



Surf Coast Shire Council

Budget 2015-16



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Mayor's introduction

It is my pleasure to present the third budget of this Council term.

The budget reflects the progression of Council's key strategies whilst being mindful of rate affordability for our community. Council has conducted a mid-term review of the Council Plan that largely affirmed its planned objectives. The proposed updated Council Plan has been released for community comment in line with the release of this budget.

The budget sees a rate increase of 5.5% for existing ratepayers, including the municipal charge. This increase in part addresses the funds foregone from the three year freezing of Commonwealth financial assistance grants, estimated in total to be in the order of \$255,000 every year. The rate income contribution from new ratepayers is in addition to this rate increase.

The Victorian Government's rate capping policy is also scheduled to commence from 1 July 2016. While details are not yet known, a 2% lower rate increase would reduce Council funds for initiatives by approximately \$720,000 every year. At this stage Council has made no allowance for this impact and we will issue an updated financial plan once rate capping details are finalised.

Surf Coast Shire includes communities with significant growth and those with less growth. Growing communities need supporting infrastructure, while all areas of our Shire reasonably expect opportunities for some new investment and sound maintenance of their existing facilities and roads.

This budget document includes enhancements that support these objectives. For example, the delineation of rates from existing and new ratepayers indicates the contribution being made by growth. Additionally, changes in how asset renewal is funded will support facility and road maintenance.

For the first time Council is also publishing the Asset Renewal Backlog, being assets that require renewal however at this stage exceed Council's capacity to provide funding.

Council believes these changes improve transparency and will support great discussions with the community on how Council raises and allocates its available funds. Council looks forward to further improvements in its financial management and the budget document over time.

The budget document outlines funding for a wide range of initiatives, however I would like to highlight one in particular. Council plans to upgrade the remainder of its streetlights to energy efficient LED globes. This budget includes the first year of funding towards this important goal.

Cr Margot Smith
Mayor

Chief Executive Officer's Summary

Council's annual budget seeks to meet the needs of the upcoming year as well as pursuing long term priorities. In doing so Council seeks to address the needs and aspirations of existing ratepayers and new ratepayers in the future.

Council has set this year's rate increase to be 5.5%. Council is mindful of affordability concerns for our ratepayers and balances this with the need to deliver services, maintain existing facilities and roads, and provide for the needs of our growing community.

The budget provides significant funding of \$18.3 million for capital works, including over \$8.3m to 53 new/upgrade projects and an allocation of \$6.0m to 28 renewal programs. Candidate projects did however exceed available funding and required Council to prioritise and shift out the timing of some projects. The ongoing prioritisation of new initiatives is a vital facet of Council's long term planning and it is intended to engage the community in this process. Council has also identified \$1.8 million of new initiatives to be supported across the shire.

Officers seek to continually improve Council's financial management and the information provided for our community. This year's budget document demonstrates this approach and includes a number of enhancements that aim to add value:

- Separately identifying rates raised from existing and new ratepayers
- Adopting an asset renewal funding allocation rather than fluctuating annual amounts
- Stating the asset renewal backlog, reflecting candidate projects that could not be funded
- Updated list of Council reserve accounts, including a specific account for Unallocated Cash
- Principle of maintaining \$0.25m accumulated unallocated cash as a contingency
- Including a contributions summary, outlining Council funds provided to organisations
- Additional break down of service area net costs
- Funding carried forward capital works and new initiatives projects from specific reserve accounts
- Managing new initiatives projects separate to cost centre budgets

In addition to these budget enhancements, Council has also implemented changes to its monthly financial report:

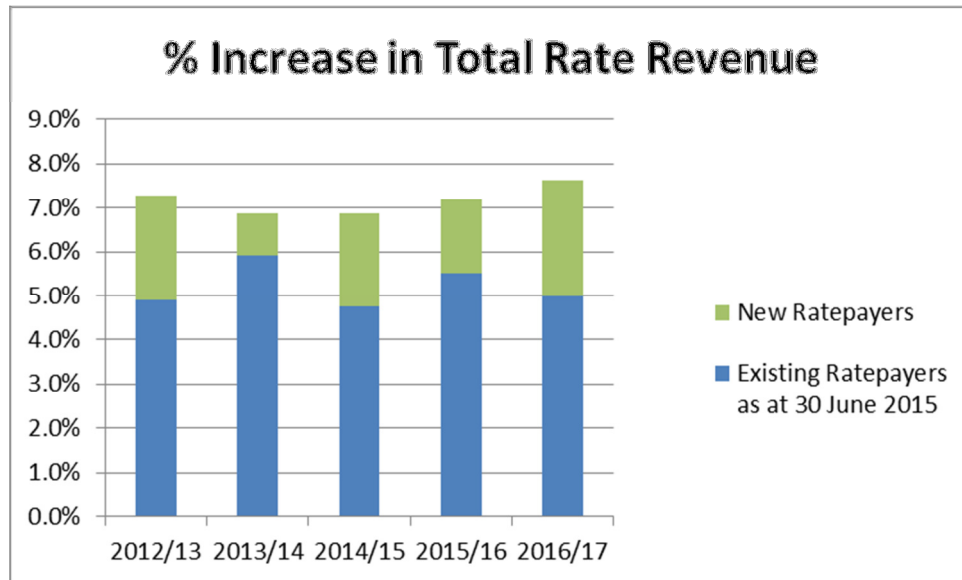
- Approval of project budget changes at the individual project level
- Providing a year to date listing of all changes to the accumulated unallocated cash reserve

Council is reviewing its financial management approach and further enhancements to future budget documents are anticipated.

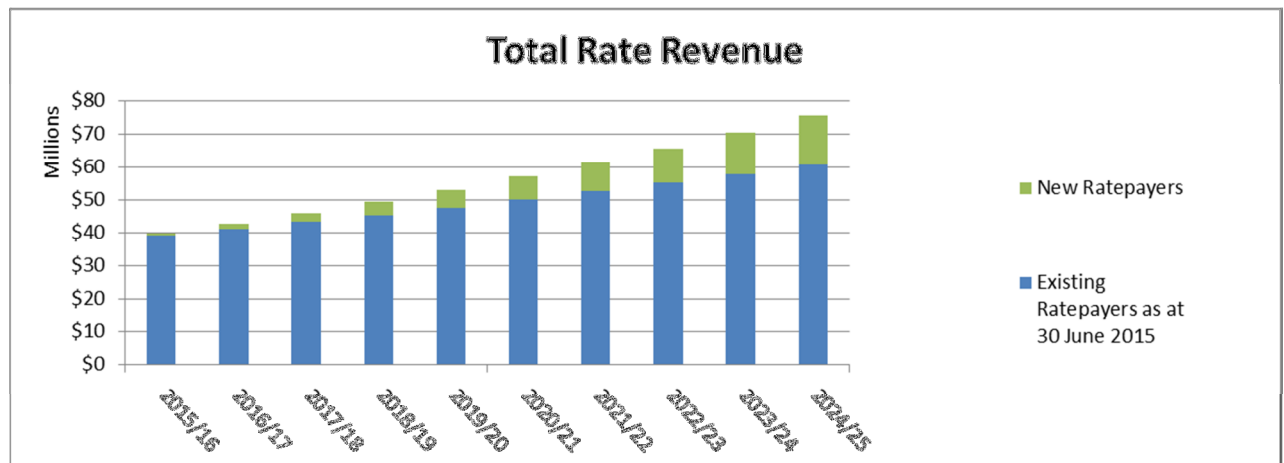
I thank Councillors and staff for their ongoing commitment and hard work in preparing this budget.

Rates

It is proposed for rates to increase for existing ratepayers by 5.5% for the 2015/16 year, which includes both general rates and the municipal charge. In addition, it is estimated that \$0.5m in supplementary rates will be raised from new ratepayers.



Council's long term financial planning now identifies the rate funds that are estimated to be raised from new ratepayers. These funds are substantial over time and important in supporting the needs of a growing population.

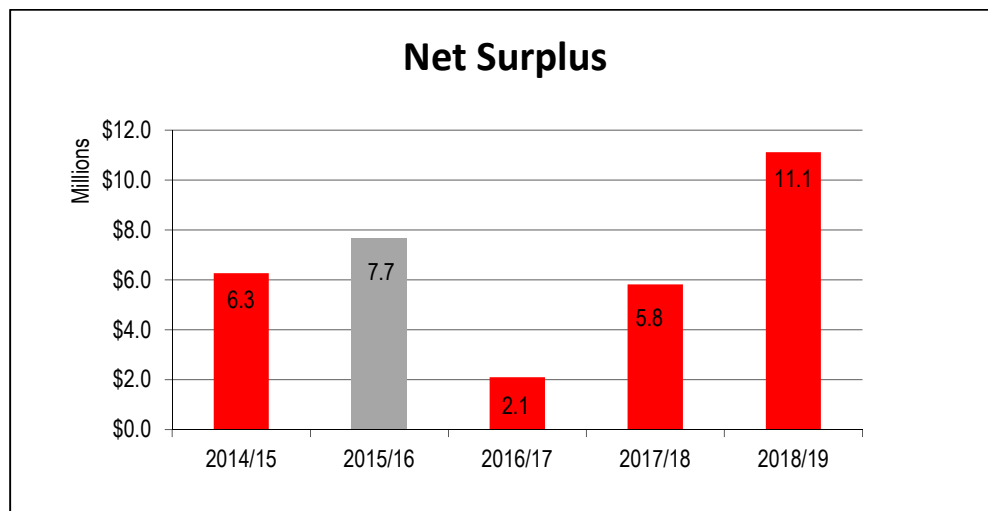


Annual Result

Local government financial reporting often includes a number of pre-allocated items that can make it difficult for readers to easily understand performance. This may include items such as specific charges, contributions, grants and project funding that are not available to fund Council regular operations, as they are required to be allocated to particular purposes. Council also then makes additional allocations through the budget process.

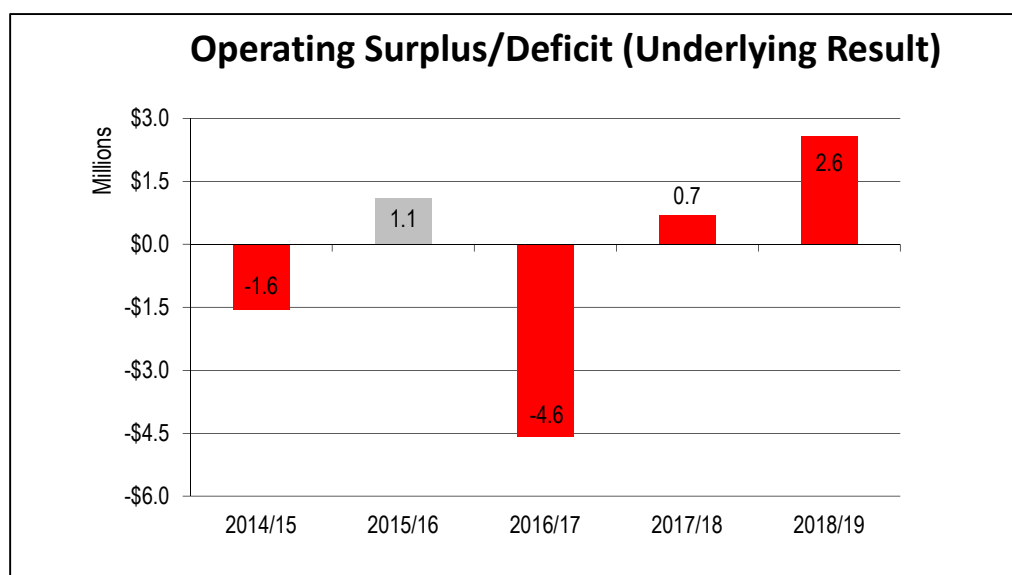
Accordingly an additional measure is provided in addition to the overall Net Surplus, the Operating Surplus. This measure highlights underlying operational performance by excluding all pre-allocations.

Net Surplus



The expected net surplus for the 2015/16 year is \$7.7m. It is important to note this result includes many one-off factors such as external capital funding that are pre-allocated to prescribed uses. This can make comparison over time difficult.

Operating Surplus



Council's long term financial plan is updated during the year to assist Council in forming the annual budget. A key objective of the plan is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan.

The Operating Surplus is a measure of financial sustainability as it seeks to remove non-recurring or one-off items that can mask the underlying result. The expected operating surplus for the 2015/16 year is \$1.1 million.

The 2016/17 deficit of \$4.6 million can partially be attributed to a budgeted \$8.6 million of expensed capital works.

Unallocated Cash

Unallocated cash refers to the cash available after allocations are made to meet Council's funding commitments and priorities.

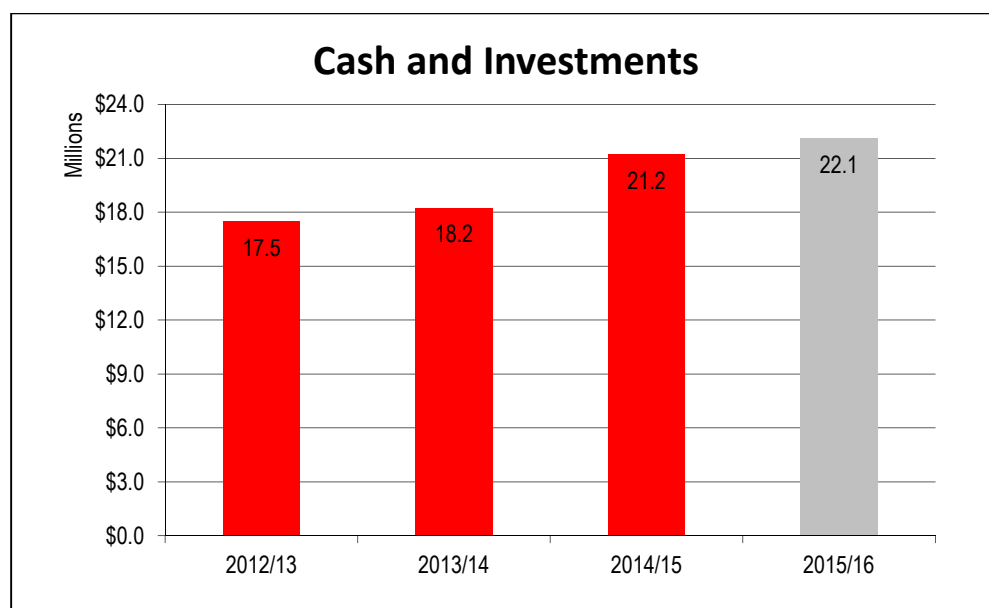
Accumulated unallocated cash refers to the accumulation of prior year unallocated cash. It comprises the prior year closing balance plus the unallocated cash for the current financial year, plus or minus any unanticipated cash items or cash allocations.

Council has established a financial planning principle of maintaining a minimum accumulated unallocated cash balance of \$0.25 million. This will support Council's ability to respond to opportunities or issues that may arise throughout the year.

A dedicated reserve account is being established for accumulated unallocated cash. A formal resolution at a Council meeting is required to utilise these funds.

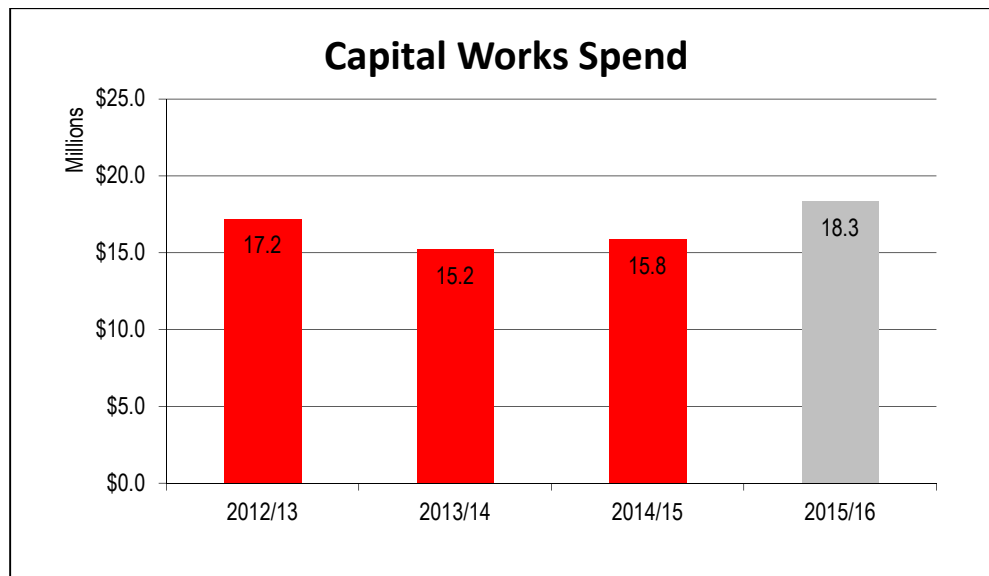
Council is undertaking a review of unallocated cash and will affirm balances during the upcoming year.

Cash and Investments



Cash and investments are expected to increase by \$0.9m during the year to \$22.1m. This balance is expected to reduce in future years in line with capital works expenditure.

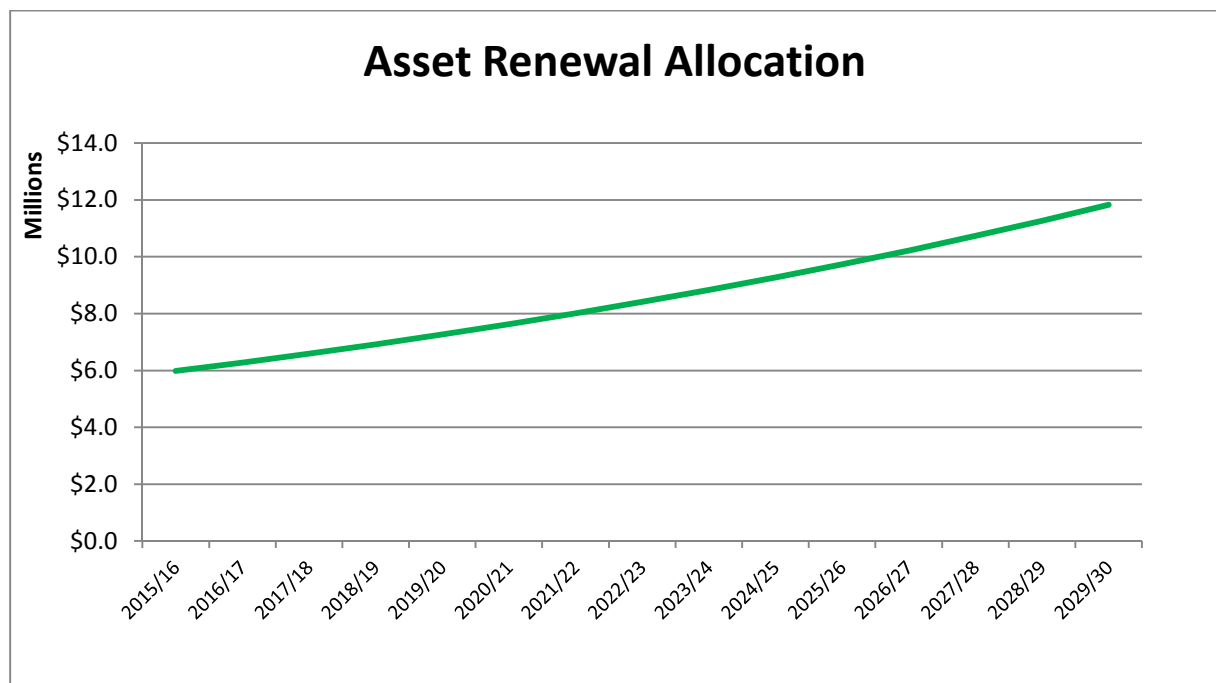
Capital Works



The capital works estimated spend for the 2015/16 is expected to be \$18.3m, of which \$1.1m relates to projects that will be carried forward from the 2014/15 year. The carried forward component is funded from previous budgets with those funds held at year end in a reserve account.

The capital works program has been based on analysis and consultation that has enabled Council to assess needs and develop sound justification for each project.

Asset Renewal Allocation



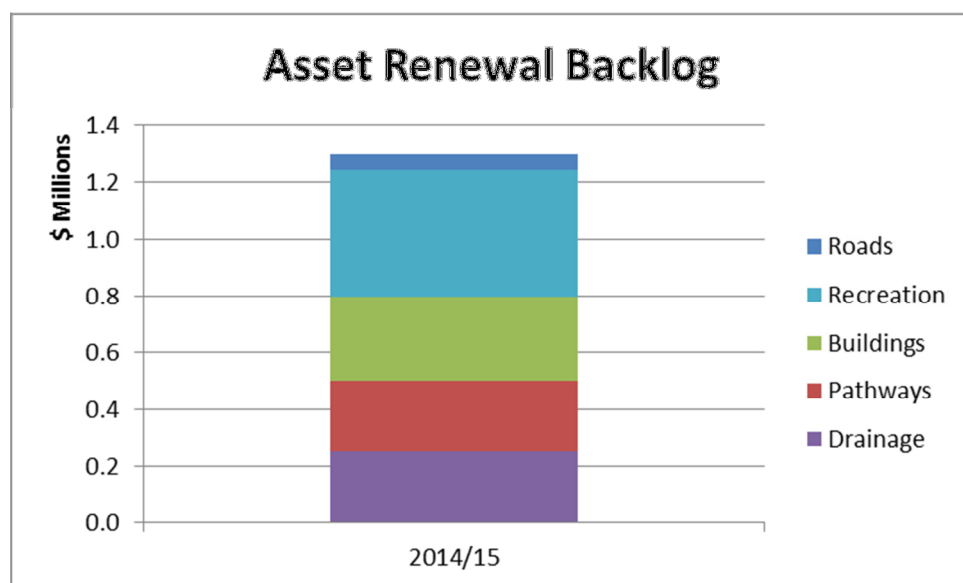
Council's capital works program is comprised of works for new or upgraded infrastructure, and works to renew existing infrastructure.

Council has established an asset renewal funding strategy that provides an overall allocation to asset renewal, rather than determining each year's funding from the projects that are to be undertaken that year. This approach is based on predicting the level of asset renewal funding required in the longer term (at this stage 15 years) and smoothly increasing the annual allocation to achieve that target. The annual allocation is placed into the Asset Renewal Reserve, with approved renewal projects drawing on that balance as required.

This approach aims to smooth the impact of increasing renewal allocations on Council's budgets. Council is also focused on improving its long term modelling for the renewal requirement, enabling the target to be affirmed each year and the continual refinement of Council's funding level.

Utilising a known allocation rather than having renewal requirements compete for funding against new priorities reflects Council's commitment to maintain existing facilities. This supports those communities that are not growing at the same rate as others in the Shire and may not receive funding for many new or upgraded facilities.

Asset Renewal Backlog



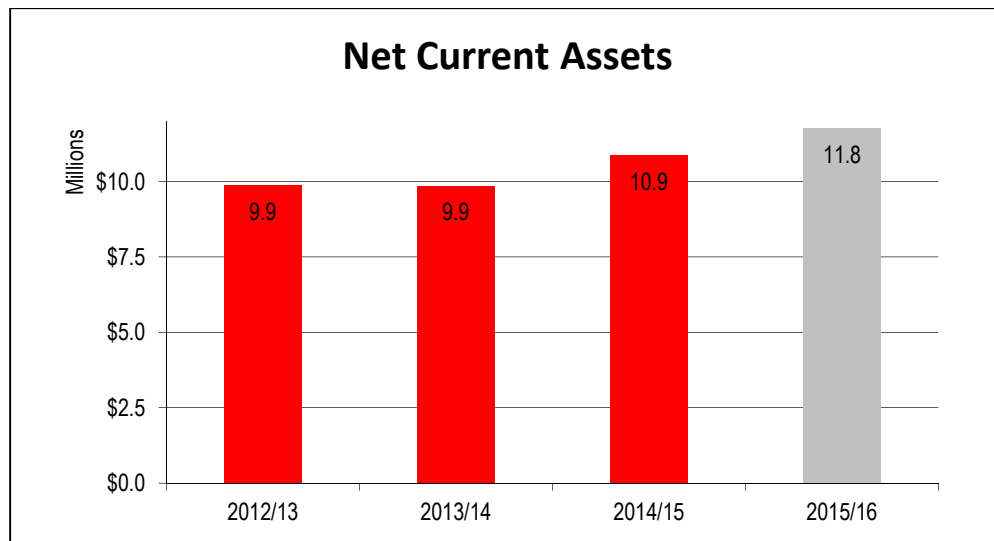
Council has assets such as facilities and roads to support its services. When the condition of an asset degrades to the point that it impedes the service then Council needs to consider whether the asset will be renewed. Council then prioritises renewal candidates within available renewal funding, with those unable to be funded identified as being on the Asset Renewal Backlog.

Council's currently identified backlog is \$1.3m with those assets currently on the backlog listed in appendix H of this document. Related projects will be considered for funding in next year's budget, along with other assets whose condition reaches that point within the next 12 months.

Officers run models that estimate the asset renewal requirement into the future. Given Council's Asset Renewal Funding Strategy provides a known level of renewal allocation, the likely future

backlog can be predicted. Officers aim to include the longer term renewal backlog in future budget documents.

Financial Position

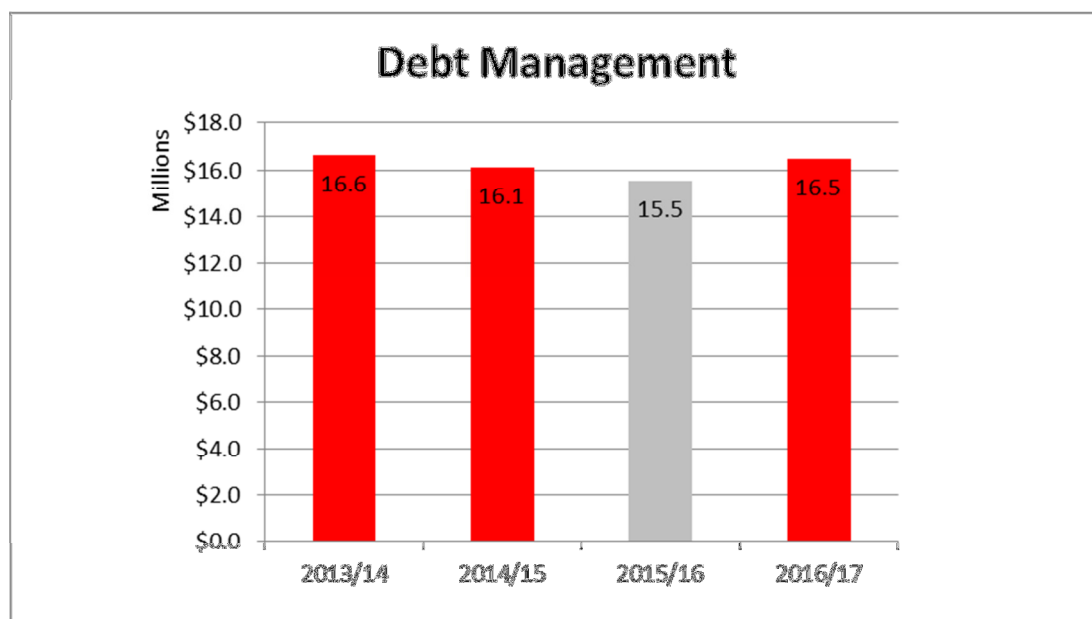


Net Current Assets (Working Capital) will increase by \$0.9 million to \$11.8 million as at 30 June 2016.

Net Assets will increase by \$17.0 million to \$398.5 million as at 30 June 2016

Net assets is an indicator used to measure Council's financial position; however it largely reflects the size of Council's asset base. It is however unlikely that Council would be able to or choose to realise substantive funds from disposing of these assets. The scale of these assets does however highlight the asset renewal challenge faced by Councils.

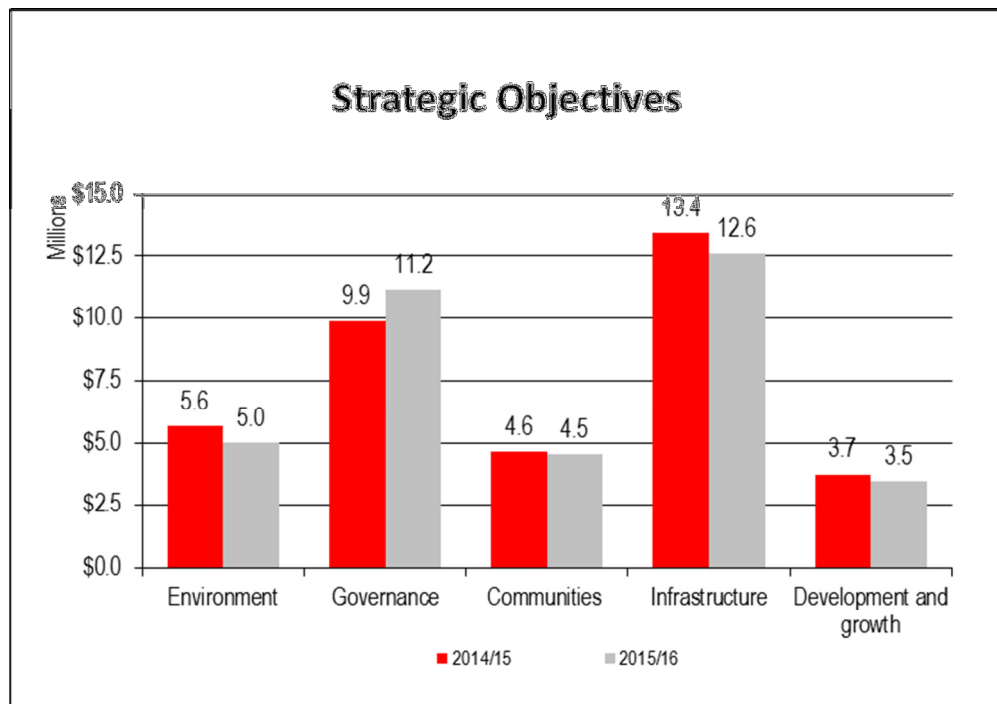
Debt Management



No further borrowings are planned for the 2015/16 year. Council continues to maintain a moderate level of debt, however is planning to take out a further loan of \$1.6m in 2016/17 and \$3.0m in 2017/18 as part of funding for the North Torquay Children's Hub.

