



**Cardinia Shire Council**  
**Budget 2013-2014**

# Cardinia Shire Council

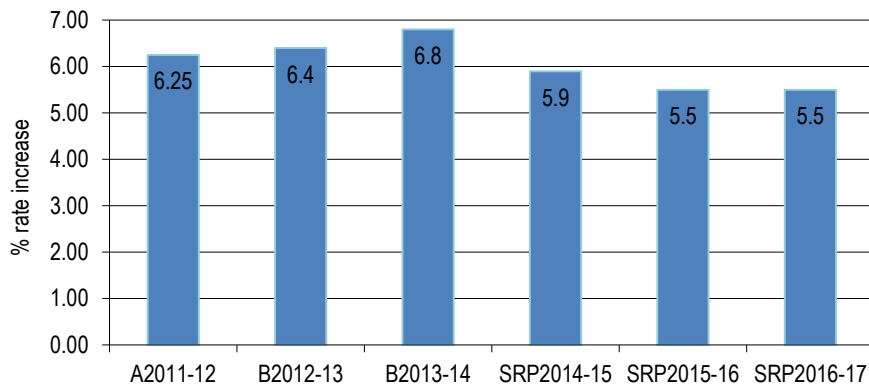
## Budget 2013-2014

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## Chief Executive Officer's summary

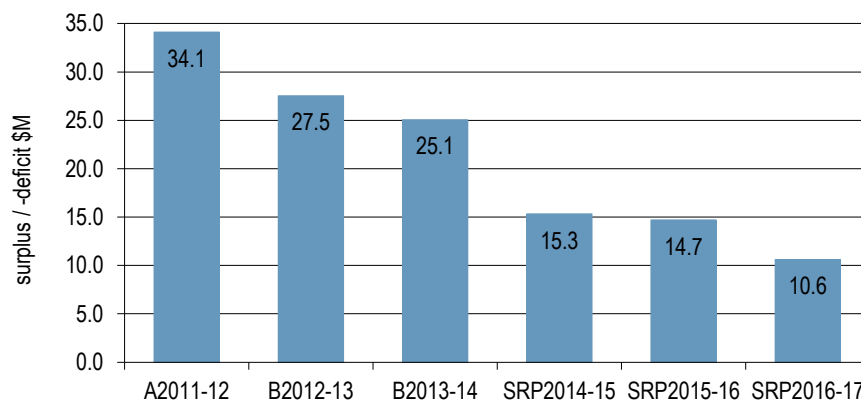
Council has prepared a Proposed Budget for the 2013-14 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase & operating result of the Council.

### I. Rates



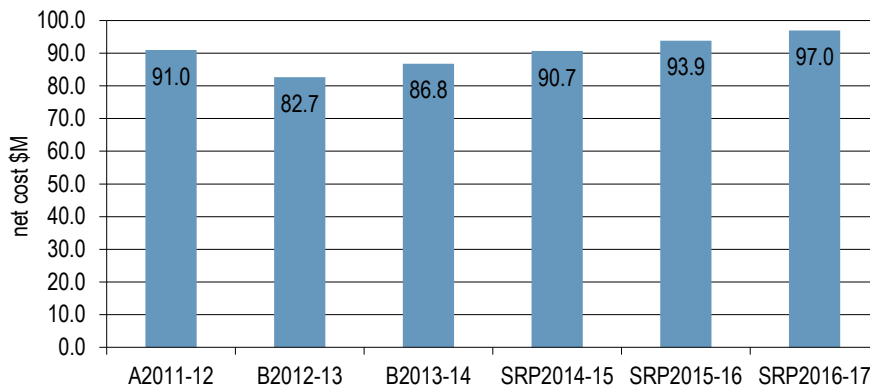
General rates increase by 6.8% for the 2013-14 year. This raises total rates of \$53.2 million, including \$0.6 million generated from supplementary rates. This rate increase is in the Council's strategic resource plan in Section 8. (The rate increase for the 2012-13 year was 6.4%)

### 2. Result



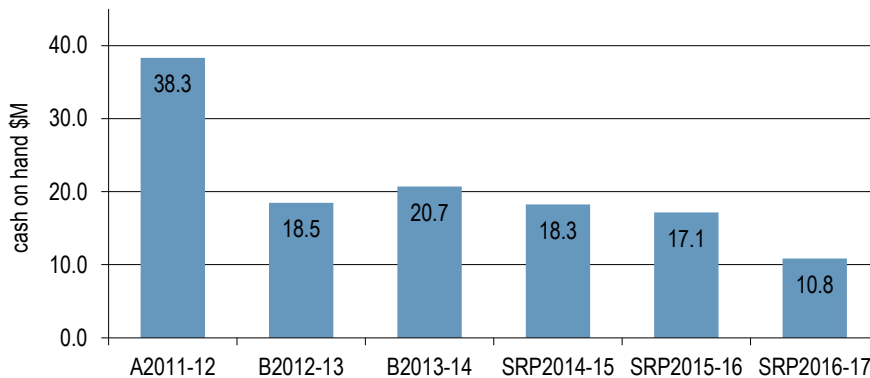
The expected result for the 2013-14 year is a surplus of \$25.1 million, which is \$2.4 million less than 2012-13. The underlying result, which excludes cash and non-cash contributions by developers, capital grants and contributions, and the net gain from the sale of assets, is a deficit of \$3.2 million, which is an improvement of \$1.2 million over 2012-13. A total of \$22.1 million is budgeted for developer contributions (cash and non-cash), which is the same as in 2012-13. Capital grants and contributions total \$5.4 million (2012-13 \$9.0 million), and net gain from sale of assets total \$0.8 million (2012-13 \$0.8 million). (Refer to Section 4, Analysis of operating budget, for further information). Strategic Resource Plan (SRP) surpluses for the years 2014-15 to 2016-17 are significantly lower than earlier years primarily due to lower cash and non-cash contributions.

### 3. Services



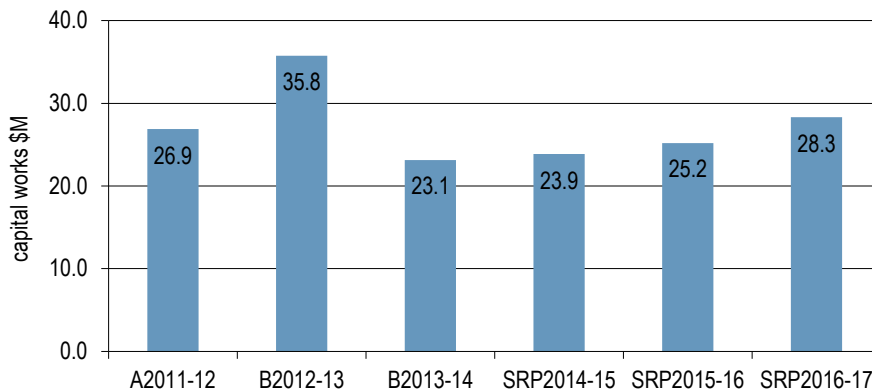
The net cost of services delivered to the community for the 2013-14 year is expected to be \$86.8 million which is an increase of \$4.2 million or 5.1% on 2012-13, primarily in the materials and services and employee benefits areas. Service levels have generally been maintained at the same standards as in 2012-13. (The budgeted net cost for the 2012-13 year is \$82.7 million).

### 4. Cash and investments



The balance of cash and investments at 30 June 2014 is expected to be \$20.7 million, which is \$2.2m higher than the budgeted balance at 30 June 2013. This is mainly due to an increase in net cash inflows of \$3.1m. (The cash and investments balance as at 30 June 2013 is budgeted to be \$18.5 million).

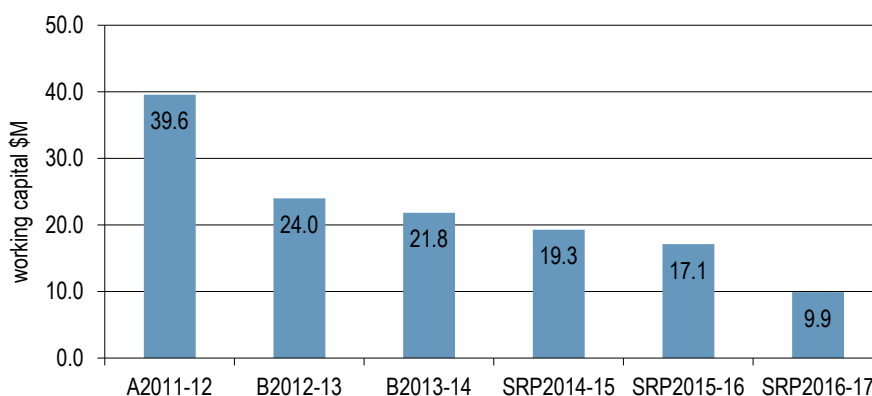
## 5. Capital works



The capital works program for the 2013-14 year is expected to be \$23.1 million. Funding for the proposed program is \$11.5 million from Council operations, \$6.2 million from external grants and contributions, and the balance of \$5.5 million from cash, investments, loans and reserves. The capital expenditure program has been set and prioritised to enable Council to assess the needs and develop sound business cases for each project.

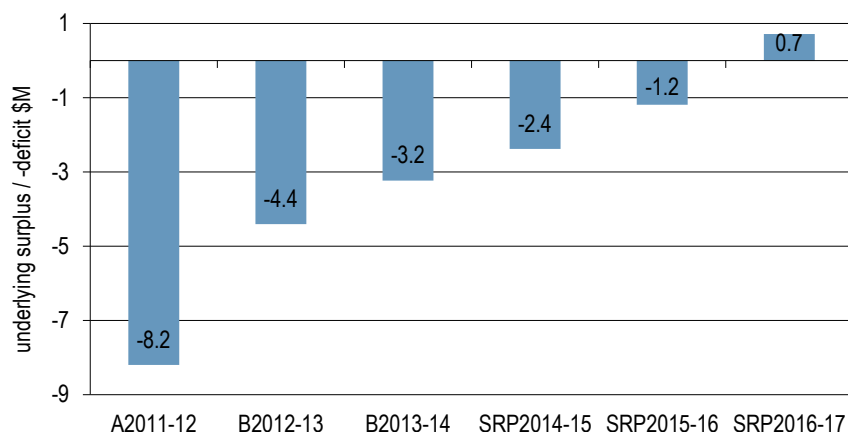
The major projects included in the proposed budget include Cardinia Road community centre, Lakeside South community/children's centre, McGregor Road duplication, the regional soccer facility, special charge schemes in Upper Beaconsfield and Cockatoo, Lang Lang bowling green resurfacing, and the implementation of township strategy projects. The asset renewal program includes the annual renewal programs for the major infrastructure assets (roads, footpaths, bridges, and drains) plus a number of other projects.

## 6. Financial position



The financial position is expected to improve with net assets of \$660.3 million as at 30 June 2014, and with a small decrease in working capital (net current assets) to \$21.8 million, down from \$24.0 million budgeted in 2012-13. (Total equity (net assets) is budgeted to be \$600.7 million as at 30 June 2013).

## 7. Financial sustainability



A high level Strategic Resource Plan for the years 2014-15 to 2016-17 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 underlying result which is a measure of financial sustainability shows a decreasing deficit over the period, and a small surplus in the final year.

The State Government is imposing a Fire Services Property Levy on all private property owners which will take effect from 1 July 2013. Council is required to collect the levy from ratepayers and remit it to the State Government. Ratepayers with property insurance should receive an offsetting decrease in their insurance premiums.

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

**Garry McQuillan**  
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 starts with Officers beginning to prepare the operating component of the annual budget during November, and the capital component during February. The Senior Management Team discuss the draft budgets at a series of meetings during February and March. A draft consolidated budget is then prepared and various iterations are considered by Council at briefings during March/April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

Budget process	Timing
1. Officers begin preparing the operating budget	November
2. Officers begin preparing the capital budget	February
3. Senior Management Team (SMT) discuss draft budgets	Feb/Mar
4. Council considers draft budgets at informal briefings	Mar/Apr
5. Proposed budget submitted to Council for approval	May
6. Public notice advising intention to adopt budget	May
7. Budget available for public inspection and comment	May
8. Submissions period closes (28 days)	June
9. Submissions considered by Council	June
10. Budget and submissions presented to Council for adoption	June
11. Copy of adopted budget submitted to the Minister	August

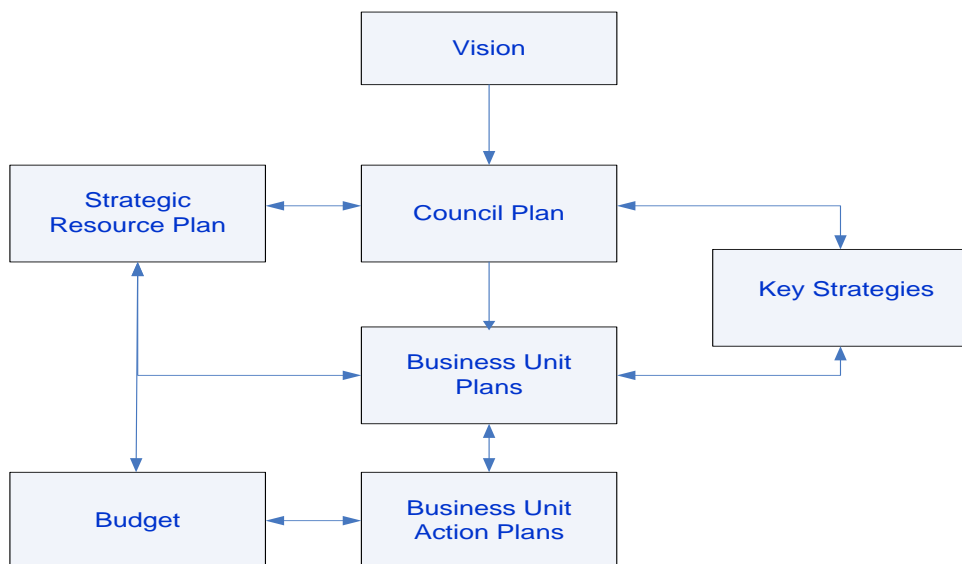
# I. Linkage to the Council Plan

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).

## I.1 Strategic planning framework

Council's strategic planning framework is designed to deliver key outcomes for the community in a financially sustainable manner. The Council vision sets the overall guiding direction for Council's activities.

The Council determines the key outcomes it would like to achieve which form the key elements of the four year Council Plan. The Council plan informs and is informed by key strategic documents that develop activity in specific themes.



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 within six months of the general election or by the next 30 June (whichever is later) and is reviewed annually to ensure that there is sufficient time for Units to develop their Action Plans in draft form prior to the commencement of the Annual Budget process. It also allows time for targets to be established during the Strategic Resource Planning process to guide the preparation of the Annual Budget.



## **I.2 Our purpose**

### **Our Vision:**

Cardinia Shire will be developed in a planned manner to enable future generations to enjoy and experience the diverse and distinctive characteristics of our Shire.

### **Our Values**

In all our dealings we will be honest and ethical and respect the views of individuals. We will provide leadership to ensure the long term sustainability of our communities and townships. Our focus will be on considering the social, environmental and economic impacts of our decisions, reinforcing our commitment to future generations. We will practise good governance and best practice.

## 2. Activities, initiatives & key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget for the 2013-14 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, performance targets and measures in relation to these.

### 2.1 Key Performance Areas

The Council delivers activities and initiatives under 62 major service categories. Each contributes to the achievement of the Council's Vision as set out in the Council Plan. In addition, Council has identified five Key Performance Areas for the 2013-14 year, which are an integral part of achieving the Council Plan. The Annual Budget converts these activities and initiatives into financial terms to ensure that there are sufficient resources for their achievement. The following table lists the Key Performance Areas as described in the Council Plan.

1. Our People	We support a variety of needs and lifestyles through programs and activities that promote and develop the wellbeing of Cardinia Shire's people.
2. Our Community	We will foster a strong sense of connection between Cardinia Shire's diverse communities.
2. Our Environment	We will continue to plan and manage the natural and built environment for present and future generations.
4. Our Economy	We will create and support local employment and business opportunities for our community and the wider region.
5. Our Governance	We will consult with the community, as appropriate, in an open and accountable manner to assist in determining the key direction of Council.

### 2.2 Key Performance Area I: Our People

Goal: To support a variety of needs and lifestyles through programs and activities that promote and develop the wellbeing of Cardinia Shire's people.

#### Programs

Program	Program Objective	Net Surplus (Deficit) \$'000
Aquatic & Recreation Facilities	Develop and maintain high quality aquatic and dry recreation venues to encourage high level of participation at all facilities, and work in partnership with service providers to ensure the provision of high quality, well managed facilities and services.	(563)

Children's Services	Provide support and resources for children's services in the municipality and advocate on their behalf, support the inclusion of children with additional needs and culturally and linguistically diverse backgrounds in mainstream children's services, assist with the future planning of children's services in Cardinia, and advocate for the provision of infrastructure with government departments. To implement externally funded projects including the Preschool Field Officer and Best Start.	(204)
Community Recreation	Maximise opportunities for local residents to participate in recreation by ensuring people with special needs are included in the planning and delivery of community recreation facilities and services, supporting reserve committees of management in managing and improving facilities, supporting sport-recreation clubs to provide-improve recreational opportunities, and promote healthy lifestyles and participation in sport and recreation activities.	(821)
Compliance Services	Compliance Services was formed with the bringing together of the following areas: Local Laws, Health, and Planning Enforcement. Services provide to the community include animal management, enforcement of Local Laws, management of school crossing, immunisation for adults and children through public sessions and school programs, investigation of complaints about situations which can affect the health and wellbeing of the public and work with food premises business owners providing advice on food safety.	(917)
Emerald Lake Park - Business Management	Support the value of the park to the community of Cardinia and Victoria by effectively managing the park's commercial and recreational visitor services, coordinating the park's marketing and promotion, increasing park usage, optimising park revenues, and attracting funding for park improvements.	91
Health	To minimise environmental problems within the community and as far as practicable to ensure food safety within the community.	(686)
Health Promotion	Council's role in ensuring the health and wellbeing of residents focuses on improving outcomes in relation the social determinants of health framework. These determinants have been identified by the World Health Organization (WHO) as critical for wellbeing, and include food security, social inclusion and support, employment and transport (WHO Europe 2003). The cornerstone of Council's health promotion program is the Municipal Public Health and Wellbeing Plan (MPHWP) which identifies the most significant health and wellbeing issues in the Shire and outlines future actions to address these priorities over a four-year period. The plan is a requirement of the Public Health and Wellbeing Act 2008 and was developed through the analysis of local data, broad community consultation and current State Government health priorities. Council adopted the four-year MPHWP in November 2009. New programs included for 2012-13 are the Health Prevention Project and the Healthy Communities Initiative.	(275)
Infectious Diseases Control	To increase the community's immunity to preventable infectious diseases and to increase the rate of immunisation against vaccine preventable diseases.	(116)
Library	Council's Library program services the Pakenham and Emerald Libraries, and provides for a mobile library service to other townships within the Shire.	(1,656)

Maternal & Child Health	Promote healthy outcomes for children from birth to school age and their families, by providing a comprehensive and focused approach to managing physical, emotional and-or social factors affecting them in their community.	(887)
Outside School Hours Care	Provide affordable, flexible, responsive, high quality care for school aged children.	185
Recreation Planning	Provide assets and infrastructure that improve the quality of life and are sustainable, and ensure young people of the Shire are provided with access to a range of support services, and social, cultural, and recreational opportunities.	(216)
Youth Services	Provide quality services, events and programs for young people and their families. Seek the opinions of Cardinia's young people in relation to personal and community issues and aspirations. Encourage community leadership and volunteer initiatives that strengthen youth support networks and individuals.	(738)

## 2.3 Key Performance Area 2: Our Community

Goal: To foster a strong sense of connection between Cardinia Shire's diverse communities.

