

THE BUDGET

2017-2018



| Contents | Page |
|---|-------------|
| Mayor’s Introduction | 3 |
| CEO Summary..... | 4 |
| Executive Summary..... | 5 |
| Budget Process..... | 15 |
| 1. Linkage to the Council Plan | 17 |
| 2. Services, Initiatives and Service Performance Indicators | 20 |
| 3. Budget Influences | 32 |
| 4. Analysis of Operating Budget | 38 |
| 5. Analysis of Budgeted Cash Position..... | 45 |
| 6. Analysis of Capital Budget..... | 52 |
| 7. Analysis of Budgeted Financial Position..... | 56 |
| 8. Strategic Resource Plan and Key Financial Indicators..... | 59 |
| 9. Rating Strategy | 65 |
| 10. Other Strategies | 67 |
| Appendix A - Financial Statements | 71 |
| Appendix B - Statutory Disclosures..... | 80 |
| Appendix C - Capital and Operational Works Program | 86 |
| Appendix D - Four Year Capital Program | 93 |
| Appendix E - Multi Year Operational Program | 95 |
| Appendix F - Fees and Charges Schedule..... | 96 |
| Appendix G - Cash Reserves..... | 109 |
| Appendix H - Financial Performance Indicators | 114 |
| Appendix I - Council Contributions to External Parties | 115 |
| Appendix J - Asset Renewal Backlog | 116 |
| Appendix K - Budget Highlights by Ward..... | 117 |
| Appendix L - Equity Considerations | 122 |
| Appendix M - Long Term Financial Plan | 128 |

Mayor's Introduction



It is my pleasure to present the 2017/18 budget to the Surf Coast Shire community, the first in the new term of Council. This budget brings together our commitments to previous strategies and priorities agreed with the community and Council's investment in new priorities identified by our community through the election period and the development of the Council Plan 2017-2021.

Council has aligned its rate revenue increase to 2%, in line with the cap set by the State Government's *Fair Go Rates System*. Working within this constraint Council developed a budget that supports existing services and delivers a range of important initiatives.

The Waste Service charge is not subject to a cap and is proposed to increase by 4% overall. This increase is important to ensure that Council can invest in major waste infrastructure projects and landfill rehabilitation works in future years.

Council is excited about the future of the Surf Coast Shire and is committed to helping the community and environment to thrive. Council is also mindful of its current financial environment and its obligations to future generations. The 2017/18 Annual Budget is developed in the context of a Long Term Financial Plan over the next ten years that incorporates short, medium and long term goals and demands.

The proposed 2017/18 capital works budget sees \$18.9 million allocated to 71 projects. Combined with existing commitments already underway, Council plans to deliver an unprecedented \$23.2 million of capital works in the 2017/18 year.

The State Government has designated two growth nodes within the Shire, Torquay and Winchelsea, and the budget provides for planning and infrastructure projects that will be important to support these communities as they adapt to growth. Council has also retained its commitment to asset renewal ensuring that all communities continue to benefit from existing assets where they are still needed.

The Surf Coast Shire has a proud tradition of leadership across many community and environmental issues that are important to the community. Council is committed to doing its fair share to support the Victorian community to achieve a range of objectives important to our future. These are clearly demonstrated through the budget commitments to key focus areas such as renewable energy targets and road safety goals.

Business improvement and financial sustainability remain a priority in the years ahead and the 2017/18 budget includes a further \$0.5 million commitment to pursue projects that will reduce Council costs in the future. This budget also allocates funds to key partnerships as Council recognises that these will be essential to local government industry reforms. Council also supports ongoing reform, including the use of technology to transform the organisation, and has allocated \$2.0 million towards its digital transformation program.

Council is committed to quality customer service and engaging our community and this budget lays a strong foundation for our future. I would like to thank the Councillors and Council staff for their efforts in preparing this budget and present the budget to our community.

Cr Brian McKitterick
Mayor

CEO Summary

Council has developed its second budget under the Fair Go Rates System and the first in this term of Council. The success of Council's business improvement program has again made an important contribution to the annual budget. This enables us to provide our ongoing services and fund new community initiatives.

Each year the budget is enhanced through financial improvements, with some key enhancements this year including:

- The recognition of corporate overheads as a cost to service delivery
- The articulation of anticipated project expenditure in the financial year
- The inclusion of a ten year Long Tem Financial Plan

The 2017/18 budget document also retains important features including equity tables and ward maps to provide transparency to Council's funding commitments across the Shire.

Council continues to invest in reforming the organisation through financial commitments to the Business Improvement Program, investing in projects that have a clear financial business case and notably the second year of funding to the Digital Transformation Program.

Thank you to staff and Councillors for the ongoing commitment to building our organisation's capabilities to meet the community's needs with a strong focus on our customer service.

