



Cardinia Shire Council
Budget 2017-18

Cardinia Shire Council

Budget 2017-18

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Executive Summary

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

1. Rate rise

General rates are to increase by 2.0% for the 2017-18 year. This raises total rates of \$70.111m, including \$687k generated from supplementary rates. The rate increase for the 2016-17 year was 2.5%.

Refer to Section 7 for further Rates and Charges details.

2. Result

The projected result for 2017-18, before adjusting for capital and other once-off items, is a surplus of \$7.664m, which is \$1.659m lower than in 2016-17. The adjusted 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 adjusted underlying result for the 2017-18 year is a surplus of \$14k which is \$29k lower than the 2016-17 year.

Refer to Sections 3 and 10 for further information on the operating budget.

3. Capital Works

The proposed capital works program totals \$44.864m, compared to \$36.793m for 2016-17. The program is funded by Council cash of \$31.205m, grants and contributions of \$10.659m, and \$3.0m of borrowings. \$38.971m is budgeted for infrastructure works (which includes recreation, leisure and community facilities, as well as roads, drains and footpaths), \$2.480m is budgeted for plant and equipment, and \$3.413m for property (land and buildings). The Statement of Capital Works can be found in Section 3 and further details on the capital works program can be found in Sections 6 and 12.

New projects in the capital works program total \$21.491m, the major projects being Deep Creek Reserve \$6.825m, Lang Lang recreation facility \$3.351m, James Bathe Recreation Reserve \$2.720m and Comely Banks children's facility \$2.0m. In addition, \$23.373m is budgeted for renewal and upgrade projects, including \$12.517m for recreational, leisure and community facilities and \$4.8m for roads.

The Statement of Capital Works can be found in Section 3 and further details on the capital works program can be found in Sections 6 and 12.

4. Budget Influences

External Influences

In preparing the 2017-18 budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Lower rate environment - The overall financial impact of the lower rate environment has lead council to review it services and capital works program and to source alternative funding.
- Cost Shifting - this occurs where Local Government provides a service to the community on behalf of the State or Federal Government. Over time the funds received by Local Governments do not increase in line with real cost increases. An example of this is Maternal & Child Health, where the level of payment received by Council from the State Government does not reflect the real Cost of providing the service to the community.
- Councils across Australia raise approximately 3% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.

- Fire Services Property Levy - this will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.
- Population growth will continue to place significant stress on Council's resources.

Internal Influences

As well as external influences, there are also internal influences which are expected to have an impact on the preparation of the 2017-18 budget. These include;

- Continued demands on Council resources for the renewal of existing assets; and
- The value of developer contributed assets and completed capital works together with an increase in the value of existing assets which have led to a significant increase in depreciation expense.

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 13 of this report.

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

- 1 Link to Council Plan
- 2 Services and service performance indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Other budget information
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

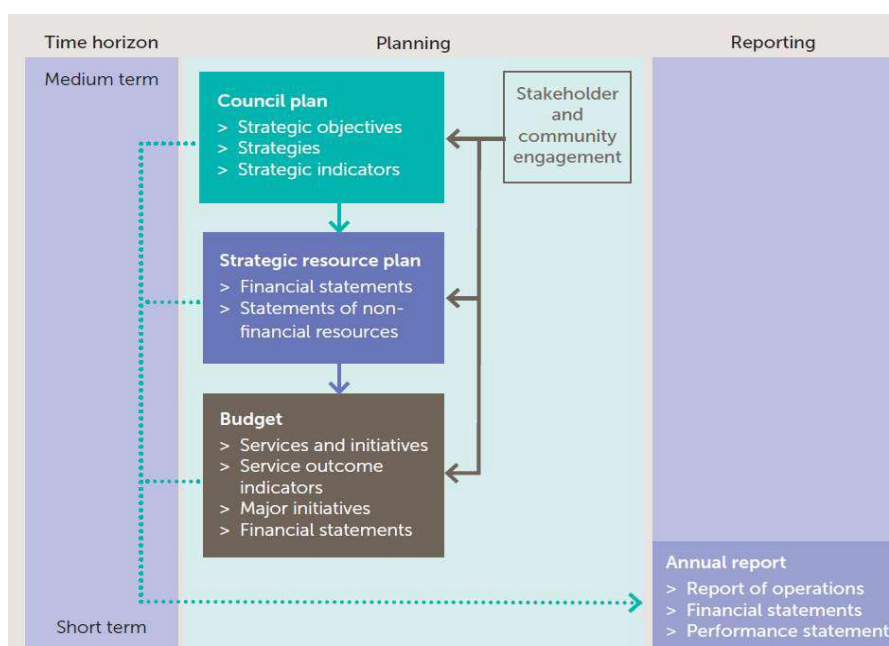
This section describes how the Annual Budget links to the achievement of the Council plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (Vision), medium term (Council Plan) and short term (Annual Budget) and then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

1.1 Strategic planning and accountability framework

Council's strategic planning framework is designed to deliver key outcomes for the community in a financially sustainable manner. The Council Plan is prepared with reference to Council's vision.

Council determines the key outcomes it would like to achieve which form the basis of the four year Council Plan.

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



Source: Department of Transport, Planning and Local Infrastructure

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

1.2 Our purpose

Our Vision

Cardinia Shire will be developed in a planned manner to enable present and future generations to live healthy and productive lives and to enjoy the richness of the diverse and distinctive characteristics of the Shire.

Our Values

Council will provide leadership, including community engagement with stakeholders, to ensure the long-term sustainability of our communities and townships. We will be mindful of the social, environmental and economic impacts of our decisions and ensure future generations benefit from our decisions. We will practise good governance and meet recognised standards of excellence. Council will work diligently to achieve excellence in every aspect of our activities.

2. Services and service performance indicators

This section provides a description of the activities and initiatives to be funded in the Budget for the 2017-18 year and how these will contribute to achieving the strategic objectives specified in the Council Plan. It also includes a number of initiatives, major initiatives and service performance outcome indicators.

2.1 Strategic Objectives

The Council delivers activities and initiatives under 61 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 Strategic Objective Areas for the 2017-18 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 Strategic Objectives 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.
3. 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 way to help in determining the key direction of Council.

2.2 Strategic Objective 1: 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.

Services

Services	Service 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.	(877)
Child and Family 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.	(648)
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.	(1,274)
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.	(1,026)
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.	119
Health	To minimise environmental problems within the community and as far as practicable to ensure food safety within the community.	(675)
Infectious Diseases Control	To increase the community's immunity to preventable infectious diseases and to increase the rate of immunisation against vaccine preventable diseases.	(222)
Library	Council's Library program services the Pakenham and Emerald Libraries, and provides for a mobile library service to other townships within the Shire.	(1,916)
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.	(1,336)

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.	(230)
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.	(900)

Major Initiatives

Support implementation of family violence projects in the shire at a local, regional and state level including Together We Can initiative, Family Violence Regional Strategy and White Ribbon Accreditation.
Gum Scrub Creek Integrated Child and Family Centre construction - opening January 2018 and development of the Joint Use Agreement.
Lang Lang - design and build new community centre.
Emerald Netball Pavilion - design and build new sports facility on Pepis land.
James Bathe Reserve - design and build new sport and community facility.
Officer precinct - design and build new integrated childrens' facility.
Refurbishment and additions to the Pakenham Kindergarten facility.
Bunyip Soccer Facility - design and build new sports facility.
Worrell Reserve Pavilion - commence design of new sports facility.
Cora Lynn Reserve - commence design of new sports pavilion.
Commence design of Timbertop Integrated Childrens Centre.
Deep Creek Reserve - commence construction of eco centre, all abilities playground, demonstration wetlands and associated civil works.

Initiatives

Support neighbourhood houses and U3As to deliver a range of training opportunities at a local level through annual funding and advice on community needs and identified gaps.
Continue to support and work collaboratively with the Section 86 Township Committees, Progress Associations, Residents and Community Groups under the placed based model of community development.
Development of Pakenham Hills Parentzone facility (partnership between Council, Primary School and Anglicare Victoria) - dependent on Shared Facility Fund.
Monitor and evaluate outcomes (with Youth Strategy Reference Group) of the Windermere young people's mental health project.
Disseminate the new Child, Youth and Family Strategy and implement objectives.
Identify the outcomes for vulnerable and 'at risk' children and young people being achieved through the work of the Area Partnership and ensure that children and young people in vulnerable situations are kept safe and that strategies are developed for young people disengaged from education, training and work are developed.
Work with the Department of Education and Training (DET) in the pipeline planning for new schools and integrated child and family centres.
Advocate for the development of a headspace.
Identify need for new schools annually and advocate to the Victorian Government and local MPs for the allocation of funding in the state budget.
Advocate for the development of a Cardinia Shire Early Parenting Support Centre.
Advocate for the development of a Regional Autism Centre at Gum Scrub Creek.

Work in collaboration and monitor Committees of Management obligations under the Building Maintenance Policy document, to ensure building assets are being appropriately maintained and looked after.
Advocate for a large multiservice youth facility in the growth corridor (replacement of My Place).
Pepi's Land (Emerald) Master Plan – commence construction of path linkage to Hamilton Road and revegetation planting along watercourse.
Deep Creek Reserve (Pakenham) - Master Plan – undertake earth works, service installation and commence building construction.
PB Ronald Reserve (Pakenham) – demolish depot buildings and construct car park.
Streamline and enhance online capability throughout Compliance Services and Health to improve customer experience.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
Maternal and Child Health	Participation	Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.3 Strategic Objective 2: Our Community

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

Services

Services	Service Objective	Net Surplus (Deficit) \$'000
Communications and Customer Communications	Facilitate effective communication between Cardinia Council, the community and other stakeholders.	(870)
Arts & Culture	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.	(354)
Family & Community Services 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.	(378)
Community Strengthening Management and Community Development and Social & Community Planning	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.	(2,078)
Events	Provide Support for seven key events per year, including Australia Day Events and volunteer ceremonies and others.	(10)

Major Initiatives

Redevelopment of Cardinia Cultural Centre stage 1 works - arts facility, dance studios, improvements to operational areas.
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Initiatives

Coordinate a range of community engagement activities in the shire. Continue to support the delivery of community identified priorities such as the Cockatoo Road Forum advocacy issues. Provide support and expertise across a wide range of Council projects, initiatives and policies.
Deliver a range of community leadership initiatives in the shire to meet identified local needs by providing targeted training for community groups/leaders.
Implement the Community Engagement policy, framework and toolkit in order to ensure community input on council projects and policies where appropriate.
Provide updates for the Child and Family Centre Build Plan.

To facilitate the work of the Aged and Disability Service Provider Partnership to support the delivery of the Commonwealth Home Support Program (CHSP) and the National Disability Insurance Scheme (NDIS).

Upgrade pathways and walking tracks across the shire in accordance with the footpath program and revised Pedestrian Bicycle Strategy.

Upgrade identified six playspaces from neighbourhood to regional via Growing Suburbs Funding grant.

2.4 Strategic Objective 3: Our Environment

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

Services

Services	Service 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.	(573)
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.	(236)
Building Management	To administer and enforce building legislation within the Shire.	(3,827)
Cleansing	To ensure that parks, reserves and roads are maintained free of litter and to maintain public conveniences in a hygienic condition.	(723)
Development	To ensure that council's strategic and corporate objectives in relation to assets and infrastructure are effectively implemented.	524
Development Services and Developer Contribution Plans	To administer and enforce the aims and objectives of the Cardinia Planning Scheme.	(514)
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.	(91)
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.	(1,752)
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.	(297)
Safe & Inclusive Communities	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.	(885)
Engineering Services and Infrastructure Services	To ensure that council's strategic and corporate objectives in relation to assets and infrastructure are effectively implemented.	(2,444)
Environment Maintenance & Programs	Facilitate the on-going maintenance of natural and cultural resources in the Shire.	(321)
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.	(662)
Footpaths & Street Furniture (Depot)	To maintain the street furniture, footpaths and shared path network while ensuring safety and accessibility to residents and visitors.	(1,050)
General Garbage Charge	To deliver efficient and cost effective waste disposal to the community.	474

Landscape Development	To maintain and enhance the landscaping under Council's control.	248
Operations Management	To efficiently and effectively manage Cardinia Council's operational activities whilst ensuring compliance with the road management act and other relevant legislation.	(968)
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.	(5,990)
Planning Policy & Projects	To administer and enforce the aims and objectives of the Cardinia Planning Scheme.	(19)
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.	(1,045)
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.	(2,497)
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.	(2,038)
Green Waste	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.	119
Weed Management	To manage current weed populations in an effective manner across the Shire's open space and road reserve network, with a long term aim to reach eradication.	(204)

Major Initiatives

Hills Hub (Emerald) Redevelopment – undertake construction and fit-out of the facility.
Depot stage 3 & 4 - complete works to the new administration centre.
Annual Access & Inclusion works in ensuring our facilities continue to meet the diverse needs of our community.

Initiatives

Support the South East Councils Climate Change Alliance (SECCCA) through membership and participating in relevant projects.
Implement the Aspirational Energy Transition plan including completion energy retrofits of council buildings.
Implement the Integrated Water Management Plan including water-efficiency upgrades as outlined in recent water audits.
Completion and adoption of the new Sustainable Environment Strategy.
Completion of the Cannibal Creek biodiversity project that aims to improve biodiversity value along the creek via pest plant control, revegetation and education programs for neighbouring properties.
Develop a Community focussed Service Planning strategy for the management of facilities, that aligns with community and service delivery needs.
Develop a Facilities Standards manual (including for Ecologically Sustainable Development (ESD) measures to be achieved, Crime Prevention Through Environmental Design (CPTED), Access & Inclusion standards, etc.) for use by staff, consultants and contractors, that ensures facilities are built and maintained to highest standards and in meeting diverse community needs.
Develop a performance based Cleaning Contract, separate from the Facilities Management Contract, for implementation by December 2017, that meets community and service standards expectations.
Consult and undertake the statutory process for the construction of a special charge scheme for O'Sullivan's Road, Hill Street and Peet Street (Pakenham).
Cockatoo–Gembrook Trail – prepare tender documentation for construction of the trail and complete land acquisition.

Provide information when required to the Interface Councils' Group and South Eastern Metro Integrated Transport Group as part of aim to enhance the frequency and coverage of public transport within Cardinia and the south-east region.
Liaise with and support schools in the areas of waste minimisation, litter and recycling.
Continue working with Metropolitan Waste Resource Recovery Group and Sustainability Victoria and partnering councils to advocate advances in resource recovery.
Review effectiveness of kerbside flexible plastics recycling initiative and further promote to the community. Review Council's e-waste collection service.
Construction of the Wheeler Road Special Charge Scheme.
Promote and expand recycling of less common items (i.e. batteries, light globes etc) to accessible community locations, such as libraries and community hubs.
Commence a Township Strategy for Nar Nar Goon - collaborate with the Nar Nar Goon Township Progress Association.
Undertake a review of the Municipal Strategic Statement (MSS) in 2017-18.
Seek authorisation of Pakenham East and Pakenham South Precinct Structure Plans.
Streamline and enhance online capability throughout Development Services (Planning and Building Services) to improve customer experience.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

2.5 Strategic Objective 4: Our Economy

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

Services

Services	Service 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.	(124)
Active Communities Management	Provide co-ordinated and strategic leadership to the Active Communities business unit, including co-ordination of strategy development in each area of operation, and ensure effective management and operation of the business unit.	(249)

Major Initiatives

Casey Cardinia Tourism - Continue to implement the Tourism Strategy to build the capacity of the group.
Undertake the Officer Employment Precinct Structure Plan with a focus on attracting local employment.
Casey Cardinia Economic Strategy - continue to work with local business to increase employment.

Initiatives

Complete the review of Officer Town Centre in partnership with the Victorian Planning Authority (VPA) to facilitate its development.
Hold business functions to facilitate networking across local businesses.
Increase the ability for businesses to engage with Council on-line in Planning and Health.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x 100

2.6 Strategic Objective 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.

Services

Services	Service 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.	(3,508)
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.	3,159
Depreciation	Wear and tear of Council's non-currents assets over their useful life.	(21,843)
Governance & Property and Property & Valuation	Promote Council activities in a positive way, develop policy as required, and monitor compliance with legislative requirements.	(454)
Mayor & Councillors	Effectively resource the operations of the elected Council.	(874)

Major Initiatives

Develop annual budget and five-year financial plan which will deliver on the actions presented in the Council plan and maintain long-term financial goals.
Ensure that asset management and financial management are transparent via the budget and planning process and ensure the long-term viability of Council.