### Programs

Program	Program Objective	Net Surplus (Deficit) \$'000
Cardinia Culture Centre	Provide the Cardinia community with a high quality venue for community, civic, cultural, social, business, and entertainment events and services. Attract regional use of the venue and its services and experiences. Contribute to the cultural development of the Shire.	(61)
Communications	Facilitate effective communication between Cardinia Council, the community and other stakeholders.	(680)
Community Facilities	Administration of community facilities.	(11)
Cultural Development	Facilitate and support opportunities for participation in a diverse range of artistic and cultural pursuits.	(105)
Community Service Management	To provide leadership and community partnerships that create, sustain and enhance connected, inclusive and engaged communities that value diversity and healthy lifestyles. To manage and support community services business unit in the effective and efficient delivery of programs across the municipality. To provide evidenced based best practice in community services delivery in Cardinia.	(838)

Community Strengthening Management & Programs	To develop and strengthen the capacity of local not-for-profit community organisations to meet community needs using an integrated community strengthening approach. To plan and advocate for adequate and appropriate services for the Aged and other socially excluded groups and the wider community within the municipality. Support and maintain effective communication channels between Cardinia Council and Cardinia's communities. Support local community organisations to contribute to the community's benefit. Involve the community in improving quality of life in Cardinia.	(988)
Events	Provide Support for seven key events per year, including Australia Day Events and volunteer ceremonies and others.	(39)
Grants and Subsidy	Provide a range of grants that enhance or support community groups.	(440)

## 2.4 Key Performance Area 3: Our Environment

Goal: To continue to plan and manage the natural and built environment for present and future generations.

### Programs

Program	Program Objective	Net Surplus (Deficit) \$'000
Asset Management	To ensure that council's strategic and corporate objectives in relation to assets and infrastructure are effectively implemented.	(1,233)
Bridges	To maintain the bridge network in order to provide the safe travel of vehicles and pedestrians. To enable the preservation of the network at an acceptable standard.	(213)
Building Management	To administer and enforce building legislation within the Shire.	(2,889)
Cleansing	To ensure that parks, reserves and roads are maintained free of litter and to maintain public conveniences in a hygienic condition.	(922)
Development	To ensure that council's strategic and corporate objectives in relation to assets and infrastructure are effectively implemented.	659
Development Services and Development Contribution Plans	To administer and enforce the aims and objectives of the Cardinia Planning Scheme.	(809)
Drainage Maintenance	To maintain the drainage infrastructure in order to protect both the road asset and private property and ensure a safe road network in all weather conditions.	(1,858)
Emerald Lake Park - Operations	To provide a safe, enjoyable environment for users of the park, while improving facilities and service levels and reducing ratepayer subsidy.	(348)
Emergency Management	To work in collaboration with relevant agencies to continuously improve the Municipal Emergency Management Plan. To facilitate planning to ensure Cardinia Shire Council remains at the forefront of Emergency Management. Develop Council's capacity and capability to undertake its mandated Emergency Management roles and responsibilities.	(317)

Engineering Services	To ensure that council's strategic and corporate objectives in relation to assets and infrastructure are effectively implemented.	221
Environment Maintenance & Programs	Facilitate the on-going maintenance of natural and cultural resources in the Shire.	(460)
Environment Management	To facilitate sound environmental management of natural and cultural resources within the Cardinia shire. To lead Council and the community towards an environmentally sustainable future.	(2,763)
Footpaths & Street Furniture (Depot)	To maintain the street furniture, footpaths and shared path network while ensuring safety and accessibility to residents and visitors.	(613)
General Garbage Charge	To deliver efficient and cost effective waste disposal to the community.	652
Landscape Development	To maintain and enhance the landscaping under councils control.	(71)
Operations Management	To efficiently and effectively manage Cardinia Council's operational activities whilst ensuring compliance with the road management act and other relevant legislation.	(794)
Parks & Gardens Operations	Maintain Council's parks, wet lands, garden beds, street and road-side trees and playgrounds to an aesthetically pleasing and safe standard to enable maximum utilisation by the community.	(4,823)
Sealed Roads & Bridges	To maintain the sealed road network & bridges in order to provide safe travel for vehicles - pedestrians and to enable the preservation of the network at an acceptable standard.	(868)
Domestic Waste Water	To ensure that domestic water is disposed of in accordance with the State Environment Protection Policy, Environment Protection Act and Cardinia Council policy.	(103)
Strategic Planning	Develop and maintain a sound planning policy framework to provide for the sustainable development of the natural and built environment in the Shire.	(1,673)
Planning Policy & Projects	To administer and enforce the aims and objectives of the Cardinia Planning Scheme.	(256)
Unsealed Roads	To maintain the unsealed road network in order to provide safe travel of vehicles - pedestrians and to enable the preservation of the network at an acceptable standard.	(2,081)
Green Waste and Waste Management	To ensure the efficient and effective collection, removal and disposal of waste within the Municipality. To provide services that encourage diversion of waste from landfill and resource recovery.	(73)

## 2.5 Key Performance Area 4: Our Economy

Goal: To create and support local employment and business opportunities for our community and the wider region.

### Programs

Program	Program Objective	Net Surplus (Deficit) \$'000
Economic Development	Increase local employment opportunity, economic prosperity, and community amenity through encouragement and support for sustainable business development and sustainable new investment.	(398)

Sustainable Communities Management	Provide co-ordinated and strategic leadership to the Sustainable Communities business unit, including co-ordination of strategy development in each area of operation, and ensure effective management and operation of the business unit.	(219)
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## 2.6 Key Performance Area 5: Our Governance

Goal: To consult with the community, as appropriate, in an open and accountable manner to assist in determining the key direction of Council.

### Programs

Program	Program Objective	Net Surplus (Deficit) \$'000
Corporate Management	Provide leadership and direction to Council staff to ensure Council's vision and Council plans and decisions are achieved.	(2,057)
Finance Management and Corporate Financials	Ensure balanced budget outcomes and prudent management of debt and asset management, for a sustainable financial environment recognising inter-generational responsibility.	2,906
Depreciation	Wear and tear of Council's non-currents assets over their useful life.	(14,570)
Governance	Promote Council activities in a positive way, develop policy as required, and monitor compliance with legislative requirements.	(152)
Mayor & Councillors	Effectively resource the operations of the elected council.	(784)

## 2.7 Corporate Expenditure and Revenue

The balance of funds represents the corporate expenditure and revenue to deliver the key outcomes of Council.

### Programs

Program	Program Objective	Net Surplus (Deficit) \$'000
Community Resilience, and Community, Risk & Emergency	Minimise Council's exposure to risk and ensure protection of Council assets and timely reinstatement in the event of incidents.	(338)
Corporate Information	Ensure Council's permanent and temporary corporate information is properly classified and stored to enable ease of access by staff, and to minimise Council's risk in the event of any litigation or fire.	(591)
Customer Service	Provide customer service that is responsive to residents and is solution focused.	(1,008)

Fleet & Workshop	Maintain a plant fleet in an efficient manner, whilst minimising Council's costs, to deliver the standards agreed to by Council. NB - this is an internally generated revenue. Throughout each program's expenses, is the offsetting fleet expenditure.	1,145
Information Technology and Egap	Provide the technological support to Council business units to improve their efficiency in delivery of Council services.	(3,411)
Organisation Development	Provide services that are responsive to organisational needs, ensure legislative compliance, and support the development of a competent, flexible, and focused workforce committed to 'The Cardinia Way'.	(1,875)
Performance & Innovation	Provide consistent integrated business planning processes ensuring actions align to the key directions of Council, monitor the effectiveness of these plans and associated service delivery through corporate performance and business activity monitoring, and build a culture of innovation through a continued focus on analysis, improvement and change implementation.	(396)
Purchasing	Ensure councils procurement is managed in a sustainable manner to achieve the best outcome for Cardinia Shire.	(101)
Rates & Property Services	Manage Cardinia's rateable properties and provide a responsive, solution focused service to rate queries.	52,704
Rental Properties	Provide access to affordable housing for the aged and disabled.	(1,440)
Risk, Health & Safety	Minimise Council's exposure to risk and ensure Council staff have received the appropriate training and are operating in a safe workplace.	(1,040)

## 2.8 Performance Statement

The Key Strategic Activities (KSAs) are summarised in Appendix D. The KSAs, their performance measures, targets and results are audited at the end of the year and are included in the Performance Statement as required by the section 132 of the Act. The Annual Report for 2013-14 will include the audited Performance Statement which is presented to the Minister for Local Government and the local community.

## 2.9 Reconciliation with budgeted operating result

	Net Surplus (Deficit) \$'000
1. Our People	(6,804)
2. Our Community	(3,162)
3. Our Environment	(21,637)
4. Our Economy	(617)
5. Our Governance	(14,658)
<b>Total activities &amp; initiatives</b>	<b>(46,878)</b>
Rates less non attributable areas	43,649
<b>Deficit for the year</b>	<b>(3,229)</b>



### 3. Budget influences

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

#### 3.1 Snapshot of Cardinia Shire Council

Cardinia Shire is located to the south-east of metropolitan Melbourne. Its largest town and the location of the Council offices is Pakenham, which is 55 kilometres from the Melbourne CBD.

Cardinia Shire encompasses the three townships within the growth corridor (Pakenham, Officer and Beaconsfield) and 27 rural townships, spread across 1280 square kilometres. It stretches from the foothills of the Dandenong Ranges in the north to the shores of Westernport Bay in the south, and from Beaconsfield in the west to Bunyip in the east.

As well as being geographically diverse with large tracts of rural, agricultural areas, in the 2011 Census Cardinia Shire was Victoria's third fastest growing municipality and Australia's tenth fastest growing municipality.

Cardinia Shire's population is expected to more than double by 2031 to about 155,618 residents.

Virtually all of this growth will be in the growth corridor townships. The population in these areas is expected to grow from 50,400 in 2013 to 66,400 in 2017 and to an estimated 104,600 in 2031, representing approximately 67 percent of the Shire's population.

Effectively managing this growth is the most pressing issue facing Cardinia in the short to medium term. Cardinia must also ensure that it does not lose sight of the issue facing other parts of the municipality and continues to ensure equity and fairness for all communities that make up the Shire.

#### 3.2 External influences

In preparing the 2013-14 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:

- A new fire levy will apply to all private property owners - including persons and organisations who do not currently pay council rates, such as churches, charities, private schools and RSLs - from 1 July 2013. A number of Council properties will also be subject to the fire levy. Under new legislation, the Fire Services Property Levy Act 2012, introduced as a result of recommendations by the Victorian Bushfires Royal Commission (VBRC), the new Fire Services Property Levy (FSPL) will be collected by Council on behalf of the State Government, to fund the operations of the MFB and CFA;
- contribution to the local government superannuation shortfall;
- population growth in municipality (five new families moving into Cardinia Shire each day);
- increased cost of maintaining parks and gardens;
- growth of the organisation in line with service delivery needs and community expectation;
- damage to Council-owned assets and infrastructure caused by February 2011 and June 2012 rain events; and

- the continuing impact of the Carbon Tax on Council costs.

### 3.3 Internal influences

Although there are external influences, there are no significant internal influences arising from the 2012-13 year which have had a significant impact on the setting of the budget for 2013-14.

### 3.4 Budget Principles

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

- Existing fees and charges to be increased in line with market levels;
- Grants to be based on confirmed funding levels;
- New revenue sources to be identified where possible;
- Service levels to be maintained at 2012-13 levels;
- Aim to use less resources with an emphasis on innovation and efficiency;
- Real savings in expenditure and increases in revenue identified in 2012-13 to be preserved; and
- Operating revenues and expenses from completed 2012-13 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 2013-14 budget, which is included in this report, is for the year 1 July 2013 to 30 June 2014 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flow and Capital Works. These statements have been prepared for the year ending 30 June 2014 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 2014-15 to 2016-17 and borrowing guidelines.

## 4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2013-14 year.

### 4.1 Budgeted income statement

	Ref	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Total income	4.2	110,212	111,916	1,704
Total expenses	4.3	-82,666	-86,843	-4,178
<b>Surplus (deficit) for the year</b>	<b>4.1.1</b>	<b>27,546</b>	<b>25,072</b>	<b>-2,474</b>
Grants – capital	4.2.6	-8,858	-3,281	5,577
Capital contributions (cash)	4.2.7	-170	-2,098	-1,928
Development levies (cash)	4.2.8	-6,100	-6,100	0
Capital contributions (non-cash)	4.2.9	-16,000	-16,000	0
Net gain on sale of assets	4.2.10	-823	-823	0
<b>Underlying surplus (deficit)</b>	<b>4.1.2</b>	<b>-4,405</b>	<b>-3,229</b>	<b>1,176</b>

#### 4.1.1 Surplus for the year (\$2.474 million decrease)

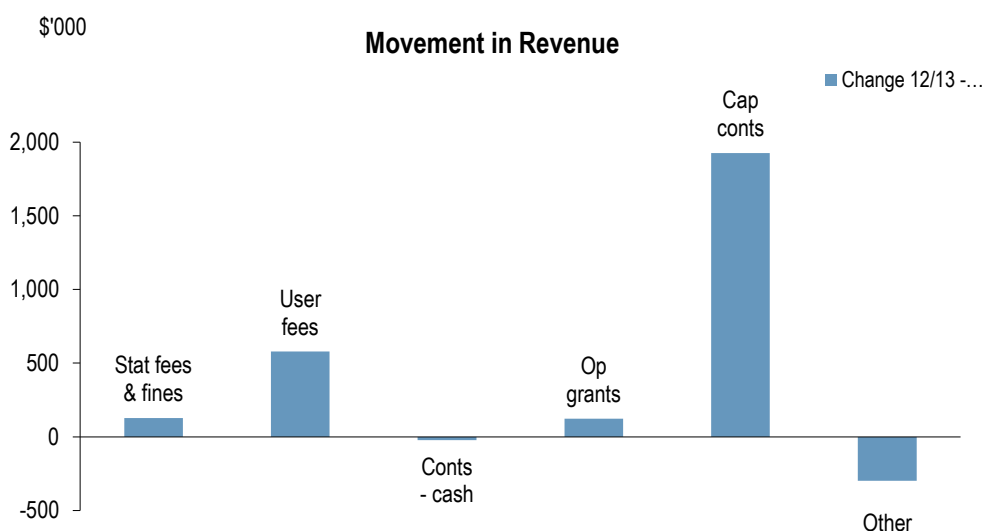
The projected result for the year, before adjusting for capital and other once-off items, is a surplus of \$25.072m, which is \$2.474m lower than in 2012-13.

#### 4.1.2 Underlying deficit (\$1.176 million decrease)

The underlying result is the net surplus or deficit for the year adjusted for capital grants, contributions of non-monetary assets and other once-off adjustments. It removes the impact of non-recurring or once-off items of revenues and expenses. The underlying result for the 2013-14 year is a deficit of \$3.229m which is an improvement of \$1.176m from the 2012-13 year.

## 4.2 Income

Income types	Ref	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Rates and charges	4.2.1	58,151	62,848	4,697
Statutory fees and fines	4.2.2	2,591	2,719	127
User fees	4.2.3	3,662	4,240	579
Contributions - cash	4.2.4	85	62	-23
Grants - operating	4.2.5	10,743	10,866	123
Grants - capital	4.2.6	8,858	3,281	-5,577
Capital contributions (cash)	4.2.7	170	2,098	1,928
Development levies (cash)	4.2.8	6,100	6,100	0
Capital contributions (non-cash)	4.2.9	16,000	16,000	0
Net gain on sale of assets	4.2.10	823	823	0
Other income	4.2.11	3,028	2,880	-149
<b>Total income</b>		<b>110,212</b>	<b>111,916</b>	<b>1,704</b>



Source: Appendix A

Rates and charges are forecast to increase by \$4.697m and capital grants are forecast to decrease by \$5.577m. No changes are forecast for development levies (cash), capital contributions (non-cash), and net gain on sale of assets. Other variances are depicted in the above graph.

#### 4.2.1 Rates and charges (\$4.697 million increase)

The rate increase on current properties is proposed to be 6.8%, which is 0.4% higher than last year. Rates make up 63.6% of Council's operating revenue, which is up by 0.4% from last year.

The residential garbage charge on individual properties is proposed to stay at the same level as last year, \$226.50, due to the incorporation of the carbon tax into the garbage charge being less severe than anticipated. The garbage charge also covers the costs of the state government levy and the contract fees for collection, recycling and disposal. The green waste charge is proposed to increase by \$19.00 from \$110.00 to \$129.00, due to the increased cost of the new processing contract. The combined garbage and green waste charges make up 11.5% of Council's operating revenue, compared to 11.1% last year.

Although the State Government imposed Fire Services Property Levy will appear on rates notices to ratepayers, there will be no increase in Council's income as Council are collecting the levy on behalf of the State Government and will remit all monies received to the State Government.

#### 4.2.2 Statutory fees and fines (\$0.127 million increase)

Statutory fees and fines relate mainly 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.