Keith Baillie
Chief Executive Officer

Executive Summary

The Surf Coast Shire is located in south-western Victoria, 95km from Melbourne and 21km south of Geelong. The Shire comprises a mix of urban settlements, rural communities and numerous towns and villages. The largest population centre is Torquay.

The Shire is home to ten distinct townships; Aireys Inlet, Anglesea, Bellbrae, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each of these townships has its own distinct identity and community priorities. There is also a significant rural population including farming and rural/residential communities. Many townships are popular tourism destinations for both domestic and international holidaymakers. A large percentage of homeowners in the Shire are not permanent residents, instead the owners use their Shire properties as weekenders or for holiday rentals.

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. Surfing is a major industry in the Shire. In the rural hinterland agriculture (including gourmet food production) is a key industry sector.

The natural environment is a defining feature of the Surf Coast Shire. From rugged coastlines to native forests and rural plains, the Shire is strongly influenced by its physical and natural features. The environmental values of the Shire are widely regarded and conservation is a high priority.

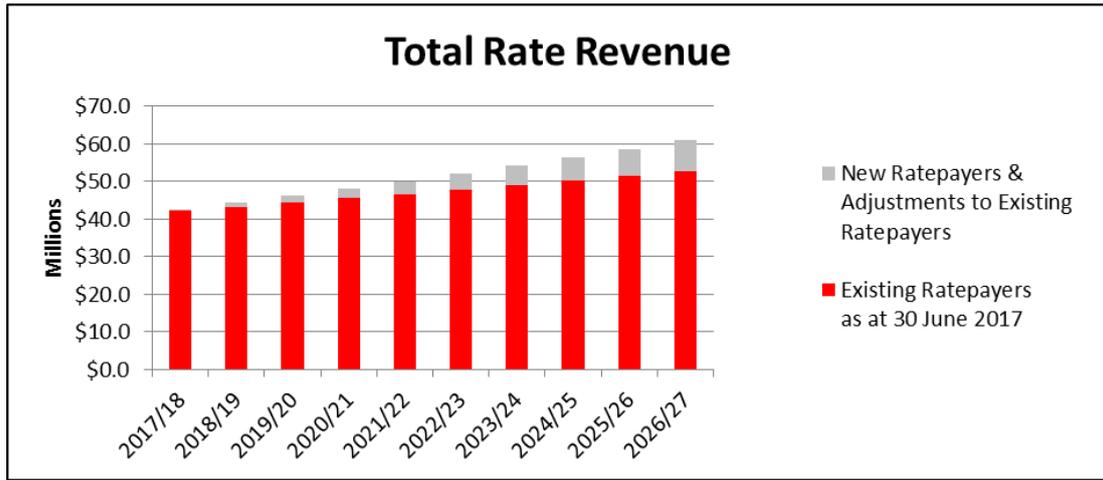
The Shire has two identified growth nodes, with Torquay to double its population to 30,000 by 2026 and Winchelsea to lift from 1,500 to 10,000 by 2050.

In preparing this budget Council has sought to support the needs of each community and the shire-wide priorities. Council's purpose states that it exists to help our community and environment to thrive, and this principle guides the preparation of the 2017/18 budget.

Rates

Council proposes to increase rate revenue in line with the Fair Go Rates System cap of 2.0%. The cap applies to both general rates and the municipal charge. Council's rate revenue also increases from supplementary rates, which mostly comprises new ratepayers and adjustments to existing ratepayers that are created throughout the year (from the building of new properties, subdivisions or existing property development).

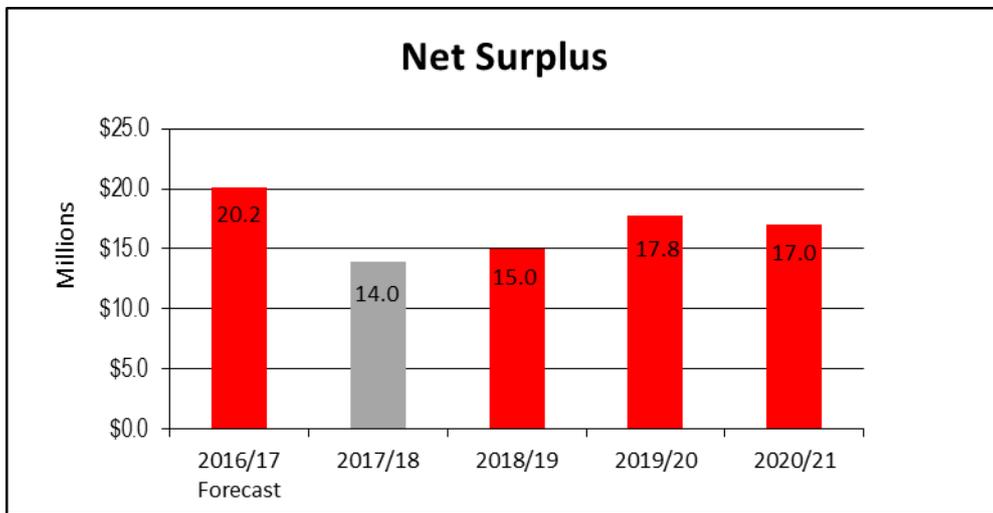
Council's long term financial planning anticipates the rate revenue to be raised from new ratepayers. Funds received from these supplementary rates are important to support the needs of a growing population.