Initiatives

Monitor compliance with statutory reporting requirements.
Maintain and update the register of information to be available to the public.
Following adoption of the Councillor Code of Conduct and Protocols, monitor adherence to commitments and take appropriate action if required.
Ensure all contracts and procurement guidelines adhere to a full life cycle cost and are not purely driven on any one factor.

Service Performance Outcome Indicators

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

2.7 Corporate Expenditure and Revenue

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

Services

Services	Service Objective	Net Surplus (Deficit) \$'000
Customer Service	Provide customer service that is responsive to residents and is solution focused.	(1,243)
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.	1,129
Information Services and Egap	Provide the technological support to Council business units to improve their efficiency in delivery of Council services. 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.	(4,692)
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 our shared values.	(1,494)
Service Planning & Improvement	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.	(466)
Purchasing	Ensure councils procurement is managed in a sustainable manner to achieve the best outcome for Cardinia Shire.	(56)
Rates & Revenue Services	Manage Cardinia's rateable properties and provide a responsive, solution focused service to rate queries.	69,378
Rental Properties	Provide access to affordable housing for the aged and disabled.	36
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.	(1,238)

2.8 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2017-18 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance and sustainable capacity, which are not included in this budget report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the report of operations.

2.9 Reconciliation with budgeted operating result

	Net Surplus (Deficit) \$'000
1. Our People	(8,985)
2. Our Community	(3,690)
3. Our Environment	(24,770)
4. Our Economy	(373)
5. Our Governance	(23,521)
Total services & initiatives	(61,339)
Rates less non attributable areas	61,353
Surplus for the year	14

3. Financial Statements

This section presents information in regard to the Budgeted Financial Statements and Statement of Human Resources. The budget information for the years 2017-18 to 2020-21 has been extracted from the Strategic Resource Plan.

At the end of each financial year Council is required to include in the Financial Statements in its Annual Report a comparison of actual income and expenditure compared with the income and expenditure in the financial statements in the Budget.

This section includes the following budgeted information:

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

3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Strategic Resource Plan				
	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Projections		
			2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Income					
Rates and charges	77,468	81,764	84,734	87,573	90,484
Statutory fees and fines	3,215	4,227	4,315	4,441	4,552
User fees	2,342	2,878	2,345	2,471	2,540
Grants - Operating	11,456	11,928	11,985	12,044	12,104
Grants - Capital	2,072	6,770	2,371	1,171	1,171
Contributions - monetary	118	130	51	51	51
Capital contributions - monetary	5,238	0	0	400	0
Development levies - monetary	842	881	877	895	895
Contributions - non-monetary	1,128	0	0	0	0
Interest income	752	922	623	486	379
Other income	2,740	2,547	1,845	2,006	1,888
Total Income	107,369	112,045	109,146	111,538	114,063
Expenses					
Employee costs	31,691	34,025	35,345	36,692	38,130
Materials and services	40,576	42,540	42,989	44,157	45,340
Bad & doubtful debts	172	176	176	176	176
Depreciation and amortisation	19,070	21,843	22,598	22,741	22,835
Borrowing costs	4,054	3,402	3,636	3,416	3,206
Other expenses	2,483	2,395	2,416	2,395	2,396
Total Expenses	98,046	104,381	107,160	109,577	112,082
Surplus/(deficit) for the year	9,322	7,664	1,986	1,961	1,981
less Capital income & other abnormals	(9,279)	(7,651)	(3,248)	(2,466)	(2,066)
Adjusted underlying result	43	14	(1,262)	(505)	(85)

3.2 Balance Sheet

For the four years ending 30 June 2021

	Budget	Budget	Strategic Resource Plan		
	2016-17	2017-18	Projections		
	\$'000	\$'000	2018-19	2019-20	2020-21
			\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents*	38,788	36,150	27,560	23,201	19,247
Trade and other receivables	14,162	15,633	15,054	15,656	15,997
Inventories	16	16	16	16	16
Non-current assets classified as held for sale	8,726	0	0	0	0
Other assets	560	560	560	560	560
Total current assets	62,251	52,359	43,189	39,433	35,820
Non-current assets					
Trade and other receivables	761	761	761	761	761
Investments in associates and joint ventures	1,432	1,432	1,432	1,432	1,432
Property, infrastructure, plant and equipment	933,538	934,076	941,172	943,692	947,405
Intangible assets	382	382	382	382	382
Total non-current assets	936,113	936,651	943,747	946,267	949,980
Total assets	998,364	989,010	986,936	985,700	985,800
Current liabilities					
Trade and other payables	16,179	19,170	16,749	15,882	15,985
Trust funds and deposits	5,405	5,405	5,405	5,405	5,405
Provisions	6,408	6,408	6,840	7,302	7,795
Interest Bearing Loans and Borrowings	5,579	5,599	5,874	5,563	5,674
Total current liabilities	33,571	36,581	34,868	34,151	34,859
Non-current liabilities					
Provisions	1,781	1,775	1,846	1,920	1,998
Interest Bearing Loans and Borrowings	49,680	47,564	45,147	42,592	39,925
Total non-current liabilities	51,461	49,339	46,993	44,512	41,923
Total liabilities	85,031	85,920	81,861	78,663	76,782
Net assets	913,333	903,090	905,076	907,037	909,018
Equity					
Accumulated Surplus	605,227	593,929	601,215	607,987	610,973
Reserves	308,106	309,161	303,860	299,050	298,045
Total equity	913,333	903,090	905,076	907,037	909,018

*Cash and cash equivalents balance has been restated in 2016-17

3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017-18				
Balance at beginning of the financial year	895,426	581,743	286,197	27,486
Surplus/(deficit) for the year	7,664	7,664	0	0
Transfer to reserves	0	5,403	0	(5,403)
Transfer from reserves	0	(881)	0	881
Balance at end of the financial year	<u>903,090</u>	<u>593,929</u>	<u>286,197</u>	<u>22,964</u>
2018-19				
Balance at beginning of the financial year	903,090	593,929	286,197	22,964
Surplus/(deficit) for the year	1,986	1,986	0	0
Transfer to reserves	0	6,178	0	(6,178)
Transfer from reserves	0	(877)	0	877
Balance at end of the financial year	<u>905,076</u>	<u>601,215</u>	<u>286,197</u>	<u>17,663</u>
2019-20				
Balance at beginning of the financial year	905,076	601,215	286,197	17,663
Surplus/(deficit) for the year	1,961	1,961	0	0
Transfer to reserves	0	5,705	0	(5,705)
Transfer from reserves	0	(895)	0	895
Balance at end of the financial year	<u>907,037</u>	<u>607,987</u>	<u>286,197</u>	<u>12,853</u>
2020-21				
Balance at beginning of the financial year	907,037	607,987	286,197	12,853
Surplus/(deficit) for the year	1,981	1,981	0	0
Transfer to reserves	0	1,900	0	(1,900)
Transfer from reserves	0	(895)	0	895
Balance at end of the financial year	<u>909,018</u>	<u>610,973</u>	<u>286,197</u>	<u>11,848</u>

3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Strategic Resource Plan				
	Budget	Budget	Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities					
Rates and charges	76,932	81,331	84,435	87,287	90,191
Statutory Fees and fines	3,215	4,227	4,315	4,441	4,552
User Fees	1,641	1,839	3,224	2,155	2,492
Grants - operating	11,456	11,928	11,985	12,044	12,104
Grants - capital	2,072	6,770	2,371	1,171	1,171
Contributions - monetary	118	130	51	51	51
Capital contributions - monetary	5,238	0	0	400	0
Development levies - monetary	842	881	877	895	895
Interest received	752	922	623	486	379
Other receipts	2,740	2,547	1,845	2,006	1,888
Employee costs	(31,205)	(33,546)	(34,842)	(36,156)	(37,559)
Materials and services	(41,962)	(42,744)	(48,002)	(47,595)	(47,808)
Net cash provided by operating activities	31,838	34,284	26,881	27,185	28,355
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(33,190)	(44,864)	(33,374)	(28,254)	(27,543)
Proceeds from sale of property, infrastructure, plant and equipment	2,200	13,439	3,680	2,993	995
Net cash used in investing activities	(30,990)	(31,425)	(29,694)	(25,261)	(26,548)
Cash flows from financing activities					
Finance costs	(4,054)	(3,402)	(3,636)	(3,416)	(3,206)
Proceeds from Borrowings	3,250	3,000	3,450	3,000	3,000
Repayment of Interest Bearing Loans & Borrowings	(5,107)	(5,096)	(5,592)	(5,867)	(5,556)
Net cash provided by (used in) financing activities	(5,911)	(5,498)	(5,777)	(6,282)	(5,761)
Net change in cash & cash equivalents	(5,063)	(2,639)	(8,590)	(4,359)	(3,954)
Cash & cash equivalents at beginning of year	43,851	38,788	36,150	27,560	23,201
Cash & cash equivalents at end of year	38,788	36,150	27,560	23,201	19,247

3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Strategic Resource Plan				
	Budget		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
New works					
Property					
Land	1,200	2,000	1,300	1,500	1,500
Buildings	1,153	1,413	1,328	1,921	1,722
Total Property	2,353	3,413	2,628	3,421	3,222
Plant and equipment					
Plant, machinery and equipment	2,350	2,070	2,360	2,210	2,040
Computers and telecommunications	400	410	460	460	580
Total Plant and equipment	2,750	2,480	2,820	2,670	2,620
Infrastructure					
Roads	8,210	4,900	4,938	5,653	5,695
Bridges	600	700	420	452	463
Footpaths and cycleways	1,512	2,375	2,702	1,401	1,529
Drainage	380	400	421	450	450
Recreation, leisure and community facilities	17,326	22,393	16,457	11,699	10,964
Parks, open space and streetscapes	3,030	7,595	2,826	2,232	1,862
Off street car parks	152	88	92	96	99
Other infrastructure	480	520	570	880	640
Total Infrastructure	31,690	38,971	28,426	22,863	21,702
Total new works	36,793	44,864	33,874	28,954	27,544
Represented by:					
New asset expenditure	17,266	21,491	18,220	13,744	11,415
Asset renewal expenditure	11,267	11,457	11,076	10,210	12,134
Asset upgrade expenditure	8,260	11,916	4,579	5,000	3,995
Total capital works	36,793	44,864	33,874	28,954	27,544

3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Strategic Resource Plan				
	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Projections		
			2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Staff expenditure					
Salaries and Oncosts - operating	30,792	33,130	34,424	35,744	37,154
Total staff expenditure	30,792	33,130	34,424	35,744	37,154
Staff numbers	EFT	EFT	EFT	EFT	EFT
Employees	315.0	322.8	325.8	328.3	331.3
Total staff numbers	315.0	322.8	325.8	328.3	331.3

Summaries of human resources expenditure and Equivalent Full Time (EFT) counts, categorised according to the organisational structure of Council, are included below.

Division	Comprises		
	Budget	Permanent	Permanent
	2017-18 \$'000	Full Time \$'000	Part Time \$'000
Chief Executive Officer	2,684	2,684	-
Assets & Services	9,620	8,948	673
Corporate Services	6,603	5,271	1,332
Community Wellbeing	7,118	4,610	2,508
Planning & Development	5,627	4,445	1,182
People & Culture	545	433	112
Total permanent staff expenditure	32,197	26,390	5,806
Casuals and other expenditure	934		
Total expenditure	33,130		

Division	Comprises		
	Budget	Permanent	Permanent
	2017-18 EFT	Full Time EFT	Part Time EFT
Chief Executive Officer	11.5	11.5	-
Assets & Services	107.2	100.0	7.2
Corporate Services	64.8	49.5	15.3
Community Wellbeing	66.4	42.0	24.4
Planning & Development	57.7	43.0	14.7
People & Culture	5.2	4.0	1.2
Total permanent staff	312.8	250.0	62.8
Casuals and other	9.9		
Total EFT	322.8		

4. Financial performance 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 organisations objectives.

Indicator	Measure	Notes	Budget 2016-17	Budget 2017-18	Strategic Resource Plan Projections			Trend
Operating position								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	0.0%	0.0%	-1.2%	-0.5%	-0.1%	o
Liquidity								
Working Capital	Current assets / current liabilities	2	185.4%	143.1%	123.9%	115.5%	102.8%	-
Unrestricted cash	Unrestricted cash / current liabilities		99.4%	84.0%	63.5%	52.1%	39.7%	-
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	71.3%	65.0%	60.2%	55.0%	50.4%	+
Loans and borrowings	Interest and principal repayments / rate revenue		11.5%	10.1%	10.6%	10.3%	9.4%	+
Indebtedness	Non-current liabilities / own source revenue		59.5%	53.4%	50.1%	45.9%	42.0%	+
Asset renewal	Asset renewal expenditure / depreciation	4	59.1%	52.5%	49.0%	44.9%	53.1%	-
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	5	79.0%	78.3%	80.0%	80.3%	80.8%	o
Rates effort	Rate revenue / property values (CIV)		0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency								
Expenditure level	Total expenditure / no. of assessments		\$2,521	\$2,582	\$2,556	\$2,523	\$2,495	o
Expenditure level	Specific purpose grants expended / Specific purpose grants received		100.0%	100.0%	100.0%	100.0%	100.0%	o
Revenue level	Residential rate revenue / No. of residential assessments		\$1,527	\$1,549	\$1,580	\$1,609	\$1,636	+
Workforce turnover	No. of resignations & terminations / average no. of staff							

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. Adjusted underlying result - An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. A small surplus is forecast in 2017-18 and deficits in the subsequent three years.

2. Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease over the four year period. Current liabilities remain relatively stable, whilst current assets reduce, primarily due to a reduction in cash and cash equivalents.

3. Loans & Borrowings - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

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

5. **Rates Concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend over the period is stable.

5. Other budget information (required by the Regulations)

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

This section includes the following statements and reports:

5.1.1 Grants operating

5.1.2 Grants capital

5.1.3 Statement of borrowings

5.1.1 Grants - operating (\$0.472 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is expected to increase by 4.1% or \$472k over 2016-17. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below:

Operating grant funding types and source	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Victoria Grants Commission	9,408	9,643	235
Recurrent - State Government			
Best Start program	112	116	4
Community Health	148	220	72
Community Safety	45	45	0
Disability	138	145	7
Emergency Management	110	94	(15)
Environment & Heritage	62	65	3
Families & Children	185	209	24
Local Infrastructure	6	6	0
Maternal & Child Health	989	1,039	50
Recreation	79	56	(23)
School Crossing Supervisors	174	288	114
Total Recurrent Grants	<u>11,456</u>	<u>11,928</u>	<u>472</u>
Total Operating Grants	<u>11,456</u>	<u>11,928</u>	<u>472</u>

5.1.2 Grants - capital (\$4.698 million increase)

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 \$4.698m or 226.7% compared to 2016-17. The budgeted grants are \$2.3m for Roads to Recovery and Victoria Grants Commission for local roads funding, \$500k for Holm Park Road Recreation Reserve carpark sealing, \$800k for a new children's facility, \$2.825m for Deep Creek Reserve, and \$345k for the Emerald-Gembrook Trail. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below:

Capital grant funding types and source	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Victoria Grants Commission	780	800	20
Roads to Recovery	1,292	1,500	208
Total Recurrent Grants	2,072	2,300	228
Non-Recurrent - Commonwealth Government			
Recreation	0	500	500
Non-Recurrent - State Government			
Local Infrastructure	0	800	800
Recreation	0	3,170	3,170
Total Non-Recurrent Grants	0	4,470	4,470
Total Capital Grants	2,072	6,770	4,698

5.1.3 Statement of Borrowings

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

	Budget 2016-17 \$'000	Budget 2017-18 \$'000
Total borrowings as at 30 June prior year	57,116	55,259
Total amount proposed to be borrowed	3,250	3,000
Total amount projected to be redeemed	(5,107)	(5,096)
Total projected borrowings as at 30 June	55,259	53,163

6. Detailed list of capital works

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

The capital works projects are grouped by class and include new works for 2017-18 and works carried over from 2016-17.