Revenue from statutory fees and fines are forecast to increase by 4.9% or \$127k compared to 2012-13. Animal Control and Local Laws fees and fines are budgeted to increase by \$57k and \$19k respectively. Development and Planning fees are budgeted increase by \$24k and \$16k respectively.

A detailed listing of statutory fees is included in Appendix E - Fees and charges schedule.

#### 4.2.3 User fees (\$0.579 million increase)

User fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include income from s.86 committees, the use of leisure, entertainment and other community facilities and the provision of human services such as outside school hours care. In setting the budget, the key principle for determining the level of user charges has been to ensure that user charges are at market levels.

Revenue from user fees is projected to increase by 15.8% or \$579k over 2012-13. The main area contributing to the increase is Outside School Hours Care fee income which is expected to increase by \$525k, due to the full-year effect of the new fee structure and additional numbers. Other significant increases are rental income from use of rooms at the My Place youth facility, and the income of section 86 committees. User fee income from the Pakenham Hall is being included for the first time directly - it was included in s.86 committee revenue in previous years.

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

#### 4.2.4 Contributions - cash (\$0.023 million decrease)

Contributions relate to monies paid by non-government third parties for the purpose of funding the delivery of Council's services to ratepayers.

Revenue from contributions is projected to decrease by \$23k or 27.1% compared to 2012-13. This is due to reduced contributions for non-standard street lighting and unsealed roads dust control. Emerald Lake Park business management contributions are now included in user fees.

#### 4.2.5 Grants - operating (\$0.123 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants has increased by 1.1% or \$0.123m compared to 2012-13. Significant movements in grant funding are summarised below:

Grant funding types	Budget	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Victoria Grants Commission	7,797	8,075	278
Maternal & Child Health - Universal	500	613	113
Supported Parent Groups & Playgroups	0	46	46
Urban Fringe Weed Initiative	110	60	-50
Healthy Communities Initiative	186	136	-50
Two-Eight-Six Project	79	0	-79
Inclusion Support Facilitator	152	0	-152

#### 4.2.6 Grants - capital (\$5.577 million decrease)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Budgeted capital grants have decreased by 63.0% or \$5.577m compared to 2012-13, due mainly to less specific funding for large capital works projects. The major grants budgeted are \$1.2m for Lakeside South community/children's facility, \$1.2m Roads to Recovery funding, and \$720k Victoria Grants Commission roads funding.

#### 4.2.7 Capital contributions (cash) (\$1.928 million increase)

Capital contributions include monies received from community sources for the purposes of funding the capital works program, including special charge schemes.

Capital contributions are projected to increase by \$1.928m or 1133.8% over 2012-13. This relates to \$2.0m for the Toomah Community Centre (in Cardinia Road) and \$98k for the McBride Road Upper Beaconsfield special charge scheme.

#### 4.2.8 Development levies (cash) (no change)

Development levies are monies paid by developers and landowners and includes community infrastructure levies, public open space levies, and developer levies. These levies are projected to stay at the same levels as 2012-13.

#### 4.2.9 Capital contributions (non-cash) (no change)

Non-cash capital contributions are infrastructure assets in new developments (roads, drains, footpaths) contributed by developers. These contributions are expected to stay at the same level as 2012-13.

#### 4.2.10 Net gain on sale of assets (no change)

Proceeds from the sale of Council assets is forecast to remain at the same amount as budgeted in 2012-13.

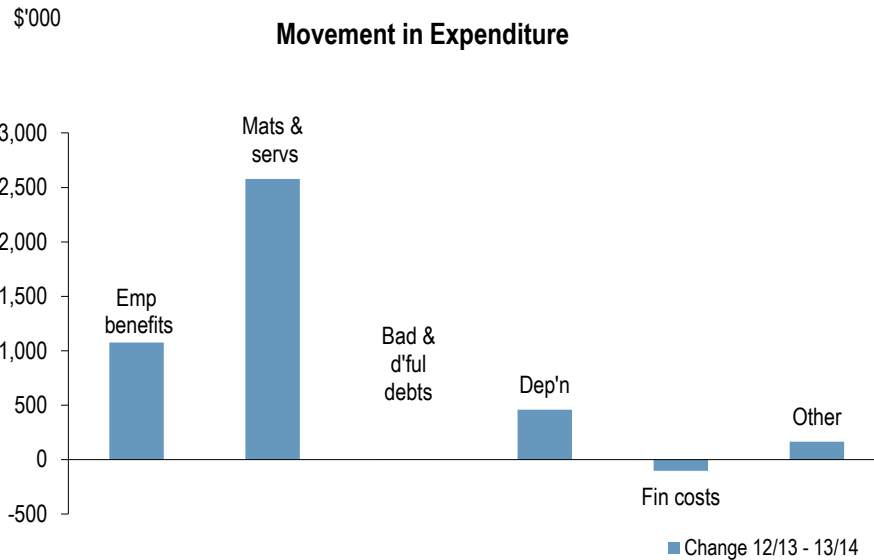
#### 4.2.11 Other income (\$0.149 million decrease)

Other income relates to a range of items such as cost recoveries and other miscellaneous income items, and also includes interest revenue on investments. Other income is forecast to decrease by 4.9% or \$0.149m compared to 2012-13.

Land tax income has been reduced by \$240k, but is matched by a similar decrease in expenditure. Other reductions have been recognised for Cardinia LIFE income from YMCA and proceeds from recycling processing. These have been partly offset by the inclusion of Strategic Planning cost recovery income.

### 4.3 Expenses

Expense types	Ref	Budget	Budget	Variance
		2012-13	2013-14	
		\$'000	\$'000	\$'000
Employee benefits	4.3.1	27,724	28,802	1,078
Materials and services	4.3.2	33,588	36,166	2,578
Bad and doubtful debts	4.3.3	21	22	1
Depreciation and amortisation	4.3.4	14,111	14,570	459
Finance costs	4.3.5	3,405	3,302	-102
Other expenses	4.3.6	3,816	3,982	165
<b>Total expenses</b>		<b>82,666</b>	<b>86,843</b>	<b>4,178</b>



Source: Appendix A

#### 4.3.1 Employee benefits (\$1.078 million increase)

Employee costs include all labor related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, and work cover premiums. It also includes Fringe Benefits Tax (FBT).

Employee costs are expected to increase in line with the Enterprise Bargaining Agreement (EBA), and are forecast to increase by \$1.078m or 3.9% compared to 2012-13. The main factors affecting the increase are:

- An increase of 2.8 EFTs,
- Full year effect of new staff appointed during 2012-13,
- An EBA increase of 4%, and
- Staff increment movements.

These increases have been partly offset by decreases due to staff contracts ending following the cessation of their fully externally programs.

#### 4.3.2 Materials and services (\$2.578 million increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services, and utility costs. Materials and services are forecast to increase by \$2.578m or 7.7% compared to 2012-13. This is as a result of a general CPI increase, increases in costs due to the increase in population of the Shire, and the resultant increase in the number of facilities provided and services required by the additional population.

The major increase is in external contracts, which are forecast to increase by 12.2% or \$1.909m compared to 2012-13. The main contracts contributing to this increase are waste (\$0.9m in total - this includes hard and green waste, putrescible disposal, green waste bin, and garbage recycling collection), parks & gardens (\$0.4m due to new reserves requiring maintenance), buildings (\$0.3m for routine maintenance and cleaning), and library (\$0.2m which includes an allowance for the superannuation shortfall).

Other significant increases are in Strategic Planning studies, surveys and plans, Corporate Management consultants, and street lighting. These have been partially offset by a reduction in land tax expenditure of \$245k, which is matched by a similar decrease in income.

#### **4.3.3 Bad and doubtful debts (\$0.001 million increase)**

Bad and doubtful debts are projected to increase slightly by 3.3% or \$1k from 2012-13.

#### **4.3.4 Depreciation and amortisation (\$0.459 million increase)**

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads, bridges, footpaths, and drains.

The increase of 3.3% or \$459k over 2012-13 is mainly due to an increase in the value of Council's assets from completed capital works projects and developer contributed assets.

#### **4.3.5 Finance costs (\$0.102 million decrease)**

Finance costs relate to interest charged by financial institutions on funds borrowed, and bank charges.

The decrease of 3.0% or \$102k represents a decrease in interest on loans of \$108k, which is in line with current loan agreements and the interest on the \$4.25m loan budgeted to be drawn down in June 2013.

#### **4.3.6 Other expenses (\$0.165 million increase)**

Other expenses relate to a range of unclassified items including audit fees, rent and lease expenditure, government fees & charges and other miscellaneous expenditure items.

Other expenses are forecast to increase by 4.3% or \$165k compared to 2012-13. Major increases include lease expenditure for the new Shire office, temporary facilities at recreation reserves, and the first full year effect on Councillor Allowances of having two additional Councillors.



## 5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2013-14 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.

### 5.1 Budgeted cash flow statement

	Ref	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	5.1.1			
<i>Receipts</i>				
Rates and charges		57,579	62,014	4,435
Statutory fees and fines		2,591	2,719	128
User fees		2,927	5,632	2,705
Grants		19,601	14,146	-5,455
Contributions - Cash		85	62	-23
Development levies		6,270	8,198	1,928
Interest income		1,068	1,005	-63
Other income		1,960	1,875	-85
		<b>92,081</b>	<b>95,651</b>	<b>3,570</b>
<i>Payments</i>				
Suppliers		-37,154	-41,338	-4,184
Employees		-27,440	-28,427	-987
		<b>-64,594</b>	<b>-69,765</b>	<b>-5,171</b>
<b>Net cash provided by operating activities</b>		<b>27,487</b>	<b>25,886</b>	<b>-1,601</b>
<b>Cash flows from investing activities</b>	5.1.2			
Payments for property, plant and equipment		-28,008	-23,098	4,910
Proceeds from sales of property, plant & equip		2,550	2,532	-18
<b>Net cash used in investing activities</b>		<b>-25,458</b>	<b>-20,566</b>	<b>4,892</b>
<b>Cash flows from financing activities</b>	5.1.3			
Finance costs		-3,405	-3,302	103
Proceeds from borrowings		4,250	4,000	-250
Repayment of borrowings		-3,779	-3,789	-10
<b>Net cash used in financing activities</b>		<b>-2,933</b>	<b>-3,091</b>	<b>-158</b>
<b>Net change in cash and cash equivalents</b>		<b>-904</b>	<b>2,229</b>	<b>3,133</b>
Cash and cash equivalents at the beg of the year		19,389	18,485	-904
<b>Cash and cash equivalents at end of the</b>	5.1.4/5.2	<b>18,485</b>	<b>20,714</b>	<b>2,229</b>

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.

#### 5.1.1 Operating activities (\$1.601 million decrease)

Operating activities refer to the cash generated or used in the normal service delivery functions of Council. The decrease in cash inflows from operating activities is due mainly to decreased grant income of \$5.5 million and increased payments of \$4.2 million to suppliers for contracts, materials and services, and to employees of \$1.0 million. These have been partially offset by a \$4.4 million increase in rates and charges revenue, a \$2.7 million increase in user fees income, and a \$1.9 million increase in development levies.

	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>27,546</b>	<b>25,072</b>	<b>-2,474</b>
Depreciation	14,111	14,570	459
Loss (gain) on sale of assets	-823	-823	0
Net movement in assets and liabilities	-13,347	-12,933	414
<b>Cash flows available from operating activities</b>	<b>27,487</b>	<b>25,886</b>	<b>-1,601</b>

#### 5.1.2 Investing activities (\$4.892 million increase)

Investing activities refer 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, equipment, etc. The movement in cash used in investing activities is due to decreased capital works expenditure of \$4.9 million, and a small reduction in net proceeds from sales of property, plant and equipment.

#### 5.1.3 Financing activities (\$0.158 million decrease)

Financing activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions. These activities also include repayment of the principal and interest components of loan repayments for the year. The variance is due to a small increase in repayment of borrowings, a decrease of \$0.1 million in finance costs, and a decrease in proceeds from borrowings of \$0.3 million.

#### 5.1.4 Cash and cash equivalents at end of the year (\$2.229 million increase)

Overall, total cash and investments is forecast to increase by \$2.2 million from \$18.5 million to \$20.7 million as at 30 June 2014.

### 5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2014 it will have cash and investments of \$20.7m, which has been restricted as follows:

**Statutory reserves** – These funds must be applied for specified statutory purposes in accordance with various legislative and contractual requirements. Whilst these funds earn interest revenues for Council, they are not available for other purposes.

**Long service leave** – These funds are separately identified as restricted to ensure there are sufficient funds to meet Council's obligations.

**Working capital** – These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements and unexpected short term needs and are often required to take into the following financial year to contribute to that year's operations.

## 6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2013-14 year and the sources of funding for the capital budget.

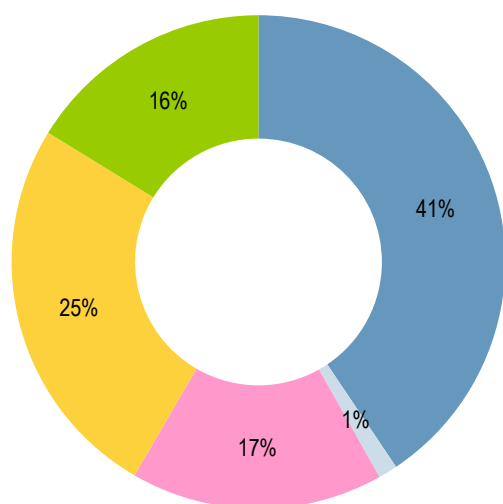
### 6.1 Capital works

Capital works areas	Ref	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
<b>New works</b>				
Roads & Footpaths	6.1.1	16,322	9,396	-6,926
Drains	6.1.2	3,550	290	-3,260
Open space	6.1.3	5,880	3,827	-2,053
Buildings	6.1.4	6,065	5,880	-185
Plant, equipment and other	6.1.5	3,955	3,756	-199
<b>Total new works</b>		<b>35,772</b>	<b>23,149</b>	<b>-12,623</b>

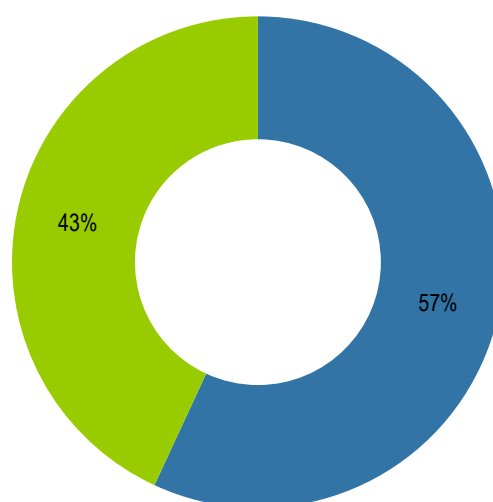
#### Represented by:

New	6.1.6	21,255	13,175	-8,080
Upgrade/Renewal	6.1.6	14,517	9,974	-4,543
<b>Total capital works</b>		<b>35,772</b>	<b>23,149</b>	<b>-12,623</b>

Budgeted new capital works 2013-14



Budgeted total capital works 2013-14



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

#### **6.1.1 Roads & Footpaths (\$6.926 million decrease)**

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

For the 2013-14 year, \$9.4 million will be expended on roads and footpaths projects. The more significant projects include \$1.8 million for McGregor Road Pakenham duplication north of the railway line, \$1.6 million for the annual road pavement renewal program, and \$1.1 million for the annual road resealing program. The 2012-13 budget included \$7.8 million of developer delivered road projects.

#### **6.1.2 Drains (\$3.260 million decrease)**

Drains includes drains in road reserves, retarding basins and waterways.

For the 2013-14 year, \$0.3 million will be expended on the annual drainage replacement program. The 2012-13 budget included \$3.3 million for flood related drainage works.

#### **6.1.3 Open space (\$2.053 million decrease)**

Open Space includes parks, recreation reserves, playing surfaces, streetscapes, playground equipment, trees and public art.

For the 2013-14 year, \$3.8 million will be expended on open space projects. The more significant projects include \$1.1 million for continuing works at Holm Park Road Reserve Beaconsfield, and \$1.0 million for continuing works at the Regional Soccer Facility Pakenham. The 2012-13 budget included \$2.0 million for land acquisitions.

Other projects include works at Chandler Reserve Emerald and resurfacing of the Lang Lang bowling green with a synthetic surface.

#### **6.1.4 Buildings (\$0.185 million decrease)**

Buildings includes community facilities, children's facilities, and municipal offices and depot.

For the 2013-14 year, \$5.9 million will be expended on building projects. The most significant projects are \$2.0 million for the Toomah Community Centre and \$1.6 million for Lakeside South community/children's facility. Other projects include new municipal offices fitout \$0.8 million and general buildings works \$0.6 million (including disability access works).

#### **6.1.5 Plant, equipment and other (\$0.199 million decrease)**

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

For the 2013-14 year, \$3.8 million will be expended on plant, equipment and other projects. The more significant projects include \$2.0 million for ongoing cyclical replacement of the plant and vehicle fleet and \$0.5 million for upgrade and replacement of information technology.

Other items in this category are \$0.6 million for Community Capital Works grants (including minor equipment grants), \$0.2 million for Priority Works projects, and \$0.2 million for township strategies implementation.

### 6.1.6 New Assets (\$8.1 million decrease) and Asset Renewal/Upgrade (\$4.5 million decrease)

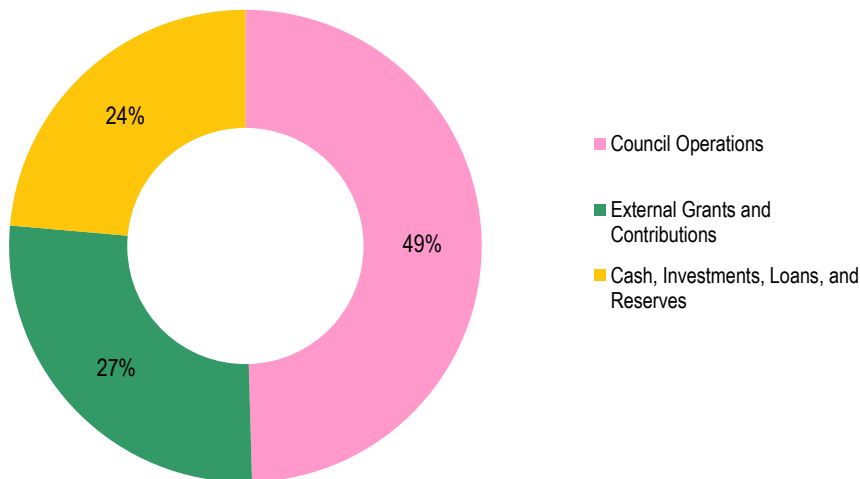
A distinction is made between expenditure on new assets and expenditure on asset renewal/upgrades. Expenditure on asset renewal is expenditure on an existing asset, which improves the service potential or the life of the asset. Expenditure on new assets does not have any element of expansion/upgrade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

For the 2013-14 year, \$13.2 million will be spent on new assets and \$10.0m will be spent on the renewal/upgrade of existing assets.