Net Surplus

The expected net surplus for the 2017/18 year is \$14.0 million. The net surplus represents all operating revenues less expenses and makes up part of Council’s formal financial statements.

It is important to note this result includes many one-off factors such as grants received from the Commonwealth and Victorian Governments that are solely for projects. These one-off items change from year to year and can make the comparison of results difficult over time. Accordingly, Council also provides its financial information in an alternate format to show the annual result as an unallocated cash surplus or deficit.



Annual Result

Local government financial reporting often includes a number of pre-allocated items that can make it difficult for readers to easily understand the performance of Councils’ day to day operations. This reporting may include items such as specific charges, contributions, grants and project funding that are one-off and are required to be allocated to specific purposes. Council also then makes additional allocations through the budget process. Accordingly it is useful to consider the annual result in the form of the unallocated cash surplus or deficit.

Recurrent EBITDA and Allocations

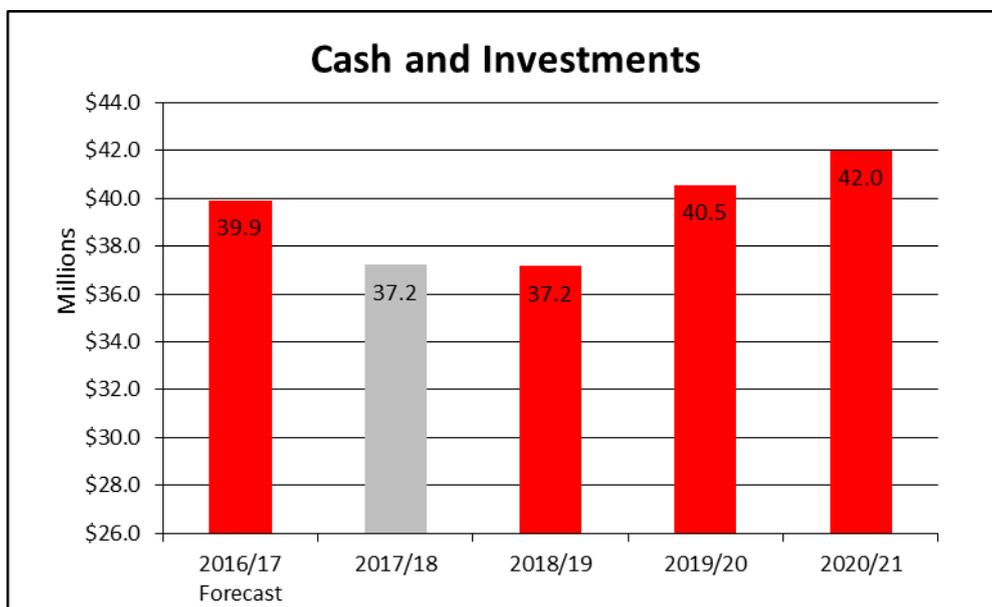
Council has introduced a management reporting format based on recurrent EBITDA and the calculation of unallocated cash. EBITDA stands for “Earnings Before Interest, Tax, Depreciation, and Amortisation” and is a measure of normal operations without the impact of one-off revenue and expenses. Recurrent EBITDA allows a clear focus on Council’s operational performance, without the impact of one-off revenue and expenses. As is suggested by the term unallocated cash, this states the funds that are available for Council to allocate to other priorities.