Council's debt level at 30 June 2016 will be \$15.5m, being 39% of Rate Revenue (a commonly referred to industry indication, with the recommended prudential guidelines to be within 60%).

Strategic Objectives



The reduction in net expenditure related to environmental strategic objectives is largely due to once-off projects that were budgeted and completed in the 2014/15 financial year. These include the Bells Beach Master Plan, Great Ocean Road vegetation management and Sustainability and Climate Change projects.

The governance strategic objective increase in the 2015/16 budget due to a number of items including staff vacancies in 2014/15, a decrease in revaluation fees received from the State Revenue Office (received every second year), an increased contribution to the Geelong Regional Library Corporation, and additional resources in Council's procurement and Information Technology areas. The infrastructure strategic objective reduction in the 2015/16 budget is mainly due to the lower level of expensed capital works.

Rate Capping

Council acknowledges the election commitment of the Victorian Government to introduce rate capping. The government has sought the advice of the Essential Services Commission (ESC) regarding the implementation of this policy, with a response required by 31 October 2015. The Local Government Rates Capping Framework Terms of Reference has been provided for information as Appendix F.

Council is seeking to work with the local government sector and government to ensure the implications of this policy are understood and for it to be implemented in a pragmatic manner.

Updated Long Term Financial Plan

Council anticipates preparing an updated long term financial plan in November 2015.

This updated plan will allow for consideration of the impacts of rate capping, the actual financial result for 30 June 2015 and Council's consideration of potential major new initiatives.

Keith Baillie
Chief Executive Officer

Budget processes

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

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

The 2015/16 budget, which is included in this report, is for the year 1 July 2015 to 30 June 2016 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2016 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

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

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

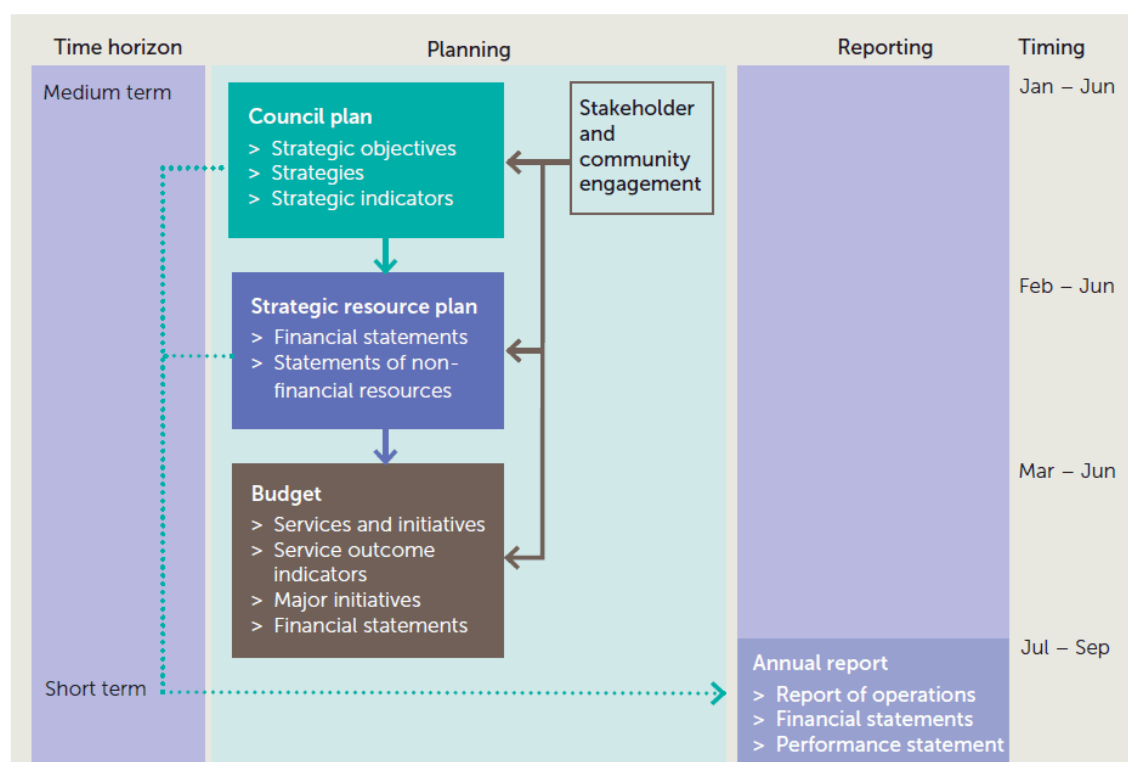
Budget process	Timing
1. Officers update Council's long term financial projections	Dec-Mar
2. Officers prepare operating and capital budgets	Jan-Feb
3. Councillors consider draft budgets at informal briefings	Jan-Mar
4. Proposed budget submitted to Council for approval	7 April
5. Public notice advising intention to adopt budget	9 April
6. Budget available for public inspection and comment	9 April
7. Public submission process undertaken	Apr/May
8. Submissions period closes (30 days)	8 May
9. Submissions considered by Council/Committee	19 May
10. Budget and submissions presented to Council for adoption	9 Jun
11. Copy of adopted budget submitted to the Minister	Jun
12. Revised budget where a material change has arisen	Sep-Jun

1. Linkage to the Council Plan

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

1.1 Strategic planning framework

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



Source: Department of Environment, Land, Water and Planning (formerly 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

Vision

Our Vision: *“Working towards an engaged, innovative and sustainable community”*

Achieving the Vision

Council has identified five strategic themes, each of which is underpinned by outcomes, strategies and a number of measurable performance indicators that are designed to help Council to achieve its Vision. It is through the achievement of these strategic objectives that Council will deliver on its mandate to govern in the interests of the entire Surf Coast Shire community.

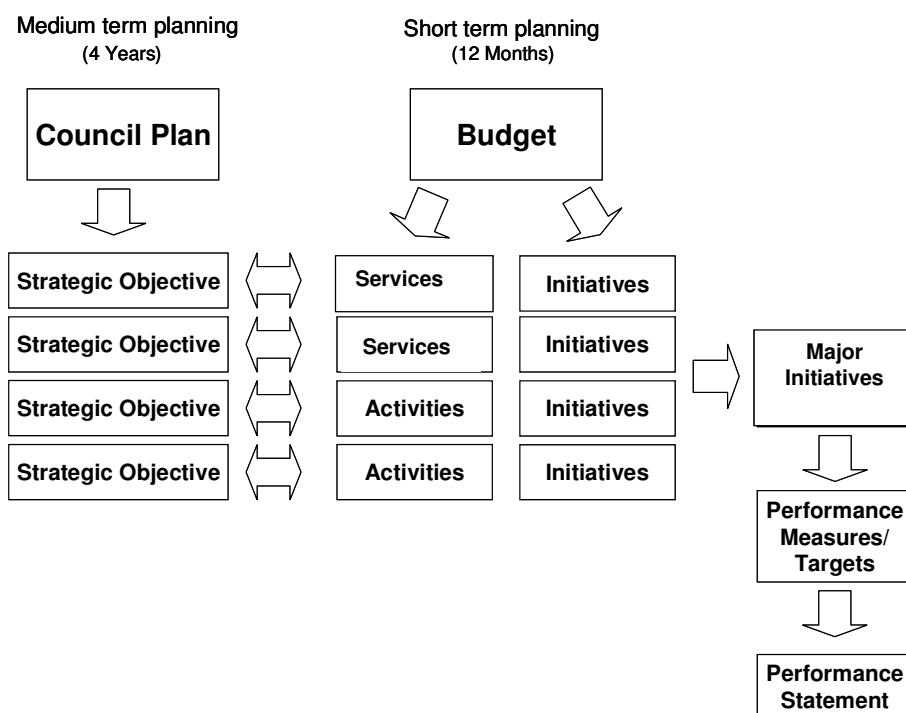
1.3 Strategic objectives

The Surf Coast Shire Council delivers activities and initiatives under major service categories. Each contributes to the achievement of the key Strategic Objectives as set out in the Council Plan for the years 2013-2017. The following table lists the Strategic Objectives as described in the Council Plan.

Themes	Strategic Objectives
1. Environment	<ul style="list-style-type: none">• Preserve and enhance the natural environment• Pursue alternative energies• Leadership in innovative environmental practices• Protect public open space and green belts
2. Governance	<ul style="list-style-type: none">• Robust risk management framework and processes• High performing accountable organisation• Long term financial viability• Transparency in decision making and access to information• Enhanced community engagement• Advocate on behalf of our community
3. Communities	<ul style="list-style-type: none">• Communities that can plan for and recover from disasters• Quality services allocated according to need• Preservation of peaceful, safe and healthy environments• Building leadership and skills within the community
4. Infrastructure	<ul style="list-style-type: none">• Allocation of infrastructure according to need• Accessible and well maintained Council facilities• Enhanced key rural and coastal roads and transport options
5. Development and growth	<ul style="list-style-type: none">• Protect productive farmland and support rural business• Encourage sustainable economic development and growth• Develop and grow sustainable year round tourism• Transparent and responsive land use and strategic planning

2. Services, initiatives and Service Performance Indicators

This section provides a description of the activities and initiatives to be funded in the budget for the 2015/16 financial year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in section 1. It also includes a number of key strategic activities and performance targets and measures in relation to these. The relationship between these components of the Budget and the Council Plan is shown below.



2.1 Theme 1: Environment

Surf Coast Shire Council will pursue innovative and sustainable practices across the Shire that will preserve and enhance our natural environment for all, by being socially responsible and environmentally aware. To achieve this, we are committed to the following strategic objectives:

- Preserve and enhance the natural environment
- Pursue alternative energies
- Leadership in innovative environmental practices
- Protect public open space and green belts

The activities and initiatives for each Council service area are described below.

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Environment	This service ensures that Council complies with State and Federal legislative requirements regarding the environment, including native vegetation, listed species and ecological communities, estuary works and artificial estuary openings and statutory planning referrals. The Unit also delivers a wide range of Council Plan strategies related to pest plant and animal management, sustainability and climate change. The Unit is the designated land manager for Council's many nature reserves (including the world famous Bells Beach Surfing Recreation Reserve), 1500km of rural roadsides and also some waterways. The Unit provides specialist environmental and sustainability advice internally to Council and externally to community groups, local businesses, agencies and members of the public.	931 - 931
Open Space Planning	The open space activities of Council include ensuring that the management of public open space is conducted with a focus on environmental planning. The Open Space Planning unit is responsible for maintaining and planning the development of public open space.	213 - 213
Waste Management	The Waste Management function involves management of Council's landfill and transfer stations, waste collection including kerbside rubbish collection and street cleaning and maintenance of street litter bins. The Waste Management unit has a strong focus on community education and waste services planning. Revenue in this area is generated mainly from waste disposal fees.	6,483 (2,642) 3,841

Major Initiatives

Community consultation on unconventional gas exploration (\$15,000)

Initiatives

1. Winchelsea Common Remediation works on the common (\$50,000)
2. Environmental Initiatives (\$25,000)
3. Torquay Plastic Bag Free Project (\$10,000)
4. Revegetation of embankment below the Lorne Historical Society (\$1,500)

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
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

2.2 Theme 2: Governance

Surf Coast Shire Council is committed to delivering a transparent, high performing and sustainable business that engages with the community and adopts robust risk management practices. To achieve this, we are committed to the following strategic objectives:

- Robust risk management framework and processes
- High performing accountable organisation
- Long term financial viability
- Transparency in decision making and access to information
- Enhanced community engagement
- Advocate on behalf of our Community.

The activities and initiatives for each Council service area are described below.

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Executive Services & Council Support	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas. Revenue in this area is generated mainly from gravel pit royalties and fees.	3,071 (495) 2,576
Information Services	This service includes two main sections, Information Technology (incl. Geospatial Information systems) and Records Management. The Information Technology area supports the organisations requirements for computer services (incl. provision, support, maintenance, licencing and infrastructure), communications (fixed, mobile and data) and geospatial mapping facilities for council and external uses. The Records Management area manages document compliance (incl. Creating, capturing, classifying and archival maintenance), and processing of incoming and outgoing correspondence. The Information Management department has the responsibility to support the organisation with a cost effective and efficient technology service which seeks to improve the performance of the organisation.	2,184 - 2,184
Corporate Planning	This service provides organisational policy, systems and support in the areas of continuous improvement, corporate planning, performance measurement and reporting.	195 - 195
Financial Management	This service provides financial services to both internal and external customers of the organisation. The unit is responsible for ensuring that Council complies with its statutory obligations in regard to financial planning and reporting as well as provision of accounting services and management of Council funds. Duties include managing creditors, payroll and financial reporting. The Financial Management unit plays an integral part in Council's long term financial planning processes, the formulation of Council's annual budget, and the regular	2,476 (765) 1,711

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
	reporting of Council's financial performance. This function also includes management of the raising and collection of Council's primary revenue source, rates and charges. Revenue in this area is generated mainly from pensioner rate concession and debt collection recoupments.	
Risk Management	This service involves overseeing Council's risk management system, including provision of support to the organisation in regard to managing risks, insurance policies and business continuity.	139 - 139
People and Culture	This service is responsible for supporting the organisation with strategic and operational human resources management and includes learning and development and occupational health and Safety. The activities of the unit include developing and implementing strategies, policies and procedures that promote high level human resources and industrial relations services. The unit also supports the organisation in attracting new staff, retaining existing staff and the ongoing development of the skills within Council's work force.	1,038 - 1,038
Communications and Community Engagement	This service is responsible for coordinating Council communications, including liaising with media, formulating press releases, preparing publications and delivering digital communication. The unit also provides support to the Mayor and Councillors in regard to media matters. Council's community engagement activity is led and supported by the unit.	1,503 (4) 1,499
Customer Service	This service is responsible for coordinating Council's front of house customer services activities, including attending to customer phone and face to face enquiries.	592 - 592
Governance	This service provides provision of statutory and corporate support to the organisation, development and review of organisational policies and procedures, Council meeting administration, ensuring compliance with legislative requirements, managing Freedom of Information and privacy requests, maintaining the public registers and managing Council delegations and authorisations.	749 - 749
Development Compliance & Local Laws	This service includes animal management, traffic management, permits for footpath trading, local law enforcement and State Government agencies enforcement activities, Building development controls function and planning enforcement. This service provides staff at school crossings to ensure that all pedestrians are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment in Council by providing animal management services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an afterhours	1,733 (1,245) 488

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
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service and an emergency service. Revenue in this area is generated mainly from the issuance of infringement notices.

Major Initiatives

Leadership Development Program (\$5,000)

Initiatives

5. Local Law Signage upgrades to parks and reserves regarding dog regulations (\$5,000)
6. Workplace Health & Safety Program support (\$20,000)
7. Commission new software to improve council reporting (\$15,000)
8. Advocacy Support (\$30,000)
9. Community Consultation over Anglesea coal mine/power station rehabilitation (\$25,000)
10. 'Planning Customer Service Pillar 3 – Project IT System (\$25,000)
11. Prioritising Infrastructure Consultation (\$20,000)
12. White Ribbon Accreditation (\$15,000)

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
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

2.3 Theme 3: Communities

Surf Coast Shire Council will pursue active engagement with the diverse and growing communities in which we operate and live, to establish quality services, healthy and safe environments for all and long term community partnerships supported by strong leadership. To achieve this, we are committed to the following strategic objectives:

- Communities that can plan for and recover from disasters
- Quality services allocated according to need
- Preservation of peaceful, safe and healthy environments
- Building leadership and skills within the community

The activities and initiatives for each Council service area are described below.

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Sport & Recreation	This service is primarily responsible for Council's promotion and support of community access and provision of recreation facilities and programs. It is responsible for the management of Council's sporting reserves and pavilions, community houses and leisure and community services. The unit provides advice on local leisure needs and assists community groups with funding applications, licence agreements and liaises with community houses, men's sheds and S86 committees. Revenue in this area is generated mainly from leasing out Council infrastructure and grants received.	1,700 (436) 1,264
Social Planning	This service assists Council to meet its responsibilities for the social wellbeing of the community by providing advice and coordinating projects in the areas of social research, social planning, social policy and health promotion.	221 — 221
Arts Development	This service provides a varied program of arts and cultural activities. Council plans and develops arts and cultural infrastructure and develops policies and strategies to facilitate art practice. The function is also responsible for the provision of library services at Torquay and across the municipality with a mobile service.	222 — 222
Early Years	This service provides family oriented support services including kindergartens, toy libraries, maternal and child health , youth services, family day care, vacation and occasional care programs. The unit also supports playgroups, visiting specialists and through community engagement provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees.	3,075 (2,210) 865
Positive Ageing	This service provides a range of home and community care and social support services for older people and people with a disability including home delivered and community meals, in home domestic respite and personal care, home maintenance, senior citizens and service coordination. Revenue in this area is generated mainly from government grants received and user service fees.	3,242 (2,265) 977
Community Emergency Management	This service assists community and Council plan for, respond to and recover from all potential emergencies and their consequences. This includes coordinating arrangements for the utilisation and implementation of Council resources in response to emergencies and arrangements for the provision of assistance to the community during recovery from emergencies. The Unit prepares and maintains fire and other emergency management plans integrated with other local, regional and state plans. The Unit also delivers fire prevention programs under the CFA Act and community resilience outreach programs with high risk communities.	718 (36) 682

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
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Environmental Health	This service provides public and environmental health protection services to the community and ensures Council complies with its legislative duties. Services include: food safety - registration and monitoring compliance of food, accommodation, caravan parks and health (hairdressers, tattooist, beauty etc.) businesses; Inspection and issuing permits for wastewater treatment systems and septic tanks; Investigations of public health complaints such as nuisances, food safety, pest control, noise, emissions, odour, pollution, asbestos, water quality; Customer Services/Expert Advice on public and environmental health matters; Public health emergency response; and Childhood and School Immunisation Services. Revenue in this area is generated mainly from health registration fees.	576 (263) 313
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Major Initiatives

Lorne Stribling Reserve Masterplan (\$50,000)

Initiatives

13. Aireys Inlet Masterplan (\$10,000)
14. Aireys Inlet School Recreation Reserve Masterplan (\$2,000)
15. Assessment & Review Officer 0.4 EFT Home Support Program (\$30,000)
16. Children's Hub Trainee to support early years programs (27,526)
17. Expand Library Services – Children's and Youth Programs (\$81,720)
18. New position of Environment Health Officer 1.0 EFT (\$89,575)
19. Extension of Health and Wellbeing Program (\$16,000)
20. Growing Winchelsea – Planning Long Day Child Care (\$10,000)
21. Aireys Inlet Reserve Contribution (\$4,500)

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Maternal and Child Health	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
		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
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
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

2.4 Theme 4: Infrastructure

Council is committed to meeting our community's needs for accessible, well maintained and safe infrastructure. Council will work with the community to understand its needs, delivering infrastructure where it is needed, and partnering with or influencing others on behalf of our community. To achieve this, we are committed to the following strategic objectives:

- Allocation of infrastructure according to need
- Accessible and well maintained Council facilities
- Enhance key rural and coastal roads and transport options

The activities and initiatives for each Council service area are described below.

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Parks & Open Space	This service is responsible for the coordination of all Council parks, reserves, gardens and related infrastructure. This involves ensuring appropriate maintenance levels, including planting of vegetation, tree pruning, planning and developing areas of open space, and implementation of street tree strategies.	3,567 (15) 3,552
Civil Works	This service is responsible for the maintenance of Council's 563 km sealed road network, 540 km unsealed road network, 180km of drains and 63km of footpaths. In undertaking these responsibilities, the unit is also required to source and manage contracting services to assist with the completion of works, regularly review the standard and cost of materials, and to keep up to date with improved work practices.	4,851 (54) 4,797
Contracts & Capital Works	This service is responsible for integrated and prioritised capital works planning. This includes development and implementation of asset management plans for planning for the expansion of Council's asset portfolio for the needs of a growing population, as well as planning the renewal management of Council's existing Infrastructure. In addition the function manages and maintains Council's building and fleet portfolio. This service area also is responsible for design, tendering, contract management and supervision of works required to deliver Council's capital works program. Revenue in this area is generated mainly from government grants received.	6,446 (3,532) 2,914
Engineering Services	This service is responsible for the design of traffic and drainage infrastructure projects as well as subdivision design approval and works inspections. They also manage traffic management, street lighting and bus shelters throughout the Shire. Revenue in this area is generated mainly from government grants received and user service fees.	1,583 (249) 1,334

Major Initiatives

Street Light Upgrade Program, upgrade of lamps to LED, 1st year of 5 year program for which Council will be seeking 1 to 1 grant funding (\$100,000 per year)

Initiatives

- 22. Installation of drinking water fountain at Eastern Reserve (\$3,000)
- 23. Construction of Storage Pods at Stribling Reserve Stadium (\$35,000)
- 24. Lorne Hazard Street Tree remedial works (\$138,900)
- 25. Building Disability Discrimination Act Audit (\$40,000)
- 26. Infrastructure Development Services Support (\$33,280)
- 27. Civil works maintenance budget increase for growth (\$32,688)
- 28. Parks & Open Space maintenance budget for growth (\$24,344)
- 29. Building maintenance budget increase for growth (\$167,000)

Service Performance Indicators

Service	Indicator	Performance Measure	Computation
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 Theme 5: Development & Growth

Surf Coast Shire Council will actively pursue healthy and sustainable communities through growth and development initiatives that protect and support tourism and rural businesses, and encourage clean industries and development that respects the attributes of the Surf Coast Shire environment and lifestyle. To achieve this, we are committed to the following strategic objectives:

- Protect productive farmland and support rural business
- Encourage sustainable economic development and growth
- Develop and grow sustainable year round tourism
- Transparent and responsive land use and strategic planning

The activities and initiatives for each Council service and key strategic activities are described below.

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Planning & Development	This service is responsible for building and strategic and statutory planning . It includes processing all planning applications, providing advice and assessing development proposals which require a planning permit, and representing Council at the Victorian Civil and Administrative Tribunal where necessary. It is also responsible for monitoring Council's planning scheme, developing land use policy and preparing and processing amendments to the Planning Scheme. Review of policies and strategies relating to urban design issues are also processed under this function. Revenue in this area is generated mainly from government grants received and user service fees.	2,547 (830) 1,717
Economic Development & Tourism	The Economic Development and Tourism service is responsible for business engagement and support, grants administration, tourism marketing, visitor centres, event facilitation and the Australia National Surfing Museum. It includes supporting existing business, attracting new business, providing economic data, grants administration, developing business profiles and contributing to local trader groups. Tourism development functions include promoting the conference market, product development and marketing and funding Great Ocean Road Regional Tourism. The service also facilitates a range of small to internationally recognised events via our event liaison team and provides an event grants funding program. Four visitor centres and the Australian National Surfing Museum service and distribute information to visitors. Revenue in this area is generated mainly from Museum and Visitor Information Centre sales.	2,369 (630) 1,739

Major Initiatives

National Surfing Museum and Anglesea Visitor Experience (\$40,000)

Initiatives

30. Planning Scheme Amendments to implement approved strategic work (\$100,000)

Service Performance Outcome Indicators

Key Strategic Activity	Performance Measure	Performance Target
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

2.6 Performance statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2015/16 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement 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

2.7 Reconciliation with budgeted operating result

		Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Strategic Theme				
	Environment	4,985	7,627	(2,642)
	Governance	11,171	13,679	(2,508)
	Communities	4,543	9,753	(5,209)
	Infrastructure	12,597	16,447	(3,850)
	Development and growth	3,457	4,917	(1,460)
	Total activities and initiatives	36,753	52,423	(15,670)
	Non-attributable items ^(#1)	5,301		
	Deficit before funding sources	42,054		
	Funding Sources			
	Rates and charges	45,732		
	Capital grants	3,321		
	Special Rates & Charges	301		
	Capital Contributions	356		
	Total funding sources	49,711		
	Surplus for the year	7,657		

^(#1) Includes grants commission, debt servicing, interest on investments, insurances, net gain on disposal of property, plant and equipment, depreciation, asset write-off and granted assets.

3. Budget influences

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

3.1 Snapshot of Surf Coast Shire Council

The Surf Coast Shire, with its beach, bushland and rural environment, is located in south-western Victoria, 95km from Melbourne, 21km south of Geelong and close to the extended Geelong Ring Road. The Surf Coast Shire is an appealing destination for holiday makers and international visitors, or those looking to make a permanent sea change. The Shire is home to some of the world's best surfing locations, with the iconic Great Ocean Road beginning in the Surf Coast Shire. The natural environment is a defining feature of the Surf Coast Shire. From spectacular rugged coastlines to dense native forests and rolling rural plains, the Shire is strongly influenced by physical and natural features that impact on urban development and land management.

The Shire is home to nine distinct townships; Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each of these townships has a keen sense of community, a unique identity and a strong desire to protect and nurture the environment. There is also a significant rural population including farming and rural/residential communities.

Torquay is at the start of the Great Ocean Road and is the fastest growing location within the municipality, with census data showing that Torquay has grown on average by 8% per annum between 2006 and 2011. Torquay and neighbouring Jan Juc continue to attract a large number of young families to the Shire given the coastal lifestyle and ease of commuting to Geelong and Melbourne.

Winchelsea has been identified as a town that is also capable of supporting substantial residential growth and is the principal agricultural centre of the Shire. Duplication of the Princes Highway together with access to good physical and community infrastructure support Winchelsea's position as our secondary growth centre within the shire.

Lorne, in the south-west of the Shire, is another iconic destination. Bordered by Loutitt Bay, the Great Ocean Road and the Otways National Park, this town is a scenic and recreational wonderland. Smaller coastal towns of Anglesea and Aireys Inlet offer magnificent seaside and bushland experiences while the hinterland villages of Deans Marsh and Moriac maintain strong links to the land, much of which is highly productive agricultural countryside adjacent to the Otways National Park.

The Surf Coast Shire, with its natural beauty, proximity to the beach and bushland, and its ability to sustain thriving vibrant communities, continues to deliver jobs and create economic development opportunities.

Population

Proximity and lifestyle continue to contribute to the Surf Coast Shire being one of the fastest growing municipalities in Victoria. Since 2001 the permanent population of the Surf Coast Shire has grown from 20,872 to 28,282 in 2013 (latest official Estimated Resident Population) and an estimated 30,299 in 2015 (forecast .id). The population is forecast to grow to nearly 45,000 by 2031 (forecast .id). Between 2012 and 2013 Surf Coast Shire was the fourth fastest growing municipality in regional Victoria increasing by 2.9% and Torquay/Jan Juc and surrounds grew by 4.9% to around 17,000 people. Between 2015 and 2016 Torquay North is forecast to grow by 465 people (Forecast .id).

Since 2006, the Surf Coast Shire has experienced a higher than average population growth rate of 3.0% per annum and the forecast average annual growth rate through to 2031 is the fifth highest in regional Victoria (Department of Planning and Community Development, Victoria in Future 2014).

Census and forecasts population data is available on the Surf Coast Shire website and includes community profile data for all Surf Coast Shire townships (Go to My Council/Population Information).

Visitation and part time populations

While the region's permanent population continues to grow, part time populations are also significant in Surf Coast Shire including holiday home residents, seasonal visitors, event populations and day trippers. The peak overnight population of Surf Coast Shire between December 2013 to January 2014 was estimated at 85,409 (Economic Indicators Bulletin Geelong 2013).

In the year ended June 2014 over 1.8 million visitors came to Surf Coast Shire directly expending over \$400 million. Summer periods dominate visitation patterns with the March Quarter accounting for just over 42%.

Age structure

Surf Coast Shire has a younger age profile in 2011 compared to the Geelong Region. In 2011 25% of our population was in the younger age groups (0 to 17) and 21% was aged 60 years or older, compared with 23.1% and 22.7% respectively for the Geelong Region. (Australian Bureau of Statistics, Census of Population and Housing). By 2031, it is forecast that the proportion of people in both these groups will be similar, around 23%, reflecting continued family growth and the ageing of the population.

Births

New births are also contributing to Council's increasing population. In 2013 there were 321 births in Surf Coast Shire (Australian Bureau of Statistics, Registered Births). Between 2015 and 2024 it is projected that there will be a further 4,400 births (forecast .id).

Dwellings and households

Strong dwelling growth has also occurred with approximately 4,000 additional dwellings between 2001 and 2011 (Australian Bureau of Statistics, Census of Population and Housing). Since the 2011 Census count of about 16,630 dwellings, forecasts indicate growth to 18,640 dwellings in 2015. It is anticipated that residential development will grow at a rate of about 2.5% per annum during 2015/16 with about 475 additional dwellings (forecast .id).

Only 53% of properties within the Surf Coast Shire are owned by people residing in the shire. On Census night, in August 2011, 42% of private dwellings were unoccupied, reflecting the large number of holiday homes in the shire.

In 2011 31.9% of all households in Surf Coast Shire were couples with children, 35.3% were couples without children, 7.8% were one-parent families and 20.9% were lone person households. (Australian Bureau of Statistics, Census of Population).

Education

Surf Coast Shire has experienced a steadily improving retention of students who are completing Year 12, from 44.7% in 2006 to 50.4% in 2011, compared to the Geelong Region with 41.5%. The proportion of residents who have post-school qualifications has also increased from 47% in 2006 to 54.3% in 2011 (Australian Bureau of Statistics, Census of Population and Housing).

Employment

Surf Coast Shire is strongly influenced by the impact of tourism and surfing. Total employment in the municipality is estimated at 7,500 jobs with major employers including Rip Curl, Quiksilver, Barwon Health and Surf Coast Shire. Industry breakdowns for the top 4 employment sectors are as follows: Accommodation and Food Services 15.5%, Retail Trade 13.5%, Construction 13.4% and Health Care and Social Assistance 7.9%. When identified as a distinct industry sector the surf sector represents approximately 27% of total employment in Surf Coast Shire (REMPplan 2015).

Budget implications

As a result of the Shire's demographic profile there are a number of budget implications in the short and long term as follows:

- The development of Torquay North continues with the construction of open space pathways, recreation areas and facilities, a regional bicycle route, road widening and an intersection upgrade to support the growing population and demand placed on Council provided community infrastructure.