## 6.2 Funding sources

Sources of funding				
	Ref	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Council Operations	6.2.1	9,516	11,471	1,955
External Grants and Contributions	6.2.2	20,956	6,212	-14,744
Cash, Investments, Loans, and Reserves	6.2.3	5,300	5,466	166
		<b>35,772</b>	<b>23,149</b>	<b>-12,623</b>

### Budgeted total funding sources 2013-14



Source: Appendix A

### 6.2.1 Council Operations (\$1.955 million increase)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$11.5 million will be generated from operations to fund the 2013-14 capital works program.

### **6.2.2 External Grants and Contributions (\$14.744 million decrease)**

External grants and contributions include all monies received from State, Federal and community sources for the purposes of funding the capital works program, plus developer and community infrastructure levies. It is forecast that \$6.2 million will be funded from these sources on 2013-14.

Government grants and local contributions total \$5.5 million, the more significant being \$2.0 million for the Toomah Community Centre, \$1.9 million for roads resealing, resheeting, and pavement renewals, and \$1.2 million for the Lakeside South community/children's facility.

Community Infrastructure levies will fund \$0.7 million of the Capital Works program and Developer Infrastructure levies will fund \$0.2 million.

The significant decrease is primarily as a result of \$7.8 million of developer delivered road projects being included in the 2012-13 budget, and a reduction in capital grants of \$5.6 million. The 2012-13 budget also included a \$4.0 million grant for flood damage and \$2.0 million for the Toomah Community Centre.

### **6.2.3 Cash, Investments, Loans, and Reserves (\$0.166 million increase)**

A loan of \$4.0 million is budgeted in 2013-14 to partly fund the Capital Works program, and income from sales and trade-in of plant items is budgeted to be \$1.1 million. Reserves are forecast to fund \$0.4 million.

## 7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2012-13 and 2013-14.

### 7.1 Budgeted balance sheet

	Ref	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
<b>Current assets</b>	7.1.1			
Cash and cash equivalents		18,485	20,714	2,229
Trade and other receivables		8,810	12,102	3,292
Accrued Income		327	116	-211
Prepayments		517	700	183
Inventories		21	33	12
Land held for resale		12,550	11,698	-852
<b>Total current assets</b>		<b>40,710</b>	<b>45,363</b>	<b>4,653</b>
<b>Non-current assets</b>	7.1.3			
Investments in associates		1,541	883	-658
Property, infrastructure, plant and equipment		619,670	684,222	64,552
<b>Total non-current assets</b>		<b>621,211</b>	<b>685,105</b>	<b>63,894</b>
<b>Total assets</b>		<b>661,920</b>	<b>730,467</b>	<b>68,547</b>
<b>Current liabilities</b>	7.1.2			
Trade and other payables		6,347	10,821	-4,474
Trust funds and deposits		2,799	3,916	-1,117
Provisions		3,674	4,888	-1,214
Interest-bearing loans and borrowings		3,879	3,910	-31
<b>Total current liabilities</b>		<b>16,699</b>	<b>23,535</b>	<b>-6,836</b>
<b>Non-current liabilities</b>	7.1.4			
Deferred liabilities		464	2,913	-2,449
Provisions		818	1,048	-230
Interest-bearing loans and borrowings		43,264	42,636	628
<b>Total non-current liabilities</b>		<b>44,546</b>	<b>46,597</b>	<b>-2,051</b>
<b>Total liabilities</b>		<b>61,245</b>	<b>70,132</b>	<b>-8,887</b>
<b>Net assets</b>		<b>600,675</b>	<b>660,335</b>	<b>59,660</b>
<b>Equity</b>	7.1.5			
Accumulated surplus		432,655	455,725	23,070
Reserves		168,020	204,610	36,590
<b>Total equity</b>		<b>600,675</b>	<b>660,335</b>	<b>59,660</b>

Source: Appendix A

### **7.1.1 Current Assets (\$4.653 million increase)**

Cash and cash equivalents are forecast to increase by \$4.7m primarily due to an increase in net cash inflows of \$3.1m. (Further information is available in Section 5 - Analysis of budgeted cash position). Additionally, trade and other receivables, which includes rates, infringement and sundry debtors, are forecast to increase by \$3.2m.

### **7.1.2 Current Liabilities (\$6.836 million increase)**

Current liabilities are those obligations Council must pay within the next year. These liabilities are budgeted to increase by \$6.8m, mainly due to increases in trade and other payables (creditors), provisions, and trust funds and deposits.

Interest-bearing loans and borrowings are borrowings of Council. The small increase in this category reflects the payment characteristics of Council's loan portfolio.

### **7.1.3 Non-Current Assets (\$63.894 million increase)**

Non-current assets are expected to increase by \$63.9m during the 2013-14 year. This is mainly in property, infrastructure, plant and equipment, and is due to the net result of the capital works program plus contributed assets, less depreciation, and less written down value of assets sold.

### **7.1.4 Non-Current Liabilities (\$2.051 million increase)**

Non-current liabilities (that is, obligations Council must pay beyond the next year) are expected to increase by \$2.1m, mainly as a result of an increase in deferred liabilities.

### **7.1.5 Equity (\$59.660 million increase)**

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

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

## **7.2 Key assumptions**

In preparing the Budgeted Balance Sheet for the year ending 30 June 2014 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Employee entitlements to be increased by the Enterprise Bargaining Agreement outcome;
- Repayment of loan principal to be \$3.8m, and;
- Total capital expenditure to be \$23.1m.



## 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 proposed budget for 2013-14 and a Strategic Resource Plan (SRP) for the years 2014-15 to 2016-17 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 three years.

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:

- Service Delivery Strategy
- Financial sustainability
- Infrastructure strategy
- Borrowing Guidelines

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

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

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

### 8.2 Financial resources

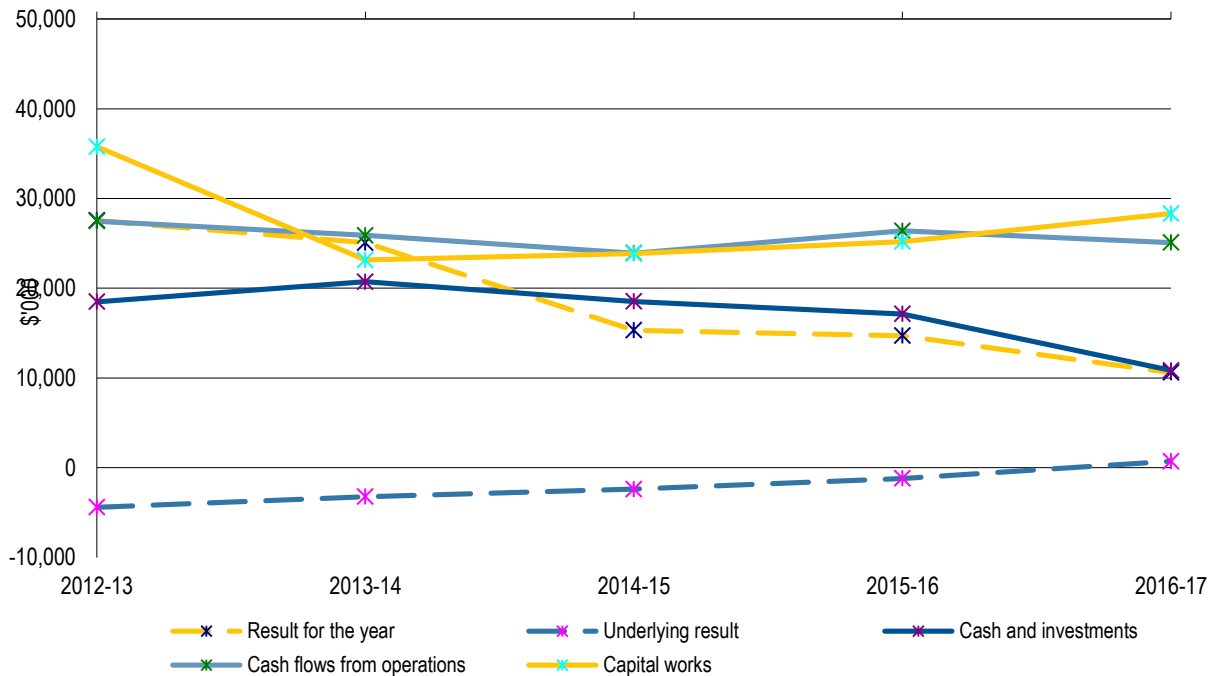
The following table summaries the key financial results for the next four years as set out in the 2013-14 proposed budget and SRP for years 2014-15 to 2016-17. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

	Budget		Strategic Resource Plan			Trend
			Projections			
	2012-13	2013-14	2014-15	2015-16	2016-17	+ - o --
	\$'000	\$'000	\$'000	\$'000	\$'000	
Result for the year	27,546	25,072	15,325	14,705	10,606	-
Underlying result	-4,405	-3,229	-2,381	-1,189	715	+
Cash and investments	18,485	20,714	18,529	17,142	10,844	-
Cash flows from operations	27,487	25,886	23,920	26,393	25,097	o
Capital works	35,772	23,149	23,869	25,204	28,316	+

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 is forecast to decrease over the four year period from \$20.7 million to \$10.8 million.

**Rating strategy (section 9)** – A rate of increase of 6.8% is budgeted in 2013-14, with a 5.9% increase in 2014-15 and 5.5% increases in the the following two years.

**Service delivery** – Service levels have been maintained throughout the four year period. Significant surpluses are budgeted throughout the four year period, however, excluding the effects of non-operating items such as capital contributions, the underlying result is a deficit which is reducing over the period, with a small surplus in 2016-17. 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 guidelines (Appendix F)** – Borrowings are forecast to reduce from \$46.5 million to \$46.1 million over the four year period. This includes new borrowings of \$4.0 million in 2013-14.

**Infrastructure** - Capital expenditure over the four year period will total \$100.5 million at an average of \$25.1 million.

### 8.3 Key financial indicators

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

Indicator	Notes	Strategic Resource Plan					Trend +-o--
		Budget 2012-13	Budget 2013-14	Projections		2016-17	
		2014-15	2015-16	2016-17			
<b>Financial performance</b>							
Underlying result/Underlying revenue	1	-5.6%	-3.9%	-2.7%	-1.3%	0.7%	+
Operating expenses/Assessment Rates and charges revenue/Underlying revenue	2	\$2,490	\$2,525	\$2,548	\$2,551	\$2,554	o
Debt servicing/Total revenue		3.1%	3.0%	3.7%	3.7%	3.9%	-
Grants/Total revenue		17.8%	12.6%	18.0%	17.8%	14.0%	o
User fees/Total revenue		3.3%	3.8%	4.7%	4.6%	4.8%	+
<b>Financial position</b>							
Indebtedness/Rate revenue	3	81.1%	78.7%	74.1%	69.9%	65.3%	+
Underlying result/Total assets		-0.7%	-0.4%	-0.3%	-0.2%	0.1%	+
Net assets/Assessment		\$18,093	\$19,196	\$18,979	\$18,760	\$18,447	o
Current assets/Current liabilities	4	2.44	1.93	1.78	1.67	1.36	-
Total liabilities/Assessment		\$1,845	\$2,039	\$1,991	\$1,946	\$1,903	o
<b>Capital expenditure</b>							
Capital works		\$35,772	\$23,149	\$23,869	\$25,204	\$28,316	+
- Capital renewals		\$14,517	\$9,974	\$10,276	\$10,498	\$11,455	+
- New assets		\$21,255	\$13,175	\$13,593	\$14,706	\$16,861	+
Cash op act./Net capital outlays	5	108.0%	125.9%	105.5%	110.1%	93.2%	-
Capital works/Rate revenue		61.5%	36.8%	35.7%	35.6%	37.7%	-
Asset renewals/Total depreciation	6	102.9%	68.5%	68.3%	67.6%	71.4%	o

Key to Forecast Trend:

+ Forecast improvement in Council's financial performance-financial position indicator

o Forecasts that Council's financial performance-financial position indicator will be steady

- Forecast deterioration in Council's financial performance-financial position indicator

#### Notes to indicators

**1. Underlying result** - Improvement in financial performance expected over the period although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

**2. Rates and charges revenue-Underlying revenue** - Reflects extent of reliance on rates and charges revenue to fund all Council's on-going services. Trend indicates Council will become more reliant on rates and charges revenue compared to all other revenue sources.

**3. Indebtedness-Rate revenue** - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

**4. Current Assets-Current Liabilities** - Working capital is forecast to decrease over the four year period.

**5. Cash Op Act-Net Capital outlays** - Trend indicates Council expects to be less able to service its capital works expenses from cash generated from operating activities.

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

## 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 75.1% of the operating 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 Gaming Venue differential rate has been removed for 2013-14 following the finalisation of the Ministerial Guidelines on Differential Rates.

### 9.2 Current year rate increase

It is predicted that 2013-14 operating position will be significantly impacted by growth. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve the operating surplus predicted in 2016-17 as set out in the Strategic Resource Plan. The \$11.5 million contribution from operations toward capital investment for the 2013-14 year is required to meet the capital investment required for achieving the Capital Works Program set out in the Strategic Resource Plan.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, general rates will increase by 6.8% in 2013-14, raising a total rate of \$53.2 million, including \$0.6 million generated from supplementary rates. The following table sets out future proposed rate increases based on the forecast financial position of Council as at 30 June 2013.

Year	Increase %
2012/13	6.4
2013/14	6.8
2014/15	5.9
2015/16	5.5
2016/17	5.5

### 9.3 Rating structure

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

- Property values, based on valuations approved by the Victorian Valuer General.
- 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 or business purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates taking into account the benefits those businesses derive from the local community.

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

## 10. Future Borrowings

The borrowing guidelines are outlined in Appendix F.

Cardinia Shire Council, as with many other Councils in Victoria, face a dilemma of whether to borrow or increase rates to fund the requirement of infrastructure replacement and new capital works.

The dilemma for this Council is that it has a budgeted liability of \$47.1 million (at 30 June 2013) with a budgeted service cost of \$3.2 million (for the year ending 30 June 2013). This level of indebtedness was built between 2000 and 2005, subsequently, successive Councils have endeavoured to maintain and/or reduce the absolute debt. The continuing pressures placed on council have limited councils ability to effectively reduce the debt although the growth of this debt has been managed to reduce the overall percentage of debt to rate revenue. The Debt guidelines in Appendix F set out the future strategy for council to manage this debt and over time to bring the total debt in line with guidelines established by the Municipal Association of Victoria and the Auditor Generals Office.

Council believes the best outcome that is available is to stay within the current debt level which is being achieved in this 2013-14 budget.

Financial pressures for the 2013-14 budget include:

1. The unexpected unfunded superannuation call on all local governments. Council was advised by Vision Super in 2012 that its contribution to the superannuation shortfall was \$3.2 million (including contributions tax), with payment due 1 July 2013.
2. Continued commitment of \$10.0 million to renew and upgrade the Shire's infrastructure in the capital works program.
3. To ensure intergenerational equity in funding the acquisition, renewal or construction of assets, Council recognises that it may need to resort to the prudent use of loan borrowings.
4. Growth within the Shire and the increasing contract costs to regularly maintain the increased number of parks and gardens, buildings and other infrastructure.

The Borrowing Guidelines (Appendix F) are an explanation of the way forward bringing to the ratepayers and residents an understanding of the current Council's view about the question of debt and the considerations that surround this aspect of the Councils finances.

## 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
A	Budgeted standard statements
B	Statutory disclosures
C	Capital works program
D	Key strategic activities
E	Fees and charges schedule
F	Borrowing Guidelines

## Appendix A

### Budgeted standard statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2013-14 to 2016-17 has been extracted from the Strategic Resource Plan.