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|--|-------------------------------|-----------------------------|
| Recurrent EBITDA | 18,295 | 15,307 |
| Cash Adjustments | (68) | 3,745 |
| Total Cash Available for Allocation | 18,227 | 19,052 |
| Allocations to Commitments | | |
| Debt Interest & Principal | 1,706 | 1,706 |
| Torquay/Jan Juc Developer Plan Allocation | 2,076 | 2,163 |
| Winchelsea Infrastructure Plan Allocation | - | 80 |
| Developer Contribution Interest Allocation | 52 | 27 |
| Waste Allocation | 2,602 | 2,813 |
| Asset Renewal Allocation | 5,833 | 6,073 |
| Business Case Investments | 500 | 500 |
| Growth and Compliance Costs (non-recurrent) | 1,011 | 833 |
| Total Allocations to Commitments | 13,781 | 14,195 |
| Discretionary Cash Available | 4,446 | 4,857 |
| Discretionary Allocations | | |
| Discretionary Capital Works | 1,927 | 1,951 |
| Discretionary Operating Projects | 817 | 699 |
| Defined Benefits Superannuation Allocation | 250 | 250 |
| Gravel Pits Allocation | 286 | 273 |
| Aireys Inlet Aged Units | 10 | 7 |
| Total Discretionary Allocations | 3,290 | 3,179 |
| Unallocated Cash Surplus / (Deficit) | 1,157 | 1,677 |
| Accumulated Unallocated Cash (AUC) | | |
| Opening Balance | 3,666 | 3,859 |
| Annual Surplus/(Deficit) | 1,157 | 1,677 |
| Return to AUC as per Council Resolution 13 Sept 2016 | - | 225 |
| Net Allocations during the Year | 36 | - |
| Transfer for Digital Transformation | (1,000) | (2,000) |
| Closing Balance | 3,859 | 3,762 |

Allocations to commitments represent Council’s contractual commitments and adopted strategies. Discretionary allocations represent Council’s allocation of cash to special purpose reserves, adopted masterplans and strategies, and new operational and capital projects across the Shire.

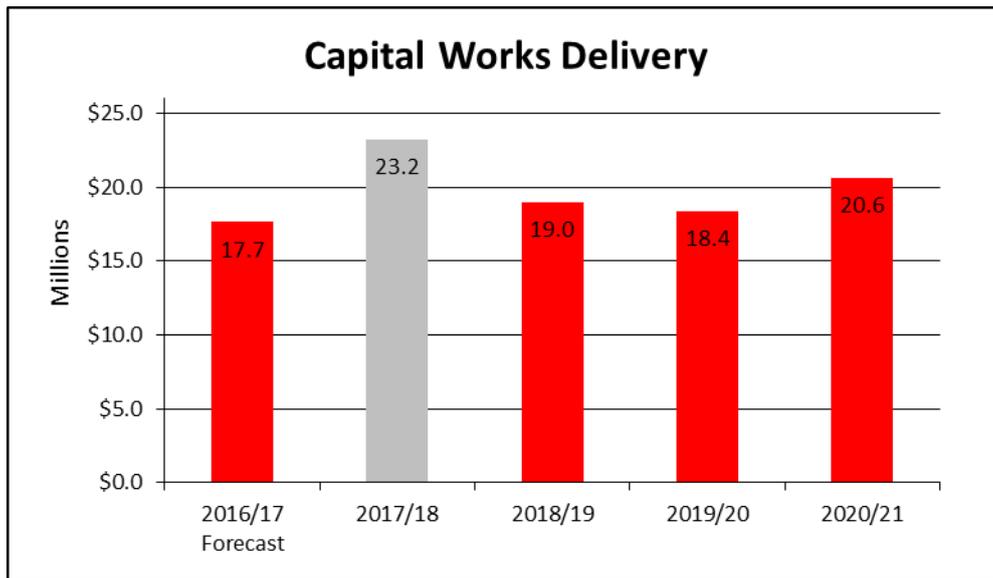
Recurrent EBITDA will decrease by \$3.0 million on the 2016/17 year, this decrease is mainly due to the Commonwealth Government paying a large proportion of grants for 2017/18 in the current financial year. An important financial principle is that Council continues to grow the surplus from its recurrent operating activities. Increasing Recurrent EBITDA year on year is fundamental to the financial sustainability of Council, and enables Council to allocate funds to meet its increasing commitments and maintain discretionary allocations to new projects that come with growth and rising costs.

Cash and Investments



Cash and investments are expected to decrease by \$2.7 million during the year to \$37.2 million. The early receipt of 50% of the Financial Assistance Grant 2017/18 allocation in 2016/17 is attributable for \$1.9m of the decrease. The balance of the decrease is mainly due to higher project spend in the 2017/18 financial year. Council is continuing to allocate cash to reserves in line with its longer term capital works plan that anticipates a greater value of projects to be delivered in 2021/22 and beyond. Accordingly, Council’s cash holding will increase over the next few years. Over half of the cash balance in 2020/21 will be held in reserves specifically for the rehabilitation of the Anglesea Landfill (\$8.5 million) and delivery of growth infrastructure under the Torquay/Jan Juc Developer Contributions Plan (\$12.9 million).