- Various strategic projects are planned to prepare Council for the anticipated growth and development in the Shire, including:
 - Planning Scheme amendments to implement approved strategic work, including Growing Winchelsea, Aireys Inlet to Eastern View Plan, and the Spring Creek Precinct Structure Plan.
 - Developing masterplans for Stribling Reserve in Lorne, and the Aireys Inlet Community Centre.
 - Supporting a regional study (conducted by the G21 group of Councils) into Economic and other benefits of Arts and Culture.
 - Providing further support to introduce new children's and youth programs in Council's libraries.
- The budget also recognises that an increasing population continues to bring pressure on Council's asset maintenance services, including buildings, recreation reserves, pathways, and drainage.

3.2 External influences

In preparing the 2015/16 budget a number of external influences have been taken into consideration, as they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- An annual inflation rate (CPI) of 3.0% has been applied to all expense categories in 2015/16 with the exception of wages, construction, contract and materials maintenance costs (Reserve Bank forecast is 2.25%-3.25 % for the 2015/16 year per *Statement on Monetary Policy:Feb 2015 – Economic Outlook*).
- An annual construction price index forecast for the 2014/15 year of 4.0% has been applied to construction, contract and materials maintenance costs as these costs traditionally increase higher than the CPI rate.
- Total labour costs represent 42% of Council's Operating expenses. An annual average allowance of 4.2% has been allowed for wage growth, including wage and banding increments.
- Grants Commission funding is expected to remain steady as \$3.6 million due to the Commonwealth governments' freeze on indexation of Financial Assistance Grants to local government.

3.3 Internal influences

As well as external influences, there are also a number of internal influences that are expected to have a significant impact on the preparation of the 2015/16 Budget. These matters have arisen from events occurring in the 2014/15 year resulting in variances between the budgeted results and the revised forecast for that year and from matters expected to arise in the 2015/16 year. These include:

- \$1.1 million of Capital Works budgeted in 2014/15 that will not be completed until 2015/16, including the Jan Juc Creek Daylighting project and the Banyul Warri Fields Playzone project.
- Inclusion of the Winchelsea and Jan Juc Kindergartens into Council's kindergarten cluster management, which include a subsequent increase of 7.32 EFT employees that are employed by those kindergartens. This has produced an increase in Council's employee costs of \$0.3 million which is offset by an increase in kindergarten revenue.
- The 2015/16 Capital Works Program includes works that are related to Council assets that do not meet asset recognition criteria and cannot be capitalised to the Balance Sheet – Operating impact \$1.9 million increase in expenses, plus a further \$1.4 million for landfill rehabilitation that is charged directly against the provision.

3.4 Budget principles

The key budget principles on which the 2015/16 budget is based (and which are drawn from the Strategic Resource Plan 2015/25) are:

- **Rate increases that are adequate** to maintain current service delivery levels, as well as meeting increased expectations for services and capital works. Council will aim to achieve its long term objectives with the goals of maintaining the affordability of rate increases to ratepayers, and the efficient use of ratepayer money.
- **Responsible use of debt**, which includes maintaining debt levels below local government prudential guidelines.
- **A fully funded 10 year capital works program**, which includes increased funding for new infrastructure and increased funding for renewing existing assets to high standards.

- **Maintenance of a strong liquidity position**, ensuring Council has the flexibility to respond to short term challenges.
- **Achievement of an operating surplus every year**, with the goal of achieving a sustainable surplus in the near future.
- **Equitable and transparent distribution of rate revenue.**
- **Responsible and sustainable asset management.**
- **Being financially sustainable in the long-term.**

This budget has also been constructed based on the principle of continuous improvement of Council's financial reporting to the community, and includes a number of new inclusions and appendices designed to provide better understanding of Council's financial decisions and obligations to the community.

3.5 Long term strategies

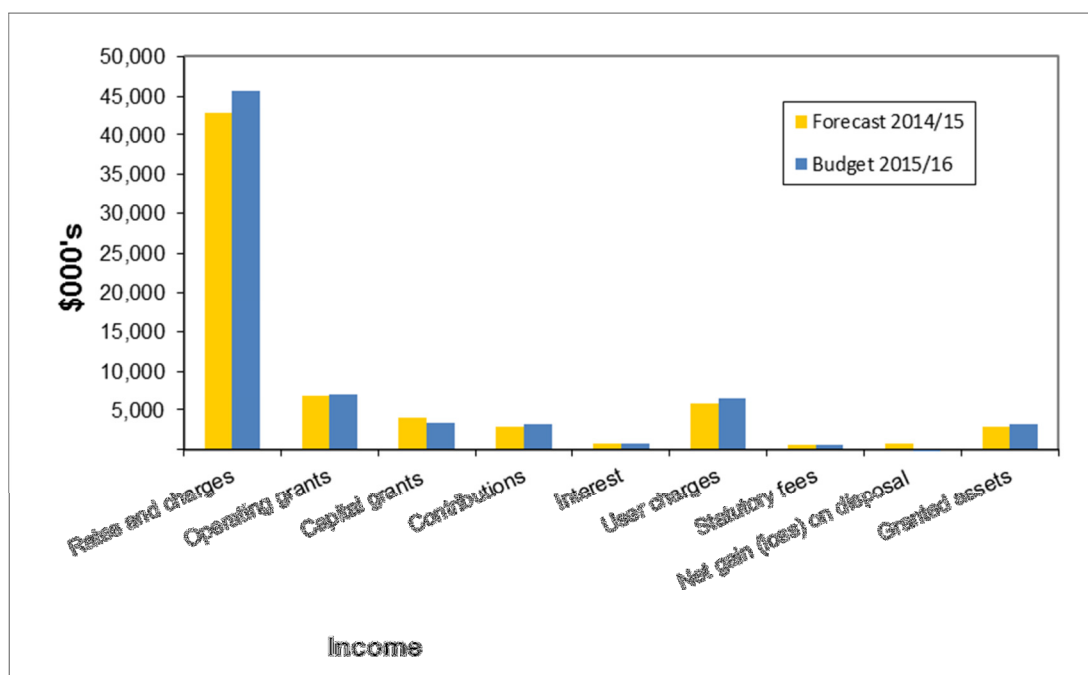
The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2015/16 to 2024/25 (section 8.), Rating Strategy (section 9.) and Other Long Term Strategies (section 10.) including borrowings, infrastructure and service delivery.

4. Analysis of operating budget

This section analyses the expected revenues and expenses of the Council for the 2015/16 year.

4.1 Operating revenue

		2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
	Ref			
Income				
Rates and charges	4.1.1	42,761	45,732	2,971
Operating grants	4.1.2	6,972	7,124	152
Capital grants	4.1.3	3,958	3,321	(637)
Contributions and Recoupments	4.1.4	2,904	3,268	365
Interest	4.1.5	741	773	32
User charges	4.1.6	5,845	6,458	614
Statutory fees	4.1.7	625	673	49
Total operating revenue		63,804	67,350	3,545
Net gain (loss) on disposal	4.1.8	775	(119)	(894)
Granted assets	4.1.9	2,902	3,220	318
Total income		67,482	70,451	2,969



4.1.1 Rates and charges (\$3.0 million increase)

It is proposed that income raised by all rates and charges be increased by 6.9% or \$3.0 million over 2015/16 to \$45.7 million. This includes an increase from existing rate payers (including municipal charge) of 5.5%; Garbage Charge increase of 4%; the annualised effect of new ratepayers from 2014/15 paying a full year's worth of rates in 2015/16, and income from new rate payers in 2015/16 of \$0.5 million and new garbage charges of in 2015/16 of \$0.1 million.

4.1.2 Operating grants (\$0.2 million increase)

Operating government grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services. Overall, the level of grants is forecast to increase by 2.2% or \$0.2 million compared to 2014/15.

The Commonwealth Government has paused the indexation of the total national pool of financial assistance grants to local government for three years until 2017/18. The reduction of \$0.05 million in Council's Grants Commission allocation in the 2015/16 budget represents a \$0.02m underpayment from 2013/14 paid to Council in 2014/15, and an updated estimated decrease of \$0.03m for the 2015/16 year, which has been received from the Victorian Grants Commission.

Operating Grant Funding and Source	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Victorian Grants Commission	3,667	3,617	(50)
HACC Assessment and Care	166	168	2
HACC General	363	395	33
HACC Personal Care	272	270	(2)
Flexible Service Response	20	20	-
HACC Property Maintenance	66	68	2
HACC Respite Care	74	45	(29)
HACC CafeStyle Support	26	26	-
Commonwealth Respite Care Program	109	113	3
Home care packages	234	356	122
Recurrent - State Government			
Maternal & Child Health	217	225	8
Family Day Care	51	44	(7)
Kindergarten Cluster Management	825	1,028	203
Youth Services	1	1	-
Statutory Planning	3	-	(3)
State Emergency Services	32	32	-
Positive Ageing Administration	50	33	(17)
Rural Access	48	48	-
Delivered Meals	66	60	(7)
Local Laws	36	36	-
Health Services	24	24	-
SSRC Holiday Program	50	45	(5)
Fleet Management	12	12	-
Total recurrent grants	6,410	6,665	255
Non recurrent - State Government			
Youth New Initiatives	102	100	(2)
Environment New Initiatives	71	61	(10)
Communications New Initiatives	19	-	(19)
Community Emergency Management	275	265	(10)
Leisure & Wellbeing	34	-	(34)
Senior Citizens	38	29	(9)
Economic Development & Tourism	19	4	(15)
Other non-recurrent grants	4	-	(4)
Total non-recurrent grants	562	459	(103)
Total Operating Grants	6,972	7,124	153

4.1.3 Capital grants (\$0.6 million decrease)

Capital grants include all monies received from State and Federal sources for the purposes of funding the Capital Works Program.

Overall, the level of capital grants has decreased by 16.1% or \$0.6 million compared to 2014/15. Grants that are budgeted to be received in 2015/16 include Federal Roads to Recovery projects \$1.3 million; Community Civic Precinct Playzone \$0.5 million; Great Ocean Road Service Road Upgrade \$0.4 million; Recreation Community Civic Precinct Recreation Facilities \$0.4 million; and Anglesea Kindergarten \$0.4 million.

Capital Grant Funding Types and Source	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	648	1,389	742
Roads & Bridges Initiative	1,000	-	(1,000)
Total Recurrent Commonwealth Grants	1,648	1,389	(259)
<i>Non-recurrent - Commonwealth Government</i>			
Recreation facilities	50	450	400
Total Non-recurrent Commonwealth Grants	50	450	400
<i>Non-recurrent - State Government</i>			
Community buildings	672	350	(322)
Drainage	65	318	253
Recreation facilities	778	614	(164)
Transport	295	200	(95)
Waste management	450	-	(450)
Total Non-recurrent State Grants	2,260	1,482	(778)
Total Capital Grants	3,958	3,321	(637)

4.1.4 Contributions (\$0.4 million increase)

Contributions relate to recoupment of expenditures, community contributions to capital works, and monies paid by developers in regard to new subdivision works. Contributions are forecast to increase by 12.6% or \$0.4 million compared to 2014/15. A number of once-off contributions were received in 2014/15 that will not reoccur in 2015/16, these include the Surf Lifesaving Club Policy (\$0.8m), Asian Cup Pre-Season Tournament Training (\$0.03m) and Aireys Inlet Skate Park Upgrade (\$0.02m). Family Day Care contributions have also reduced by \$0.1 million in line with the expected expenditure. New contributions will be received in relation to the Spring Creek Precinct Structure Plan (\$0.5m) and the Great Ocean Road Service Lane \$0.2m.

4.1.5 Interest (\$0.03 million increase)

Interest on investments is forecast to increase by 4.3% in 2015/16, or \$0.03 million compared to 2014/15. This is mainly due to anticipated higher cash reserves available for investing with the expenditure required for the capital works program reducing in 2015/16.

4.1.6 User charges (\$0.6 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council services and special rates raised for capital works projects.

User charges are forecast to increase by 10.5% or \$0.6 million compared to 2014/15. This is mainly due to the special charge scheme increase \$0.14 million for the Torquay footpaths precinct and kindergarten program fees increasing \$0.07 million due to the effects of a full year operating of the Jan Juc and Winchelsea kindergartens.

4.1.7 Statutory fees (\$0.05 million increase)

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation and include fees for planning certificates, subdivision certificates, building certificates and local law infringements. Statutory fees are forecast to increase by 7.8% or \$0.05 million compared to 2014/15. This increase is mainly due to food registrations increasing \$0.04 million as a result of the fee restructure undertaken as part of the Food Safety Service Review.

4.1.8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment (\$0.9 million decrease)

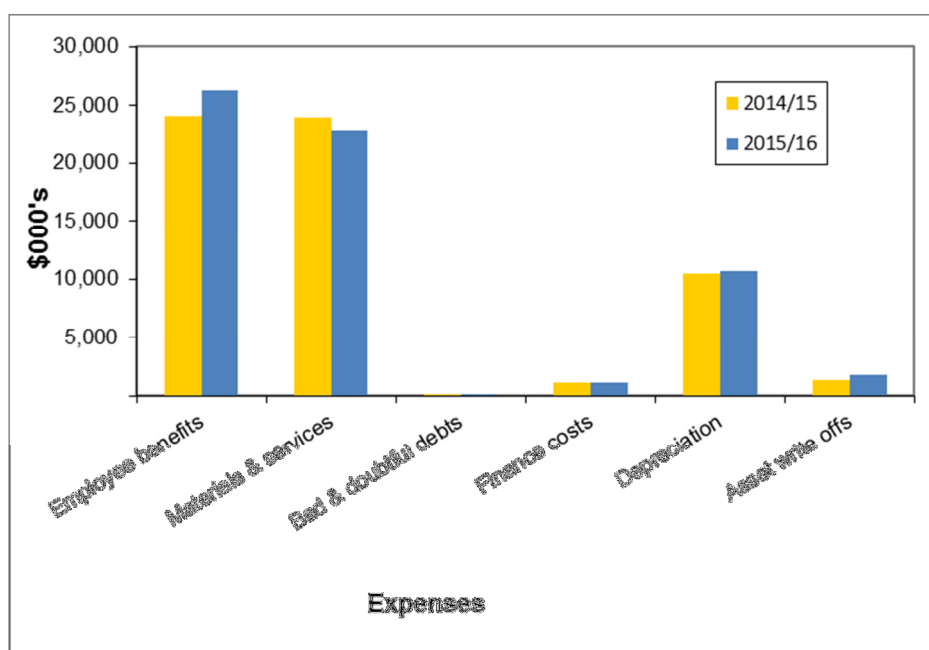
Proceeds from the sale of Council assets are forecast to be \$0.9 million for 2015/16 and relate mainly to the planned cyclical replacement of the plant and vehicle fleet (\$0.4 million) and the sale of surplus land that has been rehabilitated at Mt Moriac (\$0.4 million). The loss on disposal is calculated as the difference between the proceeds from sale of \$0.9 million and the written down value of the disposed of assets of \$1.0 million.

4.1.9 Granted assets (\$0.3 million increase)

Granted assets relate to assets provided by developers to Council on completion of subdivision works. Granted assets are forecast to increase by 11% or \$0.3 million compared to 2014/15 mainly reflecting an increase in anticipated property development in Torquay.

4.2 Operating expenditure

		2014/15	2015/16	
		Revised	Budget	Variance
	Ref	Forecast		
		\$'000	\$'000	\$'000
Expenses				
Employee benefits	4.2.1	24,109	26,319	2,210
Materials and services	4.2.2	23,990	22,795	(1,195)
Bad and doubtful debts	4.2.3	69	69	
Finance costs	4.2.4	1,150	1,124	(26)
Depreciation	4.2.5	10,480	10,708	227
Asset write offs	4.2.6	1,409	1,779	371
Total operating expenses		61,208	62,794	1,586



4.2.1 Employee benefits (\$2.2 million increase)

Employee benefits include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation and Workcover.

Employee costs are forecast to increase by 9.2% or \$2.2 million compared to 2014/15. This increase relates to the following key factors:

- The Surf Coast Shire Enterprise Agreement increase of 3.4%
- Position level increments
- Increase in staff numbers including an environmental health officer and a home support program assessment officer as well as the full year impact of employees commencing in 2014/15 including kindergarten staff at Jan Juc & Winchelsea kindergartens
- The 2014/15 revised forecast reflects adjustments for vacancies
- Additional employee costs been budgeted as a result of an organisational restructure and the public submissions process, these additional costs are required to realise savings in other cost areas (such as consultants/contractors), ensure compliance with legislation, and to deliver important community programs such as the Health and Wellbeing initiative.

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

Directorate		Permanent Full Time \$'000	Permanent Part Time \$'000
CEO	510	510	-
Community	7,637	3,205	4,432
Corporate	3,983	3,132	851
Infrastructure	6,687	6,022	665
Planning & Environment	6,861	5,087	1,773
Total Permanent Staff Expenditure	25,678	17,957	7,721
Casuals & Other Expenditure	641		
Capitalised Labour Costs	725		
Total Expenditure	27,043		

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

Directorate	Budget EFT	Permanent Full Time	Permanent Part Time
CEO	3.0	3.0	0.0
Community	86.4	31.6	54.8
Corporate	39.7	29.7	10.0
Infrastructure	71.2	62.0	9.2
Planning & Environment	65.3	45.3	20.0
Total Permanent Staff	265.7	169.7	91.3
Casuals & Other	8.6		
Capitalised Labour Costs	10.0		
Total Staff	284.3		

The most significant increases in staff positions by service unit are summarised below:

Directorate	Service Unit	Revised Forecast 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
Community	Early Years	2,101	2,424	323
Corporate	Human Resources	241	363	122
	Records Management	394	492	98
	Governance	297	471	175
	Finance	868	986	118
Planning & Environment	Compliance & Local Laws	1,131	1,351	220
	Business & Tourism	248	295	47
	Communication Services	530	616	86
	VIC's & Surfing Museum	718	822	105

Some of the key aspects in the major variances within the table above are:

- The Early Years department increases by \$0.3 million due to the full year effect of expenditure of Jan Juc and Winchelsea Kindergartens.
- Human Resources increases by \$0.1 million due to the full year effect of the newly created position of Volunteer Support Officer and the effect of a prolonged vacancy in the 2014/15 forecast.

- The Compliance & Local Laws department increases by \$0.2 million due to two new positions that were contract staff in the 2014/15 forecast.
- Visitor Information Centre's and Surfing Museum increases by \$0.1 million due to the full year effect of the newly created Coordinator position and the effect of a prolonged vacancy in the 2014/15 forecast.
- The Governance department increases by \$0.2 million as the result of additional resources allocated towards improving Council's procurement function which will lead to savings across the business
- Finance increases by \$0.1 million as the result of replacing contract/consulting costs with employee costs.

4.2.2 Materials and services (\$1.2 million decrease)

Materials and services include the purchase of consumables, payments to contractors for the provision of services, utility costs and expensed capital works. Materials and services are forecast to decrease by 5.0% or \$1.2 million compared to 2014/15 revised forecast.

The decrease in materials and services is due to several factors including expensed capital works. Expensed capital works are works associated with Council assets and major projects that do not meet the definition of asset expenditure under Australian Accounting Standards. Expensed capital works are forecast to decrease by \$1.2 million to \$1.9 million compared to 2014/15 (note \$1.5 million of expensed capital expenditure recorded in the capital works program in Appendix C relates to the rehabilitation of the landfill site and is funded out of the landfill provision). Expensed works in 2015/16 are mainly attributable to the Torquay South Beach Road/Surf Coast Highway Intersection upgrade and the Jan Juc Creek Daylighting projects.

Other cost movements compared to 2014/15 are due mainly to lower sub-contractor services (\$0.8 million) and lower consultants (\$0.5 million). These decreases are mainly due to services being undertaken in-house by permanent staff. Landfill royalties and software maintenance have both experienced an increase of (\$0.1 million).

4.2.3 Bad and doubtful debts (in line with forecast)

Bad and doubtful debts is projected to remain at similar levels to the 2014/15 revised forecast of \$0.07 million.

4.2.4 Finance Costs (\$0.03 million decrease)

Finance costs relate to interest charged by financial institutions on funds borrowed. The reduction of \$0.03 million or 2.3% compared to the 2014/15 revised forecast is in accordance with Council's loan borrowing schedule. No new borrowings are proposed for the 2015/16 financial year.

4.2.5 Depreciation (\$0.23 million increase)

Depreciation measures the allocation of the value of an asset over its useful life for Council's property, plant and equipment, including infrastructure assets such as roads and drains as a result of delivering services to the community. The increase of \$0.23 million or 2.2% is due mainly to the completion of the 2015/16 capital works program and the full year effect of depreciation on the 2014/15 capital program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2015/16 year.

4.2.6 Asset write-off (\$0.4 million increase)

Asset write-off relates to the estimated value of infrastructure assets removed from Council's property, plant and equipment assets when replaced by new assets in the capital works program during 2015/16. Asset write-off is forecast to increase by 26.3% or \$0.4 million compared to 2014/15.

4.3 Operating Surplus (Underlying Result)

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
Surplus for year	6,274	7,657	1,383
Less Net gain(loss) on disposal of assets	775	(119)	(894)
Add Asset write offs	(1,409)	(1,779)	(371)
Less Capital grants	3,958	3,321	(637)
Less Special Charges	161	301	140
Less Contributions	1,450	1,622	171
Less Granted assets	2,902	3,220	318
Underlying surplus/(deficit)	(1,564)	1,092	2,656

The operating surplus is the net surplus or deficit for the year adjusted for capital contributions, gains or losses on disposal of non-operating assets sold and other asset adjustments. This is a measure of financial sustainability as it is not impacted by non-recurring or once-off items of revenues and expenses which can often mask the operating result. This measure is reported by the Victorian Auditor-General's Office in its annual audit of Local Government results.

The budgeted underlying result for 2015/16 is a surplus of \$1.1 million, which is an increase of \$2.7 million over the 2014/15 year. This is mainly due to the increase in rates and charges \$3.0 million and decrease in expensed capex \$1.2 million.

4.4 Adjusted Underlying Result

	2014/15 Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
Surplus for year	6,274	7,657	1,383
Less Grants - capital non-recurrent	(2,260)	(1,482)	778
Less Contributions - non-monetary assets	(2,902)	(3,220)	(318)
Less Capital Contributions - other sources	(1,450)	(1,622)	(171)
Adjusted Underlying surplus/(deficit)	(338)	1,333	1,671

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is an alternative measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2015/16 year is a surplus of \$1.3 million which is an increase of \$1.7 million over the 2014/15 year.

In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and the capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

The adjusted underlying result terminology and definition contained in the new regulations differs from the underlying result as determined the Victorian Auditor General's report "Local Government Results of the 2013-14 Audits" issued in February 2015.

5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2014/15 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations (nil advances included in this budget). These activities also include repayment of the principal component of loan repayments for the year.

5.1 Budgeted cash flow statement

		2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
	Ref			
Cash flow from operating activities	5.1.1			
<i>Receipts</i>				
Rates and charges		42,664	45,627	2,963
Operating grants		6,972	7,124	152
Capital grants		3,628	3,321	(306)
Contributions		2,904	3,268	365
Interest		741	773	32
User charges		5,998	6,468	470
Statutory fees		625	673	49
		63,531	67,255	3,725
<i>Payments</i>				
Employee costs		(24,009)	(26,264)	(2,255)
Other		(23,621)	(24,270)	(649)
Net cash provided from operating activities		15,900	16,721	821
Cash Flows from investing activities	5.1.2			
Proceeds from sale of property, plant & equipment		1,532	877	(655)
Payments for property, plant, equipment & infrastructure assets		(12,769)	(14,998)	(2,228)
Other Financial Assets		(10,250)	-	10,250
Net cash used in investing activities		(21,487)	(14,121)	7,366
Cash flows from financing activities	5.1.3			
Finance costs		(1,150)	(1,124)	26
Proceeds from interest bearing loans and borrowings		-	-	-
Repayment of interest bearing loans and borrowings		(549)	(584)	(36)
Net cash provided from financing activities		(1,699)	(1,708)	(9)
Net decrease in cash & cash equivalents held		(7,286)	893	8,178
Cash & cash equivalents at the beginning of the period		14,743	7,457	(7,286)
Cash & cash equivalents at the end of the period	5.1.4	7,457	8,350	893
Investments (current and non-current financial assets)		13,750	13,750	-
Total cash & investments at the end of the period		21,207	22,100	893

5.1.1 Operating activities (\$0.8 million increase)

The increase in net cash provided from operating activities is due mainly to an increase in rates and charges (\$3.0 million) offset by the increase in employee costs (\$2.3 million).

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

The net movement in current assets and liabilities in 2015/16 of \$1.4 million predominately relates to the payment of \$1.5 million for the landfill rehabilitation.

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
Surplus for year	6,274	7,657	1,383
Add Depreciation	10,480	10,708	227
Less Granted assets	2,902	3,220	318
Add Asset write offs	1,409	1,779	371
Add Debt servicing	1,150	1,124	(26)
Less Net gain (loss) on disposal of property infrastructure, plant and equipment	775	(119)	(894)
Add Net Movement in current assets and liabilities	264	(1,446)	(1,710)
Net cash provided from operating activities	15,900	16,721	821

5.1.2 Investing activities (\$7.3 million decrease)

The decrease in payments for investing activities relates to no movement in other financial assets in 2015/16 compared to a movement of \$12.5 million in the forecast budget. The balance of the movement in investing activities represents the planned increase in capital works expenditure (\$2.2 million) and the decrease in proceeds from sale of assets (\$0.7 million). Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of the capital works program.

5.1.3 Financing activities (\$9 thousand decrease)

For 2015/16 the total of principal repayments is projected to be \$0.6 million and finance charges are projected to be \$1.1 million.

5.1.4 Cash & cash equivalents at end of the period (\$0.9 million increase)

Total cash and cash equivalents (including current and non-current financial assets) is forecast to increase to \$22.1 million in 2015/16.

5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and are not fully available for Council's operations. The budgeted Balance Sheet statement indicates that Council is estimating total cash and investments of \$22.1 million as at 30 June 2016. The following table shows the cash and cash equivalents as at 30 June 2016 which have been set aside for specific purposes in the future:

Description	2014/15	Budget	Variance
	Revised Forecast \$'000	2015/16 \$'000	(Unfavour) \$'000
Restricted			
Open Space	819	1,051	232
Main Drainage	205	205	-
Aireys Inlet Units	331	324	(7)
Asset Development	60	60	-
Developer Contributions	3,580	4,046	466
Waste	6,237	6,235	(2)
Trust and Deposits	1,199	1,199	-
Total Restricted Reserves	12,431	13,120	689
Unrestricted			
Mayoral Charity	-	-	-
Plant Replacement	828	800	(28)
Gherang Gravel Pits	1,253	1,343	90
Defined Benefits Superannuation	274	474	200
Carried Forward Capital Works	2,713	1,600	(1,113)
Carried Forward New Initiatives	95	-	(95)
Adopted Strategy Implementation	-	-	-
Asset Renewal	-	-	-
Accumulated Unallocated Cash (Note 1)	-	-	-
Total Allocated Reserves	5,163	4,217	(947)
Total Reserves	17,595	17,337	(258)

Note 1: Council is reviewing its unallocated cash to determine the accumulated unallocated cash reserve balance.

Reserve	Opening Balance \$'000 1/07/15	Transfer To Reserve \$'000	Transfer From Reserve \$'000	Closing Balance \$'000 30/06/16
Open Space	819	835	603	1,051
Main Drains	205	-	-	205
Aireys Inlet Housing Project	331	-	7	324
Asset Development	60	-	-	60
Developer Contributions	3,580	866	400	4,046
Waste	6,237	2,363	2,365	6,235
Trusts and Deposits	1,199	-	-	1,199
Plant Replacement	828	780	808	800
Gherang Gravel Pits	1,253	290	200	1,343
Defined Benefits Superannuation	274	200	-	474
Carried Forward Capital Works	2,713	-	1,113	1,600
Carried Forward New Initiatives	95	-	95	-
Total Reserves	17,595	5,334	5,592	17,337

Cash and cash equivalents that have been restricted by statute (legislative reserves) and by Council (policy reserves) as shown in the following table (Reserves that are allocated by Council but do not meet the definition of "Restricted" are included as part of "Unrestricted cash and investments" balance):

	Ref	2014/15 Revised Forecast \$'000	Budget 2015/16 \$'000	Variance \$'000
Total Cash & Investments		21,207	22,100	893
Restricted Cash & Investments				
- Legislative Reserves	5.2.1	1,355	1,581	225
- Other Restricted Reserves	5.2.2	11,076	11,539	463
Total Restricted Cash and Investments		12,431	13,120	689
Unrestricted Cash and Investments	5.2.3	8,776	8,980	204

5.2.1 Legislative reserves (\$0.2 million increase)

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

Legislative reserves are made up of:

- Open Space
- Main Drainage
- Aireys Inlet Units

Open Space contributions for new subdivision works in are expected to increase by \$0.3 million to \$1.1 million which will be allocated to fund future strategic open space development.

Council must retain cash at all times to match these reserves.

5.2.2 Other Restricted Reserves (\$0.5 million increase)

These funds must be applied for specified purposes in accordance with Council's contractual commitments. While these funds earn interest revenues for Council, the funds are not available for other purposes.

Other Restricted reserves are made up of:

- Asset Development
- Developer Contributions
- Waste
- Trust and Deposits

Developer contributions will increase by \$0.5m in the 2015/16 year in line with Council's Torquay and Jan Juc Developer Contributions Plan. Funds from this reserve will be allocated to major capital works in 2016/17, including the construction of the Torquay North Children's Services Hub.

Council must retain cash at all times to match these reserves.

5.2.3 Unrestricted Reserves (\$0.9 million decrease)

Unrestricted Reserves are applied for specific purposes in accordance with Council's adopted policies. These funds are available to meet Council's cash flow requirements, including the running of operations, provision for long service leave entitlements, unexpected short term needs, and ensuring that Council can meet its future capital works commitments.

While Council can utilise these funds throughout the year to support its operations, Council must ensure that there is equivalent cash available to match these reserves at year end.