Capital works program
For the year ending 30 June 2018

6.1 New works 2017-18

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Grants received prior year \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY										
Land										
Land Acquisition	2,000	2,000							500	1,500
Total Land	2,000	2,000	-	-	-	-	-	-	500	1,500
Buildings										
Civic Centre Ground Floor fit out	200	200							200	
Buildings	563		563						563	
Disability Access Works	150		150						150	
Purton Road Depot Development	500			500						500
Total Buildings	1,413	200	713	500	-	-	-	-	913	500
TOTALPROPERTY	3,413	2,200	713	500	-	-	-	-	1,413	2,000

Capital Works Area	Project cost	Asset expenditure type				Summary of funding sources				
			New	Renewal	Upgrade	Expansion	Grants received prior year	Contributions	Council cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PLANT AND EQUIPMENT										
Plant, Machinery and Equipment										
New plant program	50	50							50	
Plant replacement	2,020		2,020						2,020	
Total Plant, Machinery and Equipment	2,070	50	2,020	-	-	-	-	-	2,070	-
Computers and Telecommunications										
GIS Strategy	60			60					60	
IT Strategy	350			350					350	
Total Computers and Telecommunications	410	-	-	410	-	-	-	-	410	-
TOTAL PLANT AND EQUIPMENT	2,480	50	2,020	410	-	-	-	-	2,480	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources					
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Grants received prior	Contributions \$'000	Council cash \$'000	Borrowings \$'000	
							year \$'000				
INFRASTRUCTURE											
Roads		100								100	
Traffic management devices	100										
Pavement Renewals (reconstruction)	1,337		1,337			1,200				137	
Resurfacing	1,977		1,977			600				1,377	
Resurfacing Preparation	506		506							506	
Unsealed Road Resheeting	960		960			500				460	
Special Charge Schemes - General Allocation	20			20						20	
Total roads	4,900	100	4,780	20	-	2,300	-	-	-	2,600	-
Bridges											
Bridges - replacement/upgrade	700		700							700	
Total Bridges	700	-	700	-	-	-	-	-	-	700	-
Footpaths and Cycleways											
Emerald-Gembrook Trail	770	770				345				425	
Equestrian Trails strategy implementation	50	50								50	
Pedestrian & Bicycle strategy - shared path linkages	250	250								250	
Footpaths	600	600								600	
Concrete footpaths	563		563							563	
Equestrian Trails	50		50							50	
Gravel pathway resheeting	92		92							92	
Total Footpaths and Cycleways	2,375	1,670	705	-	-	345	-	-	-	2,030	-
Drainage											
Drainage replacement	400		400							400	
Total Drainage	400	-	400	-	-	-	-	-	-	400	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Grants received prior	Contributions \$'000	Council cash \$'000	Borrowings \$'000
							year \$'000			
Recreational, Leisure and Community Facilities										
Comely Banks (Henry Rd West) Recreation Reserve	500	500						500		
Cora Lynn Reserve Pavilion	50	50							50	
Design Construct of the Bunyip Soccer Facility	150	150							150	
Emerald Netball Pavillion/Courts	525	525							525	
Gin Gin Bin Recreation Reserve	100	100						100		
Integrated Childrens Facility - Comely Banks (open 2018)	2,000	2,000				800		1,200		
Integrated Childrens Facility - Timbertop (open 2020)	100	100						100		
James Bathe Recreation Reserve	2,720	2,720						1,889	831	
Lang Lang Recreation Facility	3,351	3,351							2,881	470
McMullen Recreation Reserve Master Plan	100	100						100		
Public Toilets	180	180							100	80
Worrell Reserve pavilion	100	100							100	
BMX Facility Asset renewal	30		30						30	
Cardinia Cultural Centre	60		60						60	
Golf Club Capital Expenditure	400		400						400	
Netball/Tennis courts	256		256						256	
Public Art Program	5		5						5	
Recreation reserve resurfacing	650		650						650	
Swimming facilities	330		330						330	
Cardinia Cultural Centre Exhibition Space	8,500			8,500					8,500	
Community Grants	550			550					550	
Library Upgrades	40			40					40	
Officer Pavilion extension	150			150					150	
PB Ronald Reserve	476			476					476	
Recreation Reserve development - Holm Park Rd	850			850		500			350	
Recreation Reserve lighting and power upgrade	180			180					180	
SRV Minor Grants matching funding	40			40					40	
Total Recreation, Leisure and Community Facilities	22,393	9,876	1,731	10,786	-	1,300	-	3,889	16,654	550

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Grants received prior year \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
Parks, Open Space and Streetscapes										
Implementation of Pepi's Land Strategy	100	100								100
New playgrounds and recreation facilities for young people	100	100								100
Tree planting program	50	50							50	
Deep Creek Reserve	6,825	6,825				2,825			3,750	250
Playgrounds	220		220						220	
Tree management at high risk sites	100		100						100	
Emerald Lake Park Strategic Plan	50			50					50	
Open Space Program	150			150					150	
Total Parks, Open Space and Streetscapes	7,595	7,075	320	200	-	2,825	-	-	4,320	450
Off Street Car Parks										
Carpark resurfacing	88		88						88	
Total Off Street Car Parks	88	-	88	-	-	-	-	-	88	-
Other Infrastructure										
Tourism Promotion	100	100							100	
Environmental projects	200	200							200	
Installation of new lighting	70	70							70	
Priority Works	150	150							150	
Total Other Infrastructure	520	520	-	-	-	-	-	-	520	-
TOTAL INFRASTRUCTURE	38,971	19,241	8,724	11,006	-	6,770	-	3,889	27,312	1,000
TOTAL NEW CAPITAL WORKS 2017-18	44,864	21,491	11,457	11,916	-	6,770	-	3,889	31,205	3,000
Summary										
PROPERTY	3,413	2,200	713	500	-	-	-	-	1,413	2,000
PLANT AND EQUIPMENT	2,480	50	2,020	410	-	-	-	-	2,480	-
INFRASTRUCTURE	38,971	19,241	8,724	11,006	-	6,770	-	3,889	27,312	1,000
TOTAL NEW CAPITAL WORKS 2017-18	44,864	21,491	11,457	11,916	-	6,770	-	3,889	31,205	3,000

6.2 Works carried over from 2016-17

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Grants received prior year \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY										
Buildings										
Disability Access Works	67		67						67	
Buildings	353		353						353	
Total Buildings	420	-	420	-	-	-	-	-	420	-
TOTAL PROPERTY	420	-	420	-	-	-	-	-	420	-
INFRASTRUCTURE										
Roads										
Lang Lang Bypass	1,036	1,036							500	536
Ivory Drive Pakenham	220			220				110	110	
Wheeler Road Maryknoll	243			243				121	122	
Fairbridge Lane Cockatoo	418			418					418	
McGregor Rd Pakenham duplication	954			954					954	
O'Sullivan's Road, Hill Street, & Peet Street, Pakenham	2,864			2,864				2,864		
Total roads	5,735	1,036	-	4,699	-	-	-	3,094	2,104	536
Bridges										
Bridges - replacement/upgrade	100		100						100	
Total Bridges	100	-	100	-	-	-	-	-	100	-
Footpaths and Cycleways										
Emerald-Gembrook Trail	50	50							50	
Total Footpaths and Cycleways	50	50	-	-	-	-	-	-	50	-
Recreational, Leisure and Community Facilities										
Public toilets - Cardinia & Cora Lynn	18	18							18	
Comely Banks (Henry Rd West) Recreation Reserve	100	100						100		
Integrated Children's Facility - Comely Banks	108	108						68	40	
Arena double kindergarten	214	214						214		
Lang Lang Sporting Facilities	2,225	2,225						2,000	225	
Emerald Netball Pavilion/Courts	2,513	2,513							2,002	511
Hills Community Hub	4,892	4,892							3,242	1,650

Recreation reserve resurfacing	60		60					60		
Total Recreation, Leisure and Community Facilities	10,131	10,071	60	-	-	-	-	2,382	5,587	2,161

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Grants received prior year \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
Parks, Open Space and Streetscapes										
Deep Creek Reserve	1,500	1,500							1,500	
Total Parks, Open Space and Streetscapes	1,500	1,500	-	-	-	-	-	-	1,500	-
TOTAL INFRASTRUCTURE	17,515	12,656	160	4,699	-	-	-	5,477	9,342	2,697
TOTAL WORKS CARRIED OVER FROM 2016-17	17,935	12,656	580	4,699	-	-	-	5,477	9,761	2,697
Summary										
PLANT AND EQUIPMENT	420	-	420	-	-	-	-	-	420	-
INFRASTRUCTURE	17,515	12,656	160	4,699	-	-	-	5,477	9,342	2,697
TOTAL WORKS CARRIED OVER FROM 2016-17	17,935	12,656	580	4,699	-	-	-	5,477	9,761	2,697

7. Rates and charges

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

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

Type or class of land	2016-17 \$/CIV	2017-18 \$/CIV	Change %
Base Rate	0.003364	0.003431	2.0%
Agricultural Land	0.002523	0.002573	2.0%
Urban Rate	0.003566	0.003637	2.0%
Urban Vacant Land	0.007737	0.007892	2.0%
Urban Commercial and Industrial	0.004878	0.004976	2.0%
Urban Agricultural Land	0.002859	0.002916	2.0%
Lakeside Residential	0.003633	0.003706	2.0%
Lakeside Vacant Land	0.007838	0.007995	2.0%
Rate concession for cultural and recreational land	25%	25%	0.0%

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

Type or class of land	2016-17 \$	2017-18 \$
Base Rate	24,180,851	25,037,262
Agricultural Land	3,136,669	3,216,349
Urban Rate	25,223,789	27,186,203
Urban Vacant Land	4,414,227	4,717,248
Urban Commercial and Industrial	5,234,474	5,496,690
Urban Agricultural Land	129,717	104,297
Lakeside Residential	3,441,891	3,545,928
Lakeside Vacant Land	43,462	18,708
Cultural and Recreational Land	98,952	100,957
Supplementary	714,568	687,058
Total amount to be raised by general rates	66,618,600	70,110,700

7.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year.

Type or class of land	2016-17	2017-18
	#	#
Base Rate	14,717	14,939
Agricultural Land	1,165	1,170
Urban Rate	17,531	18,661
Urban Vacant Land	1,779	1,893
Urban Commercial and Industrial	1,283	1,333
Urban Agricultural Land	16	15
Lakeside Residential	2,371	2,398
Lakeside Vacant Land	23	12
Cultural and Recreational Land	5	5
Total number of assessments	38,890	40,426

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

7.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year.

Type or class of land	2016-17	2017-18
	\$	\$
Base Rate	7,188,124,439	7,296,770,439
Agricultural Land	1,243,230,000	1,249,815,000
Urban Rate	7,073,730,000	7,474,240,000
Urban Vacant Land	570,520,000	597,745,000
Urban Commercial and Industrial	1,073,122,000	1,104,738,000
Urban Agricultural Land	45,365,000	35,765,000
Lakeside Residential	947,365,000	956,895,000
Lakeside Vacant Land	5,545,000	2,340,000
Cultural and Recreational Land	39,220,000	39,230,000
Total value of land	18,186,221,439	18,757,538,439

7.6 The rate or unit amount to be levied for each type of service rate or charge under section 162 of the Act compared with the previous financial year.

Type of Charge	Per Rateable Property	Per Rateable Property	Change
	2016-17	2017-18	
	\$	\$	%
Garbage Charge	235.05	235.05	0.0%
Green Waste Charge	132.85	132.85	0.0%

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

Type of Charge	2016-17	2017-18
	\$	\$
Garbage Charge	8,612,800	9,050,900
Green Waste Charge	2,236,500	2,602,100
Total amount to be raised by charges	10,849,300	11,653,000

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

Type of Charge	2016-17	2017-18
	\$	\$
General Rates	66,618,600	70,110,700
Garbage Charge	8,612,800	9,050,900
Green Waste Charge	2,236,500	2,602,100
Total amount to be raised by rates and charges	77,467,900	81,763,700

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

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

- The making of supplementary valuations;
- 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.

7.10 Differential rates

Rates to be levied

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

Type or class of land	2016-17 cents/\$CIV	2017-18 cents/\$CIV
Base Rate	0.3364	0.3431
Agricultural Land	0.2523	0.2573
Urban Rate	0.3566	0.3637
Urban Vacant Land	0.7737	0.7892
Urban Commercial and Industrial	0.4878	0.4976
Urban Agricultural Land	0.2859	0.2916
Lakeside Residential	0.3633	0.3706
Lakeside Vacant Land	0.7838	0.7995
Cultural and Recreational Land	0.2523	0.2573

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.

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 2016-17 financial year.

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 2016-17 financial year.

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 2016-17 financial year.

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.

Urban Commercial and Industrial Land

Urban Commercial and Industrial Land is any land:

- which is used primarily for commercial or industrial purposes; and
- 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 2016-17 financial year.

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 2016-17 financial year.

Lakeside Residential

Lakeside Residential Land is any land:

- any land located within the Pakenham Lakeside Subdivision north of the railway line; and
- 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 2016-17 financial year.

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.

Budget analysis

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

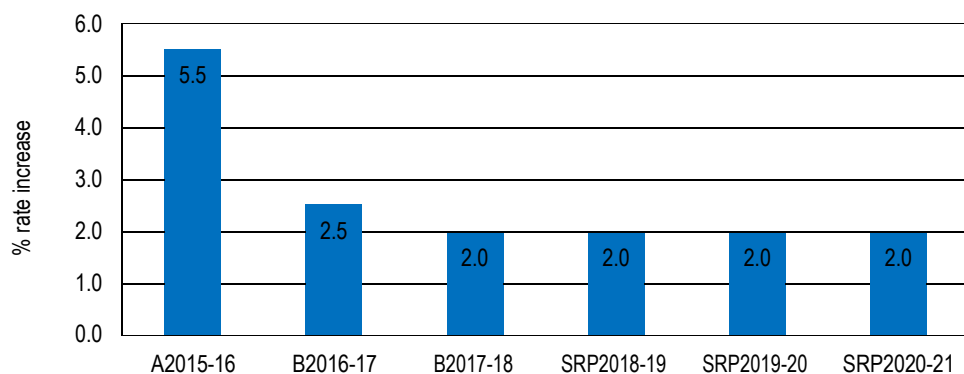
This section includes the following analysis and information:

- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position

8. Summary of financial position

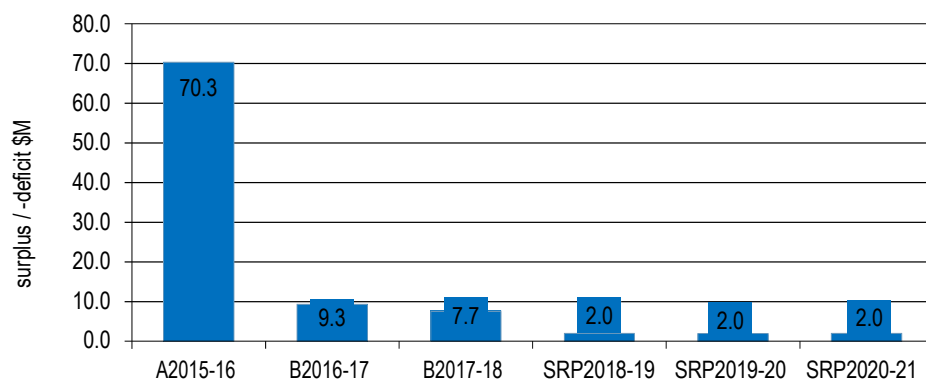
Council has prepared a Budget for the 2017-18 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase & operating result of the Council.

8.1 Rates



General rates are to increase by 2.0% for the 2017-18 year. This raises total rates of \$70.111m, including \$687k generated from supplementary rates. The rate increase for the 2016-17 year was 2.5%.

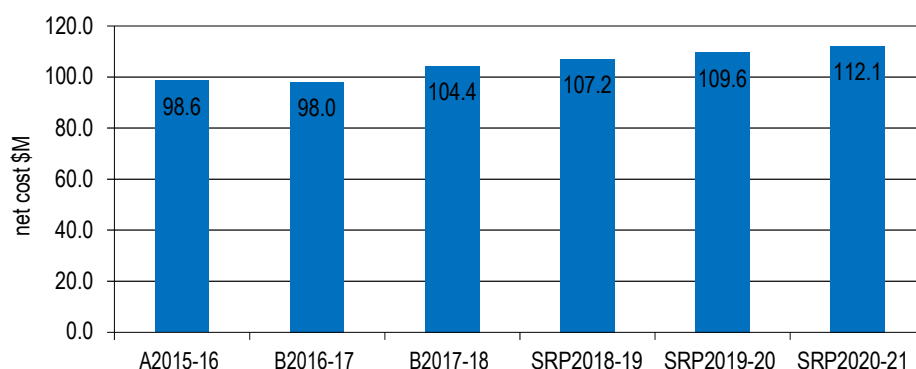
8.2 Result



The expected result for the 2017-18 year is a surplus of \$7.664m, which is \$1.659m lower than 2016-17. The adjusted underlying result, which excludes cash and non-cash contributions by developers, and capital grants and contributions, is a surplus of \$14k, which is \$29k less than in 2016-17. A total of \$881k is budgeted for cash and non-cash developer contributions (2016-17 \$1.970m), and capital grants and contributions total \$6.770m (2016-17 \$7.310m). (Refer to Section 10, Analysis of operating budget, for further information).