Capital Works

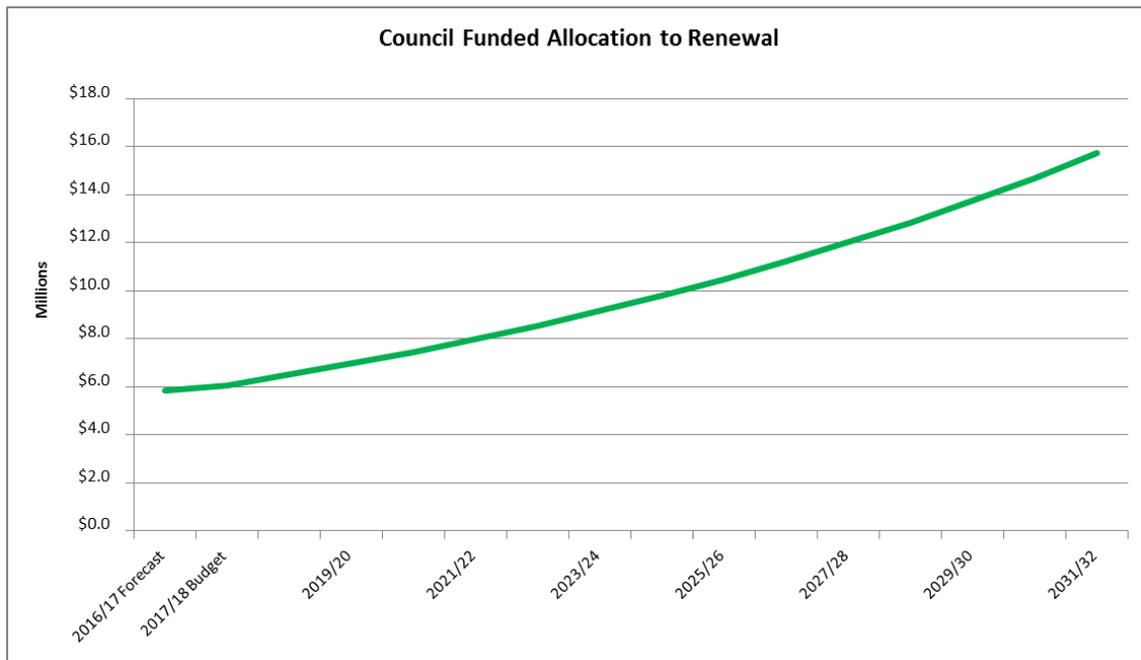


The capital works allocation to new projects for 2017/18 is \$18.9 million as outlined in Section 6. In addition there will be projects that are incomplete and carried forward for the 2016/17 financial year. While Council aspires to get all works on the ground as quickly as possible, it recognises that some projects may be delivered after this year due to a variety of reasons, including weather events and consultation with the community. Therefore the actual delivery value will be less than the total capital works program budget available.

The capital works delivery budget for 2017/18 is \$23.2 million. This high planned spend is in part due to the higher than usual value of projects expected to be carried forward from the 2016/17 year.

The capital works program has been based on analysis and consultation that has enabled Council to assess needs and develop a sound understanding and justification for each project. The budget also continues Council's commitment to asset renewal funding based on an enhanced 20 year and 100 year funding model. Council has also included a funding model to address its obligations under the Torquay / Jan Juc Developer Contribution Plan.

Asset Renewal Allocation



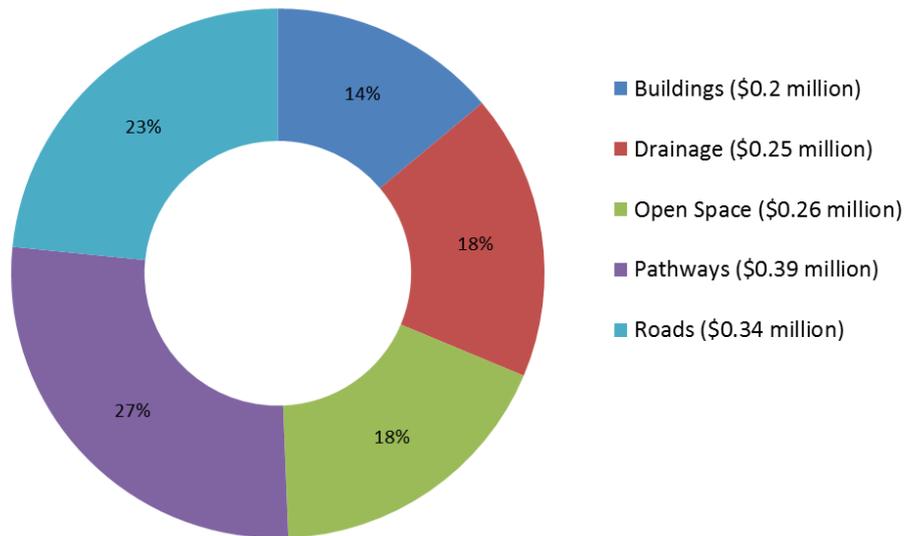
In 2016 Council adopted a refreshed Strategic Asset Management Policy that sets out key commitments. Council will provide and maintain assets and replace them subject to agreed prioritisation.