Unrestricted reserves are made up of:

- Plant Replacement
- Gherang Gravel Pits
- Defined Benefits Superannuation
- Carried Forward Capital Works
- Carried Forward New Initiatives
- Adopted Strategy Implementation
- Asset Renewal
- Accumulated Unallocated Cash

Carried Forward Capital Works will decrease by \$1.1m in the 2015/16 year in line with completion of programmed capital works budgeted for in 2014/15. The Defined Benefits Superannuation Reserve will increase by \$0.2m.

Information regarding cash reserves and their purpose are included in Appendix E of this document.

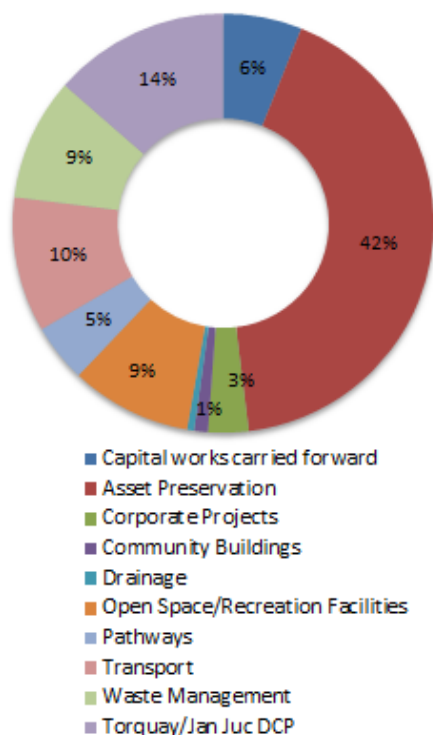
6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2015/16 year and the sources of funding for the capital budget.

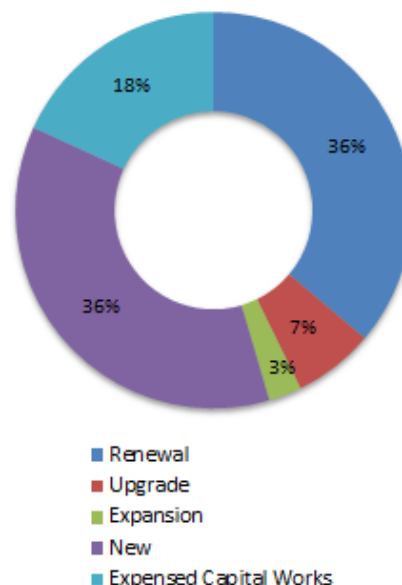
6.1 Capital works

	Ref	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
Capital works carried forward				
Carried Forward Capital Works	6.1.1	2,712	1,113	(1,598)
New Capital Works				
Asset Preservation	6.1.2	5,743	7,691	1,948
Corporate Projects	6.1.3	856	573	(283)
Community Buildings	6.1.4	477	193	(284)
Drainage	6.1.5	206	100	(106)
Open Space/Recreation Facilities	6.1.6	541	1,711	1,170
Pathways	6.1.7	123	821	698
Transport	6.1.8	2,563	1,904	(659)
Waste Management	6.1.9	1,106	1,727	621
Torquay/Jan Juc DCP	6.1.10	1,515	2,492	978
Total New Capital Works		13,129	17,212	4,082
Total Capital Works		15,841	18,325	2,484
Represented by:				
Renewal		6,550	6,632	82
Upgrade		2,162	1,205	(957)
Expansion		352	493	142
New		3,706	6,668	2,962
		12,769	14,998	2,229
Expensed Capital Works		3,072	1,871	(1,201)
Landfill Provision Works		-	1,456	1,456
Total Capital Works		15,841	18,325	2,484

Budgeted capital works by category 2015/16



Budgeted capital works by expenditure type 2015/16



6.1.1 Carried forward works (\$1.6 million decrease)

At the end of each financial year there are projects that are either incomplete or that haven't begun due to external factors such as planning issues, special charge scheme appeal processes, delayed grant funding approvals and weather delays. For the 2014/15 year it is forecast that \$1.1 million of capital works will be incomplete and will be carried forward into the 2015/16 year. The more significant projects include the South Beach Road / Surf Coast Highway Intersection Upgrade in Torquay (\$0.4 million), the Torquay North Civic Precinct Play-zone at Banyul Warri Fields (\$0.4 million), and the Jan Juc Creek Daylighting project (\$0.3 million).

6.1.2 Asset preservation (\$1.9 million increase)

Asset preservation includes renewal of existing roads, drains, pathways, park assets, active recreation facilities, buildings, stairways and retaining structures. The increase in the asset preservation relates mainly to some larger renewal projects such as the Anglesea Landfill Road Construction (\$0.6 million), and Anglesea Kindergarten Refurbishment (\$0.7 million).

6.1.3 Corporate projects (\$0.3 million decrease)

Corporate projects in 2015/16 include funds for the purchase of Jan Juc land (\$0.5 million), and the Public Lighting Upgrade Program (\$0.02 million)

6.1.4 Community Buildings (\$0.3 million decrease)

Community buildings include community and sports facilities. New community building works in 2015/16 include the design of future building and open space project (\$0.1 million), and the Anglesea Riding Club Ecopod Pavilion (\$0.06 million).

6.1.5 Drainage (\$0.1 million decrease)

New drainage works in the 2014/15 year included a number of catchment upgrades. The 2015/16 budget forecasts the Freshwater Creek Flood Mitigation works to be the major drainage project of the new capital works projects (\$0.1 million).

6.1.6 Open space/Recreation facilities (\$1.2 million increase)

Open space development in 2015/16 includes the continuation of the development at the Community and Civic Precinct in Torquay with Stage 2B of the project (\$1.0 million), the Playground Strategy Implementation (\$0.2 million), Anglesea Tennis Club's Synthetic Court installation (\$0.2 million), the Polwarth Oval Sports Lighting Upgrade in Torquay (\$0.1 million) and the Bells Beach Coastal Management Plan (\$0.1 million).

6.1.7 Pathways (\$0.7 million increase)

New pathways in 2015/16 include the Torquay Precinct Pathways (\$0.6 million), Mt Moriac's Senior Citizen Trail Connection (\$0.05 million), Lorne Clissold Street to Senior Citizens (\$0.05 million) and Torquay Cliff Street Pathway (\$0.04 million).

6.1.8 Transport (\$0.7 million decrease)

Transport includes rehabilitation, upgrade, expansion and construction of roads, and includes the allocation of Federal Roads to Recovery and State Roads and Bridges funding. Transport works in 2014/15 mainly related to the Gnarwarre Pollocksford Rd widening (\$1.2 million). In 2015/16, the major projects include Torquay's Esplanade Kerb and Sealing (\$0.4 million), Construction of The Great Ocean Road Service Road at Forest Road (\$0.3 million), Anglesea Long Vehicle Parking (\$0.2 million), Great Ocean Road Turning lane at Forest Road (\$0.2 million) and Aireys Inlet Pedestrian Refuge (\$0.2 million).

6.1.9 Waste management (\$0.6 million increase)

Waste management projects typically include landfill site rehabilitation works and upgrade of building facilities such as transfer stations and recycling facilities. The increase in waste management projects relates mainly to installation of the Anglesea landfill cell liner (\$1.7 million). There are also design works for the Stormwater at Anglesea Landfill for \$0.05 million.

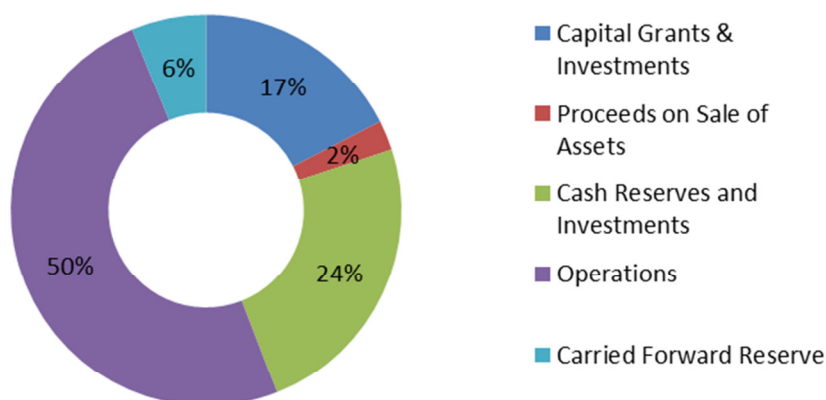
6.1.10 Torquay/Jan Juc Developer Contributions Plan (DCP) (\$1.0 million increase)

Projects relating to the adopted Torquay/Jan Juc DCP and included in the 2015/16 program include the Torquay North Early Learning Centre planning and design (\$0.5 million), Torquay's Civic Precinct Active Recreation Facilities (\$1.4 million), Widening of Spring Creek Bridge for the Regional Bike Route (\$0.3 million), and Construction of Pathways through the Torquay North Open Space Network (\$0.2 million).

6.2 Funding sources

	Ref	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
Internal				
Carried forward capital works	6.2.1	2,712	1,113	(1,598)
Total carried forward capital works		2,712	1,113	(1,598)
New capital works				
External				
Capital grants	6.2.2	2,805	2,794	(11)
Contributions	6.2.3	64	356	292
Special charges	6.2.4	161	301	140
Proceeds from sale of assets	6.2.5	326	442	116
		3,356	3,893	537
Internal				
Cash reserves and investments	6.2.6	3,623	4,352	729
Operations	6.2.7	6,151	8,967	2,816
Total new capital works		13,129	17,212	4,082
Total funding sources		15,841	18,325	2,484

Budgeted total funding sources 2015/16



6.2.1 Carried forward capital works (\$1.6 million decrease)

At the end of each financial year there are projects that are either incomplete or that haven't begun due to external factors such as planning issues, special charge scheme appeal processes, delayed grant funding approvals and weather delays. For the 2014/15 year it is forecast that \$1.1 million of capital works will be incomplete and be carried forward into the 2015/16 year. The decrease on 2014/15 reflects Council's increased focus around capital and resource planning.

6.2.2 Capital grants (\$0.01 million decrease)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Grants that are budgeted to be received in 2015/16 include Federal Roads to Recovery projects – The Esplanade Kerb and Sealing, Construction of Regional Bike Route, Great Ocean Road Service Road Construction at Forest Road, Anglesea Long Vehicle Parking, Aireys Inlet Pedestrian Island, and Gosney St/Murrell St modifications in Winchelsea, and \$0.5 million from the Federal Government for the Civic Centre Precinct's Banyul Playzone.

6.2.3 Capital contributions (\$0.3 million increase)

Contributions relate to community contributions to capital works. The main source of capital contributions for the 2015/16 year relate to the Anglesea Kindergarten Refurbishment (\$0.1 million) and the Great Ocean Road Turning Lane at Forest Road (\$0.2 million)

6.2.4 Special charges (\$0.1 million increase)

Special charges are declared under Section 163 of the *Local Government Act 1989* for the purpose of raising revenue from ratepayers who will receive a specific benefit from new capital works projects. Council proposes a special charge scheme for Torquay Precinct Pathways construction in 2015/16 (\$0.3 million).

6.2.5 Proceeds from sale of assets (\$0.1 million increase)

Council has a planned program for replacing fleet vehicles, heavy plant and equipment, which is partially funded by proceeds from sale of these assets each year. The 2015/16 year proceeds relates to the sale of Council's light fleet and heavy plant (\$0.4 million). The 2014/15 forecast includes sale of land.

6.2.6 Cash reserves and investments (\$0.7 million increase)

Council's cash reserves are held to meet cash flow requirements and future capital works commitments. Council has allocated cash reserve funds to new capital works commitments in 2015/16, including the purchase of land in Jan Juc (\$0.5 million), fleet and plant replacement (\$0.8 million), waste management projects (\$1.7 million), construction of road at the Anglesea Landfill (\$0.6 million) and open space development (\$0.4 million).

6.2.7 Operations (\$2.8 million increase)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. Refer to section 5 'Budgeted Cash Position' for more information on funds from operations.

7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2014/15 and 2015/16. It also considers a number of key performance indicators.

7.1 Budgeted balance sheet

	Ref	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Variance \$'000
Current assets	7.1.1			
Cash & cash equivalents		7,457	8,350	893
Trade and other receivables		3,621	3,722	101
Other financial assets		12,250	12,250	-
Inventories		303	303	-
Total current assets		23,631	24,625	994
Non current assets	7.1.2			
Trade and other receivables		510	504	(6)
Financial assets		1,500	1,500	
Property plant & equipment, infrastructure		396,824	410,950	14,126
Investments in library		589	589	-
Total non current assets		399,423	413,543	14,120
Total assets		423,054	438,168	15,114
Current liabilities	7.1.3			
Trade and other payables		4,746	4,796	50
Provisions		6,232	6,237	5
Interest bearing liabilities		584	628	44
Trust funds and deposits		1,199	1,199	-
Total current liabilities		12,761	12,860	99
Non current liabilities	7.1.4			
Provisions		13,284	11,878	(1,406)
Interest bearing liabilities		15,517	14,888	(628)
Total non current liabilities		28,800	26,766	(2,034)
Total liabilities		41,561	39,626	(1,935)
Net assets	7.1.5	381,493	398,542	17,049
Equity	7.1.6			
Accumulated surplus		176,454	184,369	7,915
Assets revaluation reserve		187,445	196,836	9,391
Other reserves		17,595	17,337	(258)
Total equity		381,493	398,542	17,049

7.1.1 Current assets (\$1.0 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to increase (\$0.9 million) in 2015/16. Trade and other receivables are monies owed to Council by ratepayers and others and include rates, grants, user charges, special charges and asset sales. Trade and other receivables are projected to increase (\$0.1 million) in 2015/16. Other financial assets include investments with maturity dates of over three months and less than twelve months. These are expected to remain at 2014/15 levels.

7.1.2 Non-current assets (\$14.0 million increase)

Property, infrastructure, plant and equipment is the largest component of Council's balance sheet and represents the value of all the land, buildings, roads, drainage, recreation facilities and plant and equipment. The increase of \$14.0 million in this balance is mainly attributable to the total capital works program excluding expensed capital works (\$15.0 million), granted assets (\$3.2 million), cyclical revaluation of assets (\$9.4 million), less depreciation of assets (\$10.7 million), asset write-off (\$1.8 million) and disposal of assets (\$1.0 million).

7.1.3 Current liabilities (\$0.1 million increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to increase in 2015/16 due to increased levels of capital expenditure. Provisions include accrued long service leave, annual leave and future landfill rehabilitation.

7.1.4 Non-current liabilities (\$2.0 million decrease)

The decrease of \$2.0 million in 2015/16 is mainly due to the reclassification of \$1.5 million of rehabilitation works to current liabilities for expected works in 2016/17 and a \$0.6 million decrease in Interest bearing liabilities which move to current liabilities as they fall due for payment.

7.1.5 Net assets (\$17.0 million increase)

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June each year. The increase in net assets of \$17.0 million is a result of the operating surplus plus the revaluation of property, infrastructure, plant and equipment.

7.1.6 Equity (\$17.0 million increase)

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which Council has committed. These amounts are separated from the Accumulated Unallocated Surplus Reserve of the Council to be disclosed
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time.

It has been budgeted that during the year a net amount of \$0.3 million is to be transferred from other reserves. This is a transfer between equity balances only and does not impact on the total balance of equity. The increase in the asset revaluation reserve of \$9.4 million reflects the anticipated revaluation of Council assets in the 2015/16 year.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2016 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Trade creditors to be based on a proportion of total capital expenditure, operating expenditure and employee costs at 2015/16 levels. Payment cycle is 30 days
- Other debtors are anticipated to be 3% of total revenue
- Current provisions for future landfill rehabilitation are \$1.5 million at June 30, 2016 relating to rehabilitation works to be carried out at the Anglesea Landfill in 2016/17.
- Provisions for employees to the value of \$5.4 million in 2015/16 will remain steady as management encourage use of leave entitlements by employees
- Non-current provision for future landfill rehabilitation is \$12.50 million as at June 30, 2016 relating to future rehabilitation works at the Anglesea Landfill, which is forecast to close in 2023/24
- Repayment of loan principal to be \$0.6 million and no new borrowings in 2015/16
- Total capital works to be \$18.3 million (including works to be expensed \$3.3 million).
- A total of \$5.5 million to be transferred from cash reserves to fund the capital works program for the 2015/16 year
- Asset revaluations will be undertaken in the 2015/16 year and are expected to total \$9.4 million in relation to scheduled revaluations of Council's road, drainage, and recreation assets.

8. Strategic resource plan and key financial indicators

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

8.1 Plan development

Council has prepared a Strategic Resource Plan (SRP) for the 10 years 2015/16 to 2024/25 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 10 years.

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

- Rate increases that are adequate to maintain current service delivery levels and capital works keeping in mind population growth
- Equitable and affordable distribution of rate revenue keeping in mind economic conditions
- Responsible use of debt subject to debt levels remaining below local government prudential guidelines
- Increase funding levels for capital works focusing on asset renewal and infrastructure asset growth to accommodate population growth
- Work towards reduced reliance on rates
- Maintenance of a strong liquidity position
- Achieve an operating surplus every year and work towards achieving a positive underlying operating result.

In preparing the SRP, the Council has also been mindful of the need to comply with the following principles of sound financial management as contained in the Act:

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

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

8.2 Financial resources

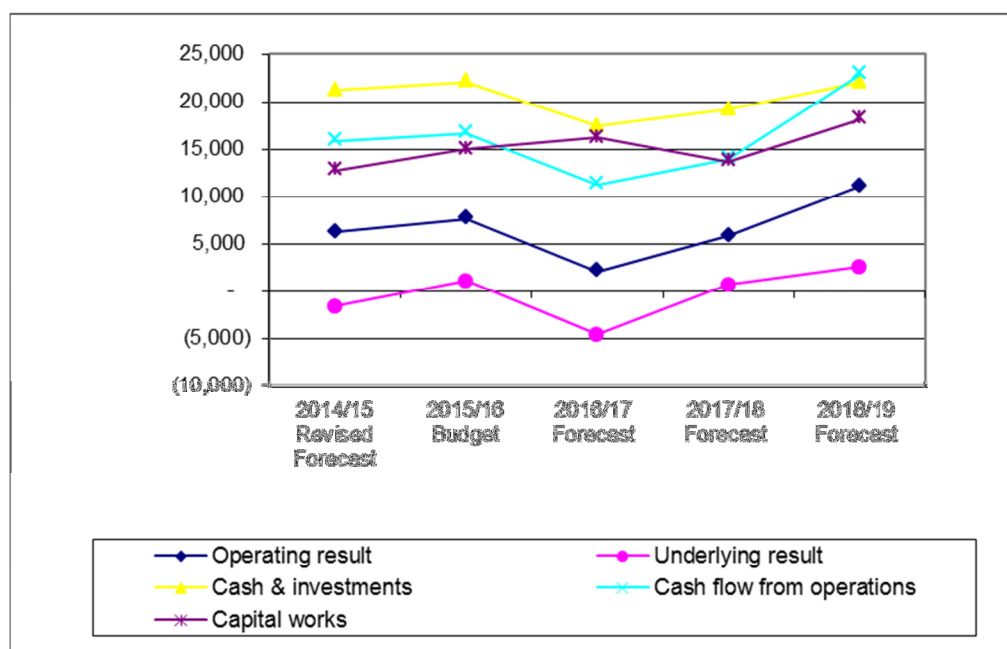
The following table summarises the key financial results for the next four years as set out in the SRP. Appendix A includes a more detailed analysis of the financial resources to be used over the four-year period.

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	Trend +/-
Operating result	6,274	7,657	2,106	5,819	11,115	+
Underlying operating result	(1,564)	1,092	(4,570)	693	2,573	+
Cash and investments	21,207	22,100	17,422	19,165	22,008	-
Cash flow from operations	15,900	16,721	11,295	13,972	22,893	+
Capital works	12,769	14,998	16,217	13,711	18,194	+

Key to Forecast Trend:

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

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



The key outcomes of the SRP are as follows:

- Financial sustainability (section 5)** - Cash and investments are forecast to decrease during 2016/17 due to the completion of significant capital works including the Early Learning Centre \$7.4 million. Cash and investments are expected to remain above \$15.5 million, which indicates a balanced budget on a cash basis in each year. Council will also have accumulated in excess of \$14.0 million by 30 June 2015 for planned waste management infrastructure and significant rehabilitation of the Anglesea landfill which will commence in 2015/16 and be completed by 2023/24.
- Rating strategy (section 9)** – Rate increases are budgeted at 5.5% in 2015/16 which is up 0.75% from 2014/15 that in part covers the Grants Commission funding freeze. The annual increase from 2016/17 is set at 5%. This reflects Council's current cost index base and is within that expected of comparable councils. Actual rate increases will be subject to future Council decisions.
- Service delivery strategy (section 10)** – There was a 4.0% increase in the garbage charge for kerbside waste collections for the 2014/15 financial year. A 5.0% increase is indicated in Council's Strategic Resource Plan which includes 1% for growth. Other service levels will remain steady in the 2015/16 year with additional staff resources in 2015/16 of 3% with the inclusion of 2 new Kindergartens from January 2015 and are then indexed throughout the next three year period by a 1% growth factor. Operating surpluses are forecast in each of the 10 years with a significant decrease in anticipated capital grant revenue and increased surpluses are directed to fund the annual capital works program. Excluding the effects of non-operating items such as capital contributions, the underlying result improves steadily over the 15 year period with the exception of 2016/17 we have an underlining deficit of \$4.6 million which mainly reflects expensed capital works of \$7.1 million including South Beach Road \$3.3 million partly grant funded and \$1.7 million Waste funded from reserve. The underlying result is an important measure of financial sustainability as once-off items can often mask the operating result.
- Borrowing strategy (section 10)** – \$1.6 million of new borrowings are planned in 2016/17 and a further \$3.0 million in 2017/18 to fund the construction of the Torquay North Early Learning Centre. No other new borrowings are planned over the next 10 years and borrowing levels are within the local government prudential guidelines that set limits for working capital, levels of debt and debt commitment costs compared to levels of rate revenue and assets.
- Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total \$63.1 million at an average of \$15.8 million each year. Expenditure on renewal and upgrade of existing assets will total \$33.9 million while expenditure on new and expanded assets will total \$29.2.9 million.

8.3 Non-financial resources

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

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000
Total employees costs - operating (\$'000)	24,109	26,319	28,190	28,638	29,983
Total employees numbers (EFT)	261	266	271	272	275

The increase in EFT in 2015/16 is due an increase in staff numbers including an environmental health officer, a graduate accountant, a procurement officer and a home support program assessment officer as well as the full year impact of employees commencing in 2014/15 including kindergarten staff at Jan Juc and Winchelsea kindergartens.

9. Rating strategy

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

9.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 8.), rates and charges were identified as an important source of revenue, accounting for 68.8% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases. To ensure that deliberations about future rate increases have been made on an informed basis, comparisons of historical rate increases were made between Council and other similar sized Councils. The following table shows Council's last six years rate increases.

Year	Surf Coast Shire
2010/11	6.90%
2011/12	6.30%
2012/13	4.90%
2013/14	5.90%
2014/15	4.75%
2015/16	5.50%
Average increase	5.71%

9.2 Current year rate increase

In order to maintain service levels, a strong capital expenditure program, and fund new initiatives that meet the needs of a rapidly growing population and a range of other much needed infrastructure, general rates will increase by 5.5% for existing ratepayers in 2015/16 raising a total rate of \$39.8 million (\$45.7 million total rates and charges). This total includes the Municipal Charge which will increase by 5.4% or \$10 per assessment.

The following table sets out future proposed rate increases and total rates to be raised, based on the forecast financial position of Council as at 30 June 2015. The total rates raised include supplementary rates.

Year	Rate Increase %	Total Rate Revenue \$'000
2014/15	4.75	37,133
2015/16	5.5	39,792
2016/17	5	42,831
2017/18	5	46,075
2018/19	5	49,537

Future rate increases have been set based on the minimum required to meet projected cost base increases including employee costs, materials, contracts and construction costs. The final decision on the size of future rate increases rests with Council. Total rate revenue includes rates from existing ratepayers plus an allowance for the contribution by new ratepayers.

9.3 Rating structure

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

- Property values, which reflect capacity to pay and form the central basis of rating under the *Local Government Act 1989*
- A 'user pays' component to reflect usage of services provided by Council.
- A 'fixed' municipal charge per property to cover some of the administrative costs of 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, commercial/industrial or farming purposes. This distinction is based on the concept that different property categories should pay a fair and equitable contribution to rates, taking into account the benefits those properties derive from the local community and Council.

Council's rating structure comprises five differential rates (residential or general, commercial/industrial, farm, vacant residential and vacant provisional). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act, and in line with the ministerial guidelines for differential rating 2013. The commercial/industrial rate is set at 190% of the residential rate, the farm rate at 75% of the residential rate, vacant residential at 200% of the residential rate and vacant provisional equals the residential rate. Council also has a municipal charge, a kerbside collection charge and a recycling charge as permitted under the Act.

In deliberating over the setting of the differential rate structure for the 2015/16 year, Council has been mindful of the increase in residential property rates. The effect of the 2015/16 rate increase will be that properties will experience an increase in the general rate of 5.5% as the rate in the dollar amounts have been increased by 5.5% and an increase of \$10 in the municipal charge (a 4.5% increase on 2014/15). Council has also added a new differential which is described in section 9.5 below.

There will be an increase of 4.2% in the garbage charge for kerbside waste collections in 2015/16 bringing the fee to \$350 per collection. The rural garbage collection fee will increase by 3.9% bringing the fee to \$291.

The following table summarises the rates to be made for the 2015/16 year. A more detailed analysis of the rates to be raised is contained in Appendix B 'Statutory Disclosures'.

Rate Type		2014/15 cents/\$CIV	2015/16 cents/\$CIV	Change
General Rates	Cents in \$ of CIV	0.24130	0.25457	5.50%
Farm Rates	Cents in \$ of CIV	0.18098	0.19093	5.50%
Commercial/Industrial Rates	Cents in \$ of CIV	0.45848	0.48369	5.50%
Vacant Residential Rates	Cents in \$ of CIV	0.48261	0.50915	5.50%
Vacant Provisional Rates	Cents in \$ of CIV	-	0.25457	
Municipal Charge	\$ per property	\$ 185	\$ 195	5.41%
Urban Garbage (all residential tenements)	\$ per property	\$ 336	\$ 350	4.17%
Rural Garbage (optional)	\$ per property	\$ 280	\$ 291	3.93%

9.4 General revaluation of properties

A general revaluation of all properties within the Council's municipal district occurs every two years, with the last general revaluation carried out as at 1 January 2014 and taking effect on 1 July 2014. The next general revaluation of all properties will be carried out 1 January 2016 to take effect on 1 July 2016.

9.5 Changes to vacant residential rate land

Council's newly adopted rating strategy rectifies an unintended consequence of the vacant residential rate land differential in the prior year differential rating structure. The purpose of the vacant land differential is to facilitate building development and to act as a disincentive for vacant residential land to be held as a long term investment.

However, under the previous differential rating structure, as soon as land is reclassified to vacant residential (via new subdivisions or demolition of existing structures) the vacant land differential is applied, leading to increased costs for those with genuine intentions to build or rebuild.

From 1 July 2015 a new differential 'Vacant Provisional' has been introduced which will be at the same rate as the general rate for all rateable residential properties. This differential category allows a one year grace period for vacant land that is reclassified as a result of new subdivisions or becomes vacant as a result of demolition of the established dwelling. This will allow sufficient time for those with genuine intentions to build on the newly vacant land to carry through with their plans without an additional financial burden.

The grace period will apply for any property that is reclassified to vacant residential land from 1 July 2015. Those that qualify for the grace period will pay the vacant provisional rate on their land for up to the remainder of that rating year plus one full rating year from the date the land was reclassified. If a certificate of occupancy is not issued for the property when that period has expired, the differential will revert back to the vacant residential rate. The vacant residential rate will continue to apply until proof of a certificate of occupancy being issued is provided to Council.

10. Other strategies

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

10.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see section 8), borrowings are identified as an important funding source for capital works programs. In the recent past, Council has borrowed strongly to finance large infrastructure projects.

The SRP includes the results of an analysis of Council's debt position against both State averages and large Council averages over a number of different indicators. It also shows the results of prudential ratios used by the Victorian State Government to assess the loan capacity of local governments. The outcome of the analysis highlights that current debt levels are adequately accommodated.

For the 2015/16 year, Council has not proposed to take out any new borrowings to expand the capital works program and therefore, after making loan repayments of \$0.6 million, will reduce its total borrowings to \$15.5 million as at 30 June 2016. However, it is anticipated that new borrowings will be required to fund construction of the Torquay North Early Learning Centre. Late in 2016/17 new borrowings of \$1.6 million will be required in place of grant funding that is not available and \$3.0 million will be required in 2017/18.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2015.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2014/15	-	542	1,150	16,101
2015/16	-	584	1,124	15,517
2016/17	1,600	628	1,079	16,488
2017/18	3,000	775	1,150	18,713
2018/19	-	1,006	1,328	17,707

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

	2014/15 \$'000	2015/16 \$'000
Total amount borrowed as at 30 June of the prior year	16,643	16,101
Total amount to be borrowed	-	-
Total amount projected to be redeemed	542	584
Total amount proposed to be borrowed as at 30 June	16,101	15,517

10.2 Infrastructure

The Council has developed an Asset Management Strategy based on the knowledge provided by various Asset Management Plans, which set out Council's capital expenditure requirements for the next 10 years and is a key input to the SRP. It predicts infrastructure consumption, renewal and infrastructure needs to meet future community service expectations. Asset Management Plans summarise the anticipated needs of the community, which have been identified through a rigorous process of consultation and evaluation, and sourced from master plans, developer contribution plans (DCP's), structure plans and service strategies (eg Early Learning Strategy). The Asset Management Strategy has been developed based on industry standards developed through the Municipal Association of Victoria and adapted to meet the needs of the Surf Coast Shire. The key aspects of the process are as follows:

- A long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and the annual budget.
- Identification of capital works by preparation of asset management plans and various master plans, DCP's and service strategies.
- Prioritisation of capital works within asset classes on the basis of evaluation criteria that incorporate strategic, economic, social and environmental factors.
- Application of a methodology to allocate annual funding to classes of capital works.
- Preparation of business cases to document capital works submissions.