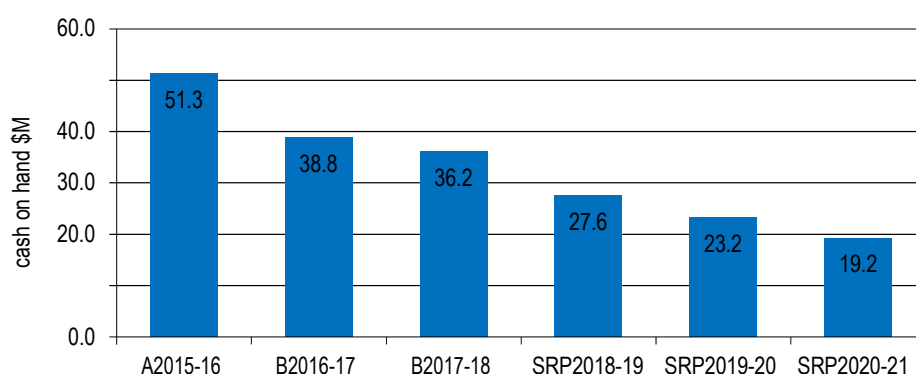
The 2015-16 result was significantly impacted by the recognition of \$46.688m of infrastructure assets (roads, footpaths, drains) contributed by developers.

8.3 Services



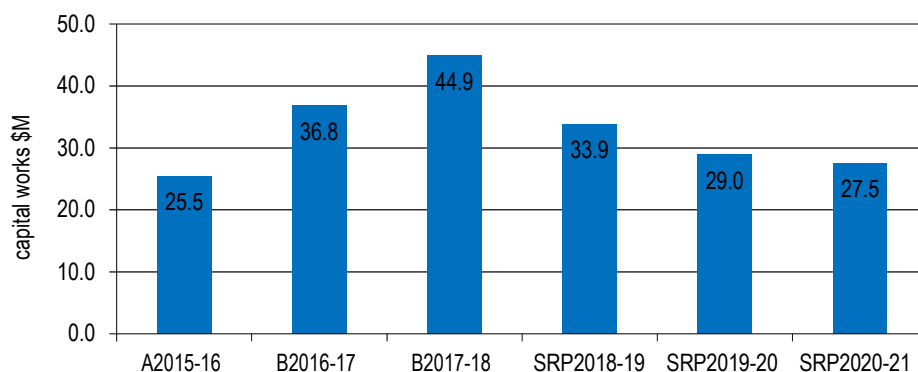
The net cost of services delivered to the community for the 2017-18 year is expected to be \$104.381m which is an increase of \$6.335m on 2016-17. The main areas contributing to the increase are depreciation, employee costs, and materials & services (which includes contract costs). Borrowing costs are forecast to reduce and other categories of expenditure are forecast to be in-line with 2016-17, and service levels have generally been maintained at the same standards as in 2016-17. (The budgeted net cost for the 2016-17 year is \$98.046m).

8.4 Cash and investments



The balance of cash and investments at 30 June 2018 is expected to be \$36.150m, which is \$2.639m lower than the budgeted balance at 30 June 2017. The decrease over the four year period is mainly due to the impact of rates capping and the drawdown of Developer Contribution Plan (DCP) funds. (The cash and investments balance as at 30 June 2017 is budgeted to be \$38.788m).

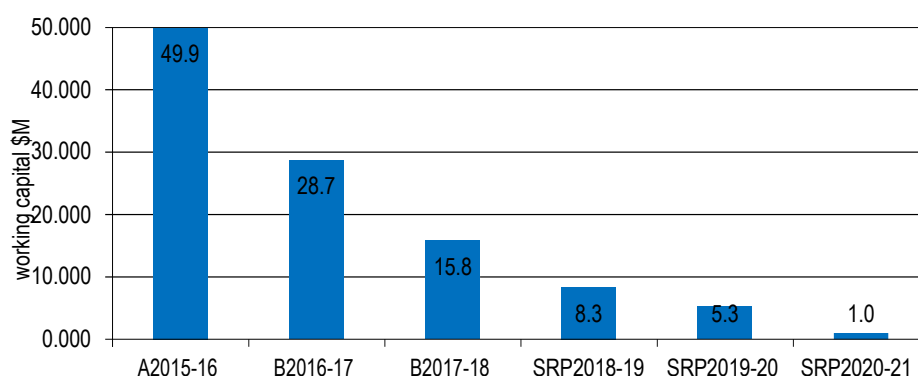
8.5 Capital works



The capital works program for the 2017-18 year is expected to be \$44.864m, which is a \$8.071m increase on 2016-17. Funding for the proposed program is \$31.205m from Council operations, \$3.889m from external contributions, \$3.0m from loan funds, and the balance of \$6.770m from government grants. (The budgeted amount for the 2016-17 year was \$36.793m).

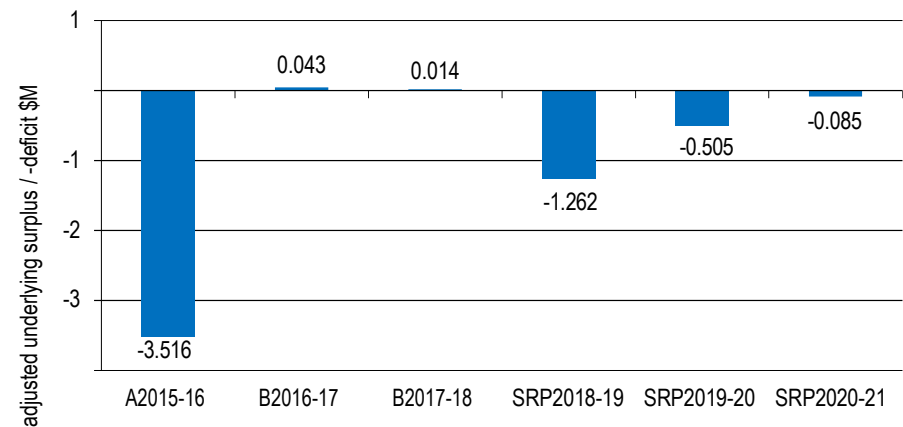
The major projects included in the proposed budget include Cardinia Cultural Centre exhibition space, Deep Creek Reserve, Lang Lang recreation facility and James Bathe Recreation Reserve. The asset renewal program includes the annual renewal programs for the major infrastructure assets (roads, footpaths, bridges, and drains) plus a number of other projects.

8.6 Financial position



Total equity (net assets) are forecast to be \$903.090m as at 30 June 2018, which is a decrease of \$10.243m. (Total equity (net assets) is budgeted to be \$913.333m as at 30 June 2017). Working capital (net current assets) is forecast to be \$15.778m, down from \$28.680m budgeted in 2016-17. The decrease over the four year period is primarily related to the impact of rate capping and the drawdown of DCP funds as depicted in item 8.4 (Cash and investments).

8.7 Financial sustainability



A high level Strategic Resource Plan for the years 2018-19 to 2020-21 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 short term, while still achieving the Council’s strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows the budget with a small surplus in 2017-18, and deficits in the subsequent three years.

The 2015-16 underlying result was impacted by the timing of the receipt of operating grants.

9. Budget influences

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

9.1 Snapshot of Cardinia Shire Council

Cardinia Shire is located to the south-east of metropolitan Melbourne. Its largest town is Pakenham, which is 55 kilometres from the Melbourne CBD. The Shire Offices are located in the nearby township of Officer.

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, Cardinia Shire is one of Victoria's and Australia's fastest growing municipalities.

The official population of Cardinia Shire as of the 30 June 2015 is 90,884 (Australian Bureau of Statistics Estimated Resident Population). This has grown by 3,850 from the previous year. The Cardinia Shire population forecast for 2017 is 99,192 and is forecast to grow to 180,308 by 2036. (source: forecast.id.com.au)

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.

9.2 External influences

In preparing the 2017-18 budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Lower rate environment - The overall financial impact of the lower rate environment has lead council to review it services and capital works program and to source alternative funding.
- Cost Shifting - this occurs where Local Government provides a service to the community on behalf of the State or Federal Government. Over time the funds received by Local Governments do not increase in line with real cost increases. An example of this is Maternal & Child Health, where the level of payment received by Council from the State Government does not reflect the real Cost of providing the service to the community.
- Councils across Australia raise approximately 3% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- Fire Services Property Levy - this will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.
- Population growth, as outlined above, will continue to place significant stress on Council's resources

9.3 Internal influences

As well as external influences, there are also internal influences which are expected to have an impact on the preparation of the 2017-18 budget. These include;

- Continued demands on Council resources for the renewal of existing assets; and
- The value of developer contributed assets and completed capital works together with an increase in the value of existing assets which have led to a significant increase in depreciation expense.

9.4 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 2016-17 levels;
- Aim to use less resources with an emphasis on innovation and efficiency;
- Real savings in expenditure and increases in revenue identified in 2016-17 to be preserved; and
- Operating revenues and expenses from completed 2016-17 capital projects to be included.

9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include the Strategic Resource Plan for 2018-19 to 2020-21 (section 14), Rating information (section 15) and Future borrowings (section 16).

10. Analysis of operating budget

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

10.1 Budgeted income statement

	Ref	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Total income	10.2	107,369	112,045	4,676
Total expenses	10.3	(98,046)	(104,381)	(6,335)
Surplus (deficit) for the year	10.1.1	9,322	7,664	(1,659)
Grants – capital	5.1.2	(2,072)	(6,770)	(4,698)
Capital contributions - monetary	10.2.5	(5,238)	0	5,238
Development levies - monetary	10.2.6	(842)	(881)	(39)
Capital contributions - non-monetary	10.2.7	(1,128)	0	1,128
Adjusted underlying result	10.1.2	43	14	(29)

10.1.1 Surplus for the year (\$1.659 million decrease)

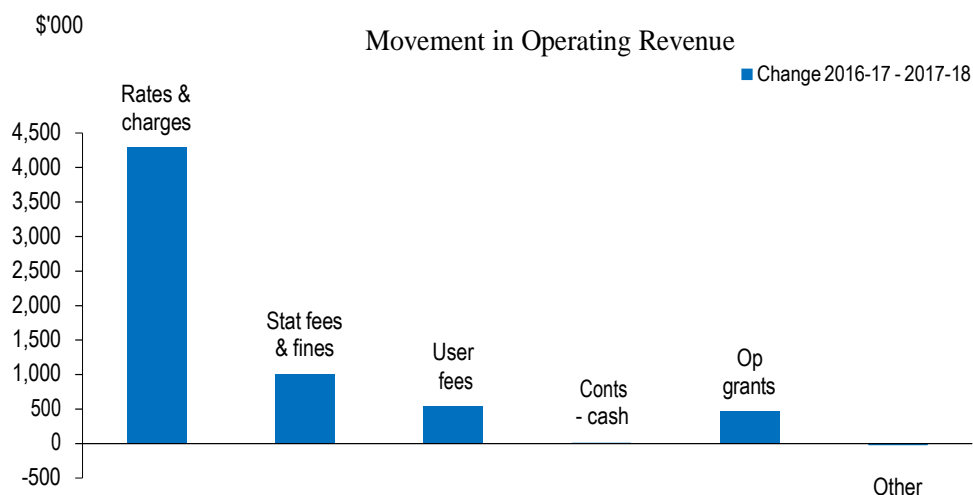
The projected result for the year, before adjusting for capital and other once-off items, is a surplus of \$7.664m, which is \$1.659m lower than in 2016-17.

10.1.2 Adjusted underlying result (\$0.029 million decrease)

The adjusted 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 adjusted underlying result for the 2017-18 year is a surplus of \$14k which is \$29k lower than the 2016-17 year.

10.2 Income

Income types	Ref	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Rates and charges	10.2.1	77,468	81,764	4,296
Statutory fees and fines	10.2.2	3,215	4,227	1,012
User fees	10.2.3	2,342	2,878	536
Contributions - monetary	10.2.4	118	130	12
Grants - operating	5.1.1	11,456	11,928	472
Grants - capital	5.1.2	2,072	6,770	4,698
Capital contributions - monetary	10.2.5	5,238	0	(5,238)
Development levies - monetary	10.2.6	842	881	39
Capital contributions - non-monetary	10.2.7	1,128	0	(1,128)
Other income	10.2.8	3,492	3,469	(23)
Total income		107,369	112,045	4,676



Source: Section 3

10.2.1 Rates and charges (\$4.296 million increase)

The rate increase on current properties is proposed to be 2.0%, which is 0.5% lower than last year's increase of 2.5%. Rates make up 67.2% of Council's operating revenue, compared to 67.9% in 2016-17.

The residential garbage charge on individual properties is proposed to remain at the same amount as in 2016-17, being \$235.05. The garbage charge covers the costs of the contract fees for collection, recycling and disposal and the state government levy. The green waste charge is also proposed to remain at the same amount as in 2016-17, being \$132.85. The combined garbage and green waste charges make up 11.2% of Council's operating revenue, up from 11.1% last year.

10.2.2 Statutory fees and fines (\$1.012 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 \$1.012m or 31.5% over 2016-17. The increase is mainly attributed to Development fees (design checking and supervision fees) due to an increase in volume and Planning fees per the new planning and subdivision fee regulations.

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

10.2.3 User fees (\$0.536 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. 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 \$536k or 22.9% over 2016-17. The main areas contributing to the increase are a new Landscape Development supervision and plan checking fee and an increase in Cardinia Cultural Centre event revenue.

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

10.2.4 Contributions - monetary (\$0.012 million increase)

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 increase by \$12k or 10.2% compared to 2016-17. This is primarily due to small increases in existing contributions.

10.2.5 Capital contributions - monetary (\$5.238 million decrease)

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

No cash capital contributions are budgeted to be received in 2017-18.

10.2.6 Development levies - monetary (\$0.039m increase)

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 increase by \$39k or 4.6% from 2016-17.

10.2.7 Capital contributions - non-monetary (\$1.128m decrease)

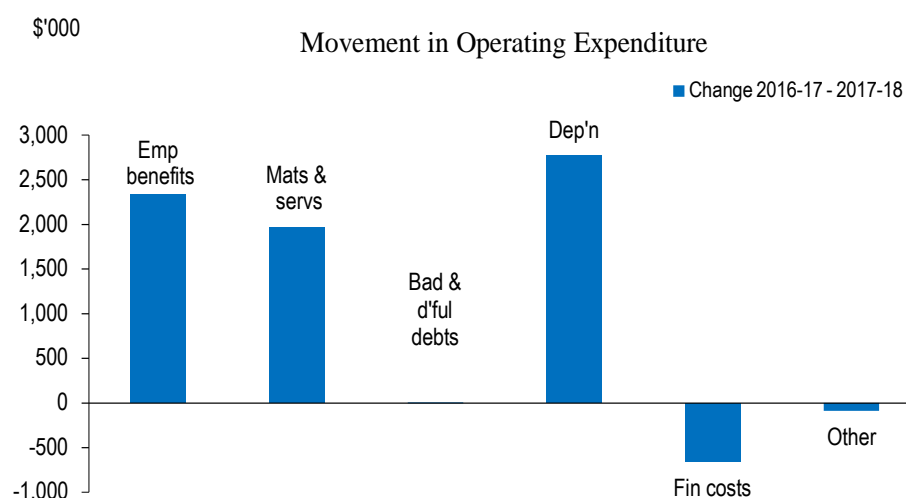
Non-cash capital contributions are infrastructure assets in new developments (roads, drains, footpaths) contributed by developers. These have not been budgeted in 2017-18 as they are a non-cash item and because of the uncertainty of the value of the assets being contributed.

10.2.8 Other income (\$0.023 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 \$23k or 0.7% from 2016-17, primarily due to a decrease in cost recovery income for Melbourne Water drainage schemes, partly offset by recognition of interest earned on Developer Contribution Plan (DCP) investment funds.

10.3 Expenses

Expense types	Ref	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Employee costs	10.3.1	31,691	34,025	2,334
Materials and services	10.3.2	40,576	42,540	1,964
Bad and doubtful debts	10.3.3	172	176	4
Depreciation and amortisation	10.3.4	19,070	21,843	2,773
Borrowing costs	10.3.5	4,054	3,402	(652)
Other expenses	10.3.6	2,483	2,395	(88)
Total expenses		98,046	104,381	6,335



Source: Section 3

10.3.1 Employee costs (\$2.334 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 by \$2.334m or 7.4% compared to 2016-17. This increase is primarily due to a combination of:

- Full year effect of new staff appointed during 2016-17,
- New staff appointments in 2017-18,
- An EBA increase, and
- Staff increment movements.