It is important that Council integrates its asset renewal funding requirements into its longer term financial planning framework in a manner that avoids short term peaks and shocks and supports a strategic approach to asset renewal works. To achieve this, 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 and smoothly increasing the annual allocation over the next twenty years to achieve that target.

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 and also has a 100 year model enabling the target to be affirmed each year and the continual refinement of Council's funding level.

Asset Renewal Backlog

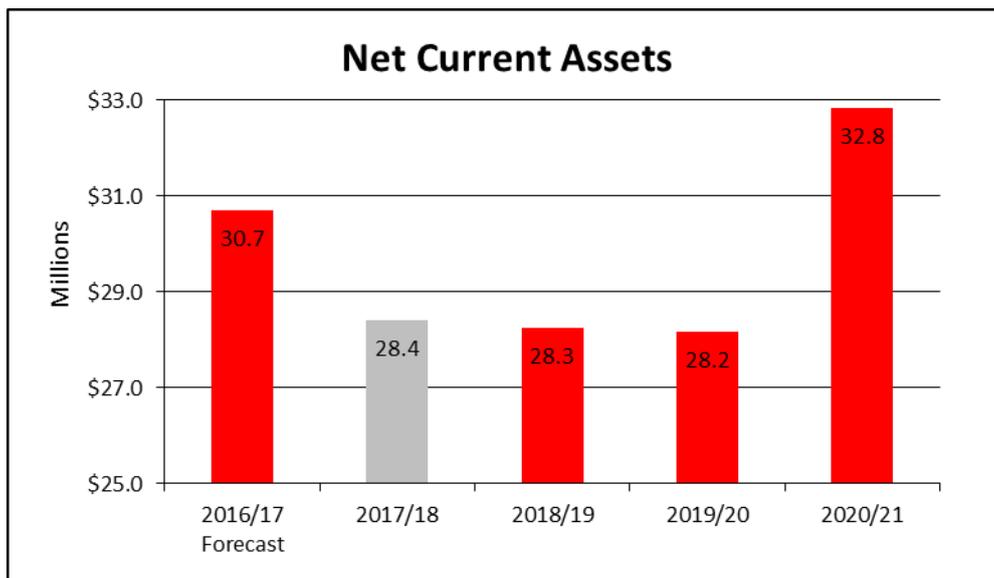
Asset Renewal Backlog as at 1 July 2017



Council has assets such as buildings and roads to support its diverse range of 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. Design information, condition assessment and maintenance history are all used as inputs to predict asset renewal requirements into the future.

Council's currently-identified backlog is \$1.4 million with those assets currently on the backlog listed in Appendix J of this document. This is an increase of \$0.1 million from last year, however this is considered low relative to most Victorian councils. When a project is completed any unexpended portion of the budget allocation is returned to the asset renewal reserve. Related projects will be considered for funding in future budgets, along with other assets whose condition reaches a critical intervention point within the next 12 months.

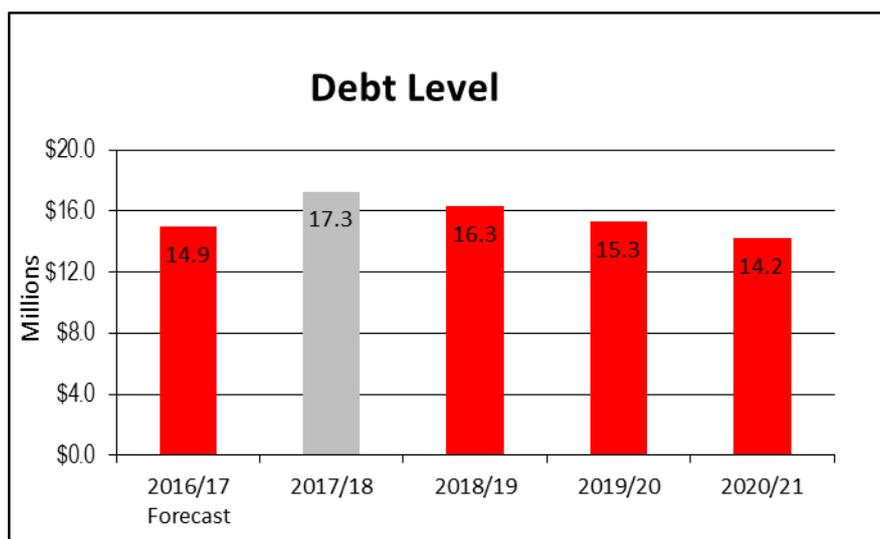
Financial Position



Net Current Assets (Working Capital) will decrease by \$2.3 million to \$28.4 million as at 30 June 2018 due to decrease in cash (\$2.7 million) and non-current assets held for resale (\$0.5 million) offset by a decrease in the current landfill provision due to the delivery of major landfill rehabilitation projects (\$1.2 million).