A key objective of the Asset Management Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community. Council has established an asset renewal funding strategy that provides an overall allocation to asset renewal, rather than determining each year's funding from the projects that are to be undertaken that year. This approach is based on predicting the level of asset renewal funding required in the longer term (at this stage 10 years) and smoothly increasing the annual allocation to achieve that target. The annual allocation is placed into the Asset Renewal Reserve, with approved renewal projects drawing on that balance as required.

The following influences have had a significant impact on Council's Asset Management Strategy:

- Use of cash and investment reserves and special charge schemes to fund future capital expenditure programs.
- Continuing availability of significant Federal funding for the renewal and upgrade of roads (Roads to Recovery), noting the Country Roads and Bridges Initiative has been discontinued.
- Availability of significant funding for other capital projects.
- Allocation of funds to meet Council's commitment to implement the new infrastructure identified in the Torquay Jan Juc Developer Contribution Plan.

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

Year	Total Capital Works Program \$'000	External funding \$'000	Cash Reserves \$'000	Council Operations \$'000
2014/15	15,841	3,356	6,146	6,340
2015/16	18,325	3,893	5,465	8,967
2016/17	24,821	5,201	11,728	7,892
2017/18	20,515	1,533	5,296	13,686
2018/19	21,383	4,885	4,484	12,014

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants and special rates, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These cash reserves are either 'legislative' or 'policy' cash reserves. Legislative reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by statute and include contributions to car parking, drainage and public resort and recreation. Policy cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose. Section 5.2 includes a Statement of Reserves which summarises reserves for the year ending 30 June 2015.

10.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 8.) that directly impact the future service delivery strategy are to maintain existing service levels while meeting the increased demands of a growing community and to achieve a breakeven operating result within the medium term. The Rating Strategy (referred to in Section 9) also refers to future rate increases approximating CPI plus 2%. Rate increases reflect the rising costs of Local Government Cost Index (published by the Municipal Association of Victoria), which is forecast to be 3.9% or 0.9% higher than CPI, and the future expansion of the capital works program and service delivery to respond to anticipated future population growth needs.

The general influences affecting all operating revenue and expenditure are set out in the following table.

	2015/16	2016/17	2017/18	2018/19
	%	%	%	%
Consumer Price Index	3.0	3.0	3.0	3.0
Road Maintenance & Construction Index	5.0	5.0	5.0	5.0
Wages growth	4.2	4.2	4.2	4.2
Rate increases	5.5	5.0	5.0	5.0
Garbage Charge increases	4.0	4.0	4.0	4.0
Grants Commission	0.0	0.0	0.0	3.0
Government funding	2.8	3.0	3.0	3.0
Statutory fees	3.0	3.0	3.0	3.0
Council fees	3.0	3.0	3.0	3.0
Interest on Borrowings	7.0	7.0	7.0	7.0

Appendices

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

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

The contents of the appendices are summarised below:

Appendix	Nature of information	Page #
A	Financial statements	65
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Appendix A - Financial statements

This appendix presents information in regard to the Financial Statements. The budget information for the years 2014/15 to 2017/18 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

- Comprehensive Income Statement
- Statement of Human Resources
- Balance Sheet
- Statement of Cash Flows
- Statement of changes in Equity
- Statement of Capital Works

Comprehensive Income Statement

For the four years ending 30 June 2019

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000
Revenues from ordinary activities					
Rates and charges	42,761	45,732	49,036	52,591	56,378
Operating grants - recurrent	6,410	6,665	6,547	6,635	6,834
Operating grants - non-recurrent	562	459	451	457	471
Capital grants - recurrent	648	1,389	648	648	648
Capital grants - non-recurrent	3,310	1,932	2,587	633	3,757
Contributions	2,904	3,268	3,225	3,428	3,851
Interest	741	773	593	659	708
User charges	5,845	6,458	6,170	6,348	6,544
Statutory fees	625	673	733	658	678
Total revenues	63,804	67,350	69,991	72,057	79,868
Expenses from ordinary activities					
Employee benefits	24,109	26,319	28,190	28,638	29,983
Materials and services	23,990	22,795	28,853	26,362	26,936
Bad and doubtful debts	69	69	73	76	78
Finance costs	1,150	1,124	1,079	1,150	1,328
Depreciation	10,480	10,708	11,284	11,743	12,211
Asset write offs	1,409	1,779	1,767	1,817	1,917
Landfill rehabilitation works	-	-	-	-	-
Total expenses	61,208	62,794	71,246	69,785	72,452
Net gain (loss) on disposal of property infrastructure, plant and equipment	775	(119)	(19)	(4)	(28)
Granted assets	2,902	3,220	3,381	3,550	3,728
Net surplus	6,274	7,657	2,106	5,819	11,115
Other Comprehensive Income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment	8,956	9,391	6,813	13,557	2,242
Total Comprehensive Result	15,230	17,049	8,918	19,376	13,357

Statement of Human Resources

For the four years ending 30 June 2019

	2014/15 Revised Forecast \$'000	Budget 2015/16 \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000
Total employee costs	24,109	26,319	28,190	28,638	29,983
Employee Numbers					
Permanent full-time	169	172	175	176	178
Permanent part-time	87	94	96	96	97
Total employee numbers (EFT)	256	266	271	272	275

Balance Sheet

For the four years ending 30 June 2019

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000
Current assets					
Cash & cash equivalents	7,457	8,350	7,922	7,665	8,508
Trade and other receivables	3,621	3,722	3,809	3,900	3,996
Other financial assets	12,250	12,250	8,000	10,000	12,000
Inventories	303	303	303	303	303
Total current assets	23,631	24,625	20,034	21,868	24,807
Non current assets					
Trade and other receivables	510	504	635	616	599
Financial assets	1,500	1,500	1,500	1,500	1,500
Property plant & equipment, infrastructure	396,824	410,950	423,939	440,786	450,315
Investments in library	589	589	589	589	589
Total non current assets	399,423	413,543	426,663	443,491	453,003
Total assets	423,054	438,168	446,697	465,359	477,810
Current liabilities					
Trade and other payables	4,746	4,796	4,846	4,896	4,946
Provisions	6,232	6,237	7,814	4,776	4,776
Interest bearing liabilities	584	628	775	1,006	1,028
Trust funds and deposits	1,199	1,199	1,198,977	1,199	1,199
Total current liabilities	12,761	12,860	14,634	11,877	11,949
Non current liabilities					
Provisions	13,284	11,878	8,890	8,940	8,990
Interest bearing liabilities	15,517	14,888	15,713	17,707	16,679
Total non current liabilities	28,800	26,766	24,602	26,646	25,668
Total liabilities	41,561	39,626	39,237	38,523	37,617
Net assets	381,493	398,542	407,460	426,836	440,193
Equity					
Accumulated surplus	176,454	184,369	189,504	194,170	202,783
Assets revaluation reserve	187,445	196,836	203,649	217,206	219,448
Other reserves	17,595	17,337	14,308	15,460	17,962
Total equity	381,493	398,542	407,460	426,836	440,193

Statement of Cash Flows

For the four years ending 30 June 2019

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000
Cash flows from operating activities					
Receipts from customers	52,190	56,037	58,946	62,953	67,372
Payments to suppliers	(23,621)	(24,270)	(30,337)	(29,426)	(26,963)
Payments to employees	(24,009)	(26,264)	(28,140)	(28,588)	(29,933)
	4,560	5,503	469	4,939	10,475
Interest received	741	773	593	659	708
Government receipts	10,599	10,445	10,233	8,373	11,709
Net cash provided from operating activities	15,900	16,721	11,295	13,972	22,893
Cash flows from investing activities					
Payments for property, plant, equipment & infrastructure assets	(12,769)	(14,998)	(16,217)	(13,711)	(18,194)
Proceeds from sale of property, plant & equipment	1,532	877	352	408	478
Other Financial Assets	(10,250)	-	4,250	(2,000)	(2,000)
Net cash used in investing activities	(21,487)	(14,121)	(11,615)	(15,303)	(19,716)
Cash flows from financing activities					
Finance costs	(1,150)	(1,124)	(1,079)	(1,150)	(1,328)
Proceeds from interest bearing loans and borrowings	-	-	1,600	3,000	-
Repayment of interest bearing loans and borrowings	(549)	(584)	(628)	(775)	(1,006)
Net cash provided from financing activities	(1,699)	(1,708)	(108)	1,074	(2,334)
Net decrease in cash & cash equivalents held	(7,286)	893	(428)	(257)	843
Cash at the beginning of the period	14,743	7,457	8,350	7,922	7,665
Cash & cash equivalents at the end of the period	7,457	8,350	7,922	7,665	8,508

Statement of Changes in Equity

For the four years ending 30 June 2019

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000
Equity Opening Balance	366,263	381,493	398,542	407,459	426,836
Surplus for the Year	6,274	7,657	2,106	5,819	11,115
Net Asset Revaluation	8,956	9,391	6,813	13,557	2,242
Total Equity	381,493	398,542	407,459	426,836	440,193

Statement of Capital Works

For the four years ending 30 June 2018

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000
Capital Works					
Land	1,015	500	-	-	-
Buildings	1,124	1,813	8,223	1,186	8,017
Plant, machinery & equipment	1,591	1,250	1,107	1,229	1,455
Furniture & computers	382	415	340	340	340
Road pavements & other structures	5,186	5,799	3,122	9,052	5,367
Drainage	569	390	301	580	497
Street furniture	35	55	40	50	55
Passive recreation facilities	2,868	4,776	3,085	1,274	2,463
Expensed Capital Works	3,072	1,871	7,143	3,766	3,189
Landfill Provision	-	1,456	1,461	3,038	-
Total Capital Works	15,841	18,325	24,822	20,515	21,383
Represented by:					
Renewal	6,550	6,632	6,147	7,039	7,355
Upgrade	2,162	1,205	1,126	2,670	1,751
Expansion	352	493	598	382	148
New	3,706	6,668	8,347	3,620	8,940
Expensed Capital Works	3,072	1,871	7,143	3,766	3,189
Landfill Provision Works	-	1,456	1,461	3,038	-
Total Capital Works	15,841	18,325	24,822	20,515	21,383

Reconciliation of net movement in property, plant and equipment

	2014/15 Revised Forecast \$'000	2015/16 Budget \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000
Total capital works	15,841	18,325	24,821	20,515	21,383
Asset revaluation increment	8,956	9,391	6,813	13,557	2,242
Depreciation and amortisation	(10,480)	(10,708)	(11,284)	(11,743)	(12,211)
Written down value of assets sold	(757)	(996)	(371)	(411)	(506)
Assets written off	(1,409)	(1,779)	(1,767)	(1,817)	(1,917)
Expensed capital works	(3,072)	(3,327)	(8,604)	(6,804)	(3,189)
Granted assets	2,902	3,220	3,381	3,550	3,728
Net movement in property, plant and equipment	11,981	14,126	12,989	16,847	9,529

Appendix B - Statutory disclosures

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

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates.

Statutory disclosures

1. Borrowings

	2014/15	2015/16
	\$	\$
New borrowings (other than refinancing)	-	-
Debt redemption	549,000	584,000

2. Rates and charges

2.1 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 of Property	2014/15 cents/\$CIV	2015/16 cents/\$CIV	Change
General rate land	0.24130	0.25457	5.50%
Farm rate land	0.18098	0.19093	5.50%
Commercial/Industrial rate land	0.45848	0.48369	5.50%
Vacant Residential rate land	0.48261	0.50915	5.50%
Vacant Provisional rate land	-	0.25457	-

2.2 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 of Property	2014/15 \$	2015/16 \$	Change
General rate land	25,524,304	27,571,481	8.02%
Farm rate land	1,734,340	1,868,638	7.74%
Commercial/Industrial rate land	2,768,771	3,104,346	12.12%
Vacant Residential rate land	2,664,395	2,811,878	5.54%
Vacant Provisional rate land	-	-	-
Total amount to be raised by general rates	32,691,810	35,356,343	8.15%

Note: Increases in total revenue raised by different rates is influenced by rate increases, general revaluation of Capital Improved values, the full year effect of supplementary rates, and the reclassification of land to different classes, for example vacant land to residential land.

2.3 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 of Property	2014/15	2015/16	Change
General rate land	17,042	17,293	1.47%
Farm rate land	944	959	1.59%
Commercial/Industrial rate land	934	938	0.43%
Vacant Residential rate land	1,221	1,263	3.44%
Vacant Provisional rate land	-	-	-
Total number of assessments	20,141	20,453	1.55%

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

2.5 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 of Property	2014/15 \$	2015/16 \$	Change
General rate land	10,577,738,000	10,830,609,000	2.39%
Farm rate land	958,323,000	978,703,000	2.13%
Commercial/Industrial rate land	603,901,900	641,804,900	6.28%
Vacant Residential rate land	552,075,000	552,269,000	0.04%
Vacant Provisional rate land	-	-	
Total Value	12,692,037,900	13,003,385,900	2.45%

2.6 The proposed unit amount to be levied for each type of charge under sections 159 and 162 of the Act

Type of Charge	Per Rateable Property 2014/15 \$	Per Rateable Property 2015/16 \$	Change
Municipal	185	195	5.41%
Urban Garbage (all residential tenements)	336	350	4.17%
Rural Garbage (optional)	280	291	3.93%

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

	2014/15 \$	2015/16 \$	Change
Municipal Charge	3,677,985	3,935,490	7.00%
Urban Garbage (all residential tenements)	5,193,088	5,462,147	5.18%
Rural Garbage (optional)	452,006	478,349	5.83%
Total	9,323,079	9,875,986	5.93%

2.8 The estimated total amount to be raised by rates and charges

	2014/15 \$	2015/16 \$	Change
General Rates Revenue	32,691,810	35,356,343	8.15%
Municipal Charge	3,677,985	3,935,490	7.00%
Kerbside Collection and Recycling	5,645,094	5,940,496	5.23%
Total	42,014,889	45,232,329	7.66%

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

There are no known significant changes that 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 in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land classification, such as vacant land becoming residential or commercial/industrial rate land and vice versa.

3. Differential rates

3.1 Rates to be levied

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

- A general rate of 100% (0.25457 cents in the dollar of CIV) for all rateable residential properties.
- A farm rate of 75% (0.19093 cents in the dollar of CIV) for all rateable farm properties.
- A commercial/industrial rate of 190% (0.48369 cents in the dollar of CIV) for all rateable business properties.
- A vacant residential land rate of 200% (0.50915 cents the dollar of CIV) for all rateable vacant residential land.
- A vacant provisional residential land rate of 100% (0.25457 cents in the dollar of CIV) for all rateable vacant provisional residential land.

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

Council believes 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 that are subject to each differential rate and the uses of each differential rate are set out below.

3.2 General Rate land

General Rate is any land, which is:

- Any land which does not have the characteristics of the following rating differentials:
 - Farm Rate land;
 - Commercial/Industrial Rate land or
 - Vacant Rate land.

The objectives of this differential rate are:

- To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations; and
- To ensure that the differential rate in the dollar declared for defined general rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

3.3 Farm Rate Land

Farm Rate is any land, which is:

- 2 or more hectares in area;
- Used primarily for primary producing purposes from its activities on the land;
- Used primarily for grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities; and
- Used by a business –
 - That has a significant and substantial commercial purpose of character;
 - That seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - That is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

The objectives of this differential rate are:

- To maintain agriculture as a major industry in the municipal district;
- To facilitate the longevity of the farm sector;
- To achieve a balance between providing for growth and retaining the important agricultural economic base; and

- To ensure that the rate in the dollar declared for defined Farm Land properties is fair and equitable having regard to the cost and the level of benefits derived from provision of Council services to the farm sector.

3.4 Commercial/Industrial Rate Land

Commercial/Industrial Rate is any land, which is:

- Used primarily for the carrying out the manufacture or production of, or trade in goods or services (including tourist *facilities and in the case of a business providing accommodation for* tourists, is prescribed accommodation under the *Public Health and Wellbeing Act (Vic) 2008*; or
- Unoccupied building erected which is zoned Commercial or Industrial under the Surf Coast Shire Planning Scheme; or
- Unoccupied land which is zoned Commercial or Industrial under the Surf Coast Shire Planning Scheme

The objectives of this differential rate are:

- To enhance the economic viability of the Commercial / Industrial sector through targeted programs and projects;
- To extend regional initiatives toward the establishment of ventures and themes that complement Council's strategic objectives;
- To identify, develop and market the strengths and attractions of each town and village;
- To determine the feasibility of establishing tourism education facilities;
- To identify and develop opportunities for rural tourism;
- To participate as an active partner in regional tourism initiatives;
- To encourage employment opportunities;
- To promote economic development;
- To facilitate the establishment or improvement of tourism infrastructure;
- To ensure that signage, street scaping and promotional activity is complementary to the achievement of commercial and tourism objectives; and
- To ensure that the differential rate in the dollar declared for defined Commercial / Industrial land properties is fair and equitable having regard to the cost and the level of benefits derived from provision of council services to the commercial / industrial sector.

The level of funding applied to the above objectives is a 90% loading levied on Commercial/Industrial properties, which is additional to the amount that would have been raised if there were no differential applied. The remaining balance of the funds (i.e. the amount equivalent to the General Rate) is to be applied to the provision of general council services.

3.5 Vacant Residential Rate Land

Vacant Residential Rate is any land, which is:

- On which no building is erected on land which is zoned residential under the Surf Coast Shire Planning Scheme, except for
 - any uninhabitable shed or shelter, the size of which does not exceed 5% of the total area of land; or
 - any vacant land that is newly reclassified as a result of a new subdivision or becoming vacant as a result of demolition of an existing dwelling for a period of one year from the reclassification date will only pay the general residential rate.

The objectives of this differential rate are summarised below:

- To facilitate building development on vacant allotments.
- To provide a financial incentive for land to be developed and not held as an investment.
- To promote affordable housing within Council boundaries.

3.6 Vacant Provisional Rate Land

Vacant Provisional Rate Land is any land on which no building is erected which is zoned residential under the Surf Coast Shire Planning Scheme and is newly reclassified as a result of a new subdivision or becoming vacant as a result of demolition of an existing dwelling. After the period of the remainder of the rating year plus one year the land will no longer be classified as vacant provisional rate land and will be classified into the appropriate differential category.

The objectives of this differential rate are summarised below:

- To facilitate building development on vacant allotments.
- To provide a financial incentive for land to be developed and not held as an investment.
- To promote affordable housing within Council boundaries.
- To not impose the full vacant rate on newly reclassified vacant land.

4. Charges

4.1 Municipal Charge

The municipal charge is declared for the purpose of covering some of the administrative costs of Council.

The municipal charge is declared in respect of all rateable land within the municipality district in respect of which a municipal charge may be levied.

4.2 Service Charges

An annual service charge is declared for the collection and disposal of waste (garbage).

The objectives of the annual service charge (refuse collection and disposal) are:

- To recover the contract cost of provision of the refuse collection service;
- To recover the cost of disposal of collected refuse in Council's waste disposal sites; and
- To recover the cost of collection of refuse from:
 - Residential premises within the township areas, in accordance with Attachment D of the Waste Collection Contract and Waste Collection Maps;
 - Residential premises in the rural collection area (optional), and
 - Commercial premises within the township areas (optional) subject to approval by Council's Environmental Health Services department.

The criteria for the annual service charge are:

- An urban garbage charge per service for all residential tenements and each commercial tenement (optional) where approval has been given by the environmental health services department, in respect of which a garbage collection is made in the urban townships; and
- A rural garbage charge per service for each residential tenement in respect of which garbage collection is made in the rural collection area (optional) within the municipality.

Appendix C - Capital works program and new initiatives

This appendix presents a listing of the capital works projects and new initiatives that will be undertaken for the 2015/16 year.

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

- New works for 2015/16
- Works carried forward from the 2014/15 year.

The new initiatives are grouped by ward and include the following:

- New initiatives for 2015/16

Capital works program

For the year ending 30 June 2016

Works Description	Expenditure					Total	Funding						
	Renewal	Upgrade	Expansion	New	Expensed		External Funds		Council Cash				Borrowings
							Grants	Contrib's	Cash Reserve Funds	Special Rates	Asset Sales	Shire Funds	
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$'000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
<u>Renewal Program 2015/16</u>													
Renewal													
Bike Park Renewal Program	25					25						25	
Bridge Renewal	56	24				80						80	
Bus Shelters Program	20					20						20	
Council Buildings Renewal Program	525					525						525	
Drainage Renewal & Upgrade Program	200					200						200	
Facility Fencing Renewal Program	50					50						50	
Footpath Renewal	100					100						100	
Gravel Re-sheeting program for Local Roads	900					900						900	
Information Systems	415					415						415	
Irrigation System Renewal Program	60					60						60	
Kerb Renewal	80					80						80	
Netball/Tennis Court Resurfacing Program	60		65			125	65					60	
Replacement of Heavy Plant	765					765			585		180		
Replacement of Light Fleet	485					485			223		262		
Replacement of Park Furniture	200					200						200	
Reseal Renewal Program for Local Roads	1,400					1,400	10		200			1,190	
Crack Sealing Program					20	20						20	
Road Safety Program	56	84	84	56		280						280	
Sports Lighting Renewal	25					25						25	
Stairways / Retaining Structures Renewal	30					30						30	
Playground Renewal	259					259						259	
Nature Reserve Renewal Program					50	50						50	
Soft Playing Surface Renewal Program					60	60						60	
Anglesea Kindergarten Refurbishment	221			517		738	350	100				288	
Lorne - Stribling Reserve Terraces - Construction	52	52				103			103				
Winchelsea Swimming Pool Surrounds Improvement Project	30			30		60						60	
Torquay - Grant Pavilion Service Lane Upgrade	4	13			4	22						22	
Anglesea Landfill - Road Construction	614					614			614				
Total Renewal	6,632	173	149	603	134	7,691	425	100	1,725		442	4,999	

Works Description	Expenditure					Total	Funding						
	Renewal	Upgrade	Expansion	New	Expensed		External Funds		Council Cash				Borrowings
							Grants	Contrib's	Cash Reserve Funds	Special Rates	Asset Sales	Shire Funds	
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$'000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
New Capital Works Program 2015/16													
DCP Projects													
Construct an Early Learning Centre in Torquay North				450		450						450	
Civic precinct active recreation facilities				1,400		1,400	400					1,000	
Upgrade Grass Tree Park		23			23	45						45	
Upgrade Deep Creek linear reserve				7	3	10	10						
Develop Whites Beach					61	61						61	
Construct pathways through the Torquay North open space network				181		181						181	
Construct regional bike route (2) - Widen Spring Creek bridge			344			344	90					254	
Corporate Projects													
Facility Signage Program					20	20						20	
Purchase of Land - Jan Juc				500		500			500				
Sale of Land (costs) - Mt Moriac					28	28						28	
Public Lighting Upgrade Program		15				15						15	
Torquay Old Police Station		10				10						10	
Community Buildings													
Design of Future Building & Open Space Projects					100	100						100	
Anglesea Riding Club - Ecopod Pavilion				63		63		6				57	
Shopping Centre Refurbishment Program				15	10	25						25	
Danawa Community Garden Facilities Upgrade		5				5						5	
Drainage													
Freshwater Creek Flood Mitigation Works		50		50		100	100						
Open Space													
Playground Strategy Implementation - Ongoing Program		111		111		222						222	
Community & Civic Precinct Stage 2b - Playspaces, toilets, cricket nets				800	200	1,000	300		400			300	
Torquay - Polwarth Oval Sports Lighting Upgrade		95				95						95	
Anglesea - Coogoorah Park Access Road Improvements - Stage 1		33				33						33	
Anglesea Tennis Club - Court Synthetic Surface		160				160	80	50				30	
Quay Reserve Fitness Station				15		15						15	
Winchelsea Cricket Club - Turf Wicket		20				20						20	
Growing Winchelsea - Beautification of Town Centre		30				30						30	
Bells Beach Coastal Management Plan		136				136						136	

Works Description	Expenditure					Total	Funding						
	Renewal	Upgrade	Expansion	New	Expensed		External Funds		Council Cash				Borrowings
							Grants	Contrib's	Cash Reserve Funds	Special Rates	Asset Sales	Shire Funds	
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$'000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Transport													
Design of Future Transport & Drainage Projects					150	150						150	
Tree Trimming pre reseal					80	80						80	
Intersection Sealing		50				50						50	
Jan Juc - Sunset Strip - Indented and Accessible Parking				90		90	90						
Torquay, The Esplanade Kerb and Sealing - Stage 1				430		430	430						
Gosney St / Murrell St, Winchelsea Modification - Stage 2				40		40	40						
Danawa Community Garden Access Road and Drainage		20				20						20	
Anglesea long vehicle parking, Cameron Road				174		174	174						
Torquay long vehicle parking, Beach Road				135		135	135						
Aireys Inlet pedestrian refuge				160		160	160						
Street tree planting program for Jan Juc township					25	25						25	
Great Ocean Road Service Road at Forest Road - Construction				300		300	300						
Great Ocean Road Turning Lane at Forest Road		150				150		150					
Seal Elkington Road		100				100	50	50					
Pathways													
Pathway Ancillary Program				17		17						17	
Bicycle Lanes - Ongoing Program					10	10						10	
Torquay Precinct Pathways				632		632				301		331	
Winchelsea Walk of Honour				3		3						3	
Torquay - Cliff Street Pathway				42		42						42	
Lorne - Clissold St to Senior Citizens				52		52	10					42	
Lorne - IGA Splitter Island				10		10						10	
Torquay - Esplanade / Beach Rd Splitter Island				10		10						10	
Moriac - Senior Citizens - Trail Connection				45		45						45	
Waste Management													
Anglesea Landfill Stormwater Improvements - Design					47	47			47				
Anglesea Landfill Rehabilitation Stage 3A - Side of Cell 2					1,456	1,456			1,456				
Anglesea Landfill -Cell 2 Wall Liner Extension					224	224			224				
Non Renewal Capital Works Program		1,007	344	5,732	2,437	9,521	2,369	256	2,627	301		3,968	

Works Description	Expenditure					Total	Funding						
	Renewal	Upgrade	Expansion	New	Expensed		External Funds		Council Cash				Borrowings
							Grants	Contrib's	Cash Reserve Funds	Special Rates	Asset Sales	Shire Funds	
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$'000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
<u>Carried Forward Capital Works Reserve to 2015/16 Program</u>													
Community Buildings													
Anglesea Bowls Club Upgrade		25				25			25				
Drainage													
Jan Juc Creek Daylighting				30	274	304			304				
Open Space													
Torquay - Civic Precinct Playzone Banyul Warri Fields				291	73	364			364				
Torquay Shared Path on Surf Coast Hwy at Civic Precinct				12		12			12				
Transport													
Torquay South Beach Road / Surfcoast Highway Intersection Upgrade					385	385			385				
Waste Management													
Anglesea Transfer Station Roof Design					24	24			24				
Total Carried Forward Capital Works Reserve to 2015/16 Program		25		333	755	1,113			1,113				
Total Capital Works Program	6,632	1,205	493	6,668	3,327	18,325	2,794	356	5,465	301	442	8,967	
<u>Works Carried Forward from Capital Program deferred to future year</u>													
Torquay North Early Learning Centre (forecast 2016/17)				1,600		1,600			1,600				
Total Capital Works carried forward to future years				1,600		1,600			1,600				

New Initiatives

New Initiative projects for the year ending 30 June 2016

New Initiatives - Projects	Total \$'000	Anglesea \$,000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000
Storage Pods at Stribling Reserve Stadium	35		35			
Torquay Plastic Bag Free	10			10		
Community Consultation on Unconventional Gas Exploration	15					15
Aireys Inlet Masterplan	10	10				
Revegetation of Embankment below the Historical Society	2		2			
Eastern Reserve - Drinking Water Fountain	3				3	
Lorne Stribling Reserve Masterplan	50		50			
Physical Works resulting from Lorne Hazard Street Tree Audits - Stage 2	139		139			
Undertake Building Disability Discrimination Act Audits	40					40
Street Light Upgrade Program	100					100
Planning Scheme Amendments to Implement Approved Strategic Work	100					100
Local Law Signage Upgrades to Parks and Reserves Regarding Dog Regulations	5					5
National Surfing Museum & Anglesea Visitor Experience	40			40		
Contribution to Aireys Inlet Community Reserve	5	5				
Aireys Inlet School Recreation Reserve Masterplan	2	2				
Torquay RSL Contribution for Anzac Day	5			5		
Growing Winchelsea - Precinct Structure Plan - Town Centre	20				20	
Growing Winchelsea - Planning	10				10	
White Ribbon Accreditation	15					15
Council Environmental Leadership Initiatives	25					25
Winchelsea Common Remediation Contribution	50				50	
Planning Customer Service Pillar 3 - Project IT System Scoping	25					25
Health & Well Being Plan Extension	16					16
Prioritising Infrastructure Community Consultation	20					20
Advocacy Package Development	30					30
Community Consultation Anglesea Power Station Rehabilitation	25	25				
Spring Creek Precinct Structure Plan	548			548		
Total New Initiatives - Projects	1,343	42	225	603	83	391
New Initiatives - Recurrent						
Children's Hub Trainee to support Early Years Program	28					28
Home Support Program - Assessment & Review Officer	30					30
Increase contribution to the GRCL to Expand Torquay Library Children's and Youth Programs	82					82
Workplace Health & Safety Sub Contractor at 1 day per week	20					20
Infrastructure Development Contractor at 1 day per week	33					33
Increase in Maintenance Budget to match Increase in Civil Asset Base	33					33
Maintaining Agreed Service Levels for Landscape Maintenance on New Subdivisions/Playgrounds	24			24		
Increase in Utilities and Maintenance Budgets for New Building Assets	167		57	35	32	43
Environmental Health Officer full time	90					90
Total New Initiatives - Ongoing	506	0	57	59	32	358
Carried Forward New Initiatives Reserve Program						
VASP Adoption Plan (net Council cost)	5					5
Regional Motor Cycle Facility	90					90
Total Carried Forward New Initiatives Reserve Program from 2014/15	95					95
Total New Initiatives Program	1,945	42	283	661	115	844

Appendix D - Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2015/16 year.