Overall, total EFT has increased from 315.0 in 2016-17 to 322.8 in 2017-18. The increase is primarily due to new staff appointments in 2017-18 from additional government funding and alternative models of service delivery.

A summary of human resources expenditure categorised according to the organisational structure of Council is included below. The dollar amounts below include salaries and oncosts only. The Employee benefits figures above include additional items of expenditure, such as Fringe Benefits Tax.

Division	Budget 2017-18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Chief Executive Officer	2,684	2,684	-
Assets & Services	9,620	8,948	673
Corporate Services	6,603	5,271	1,332
Community Wellbeing	7,118	4,610	2,508
Planning & Development	5,627	4,445	1,182
People & Culture	545	433	112
Total permanent staff expenditure	32,197	26,390	5,806
<u>Casuals and other expenditure</u>	<u>934</u>		
<u>Total expenditure</u>	<u>33,130</u>		

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

Division	Budget 2017-18 EFT	Comprises	
		Permanent Full Time EFT	Permanent Part Time EFT
Chief Executive Officer	11.5	11.5	-
Assets & Services	107.2	100.0	7.2
Corporate Services	64.8	49.5	15.3
Community Wellbeing	66.4	42.0	24.4
Planning & Development	57.7	43.0	14.7
People & Culture	5.2	4.0	1.2
Total permanent staff	312.8	250.0	62.8
<u>Casuals and other</u>	<u>9.9</u>		
<u>Total EFT</u>	<u>322.8</u>		

10.3.2 Materials and services (\$1.964 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 \$1.964m or 4.8% compared to 2016-17. 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.

Contracts are forecast to increase by \$313k or 1.4% over 2016-17. The main contracts contributing to this increase are parks & gardens and dumped rubbish, partly offset by Melbourne Water drainage schemes.

Other significant increases are in Cardinia Cultural Centre resources, sealed roads and street lighting.

10.3.3 Bad and doubtful debts (\$0.004 million increase)

Bad and doubtful debts are projected to increase by \$4k or 2.3% over 2016-17.

10.3.4 Depreciation and amortisation (\$2.773 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 \$2.773m or 14.5% over 2016-17 is mainly due to an increase in the value of Council's assets from significant developer contributed assets, completed capital works projects and an increase in the valuation of existing assets.

10.3.5 Borrowing costs (\$0.652 million decrease)

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

Borrowing costs are forecast to reduce by \$652k or 16.1% from 2016-17. This decrease relates to existing loans being paid out when due and budgeted loans not yet drawn down.

10.3.6 Other expenses (\$0.088 million decrease)

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 decrease by \$88k or 3.5% from 2016-17. This is mainly due to the allocation of funds for the running of the Council election in October 2016 not being required in 2017-18.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017-18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

11.1 Budgeted cash flow statement

	Ref	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
Receipts				
Rates and charges		76,932	81,331	4,399
Statutory fees and fines		3,215	4,227	1,012
User fees		1,641	1,839	198
Grants - operating		11,456	11,928	472
Grants - capital		2,072	6,770	4,698
Contributions - monetary		118	130	12
Capital contributions - monetary		5,238	0	(5,238)
Development levies - monetary		842	881	39
Interest income		752	922	170
Other income		2,740	2,547	(193)
		105,006	110,575	5,569
Payments				
Employee costs		(31,205)	(33,546)	(2,341)
Materials and services		(41,962)	(42,744)	(782)
		(73,167)	(76,290)	(3,123)
Net cash provided by operating activities		31,838	34,284	2,446
Cash flows from investing activities	11.1.2			
Payments for property, plant and equipment		(33,190)	(44,864)	(11,674)
Proceeds from sales of property, plant & equip		2,200	13,439	11,239
Net cash used in investing activities		(30,990)	(31,425)	(435)
Cash flows from financing activities	11.1.3			
Finance costs		(4,054)	(3,402)	652
Proceeds from borrowings		3,250	3,000	(250)
Repayment of borrowings		(5,107)	(5,096)	11
Net cash used in financing activities		(5,911)	(5,498)	413
Net change in cash and cash equivalents		(5,063)	(2,639)	2,424
Cash and cash equivalents at start of year		43,851	38,788	(5,063)
Cash and cash equivalents at end of year	11.1.4	38,788	36,150	(2,639)

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

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

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

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

11.1.1 Operating activities (\$2.446 million increase)

Operating activities refer to the cash generated or used in the normal service delivery functions of Council. The increase in cash inflows from operating activities is mainly due to increased rates and charges and capital grants income, partly offset by increased payments to suppliers and employees and decreased income from capital contributions.

	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Surplus (deficit) for the year	9,322	7,664	(1,658)
Depreciation	19,070	21,843	2,773
Net movement in assets and liabilities	3,446	4,777	1,331
Cash flows available from operating activities	31,838	34,284	2,446

11.1.2 Investing activities (\$0.435 million decrease)

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 variance in net cash used in investing activities is primarily due to an increase in the costs of the Capital Works program partly offset by an increase in proceeds from asset sales.

11.1.3 Financing activities (\$0.413 million increase)

Financing activities refer to cash generated or used in the financing of Council functions and includes borrowings from financial institutions. These activities also include repayment of the principal and interest components of loan repayments for the year. The variance is primarily due to a decrease in finance costs.

11.1.4 Cash and cash equivalents at end of the year (\$2.639 million decrease)

Overall, the total balance of cash and investments is forecast to decrease by \$2.639m from \$38.788m to \$36.150m as at 30 June 2018.

11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2018 it will have cash and investments of \$36.150m, 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.

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.

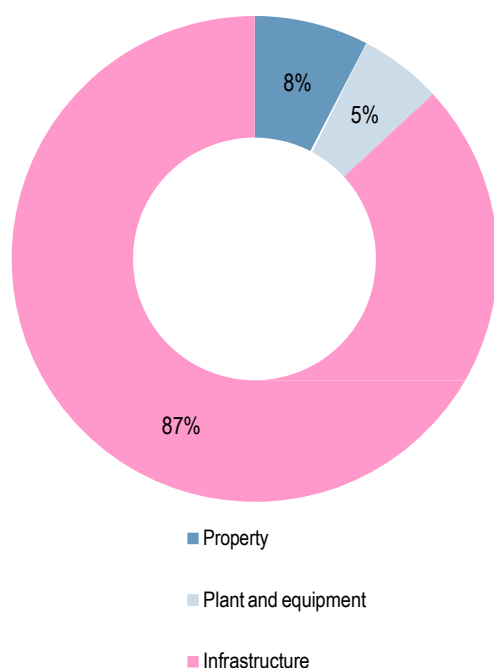
12. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2017-18 year and the sources of funding for the capital budget.

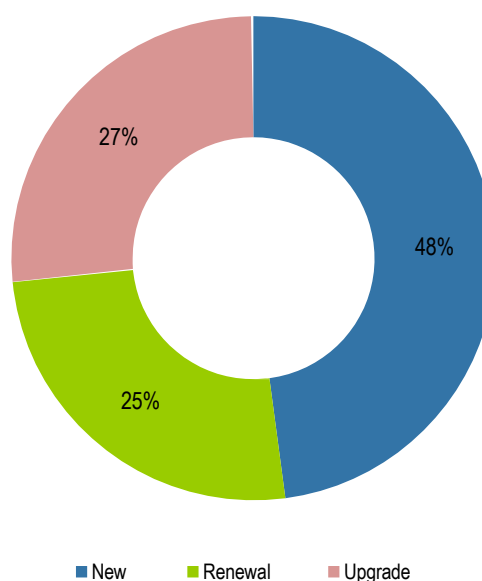
12.1 Capital works

Capital works areas	Ref	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
New works				
Property	12.1.1			
Land		1,200	2,000	800
Buildings		1,153	1,413	260
Total Property		2,353	3,413	1,060
Plant and equipment	12.1.2			
Plant, machinery and equipment		2,350	2,070	(280)
Computers and telecommunications		400	410	10
Total Plant and equipment		2,750	2,480	(270)
Infrastructure	12.1.3			
Roads		8,210	4,900	(3,310)
Bridges		600	700	100
Footpaths and cycleways		1,512	2,375	863
Drainage		380	400	20
Recreation, leisure & community facilities		17,326	22,393	5,067
Parks, open space and streetscapes		3,030	7,595	4,565
Off street car parks		152	88	(64)
Other infrastructure		480	520	40
Total Infrastructure		31,690	38,971	7,281
Total new works		36,793	44,864	8,071
Represented by:				
New	12.1.4	17,266	21,491	4,225
Renewal	12.1.4	11,267	11,457	190
Upgrade	12.1.4	8,260	11,916	3,656
Total capital works		36,793	44,864	8,071

Budgeted new capital works 2017-18



Budgeted total capital works 2017-18



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

12.1.1 Property (\$1.060 million increase)

Property includes buildings and land.

For the 2017-18 year, \$1.413m will be expended on building projects. These projects are \$713k for general building works (including disability access works), \$500k for the Purton Road depot development,

The land amount consists of strategic purchases required for the ongoing growth within the municipality.

12.1.2 Plant & Equipment (\$0.270 million decrease)

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

For the 2017-18 year, \$2.480m will be expended on plant and equipment. The more significant projects include \$2.020m for ongoing cyclical replacement of the plant and vehicle fleet and \$410k for upgrade and replacement of information technology.

12.1.3 Infrastructure (\$7.281 million increase)

Infrastructure includes bridges, drainage, footpaths and cycleways, off street car parks, parks, open spaces & streetscapes, recreational, leisure & community infrastructure, and roads.

For the 2016-17 year, the major projects include Cardinia Cultural Centre exhibition space \$8.5m, Deep Creek Reserve \$6.825m, Lang Lang recreational facility \$3.351m and James Bathe Recreation Reserve \$2.720m. Also included are the annual roads renewal program totalling \$4.780m, and the bridges, footpaths and drains renewal programs totalling a combined \$1.805m.

Other projects include the Emerald netball facility, Emerald-Gembrook trail, and design of the Cora Lynn Recreation Reserve pavilion and the Bunyip soccer facility.

12.1.4 New Assets (\$4.225 million increase), Asset Renewal (\$0.190 million increase), and Asset Upgrade (\$3.656 million increase).

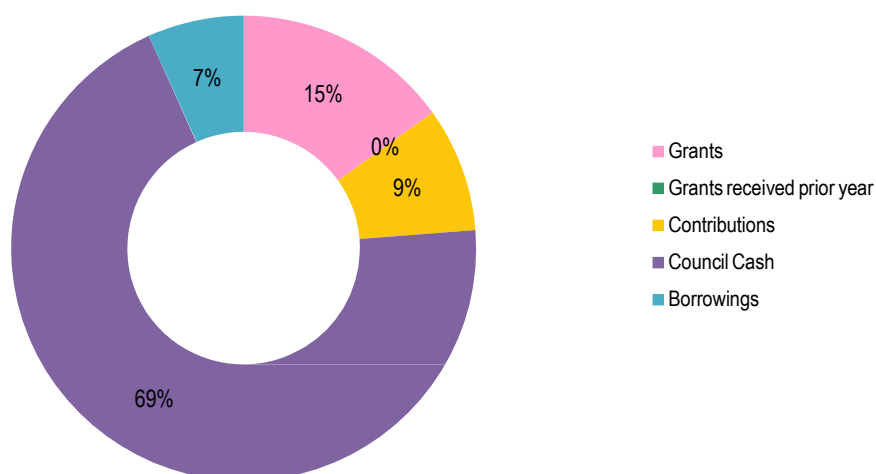
A distinction is made between expenditure on new assets and expenditure on asset renewal and upgrades. Expenditure on asset renewal is expenditure on an existing asset, which improves the service potential or the life of the asset. Expenditure on new assets does not have any element of expansion/upgrade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

For the 2017-18 year, \$21.491m will be spent on new assets, \$11.457m on asset renewals, and \$11.916m on asset upgrades.

12.2 Funding sources

Sources of funding	Ref	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Grants	12.2.1	2,072	6,770	4,698
Grants received prior year	12.2.2	5,520	0	(5,520)
Contributions	12.2.3	6,997	3,889	(3,108)
Council Cash	12.2.4	18,954	31,205	12,251
Borrowings	12.2.5	3,250	3,000	(250)
		<u>36,793</u>	<u>44,864</u>	<u>8,071</u>

Budgeted total funding sources 2017-18



12.2.1 Grants (\$4.698 million increase)

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

For the 2017-18 year, capital grants total \$6.770m. These are the annual Roads to Recovery and Victoria Grants Commission grants for roads resurfacing, resheeting, and pavement renewals, plus other grants for projects including Deep Creek Reserve and the Emerald-Gembrook trail.

12.2.2 Grants received prior year (\$5.520 million decrease)

No grants received in the prior year (2016-17) have been budgeted in 2017-18.

12.2.3 Contributions (\$3.108 million decrease)

Contributions include all monies community sources for the purposes of funding the capital works program, plus developer and community infrastructure levies. It is forecast that \$3.889m will be funded from these sources in 2017-18.

Developer Infrastructure levies are contributing \$2.0m and Community Infrastructure levies \$1.889m.

12.2.4 Council Cash (\$12.251 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 \$31.205m will be generated from operations to fund the 2017-18 capital works program. This includes \$12.367m of proceeds from the sale of land at South East Business Park.

12.2.5 Borrowings (\$0.250m decrease)

A loan of \$3.0m is budgeted in 2017-18 to partly fund the Capital Works program, which is a decrease of \$0.25m from 2016-17. Overall debt is being reduced due to repayments being greater than the new borrowings.

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016-17 and 2017-18.

13.1 Budgeted balance sheet

	Ref	Budget 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		38,788	36,150	(2,639)
Trade and other receivables		14,162	15,633	1,471
Inventories		16	16	0
Non-current assets classified as held for sale		8,726	0	(8,726)
Other assets		<u>560</u>	<u>560</u>	<u>0</u>
Total current assets		62,251	52,359	(9,893)
Non-current assets	13.1.3			
Trade and other receivables		761	761	0
Investments in associates		1,432	1,432	0
Property, infrastructure, plant and equipment		933,538	934,076	538
Intangible assets		<u>382</u>	<u>382</u>	<u>0</u>
Total non-current assets		936,113	936,651	538
Total assets		998,364	989,010	(9,354)
Current liabilities	13.1.2			
Trade and other payables		16,179	19,170	(2,991)
Trust funds and deposits		5,405	5,405	0
Provisions		6,408	6,408	0
Interest-bearing loans and borrowings		<u>5,579</u>	<u>5,599</u>	<u>(20)</u>
Total current liabilities		33,571	36,581	(3,010)
Non-current liabilities	13.1.4			
Provisions		1,781	1,775	6
Interest-bearing loans and borrowings		<u>49,680</u>	<u>47,564</u>	<u>2,116</u>
Total non-current liabilities		51,461	49,339	2,121
Total liabilities		85,031	85,920	(889)
Net assets		913,333	903,090	(10,243)
Equity	13.1.5			
Accumulated surplus		605,227	593,929	(11,298)
Reserves		<u>308,106</u>	<u>309,161</u>	<u>1,055</u>
Total equity		913,333	903,090	(10,243)

Source: Section 3

13.1.1 Current Assets (\$9.893 million decrease)

Cash and cash equivalents are forecast to decrease by \$2.639m, as detailed in Section 11 - Analysis of budgeted cash position, and land held for resale is forecast to decrease by \$8.726m due to the sale of land at South East Business Park. These have been partly offset by trade and other receivables, which includes rates, infringement and sundry debtors, which are forecast to increase by \$1.471m.

13.1.2 Current Liabilities (\$3.010 million increase)

Current liabilities are those obligations Council must pay within the next year. These liabilities are budgeted to increase by \$3.010m, mainly due to an increase in trade and other payables (creditors).

Interest-bearing loans and borrowings are borrowings of Council. The overall decrease in this category (current and non-current) reflects the payment characteristics of Council's loan portfolio.

13.1.3 Non-Current Assets (\$0.538 million increase)

Non-current assets are expected to increase by \$538k during the 2017-18 year, entirely in property, infrastructure, plant and equipment.

13.1.4 Non-Current Liabilities (\$2.121 million decrease)

Non-current liabilities (that is, obligations Council must pay beyond the next year) are expected to decrease by \$2.121m, mainly as a result of a decrease in interest-bearing loans and borrowings, which is in line with current loan agreements.

13.1.5 Equity (\$10.243 million decrease)

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.