The increase of \$4.4 million from 2019/20 to 2020/21 is largely attributable to a decrease in the current portion of the landfill provision in 2020/21 of \$3.3 million due to delivery of a landfill rehabilitation project.

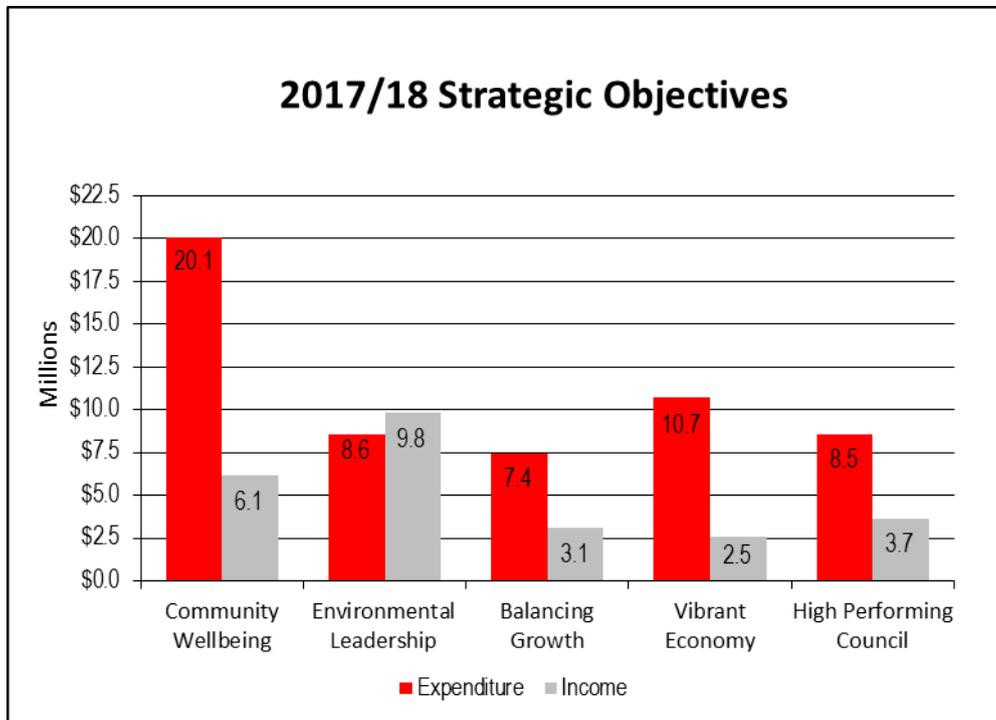
Debt Management



Council continues to maintain a moderate level of debt and is planning to increase borrowings by \$3.0 million in 2017/18 in order to help fund the completion of the Kurrabee Myaring Community Centre.

Council's debt level at 30 June 2018 will be \$17.3 million, being 40% of Rate Revenue (excluding special rate charges). Debt as a percentage of rate revenue is a commonly referred to industry indicator, with the recommended prudential guidelines to be within 60%.

Strategic Objectives



Council has developed a draft Council Plan that sets the strategic objectives that it will focus on over the Council term. The draft Council plan has set the strategic objectives in a framework in five key themes. Section 2 provides a description of the services and initiatives to be funded in the budget for the 2017/18 year. The above graph shows the expenditure and income for each key theme for the budget year. It is important to note that corporate overheads within Council have been, for the first time, distributed to primary services. This approach provides greater clarity about the true cost of service delivery. Recognition of corporate overheads is recommended by the Victorian Auditor General and is utilised by many Victorian councils.

Where Rates Are Spent



Digital Transformation Program

Council is committed to a strategic and constructive response to rate-capping and the restrictions this places on Council's revenue. Central to this response is reforming the way Council delivers services through innovative use of technology and contemporary work practices. As a result, Council will be easy to access and to deal with, convenient, efficient and responsive into the future. The Digital Transformation program will respond to customer's expectations as well as provide important financial benefits into the future.

The Digital Transformation program represents a significant investment over three years and will deliver a range of benefits including an improved customer experience, better financial outcomes and capability improvements. The Digital Transformation Program has been incorporated into the 2017/18 Annual Budget and the investment and benefits are incorporated into the Long Term Financial Plan. The 2017/18 allocation of \$2.0 million is Council's second instalment to this major reform initiative which has a total anticipated cost in the order of \$6.2 million over three years. Financial benefits are expected to begin to be realised in 2018/19.

Business Improvement

This budget also continues important reform initiatives highlighted in previous budgets. Firstly, the Business Improvement team is reviewing Council services and operations to affirm Council's role and the service delivery approach. Secondly, Council is investing \$0.5 million per year into business case initiatives that provide a financial payback that benefits future budgets.