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

The appendix includes the following budgeted information:

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



## Budgeted Standard Income Statement

For the five years ending 30 June 2017

	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Strategic Resource Plan Projections		
			2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Income</b>					
Rates and charges	58,151	<b>62,848</b>	66,846	70,807	75,046
Statutory Fees and fines	2,591	<b>2,719</b>	2,811	2,878	2,982
User Fees	3,662	<b>4,240</b>	4,546	4,647	4,832
Contributions - Cash	85	<b>62</b>	0	0	0
Development Levies (cash)	6,270	<b>8,198</b>	1,600	1,600	1,600
Capital Contributions (non cash)	16,000	<b>16,000</b>	10,000	8,000	6,000
Grants - recurrent	10,743	<b>10,866</b>	11,219	11,582	11,958
Grants - non-recurrent	8,858	<b>3,281</b>	6,106	6,294	2,291
Interest income	1,068	<b>1,005</b>	1,005	1,005	1,005
Net gain/(Loss) on disposal of property, infrastructure, plant & equipment	823	<b>823</b>	0	0	0
Other income	1,960	<b>1,875</b>	1,884	1,765	1,926
<b>Total Income</b>	<b>110,212</b>	<b>111,916</b>	<b>106,017</b>	<b>108,578</b>	<b>107,639</b>
<b>Expenses</b>					
Employee benefits	27,724	<b>28,802</b>	30,435	32,046	33,284
Materials and Services	33,588	<b>36,166</b>	37,010	37,757	38,782
Bad & Doubtful Debts	21	<b>22</b>	22	23	24
Depreciation & Amortisation	14,111	<b>14,570</b>	15,043	15,532	16,037
Finance costs	3,405	<b>3,302</b>	3,531	3,749	3,981
Other expenses	3,816	<b>3,982</b>	4,650	4,767	4,926
<b>Total Expenses</b>	<b>82,666</b>	<b>86,843</b>	<b>90,692</b>	<b>93,873</b>	<b>97,033</b>
<b>Profit/(Loss)</b>	<b>27,546</b>	<b>25,072</b>	<b>15,325</b>	<b>14,705</b>	<b>10,606</b>
less Capital income & other abnormals	(31,951)	(28,302)	(17,706)	(15,894)	(9,891)
<b>Underlying result</b>	<b>(4,405)</b>	<b>(3,229)</b>	<b>(2,381)</b>	<b>(1,189)</b>	<b>715</b>

## Budgeted Standard Balance Sheet

For the five years ending 30 June 2017

	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Strategic Resource Plan Projections		
			2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Current assets</b>					
Cash and cash equivalents	18,485	<b>20,714</b>	18,529	17,142	10,844
Trade and other receivables	8,810	<b>12,102</b>	12,753	13,122	13,825
Accrued Income	327	<b>116</b>	116	116	116
Prepayments	517	<b>700</b>	700	700	700
Inventories	21	<b>33</b>	33	33	33
Land held for resale	12,550	<b>11,698</b>	11,698	11,698	11,698
Total current assets	40,710	<b>45,363</b>	43,829	42,811	37,216
<b>Non-current assets</b>					
Investments in associates accounted for using the equity method	1,541	<b>883</b>	883	883	883
Property plant and equipment	619,670	<b>684,222</b>	701,842	718,273	735,172
Total non-current assets	621,211	<b>685,105</b>	702,725	719,156	736,055
Total assets	661,920	<b>730,467</b>	746,555	761,968	773,271
<b>Current liabilities</b>					
Trade and other payables	6,347	<b>10,821</b>	11,116	11,496	12,252
Trust Funds and Deposits	2,799	<b>3,916</b>	3,916	3,916	3,916
Provisions	3,674	<b>4,888</b>	5,218	5,570	5,946
Interest Bearing Loans and Borrowings	3,879	<b>3,910</b>	4,318	4,730	5,218
Total current liabilities	16,699	<b>23,535</b>	24,569	25,712	27,331
<b>Non-current liabilities</b>					
Deferred liabilities	464	<b>0</b>	0	0	0
Provisions	818	<b>1,048</b>	1,095	1,139	1,185
Interest Bearing Loans and Borrowings	43,264	<b>45,549</b>	45,231	44,751	43,783
Total non-current liabilities	44,546	<b>46,597</b>	46,326	45,890	44,968
Total liabilities	61,245	<b>70,132</b>	70,895	71,602	72,299
Net assets	600,675	<b>660,335</b>	675,660	690,365	700,971
<b>Equity</b>					
Accumulated Surplus	432,655	<b>455,725</b>	475,166	493,911	511,698
Reserves	168,020	<b>204,610</b>	200,494	196,454	189,273
Total equity	600,675	<b>660,335</b>	675,660	690,365	700,971

## Budgeted Standard Cash Flow Statement

For the five years ending 30 June 2017

	Budget 2012-13 \$'000 Inflows (Outflows)	Budget <b>2013-14</b> <b>\$'000</b> <b>Inflows</b> )	Strategic Resource Plan Projections		
			2014-15 \$'000 Inflows (Outflows)	2015-16 \$'000 Inflows (Outflows)	2016-17 \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>					
<i>Receipts</i>					
Rates and charges	57,579	<b>62,014</b>	66,511	70,476	74,691
Statutory Fees and fines	2,591	<b>2,719</b>	2,811	2,878	2,982
User Fees	2,927	<b>5,632</b>	4,230	4,610	4,483
Grants	19,601	<b>14,146</b>	17,325	17,876	14,249
Contributions - Cash	85	<b>62</b>	0	0	0
Development Levies (cash)	6,270	<b>8,198</b>	1,600	1,600	1,600
Interest Income	1,068	<b>1,005</b>	1,005	1,005	1,005
Other Income	1,960	<b>1,875</b>	1,884	1,765	1,926
	<u>92,081</u>	<u><b>95,651</b></u>	<u>95,366</u>	<u>100,210</u>	<u>100,936</u>
<i>Payments</i>					
Suppliers	(37,154)	<b>(41,338)</b>	(41,388)	(42,167)	(42,976)
Employees	(27,440)	<b>(28,427)</b>	(30,058)	(31,650)	(32,863)
	<u>(64,594)</u>	<u><b>(69,765)</b></u>	<u>(71,446)</u>	<u>(73,817)</u>	<u>(75,839)</u>
Net cash provided by operating activities	<u>27,487</u>	<u><b>25,886</b></u>	<u>23,920</u>	<u>26,393</u>	<u>25,097</u>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(28,008)	<b>(23,098)</b>	(23,869)	(25,203)	(28,315)
Proceeds from sale of property, infrastructure, plant and equipment	2,550	<b>2,532</b>	1,205	1,240	1,380
Net cash used in investing activities	<u>(25,458)</u>	<u><b>(20,566)</b></u>	<u>(22,664)</u>	<u>(23,963)</u>	<u>(26,935)</u>
<b>Cash flows from financing activities</b>					
Finance costs	(3,405)	<b>(3,302)</b>	(3,531)	(3,749)	(3,981)
Proceeds from Borrowings	4,250	<b>4,000</b>	4,000	4,250	4,250
Repayment of Interest Bearing Loans & Borrowings	(3,779)	<b>(3,789)</b>	(3,910)	(4,318)	(4,730)
Net cash provided by (used in) financing activities	<u>(2,933)</u>	<u><b>(3,091)</b></u>	<u>(3,440)</u>	<u>(3,817)</u>	<u>(4,461)</u>
<b>Net change in cash &amp; cash equivalents year</b>	<u>(904)</u>	<u><b>2,229</b></u>	<u>(2,184)</u>	<u>(1,386)</u>	<u>(6,297)</u>
	19,389	<b>18,485</b>	20,714	18,529	17,142
<b>Cash &amp; cash equivalents at end of year</b>	<u>18,485</u>	<u><b>20,714</b></u>	<u>18,529</u>	<u>17,142</u>	<u>10,844</u>

## Budgeted Standard Capital Works Statement

For the five years ending 30 June 2017

	Budget 2012-13 \$'000	Budget 2013-14 \$'000	Strategic Resource Plan Projections		
			2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Capital works areas</b>					
Roads & Footpaths	16,322	9,396	9,974	6,955	9,087
Drains	3,550	290	1,196	1,919	300
Open space	5,880	3,827	6,100	10,690	11,404
Buildings	6,065	5,880	2,205	1,250	2,755
Plant, equipment & other	3,955	3,756	4,395	4,390	4,770
<b>Total capital works</b>	<b>35,772</b>	<b>23,149</b>	<b>23,869</b>	<b>25,204</b>	<b>28,316</b>
<b>Represented by:</b>					
New	21,255	13,175	13,593	14,706	16,861
Upgrade/Renewal	14,517	9,974	10,276	10,498	11,455
<b>Total capital works</b>	<b>35,772</b>	<b>23,149</b>	<b>23,869</b>	<b>25,204</b>	<b>28,316</b>

## Reconciliation of net movement in property, plant and equipment

	Budget 2012-13* \$'000	Budget 2013-14 \$'000	Strategic Resource Plan Projections		
			2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Total capital works</b>	<b>35,772</b>	<b>23,149</b>	<b>23,869</b>	<b>25,204</b>	<b>28,316</b>
Asset revaluation increment	0	0	0	0	0
Depreciation & amortisation	(14,111)	(14,570)	(15,043)	(15,532)	(16,037)
Written down value of assets sold	(1,727)	(1,727)	(1,205)	(1,240)	(1,380)
Granted assets	16,000	16,000	10,000	8,000	6,000
Recognition of previously unrecognised assets	0	0	0	0	0
<b>Net movement in property, plant &amp; equipment</b>	<b>35,934</b>	<b>22,852</b>	<b>17,620</b>	<b>16,431</b>	<b>16,899</b>

\* Excludes additional Developer delivered assets

## **Appendix B**

### **Statutory disclosures**

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

The appendix includes the following budgeted information:

- Borrowings;
- Rates and charges; and
- Differential rates.

## Statutory disclosures

### 1. Borrowings

	<b>2012-13</b>	<b>2013-14</b>
	<b>\$'000</b>	<b>\$'000</b>
New borrowings	<b>4,250</b>	<b>4,000</b>
Debt redemption	<b>3,779</b>	<b>3,789</b>

## 2. Rates and charges

The Gaming Venue differential rate has been removed for 2013-14 following the finalisation of the Ministerial Guidelines on Differential Rates.

(Note that the rating differentials were reviewed and reduced to 10 for the 2012-13 year, making it easier for ratepayers to understand the rating system, as well as simplifying the administration. This reduction in differentials did not effect the total rate revenue. These categories are shown in the 2012-13 columns in the tables below.)

### 2.1 The proposed rate in the dollar for each type of rate to be levied 2013/14

Type of Property	2012-13 \$/CIV	2013-14 \$/CIV
Base Rate	0.003090	0.003300
Agricultural Land	0.002318	0.002476
Gaming Venues	0.009270	N/A
Urban Rate	0.003275	0.003498
Urban Vacant Land	0.007107	0.007590
Urban Commercial and Industrial	0.004481	0.004786
Urban Agricultural Land	0.002627	0.002806
Lakeside Residential	0.003337	0.003564
Lakeside Vacant Land	0.007200	0.007690
Rate concession for cultural and recreational land	25%	25%

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

<b>Type of Property</b>	<b>2012-13</b>	<b>2013-14</b>
	<b>\$</b>	<b>\$</b>
Base Rate	<b>19,378,857</b>	<b>21,289,482</b>
Agricultural Land	<b>2,235,046</b>	<b>2,989,784</b>
Gaming Venues	<b>124,153</b>	<b>N/A</b>
Urban Rate	<b>15,935,328</b>	<b>17,582,852</b>
Urban Vacant Land	<b>3,941,173</b>	<b>3,894,236</b>
Urban Commercial and Industrial	<b>3,688,742</b>	<b>3,674,605</b>
Urban Agricultural Land	<b>508,117</b>	<b>156,344</b>
Lakeside Residential	<b>2,658,847</b>	<b>2,881,784</b>
Lakeside Vacant Land	<b>165,687</b>	<b>107,698</b>
Cultural and Recreational Land	<b>61,250</b>	<b>64,964</b>
Supplementary	<b>800,000</b>	<b>550,000</b>
<b>Total</b>	<b>49,497,200</b>	<b>53,191,750</b>



### 2.3 The estimated total amount to be raised by rates

	2012-13	2013-14
	\$	\$
Total rates to be raised	49,497,200	53,191,750

**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**

<b>Type of Property</b>	<b>2012-13 Change %</b>	<b>2013-14 Change %</b>
Base Rate		<b>6.80</b>
Agricultural Land		<b>6.80</b>
Gaming Venues		<b>N/A</b>
Urban Rate		<b>6.80</b>
Urban Vacant Land		<b>6.80</b>
Urban Commercial and Industrial		<b>6.80</b>
Urban Agricultural Land		<b>6.80</b>
Lakeside Residential		<b>6.80</b>
Lakeside Vacant Land		<b>6.80</b>
Rate concession for cultural and recreational land		<b>6.80</b>

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

<b>Type of Property</b>	<b>2012-13</b>	<b>2013-14</b>
Base Rate	<b>13,240</b>	<b>14,020</b>
Agricultural Land	<b>907</b>	<b>1,083</b>
Gaming Venues	<b>4</b>	<b>N/A</b>
Urban Rate	<b>13,558</b>	<b>14,024</b>
Urban Vacant Land	<b>1,956</b>	<b>2,145</b>
Urban Commercial and Industrial	<b>1,152</b>	<b>1,105</b>
Urban Agricultural Land	<b>29</b>	<b>10</b>
Lakeside Residential	<b>2,248</b>	<b>2,299</b>
Lakeside Vacant Land	<b>99</b>	<b>72</b>
Cultural and Recreational Land	<b>7</b>	<b>7</b>
<b>Total</b>	<b>33,200</b>	<b>34,765</b>

**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**

<b>Type of Property</b>	<b>2012-13</b>	<b>2013-14</b>
	<b>\$</b>	<b>\$</b>
Base Rate	<b>6,271,474,866</b>	<b>6,451,358,248</b>
Agricultural Land	<b>964,421,000</b>	<b>1,207,505,522</b>
Gaming Venues	<b>13,393,000</b>	<b>N/A</b>
Urban Rate	<b>4,865,154,750</b>	<b>5,026,544,480</b>
Urban Vacant Land	<b>554,548,000</b>	<b>513,074,538</b>
Urban Commercial and Industrial	<b>823,288,000</b>	<b>767,782,020</b>
Urban Agricultural Land	<b>193,458,000</b>	<b>55,717,828</b>
Lakeside Residential	<b>796,730,000</b>	<b>808,581,599</b>
Lakeside Vacant Land	<b>23,013,000</b>	<b>14,004,907</b>
Cultural and Recreational Land	<b>26,429,000</b>	<b>26,237,732</b>

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

<b>Type of Charge</b>	<b>Per Rateable Property 2012-13 \$</b>	<b>Per Rateable Property 2013-14 \$</b>
Garbage Charge	<b>226.50</b>	<b>226.50</b>
Green Waste Charge	<b>110.00</b>	<b>129.00</b>

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

<b>Type of Charge</b>	<b>2012-13 \$</b>	<b>2013-14 \$</b>
Garbage Charge	<b>7,183,000</b>	<b>7,820,382</b>
Green Waste Charge	<b>1,471,000</b>	<b>1,835,799</b>
<b>Total</b>	<b>8,654,000</b>	<b>9,656,181</b>

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

<b>Type of Charge</b>	<b>2012-13</b> <b>\$</b>	<b>2013-14</b> <b>\$</b>
Rates	<b>49,435,950</b>	<b>53,126,786</b>
Recreation Rate	<b>61,250</b>	<b>64,964</b>
Garbage Charge	<b>7,183,000</b>	<b>7,820,382</b>
Green Waste Charge	<b>1,471,000</b>	<b>1,835,799</b>
<b>Total</b>	<b>58,151,200</b>	<b>62,847,931</b>



**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:

<b>Type of Property</b>	<b>2012-13 cents/\$CIV</b>	<b>2013-14 cents/\$CIV</b>
Base Rate	<b>0.3090</b>	<b>0.3300</b>
Agricultural Land	<b>0.2318</b>	<b>0.2476</b>
Gaming Venues	<b>0.9270</b>	<b>N/A</b>
Urban Rate	<b>0.3275</b>	<b>0.3498</b>
Urban Vacant Land	<b>0.7107</b>	<b>0.7590</b>
Urban Commercial and Industrial	<b>0.4481</b>	<b>0.4786</b>
Urban Agricultural Land	<b>0.2627</b>	<b>0.2806</b>
Lakeside Residential	<b>0.3337</b>	<b>0.3564</b>
Lakeside Vacant Land	<b>0.7200</b>	<b>0.7690</b>
Cultural and Recreational Land	<b>0.2318</b>	<b>0.2476</b>

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 Base Rate**

Base Rate applies to any land which does not have the characteristics of:

Agricultural Land

Urban Land

Urban Vacant Land

Urban Commercial and Industrial

Urban Agricultural Land

Lakeside Residential

Lakeside Vacant Land

#### **Objective:**

The objective of the rate is to ensure owners of land having the characteristics of Other Land make an equitable financial contribution to the cost of carrying out Council's functions.

#### **Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

#### **Geographic Location:**

Wherever located within the municipal district.

#### **Use of Land:**

Any use permitted under the relevant Planning Scheme.

#### **Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

#### **Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2008-09 financial year.

### 3.3 Agricultural Land

Agricultural Land is any rateable land:

- which is or exceeds 40 hectares in area;
- is 'farm land' within the meaning of section 2(1) of the *Valuation of Land Act 1960*; and
- is used by a business which is likely to generate a turnover of \$25,000 or more during the financial year.

#### **Objective:**

The objective of the rate is to:

- assist in the maintenance of farming activities within areas eminently suited for that purpose; and
- discourage the proliferation of non-agricultural activities on soil of high Agricultural value by protecting the social characteristics of the rural community from the encroachment of urban-type development.

#### **Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

#### **Geographic Location:**

Wherever located within the municipal district.

#### **Use of Land:**

Any use permitted under the relevant Planning Scheme.

#### **Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

#### **Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012-13 financial year.

### 3.4 Urban Land

Urban Land is any land:

- which is located within the Urban Growth Corridor and the Employment Corridor and does not have the characteristics of:

- Urban Vacant land
- Urban Commercial and Industrial
- Urban Agricultural Land
- Lakeside Residential
- Lakeside Vacant Land

**Objective:**

The objective of the rate is to ensure owners of land having the characteristics of Urban Land make an equitable financial contribution to the cost of carrying out Council's functions.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012-13 financial year.

### **3.5 Urban Vacant Land**

Urban Vacant Land is any land:

- on which no dwelling or other building designed or adapted for occupation is constructed; and
- which is located within the Urban Growth Corridor

**Objective:**

The objective of the rate is to encourage development for residential purposes.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

### **3.6 Urban Commercial and Industrial Land**

Urban Commercial and Industrial Land is any land:

- which is used primarily for commercial or industrial purposes;
- which is located within the Urban Growth Corridor and Employment Corridor;

**Objective:**

The objective of the rate is to encourage commerce and ensure that the owners of the land having the characteristics of Urban Commercial and Industrial Land make an equitable financial contribution to the cost of carrying out Council's functions.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012-13 financial year.

### **3.7 Urban Agricultural Land**

Urban Agricultural Land is any rateable land:

- which is or exceeds 40 hectares in area;
- is 'farm land' within the meaning of section 2(1) of the *Valuation of Land Act 1960*; and
- is used by a business which is likely to generate a turnover of \$25,000 or more during the financial year.

#### **Objective:**

The objective of the rate is to encourage commerce and ensure that the owners of the land having the characteristics of Urban Agricultural Land make an equitable financial contribution to the cost of carrying out Council's functions.

#### **Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

#### **Geographic Location:**

Wherever located within the municipal district.

#### **Use of Land:**

Any use permitted under the relevant Planning Scheme.

#### **Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

#### **Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012-13 financial year.



### **3.8 Lakeside Residential**

Lakeside Residential Land is any land:

- any land located within the Pakenham Lakeside Subdivision north of the railway line
- is currently used primarily for residential purposes.

**Objective:**

The objective of the rate is to ensure owners of land having the characteristics of Lakeside Residential Land make an equitable financial contribution to the cost of carrying out Council's functions.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012-13 financial year.

### **3.9 Lakeside Vacant Land**

Lakeside Vacant Land is any land:

- on which no dwelling or other building designed or adapted for occupation is constructed; and
- which is located within the Lakeside Pakenham Subdivision north of the railway line.