13.2 Key assumptions

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

- Repayment of loan principal to be \$5.096m, and;
- Total capital expenditure to be \$44.864m.

Long term strategies

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

This section includes the following analysis and information:

- 14 Strategic resource plan
- 15 Rating information
- 16 Future borrowings

14. Strategic resource plan

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

14.1 Plan development

Council has prepared a proposed budget for 2017-18 and a Strategic Resource Plan (SRP) for the years 2018-19 to 2020-21 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 short 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.

14.2 Financial resources

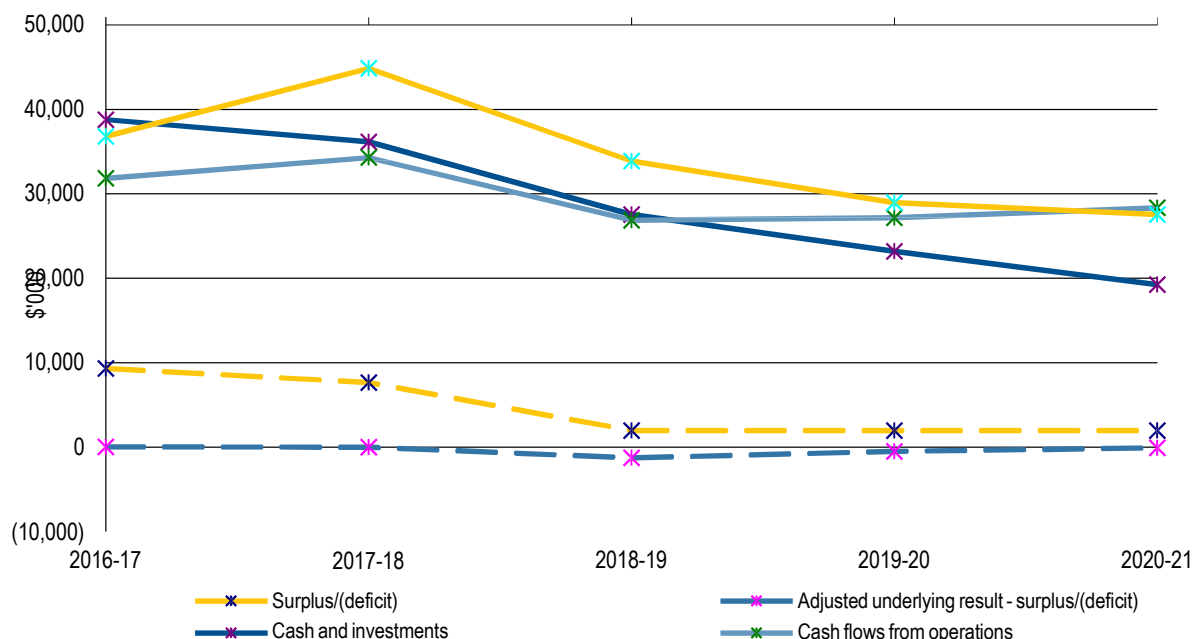
The following table summaries the key financial results for the next four years as set out in the 2017-18 proposed budget and SRP for years 2018-19 to 2020-21. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

	Strategic Resource Plan					Trend
	Budget	Budget	Projections			
	2016-17	2017-18	2018-19	2019-20	2020-21	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit)	9,322	7,664	1,986	1,961	1,981	-
Adjusted underlying result - surplus/(deficit)	43	14	(1,262)	(505)	(85)	o
Cash and investments	38,788	36,150	27,560	23,201	19,247	-
Cash flows from operations	31,838	34,284	26,881	27,185	28,355	o
Capital works	36,793	44,864	33,874	28,954	27,544	o

Key to Forecast Trend:

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

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



The key outcomes of the Plan are as follows:

Financial sustainability (section 11) - Cash and investments is forecast to decrease over the four year period from \$36.150m to \$19.247m, mainly due to the impact of the lower rate environment and the drawdown of Developer Contribution Plan (DCP) funds.

Rating strategy (section 15) – A rate of increase of 2.0% is budgeted in 2017-18 and for the following three years.

Service delivery – Service levels have been maintained throughout the four year period. Significant surpluses are budgeted throughout the four year period. Excluding the effects of non-operating items such as capital contributions, the adjusted underlying result is a small surplus in 2017-18, and deficits in the subsequent years. The adjusted 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 C) – Borrowings are forecast to reduce from \$53.163m to \$45.599m over the four year period. This includes new borrowings of \$3.0m in 2017-18.

Infrastructure - Capital expenditure over the four year period will total \$135.237m at an average of \$33.809m.

15. Rating information

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

15.1 Strategy development

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as a critical source of revenue, accounting for 78.3% (79.0% in 2016-17) 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 and as the impact of the lower rate environment continues to restrict Council to deliver services, Council sought community feedback on the best way to manage this new environment as part of last year's (2016-17) budget process.

15.2 Current year rate increase

It is predicted that 2017-18 operating position will be significantly impacted by the stagnation of government funding of operating grants and the aforementioned lower rate environment. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve ongoing operating surpluses. The \$31.205m contribution from operations toward capital investment for the 2017-18 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 are proposed to increase by 2.0% in 2017-18 (2.5% in 2016-17), raising a total rate of \$70.111m, including \$687k 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 2017.

Year	Increase %
2017-18	2.0
2018-19	2.0
2019-20	2.0
<u>2020-21</u>	<u>2.0</u>

15.3 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.

16. Future borrowings

The borrowing guidelines are outlined in Appendix C.

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.

Council has a budgeted loan liability of \$55.259m (at 30 June 2017), and the costs to service these loans is approximately \$3.8 million (for the year ending 30 June 2017). This level of indebtedness was built between 2000 and 2005, subsequently, successive Councils have endeavoured to maintain and/or reduce the absolute debt. The strategic decision to purchase the new Civic Centre resulted in the drawdown of an additional \$20.0m loan in 2014-15. The continuing pressures placed on Council have limited Council's ability to significantly reduce the debt although the growth of this debt has been managed to reduce the overall percentage of debt servicing and redemption costs to rate revenue. The Debt guidelines in Appendix C 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 General's Office.

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

	2016-17 \$'000	2017-18 \$'000
Total amount borrowed as at 30 June of the prior year	57,116	55,259
Total amount to be borrowed	3,250	3,000
Total amount projected to be redeemed	(5,107)	(5,096)
Total amount proposed to be borrowed as at 30 June	55,259	53,163

Council's borrowings are proposed to be \$3.0m to partly fund the 2017-18 Capital Works program.

Financial pressures for the 2017-18 budget include:

1. This budget was developed under the State Government cap on the level of rate increases.
2. Continued commitment of \$23.373m 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 C) 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 Council's finances.

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 16 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:

- A Fees and charges schedule
- B Budget process
- C Borrowing guidelines

Appendix A

Fees and charges schedule

Description	GST Applies	Set by Council	Total Fee 2016-17 incl. GST (if applicable)	Total Fee 2017-18 incl. GST (if applicable)	% Change 16-17 to 17-18
Family & Community Services					
Aged Services					
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.					
MCH Service					
Breast Pump Kit Purchase - single	No	Yes	\$32.00	N/A	
Breast Pump Kit Purchase - double	No	Yes	\$43.00	\$45.00	4.7%
MyPlace					
Casual Room Hire - Consulting Room Half Day Rate	Yes	Yes	\$40.00	\$41.00	2.5%
Casual Room Hire - Consulting Room Full Day Rate	Yes	Yes	\$75.00	\$77.00	2.7%
Casual Room Hire - Meeting Room Half Day Rate	Yes	Yes	\$50.00	\$51.50	3.0%
Casual Room Hire - Meeting Room Full Day Rate	Yes	Yes	\$100.00	\$103.00	3.0%
Casual Room Hire - Activity Room Half Day Rate	Yes	Yes	\$55.00	\$56.50	2.7%
Casual Room Hire - Activity Room Full Half Day Rate	Yes	Yes	\$110.00	\$113.00	2.7%
Regular Room Hire - Consulting Room Half Day Rate	Yes	Yes	\$25.00	\$25.50	2.0%
Regular Room Hire - Consulting Room Full Day Rate	Yes	Yes	\$45.00	\$46.00	2.2%
Regular Room Hire - Meeting Room Half Day Rate	Yes	Yes	\$30.00	\$31.00	3.3%
Regular Room Hire - Meeting Room Full Day Rate	Yes	Yes	\$60.00	\$62.00	3.3%
Regular Room Hire - Activity Room Half Day Rate	Yes	Yes	\$35.00	\$36.00	2.9%
Regular Room Hire - Activity Room Full Day Rate	Yes	Yes	\$70.00	\$72.00	2.9%
Note - Half Day - up to and including 4 hours, Day - 4 to 8 hours					
Regular Rates - 6 or more consecutive bookings					
Children's Centres					
Private/for profit organisations:					
Community room half day	Yes	Yes	\$72.00	\$74.00	2.8%
Committee room half day	Yes	Yes	\$61.50	\$63.50	3.3%
ECIS room (half room) half day	Yes	Yes	\$61.50	\$63.50	3.3%
Consult room - half day	Yes	Yes	\$61.50	\$63.50	3.3%
Community room full day	Yes	Yes	\$148.00	\$152.50	3.0%
Committee room full day	Yes	Yes	\$123.00	\$126.50	2.8%
ECIS room (half room) full day	Yes	Yes	\$123.00	\$126.50	2.8%
Consult room full day	Yes	Yes	\$123.00	\$126.50	2.8%
Not for profit organisations:					
Community Room half day	Yes	Yes	\$50.00	\$51.50	3.0%
Committee Room half day	Yes	Yes	\$41.00	\$42.25	3.0%
ECIS room (half room) half day	Yes	Yes	\$41.00	\$42.25	3.0%
Consult room half day	Yes	Yes	\$41.00	\$42.25	3.0%
Community room full day	Yes	Yes	\$100.00	\$103.00	3.0%
Committee room full day	Yes	Yes	\$82.00	\$84.50	3.0%
ECIS room (half room) full day	Yes	Yes	\$82.00	\$84.50	3.0%
Consult room full day	Yes	Yes	\$82.00	\$84.50	3.0%
Community groups:					
Community room half day	Yes	Yes	\$20.50	\$21.00	2.4%
Committee room half day	Yes	Yes	\$15.50	\$16.00	3.2%
ECIS room (half room) half day	Yes	Yes	\$15.50	\$16.00	3.2%
Community room full day	Yes	Yes	\$41.00	\$42.25	3.0%
Committee Room full day	Yes	Yes	\$31.00	\$32.00	3.2%
ECIS room (half room) full day	Yes	Yes	\$31.00	\$32.00	3.2%
Kindergarten Central Enrolment	No	Yes	\$26.00	\$27.00	3.8%
Customer Communications					
Land information certificates (statutory fee)	No	No	\$24.80	\$25.40	2.4%
Late payment of rates administration fee	No	Yes	\$30.00	\$35.00	16.7%
Sales Data (Valuers)	Yes	Yes	\$85.00	\$85.00	0.0%
Information Services					
Fees - FOI (statutory fees applicable under FOI Act):					
Application Fee	No	No	\$27.90	\$28.45	2.0%
Search Charge per hour or part thereof	No	No	\$20.90	\$21.30	1.9%
Supervision Charge per quarter hour	No	No	\$5.00	\$5.00	0.0%
Photocopy charge	No	No	\$0.20	\$0.20	0.0%
IT - Geographic Information System maps					
Setup fee per map	Yes	Yes	\$51.50	\$53.00	2.9%
A3 Plotter (per map)	Yes	Yes	\$18.00	\$18.50	2.8%
A2 (per map)	Yes	Yes	\$26.50	\$27.00	1.9%
A1 (per map)	Yes	Yes	\$40.00	\$41.00	2.5%
A0 (per map)	Yes	Yes	\$58.50	\$60.00	2.6%
IT - Plan printing charges (per copy)					
PLAN OF SUBDIVISION (A3)	Yes	Yes	\$4.70	\$4.80	2.1%
SHIRE PLAN (AO)	Yes	Yes	\$34.00	\$35.00	2.9%
A4 PHOTOCOPIES	Yes	Yes	\$0.85	\$0.85	0.0%
Multiple Copies (10+)	Yes	Yes	\$0.85	\$0.85	0.0%
A1 SIZE PLAN	Yes	Yes	\$11.50	\$12.00	4.3%
A0 SIZE PLAN	Yes	Yes	\$22.00	\$22.50	2.3%
Development & Compliance Services					
Public Health and Wellbeing Act Premises (PHWBA)					
Registration of hairdressers, beauty parlours, etc.	No	Yes	\$159.10	\$163.90	3.0%

Description	GST Applies	Set by Council	Total Fee 2016-17 incl. GST (if applicable)	Total Fee 2017-18 incl. GST (if applicable)	% Change 16-17 to 17-18
Ongoing Registration of Hairdressers	No	Yes		\$300.00	
Skin Penetration	No	Yes	\$159.10	\$163.90	3.0%
Registration renewal of prescribed accommodation (4-10 persons)	No	Yes	\$159.10	\$163.90	3.0%
Registration renewal of prescribed accommodation (11-20 persons)	No	Yes	\$240.50	\$247.70	3.0%
Registration renewal of prescribed accommodation (21-30 persons)	No	Yes	\$327.50	\$337.30	3.0%
Registration renewal of prescribed accommodation (more than 30 persons)	No	Yes	\$414.60	\$427.00	3.0%
Registration renewal of prescribed accommodation (Hotel/Motel)	No	Yes	\$159.10	\$163.90	3.0%
Registration renewal of prescribed accommodation (bed & breakfast)	No	Yes	\$159.10	\$163.90	3.0%
Colonic Irrigation	No	Yes	\$159.10	\$163.90	3.0%
Two or more activities conducted on the premises by the same proprietor	No	Yes	\$240.50	\$247.70	3.0%
Transfer of Registration (Health Act premises)	No	Yes	50% Annual Fee	50% Annual Fee	
Caravan Parks	No	No	\$13.94 per fee unit	TBA	
*NOTE: - Transfer of Registration currently 5 fee units	No	No	\$69.70	TBA	
Food Act Registered Premises					
* Up to 5 employees					
Class 1 (includes one routine inspection and assessment of audit)	No	Yes	\$516.50	\$532.00	3.0%
Class 2 (includes one routine inspection and compliance check)	No	Yes	\$516.50	\$532.00	3.0%
Class 3 (includes one routine inspection)	No	Yes	\$164.30	\$200.00	21.7%
Fee for inspections in addition to routine inspection - rate per hour.	Yes	Yes	\$82.40	\$84.90	3.0%
Audit fees - rate per hour.	Yes	Yes	\$82.40	\$84.90	3.0%
* For each additional effective full-time employee greater than 5.	No	Yes	\$26.30	\$27.10	3.0%
School Canteens					
* Not for Profit (same as Class 3)	No	Yes	\$115.40	\$118.90	3.0%
* Privately run - calculated according to Class of premises	No	Yes			
Transfer of Registration (Food Act premises)	No	Yes	\$193.60	\$199.40	3.0%
Food Act Premises Establishment and PHWBA Fee	No	Yes	50% Annual Fee	50% Annual Fee	
Maximum Fee (greater than 75 effective full time employees)	No	Yes	\$2,282.00	\$2,350.40	3.0%
Class 1 and 2 (Temporary Food Premises)	No	Yes	\$60.30	\$63.30	5.0%
Class 3 (Temporary Food Premises)	No	Yes	\$39.10	\$40.30	3.1%
Infringements (Food Act 184 and Public Health & Wellbeing Act 2008) as prescribed by State Government	No	No		As prescribed by State Government legislation	
PHWBA and Food Act					
Pre application Site Consultation.	Yes	Yes	\$82.40	\$84.90	3.0%
After 1st July the Registration Fee will be 50% of the annual fee (plus the establishment fee).	No	Yes	50% Annual Fee	50% Annual Fee	
Inspection requests from Solicitors or proposed proprietors	Yes	Yes	\$143.20	\$147.50	3.0%
Late fee for Registration- All premises (after 31st December)	No	Yes	50% Annual Fee	50% Annual Fee	
Sale of sharps containers	Yes	Yes	\$28.30	\$29.15	3.0%
Septic Tanks					
Installation permits (new)	No	Yes	\$356.40	\$367.10	3.0%
Permit for Alteration	No	Yes	\$179.22	\$184.60	3.0%
Septic Tank consent report	No	Yes	\$47.40	\$48.80	3.0%
Septic Tank Plan Search Fee	No	Yes	\$48.40	\$49.85	3.0%
Reissue Septic permit	No	Yes	\$37.10	\$38.20	3.0%
Infringements (Septic tanks) currently 5 penalty units as prescribed by State Government	No	No	\$777.30	As prescribed by State Government legislation	
Regulatory Services - Animal Control					
Dog registration	No	Yes	\$112.30	\$115.65	3.0%
Cat registration	No	Yes	\$112.30	\$115.65	3.0%
Reduced Fee Dog - (microchipped, sterilised, 10 years of age plus, working dog)	No	Yes	\$34.00	\$35.00	2.9%
Reduced Fee Cat - (microchipped, sterilised, 10 years of age plus)	No	Yes	\$33.00	\$34.65	5.0%
Member Canine Assoc (unsterilised)	No	Yes	\$34.00	\$35.00	2.9%
Reduced Fee Unsterilised Dog - Pensioner	No	Yes	\$56.10	\$57.80	3.0%
Reduced Fee Unsterilised Cat - Pensioner	No	Yes	\$56.10	\$57.80	3.0%
Reduced Fee Sterilised Dog - Pensioner	No	Yes	\$17.00	\$17.50	2.9%
Reduced Fee Sterilised Cat - Pensioner	No	Yes	\$17.00	\$17.50	2.9%
Domestic animal businesses - Licence to operate breeding establishment	No	Yes	\$461.40	\$475.25	3.0%
Animal Register inspection fees	No	Yes	\$35.00	\$36.05	3.0%
Hire of cat traps	Yes	Yes	\$30.90	\$31.80	2.9%
Hire of anti barking collars (citronella collars)	Yes	Yes	\$60.80	\$62.60	3.0%
Bonds/deposits on anti barking collars, cat traps, and possum traps	No	Yes	\$64.90	\$66.85	3.0%
Animal Release Fee - Cat - day one	No	No	\$128.80	\$130.00	0.9%
Animal Release Fee - Dog - day one	No	No	\$128.80	\$200.00	55.3%
Daily Impound (Court hold only)				\$37.50/day	
Animals - Excess numbers permit	No	Yes	\$74.20	\$76.40	3.0%
Animal-related fines	No	No	As prescribed by State Government legislation	As prescribed by State Government legislation	
Animals - Excess numbers	No	Yes	\$74.20	\$76.40	3.0%
Animals – Grazing on nature strips	No	Yes	\$155.50	\$160.15	3.0%
Animals – Fence off nature strip for grazing	No	Yes	\$155.50	\$160.15	3.0%
Impound fee (small and large animals)	No	No	\$43.80	\$45.10	3.0%
Sustenance large animal	No	No	\$13.40	\$13.80	3.0%
Sustenance small animal	No	No	\$10.30	\$10.60	2.9%
Labour (business hours / out-of-business hours)	No	Yes	\$67.00 / \$94.80	69.00 / 97.65	
Stock Transportation	Yes	No	Fees as charged by contractor	Fees as charged by contractor	
Regulatory Services - Local Laws					
Local Law Fines	No	Yes	As per CSCs Local Laws	As per CSCs Local Laws	
Parking Fines	No	No	As per CSCs Local Laws	As per CSCs Local Laws	
Copies of any local laws	No	Yes	\$27.80	\$28.65	3.1%
Charity bins	No	Yes	\$68.00	\$70.05	3.0%
Advertising Signs - A Frames	No	Yes	\$155.50	\$160.15	3.0%
Advertising Signs - Real Estate Auction Boards (3 months)	No	Yes	\$203.90	\$210.00	3.0%
Advertising Signs, Flags overhanging roads-3 metres (3 months)	No	Yes	\$203.90	\$210.00	3.0%
Advertising signs schools (up to three per year)	No	Yes	\$100.00	\$103.00	3.0%
Camping and Caravans (per month)	No	Yes	\$155.50	\$160.15	3.0%
Footpath - Display goods (per item)	No	Yes	\$155.50	\$160.15	3.0%
Footpath - Table and Chairs - Fee per table	No	Yes	\$48.90	\$50.35	3.0%