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
COMMUNITY				
COUNCIL OPERATIONS				
Full Copy Council Minutes		Council	30.00	N
(minutes are available free of charge from Council's website – www.surfcoast.vic.gov.au)				
Facsimile/per page - for information which forms part of council's database or records		Council	2.00	N
Local Calls		Council	2.00	Y
STD Call to 3 Minutes		Council	6.50	Y
Receive Fax (per sheet)		Council	0.70	Y
CUSTOMER SERVICE				
Black & White Photocopying/Printing per page - for information which forms part of council's database or records		Council	0.80	N
Colour Photocopying/Printing per page - for information which forms part of council's database or records		Council	2.00	N
Photocopying/Printing per page : Charity Groups - for information which forms part of council's database or records		Council	0.30	N
COMMUNITY TRANSPORT				
Community Bus hire only (Petrol by User)	km	Council	0.77	Y
Winchelsea Large Capacity Community Bus (25 seat)				
Youth activities	per day	Council	50.00	Y
Adult activities up to 120 km round trip	per day	Council	125.00	Y
Adult activities over 120 km round trip	per day	Council	250.00	Y
BUILDING HIRE				
Public Hall Hire				
Shire based Community Group	hour	Council	9.30	Y
Commercial and non-Shire Community Group	hour	Council	18.60	Y
Functions, Weddings, Parties & Major Events				
Funeral afternoon teas	hour	Council	9.30	Y
Bellbrae Hall - Private Hirer Standard Function Rate (6pm-12am)	block	Council	150.00	Y
Bellbrae Hall - Private Hirer Half Day-Function Rate (2-5 hours)	block	Council	120.00	Y
Moriac Community Centre - Private Hirer Standard Function Rate (6pm-12am)	block	Council	150.00	Y
Moriac Community Centre - Private Hirer Half Day Function Rate (2-5 hours)	block	Council	120.00	Y
Freshwater Creek Hall - Private Hirer Standard Function Rate (6pm-12am)	block	Council	150.00	Y
Freshwater Creek Hall - Private Hirer Half Day Function Rate (2-5 hours)	block	Council	120.00	Y
The Quay Pavilion - Private Hirer Standard Function Rate (6pm-12am)	block	Council	247.00	Y
The Quay Pavilion - Private Hirer Half Day Function Rate (2-5 hours)	block	Council	160.00	Y
Bob Pettit Pavilion - Private Hirer Standard Function Rate (6pm-12am)	block	Council	247.00	Y
Bob Pettit Pavilion - Private Hirer Half Day Function Rate (2-5 hours)	block	Council	160.00	Y
Wurdale Hall - Private Hirer Standard Function Rate (6pm-12am)	block	Council	150.00	Y
Wurdale Hall - Private Hirer Half Day Function Rate (2-5 hours)	block	Council	120.00	Y
Anglesea Hall - Private Hirer Standard Function Rate (6pm-12am)	block	Council	247.00	Y
Anglesea Hall - Private Hirer Half Day Function Rate (2-5 hours)	block	Council	160.00	Y
Security Bonds – no alcohol		Council	300.00	N
Security Bonds – with alcohol		Council	600.00	N

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
WINCHELSEA SWIMMING POOL				
Family Season Pass		Council	175.00	Y
Adult per swim person		Council	5.20	Y
Child per swim person		Council	4.20	Y
Schools person		Council	3.10	Y
Spectator person		Council	1.00	Y
School Carnival (plus entry fee person)	hour	Council	69.00	Y
Regional Carnival		Council	1,060.00	Y
Season Swim Pass - Single	season	Council	72.00	Y
Season Swim Pass - Single Concession	season	Council	65.00	Y
EASTERN RESERVE GYMNASIUM				
Membership - individual				
3 month		Council	194.00	Y
6 month		Council	340.00	Y
12 month		Council	630.00	Y
monthly direct debit		Council	53.50	Y
Membership - concession				
3 month		Council	175.00	Y
6 month		Council	305.00	Y
12 month		Council	568.00	Y
monthly direct debit		Council	43.50	Y
Membership - youth				
3 month		Council	138.00	Y
6 month		Council	235.00	Y
12 month		Council	439.00	Y
monthly direct debit		Council	38.00	Y
Membership - family (max of 2 adults & 2 children)				
3 month		Council	272.00	Y
6 month		Council	473.00	Y
12 month		Council	878.00	Y
monthly direct debit		Council	75.00	Y
10 visit pass Health Club or Group Fitness		Council	95.00	Y
Casual single visit - Health Club or Group Fitness		Council	12.30	Y
Personal training Member	hour	Council	48.50	Y
Personal training Member	half hour	Council	33.00	Y
Personal training 2:1 Members	hour	Council	53.50	Y
Personal training 3:1 Members	hour	Council	65.00	Y
Personal training Non Member	hour	Council	53.50	Y
Personal training ½ hour -(Non Member)	half hour	Council	38.00	Y
SURF COAST SPORT & RECREATION CENTRE				
Sport per game				
Adults Basketball	team	Council	65.00	Y
Adults Netball	team	Council	70.00	Y
Junior Basketball and Netball	team	Council	52.00	Y
Badminton – Adults	player	Council	7.20	Y
Badminton – Child/student	player	Council	6.20	Y
Indoor soccer – Juniors	player	Council	7.20	Y
Indoor soccer – Seniors	team	Council	51.00	Y
Junior Basketball/Netball clinics	8 week term	Council	61.00	Y
Minor Sports	player	Council	5.20	Y
Kindergym - Casual	week casual	Council	13.40	Y
10 Visit Pass				
Kindergym		Council	119.00	Y
Fit for Fifties		Council	95.00	Y
Little Champs		Council	45.50	Y
Badminton		Council	56.50	Y
Play Groups		Council	29.00	Y

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
Adult registration per season		Council	58.00	Y
Junior registration per season		Council	48.00	Y
Insurance				
Senior basketball per season (Set by Victorian Country Basketball Council)	player (est)	Council	42.00	Y
Junior basketball per year (Set by Victorian Country Basketball Council)	player (est)	Council	42.00	Y
Senior netball per year (Set by Netball Victoria)	player (est)	Council	73.00	Y
Junior (Under 18 years) netball per year (Set by Netball Victoria)	player (est)	Council	52.00	Y
Soccer – senior (set by Football Federation Victoria)	player (est)	Council	44.00	Y
Soccer – junior (set by Football Federation Victoria)	player (est)	Council	34.00	Y
Fitness Classes				
Casual	visit	Council	13.50	Y
Concession	visit	Council	12.50	Y
10 visit concession card		Council	104.00	Y
1 month membership		Council	87.00	Y
3 month membership		Council	187.00	Y
6 month membership		Council	348.00	Y
12 month membership		Council	520.00	Y
Crèche				
Per child visit		Council	5.20	N
10 visit concession card		Council	48.00	N
Birthday Parties				
Stadium/kitchen/staff member	party up to 2 hours 26-50 children	Council	253.00	Y
Stadium/kitchen/staff member	party up to 2 hours up to 25 children	Council	186.00	Y
Multipurpose room/kitchen staff	party up to 2 hours	Council	186.00	Y
MAIN STADIUM				
Sport – Casual Hire Day time Off peak use				
Commercial Groups	hour	Council	47.50	Y
Registered Teams	hour	Council	29.00	Y
Community Groups	hour	Council	29.00	Y
Teams ½ court	hour	Council	18.60	Y
Individual hire ½ court	person	Council	5.20	Y
Functions – Social/Commercial				
Peak use				
Fri/Sat/Sun (6pm-12am max hire)	block	Council	490.00	Y
½ hall only	block	Council	340.00	Y
Fri/Sat/Sun (6pm-12am) per hour	hour	Council	86.50	Y
Community Group Rate 6pm-12am	block	Council	324.00	Y
Bonds				
Functions without alcohol		Council	310.00	N
Functions with alcohol		Council	620.00	N
MULTI-PURPOSE ROOM				
Social & Commercial Functions (Meetings/Workshops)				
Sat/Sun (6pm-12am max. hire)	block	Council	212.00	Y
Sat/Sun (6pm-12am hourly rate)	hour	Council	40.00	Y
Mon/Fri (9am-9pm hourly rate)	hour	Council	18.50	Y
Full room (day & evening hourly rate)	hour	Council	18.50	Y
Kitchen hire (fee applies in addition to room charge)	hour	Council	14.40	Y
Community group hire (non profit)	hour	Council	9.30	Y
Bonds				
Functions without alcohol		Council	300.00	N
Functions with alcohol		Council	600.00	N
Equipment Hire				
Trestle Table Hire	each	Council	14.40	Y
Chair Hire	each	Council	2.30	Y
Stage Hire	day	Council	40.00	Y
PA Hire (portable one speaker system)	day	Council	28.70	Y
(\$100 bond applies for all hire)		Council	100.00	N
Volleyball posts / nets	day	Council	18.60	Y

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
RECREATION RESERVES				
Recreation Reserve Licence Fees	min fee	Council	119.00	N
COMMUNITY & CIVIC PRECINCT RECREATION FACILITY (Banyul-Warri Fields)				
Playing Field/Court:				
Tenant/Anchor Club		Council	No Charge	
Incorporated Community Club/Group/School - based in Surf Coast Shire		Council	No Charge	
Surf Coast Shire Residents - individual or group (non-commercial activity)		Council	No Charge	
Commercial Use and Non Surf Coast Shire Club/Group/School				
- Oval & Synthetic/Grass Pitch - per field	half day	Council	282.00	Y
- Oval & Synthetic/Grass Pitch - per field	full day	Council	448.00	Y
- Netball Court - per court	half day	Council	113.00	Y
- Netball Court - per court	full day	Council	206.00	Y
Community Hub Change Rooms				
(NB: fee applies to each pair of change rooms)				
Tenant/Anchor Club		Council	Free access during allocated periods	
Incorporated Community Club/Group/School - based in Surf Coast Shire	cleaning fee	Council	56.50	Y
Surf Coast Shire Residents - individual or group (non-commercial activity)	cleaning fee	Council	56.50	Y
Commercial Use and Non Surf Coast Shire Club/Group/School (Per Court/Field)	cleaning fee	Council	170.00	Y
Grant Pavilion				
Peter Troy and China Gilbert Meeting Rooms				
Tenant/Anchor Club		Council	Free access to one meeting room during allocated training and game-day sessions.	
Incorporated Community Club/Group/School	hour	Council	11.30	Y
- based in Surf Coast Shire				
	half day/4 hours	Council	45.50	Y
	full day/8 hours	Council	78.00	Y
Surf Coast Shire Residents - individual or group (non-commercial activity)	hour	Council	22.70	Y
	half day/4hours	Council	67.00	Y
	full day/8 hours	Council	124.00	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	hour	Council	40.20	Y
	half day/4hours	Council	134.00	Y
	full day/8 hours	Council	257.00	Y
Grant Pavilion – Tantau and Cooper Function Rooms				
Note whole 2nd level available by booking both rooms				
Tenant/Anchor Club		Council	Free access for Surf Coast Football (Soccer Club) for home games and for up to 6 bookings per year. Other tenant clubs have up to 6 bookings per year. Cleaning undertaken by volunteers or by contractor paid by hirer \$160.00 per function	
Incorporated Community Club/Group/School - based in Surf Coast Shire	hour	Council	22.70	Y
Incorporated Community Club/Group/School - based in Surf Coast Shire	half day	Council	67.00	Y
Incorporated Community Club/Group/School - based in Surf Coast Shire	full day	Council	124.00	Y
Surf Coast Shire Residents - individual or group (non-commercial activity)	hour	Council	27.70	Y
Surf Coast Shire Residents - individual or group (non-commercial activity)	half day	Council	90.00	Y
Surf Coast Shire Residents - individual or group (non-commercial activity)	full day	Council	170.00	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	hour	Council	56.50	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	half day	Council	227.00	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	full day	Council	390.00	Y

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
Grant Pavilion				
Grant Pavilion function cleaning		Council	175.00	Y
Event Logistics Crew - staff member	hour	Council	33.00	Y
Waste Removal 240L recycling bin	each	Council	21.70	Y
FAMILY & CHILDREN SERVICES				
Family Day Care				
Family Day Care Administration Levy	hour	Council	0.42	N
Children's Services Hub				
4 hour session	session	Council	34.00	N
3 hour session	session	Council	26.00	N
3 year old Activity Program	term	Council	263.00	N
Kindergarten				
4 year old program (Jan Juc, Torquay, Lorne and Winchelsea)	term	Council	300.00	N
3 year old program (Lorne)	term	Council	355.00	N
3 year old program (Jan Juc)	term	Council	295.00	N
3 year old program (Winchelsea)	term	Council	265.00	N
Vacation Care				
All day care per child		Council	54.00	N
Excursion costs per child		Council	32.00	N
Children's Services, Community Groups & Non-profit organisations				
<u>Business hours</u>				
Single room	hour	Council	14.50	Y
Playgroups	hour	Council	7.20	Y
<u>After hours</u> (5.30pm – 10pm)				
Single room	hour	Council	23.00	Y
<u>Commercial Use</u>				
<u>Business hours</u>				
Single Room	hour	Council	29.00	Y
<u>After hours</u> (5.30pm – 10pm)				
Single room	hour	Council	43.00	Y
<u>Office hire</u>				
For-profit organisations	day	Council	98.00	Y
Non-profit organisations	day	Council	69.00	Y
AGED & DISABILTY SERVICES				
Fees are income tested based on ranges set by Victorian Department of Health. Fees charged are within the range of fees recommended by the Department.				
<i>Delivered Meals – Low, Medium & High Income Clients</i>				
2 course & juice		Council	9.00 - 16.50	N
3 course & juice		Council	9.20 - 16.80	N
Domestic Assistance (General Home Care)	hour	Council	6.70 - 32.80	N
<i>(Low, Medium & High Income Clients)</i>	hour			
Personal Care	hour	Council	6.20 - 36.40	N
Respite Care	hour	Council	3.10 - 33.50	N
Property Maintenance	hour	Council	11.95 - 47.20	N
<i>(Low, Medium & High Income Clients)</i>				
Morning Melodies includes meal & transport	5 event season	Council	180.00	N
Client Travel Charge		Council	0.60	N

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
CORPORATE				
FINANCIAL SERVICES				
Rate Administration				
Rate Searches – Hard Copy	hour	Council	118.00	N
Rate Searches – Computer Records		Council	24.00	N
Land Information Certificate –Set by statute		Statutory	21.00	N
Payment rejection Administration Fee		Council	43.00	N
Recovery Referral Fee		Council	35.00	N
Sales Register (issued quarterly not including names and addresses)		Council	221.00	N
Sundry Debtors				
Payment rejection Administration Fee		Council	43.00	N
Interest on Sundry Debtors (Penalty Interest Act)		Statutory	10.50%	N
INFORMATION SERVICES				
Freedom of Information				
Freedom of Information Fee – set by statute		Statutory	26.50	N
Administration Cost for FOI Searches	hour	Statutory	19.90	N
RISK MANAGEMENT				
Insurance				
Contents insurance for approved community groups				
Contents up to \$10,000		Council	44.00	Y
each additional \$10,000 contents or part thereof		Council	44.00	Y
GIS IMAGES				
Low resolution images 40 dpi via email		Council	No Charge	
Printed Images - first copy of an image				
Size A0	each	Council	56.00	N
Size A1	each	Council	45.00	N
Size A1 - Gloss	each	Council	50.00	N
Size A2	each	Council	33.00	N
Size A2 - Gloss	each	Council	39.00	N
Size A3	each	Council	23.00	N
Size A4	each	Council	12.00	N
Printed Images - additional copies of an image				
Size A0	each	Council	43.00	N
Size A1	each	Council	33.00	N
Size A1 - Gloss	each	Council	38.00	N
Size A2	each	Council	26.00	N
Size A2 - Gloss	each	Council	29.00	N
Size A3	each	Council	17.00	N
Size A4	each	Council	10.00	N
Laminating A3	each	Council	22.00	N
Laminating A4	each	Council	17.00	N
Job specific mapping (Including Digital Data Supply)	hour	Council	54.00	N
PLANNING & ENVIRONMENT				
EVENTS				
Application Fee to stage new Commercial/Major events in Surf Coast Shire		Council	280.00	N
VISITOR CENTRES				
Marketing display fee - Lorne visitor centre A3 display	week	Council	9.00	Y
Marketing display fee - Lorne visitor centre Light box	week	Council	22.00-35.00	Y
Marketing display fee - Lorne visitor centre Floor display	week	Council	25.00-70.00	Y
Marketing display fee - Lorne visitor centre Local Arts Display	week	Council	12.00	Y

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
TOURISM				
Commercial tour operator licenses				
Annual fee – standard one year licence		Statutory	275.00	N
Annual fee – standard licence greater than one year (per year)		Statutory	215.00	N
Use fee – general visitor	visitor	Statutory	2.40	N
Use fee – school student and child	visitor	Statutory	1.60	N
Use fee cap (maximum)		Statutory	13,488.00	N
SURF WORLD SURFING MUSEUM				
Theatre hire day rate	hour	Council	70.00	Y
Theatre hire night rate	hour	Council	90.00	Y
Whole facility (day or night)	hour	Council	150.00	Y
Bond (only for whole facility and dependent on group)		Council	600.00	N
Bond (for hiring of theatre room alone)		Council	200.00	N
Adult entry		Council	12.00	Y
Child entry		Council	8.00	Y
Children under 5yrs		Council	No Charge	
Concession entry		Council	8.00	Y
Family entry		Council	25.00	Y
School groups entry		Council	6.50	Y
Bells Tour School Groups		Council	9.00	Y
Theatre hire day rate (community group)	hour	Council	50.00	Y
Theatre hire night rate (community group)	hour	Council	70.00	Y
Research fee without Museum Officer	hour	Council	10.00	Y
Research fee with Museum Officer	hour	Council	30.00	Y
Copying / Image reproduction				
Books, magazines, newspapers and journals (PDF)	Per 50 pages	Council	17.00	Y
Books, magazines, newspapers and journals (TIFF)	Page	Council	15.00	Y
Pictures and Photographs	Each	Council	20.00	Y
LOCAL LAWS				
Dog & Cat Registrations				
Dog or cat eligible for reduced rate under the <i>Domestic Animals Act 1994</i>		Council	36.00	N
Includes: - Sterilised Dog & Cat				
- Dog or Cat kept for breeding in Registered Domestic Business				
- Cat registered with prescribed Feline Association				
- Dogs registered with Victorian Canine Association				
- Dogs that have undergone obedience training complying with regulations				
- Working Dog				
- Dogs older than 10 years old				
Dangerous, menacing or restricted breed dogs		Council	325.00	N
All other Dogs & Cats		Council	123.00	N
Pensioner fees for each registration category other than dangerous, menacing or restricted breed dogs		Statutory	50% of registration fee	N
Dog & Cat Fees				
Cat Cage Hire	week	Council	13.50	Y
Cat Cage Deposit		Council	60.00	N
Dogs Citronella collar Hire		Council	43.00	Y
Dogs Citronella collar Deposit		Council	60.00	N
Dogs Citronella collar Refill		Council	6.00	Y
Domestic Animal Business		Council	345.00	N
Excess Dog Application and Inspection Fee		Council	215.00	N
Dog Pound Release Fee		Council	139.00	N
Cat Pound Release Fee		Council	68.00	N
Replacement dog/cat tags		Council	No Charge	
Impounding of Livestock (other than Dogs/Cats)				
Cattle and Horses (varies to market price)	head	Council	77.00	N
Sheep, Pigs and Goats (varies to market price)	head	Council	15.50	N
Others (varies to market price)	head	Council	13.50	N
Sustenance Fee Cattle, Horses (varies to market price)	head	Council	15.50	N
Sustenance Fee Other – Daily	head	Council	13.50	N

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
Penalties				
Parking for a period longer than fixed		Statutory	75.00	N
Road Safety Act Parking Enforcement (Set by Statute)		Statutory	Various	N
Towing of Disabled Vehicles		Council	185.00	N
Release fee for impounded goods		Council	36.00	N
Permits				
Disabled Parking Permits		Council	No Charge	
A Frame Inspection and Application Fee		Council	68.00	N
A Frame Permit		Council	195.00	N
Open for Inspection Signage Permit		Council	222.00	N
Permit Inspection and Application Fee		Council	35.00	N
To Occupy Public Place to Sell Merchandise – Winchelsea, Deans Marsh and Moriac	m ² of used space	Council	50.00	N
To Occupy Public Place to Sell Merchandise – all other areas	m ² of used space	Council	57.00	N
Street Furniture (Alfresco Dining) – Annual Permit – Winchelsea, Deans Marsh and Moriac	m ² of used space	Council	98.00	N
Street Furniture (Alfresco Dining) – Annual Permit – all other areas	m ² of used space	Council	108.00	N
Camping Permit Fee (private property)		Council	129.00	N
Occupy Temp Accommodation on Land	6 months	Council	247.00	N
Occupy Road	day	Council	98.00	N
Skip Waste Bin (up to 3 m3)	7 days	Council	57.00	N
Hopper Waste Bin (greater than 3m ³)	7 days	Council	82.00	N
Hopper Waste Bin (greater than 3m3)	30 days	Council	325.00	N
Hoardings (fencing or barriers) Permit fee		Council	247.00	N
Wedding Application Permit fee - conduct a wedding on Council land and reserves		Council	160.00	N
ELECTION FINES				
Election Fines – set by State Government		Statutory	74.00	N
STATUTORY PLANNING				
Town Planning Application Fees (set by Statute)		Statutory	Various	N
Advertising Fee – up to 15 notifications 1st property		Council	119.00	N
Subsequent properties		Council	8.25	N
Extension of Time		Council	83.00	N
surcharge fee if history file is offsite		Council	29.00	N
Property Enquiries		Council	44.00	N
File retrieval		Council	30.00	N
Demolition Consent Permit		Statutory	61.00	N
Amendment of Plans/Permits		Council	150.00	N
surcharge fee if history file is offsite		Council	29.00	N
Subdivision Applications (Set by Statute)		Statutory	Various	N
Subdivision Certification (Set by Statute)		Statutory	Various	N
Building Approvals for Properties Search		Statutory	48.60	N
Plans for Approval (Ocean Acres, SUZ etc.)		Council	144.00	N
Written advice		Council	124.00	N
Copy of Planning Permit		Council	43.00	N
Copy of Plans				
A3 or A4 size		Council	10.50	N
A0 or A1 size		Council	21.50	N
surcharge fee if history file is offsite		Council	30.00	N

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
BUILDING CONTROL				
Building Charges (Minister's Guidelines + 25%)				
Building Notice Resolution		Council	264.00	N
Storm Water Application (Legal Point of Discharge)		Statutory	62.60	N
Building over Easement		Statutory	250.65	N
Form 10 (Statutory Charge) Legal Enquiry		Statutory	49.90	N
Copy of Plans		Council	144.00	N
Copy of Building Approval/Certificate of Occupancy		Council	44.00	N
Variation of Regulations		Statutory	250.65	N
Inspections		Council	144.00	N
Lodgement Fee (Statutory Charge)		Statutory	37.40	N
Issue of Building Approval		Statutory	Various	N
Property request info		Statutory	109.50	N
Property request info 2.10 (statutory)		Statutory	49.90	N
ENVIRONMENT PROTECTION ACT 1970				
Septic Tanks				
Septic Tank Application Fee – Install		Council	555.00	N
Septic Tank Application Fee – Alter		Council	245.00	N
Building Regulation 801 Consent Request		Council	220.00	N
Septic Tank File Request		Council	30.00	N
Urgent Septic Tank File Request (within 24 hours)		Council	120.00	N
FOOD ACT 1984				
New Registration				
Class 1 Premises (Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		Council	1,190.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		Council	810.00	N
Class 2 Premises (includes mobile & temporary food premises)		Council	645.00	N
Class 2 - Each Additional Mobile and Temporary Food Premises		Council	100.00	N
Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises)		Council	375.00	N
Class 3 - Each Additional Mobile and Temporary Food Premises		Council	50.00	N
Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises)		Council	180.00	N
Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises)		Council	110.00	N
Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year)		Council	No charge	
<i>Bi-annual pro-rata rates apply</i>				
Renewal of Registration				
Class 1 Premises (Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		Council	790.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		Council	540.00	N
Class 2 Premises (includes mobile & temporary food premises)		Council	430.00	N
Class 2 - Each Additional Mobile and Temporary Food Premises		Council	100.00	N
Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises)		Council	250.00	N
Class 3 - Each Additional Mobile and Temporary Food Premises		Council	50.00	N
Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises)		Council	120.00	N
Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises)		Council	70.00	N
Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year)		Council	No charge	
Renewal of Registration - 5 Star Rating				
Class 1 Premises (Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		Council	715.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		Council	490.00	N
Class 2 Premises (includes mobile & temporary food premises)		Council	390.00	N

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
Renewal of Registration - 2 Star Rating				
Class 1 Premises (Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		Council	1,025.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		Council	700.00	N
Class 2 Premises (includes mobile & temporary food premises)		Council	555.00	N
Renewal of Registration - 1 Star Rating				
Class 1 Premises (Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		Council	1,105.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		Council	750.00	N
Class 2 Premises (includes mobile & temporary food premises)		Council	600.00	N
Transfer of Registration				
Application for Transfer of Registration – Food Premises		Council	50% Renewal of Registration Fee	N
Request for Inspection/assessment and report fee		Council	240.00	N
Urgent request for Inspection/assessment and report fee (within 2 working days)		Council	465.00	N
<i>Note: Food premises are classed in accordance with section 19c of the Food Act 1984</i>				
PUBLIC HEALTH AND WELLBEING ACT 2008				
Registered premises – new application:				
Beauty therapy, hairdressing, colonic irrigation				
new application		Council	140.00	N
renewal		Council	140.00	N
transfer		Council	75.00	N
Skin penetration, tattooing				
new application		Council	195.00	N
renewal		Council	195.00	N
transfer		Council	95.00	N
Prescribed Accommodation – new application / renewal				
6-15 people		Council	275.00	N
16-25 people		Council	390.00	N
26-50 people		Council	500.00	N
> 50 people		Council	665.00	N
Prescribed Accommodation – transfer		Council	50% of new application / renewal fee	N
<i>Bi-annual pro-rata rates apply</i>				
CARAVAN PARKS				
(1 Fee Unit = \$13.24)				
Caravan Park Registration - fee lesser of Council fee or cap under <i>Residential Tenancies Act 1997</i>	site	Council	10.00	N
Transfer of Caravan Park Registration		Statutory	5 fee units	N
IMMUNISATIONS				
Immunisation (Vaccines)		Council	At cost per dose plus 30%	N
Immunisation History Search		Council	20.00	N
FIRE PREVENTION				
CFA Act Infringement Notice (legislated penalty)		Statutory	1,476.00	N
Block Clearing		Council	Cost + \$150.00 plus gst	N
Application for Permit to Burn		Council	No Charge	
Application for Permit to Plant Trees on Roadside		Council	67.00	N

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
INFRASTRUCTURE				
INFRASTRUCTURE ADMINISTRATION				
Vehicle Crossings (Non-Utilities)		Council	165.00	N
Road Opening Permit		Council	70.00	N
Asset Protection Permit		Council	165.00	N
Road Works Permits (Fee per unit) 1 Fee Unit = \$13.65				
Arterial Road				
Works, other than Minor Works on roadway, shoulder or pathway		Statutory	45 fee units	N
Works, other than Minor Works not on roadway, shoulder or pathway		Statutory	25 fee units	N
Minor Works on roadway, shoulder or pathway		Statutory	11.5 fee units	N
Minor Works not on roadway, shoulder or pathway		Statutory	10 fee units	N
Other Roads speed over 50km/h				
Works, other than Minor Works on roadway, shoulder or pathway		Statutory	45 fee units	N
Works, other than Minor Works not on roadway, shoulder or pathway		Statutory	25 fee units	N
Minor Works on roadway, shoulder or pathway		Statutory	11.5 fee units	N
Minor Works not on roadway, shoulder or pathway		Statutory	5 fee units	N
Works, other than Minor Works on roadway, shoulder or pathway		Statutory	20 fee units	N
Works, other than Minor Works not on roadway, shoulder or pathway		Statutory	5 fee units	N
Minor Works on roadway, shoulder or pathway		Statutory	11.5 fee units	N
Minor Works not on roadway, shoulder or pathway		Statutory	5 fee units	N
WATER PERMITS				
Water Permits 0-3,000 Litres		Council	21.00	N
Water Permits 3,000-6,000 Litres		Council	26.70	N
Water Permits 6,000-131,800 Litres		Council	Up to \$414.00	N
(Graduated Scale see Appendix)				
DEVELOPER LEVIES				
Non-Standard Public Lighting Levy		Council	280.00	N
Admin. Fee – Special Rate Projects		Council	5.00%	N
Subdivision Supervision Fees		Statutory	2.50%	N
Subdivisions Plan - Checking fees		Statutory	0.75%	N
Drainage Investigation for Unit developments (Up-to three Units)		Council	390.00	N
Drainage Investigation hourly rate		Council	110.00	N
WASTE DISPOSAL				
Domestic Garbage - Uncompacted Waste	cubic metre	Council	74.00	Y
Domestic Hard Waste - Uncompacted Waste	cubic metre	Council	74.00	Y
Commercial Garbage – Compacted Waste	tonne	Council	125.00	Y
Commercial Garbage - Uncompacted Waste	cubic metre	Council	74.00	Y
Commercial Hard Waste – Uncompacted Waste	cubic metre	Council	74.00	Y
Clean Fill (Anglesea only – subject to demand)	tonne	Council	20.00	Y
Construction & Demolition – Waste Mixed	tonne	Council	125.00	Y
Construction & Demolition – Recyclable Timber (Anglesea)	tonne	Council	28.00	Y
Construction & Demolition – Recyclable Timber	cubic metre	Council	35.00	Y
Construction & Demolition – Recycle Plaster (Anglesea)	tonne	Council	28.00	Y
Construction & Demolition – Recyclable Concrete/Bricks (Anglesea)	tonne	Council	56.40	Y
Construction & Demolition – Recyclable Concrete/Bricks (Lorne)	cubic metre	Council	88.00	Y
Recyclable Material	cubic metre	Council	11.00	Y
Green Waste	cubic metre	Council	27.00	Y
Sand (disposal at Anglesea Landfill only, subject to demand)	tonne	Council	No Charge	

Description	Unit	Fee Status	2015/2016 (Inc GST if applic) \$	Includes GST Y/N
General Items				
Car Tyres	each	Council	7.50	Y
Light Truck Tyres	each	Council	9.00	Y
Truck Tyres	each	Council	20.50	Y
Car Bodies	each	Council	53.00	Y
Mattresses (& bases)	each	Council	21.50	Y
TVs	each	Council	6.50	Y
Sale of Mulch (Anglesea, Lorne and Winchelsea only – subject to availability)	cubic metre	Council	13.50	Y
Sale of second hand bins (Anglesea only – subject to availability)	each	Council	15.00	Y
Sale of compost bins	each	Council	55.00	Y
Sale of reusable items		Council	Fee for items to be determined by Coordinator Waste Management	Y
KERBSIDE WASTE COLLECTION				
Residential garbage service upgrade - 240L bin	year	Council	170.00	N
Additional residential recycle service – 240L or 360L bin	year	Council	62.00	N
Upgrade residential recycle service to 360L bin	year	Council	57.00	N
Additional residential green waste service – 240L or 360L bin	year	Council	67.00	N
Upgrade residential green waste service to 360L bin	year	Council	57.00	N
Event bin hire	each	Council	17.50	N
Infrequently occupied residence bin placement fee	occasion	Council	6.00	N
Gravity Lock bin (including lid)	each	Council	41.00	N
Replacement key	each	Council	2.00	N

STANDPIPE WATER CHARGES

Litres	Gallons	2015/2016 Cost \$	Total \$
0-3,000	600	20.60	20.60
3,000 - 6,000	1,200	26.78	26.78
9,000	2,000	35.02	35.02
11,400	2,500	39.14	39.14
13,600	3,000	44.29	44.29
15,900	3,500	50.47	50.47
18,200	4,000	56.65	56.65
20,500	4,500	64.89	64.89
22,700	5,000	71.07	71.07
25,000	5,500	78.28	78.28
27,300	6,000	85.49	85.49
29,500	6,500	93.73	93.73
31,800	7,000	99.91	99.91
34,100	7,500	107.12	107.12
36,400	8,000	114.33	114.33
38,600	8,500	122.57	122.57
40,900	9,000	128.75	128.75
43,200	9,500	135.96	135.96
45,500	10,000	143.17	143.17
50,000	11,000	157.59	157.59
54,600	12,000	172.01	172.01
59,100	13,000	186.43	186.43
63,600	14,000	199.82	199.82
68,200	15,000	215.27	215.27
72,700	16,000	228.66	228.66
77,300	17,000	244.11	244.11
81,800	18,000	257.50	257.50
86,400	19,000	272.95	272.95
91,000	20,000	286.34	286.34
95,500	21,000	301.79	301.79
100,000	22,000	315.18	315.18
104,600	23,000	330.63	330.63
109,100	24,000	342.99	342.99
113,700	25,000	357.41	357.41
118,200	26,000	371.83	371.83
122,700	27,000	385.22	385.22
127,300	28,000	400.67	400.67
131,800	29,000	414.06	414.06

*note water charges do not attract GST

Appendix E - Cash Reserves

This appendix presents the Restricted and Unrestricted Cash Reserves held by Council and their Purposes.