**Objective:**

The objective of the rate is to encourage development for residential purposes.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

## **Appendix C**

### **Capital works program**

This appendix presents a listing of the capital works projects that will be undertaken for the 2013-14 year.

The capital works projects are grouped by class and include new works for 2013-14 and identified as either asset renewal and upgrade or new assets.

## Capital works program

For the year ending 30 June 2014

Capital Works Area	Council Operations	External Grants and Contributions	Cash, Investments, Loans, and Reserves	Project Cost
	\$'000	\$'000	\$'000	\$'000
<b>Roads &amp; Footpaths</b>				
Asset renewal & upgrade				5,021
New assets				4,375
<b>Total Roads &amp; Footpaths</b>	5,328	2,159	1,910	9,396
<b>Drains</b>				
Asset renewal & upgrade				290
New assets				0
<b>Total Drains</b>	290	0	0	290
<b>Open Space</b>				
Asset renewal & upgrade				1,020
New assets				2,807
<b>Total Open Space</b>	1,484	488	1,854	3,827
<b>Buildings</b>				
Asset renewal & upgrade				795
New assets				5,085
<b>Total Buildings</b>	1,665	3,565	650	5,880
<b>Plant, equipment &amp; other</b>				
Asset renewal & upgrade				2,848
New assets				908
<b>Total Plant, equipment &amp; other</b>	2,704	0	1,052	3,756
<b>Capital Works 2013-14</b>				
Asset renewal & upgrade				9,974
New assets				13,175
<b>Total Capital Works 2013-14</b>	11,471	6,212	5,466	23,149

PROPOSED CAPITAL WORKS PROGRAM 2013-14 TO 2017-18		2013-14 Funding Sources															
Project	2013-14	Council Revenue	Loan Funds	Other Reserve Funds	Sales & Trade-In	Developer Infrastructure Levy	Community Infrastructure Levy	Local Contribution	Government Grants	2014-15	Council Funding incl. Loans	2015-16	Council Funding incl. Loans	2016-17	Council Funding incl. Loans	2017-18	Council Funding incl. Loans
						Cardinia Rd	Cardinia Rd										
<b>PART 1 - CAPITAL WORKS - NEW PROJECTS</b>																	
<b>Community &amp; recreational facilities</b>																	
Regional Soccer Facility Stage 1 & 2	1,000,000	- 95,520	- 520,000	- 384,480						1,780,000	1,030,000	1,900,000	1,900,000	2,283,060	2,283,060	450,000	450,000
Cochrane Park - Access Road and Car Park at Community Centre	150,000	- 150,000								200,000	200,000						
Implementation of Pepi's Land Strategy	150,000	- 150,000								100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Recreation Res. Development - Holm Park Rd	1,078,360	- 128,360	- 950,000							1,000,000	1,000,000						
Emerald Gembrook Trail Design	100,000	- 100,000															
Resurface Bowling Green - Council Contribution	-	-															
New playgrounds and recreation facilities for young people	100,000	- 100,000										100,000	100,000			100,000	100,000
PB Ronald Reserve												600,000	600,000				
Officer Netball Pavillion Relocation	300,000	- 300,000								300,000	300,000						
Lang Lang Sporting Facilities Masterplan	30,000	- 30,000								300,000	300,000						
Deep Creek Reserve access, Earthworks, Parking	200,000	- 200,000								1,000,000		500,000		150,000	150,000	850,000	620,000
<b>Sub Total</b>	<b>3,108,360</b>	<b>- 1,253,880</b>	<b>- 1,470,000</b>	<b>- 384,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,680,000</b>	<b>2,930,000</b>	<b>3,200,000</b>	<b>2,700,000</b>	<b>2,533,060</b>	<b>2,533,060</b>	<b>1,500,000</b>	<b>1,270,000</b>
<b>Plant &amp; equipment</b>																	
New plant program	50,000	- 50,000								250,000	250,000	200,000	200,000	250,000	250,000	250,000	250,000
<b>Sub Total</b>	<b>50,000</b>	<b>- 50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>250,000</b>	<b>200,000</b>	<b>200,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>Roads and pathways</b>																	
Traffic management devices	50,000	- 50,000								100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
McGregor Road (Stage 2)	1,830,000	- 680,000	- 1,150,000														
Pedestrian & Bicycle strategy	100,000	- 100,000								150,000	150,000	200,000	200,000	250,000	250,000	250,000	250,000
Footpaths	700,000	- 700,000								400,000	400,000	450,000	450,000	500,000	500,000	500,000	500,000
Lang Lang Bypass	760,000	-	- 760,000							600,000	600,000			1,300,000	1,300,000	2,700,000	2,700,000
Equestrian Trails	30,000	- 30,000								30,000	30,000	50,000	50,000	50,000	50,000	50,000	50,000
Emerald-Gembrook Trail										2,200,000							
<b>Sub Total</b>	<b>3,470,000</b>	<b>- 1,560,000</b>	<b>- 1,910,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,480,000</b>	<b>1,280,000</b>	<b>800,000</b>	<b>800,000</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>3,600,000</b>	<b>3,600,000</b>
<b>Special charge schemes (To be confirmed)</b>																	
McBride Road, Upper Beaconsfield	247,500	- 150,000						- 97,500		167,500	50,201						
NNG Road drains										915,599	206,000	1,619,401	524,000				
Fairbridge Lane - land acquisition & part disposal (cnr Boronia Cr) & Construction	157,750	- 157,750															
<b>Sub Total</b>	<b>405,250</b>	<b>- 307,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 97,500</b>	<b>-</b>	<b>1,083,099</b>	<b>256,201</b>	<b>2,055,992</b>	<b>669,530</b>	<b>436,591</b>	<b>145,530</b>	<b>873,182</b>	<b>291,061</b>
<b>Streetscapes, beautification and environment</b>																	
Tree planting program	50,000	- 50,000								50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
ELP Strategic Update	100,000	- 100,000								200,000							
Open Space Program	100,000	- 100,000								150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Installation of new lighting	60,000	- 60,000								60,000	60,000	60,000	60,000	90,000	90,000	70,000	70,000
Lilypond Restoration	300,000	- 150,000							- 150,000								
Environmental projects	100,000	- 100,000								150,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000
<b>Sub Total</b>	<b>710,000</b>	<b>- 560,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 150,000</b>	<b>-</b>	<b>610,000</b>	<b>410,000</b>	<b>410,000</b>	<b>410,000</b>	<b>490,000</b>	<b>490,000</b>	<b>470,000</b>	<b>470,000</b>
<b>New Items</b>																	
Asset Renewal Netball Facilities	110,000	- 110,000								70,000	70,000	120,000	120,000	120,000	120,000	130,000	130,000
Bowling Green Resurfacing- Lang Lang synthetic Surface replacement 13/14, Garfield 14/15 & Cockatoo	50,000	- 50,000								130,000	70,000	180,000	100,000				
Golf Club Capital Expenditure	400,000	- 400,000								100,000	100,000	250,000	250,000	200,000	200,000		
Purton Road Depot Masterplan	150,000	- 150,000										300,000	300,000	500,000	500,000	1,000,000	1,000,000
<b>Sub Total</b>	<b>710,000</b>	<b>- 710,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>240,000</b>	<b>850,000</b>	<b>770,000</b>	<b>820,000</b>	<b>820,000</b>	<b>1,130,000</b>	<b>1,130,000</b>
<b>TOTAL NEW PROJECTS</b>	<b>8,453,610</b>	<b>- 4,441,630</b>	<b>- 3,380,000</b>	<b>- 384,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 97,500</b>	<b>- 150,000</b>	<b>10,403,099</b>	<b>5,366,201</b>	<b>7,515,992</b>	<b>5,549,530</b>	<b>6,729,651</b>	<b>6,438,590</b>	<b>7,823,182</b>	<b>7,011,061</b>

Project	2013-14	Council Revenue	Loan Funds	Other Reserve Funds	Sales & Trade-In	Developer Infrastructure Levy Cardinia Rd	Community Infrastructure Levy Cardinia Rd	Local Contribution	Government Grants	2014-15	Council Funding incl. Loans	2015-16	Council Funding incl. Loans	2016-17	Council Funding incl. Loans	2017-18	Council Funding incl. Loans
<b>PART 2 - ASSET RENEWAL &amp; UPGRADE</b>																	
Cardinia Cultural Centre	50,000	- 50,000								50,000	50,000	50,000	50,000	50,000	50,000	60,000	60,000
Performing arts space																200,000	200,000
Visual arts space concept plan	20,000	- 20,000															
Public Art Program										40,000	40,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Sub Total</b>	<b>70,000</b>	<b>- 70,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>90,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>310,000</b>	<b>310,000</b>
<b>Bridges</b>																	
Bridges - Replacement/Upgrade	550,000	- 550,000								600,000	600,000	600,000	600,000	600,000	600,000	900,000	900,000
<b>Sub Total</b>	<b>550,000</b>	<b>- 550,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>900,000</b>	<b>900,000</b>
<b>Buildings</b>																	
Buildings	480,000	- 480,000								500,000	500,000	520,000	520,000	540,000	540,000	560,000	560,000
Disability Access Works	100,000	- 100,000								75,000	75,000	80,000	80,000	85,000	85,000	90,000	90,000
<b>Sub Total</b>	<b>580,000</b>	<b>- 580,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575,000</b>	<b>575,000</b>	<b>600,000</b>	<b>600,000</b>	<b>625,000</b>	<b>625,000</b>	<b>650,000</b>	<b>650,000</b>
<b>Carparks</b>																	
Carpark resealing	180,000	- 180,000								240,000	240,000	270,000	270,000	290,000	290,000	300,000	300,000
<b>Sub Total</b>	<b>180,000</b>	<b>- 180,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240,000</b>	<b>240,000</b>	<b>270,000</b>	<b>270,000</b>	<b>290,000</b>	<b>290,000</b>	<b>300,000</b>	<b>300,000</b>
<b>Drainage replacement</b>																	
Drainage replacement	290,000	- 290,000								280,000	280,000	300,000	300,000	300,000	300,000	330,000	330,000
<b>Sub Total</b>	<b>290,000</b>	<b>- 290,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280,000</b>	<b>280,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>330,000</b>	<b>330,000</b>
<b>Footpaths</b>																	
Concrete footpaths	254,000	- 254,000								260,000	260,000	278,000	278,000	286,000	286,000	312,000	312,000
Gravel pathway resheeting	82,000	- 82,000								86,000	86,000	90,000	90,000	94,000	94,000	90,000	90,000
<b>Sub Total</b>	<b>336,000</b>	<b>- 336,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,000</b>	<b>346,000</b>	<b>368,000</b>	<b>368,000</b>	<b>380,000</b>	<b>380,000</b>	<b>402,000</b>	<b>402,000</b>
<b>Netball/Tennis</b>																	
Netball/Tennis courts	100,000	- 100,000								120,000	120,000	100,000	100,000	100,000	100,000	110,000	110,000
<b>Sub Total</b>	<b>100,000</b>	<b>- 100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>120,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>110,000</b>	<b>110,000</b>
<b>Plant replacement</b>																	
Plant replacement	2,034,000	- 952,000			- 1,082,000					2,255,000	1,205,000	2,340,000	1,240,000	2,530,000	1,380,000	2,220,000	1,120,000
<b>Sub Total</b>	<b>2,034,000</b>	<b>- 952,000</b>	<b>-</b>	<b>-</b>	<b>- 1,082,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,255,000</b>	<b>1,205,000</b>	<b>2,340,000</b>	<b>1,240,000</b>	<b>2,530,000</b>	<b>1,380,000</b>	<b>2,220,000</b>	<b>1,120,000</b>
<b>Playgrounds replacement</b>																	
Playgrounds (Playground Replacement)	120,000	- 120,000								120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
<b>Sub Total</b>	<b>120,000</b>	<b>- 120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>
<b>Recreation reserves</b>																	
Chandler reserve	500,000	- 500,000															
Recreation reserve resurfacing	300,000	- 300,000								300,000	300,000	300,000	300,000	300,000	300,000	350,000	350,000
<b>Sub Total</b>	<b>800,000</b>	<b>- 800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>350,000</b>	<b>350,000</b>
<b>Roads</b>																	
Resealing	1,100,000	- 590,000							- 510,000	1,160,000	640,000	1,210,000	690,000	1,290,000	740,000	1,400,000	800,000
Reseal Preparation	400,000	- 400,000								400,000	400,000	370,000	370,000	390,000	390,000	540,000	540,000
Unsealed Road Resheeting	820,000	- 610,000							- 210,000	880,000	660,000	900,000	680,000	900,000	670,000	1,100,000	600,000
Pavement Renewals	1,635,000	- 444,000							- 1,191,000	2,000,000	809,000	2,000,000	740,000	2,600,000	1,309,000	2,870,000	1,670,000
<b>Sub Total</b>	<b>3,955,000</b>	<b>- 2,044,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 1,911,000</b>	<b>4,440,000</b>	<b>2,509,000</b>	<b>4,480,000</b>	<b>2,480,000</b>	<b>5,180,000</b>	<b>3,109,000</b>	<b>5,910,000</b>	<b>3,610,000</b>
<b>Swimming facilities</b>																	
Swimming facilities	165,000	- 165,000								80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
<b>Sub Total</b>	<b>165,000</b>	<b>- 165,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>
<b>Other projects</b>																	
Community Grants	500,000	- 500,000								500,000	500,000	510,000	510,000	520,000	520,000	550,000	550,000
Township Strategy Implementation	200,000	- 200,000								200,000	200,000	200,000	200,000	200,000	200,000		
Community Grants - Minor Equipment	50,000	- 50,000								50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
BMX Facility Asset renewal																30,000	30,000
Emerald Netball Facility Design																100,000	100,000
SRV Minor Grants matching funding	44,000	- 44,000								80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
<b>Sub Total</b>	<b>794,000</b>	<b>- 794,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>830,000</b>	<b>830,000</b>	<b>840,000</b>	<b>840,000</b>	<b>850,000</b>	<b>850,000</b>	<b>810,000</b>	<b>810,000</b>
<b>TOTAL ASSET RENEWAL &amp; UPGRADE</b>	<b>9,974,000</b>	<b>- 6,981,000</b>	<b>-</b>	<b>-</b>	<b>- 1,082,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 1,911,000</b>	<b>10,276,000</b>	<b>7,295,000</b>	<b>10,498,000</b>	<b>7,398,000</b>	<b>11,455,000</b>	<b>8,234,000</b>	<b>12,492,000</b>	<b>9,092,000</b>

Project	2013-14	Council Revenue	Loan Funds	Other Reserve Funds	Sales & Trade-In	Developer Infrastructure Levy Cardinia Rd	Community Infrastructure Levy Cardinia Rd	Local Contribution	Government Grants	2014-15	Council Funding incl. Loans	2015-16	Council Funding incl. Loans	2016-17	Council Funding incl. Loans	2017-18	Council Funding incl. Loans
<b>PART 3 - ORGANISATION</b>																	
IT Strategy	455,000	- 455,000								400,000	400,000	350,000	350,000	400,000	400,000	400,000	400,000
GIS Strategy	50,000	- 50,000								50,000	50,000	50,000	50,000	50,000	50,000	60,000	60,000
Land Acquisition	620,000		- 620,000							1,450,000	1,450,000	2,050,000	2,050,000	1,750,000	1,750,000	2,000,000	2,000,000
Municipal Offices fitout	750,000	- 750,000															
Priority Works	193,000	- 193,000								400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
<b>Sub Total</b>	<b>2,068,000</b>	<b>- 1,448,000</b>	<b>- 620,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,300,000</b>	<b>2,300,000</b>	<b>2,850,000</b>	<b>2,850,000</b>	<b>2,600,000</b>	<b>2,600,000</b>	<b>2,860,000</b>	<b>2,860,000</b>
Cash Receipts - Joint Venture/Land sales	- 1,500,000	1,500,000								- 1,600,000	- 1,600,000	- 1,300,000	- 1,300,000	- 1,250,000	- 1,250,000	- 1,250,000	- 1,250,000
<b>Sub Total</b>	<b>- 1,500,000</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 1,600,000</b>	<b>- 1,600,000</b>	<b>- 1,300,000</b>	<b>- 1,300,000</b>	<b>- 1,250,000</b>	<b>- 1,250,000</b>	<b>- 1,250,000</b>	<b>- 1,250,000</b>
<b>TOTAL ORGANISATION</b>	<b>568,000</b>	<b>52,000</b>	<b>- 620,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700,000</b>	<b>700,000</b>	<b>1,550,000</b>	<b>1,550,000</b>	<b>1,350,000</b>	<b>1,350,000</b>	<b>1,610,000</b>	<b>1,610,000</b>
<b>TOTAL CAPITAL WORKS BEFORE STRUCTURE PLANS</b>	<b>18,995,610</b>	<b>-11,370,630</b>	<b>- 4,000,000</b>	<b>- 384,480</b>	<b>- 1,082,000</b>	<b>-</b>	<b>-</b>	<b>- 97,500</b>	<b>- 2,061,000</b>	<b>21,379,099</b>	<b>13,361,201</b>	<b>19,563,992</b>	<b>14,497,530</b>	<b>19,534,651</b>	<b>16,022,590</b>	<b>21,925,182</b>	<b>17,713,061</b>
<b>PART 4 - STRUCTURE PLANS</b>																	
<b>Cardinia Road Precinct Structure Plan Capital Works Program</b>																	
Community Childrens Facility - Lakeside South	1,565,000					- 345,420			- 1,219,580								
Toomah Community Centre (Cardinia Road)	2,000,000							- 2,000,000									
Gum Scrub Creek Reserve (Heatherbrae Recreation Reserve)	338,202		-			- 338,202											
<b>Officer Precinct Structure Plan Capital Works Program</b>																	
Design/Commence construction at new childrens centre at Henry Road West												220,000		1,500,000		2,000,000	
Mc Mullan Reserve										40,000		700,000		3,501,300		3,501,300	
Design/Commence construction at new childrens centre at Rix Rd West																200,000	200,000
Design / Construct the new youth centre																150,000	150,000
James Bathe Recreation Reserve										450,000		2,720,000		1,780,000			
Syme Road Pakenham	100,000	- 100,000															
Shared Footpath Toomuc Creek	150,000					- 150,000											
Landscape Improvements District Park												2,000,000		2,000,000		2,000,000	
Shared Footpath along Princes Highway										500,000							
Community Childrens Facility - Stephens Rd North										1,500,000							
<b>TOTAL STRUCTURE PLANS PROJECTS</b>	<b>4,153,202</b>	<b>- 100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>- 683,622</b>	<b>- 2,000,000</b>	<b>- 1,219,580</b>	<b>2,490,000</b>	<b>-</b>	<b>5,640,000</b>	<b>-</b>	<b>8,781,300</b>	<b>-</b>	<b>7,851,300</b>	<b>350,000</b>
<b>TOTAL CAPITAL WORKS</b>	<b>23,148,812</b>	<b>-11,470,630</b>	<b>- 4,000,000</b>	<b>- 384,480</b>	<b>- 1,082,000</b>	<b>- 150,000</b>	<b>- 683,622</b>	<b>- 2,097,500</b>	<b>- 3,280,580</b>	<b>23,869,099</b>	<b>13,361,201</b>	<b>25,203,992</b>	<b>14,497,530</b>	<b>28,315,951</b>	<b>16,022,590</b>	<b>29,776,482</b>	<b>18,063,061</b>

## **Appendix D**

### **Key strategic activities**

This appendix presents a number of key strategic activities to be undertaken during the 2013-14 year and performance targets and measures in relation to these.