Description	GST Applies	Set by Council	Total Fee 2016-17 incl. GST (if applicable)	Total Fee 2017-18 incl. GST (if applicable)	% Change 16-17 to 17-18
Footpath - Table and Chairs - Fee per chair	No	Yes	\$30.90	\$31.80	2.9%
Footpath - Windbreaker screen	No	Yes	\$183.30	\$188.80	3.0%
Rubbish Containers - Skips on public land per day	No	Yes	\$48.90	\$50.35	3.0%
Commercial Bins Business use eg. restaurants, businesses in CBD per month	No	Yes	\$155.50	\$160.15	3.0%
Heavy Vehicle – on land under 0.8ha (2 acres)	No	Yes	\$155.50	\$160.15	3.0%
Liquor - Consumption/Possession – within 500 metres of licensed premises	No	Yes	\$155.50	\$160.15	3.0%
Recreational Vehicles	No	Yes	\$360.00	\$370.80	3.0%
Personal Trainers in public place	No	Yes	\$183.30	\$188.80	3.0%
General Permit	No	Yes	\$155.50	\$160.15	3.0%
Mobile Crane/Tower	No	Yes	\$155.50	\$160.15	3.0%
Roadside Trading (Highway Sites by Tender) - per year	No	Yes	Subject to tender	Subject to tender and undertaking	
Roadside Trading (Highway Sites by Tender) - per day	No	Yes	Subject to tender	Subject to tender and undertaking	
Street Stalls (inc. sausage sizzles) (No charge applicable to Community Groups) per day	No	Yes	\$47.90	\$49.30	2.9%
Vegetation/Firewood - removal/destruction per application	No	Yes	\$94.30	\$97.10	3.0%
Abandoned Vehicle Release	Yes	Yes	\$268.80	\$276.85	3.0%
Impounded Item Release	Yes	Yes	\$133.90	\$137.90	3.0%
General Local Laws Fines	No	Yes	As per CSCs Local Laws	As per CSCs Local Laws	
Release of impounded recreational vehicle/monkey bike	Yes	Yes	\$308.00	\$317.25	3.0%
Building					
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	\$38.30	TBA	
Property Information	No	No	\$51.20	TBA	
Copies of Plans	No	Yes	\$96.50	\$99.40	3.0%
Copies of Documents	No	Yes	\$40.30	\$41.50	3.0%
Council Consent/Siting dispensation	No	No	\$256.90	TBA	
Council Consent/Building over easement dispensation	No	No	\$256.90	TBA	
Council Consent/Land liable to flood/inundation dispensation	No	No	\$256.90	TBA	
Council Consent/Protection of the Public	No	No	\$256.90	TBA	
Building Inspection	No	Yes	\$163.80	\$170.00	3.8%
Heritage/Demolition Consent (Secton 29a)	No	No	\$64.10	TBA	
Temporary Public Structure Siting	No	Yes	\$217.30	\$264.60	21.8%
Occupancy Permits - Place of Public Entertainment	No	Yes	\$408.40	\$420.60	3.0%
Community Infrastructure Levy - Pakenham	No	Yes	\$630.00	TBA	
Community Infrastructure Levy - Cardinia Rd & Officer	No	Yes	\$900.00	TBA	
Trust System (Hoarding Deposits)	No	Yes	\$206.00 per 15m	\$212.20/15m + \$90/month	
Planning					
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	\$306.70	\$306.70	0.0%
Applications for Permits					
1 An application for use only.	No	No	\$1,240.70	\$1,240.70	0.0%
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			
3 > \$100,001	No	No			
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			
5 > \$10,001 - \$250,000	No	No			
6 > \$250,001 - \$500,000	No	No			
7 > \$500,001 - \$1,000,000	No	No			
8 > \$1,000,001 - \$7,000,000	No	No			
9 > \$7,000,001 - \$10,000,000	No	No			
10 > \$10,000,001 - \$50,000,000	No	No			
11 > \$50,000,001	No	No			
12 An application to subdivide an existing building.	No	No	\$1,240.70	\$1,240.70	0.0%
13 An application to subdivide land into two lots	No	No	\$1,240.70	\$1,240.70	0.0%
14 To effect a realignment of a common boundary between lots or to consolidate two or more lots	No	No	\$1,240.70	\$1,240.70	0.0%
15 An application to subdivide land	No	No	1240.70 per 100 lots	1240.70 per 100 lots	
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	\$1,240.70	\$1,240.70	0.0%
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	\$1,240.70	\$1,240.70	0.0%
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	\$1,240.70	\$1,240.70	0.0%
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:		No			
2 Less than \$10,000		No	\$188.20	\$188.20	0.0%
3 \$10,000 - \$100,000		No	\$592.50	\$592.50	0.0%
4 \$100,000 - \$500,000		No	\$1,212.80	\$1,212.80	0.0%
5 \$500,000 - \$1,000,000		No	\$1,310.40	\$1,310.40	0.0%
6 \$1,000,000 - \$2,000,000		No	\$1,407.90	\$1,407.90	0.0%
VicSmart application:					
7 Less than \$10,000		No	\$188.20	\$188.20	0.0%

Description	GST Applies	Set by Council	Total Fee 2016-17 incl. GST (if applicable)	Total Fee 2017-18 incl. GST (if applicable)	% Change 16-17 to 17-18
8 More than \$10,000		No	\$404.30	\$404.30	0.0%
9 To subdivide or consolidate land To develop land (other than a class 2, 3, 7 or 8 or a permit to subdivide or consolidate land) if the estimated cost of development is:		No			
10 Less than \$100,000 To develop land (other than a class 4, 5, or 8 or a permit to subdivide or consolidate land) if the estimated cost of development is:		No	\$1,080.40	\$1,080.40	0.0%
11 \$100,000 - \$1,000,000 To develop land (other than a class 4, 5, or 8 or a permit to subdivide or consolidate land) if the estimated cost of development is:		No	\$1,456.70	\$1,456.70	0.0%
12 \$1,000,001 - \$5,000,000 To develop land (other than a class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is:		No	\$3,213.20	\$3,213.20	0.0%
13 \$5,000,000 - \$15,000,000		No	\$8,189.80	\$8,189.80	0.0%
14 \$15,000,000 - \$50,000,000		No	\$24,151.10	\$24,151.10	0.0%
15 more than \$50,000,000		No	\$54,282.40	\$54,282.40	0.0%
Plan of subdivision (certification)	No	No	\$164.50	\$164.50	0.0%
Planning Enquiries	No	Yes	\$110.00	\$113.30	3.0%
Provide a copy of an endorsed plan	No	Yes	\$100.00	\$103.00	3.0%
Extension of time to planning permit	No	Yes	\$125.00	\$128.75	3.0%
Voluntary amendment permit and or plan	No	Yes	\$200.00	\$206.00	3.0%
Advertising Fee (up to 20 notices)	No	Yes	\$87.50	\$90.10	3.0%
Advertising Fee (20 to 40 notices)	No	Yes	\$175.00	\$180.25	3.0%
Advertising Fee (over 40 notices)	No	Yes	\$200.00	\$206.00	3.0%
Planning Certificate	No	No	N/A	N/A	
Planning Certificate (Priority)	No	Yes	\$58.70	\$60.45	3.0%
Sign	Yes	Yes	\$60.00	\$61.80	3.0%
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	\$1,240.70	\$1,240.70	0.0%
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	\$1,240.70	\$1,240.70	0.0%
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 or less	No	No	\$188.20	\$188.20	0.0%
4 >\$10,000 - \$100,000	No	No	\$592.50	\$592.50	0.0%
5 >\$100,000 - \$500,000	No	No	\$1,212.80	\$1,212.80	0.0%
6 >\$500,000 - \$2,000,000	No	No	\$1,310.40	\$1,310.40	0.0%
7 An application to amend a permit originally assessed in accordance with VicSmart if the estimated cost of any additional development to be permitted by the amendment is:	No				
8 \$10,000 or less	No	No	\$188.20	\$188.20	0.0%
9 >\$10,000	No	No	\$404.30	\$404.30	0.0%
An application to amend a permit originally assessed in accordance with VicSmart to subdivide or consolidate land			\$188.20	\$188.20	
Certificates of compliance	No	No	\$306.70	\$306.70	0.0%
Amendment of plans prior to certification	No	Yes	\$147.00	\$104.60	-28.8%
Amendment of plans after certification			\$132.40	\$132.40	
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 \$100,000; or (b) a permit to subdivide land; (c) or a permit originally assessed in accordance with VicSmart - if the estimated cost of any additional development to be permitted by the amendment is not more than \$100,000 or less.	No	No	\$1,080.40	\$1,080.40	0.0%
An application (other than a Class 4, Class 5 or Class 8 application or a permit to subdivide or consolidate land) to amend a permit if the estimated cost of any additional development to be permitted by the amendment is more than \$100,000 and not more than \$1,000,000.			\$1,456.70	\$1,456.70	0.0%
An application (other than a Clause 8 application or a permit to subdivide or consolidate land) to amend a permit if the estimated cost of any additional development to be permitted by the amendment is more than \$5,000,000.			\$3,213.20	\$3,213.20	0.0%
An application to amend a permit to - (a) subdivide an existing building; or (b) subdivide land into 2 or more lots (other than a Class 9 or Class 16 permit); or (3) effect a realignment of a common boundary between lots or to consolidate 2 or more lots (other than a Clause 9 permit).			\$1,240.70	\$1,240.70	0.0%
An application to amend a permit to subdivide land (other than Clause 9, Class 16, Class 17 and Class 18)			\$1240.70 per 100 lots cre	\$1240.70 per 100 lots created	
An application to amend a permit to - (a) create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or (b) create or remove a right of way; or (c) create, vary or remove an easement other than a right of way; or (d) vary or remove a condition in the nature of an easement (other than right of way) in a Crown grant.	No	No	\$1,240.70	\$1,240.70	0.0%
Strategic Planning					
1 Planning Scheme Amendment Stage 1	No	No	\$2,871.60	\$2,871.60	0.0%
a) considering a request to amend a planning scheme; and					
b) taking action required by Division 1 of Part 3 of the Act; and					
c) considering any submissions which do not seek a change to the amendment; and					
d) if applicable, abandoning the amendment					
2 Planning Scheme Amendment Stage 2					

