and placed in containers provided

DAYLESFORD – VICTORIA PARK/WOMBAT GARDENS/LAKE FORESHORE

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (incl GST)
Function (1 Day)	\$700.00	\$718.00
Function (2 Days)	\$1,000.00	\$1,025.00
Function (2+ Days)	\$1000.00 for first 2 days + \$250.00 per day thereafter	\$1025.00 for first 2 days + \$256.00 per day thereafter
Daylesford Football Club	\$1,300.00	\$1,333.00
Daylesford Cricket Club	\$350.00	\$359.00
Bonds		
Meetings*	\$500.00	\$500.00
Functions*	\$800.00	\$800.00
Functions with alcohol*	\$1,000.00	\$1,000.00
Special Conditions		
Hepburn Shire Community Not For Profit	<ol style="list-style-type: none"> 1. Hire fees to be waived (bond and if applicable insurance fees must still be paid) 2. Council must be recognised as providing sponsorship/support for the event. 	<ol style="list-style-type: none"> 1. Hire fees to be waived (bond and if applicable insurance fees must still be paid) 2. Council must be recognised as providing sponsorship/support for the event.
Hepburn Shire Council Sponsored Events	<ol style="list-style-type: none"> 1. Hire fees to be waived (bond and if applicable insurance fees must still be paid) 2. Council must be recognised as providing sponsorship/support for the event. 	<ol style="list-style-type: none"> 1. Hire fees to be waived (bond and if applicable insurance fees must still be paid) 2. Council must be recognised as providing sponsorship/support for the event.
Wombat Gardens		
Wedding	\$150.00	\$154.00
Lake Foreshore		
Wedding	\$150.00	\$154.00

CRESWICK TOWN HALL

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (incl GST)
Rehearsals/Regular User	\$30.00	\$31.00
Meetings	\$100.00	\$103.00
Functions	\$120.00	\$123.00
Functions with alcohol	\$140.00	\$144.00
Insurance (Only if no certificate is provided)	\$38.00	\$39.00

Bonds		
Meetings*	\$100.00	\$100.00
Functions*	\$200.00	\$200.00
Functions with alcohol*	\$500.00	\$500.00

Special Conditions		
Hepburn Shire Community Not For Profit	No charge	No charge

DAYLESFORD TOWN HALL

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 Incl GST
Rehearsals	\$45.00	\$46.00
Meetings	\$160.00	\$164.00
Functions	\$190.00	\$195.00
Functions with alcohol	\$230.00	\$236.00
Set up day	\$80.00	\$82.00
Senior Citizens Rooms	\$80.00	\$82.00
Senior Citizens Crockery	\$55.00	\$56.00
PA System	\$35.00	\$36.00
Insurance (Only if no Certificate is provided)	\$38.00	\$39.00
Bonds		
Meetings*	\$100.00	\$100.00
Functions*	\$200.00	\$200.00
Functions with alcohol*	\$500.00	\$500.00
Functions with alcohol > 200 People*	\$1,000.00	\$1,000.00
Special Conditions		
Hepburn Shire Community Not For Profit^	No Charge	No Charge

^1. Hire fees to be waived (bond and if applicable insurance fees must still be paid)

2. Council must be recognised as providing sponsorship/support for the event

PHOTOCOPYING

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (Incl GST)
A4 per side	\$0.40	\$0.40
A3 per side	\$0.80	\$0.80
	\$0.80	\$0.80
Colour A3 per side	\$1.60	\$1.60
Copy Plans A2	\$20.00	\$20.00
Copy Plans A1	\$25.00	\$25.00
Copy Plans A0	\$30.00	\$30.00
A4 Dyeline	\$11.00	\$11.00
A3 Dyeline	\$16.00	\$16.00
A2 Dyeline	\$35.00	\$35.00
A1 Dyeline	\$40.00	\$40.00
AO Dyeline	\$45.00	\$45.00

RATES INFORMATION

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (Incl GST)
Land information certificate*	\$20.00	\$20.00
Rate search 15 Years	\$55.00	\$55.00
Rate search 30 Years	\$56.00	\$110.00

FREEDOM OF INFORMATION

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (Incl GST)
Freedom of information lodgement fee*	\$23.40	\$23.40

COMMUNITY HOUSING

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (Incl GST)
Community housing units	25% of gross income (except family tax benefit where only 11% is used in determining rent). The rent is capped at \$133.	25% of gross income (except family tax benefit where only 11% is used in determining rent). The rent is

Denotes fees as determined by legislation and therefore subject to any change in legislation

HEPBURN COMMUNITY CARE HACC SERVICES

Program	Current Fee 2009/2010			Recommended Fee 2010/2011 (Incl GST)		
	Low	Medium	High	Low	Medium	High
Planned Activity Group*	\$6.00 Meal	\$7.00 Meal	\$11.00 (core)	\$6.25 Meal	\$7.25 Meal	\$11.00 (core)
	\$6.00 Activities	\$7.00 Activities	\$15.00 (High) (per day plus meal costs)	\$6.00 Activities	\$7.00 Activities	\$15.00 (High)
House-keeping*	\$5.00 p/hr	\$12.00 p/hr	Full Cost	\$5.25	\$12.50	Full Cost
Personal Care*	\$3.50 p/hr	\$7.00 p/hr	Full Cost	\$3.50	\$7.00	Full Cost
Respite Care*	\$2.50 p/hr	\$4.00 p/hr	Full Cost	\$2.50	\$4.00	Full Cost
Property Maintenance*	\$9.50 p/hr	\$14.00 p/hr	Full Cost	\$10.00	\$15.00	Full Cost
Delivered Meals*	\$7.00	\$7.00	\$7.00	\$7.30	\$7.30	\$7.30

NOTE: GST applies to contracted services

Technical

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (Incl GST)
Signage Fees*		
Legal Point of Discharge Fees*	\$54.35	\$55.70
"Road Opening"	\$40.00	\$41.00

Community Services

Use	Current Fee 2009/2010	Recommended Fee 2010/2011 (Incl GST)
Marquee Hire 6 x 6 m		\$150.00
Marquee Hire 12 x 6 m		\$200.00
BBQ Hire	\$25.00	\$65.00
Council Gateway Frames		No charge
Bonds*		
Marquee		\$300.00
BBQ	\$40.00	\$40.00
Council Gateway Frames		No charge