## Key strategic activities

For the year ending 30 June 2014

<b>Key Strategic Activity</b>	<b>Target</b>	<b>Measure &amp; Timing</b>
Holm Park Road Netball Pavillion	Construction Complete	June 2014
Henry Road East Childrens Centre	Construction Complete	June 2014
Toomah Community Centre	Construction Complete	June 2014
Pakenham East Precinct Structure Plan and Developer Contribution Plan	Complete Plans	June 2014
Pakenham Employment Precinct Structure Plan and Development Contributions Plan	Complete Plans	June 2014

## **Appendix E**

### **Fees and charges schedule**

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2013-14 year.

**PROPOSED FEES & CHARGES FOR 2013-14**

Description	GST Applies*	Set by Council	Total Fee 2012/13 incl. GST (if applicable)	Total Fee 2013/14 incl. GST (if applicable)	% Change 13/14 to 12/13
<b>Community Services</b>					
<b>Aged Services</b>					
Mecwacare Pakenham provide Home & Community Care (HACC) services in Cardinia Shire. Contact them on 5941-5454 for current fees and charges. These services include Home Care, Personal Care, Respite Care, Home Maintenance, Meals on Wheels, and Planned Activity Groups.					
<b>Outside School Hours Care</b>					
Before School Care - All sites (CCB applies for eligible families)	No	Yes	\$14.00	\$16.00	14.29%
BSC casual booking	No	Yes	\$16.00	\$18.00	12.50%
After School Care - All sites (CCB applies for eligible families)	No	Yes	\$17.00	\$22.00	29.41%
ASC casual booking	No	Yes	\$19.00	\$24.00	26.32%
Vacation Care - All sites (CCB applies for eligible families)	No	Yes	\$43.00	\$50.00	16.28%
VC casual booking	No	Yes	\$45.00	\$52.00	15.56%
Vacation Care Excursions - Voluntary additional charge (Per Excursion)	Yes	Yes	Contact OSHC	Contact OSHC	
Pupil Free Day / Curriculum Day Care - All sites (CCB applies for eligible families)	No	Yes	\$43.00	\$50.00	16.28%
<b>Services Central</b>					
Casual Room Hire - Consulting Room Half Day Rate	Yes	Yes	\$30.00	\$35.00	16.67%
Casual Room Hire - Consulting Room Full Day Rate	Yes	Yes	\$60.00	\$70.00	16.67%
Casual Room Hire - Meeting Room Half Day Rate	Yes	Yes	\$40.00	\$45.00	12.50%
Casual Room Hire - Meeting Room Full Day Rate	Yes	Yes	\$80.00	\$90.00	12.50%
Casual Room Hire - Activity Room Half Day Rate	Yes	Yes	\$40.00	\$50.00	25.00%
Casual Room Hire - Activity Room Full Half Day Rate	Yes	Yes	\$80.00	\$100.00	25.00%
Regular Room Hire - Consulting Room Half Day Rate	Yes	Yes	\$15.00	\$21.00	40.00%
Regular Room Hire - Consulting Room Full Day Rate	Yes	Yes	\$30.00	\$42.00	40.00%
Regular Room Hire - Meeting Room Half Day Rate	Yes	Yes	\$25.00	\$27.00	8.00%
Regular Room Hire - Meeting Room Full Day Rate	Yes	Yes	\$45.00	\$54.00	20.00%
Regular Room Hire - Activity Room Half Day Rate	Yes	Yes	\$25.00	\$30.00	20.00%
Regular Room Hire - Activity Room Full Day Rate	Yes	Yes	\$45.00	\$60.00	33.33%
Note - Half Day - up to and including 4 hours, Day - 4 to 8 hours					
Regular Rates - 6 or more consecutive bookings					
<b>My Place</b>					
Casual Room Hire - Consulting Room Half Day Rate	Yes	Yes	\$30.00	\$35.00	16.67%
Casual Room Hire - Consulting Room Full Day Rate	Yes	Yes	\$60.00	\$70.00	16.67%
Casual Room Hire - Meeting Room Half Day Rate	Yes	Yes	\$40.00	\$45.00	12.50%
Casual Room Hire - Meeting Room Full Day Rate	Yes	Yes	\$80.00	\$90.00	12.50%
Casual Room Hire - Activity Room Half Day Rate	Yes	Yes	\$40.00	\$50.00	25.00%
Casual Room Hire - Activity Room Full Half Day Rate	Yes	Yes	\$80.00	\$100.00	25.00%
Regular Room Hire - Consulting Room Half Day Rate	Yes	Yes	\$15.00	\$21.00	40.00%
Regular Room Hire - Consulting Room Full Day Rate	Yes	Yes	\$30.00	\$42.00	40.00%
Regular Room Hire - Meeting Room Half Day Rate	Yes	Yes	\$25.00	\$27.00	8.00%
Regular Room Hire - Meeting Room Full Day Rate	Yes	Yes	\$45.00	\$54.00	20.00%
Regular Room Hire - Activity Room Half Day Rate	Yes	Yes	\$25.00	\$30.00	20.00%
Regular Room Hire - Activity Room Full Day Rate	Yes	Yes	\$45.00	\$60.00	33.33%
Note - Half Day - up to and including 4 hours, Day - 4 to 8 hours					
Regular Rates - 6 or more consecutive bookings					
<b>Children's Centres</b>					
Not for profit organisations:					
Community Room half day		Yes		\$36.00	
Committee Room half day		Yes		\$30.00	
Consult room half day		Yes		\$30.00	
Community full day		Yes		\$72.00	
Committee room full day		Yes		\$60.00	
Consult room full day		Yes		\$60.00	

PROPOSED FEES & CHARGES FOR 2013-14

Description	GST Applies*	Set by Council	Total Fee 2012/13 incl. GST (if applicable)	Total Fee 2013/14 incl. GST (if applicable)	% Change 13/14 to 12/13
Private/for profit organisations:					
Community room half day		Yes		\$60.00	
Committee room half day		Yes		\$50.00	
Consult room - half day		Yes		\$50.00	
Community room full day		Yes		\$120.00	
Committee Room full day		Yes		\$100.00	
Consult room full day		Yes		\$100.00	
<b>Records Management</b>					
Fees - FOI (statutory fees applicable under FOI Act):					
Application Fee	No	No	\$24.40	\$25.10	2.87%
Search Charge per hour or part thereof	No	No	\$20.00	\$20.00	0.00%
Supervision Charge per quarter hour	No	No	\$5.00	\$5.00	0.00%
Photocopy charge	No	No	\$0.20	\$0.20	0.00%
<b>Rates &amp; Property Services</b>					
Land information certificates (statutory fee)	No	No	\$20.00	\$20.00	0.00%
Late payment of rates administration fee	No	Yes	\$30.00	\$30.00	0.00%
Sales Data (Valuers)	Yes	Yes	\$85.00	\$85.00	0.00%
<b>Information Technology</b>					
<b>IT - Geographic Information System maps</b>					
<i>Fee per map</i>					
A3 Plotter	Yes	Yes	\$16.50	\$16.50	0.00%
A2	Yes	Yes	\$24.50	\$24.50	0.00%
A1	Yes	Yes	\$37.00	\$37.00	0.00%
A0	Yes	Yes	\$54.00	\$54.00	0.00%
<b>IT - Plan printing charges (per copy)</b>					
PLAN OF SUBDIVISION (A3)	Yes	Yes	\$4.30	\$4.30	0.00%
SHIRE PLAN (AO)	Yes	Yes	\$31.00	\$31.00	0.00%
A4 PHOTOCOPIES	Yes	Yes	\$0.80	\$0.80	0.00%
Multiple Copies (10+)	Yes	Yes	\$0.80	\$0.80	0.00%
A1 SIZE PLAN	Yes	Yes	\$10.50	\$10.50	0.00%
A0 SIZE PLAN	Yes	Yes	\$20.00	\$20.00	0.00%
<b>Compliance Services</b>					
<b>Public Health and Wellbeing Act Premises (PHWBA)</b>					
Registration of hairdressers, beauty parlours, etc.	No	Yes	\$142.00	\$146.00	2.82%
Skin Penetration	No	Yes	\$142.00	\$146.00	2.82%
Registration renewal of prescribed accommodation (4-10 persons)	No	Yes		\$146.00	
Registration renewal of prescribed accommodation (11-20 persons)	No	Yes		\$222.00	
Registration renewal of prescribed accommodation (21-30 persons)	No	Yes		\$302.00	
Registration renewal of prescribed accommodation (> 30 persons)	No	Yes		\$382.00	
Registration renewal of prescribed accommodation (Hotel/Motel)	No	Yes		\$146.00	
Registration renewal of prescribed accommodation (bed & breakfast)	No	Yes		\$146.00	
Prescribed Accommodation	No	Yes	\$142.00		-100.00%
Colonic Irrigation	No	Yes	\$142.00	\$146.00	2.82%
Two or more activities conducted on the premises by the same proprietor	No	Yes	\$216.00	\$221.00	2.31%
Transfer of Registration (Health Act premises)	No	Yes	50% Annual Fee	50% Annual Fee	
Caravan Parks	No	No	\$2.70/site	\$2.80 per site	
*NOTE: - Transfer of Registration currently 5 fee units	No	No	\$61.00	\$63.00	3.28%
<b>Food Act Registered Premises</b>					
* Up to 5 employees					
Class 1 (includes one routine inspection and assessment of audit)	No	Yes	\$463.00	\$475.00	2.59%
Class 2 (includes one routine inspection and compliance check)	No	Yes	\$463.00	\$475.00	2.59%
Class 3 (includes one routine inspection)	No	Yes	\$147.00	\$151.00	2.72%
Fee for inspections in addition to routine inspection - rate per hour.	Yes	Yes	\$74.00	\$76.00	2.70%
Audit fees - rate per hour.	Yes	Yes	\$74.00	\$76.00	2.70%
* For each additional effective full-time employee greater than 5.	No	Yes	\$23.00	\$24.00	4.35%
<b>School Canteens</b>					
* Not for Profit (same as Class 3)	No	Yes	\$103.00	\$106.00	2.91%
* Privately run - calculated according to Class of premises	No	Yes			
Transfer of Registration (Food Act premises)	No	Yes	\$175.00	\$179.00	2.29%
Food Act Premises Establishment Fee	No	Yes	50% Annual Fee	50% Annual Fee	

**PROPOSED FEES & CHARGES FOR 2013-14**

Description	GST Applies*	Set by Council	Total Fee 2012/13 incl. GST (if applicable)	Total Fee 2013/14 incl. GST (if applicable)	% Change 13/14 to 12/13
Maximum Fee (greater than 75 effective full time employees)	No	Yes	\$2,038.00	\$2,099.00	2.99%
Class 1 and 2 (Temporary Food Premises)	No	Yes	\$55.00	\$56.00	1.82%
Class 3 (Temporary Food Premises)	No	Yes	\$35.00	\$36.00	2.86%
Infringements (Food Act 184 and Public Health & Wellbeing Act 2008) as prescribed by State Government	No	No			
<b>PHWBA and Food Act</b>					
Pre application Site Consultation.	Yes	Yes	\$74.00	\$76.00	2.70%
After 1st July the Registration Fee will be 50% of the annual fee (plus the establishment fee).	No	Yes	50% Annual Fee		
Inspection requests from Solicitors or proposed proprietors	Yes	Yes	\$129.00	\$132.00	2.33%
Late fee for Registration- All premises (after 31st December)	No	Yes	50% Annual Fee		0.00%
Sale of sharps containers	Yes	Yes	\$25.00	\$26.00	4.00%
Head lice lotions (*not taxable if supply is on prescription)	Yes	Yes	\$13.50	\$14.00	3.70%
<b>Septic Tanks</b>					
Installation permits (new)	No	Yes	\$320.00	\$328.00	2.50%
Permit for Alteration	No	Yes	\$161.00	\$165.00	2.48%
Septic Tank consent report				\$44.00	0.00%
Septic Tank Plan Search Fee	No	Yes	\$44.00	\$45.00	2.27%
Reissue Septic permit	No	Yes	\$33.00	\$34.00	3.03%
Infringements (Septic tanks) currently 5 penalty units as prescribed by State Government	No	No	\$602.00	\$704.00	16.94%
<b>Regulatory Services - Animal Control</b>					
Dog registration	No	Yes	\$100.00	\$103.00	3.00%
Cat registration	No	Yes	\$100.00	\$103.00	3.00%
Reduced Fee Dog - (microchipped, sterilised, 10 years of age plus,	No	Yes	\$30.00	\$31.00	3.33%
Reduced Fee Cat - (microchipped, sterilised, 10 years of age plus)	No	Yes	\$29.00	\$30.00	3.45%
Member Canine Assoc (unsterilised)	No	Yes	\$30.00	\$31.00	3.33%
Reduced Fee Unsterilised Dog - Pensioner	No	Yes	\$50.00	\$52.00	4.00%
Reduced Fee Unsterilised Cat - Pensioner	No	Yes	\$50.00	\$52.00	4.00%
Reduced Fee Sterilised Dog - Pensioner	No	Yes	\$16.00	\$17.00	6.25%
Reduced Fee Sterilised Cat - Pensioner	No	Yes	\$15.00	\$16.00	6.67%
Domestic animal businesses - Licence to operate breeding establishment	Yes	Yes	\$415.00	\$425.00	2.41%
Animal Register inspection fees	No	Yes	\$31.00	\$32.00	3.23%
Hire of possum traps	Yes	Yes	\$27.00	\$28.00	3.70%
Hire of cat traps	Yes	Yes	\$27.00	\$28.00	3.70%
Hire of anti barking collars (shock collars)	Yes	Yes	\$31.00	\$32.00	3.23%
Hire of anti barking collars (citronella collars)	Yes	Yes	\$55.00	\$56.00	1.82%
Bonds/deposits on anti barking collars, cat traps, and possum traps	No	Yes	\$59.00	\$60.00	1.69%
Animal Release Fee - Cat - day one	No	No	\$116.00	\$119.00	2.59%
Animal Release Fee - Dog - day one	No	No	\$116.00	\$119.00	2.59%
Animals - Excess numbers permit	No	Yes	\$66.00	\$68.00	3.03%
Animal-related fines	No	No	As prescribed by State Government legislation	As prescribed by State Government legislation	
Animals - Excess numbers	No	Yes	\$66.00	\$68.00	3.03%
Animals – Grazing on nature strips	No	Yes	\$140.00	\$144.00	2.86%
Animals – Fence off nature strip for grazing	No	Yes	\$140.00	\$144.00	2.86%
Impound fee (small and large animals )	Yes	No	\$39.00	\$40.00	2.56%
Sustenance large animal	Yes	No	\$11.50	\$12.00	4.35%
Sustenance small animal	Yes	No	\$8.25	\$9.00	9.09%
Labour (business hours / out-of-business hours)	Yes	Yes	\$60.00 / \$86.00 hr	\$63.00 / \$89.00	
Stock Transportation	Yes	No	Fees as charged by contractor	Fees as charged by contractor	
<b>Regulatory Services - Local Laws</b>					
Local Law Fines	No	Yes	As per CSC's adopted Local Laws	As per CSCs adopted Local Laws	
Parking Fines	No	No	As prescribed by Road Rules Victoria	As prescribed by Road Rules Victoria	
Parking Fine (period longer)	No	No	\$60.00	\$70.00	16.67%
Copies of any local laws	Yes	Yes	\$24.00	\$25.00	4.17%
Charity bins	No	Yes	\$61.00	\$63.00	3.28%
Advertising Signs - A Frames	No	Yes	\$140.00	\$144.00	2.86%
Advertising Signs - Real Estate Auction Boards (3 months)	No	Yes	\$182.00	\$187.00	2.75%
Advertising Signs, Flags overhanging roads-3 metres (3 months)	No	Yes	\$182.00	\$187.00	2.75%