Description	GST Applies	Set by Council	Total Fee 2016-17 incl. GST (if applicable)	Total Fee 2017-18 incl. GST (if applicable)	% Change 16-17 to 17-18
a) considering					
(i) up to and including 10 submissions which seek a change to an amendment and where necessary referring the submissions to a panel; or	No	No	\$14,232.70	\$14,232.70	0.0%
(ii) 11 to (and including) 20 submissions which seek a change to an amendment and where necessary referring the submissions to a panel; or	No	No	\$28,437.60	\$28,437.60	0.0%
(iii) Submissions that exceed 20 submissions which seek a change to an amendment, and where necessary referring the submissions to a panel; and	No	No	\$38,014.40	\$38,014.40	0.0%
b) providing assistance to a panel in accordance with section 158 of the Act; and					
c) making a submission to a panel appointed under Part 8 of the Act at a hearing referred to in section 24(b) of the Act; and					
d) considering the panel's report in accordance with section 27 of the Act; and					
e) after considering submissions and the panel's report, abandoning the amendment.					
3 Planning Scheme Amendment Stage 3	No	No	\$453.10	\$453.10	0.0%
a) adopting the amendment or part of the amendment in accordance with section 29 of the Act; and					
b) submitting the amendment for approval by the Minister in accordance with section 31 of the Act; and					
c) giving the notice of the approval of the amendment required by section 36(2) of the Act.					
4 Planning Scheme Amendment Stage 4	No	No	\$453.10	\$453.10	0.0%
a) consideration by the Minister of a request to approve the amendment in accordance with section 35 of the Act; and					
b) giving notice of approval of the amendment in accordance with section 36(1) of the Act.					
Community Strengthening					
Fire Prevention					
Fail to Comply with a Notice (Fire Prevention Notice)	No	No	\$1,555.00	TBA	
Active Communities					
Beaconsfield Community Complex					
Please phone 8768 4400 for the current hire rates					
Cardinia Cultural Centre					
Banquet Room (incl. Lakeview & Dance rooms)					
4 hours - Standard	Yes	Yes	\$640.00	\$660.00	3.1%
8 hours - Standard	Yes	Yes	\$1,110.00	\$1,150.00	3.6%
Expo rate (10 hours+) - Standard	Yes	Yes	\$1,595.00	\$1,650.00	3.4%
4 hours - Community Group	Yes	Yes	\$545.00	\$560.00	2.8%
8 hours - Community Group	Yes	Yes	\$945.00	\$975.00	3.2%
Expo rate (10 hours+) - Community Group	Yes	Yes	\$1,360.00	\$1,400.00	2.9%
Lakeview Room					
4 hours - Standard	Yes	Yes	\$340.00	\$350.00	2.9%
8 hours - Standard	Yes	Yes	\$600.00	\$620.00	3.3%
Expo rate (10 hours+) - Standard	Yes	Yes	\$850.00	\$875.00	2.9%
4 hours - Community Group	Yes	Yes	\$290.00	\$300.00	3.4%
8 hours - Community Group	Yes	Yes	\$510.00	\$521.00	2.2%
Expo rate (10 hours+) - Community Group	Yes	Yes	\$725.00	\$750.00	3.4%
Dance Room					
4 hours - Standard	Yes	Yes	\$320.00	\$330.00	3.1%
8 hours - Standard	Yes	Yes	\$550.00	\$570.00	3.6%
Expo rate (10 hours+) - Standard	Yes	Yes	\$795.00	\$820.00	3.1%
4 hours - Community Group	Yes	Yes	\$275.00	\$285.00	3.6%
8 hours - Community Group	Yes	Yes	\$475.00	\$490.00	3.2%
Expo rate (10 hours+) - Community Group	Yes	Yes	\$675.00	\$695.00	3.0%
Gallery Room					
4 hours - Standard	Yes	Yes	\$185.00	\$190.00	2.7%
8 hours - Standard	Yes	Yes	\$325.00	\$335.00	3.1%
Expo rate (10 hours+) - Standard	Yes	Yes	\$465.00	\$480.00	3.2%
4 hours - Community Group	Yes	Yes	\$160.00	\$165.00	3.1%
8 hours - Community Group	Yes	Yes	\$275.00	\$285.00	3.6%
Expo rate (10 hours+) - Community Group	Yes	Yes	\$390.00	\$400.00	2.6%
Seminar Room					
4 hours - Standard	Yes	Yes	\$165.00	\$170.00	3.0%
8 hours - Standard	Yes	Yes	\$290.00	\$295.00	1.7%
Expo rate (10 hours+) - Standard	Yes	Yes	\$410.00	\$425.00	3.7%
4 hours - Community Group	Yes	Yes	\$140.00	\$145.00	3.6%
8 hours - Community Group	Yes	Yes	\$250.00	\$260.00	4.0%
Expo rate (10 hours+) - Community Group	Yes	Yes	\$355.00	\$370.00	4.2%
Workshop Room					
4 hours - Standard	Yes	Yes	\$65.00	\$70.00	7.7%
8 hours - Standard	Yes	Yes	\$115.00	\$120.00	4.3%
Expo rate (10 hours+) - Standard	Yes	Yes	\$160.00	\$165.00	3.1%
4 hours - Community Group	Yes	Yes	\$55.00	\$60.00	9.1%
8 hours - Community Group	Yes	Yes	\$95.00	\$100.00	5.3%
Expo rate (10 hours+) - Community Group	Yes	Yes	\$135.00	\$140.00	3.7%
When used as overflow Dressing Room				\$100.00	
Theatre					
White light rehearsal per hour (includes 1 tech) - Standard	Yes	Yes	\$185.00	\$190.00	2.7%
Rehearsal per hour (includes 1 tech) - Community Group	Yes	Yes	\$170.00	N/A	
White light rehearsal per hour (includes 1 tech) - Not for Profit	Yes	Yes	\$145.00	\$150.00	3.4%
Performance per hour (includes 1 tech) - Standard	Yes	Yes	\$240.00	\$250.00	4.2%
Performance per hour (includes 1 tech) - Community Group	Yes	Yes	\$225.00	N/A	
Performance per hour (includes 1 tech) - Not for Profit	Yes	Yes	\$195.00	\$200.00	2.6%
Orchestra Pit				\$320.00	
Stage extension				\$465.00	
Amphitheatre					
Amphitheatre hire				\$220.00	
3 Phase power - provision thereof				\$185.00	
Ticketing fees					

Description	GST Applies	Set by Council	Total Fee 2016-17 incl. GST (if applicable)	Total Fee 2017-18 incl. GST (if applicable)	% Change 16-17 to 17-18
Standard Booking fee				\$2.20	
Not for profit Booking fee				\$1.10	
Ticket set				\$178.00	
Subsequent ticket sets				\$89.00	
Administration levy 3.5% on all EFTPOS and CC sales administered at Centre					
Staff Recovery					
Technicians				\$55.00	
Ushers				\$40.00	
Pakenham Hall					
Community Hall, Supper Room & Kitchen - Standard - per hour	Yes	Yes	\$85.00	\$88.00	3.5%
Community Hall - Standard - per hour	Yes	Yes	\$65.00	\$68.00	4.6%
Supper Room - Standard - per hour	Yes	Yes	\$55.00	\$60.00	9.1%
Kitchen - Standard - per hour	Yes	Yes	\$55.00	\$60.00	9.1%
Community Hall & Kitchen - Standard - per hour	Yes	Yes	\$75.00	\$80.00	6.7%
Community Hall & Supper Room - Standard - per hour	Yes	Yes	\$70.00	\$75.00	7.1%
Supper Room & Kitchen - Standard - per hour	Yes	Yes	\$65.00	\$70.00	7.7%
Community Hall, Supper Room & Kitchen - Community Group - per hour	Yes	Yes	\$70.00	\$75.00	7.1%
Community Hall - Community Group - per hour	Yes	Yes	\$52.50	\$55.00	4.8%
Supper Room - Community Group - per hour	Yes	Yes	\$42.50	\$45.00	5.9%
Kitchen - Community Group - per hour	Yes	Yes	\$42.50	\$45.00	5.9%
Community Hall & Kitchen - Community Group - per hour	Yes	Yes	\$60.00	\$60.00	0.0%
Community Hall & Supper Room - Community Group - per hour	Yes	Yes	\$55.00	\$60.00	9.1%
Supper Room & Kitchen - Community Group - per hour	Yes	Yes	\$52.50	\$55.00	4.8%
Emerald Lake Park					
Parking - all day	Yes	Yes	\$6.00	\$6.00	0.0%
Shelter Hire - Lions Den	Yes	Yes	\$145.00	\$150.00	3.4%
Shelter Hire - Messmate	Yes	Yes	\$91.00	\$94.00	3.3%
Shelter Hire - Boatshed	Yes	Yes	\$63.00	\$65.00	3.2%
Shelter Hire - Poolside	Yes	Yes	\$63.00	\$65.00	3.2%
Shelter Hire - Lakeside	Yes	Yes	\$63.00	\$65.00	3.2%
Amphitheatre Hire - Gus Ryberg	Yes	Yes	\$293.00	\$302.00	3.1%
Amphitheatre Hire - Bunerong	Yes	Yes	\$219.00	\$226.00	3.2%
Amphitheatre Hire - Carl Stemp	Yes	Yes	\$219.00	\$226.00	3.2%
Amphitheatre Hire - The Pines	Yes	Yes	\$87.00	\$90.00	3.4%
Amphitheatre Hire - The Gums	Yes	Yes	\$219.00	\$226.00	3.2%
Lakeside Function Room	Yes	Yes	\$200.00	\$206.00	3.0%
Kooweerup Community Complex					
Please phone 5997-9679 for the current hire rates					
Council Managed Recreation Reserves					
Lakeside Recreation Reserve oval (Seasonal use 6 months, summer and winter)	Yes	Yes	\$1,260.50	\$1,311.00	4.0%
O'Neil Road Recreation Reserve oval (Seasonal use 6 months, summer and winter)	Yes	Yes	\$1,260.50	\$1,311.00	4.0%
Don Jackson Recreation Reserve oval (Seasonal use 6 months, summer and winter)	Yes	Yes	\$1,260.50	\$1,311.00	4.0%
Holm Park Recreation Reserve oval (Seasonal use 6 months, summer and winter)	Yes	Yes	\$1,260.50	\$1,311.00	4.0%
Holm Park Recreation Reserve netball courts - full year	Yes	Yes	\$1,169.00	\$1,216.00	4.0%
Heatherbrae Recreation Reserve oval (Seasonal use 6 months, summer and winter)	Yes	Yes	\$1,260.50	\$1,311.00	4.0%
Heatherbrae Recreation Reserve netball courts - full year	Yes	Yes	\$584.50	\$608.00	4.0%
Holm Park Community Room	Yes	Yes	\$25 per hour Non Community group \$12.50 per hour Community group	\$25 per hour Non Community group \$12.50 per hour Community group	
IYU Recreation Reserve - Northern / Junior Turf Soccer Pitches (Seasonal use 6 months, summer and winter)	Yes	Yes	\$845.00	\$879.00	4.0%
IYU Recreation Reserve - Southern / Senior Turf Soccer Pitch (Seasonal use 6 months, summer and winter)	Yes	Yes	\$630.00	\$655.00	4.0%
IYU Recreation Reserve Synthetic Soccer Pitch - Full Pitch, no lights					
Cardinia based Sporting Clubs - per hour	Yes	Yes	\$45.00	\$46.00	2.2%
Non Cardinia based Sporting Clubs - per hour	Yes	Yes	\$55.00	\$57.00	3.6%
Cardinia Schools - per hour	Yes	Yes	\$22.00	\$23.00	4.5%
Non Cardinia Schools - per hour	Yes	Yes	\$30.00	\$31.00	3.3%
Corporate - per hour	Yes	Yes	\$70.00	\$72.00	2.9%
IYU Recreation Reserve Synthetic Soccer Pitch - Full Pitch, with lights					
Cardinia based Sporting Clubs - per hour	Yes	Yes	\$60.00	\$62.00	3.3%
Non Cardinia based Sporting Clubs - per hour	Yes	Yes	\$70.00	\$72.00	2.9%
Cardinia Schools - per hour	Yes	Yes	\$30.00	\$31.00	3.3%
Non Cardinia Schools - per hour	Yes	Yes	\$40.00	\$41.00	2.5%
Corporate - per hour	Yes	Yes	\$85.00	\$87.00	2.4%
IYU Recreation Reserve Synthetic Soccer Pitch - Half Pitch, no lights					
Cardinia based Sporting Clubs - per hour	Yes	Yes	\$30.00	\$31.00	3.3%
Non Cardinia based Sporting Clubs - per hour	Yes	Yes	\$40.00	\$41.00	2.5%
Cardinia Schools - per hour	Yes	Yes	\$15.00	\$16.00	6.7%
Non Cardinia Schools - per hour	Yes	Yes	\$22.00	\$23.00	4.5%
Corporate - per hour	Yes	Yes	\$55.00	\$57.00	3.6%
IYU Recreation Reserve Synthetic Soccer Pitch - Half Pitch, with lights					
Cardinia based Sporting Clubs - per hour	Yes	Yes	\$40.00	\$41.00	2.5%
Non Cardinia based Sporting Clubs - per hour	Yes	Yes	\$50.00	\$52.00	4.0%
Cardinia Schools - per hour	Yes	Yes	\$20.00	\$21.00	5.0%
Non Cardinia Schools - per hour	Yes	Yes	\$30.00	\$31.00	3.3%
Corporate - per hour	Yes	Yes	\$65.00	\$67.00	3.1%

Description	GST Applies	Set by Council	Total Fee 2016-17 incl. GST (if applicable)	Total Fee 2017-18 incl. GST (if applicable)	% Change 16-17 to 17-18
IYU Recreation Reserve Synthetic Soccer Pitch - Quarter Pitch, no lights					
Cardinia based Sporting Clubs - per hour	Yes	Yes	\$20.00	\$21.00	5.0%
Non Cardinia based Sporting Clubs - per hour	Yes	Yes	\$30.00	\$31.00	3.3%
Cardinia Schools - per hour	Yes	Yes	\$10.00	\$11.00	10.0%
Non Cardinia Schools - per hour	Yes	Yes	\$15.00	\$16.00	6.7%
Corporate - per hour	Yes	Yes	\$38.00	\$39.00	2.6%
IYU Recreation Reserve Synthetic Soccer Pitch - Quarter Pitch, with lights					
Cardinia based Sporting Clubs - per hour	Yes	Yes	\$27.00	\$28.00	3.7%
Non Cardinia based Sporting Clubs - per hour	Yes	Yes	\$37.00	\$38.00	2.7%
Cardinia Schools - per hour	Yes	Yes	\$15.00	\$16.00	6.7%
Non Cardinia Schools - per hour	Yes	Yes	\$20.00	\$21.00	5.0%
Corporate - per hour	Yes	Yes	\$45.00	\$46.00	2.2%
Infrastructure Services					
Engineering Services					
Asset protection fee	No	Yes	\$247.00	\$254.41	3.0%
Asset protection bond	No	Yes	\$1,000.00	\$1,100.00	10.0%
Application For Works Within Road Reserve Inspection Fee on Road	No	Yes	\$129.60	\$129.60	0.0%
Application For Works Within Road Reserve Inspection Fee not on Road	No	Yes	\$83.80	\$83.80	0.0%
Road opening permits - works conducted on, or any part of, the roadway, shoulder, or pathway (minor works)	No	No	\$144.36		-100.0%
Road opening permits - works not conducted on, or any part of, the roadway, shoulder, or pathway	No	No	\$63.00		-100.0%
Garbage Collection/Waste Disposal					
Residential Garbage (1 x 120L garbage bin and 1 recycling bin)	No	Yes	\$235.05	\$235.05	0.0%
Residential Garbage (1 x 80L garbage bin and 1 recycling bin)	No	Yes	\$205.05	\$205.05	0.0%
Commercial Waste service	Yes	Yes	\$277.00	\$277.00	0.0%
Green Waste Service	No	Yes	\$132.85	\$132.85	0.0%
Additional Residential Recycling Service	No	Yes	\$48.95	\$48.95	0.0%
Additional Residential Garbage Bin (120 litre bin only)	No	Yes	\$217.35	\$217.35	0.0%
Additional Commercial Garbage Bin	Yes	Yes	\$242.05	\$242.05	0.0%
Additional Commercial Recycling Bin	Yes	Yes	\$53.55	\$53.55	0.0%
Additional Bundled Branch option - Green and Hard Waste service (being trialled)	No	Yes	\$60.00	\$62.00	3.3%
Litter and Waste Amenity Charge	No	Yes	\$117.45	\$121.00	3.0%
Community Event Bin Service	Yes	Yes	\$58.70	\$65.00	10.7%
Waste for Events - trailer hire	Yes	Yes	\$144.20		
Asset Management					
Supervision of private works	No	Yes	2.5% of E.C.	2.5% of E.C.	
Design checking	No	Yes	0.75% of E.C.	0.75% of E.C.	
Stormwater discharge points	No	Yes	\$32.00	\$33.00	3.1%
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	\$156.50	\$161.20	3.0%
Sale of specification documents	Yes	Yes	\$156.50	\$161.20	3.0%
Operations					
Supervision of private landscape works	No	Yes	2.5% of E.C.	2.5% of E.C.	
Landscape design checking	No	Yes	0.75% of E.C.	0.75% of E.C.	

Appendix B

Budget process

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 August, and the Senior Leadership Team (SLT) commencing the capital component also during August. SLT discuss the draft budgets at a series of meetings from September to February. The new Council, sworn in in late 2016, are provided with budget information and updates at subsequent Council briefings. A draft consolidated budget is then prepared and various iterations are considered by Council at briefings during February and March. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in March 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 usually required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption, however for 2017-18 only, the adoption date has been extended to 31 August. The key dates for the 2017-18 budget process for Cardinia Shire Council are summarised below:

Budget process	Timing
1. Officers begin preparing the operating budget	August
2. Senior Leadership Team (SLT) begin preparing the capital budget	August
3. SLT discuss draft budgets	Sep to Feb
4. Budget presentations to Councillors at briefings	Nov to Mar
7. Proposed budget submitted to Council for approval	March
8. Public notice advising intention to adopt budget	April
9. Budget available for public inspection and comment	April
10. Submissions period closes (28 days)	May
11. Submissions considered by Council	May
12. Budget and submissions presented to Council for adoption	May
13. Copy of adopted budget submitted to the Minister	May

Appendix C

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.

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:

- \$3.0m for 2017-18;
- \$3.45m for 2018-19;
- \$3.0m for 2019-20; and
- \$3.0m for 2020-21.

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

6.1 A report will be prepared as part of budget discussions each year to Council suggesting strategies for debt financial management, with key ratios identified and approval sought for each borrowing requirement annually.

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 %	Target	Period for Achievement
> 100%	Proposed New Borrowing Rejected	
85%, < 100%	85%	
66%, < 85%	66%	3 Years
50%, < 66%	50%	7 Years
40%, < 50%	Review Debt Strategy	Not applicable