Restricted Reserves

Open Space Reserve (legislative)

Purpose

The purpose of this reserve is to provide improved recreational facilities for the Surf Coast Shire, both of an active and a passive nature.

Typical Sources of Inflows and Outflows:

Inflows to the open space reserve are solely composed of contributions from subdividers in lieu of the 5 per cent public open space requirement. It is noteworthy that substantial income flow into this Reserve annually and these funds will be critical in delivering key outcomes of the Open Space Strategy.

Outflows have been limited to capital works on parks, playgrounds, and both active and passive recreation reserves. The level of anticipated growth in this reserve is not fully allocated in the capital works program over the life of the SRP. On the basis of our knowledge to-date, it is difficult to predict requirements beyond the short term. For this reason, limited allocation of reserves has been made in later years of the SRP.

Forecast Balance as at 30 June 2015:	\$819,378
Budgeted Balance as at 30 June 2016:	\$1,051,378

Main Drainage Reserve (legislative)

Purpose

The purpose of this reserve is to hold developer contributions for main drainage works at a later point than the initial development. As such they are also tied to works within the catchment area from which funds were derived.

Typical Sources of Inflows and Outflows:

Inflows are from contributions collected from developers and outflows are on the works specified.

Forecast Balance as at 30 June 2015:	\$205,062
Budgeted Balance as at 30 June 2016:	\$205,062

Aireys Inlet Units Reserve (legislative)

Purpose

The purpose of this reserve is as the funding source for the maintenance of social housing for disadvantaged low income earners. Four social housing units currently exist in Aireys Inlet.

Typical Sources of Inflows and Outflows:

Inflows are received by way of rent. Outflows cover future maintenance and capital expenditure related to the units.

Forecast Balance as at 30 June 2015:	\$330,879
Budgeted Balance as at 30 June 2016:	\$324,164

Asset Development Reserve (contractual)**Purpose**

The purpose of this reserve is to hold funds derived from the sale of council land or buildings to ensure that they are applied to the creation of new Council assets or debt reduction and not used to enhance Council's operational outcomes. Funds in this reserve are tied to works within the geographical area from which funds were derived.

Typical Sources of Inflows and Outflows:

Cash inflows to the reserve accrue from sale proceeds of land or buildings and outgoings will be in the form of construction costs on new council assets.

Forecast Balance as at 30 June 2015:	\$60,037
Budgeted Balance as at 30 June 2016:	\$60,037

Developer Contributions Reserve (contractual)**Purpose**

The purpose of this reserve is to hold funds contributed by developers for specific works associated with subdivisions. Funds are contributed for works such as footpaths, fencing, streetscape works, lighting and other such items where it is deemed that these works should occur at a later point than the initial development. Funds are also kept in this reserve for the Torquay/Jan Juc Developer Contributions Plan. Funds collected are very specific and tied to particular projects.

Typical Sources of Inflows and Outflows:

Inflows are from contributions collected from developers and outflows are on the works specified.

Forecast Balance as at 30 June 2015:	\$3,579,851
Budgeted Balance as at 30 June 2016:	\$4,045,555

Waste Reserve (contractual)**Purpose**

The purpose of this reserve is to ensure that the full cost of the waste function is met by the waste charges (garbage charge and fee income from landfill) and that surpluses and deficits on an annual basis can be covered without any adverse impact on the balance of Council's budget. This facet is particularly relevant in terms of Council meeting its long-term obligations for landfill rehabilitation where funds need to be set aside in the interim to plan for large-scale costs in the future. The rehabilitation of the Anglesea Landfill is expected to take place in 2023/24.

Typical Sources of Inflows and Outflows:

Cash inflows to the reserve arise from any surplus funds remaining from the combined income from garbage charges and landfill fees, less the cost of operating the landfills, waste administration, kerbside collection, recycling and other associated waste costs. Outflows are due to waste capital expenditures.

Forecast Balance as at 30 June 2015:	\$6,237,033
Budgeted Balance as at 30 June 2016:	\$6,234,658

Trust and Deposits Reserve (contractual)

Purpose

Whilst not technically a reserve, Trust and Deposits represent cash that Council holds under a contractual agreement, and therefore should be considered part of restricted cash holdings. Council has decided to utilise a reserve for this purpose to provide clarity.

Typical Sources of Inflows and Outflows:

Cash inflows and to the Trust and Deposits Reserve will arise from contractual agreements between Council and other parties. Outflows generally occur when the agreement expires.

Forecast Balance as at 30 June 2015:	\$1,198,977
Budgeted Balance as at 30 June 2016:	\$1,198,977

Unrestricted Reserves

Mayoral Charity

This former reserve has been removed by Council, however has been listed for information for this year only.

Plant Replacement Reserve

Purpose

The purpose of this reserve is to establish a fund whereby Council's heavy plant (graders, trucks, etc) can be replaced at the end of their useful lives. The changeover cost of small vehicles is also funded from this reserve.

Typical Sources of Inflows and Outflows:

Inflows to this reserve accrue out of plant hire charges made to jobs on which the plant works. The total of plant hire income is then offset against the operating expenses of the plant, with the surplus amount being transferred to the plant reserve.

Outflows from this reserve are typically the changeover cost of plant.

Forecast Balance as at 30 June 2015:	\$828,139
Budgeted Balance as at 30 June 2016:	\$800,148

Gherang Gravel Pits Reserve

Purpose

The purpose of this reserve is to provide funding for road improvements for Council roads.

Typical Sources of Inflows and Outflows:

Inflows to this reserve accrue revenue from the operation of Council's gravel pits. The total of Gravel Pit income is then offset against the operating expenses of the facility, with the surplus amount being transferred to the Gherang Gravel Pits Reserve.

Outflows from this reserve are earmarked for road improvement projects.

Forecast Balance as at 30 June 2015:	\$1,252,952
Budgeted Balance as at 30 June 2016:	\$1,342,699

Defined Benefits Superannuation Reserve

Purpose

The purpose of this reserve is to provide funding for future defined benefits superannuation fund shortfalls.

Typical Sources of Inflows and Outflows:

Inflows to this reserve are at the discretion of Council, set via the Annual Budget process. Council will make an estimate on the future defined benefits superannuation funding shortfalls and build a reserve in order to meet the shortfall.

Outflows from this reserve will fund defined benefit funding calls from Council's superannuation provider.

Forecast Balance as at 30 June 2015:	\$274,000
Budgeted Balance as at 30 June 2016:	\$474,000

Carried Forward Capital Works Reserve

Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for capital works that are still in progress at year end.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated at end of financial year relating to incomplete projects. Outflows will be funds allocated in the new financial year to complete the projects in progress.

Forecast Balance as at 30 June 2015:	\$2,713,351
Budgeted Balance as at 30 June 2016:	\$1,600,000

Carried Forward New Initiatives Reserve

Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for new initiative projects that are still in progress at year end.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated at end of financial year relating to incomplete projects. Outflows will be funds allocated in the new financial year to complete the projects in progress.

Forecast Balance as at 30 June 2015:	\$95,000
Budgeted Balance as at 30 June 2016:	\$0

Adopted Strategy Implementation Reserve

Purpose

The purpose of this reserve is to provide funding for projects in line with approved strategies adopted by Council and is funded from operations or grants received.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated via Council resolution. Outflows will be funds allocated to specific projects by Council resolution.

Forecast Balance as at 30 June 2015:	\$0
Budgeted Balance as at 30 June 2016:	\$0

Asset Renewal Reserve**Purpose**

The purpose of this reserve is to provide funding based on the Asset Renewal Funding Strategy.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis increasing year on year at a predetermined rate as set by Council. Funds from renewal projects completed under budget will also be returned to this reserve. Outflows from this reserve will be spent on renewal of Council assets.

Forecast Balance as at 30 June 2015: \$0

Budgeted Balance as at 30 June 2016: \$0

Accumulated Unallocated Cash Reserve**Purpose**

The purpose of this reserve is to separately identify Council's unallocated cash.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated by Council based on operational savings or unallocated sources of funding. Outflows from this reserve will be allocations based solely on Council resolutions.

Forecast Balance as at 30 June 2015: To be determined

Appendix F – Local Government Rates Capping Framework Terms of Reference

Local Government Rates Capping Framework

Terms of Reference

I, Robin Scott MP, Minister for Finance, under section 41 of the *Essential Services Commission Act 2001* (the 'ESC Act'), refer to the Essential Services Commission (ESC) the development of a rates capping framework for local government.

As provided for by section 185b of the *Local Government Act 1989*, the Minister for Local Government can cap council general income. The Government has announced a commitment to cap annual council rate increases¹ and has also provided additional guidance on factors to be considered during the implementation of the cap².

The State Government's objective is to contain the cost of living in Victoria while supporting council autonomy and ensuring greater accountability and transparency in local government budgeting and service delivery. The Government intends to promote rates and charges that are efficient, stable and reflective of services that the community needs and demands, and set at a level that ensures the sustainability of the councils' financial capacity and council infrastructure, thereby promoting the best outcomes for all Victorians.

The ESC is asked to inquire into and advise the Ministers for Finance and Local Government on options and a recommended approach for a rates capping framework for implementation from the 2016-17 financial year. Advice should include and/or take into account the following matters:

- 1) Available evidence on the magnitude and impact of successive above-CPI rate increases by Victorian councils on ratepayers.
- 2) Implementation of the Government's commitment to cap annual council rate increases at the Consumer Price Index (CPI) with councils to justify any proposed increases beyond the cap, including advice on the base to which the cap should apply (e.g. whether to rates or to general income).
- 3) Any refinements to the nature and application of the cap that could better meet the Government's objectives.
- 4) Options for the rate capping framework should be simple to understand and administer, and be tailored to the needs of the highly diverse local government sector. The framework should take into account factors that may impact on local governments' short and longer term financial outlook, such as:
 - a) actual and projected population growth and any particular service and infrastructure needs;
 - b) any relevant Commonwealth Government cuts to Local Government grants;
 - c) any additional taxes, levies or increased statutory responsibilities of local governments as required by the State or Commonwealth Governments;

¹ Media release by Daniel Andrews, *Andrew Announces Fair Go for Ratepayers*, 5 May 2014.

² ALP's response to MAV's *Local Government Call to Political Parties*, p.1, November 2014.

- d) any extraordinary circumstances (such as natural disasters); and
 - e) other sources of income available to councils (for example, ability to raise user fees and charges from non-residents).
- 5) Consider how local governments should continue to manage their overall finances on a sustainable basis, including any additional ongoing monitoring of council service and financial performance to ensure that any deterioration in the level, quality or sustainability of services and infrastructure and councils' financial position is identified and addressed promptly.
 - 6) The processes and guidance to best give effect to the recommended approach for the rates capping framework and a practical timetable for implementation, including:
 - a) the role of councils, the ESC and the Victorian Government and the expected time taken by local governments and by the Victorian Government or its agencies, for each step in the rate capping process;
 - b) any technical requirements including the information requirements on councils that request exemptions from the cap;
 - c) any guidance required to give effect to the rate capping options (including in relation to consultation with ratepayers) and to improve accountability and transparency; and
 - d) any benchmarking or assessment of the effectiveness of the regime, including options to continuously refine the regime and improve council incentives for efficiency.
 - 7) Options for ongoing funding to administer the rate capping framework, including the potential for cost recovery.

In conducting the inquiry and providing its advice, the ESC will have regard to:

- the role of local government in the provision of infrastructure and services to the community and the general efficacy with which they currently perform this task;
- the differences between rural, regional and metropolitan local councils in terms of costs, revenue sources and assets maintained;
- the Revenue and Rating Strategy guide and Local Government Performance Reporting Framework to be administered by the Department of Environment, Land, Water and Planning;
- matters regarding rating practices and asset renewal gap raised by the Victorian Auditor-General's Office (VAGO);
- Department of Treasury and Finance's Victorian Guide to Regulation and Victorian Cost Recovery Guidelines; and

- any relevant insights from the experience of rate pegging in New South Wales, including any reviews or evaluations that can suggest ways to minimise any unintended consequences.

In conducting this independent inquiry, the ESC will be informed by wide consultation. This will include, but is not limited to: councillors and officials from local government; representative bodies such as Municipal Association of Victoria, Victorian Local Government Association and LGPro; unions; VAGO; and relevant government agencies and departments. In addition, the ESC will consult regularly throughout the course of the inquiry with a sector consultative panel established by the Minister for Local Government. The ESC's consultation will be guided by its Charter of Consultation and Regulatory Practice.

The ESC will publish a draft report on the rates capping framework no later than six months after receipt of these terms of reference. The draft report must be made publicly available and invite comments from local governments and other interested parties. A final framework report along with draft guidance material will be provided to the Minister for Finance and Minister for Local Government no later than 31 October 2015.

ROBIN SCOTT
Minister for Finance
Dated: 19 January 2015

Appendix G – Council Contributions to External Parties

Organisation	\$
Business / Tourism / Traders Associations:	
Great Ocean Road Regional Tourism	150,000
Aireys Inlet Tourism and Traders Association	2,000
Anglesea Business and Tourism Association	2,000
Lorne Business and Tourism Association	2,000
Torquay Commerce and Tourism Association	2,000
Committee for Geelong	5,600
Growing Winchelsea	2,000
Victorian Tourism Industry Council	700
Early Years / Education Providers:	
Torquay State School - Stadium Joint Use Agreement	13,000
Anglesea Kindergarten	4,000
Moriac Pre-School Centre	4,000
Surf Coast Toy Library	1,500
Australian Breastfeeding Association	274
Early Childhood Australia	270
Local Government:	
G21 Geelong Regional Alliance	54,000
Municipal Association of Victoria	30,000
Peri Urban Group of Councils	15,375
Victorian Local Governance Association	7,300
Timber Towns Victoria	5,734
LG Pro	3,600
Rural Finance	3,000
National Sea Change Taskforce	1,100
Australian Local Government Women's Association	600
Senior Citizens / Community Houses & Groups:	
Anglesea Community House	5,000
Deans Marsh Community Cottage	5,000
Lorne Community House	5,000
Spring Creek Community House	5,000
Winchelsea Community House	5,000
Anglesea and Aireys Inlet Senior Citizens Club	3,485
Lorne Senior Citizens Centre	3,485
Moriac and District Seniors Citizens Club	3,485
Torquay Senior Citizens Centre	3,485
Winchelsea Senior Citizens Centre	3,485
Funding Programs:	
Events Partnership Program	83,000
Minor Community Grants	75,000
Donations of prizes to local not for profit organisations	500
Other Programs and Services:	
Geelong Regional Library Corporation	520,239
Victorian State Emergency Services	64,000
Geelong Heritage Centre	44,012
Surf Life Saving Victoria	43,050
Barwon South West Waste Management Group	18,553
Barwon Sports Academy	5,000
Corangamite Catchment Management Authority	5,000
Mt Gellibrand Fire Tower Lookout Committee	1,600
Volunteering Victoria	1,152
Total	1,213,584

Appendix H – Asset Renewal Backlog

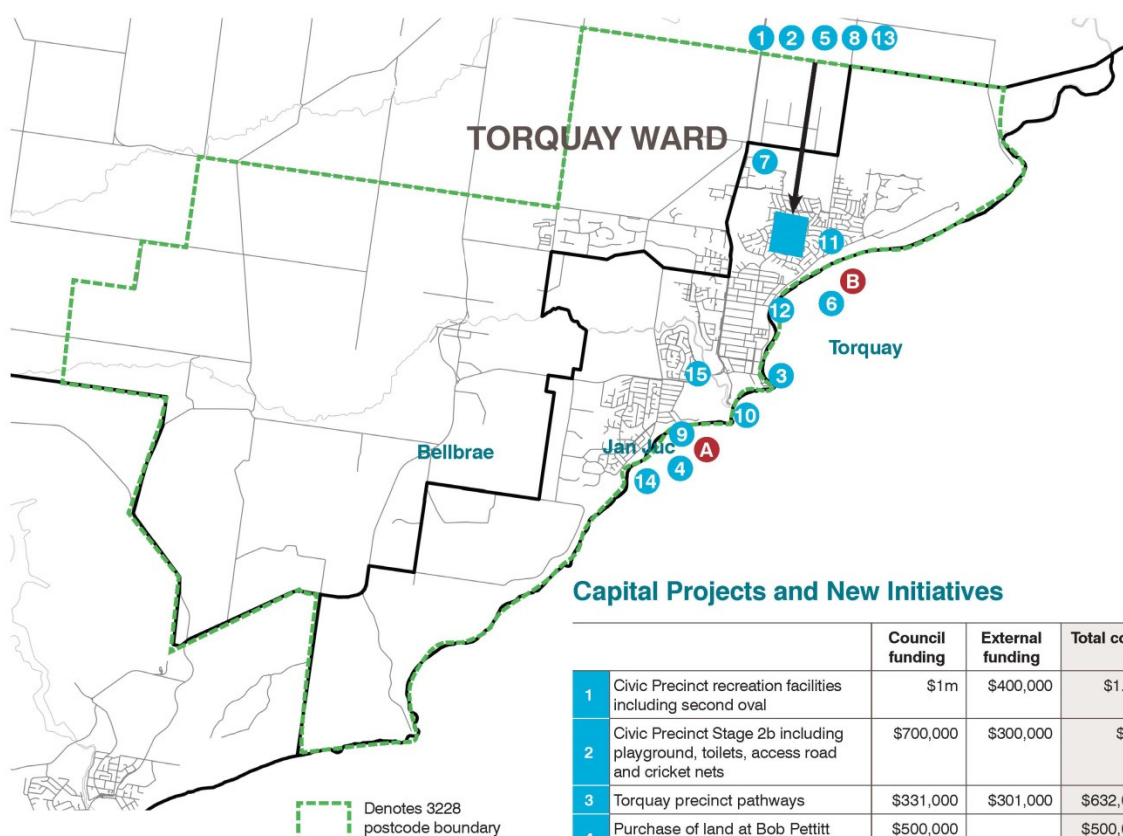
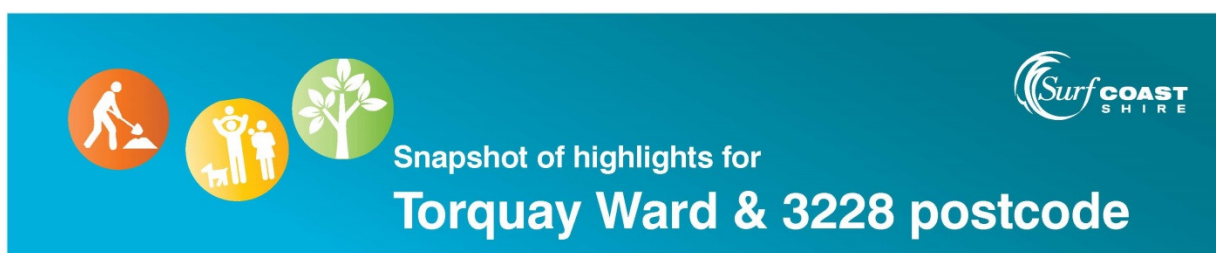
The asset renewal backlog lists assets that have reached the service level at which Council renews assets, but at this stage has not allocated the funds. These items will be prioritised for consideration in Council's 2016/17 draft budget.

Township	Asset Location	Works Description	Estimated Replacement Cost \$'000
Kerb			
Lorne	Dwyer Street	Left Kerb - Concrete Spoon	4
Sealed Roads			
Anglesea	Simmons Court - Inverlochy St To End Of Court	Reseal	26
Anglesea	Wray Street - Bingley Pde To Camp Rd	Reseal	7
Moriac	Lavinia Court - Cooks Lane To End	Reseal	15
Footpaths			
Winchelsea	Austin Street - Mercer Street To Willis Street	Footpath Replacement	7
Winchelsea	Hesse Street - Armytage Street To Princes Hwy	Footpath Replacement	15
Winchelsea	Main Street Service Rd - Gosney St To Hesse Street (North Side)	Footpath Replacement	23
Anglesea	Gabba Court - Arinya Cres To End Of Court	Footpath Replacement	15
Anglesea	Noble Street - Reserve Rd To Roundabout at Murray St	Footpath Replacement	21
Jan Juc	Sunset Strip - Alexander Ave to Cantala Dr - right lane	Footpath Replacement	19
Lorne	Grove Road - Mountjoy Parade To Otway St	Footpath Replacement	5
Lorne	Mountjoy Parade - Beal St to Francis St (Roadside Only)	Footpath Replacement	13
Lorne	Mountjoy Parade Service Road - Sealed section outside Grand Pacific Hotel	Footpath Replacement	14
Lorne	Ocean Road - Doble St To Swing Bridge	Footpath Replacement	10
Lorne	Ocean Road - Deans Marsh Rd To Erskine River Bridge	Footpath Replacement	3
Lorne	Otway Street - Mountjoy Parade To Lower Otway st	Footpath Replacement	10
Lorne	Smith Street, Lorne - Grove Road To William St	Footpath Replacement	7
Lorne	Smith Street, Lorne - William St To Bay St	Footpath Replacement	8
Lorne	William Street - Otway Street To Polwarth Road	Footpath Replacement	5
Moriac	Greenfields Drive - Buttercup Dr To Cooks Lane	Footpath Replacement	7
Torquay	Almeida Close - Conside Crescent To T- Junction	Footpath Replacement	6
Torquay	Beach Road - Fischer Street To Surf Coast Highway	Footpath Replacement	5
Torquay	Frog Hollow Drive - Messmate Road to Property 14	Footpath Replacement	5
Torquay	Anderson Street - Surf Coast Highway To Pearl Street	Footpath Replacement	1
Winchelsea	Austin Street - Willis Street To Hopkins Street	Footpath Replacement	25
Winchelsea	Barwon Terrace - Willis Street To Batson Street	Footpath Replacement	1
Winchelsea	Harding Street - Hopkins St To Willis Street	Footpath Replacement	20
Winchelsea	Willis Street - Harding St To Austin St	Footpath Replacement	5
Drainage			
Jan Juc	Jan Juc Creek Catchment 4	Replace 140m - various locations	41
Jan Juc	Jan Juc Creek Catchment 7	Replace 180m - various locations	50
Torquay	Spring Creek Catchment 1	Replace 750m - various locations	160

Township	Asset Location	Works Description	Estimated Replacement Cost \$'000
Buildings			
Lorne	Lorne Fig Tree House	Replace Joinery - foyer & Childrens Day Care, DDA Fixtures	8
Anglesea	Anglesea Community Hall	cladded walls, timber trimming, brickwork painting, fascias, eaves Overall external of building needs good clean.	70
Jan Juc	Jan Juc Recreation Centre	DDA Fixtures	11
Bambra	Bambra Hall	Fridge, Stove	3
Anglesea	Anglesea Bowling Club	Roof Replacement	83
Lorne	Lorne Senior Citizens Centre	Carport structural support	12
Torquay	Spring Creek Reserve - Toilet	Major refurbishment	50
Winchelsea	Winchelsea Bowling Club Pavilion	Refurbish toilets and changerooms	60
Open Space			
Mt Moriac	Mt Moriac Rec Reserve	Various items at reserve	33
Torquay	Deep Creek Reserve	Various items at reserve	21
Lorne	Stribling Rec Reserve	Various items at reserve	20
Deans Marsh	Deans Marsh Rec Reserve	Various items at reserve	20
Anglesea	Ellimatta Rec Res	Various items at reserve	17
Anglesea	Fairyland	Various items at reserve	14
Anglesea	Lions Park	Various items at reserve	14
Winchelsea	Winch Eastern Rec Reserve	Various items at reserve	14
Torquay	Median Strip	Various items at reserve	13
Aireys Inlet	NS-Gt Ocean Rd	Various items at reserve	13
Gnarwarre	Gnarwarre Reserve	Various items at reserve	13
Bells Beach	Bells Bch Res	Various items at reserve	13
Torquay	Walkway	Various items at reserve	12
Torquay	Road Reserve	Various items at reserve	10
Lorne	Stony Creek Reserve	Various items at reserve	9
Jan Juc	Apex Park	Various items at reserve	9
Torquay	Quay Pond Reserve	Various items at reserve	9
Anglesea	Anglesea Riverbank	Various items at reserve	9
Aireys Inlet	Inlet Crescent Res	Various items at reserve	8
Lorne	Duncan Street Reserve	Various items at reserve	7
Fairhaven	Walkway	Various items at reserve	7
Connewarre	Dans Reserve	Various items at reserve	7
Anglesea	Coogoorah Park	Various items at reserve	6
Torquay	Nature Strip	Various items at reserve	6
Jan Juc	Bob Pettit Reserve	Various items at reserve	6
Buckley	Lake Modewarre	Various items at reserve	6
Torquay	Spring Creek Reserve	Various items at reserve	5
Bambra	Greg Drayton Memorial Reserve	Various items at reserve	5
Torquay	Spring Creek West Nature Reserve	Various items at reserve	5
Modewarre	Cape Otway Rec Reserve	Various items at reserve	5
Mt Duneed	Kalkarra Park	Various items at reserve	5
Lorne	Stirling St Reserve	Various items at reserve	5
Anglesea	Anglesea Lookout	Various items at reserve	5
Modewarre	Modewarre Recreation Reserve	Various items at reserve	5
Freshwater Creek	Freshwater Creek	Various items at reserve	5
Winchelsea	Winch Riverbank Reserve	Various items at reserve	5
Anglesea	Carpark - Bowls Club	Various items at reserve	4

Township	Asset Location	Works Description	Estimated Replacement Cost \$'000
Anglesea	Anglesea Tennis Crts	Various items at reserve	4
Aireys Inlet	Anderson Roadnight	Various items at reserve	4
Aireys Inlet	NS-GOR Svc Rd Nobles to Pain Ck	Various items at reserve	4
Moriac	Newling Reserve	Various items at reserve	4
Aireys Inlet	Bambra Rd Res	Various items at reserve	4
Anglesea	Civic Centre (Anglesea)	Various items at reserve	3
Anglesea	Colledge Place	Various items at reserve	3
Bellbrae	Bellbrae Reserve	Various items at reserve	3
Lorne	Walkway	Various items at reserve	3
Winchelsea	Nature Strip	Various items at reserve	3
Jan Juc	Jan Juc Creek Reserve	Various items at reserve	3
Fairhaven	Fairhaven Easement Reserve	Various items at reserve	3
Moriac	Moriac Reserve	Various items at reserve	3
Torquay	Price Street Community House	Various items at reserve	3
Bellbrae	Bellbrae Hall	Various items at reserve	2
Torquay	Ocean Views	Various items at reserve	2
Winchelsea	Winch Tennis Courts	Various items at reserve	2
Various	Various other reserves with less than \$2000 renewal requirement at each reserve		33
Total Asset			1,300