**PROPOSED FEES & CHARGES FOR 2013-14**

Description	GST Applies*	Set by Council	Total Fee 2012/13 incl. GST (if applicable)	Total Fee 2013/14 incl. GST (if applicable)	% Change 13/14 to 12/13
Camping and Caravans (per month)	No	Yes	\$140.00	\$144.00	2.86%
Footpath - Display goods (per item)	No	Yes	\$140.00	\$144.00	2.86%
Footpath - Table and Chairs - Fee per table	No	Yes	\$44.00	\$45.00	2.27%
Footpath - Table and Chairs - Fee per chair	No	Yes	\$27.00	\$28.00	3.70%
Footpath - Windbreaker screen	No	Yes	\$165.00	\$169.00	2.42%
Rubbish Containers - Skips on public land per day	No	Yes	\$44.00	\$45.00	2.27%
Commercial Bins Business use eg. restaurants, businesses in CBD per month	No	Yes	\$140.00	\$144.00	2.86%
Heavy Vehicle – on land under 0.8ha (2 acres)	No	Yes	\$140.00	\$144.00	2.86%
Liquor - Consumption/Possession – within 500 metres of licensed premises	No	Yes	\$140.00	\$144.00	2.86%
Recreational Vehicles	No	Yes	\$140.00	\$144.00	2.86%
General Permit	No	Yes	\$140.00	\$144.00	2.86%
Mobile Crane/Tower	No	Yes	\$140.00	\$144.00	2.86%
Roadside Trading (Highway Sites by Tender) - per year	No	Yes	Subject to tender	Subject to tender	
Roadside Trading (Highway Sites by Tender) - per day	No	Yes	Subject to tender	Subject to tender	
Street Stalls (inc. sausage sizzles) (No charge applicable to Community Groups) per day	No	Yes	\$44.00	\$44.00	0.00%
Vegetation/Firewood - removal/destruction per application	No	Yes	\$85.00	\$87.00	2.35%
Abandoned Vehicle Release	Yes	Yes	\$241.00	\$247.00	2.49%
Impounded Item Release	Yes	Yes	\$120.00	\$123.00	2.50%
General Local Laws Fines	No	Yes	As per CSC's adopted	As per CSCs Local Laws	
Release of impounded recreational vehicle/monkey bike - First Offence	Yes	Yes	\$276.00	\$283.00	2.54%
Release of impounded recreational vehicle/monkey bike - Holding Fee - First Offence	Yes	Yes	\$331.00	\$339.00	2.42%
Release of impounded recreational vehicle/monkey bike - Second	Yes	Yes	\$276.00	\$283.00	2.54%
Release of impounded recreational vehicle/monkey bike - Holding Fee - Second Offence	Yes	Yes	\$662.00	\$679.00	2.57%
<b>Community Risk &amp; Emergency Management</b>					
<b>Fire Prevention</b>					
Permit to burn application	No	Yes	\$67.00	\$65.00	-2.99%
Fail to Comply with a Notice (Fire Prevention Notice)	No	Yes	\$245.00	\$1,408.00	474.69%
Forced Clearances Administration Fee	No	Yes	\$108.00	\$108.00	0.00%
<b>Development Services</b>					
<b>Building</b>					
Note that Council charge the maximum statutory fee as set out in the Building Regulations 2006					
Lodgement Fee (cost of building work \$5,000 or more)	No	No	\$33.30	\$33.30	0.00%
Property Information	No	No	\$44.40	\$44.40	0.00%
Copies of Plans	Yes	Yes	\$87.00	\$89.00	2.30%
Copies of Documents	Yes	Yes	\$36.00	\$37.00	2.78%
Council Consent/Siting dispensation	No	No	\$222.30	\$222.30	0.00%
Council Consent/Building over easement dispensation	No	No	\$222.30	\$222.30	0.00%
Council Consent/Land liable to flood/inundation dispensation	No	No	\$222.30	\$222.30	0.00%
Hoarding Permit	No	Yes	\$229.00	\$235.00	2.62%
Extension of Building Permit	No	Yes	\$89.00	\$91.00	2.25%
Building Inspection	Yes	Yes	\$146.00	\$150.00	2.74%
Heritage/Demolition Consent	No	No	\$55.55	\$55.55	0.00%
Removal of Housing Order (Housing Act)	Yes	Yes	\$193.00	\$198.00	2.59%
Temporary Public Building Siting	Yes	Yes	\$193.00	\$198.00	2.59%
Occupancy Permits - Place of Public Entertainment	Yes	Yes	\$304.00	\$312.00	2.63%
Community Infrastructure Levy - Pakenham	No	Yes	\$575.00	\$575.00	0.00%
Community Infrastructure Levy - Cardinia Rd	No	Yes	\$900.00	\$900.00	0.00%
Trust System (Hoarding Deposits)	No	Yes			
<b>Planning</b>					
Note that Council charge the maximum statutory fee as set out in the Building Regulations 2006					
For a declaration by the Council as to whether a matter specified on a permit to be carried out to the "satisfaction of the Council" has in fact been completed:-	No	No	\$102.00	\$102.00	0.00%

PROPOSED FEES & CHARGES FOR 2013-14

Description	GST Applies*	Set by Council	Total Fee 2012/13 incl. GST (if applicable)	Total Fee 2013/14 incl. GST (if applicable)	% Change 13/14 to 12/13
Class Applications for Permits					
1 An application for use only.	No	No	\$502.00	\$502.00	0.00%
An application 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 development included in the application is:					
2 > \$10,000 < \$100,000	No	No	\$239.00	\$239.00	0.00%
3 > \$100,001	No	No	\$490.00	\$490.00	0.00%
An application to develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:					
4 <= \$10,000	No	No	\$102.00	\$102.00	0.00%
5 > \$10,001 - \$250,000	No	No	\$604.00	\$604.00	0.00%
6 > \$250,001 - \$500,000	No	No	\$707.00	\$707.00	0.00%
7 > \$500,001 - \$1,000,000	No	No	\$815.00	\$815.00	0.00%
8 > \$1,000,001 - \$7,000,000	No	No	\$1,153.00	\$1,153.00	0.00%
9 > \$7,000,001 - \$10,000,000	No	No	\$4,837.00	\$4,837.00	0.00%
10 > \$10,000,001 - \$50,000,000	No	No	\$8,064.00	\$8,064.00	0.00%
11 > \$50,000,001	No	No	\$16,130.00	\$16,130.00	0.00%
12 An application to subdivide an existing building.	No	No	\$386.00	\$386.00	0.00%
13 An application to subdivide land into two lots	No	No	\$386.00	\$386.00	0.00%
14 To effect a realignment of a common boundary between lots or to consolidate two or more lots	No	No	\$386.00	\$386.00	0.00%
15 An application to subdivide land	No	No	\$781.00	\$781.00	0.00%
16 An application to remove a restriction (within the meaning of the Subdivision Act 1988) 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 Planning and Environment Act 1987 but for the existence of the restriction.	No	No	\$249.00	\$249.00	0.00%
17 An application to create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or to create or remove a right of way	No	No	\$541.00	\$541.00	0.00%
18 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	No	No	\$404.00	\$404.00	0.00%
				\$0.00	
Request for planning scheme amendment	No	No	\$798.00	\$798.00	0.00%
Consideration of submissions to a planning scheme amendment	No	No	\$798.00	\$798.00	0.00%
Adoption of a planning scheme amendment	No	No	\$524.00	\$524.00	0.00%
Consideration of request to approve a planning scheme amendment	No	No	\$798.00	\$798.00	0.00%
Plan of subdivision (certification)	No	No	\$100 plus \$20 per lot	\$100 plus \$20 per lot	
Planning Enquiries	Yes	Yes	\$70.00	\$72.00	2.86%
Provide a copy of an endorsed plan	Yes	Yes	\$55.00	\$56.00	1.82%
Extension of time to planning permit	Yes	Yes	\$81.00	\$83.00	2.47%
Voluntary amendment permit and or plan	Yes	Yes	\$118.00	\$121.00	2.54%
Advertising Fee (up to 20 notices)	Yes	Yes	\$79.00	\$81.00	2.53%
Advertising Fee (over 20 notices)	Yes	Yes	\$134.00	\$137.00	2.24%
Planning Certificate	No	No	\$18.20	\$18.20	0.00%
Planning Certificate (Priority)	No	Yes	\$53.00	\$54.00	1.89%
Sign	Yes	Yes	\$26.00	\$27.00	3.85%
Class Applications for Amendments to Permits					
1 An application to amend a permit to use the land if that amendment is to change the use for which the land may be used.	No	No	\$502.00	\$502.00	0.00%
2 An application to amend a permit (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 single dwelling per lot) - (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 this regulation.	No	No	\$502.00	\$502.00	0.00%
An application to amend a permit (other than a permit to subdivide land) to - (a) develop land for a single dwelling per lot; or (b) use and develop land for a single dwelling per lot; or (c) 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:					
3 >10,000 - 100,000	No	No	\$239.00	\$239.00	0.00%
4 >\$100,000	No	No	\$490.00	\$490.00	0.00%

PROPOSED FEES & CHARGES FOR 2013-14

Description	GST Applies*	Set by Council	Total Fee 2012/13 incl. GST (if applicable)	Total Fee 2013/14 incl. GST (if applicable)	% Change 13/14 to 12/13
5 An application to amend a permit to develop land, other than - (a) 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 (b) a permit to subdivide land - if the estimated cost of any additional development to be permitted by the amendment is \$10,000 or less.	No	No	\$102.00	\$102.00	0.00%
6 An application (other than a Class 3 or Class 4 application) to amend a permit if the estimated cost of any additional development to be permitted by the amendment is more than \$10,000 and not more than \$250,000.	No	No	\$604.00	\$604.00	0.00%
7 An application (other than a Class 4 application) to amend a permit if the estimated cost of any additional development to be permitted by the amendment is more than \$250,000 and not more than \$500,000.	No	No	\$707.00	\$707.00	0.00%
8 An application (other than a Class 4 application) to amend a permit if the estimated cost of any additional development to be permitted by the amendment is more than \$500,000.	No	No	\$815.00	\$815.00	0.00%
9 An application to amend a permit to - (a) subdivide an existing building; or (b) subdivide land into 2 lots; or (3) effect a realignment of a common boundary between lots or to consolidate 2 or more lots.	No	No	\$386.00	\$386.00	0.00%
Certificates of compliance	No	No	\$147.00	\$147.00	0.00%
Request to amend an application for a permit after notice of the application has been given for every class of application (other than a Class 4 application) set out in the table 'Applications for Permits'.	No	No	\$102.00	\$102.00	0.00%
Request to amend an application to amend a permit after notice of the application has been given for every class of application (other than a Class 5 application) set out in the table 'Applications for Amendments to Permits'.	No	No	\$102.00	\$102.00	0.00%
<b>Sustainable Communities</b>					
<b>Beaconsfield Community Complex</b>					
Please phone 8768 4400 for the current hire rates					
<b>Cardinia Cultural Centre</b>					
Please contact the CCC on 1300 887 624 for the current hire rates					
<b>Emerald Lake Park</b>					
Parking - per hour	Yes	Yes	\$2.00	\$2.00	0.00%
Parking - all day	Yes	Yes	\$6.00	\$6.00	0.00%
Parking - group rate for booked events	Yes	Yes	\$4.00	\$4.00	0.00%
Shelter Hire - Lions Den	Yes	Yes	\$129.00	\$134.00	3.88%
Shelter Hire - Messmate	Yes	Yes	\$82.00	\$85.00	3.66%
Shelter Hire - Boatshed	Yes	Yes	\$56.00	\$58.00	3.57%
Shelter Hire - Poolside	Yes	Yes	\$56.00	\$58.00	3.57%
Shelter Hire - Lakeside	Yes	Yes	\$56.00	\$58.00	3.57%
Amphitheatre Hire - Gus Ryberg	Yes	Yes	\$261.00	\$271.00	3.83%
Amphitheatre Hire - Bunerong	Yes	Yes	\$195.00	\$202.00	3.59%
Amphitheatre Hire - Carl Stemp	Yes	Yes	\$195.00	\$202.00	3.59%
Amphitheatre Hire - The Pines	Yes	Yes	\$78.00	\$81.00	3.85%
Amphitheatre Hire - The Gums	Yes	Yes	\$195.00	\$202.00	3.59%
Lakeside Function Room	Yes	Yes	\$177.00	\$184.00	3.95%
<b>Kooweerup Community Complex</b>					
Please phone 5997-9679 for the current hire rates					
<b>Environment &amp; Engineering</b>					
<b>Engineering Services</b>					
Asset protection fee	No	Yes	\$220.00	\$226.00	2.73%
Asset protection bond	No	Yes	\$860.00	\$882.00	2.56%
Vehicle crossing permits - concrete	No	Yes	\$138.00	N/A	
Vehicle crossing permits - table drains	No	Yes	\$75.00	N/A	
Inspection fees	No	Yes	\$75.00	\$77.00	2.67%
Road opening permits - works conducted on, or any part of, the roadway, shoulder, or pathway (minor works)	No	No	\$141.00	\$141.00	0.00%
Road opening permits - works not conducted on, or any part of, the roadway, shoulder, or pathway	No	No	\$61.00	\$61.00	0.00%



**PROPOSED FEES & CHARGES FOR 2013-14**

Description	GST Applies*	Set by Council	Total Fee 2012/13 incl. GST (if applicable)	Total Fee 2013/14 incl. GST (if applicable)	% Change 13/14 to 12/13
<b>Garbage Collection/Waste Disposal</b>					
Residential Garbage (1 x 120L garbage bin and 1 recycling bin)	No	Yes	\$226.50	\$226.50	0.00%
Residential Garbage (1 x 80L garbage bin and 1 recycling bin)	No	Yes		\$196.50	
Commercial Garbage (propose to rename "Commercial Waste Service" (entitled to 1 garbage bin and 1 recycling bin))	Yes	Yes	\$267.30	\$267.30	0.00%
Green Waste Service	No	Yes	\$110.00	\$129.00	17.27%
Additional Recycling Service (propose to rename "Additional Residential Recycling Service" (1 extra recycling bin))	No	Yes	\$44.00	\$46.00	4.55%
Additional Garbage Bin (120 litre bin only and no extra recycling bin). (Propose to rename "Additional Residential Garbage Service" (1 extra garbage bin)).	No	Yes	\$189.50	\$210.00	10.82%
Additional Commercial Garbage Bin	Yes	Yes	\$219.50	\$231.00	5.24%
Additional Commercial Recycling Bin	Yes	Yes	\$48.00	\$50.00	4.17%
<b>Asset Management</b>					
Supervision of private works	No	Yes	2.5% of total cost	2.5% of estimated cost	
Design checking	No	Yes	0.75% of total cost	0.75% of estimated cost	
Stormwater discharge points	No	Yes	\$28.00	\$29.00	3.57%
Drainage Levy	No	Yes	Set in line with Melbourne Water Area Drainage Levies	Set in line with Melbourne Water Area Drainage Levies	
Sale of standard drawings	Yes	Yes	\$139.00	\$144.00	3.60%
Sale of specification documents	Yes	Yes	\$139.00	\$144.00	3.60%

\*Due to legislative changes regarding GST on fees and charges, the imposition of GST on the individual fees and charges in this schedule is being reviewed.

## Appendix F

### Borrowing Guidelines

The purpose of these guidelines is to provide for the effective management of the Council's debt in the short to medium term. Debt does not mean a Council is living beyond its means, debt merely provides an alternative and immediate form of capital to allow works to proceed in line with growth and other associated factors. A zero debt policy is often inappropriate for local government as it implies that current ratepayers are expected to meet the full cost of infrastructure assets, while in reality most of the benefit will actually be gained by future ratepayers.

#### 1. Intent

These guidelines outline Cardinia Shire Council's Borrowing Strategy and its intent is to ensure the sound management of Council's existing and future debt. Whilst the preferred policy position of the Cardinia Shire Council is to reduce the existing debt (except for self supporting loans), the Council recognises that in order to ensure intergenerational equity in funding the acquisition, renewal or construction of assets, it may need to resort to the prudent use of loan borrowings from time to time.

#### 2. Scope

2.1 As part of the Council's continuing commitment to the development of Cardinia Shire and in accordance with Section 146 of the Local Government Act Council is required, as part of its annual budgetary process, to identify the borrowings planned for each budgetary year.

2.2 These borrowings will include funds borrowed:

- a. to finance the cost of new capital works and asset acquisitions, which cannot be financed from normal Council operating revenues such as rates, fees and charges;
- b. for short-term working capital, which is to be repaid within the current financial year; and
- c. for a genuine emergency hardship.

2.3 Where assets are acquired, the Council will minimise debt servicing obligations by maintaining debt at terms in accordance with the effective life of the class of assets acquired.

#### 3. Objectives

To disclose Council's planned Financial Management for existing and future debt:

3.1 Borrowing is the financial funding option of last resort;

3.2 Existing assets are to be replaced from depreciation costs;

3.3 Operational works are not to be funded from long term debt.

3.4 Councils Target is to reduce debt to recommended levels of the MAV and Victorian Auditor General.

## 4. Policy Principles

### 4.1 Borrowing Purposes

- a. Borrowings will only be used to finance capital works that will provide services now, and into the future. No borrowings will be used to finance recurrent expenditure and the operational activities of the Council; and
- b. When seeking funding for capital works, Council will, whenever possible, use its existing cash reserves. The use of any existing cash reserves will be subject to maintaining all relevant financial ratios and measures within adopted targets.

### 4.2 Repayments and Repayment Ability

- a. Borrowings will be undertaken for capital works only where the interest and debt principal repayments can be serviced and relevant financial ratios and measures are maintained within approved targets;
- b. If sufficient cash resources are available, Council may further consider repaying instalment(s) in advance;
- c. Council will continue to discharge this debt in the shortest possible time subject to overall budgetary constraints; and
- d. New loans will be taken up only if the subsequent increase in debt servicing payments allows the total debt servicing ratio to remain within corporate targets.
- e. Council will not enter into any financing arrangements which involve the repayment of interest only unless that interest is at least matched by income generated from the asset being financed;
- f. The term of the Borrowing or Other Financial Accommodation shall be set having due regard to the Economic Life of the asset being acquired or constructed. The Maximum repayment for new and existing borrowings be set at 20 years for major long-life infrastructure assets and for capital works except for Community and Social infrastructure where no commercial revenue streams apply – these will be generally over a five (5) year term or determined on a case by case basis.

### 4.3 Borrowing Sources

Council shall raise all external borrowings at the most competitive rates available and from sources available as defined by legislation.

## 5. Schedule of borrowings

Total borrowing requirements over the next four years are expected to be in the order of:

- \$4 million for 2013/14;
- \$4 million for 2014/15;
- \$4.25 million for 2015/16; and
- \$4.25 million for 2016/17.

## 6. Controls

Prior to undertaking any borrowing the Council shall assess its capacity to pay, to ensure that the community is not burdened with unnecessary risk. The Council shall then reassess its capacity to pay on an annual basis as part of its budgeting process. When assessing the borrowing ratios, consideration will be given to the economic earnings potential of the asset being acquired or constructed.

6.1 A report will be provided each year to Council suggesting strategies for debt financial management, with key ratio's identified and approval sought for each borrowing requirement

6.2 Detailed Capital Works and Asset Acquisition programs for the next Five (5) Years together with the Ten (10) Year financial model will provide the basis for determination of funding options.

6.3 Table of Maximum Debt

## 7. Debt Management: Total Debt as a % of Rates and Charges Revenue

Total Debt as a % of Rate & Charges Revenue	Target	Period for Achievement
> 100%	Proposed New Borrowing Rejected	
85%, < 100%	85%	1 Years
66%, < 85%	66%	5 Years
66%, < 50%	50%	9 Years
40%, < 50%	Review Debt Strategy	Not applicable