Appendix I – Budget Highlights by ward



Capital Projects and New Initiatives

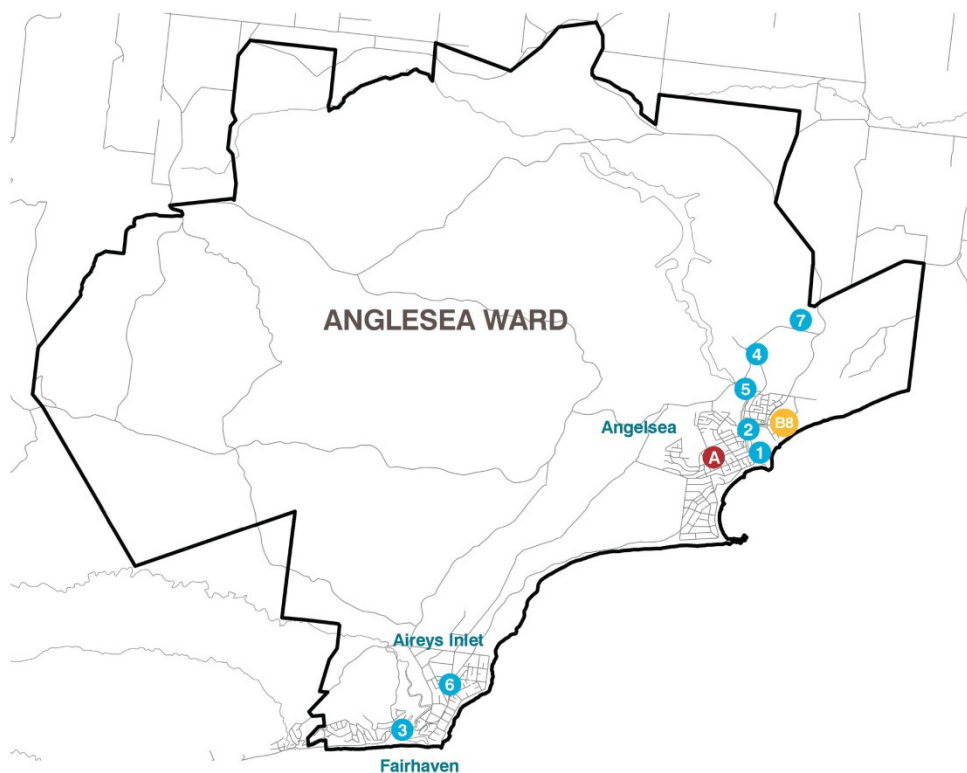
		Council funding	External funding	Total cost
1	Civic Precinct recreation facilities including second oval	\$1m	\$400,000	\$1.4m
2	Civic Precinct Stage 2b including playground, toilets, access road and cricket nets	\$700,000	\$300,000	\$1m
3	Torquay precinct pathways	\$331,000	\$301,000	\$632,000
4	Purchase of land at Bob Pettitt Reserve	\$500,000		\$500,000
5	Design for Early Learning Centre Torquay North	\$450,000		\$450,000
6	Kerb and sealing works at The Esplanade Torquay		\$430,000	\$430,000
7	South Beach Road / Surfcoast Highway intersection	\$384,667		\$384,667
8	Civic Precinct Playzone	\$363,813		\$363,813
9	Jan Juc daylighting project	\$303,649		\$303,649
10	Regional bike route Torquay including Spring Creek Bridge widening	\$254,434	\$90,000	\$344,434
11	Pathways in Torquay North open space area	\$181,482		\$181,482
12	Beach Road Torquay long vehicle parking		\$135,000	\$135,000
13	Lighting upgrade at Polwarth Oval	\$95,000		\$95,000
14	Bells Beach CMP	\$136,000		\$136,000
15	Spring Creek Structure Plan		\$547,500	\$547,500
	Other Capital Projects and New Initiatives	\$616,964	\$100,000	\$716,964
Total Capital Projects and New Initiatives		\$5,317,009	\$2,303,500	\$7,620,509

Renewal Projects

	Council funding	External funding	Total cost
A Jan Juc Creek Reserve Playground	\$97,200		\$97,200
B Loch Ard Drive Road Renewal	\$201,000		\$201,000
Other Road Renewal	\$250,000		\$250,000
Road Safety Program	\$115,000		\$115,000
Other Renewal Projects	\$221,610	\$10,000	\$231,610
Total Renewal Projects	\$884,810	\$10,000	\$894,810



Snapshot of highlights for Anglesea Ward



Capital Projects and New Initiatives

		Council funding	External funding	Total cost
1	Long vehicle parking at Cameron Road Anglesea		\$174,000	\$174,000
2	Anglesea Tennis Club – synthetic court surface	\$30,000	\$130,000	\$160,000
3	Aireys Inlet pedestrian refuge		\$160,000	\$160,000
4	Anglesea Riding Club – Ecopod Pavilion	\$57,000	\$6,000	\$63,000
5	Coogoorah Park - improvement to access road	\$33,000		\$33,000
6	Aireys Inlet Masterplan	\$10,000		\$10,000
7	Anglesea Transfer Station Roof Design	\$24,200		\$24,200
B8	Anglesea Kindergarten refurbishment*	\$67,000	\$450,000	\$517,000
	Other Capital Projects and New Initiatives	\$107,300		\$107,300
Total Capital Projects and New Initiatives		\$328,500	\$920,000	\$1,248,500

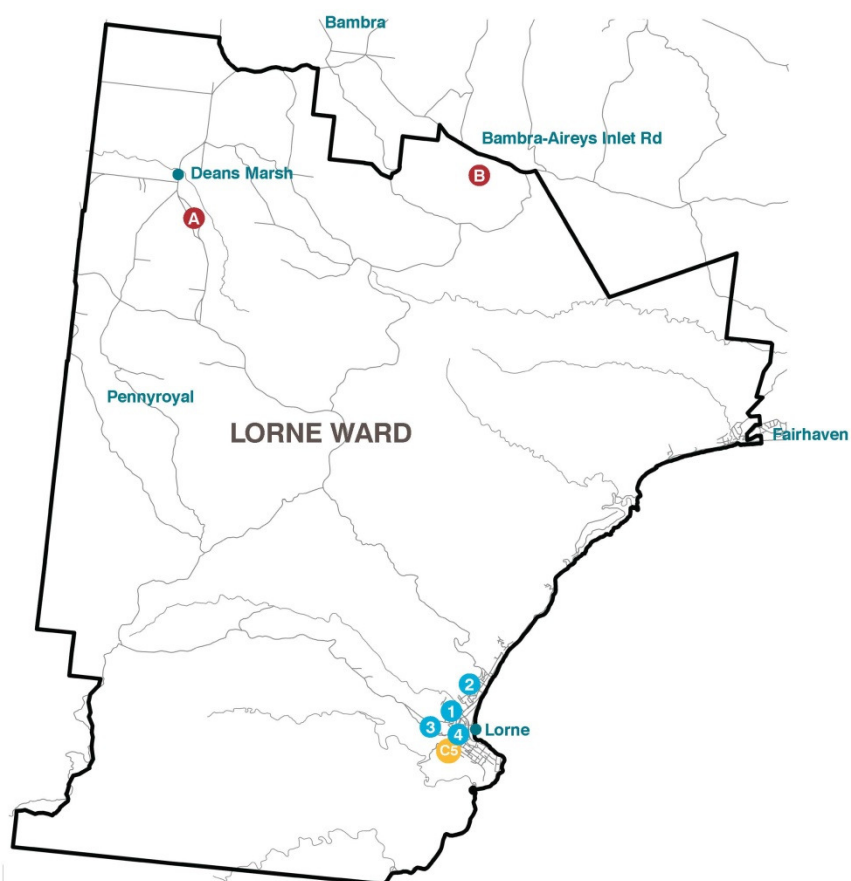
Renewal Projects

		Council funding	External funding	Total cost
A	Road widening Inverclochy Street	\$50,000		\$50,000
B9	Anglesea Kindergarten refurbishment*	\$221,000		\$221,000
C	Other Renewal Projects	\$282,900		\$282,900
Total Renewal Projects		\$553,900		\$553,900

* Project includes renewal and capital funding



Snapshot of highlights for Lorne Ward



Capital Projects and New Initiatives

		Council funding	External funding	Total cost
1	Pathway between Clissold Street and Lorne Senior Citizens Centre	\$42,000	\$10,000	\$52,000
2	Street tree safety works	\$138,900		\$138,900
3	Stribling Reserve Masterplan	\$50,000		\$50,000
4	Storage Pods at Stribling Reserve Stadium	\$35,000		\$35,000
C5	Stribling Reserve Terraces Construction*	\$51,000		\$51,000
	Other Capital Projects and New Initiatives	\$110,195		\$110,195
Total Capital Projects and New Initiatives		\$427,095	\$10,000	\$437,095

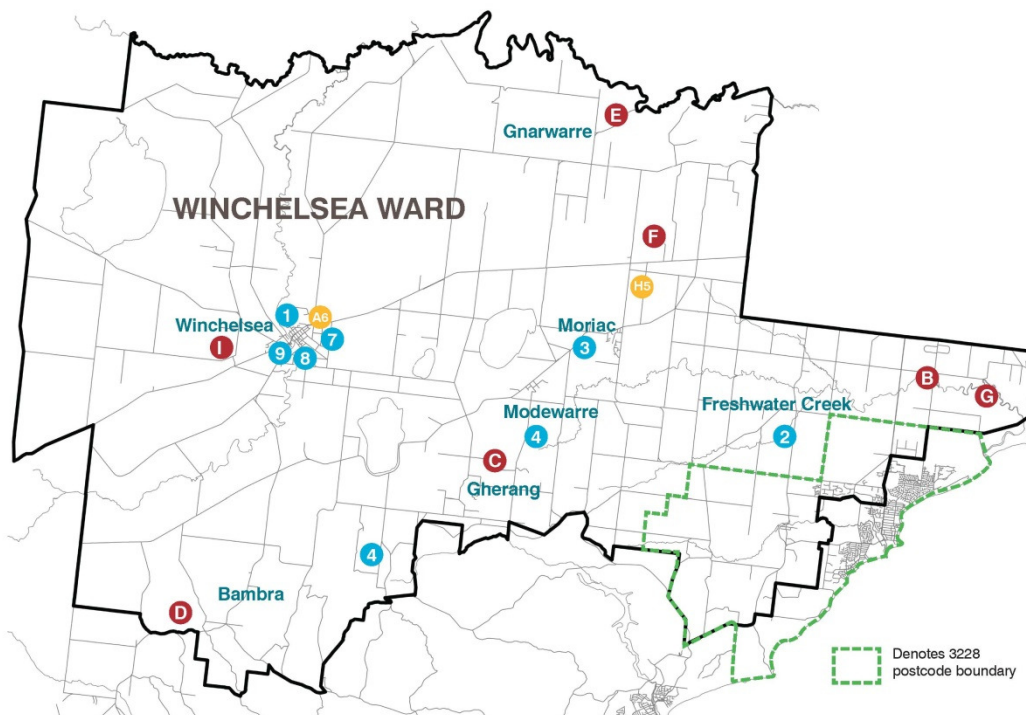
* Project includes renewal and capital funding

Renewal Projects

		Council funding	External funding	Total cost
A	Pennyroyal Valley Road Road Safety Improvements	\$50,000		\$50,000
B	Bambra Aireys Inlet Road Gravel Resheeting	\$162,000		\$162,000
C5	Stribling Reserve Terraces Construction*	\$52,000		\$52,000
	Road Reseal Renewal	\$88,000		\$88,000
	Kerb and Channel Renewal	\$80,000		\$80,000
	Drainage Renewal	\$75,000		\$75,000
	Other Renewal Projects	\$186,900		\$186,900
Total Renewal Projects		\$693,900		\$693,900



Snapshot of highlights for Winchelsea Ward excluding 3228 postcode



Capital Projects and New Initiatives

		Council funding	External funding	Total cost
1	Gosney Street / Murrell Street modification works Stage 2		\$40,000	\$40,000
2	Freshwater Creek flood mitigation works		\$100,000	\$100,000
3	Moriac senior citizens trail connection	\$45,000		\$45,000
4	Playground Strategy Implementation	\$116,600		\$116,600
H5	Modewarre Reserve Tennis Court and Playzone project*		\$65,000	\$65,000
A6	Winchelsea Swimming Pool – improvements to surrounds*	\$30,000		\$30,000
7	Winchelsea Common Remediation works	\$50,000		\$50,000
8	Beautification of Winchelsea Town Centre	\$30,000		\$30,000
9	Winchelsea Precinct Structure Plan	\$20,000		\$20,000
	Other Capital Projects and New Initiatives	\$192,264		\$192,264
Total Capital Projects and New Initiatives		\$483,864	\$205,000	\$688,864

* Projects include renewal and capital funding

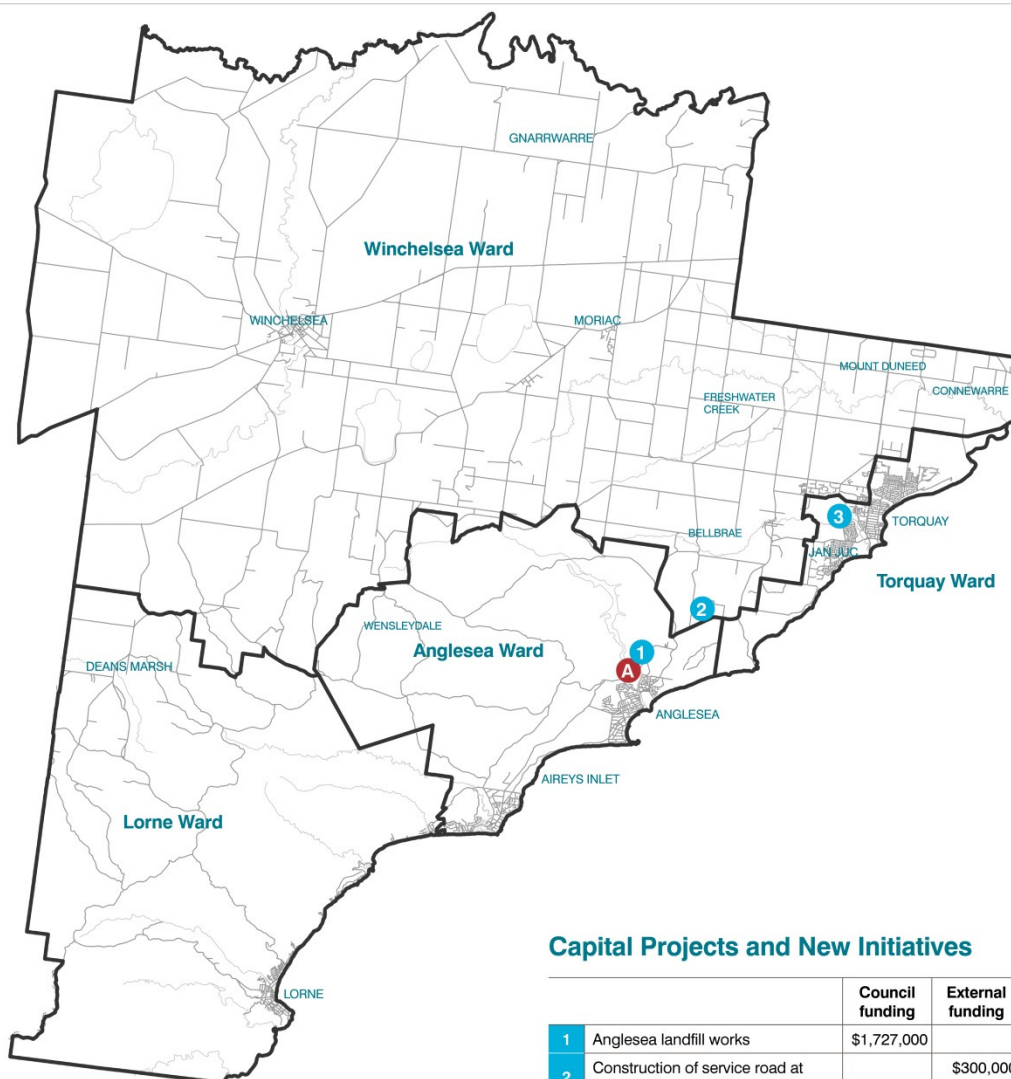
Surf Coast Shire Draft Budget 2015-16

Renewal Projects

		Council funding	External funding	Total cost
A7	Winchelsea Swimming Pool – improvements to surrounds*	\$30,000		\$30,000
B	Horseshoe Bend Road Bridge renewal	\$40,000		\$40,000
C	Gravel resheeting Dangers Road	\$109,000		\$109,000
C	Gravel resheeting Thielemanns Road	\$76,000		\$76,000
D	Gravel resheeting Brickmakers Road	\$58,000		\$58,000
E	Road sealing Pollocksford Road	\$174,000		\$174,000
F	Road resealing Andersons Road	\$120,000		\$120,000
G	Connewarre Reserve Playground	\$97,200		\$97,200
H6	Modewarre Reserve Tennis Court and Playzone project*	\$60,000		\$60,000
I	Armytage Road renewal from Kellys Lane To Cressy Road	\$100,000		\$100,000
	Other Renewal Projects	\$810,500		\$810,500
Total Renewal Projects		\$1,674,700		\$1,674,700



Snapshot of highlights for Whole of Shire



Renewal Projects

		Council funding	External funding	Total cost
A	Anglesea Landfill Renewal Works	\$614,000		\$614,000
	Replacement of heavy plant	\$765,000		\$765,000
	Other Renewal Projects	\$1,435,409		\$1,435,409
Total Renewal Projects		\$2,814,409		\$2,814,409

Capital Projects and New Initiatives

		Council funding	External funding	Total cost
1	Anglesea landfill works	\$1,727,000		\$1,727,000
2	Construction of service road at Great Ocean Road/Forest Road		\$300,000	\$300,000
2	Seal Elkington Road		\$100,000	\$100,000
2	Great Ocean Road turning lane at Forest Road		\$150,000	\$150,000
3	Increased contribution to Geelong Regional Library Corporation to expand children's and youth programs	\$81,720		\$81,720
	Other Capital Projects and New Initiatives	\$1,284,088		\$1,284,088
Total Capital Projects and New Initiatives		\$3,092,808	\$550,000	\$3,642,808

Appendix J – Equity Considerations

Introduction

Council believes it is important the community understands how the annual budget is prepared, including from the perspective of equity. This is a common question across all levels of government however this is a complex matter that requires a broad consideration.

This Appendix has been added to the budget document to assist this discussion. Council has not considered or adopted principles in this regard, but views this as an ongoing topic that can be further developed over time.

Council also cautions about forming a view on equity from considering one data indicator alone, from any one year or in isolation from Council's longer term strategic plans.

The Victorian Government has affirmed its intention to introduce rate capping from the 2016/17 financial year. It is estimated that even with a 2% lower rate increase per year, this will result in Council funding reducing by more than \$100m over 15 years. This reduction is in addition to the impact of the Commonwealth government freezing the indexing of Financial Assistance Grants for 3 years.

This reduction in funding will have a dramatic impact on Council's ability to provide services and to support discretionary projects. Equity will remain an element in Council's consideration; however funding constraints will drive an increased focus on allocating funding on the basis of adopted strategic planning.

Equity Considerations

Council is seeking to assist an understanding of funding equity across the Shire. The following table represents initial work on this concept; even at this preliminary stage it is evident the perspective of equity requires a broad consideration. Potential considerations are grouped into like categories.

Category 1: General

Nbr.	Consideration	Overview
1	Equity Discussion	Council acknowledges that the community desire to understand budget equity is important and will seek to provide information to assist. Council also recognises its responsibility to the Shire as a whole, and to both current and future generations.
2	Holistic View	The assessment of equity requires a broad consideration that takes into account the full range of Council's circumstances and long term strategic imperatives. Equity cannot reasonably be reflected through a single metric in any one year.
3	Assessment Timeframe	Council maintains a long term financial plan that reflects its funding intentions over time. Funding for particular projects can be large and may cause peaks in allocation to one ward. Additionally, asset renewal funding responds objectively to asset condition rather than a prescribed timeframe. Accordingly it is important to consider equity over time. It can however be challenging to maintain a data time series for consistent comparisons, given factors such as changing ward boundaries.

4	Pragmatic Model	An important principle in preparing any allocation model or suite of indicators is identifying where sufficient value has been provided, beyond which the preparation cost exceeds the incremental benefit. Council's Finance team has many important responsibilities to fulfil with limited resources and Council is mindful of not unreasonably diverting resources.
5	Ward Boundaries	It may be necessary to adjust the analysis to account for any agreed ward boundary anomalies. One example that is often reflected is to attribute the portion of the Winchelsea ward with a 3228 post code to the Torquay ward for the purpose of analysis.

Category 2: Funding

6	Rate Contribution	Rate contribution is recognised as an important element in the consideration of equitable funding allocation as it represents a tangible contribution by households. A rates-based indicator would however need to be supplemented with further indicators to account for other factors outlined in these principles.
7	Supplementary Rates	Some communities within the Shire are growing faster than others and accordingly contribute greater supplementary rates. This is an indicator of the need for higher investment in these communities that can in part be funded by these additional rates.
8	Population Distribution	It is possible to consider equity from the perspective of the Shire's population distribution rather than rate contribution. Rate income is a function of a revenue raising method allowed for within local government and often questions are raised relating to the equity the rating system itself. Rating is a taxation system; it does not automatically follow it should be used as the only basis for considering the equity of Council's funding allocations.
9	Financial Assistance Grants	One of Council major sources of non-rate revenue is the Commonwealth Financial Assistance Grant. This is derived from an assessment of a suite of indicators designed to deliver an equitable distribution across all Councils in Victoria, including but not limited to population.
10	Project Grant Funding	Council rightly puts considerable effort into achieving grant funding for projects. While grants represent external funding, they may well benefit particular communities and this should be considered in an assessment of equity.
11	Realised Savings	Circumstances can arise where discretionary funds become available from the sale of an asset or other windfall funding opportunities. Council makes decisions as to where this funding is applied, either locally associated to its source or for a whole of Shire use. While limited in scale and frequency, these decisions do have an equity consideration.
12	Interest Income	Interest income would need to be considered whole of Shire funding and a basis for its attribution determined, potentially according to population.
13	Service Net Surplus	Councils can operate various services or commercial operations at a surplus in order to raise funds to support allocations across the Shire. Non-ratepayers may also make an important contribution to this outcome. This situation may best be considered whole of Shire funding.

Category 3: Services and Assets

14	Service Net Cost	Council delivers a range of services across the Shire, many of which operate at a net cost that must be funded at least in part from rate income. The delivery location and service cost varies across the Shire, noting that Council typically applies a consistent price. This variation can often arise due to demographic or logistic differences, or historical practice. The localised net cost should be considered within an assessment of equity across wards.
15	Service Distribution	Council services are not provided equally across the Shire, with some communities receiving services due to demographic or logistic differences, or historical circumstances such as the practices of Councils pre-amalgamation. This is not only an issue where a localised service operates at a net cost, but the fact one community receives a service and another doesn't needs to be considered from an equity perspective.
16	Asset Density	Some areas of the Shire have a greater number and value of Council assets (facilities and roads) than other areas. It may be appropriate to have an indicator to identify the relative asset density on a per capita basis in each ward, perhaps delineated into roads and non-road asset categories.
17	Special Charge Schemes	Some projects are jointly funded by Council and benefiting property owners via a Special Charge Scheme. Funding for these projects will need to be correctly categorised to reflect the external contribution.

Category 4: Funding Allocations

18	Whole of Shire Projects	It is reasonable to consider a number of projects as "Whole of Shire" initiatives rather than being associated with individual wards or communities. The inclusion of this funding in an assessment of equity would need to consider an appropriate allocation basis, for example population, rate assessments or rate distribution.
19	Asset Renewal	Council's Asset Renewal Funding Strategy is based on funding the renewal of roads and facilities when their condition degrades to the point that it impacts service delivery. This represents a commitment to maintain existing services and is particularly important in those communities that do not receive significant new investment due to lower growth.
20	Use of Ratepayer Funds	Council is committed to the efficient and effective use of ratepayer funds, reflected through formal project identification based on: <ul style="list-style-type: none">• Renewal: objective condition assessment• New/Upgrade: adopted strategies, subject matter expert review The resultant funding allocations are also likely spread over time, rather than necessarily matching to current funding contributions. This emphasises the importance of considering equity over time.
21	Operational Projects	Communities often view infrastructure investment as an indicator of equitable funding contribution. It is also important to include funding allocations to operational projects that deliver a particularly localised benefit.
22	Pre-Growth Investment	Council may need to establish facilities in advance of new ratepayers moving to an area, resulting in funding allocations prior to receiving

		higher rates. This emphasises the importance of considering equity over a longer timeframe.
23	DCP Commitments	Council is contractually bound to provide funding contributions as part of Developer Contribution Plans. This is often in the order of 60% of the total infrastructure cost, with developers providing 40%. These agreements are a function of growth and often require investment prior to receiving a higher rate income.
24	Project Allocation vs Spend	Data comparisons that utilise project funding should be based on funds allocation rather than spend timing. The timing of project spend may vary due to project cash flow requirements or holding project commencement in order to secure grants. Importantly, allocated project funds are retained on the project budget until spent or formally reallocated by Council.
25	Corporate Overheads	Council's corporate overheads are allocated based on specific drivers to relevant services and projects. Accordingly these are reflected in net service costs and project budgets, and would form part of any subsequent equity consideration.
26	Debt Funded Projects	Council raises loans for particular project purposes. It is important to treat a project that includes debt funding differently when performing an equity analysis. Rather than including the value of the loan as an up-front portion of the project costing, it is more appropriate to reflect in the analysis the annual loan cost, including both principle and interest payments. The annual loan cost would then continue to be reflected in future year's analysis until the end of the loan term.
27	Reserve Allocations	Council typically provides allocations to reserves in each year's budget, some of which may reasonably be attributable to a particular location, while others represent a general allocation. Each allocation would need to be considered individually in relation to equity assessment.

Equity Indicators

Indicator 1 – Adjusted Ward Rate Contribution relative to Council Funded Project Allocation

Consideration of rate contribution is an important element in the notion of equity and can be used as one comparative basis. Rate income does however fund a number of Council activities in addition to projects that are not included in this comparison.

Ward rate contribution and funding has been adjusted to reflect the portion of the Winchelsea ward with a 3228 postcode within the Torquay ward. This adjustment reflects more closely the community of interest.

Council projects include the categories of new/upgrade capital, new operational and renewal capital. These projects often also receive significant external funding however this is not included in this comparison. The budget document also provides the project funding allocations in the form of maps to assist readability. The annual loan cost from all of Council's debt has also been included in the analysis.

This comparison is only one data view and alone does not provide a full perspective of ward funding allocation. Additionally, this comparison should be considered over time rather than from an expectation that a single year will demonstrate an equitable allocation.

Council also allocates funding to projects that could reasonably be considered “Whole of Shire” rather than for a single ward or community. These projects have not been included in the project funding below and would require a further comparison potentially on the basis of factors such as population, rate assessments or rate distribution.

Ward	Rates		Council Funding Only							
			New Projects (excl. Loans)		Renewal		Year Loan Costs (P&I)		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%
Torquay (incl. 3228)	\$18,567,223	47%	\$5,317,009	81%	\$884,810	23%	\$677,381	100%	\$6,879,200	62%
Anglesea	\$9,467,678	24%	\$328,500	5%	\$553,900	15%	\$0	0%	\$882,400	8%
Winchelsea (excl. 3228)	\$4,592,552	12%	\$483,864	7%	\$1,674,700	44%	\$0	0%	\$2,158,564	20%
Lorne	\$6,664,669	17%	\$427,095	7%	\$693,900	18%	\$0	0%	\$1,120,995	10%
Total Ward Specific	\$39,292,122	100%	\$6,556,468	100%	\$3,807,310	100%	\$677,381	100%	\$11,041,159	100%
<i>Whole of Shire</i>			\$3,092,808		\$2,814,409		\$1,029,535			
<i>3228 Rates in Winchelsea</i>			\$2,355,805							

This indicator demonstrates that in this year’s budget, the proportion of council funds to project allocations exceeds the proportion of rate contribution in the Torquay (including 3228) and Winchelsea (excluding 3228) wards, but is less than the proportion in the Anglesea and Lorne wards.

Indicator 2 – Adjusted Ward Rate Contribution relative to Total Project Allocation

This indicator is as per Indicator 1, however compares relative to the total project allocation (including Council funding and external funding).

Ward	Rates		Total Funding							
			New Projects (excl. Loans)		Renewal		Year Loan Costs (P&I)		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%
Torquay (incl. 3228)	\$18,567,223	47%	\$7,620,509	76%	\$894,810	23%	\$677,381	100%	\$9,192,700	63%
Anglesea	\$9,467,678	24%	\$1,248,500	12%	\$553,900	15%	\$0	0%	\$1,802,400	12%
Winchelsea (excl. 3228)	\$4,592,552	12%	\$688,864	7%	\$1,674,700	44%	\$0	0%	\$2,363,564	16%
Lorne	\$6,664,669	17%	\$437,095	4%	\$693,900	18%	\$0	0%	\$1,130,995	8%
Total Ward Specific	\$39,292,122	100%	\$9,994,968	100%	\$3,817,310	100%	\$677,381	100%	\$14,489,659	100%
<i>Whole of Shire</i>			\$3,642,808		\$2,814,409		\$1,029,535			
<i>3228 Rates in Winch</i>			\$2,355,805							

This indicator demonstrates that in this year’s budget, the proportion of total funding to project allocations exceeds the proportion of rate contribution in the Torquay (including 3228) and Winchelsea (excluding 3228) wards, but is less than the proportion in the Anglesea and Lorne wards.

The outcome for Indicator 1 and Indicator 2 is similar, noting some increase in the proportion of funds for the Anglesea ward and reduction for the Lorne ward from including external funding.

Data for these indicators can be gathered in future years to build a longer term perspective. Further indicators can also be prepared over time to reflect important considerations listed above. This would likely focus on service net cost and asset distribution, and comparisons based on population in order to include consideration of factors such as non-rate revenue and whole of Shire projects.