Great Ocean Road Gateway

Tourism is an important driver of jobs and the Surf Coast economy and will be increasingly important in the future. Council is developing a significant attraction to boost the visitor economy, the Great Ocean Road Gateway, comprising a holistic arrival experience for visitors to the region. While Council has made preliminary funds available within this 2017/18 budget to define the project, it should be noted that this project anticipates a multi-million dollar commitment from Council and substantial Victorian and Commonwealth Government grants. Council's Long Term Financial Plan does not currently include Council's investment. It is anticipated that this investment may substantively be funded through additional debt. Further work will be undertaken to define this project during 2017/18 and Council will then consider the project and its financial implications.

Budget Process

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

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

The 2017/18 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. 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. Councillors are engaged in the budget preparation process through a number of briefings held between December and March.

A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days' notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the Victorian Government's Fair Go Rates System legislation in 2015 councils are now unable to independently determine the level of rate increase and instead are limited by a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year.

If a council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will assess the submission then the Minister will determine if a rate variation is approved and at what level. The Minister is required to take into consideration the ESC's assessment. Councils will be notified of the outcome of their submission by 30 June. In many cases this will require councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. a rate under the Minister's maximum rate increase and the rate in the Council's submission to the ESC.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including 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 31 August and a copy submitted to the Minister within 28 days after adoption. Notwithstanding this, Council believes it is financially responsible to have the budget adopted by 30 June and is planning to achieve this. The key dates for the budget process are summarised following:

| 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 seven briefings | Dec-Apr |
| 4. Proposed budget submitted to Council for approval to advertise | 11 Apr |
| 5. Public notice advising intention to adopt draft budget | 12 Apr |
| 6. Draft Budget available for public inspection and comment | 12 Apr |
| 7. Public submission process undertaken | Apr/May |
| 8. Submissions period closes | 11 May |
| 9. Submissions considered by Council | 30 May |
| 10. Final Budget presented to Council for adoption | 27 June |
| 11. Copy of adopted Final Budget submitted to the Minister | June |

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 medium term (Council Plan), medium term resource requirements (Strategic Resource Plan) and short term intentions (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.



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.

1.2 Vision, Purpose and Direction

The draft budget is guided by Council's long-term vision, a clear purpose and a direction statement for the organisation.

The Vision is community-focused and describes the future state we strive for:

An engaged, innovative and sustainable community

The Purpose states why the Council exists:

We exist to help our community and environment to thrive

The Organisation Direction describes what the organisation needs to be like in the future:

*An innovative and flexible leader,
and a constructive partner,
that values the strength of others;
a place where people can do their best
and be proud of their achievements*

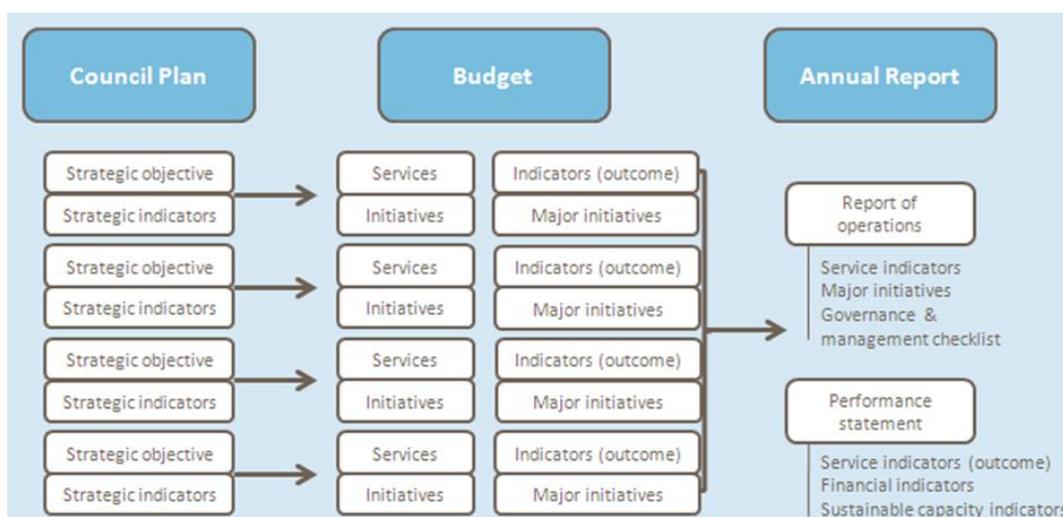
1.3 Strategic objectives

The Surf Coast Shire Council delivers activities and initiatives that contribute to the achievement of the key Strategic Objectives as set out in the draft Council Plan for the years 2017-2021. The following table lists the Strategic Objectives as described in the draft Council Plan.

| Themes | Strategic Objectives |
|------------------------------------|---|
| 1. Community Wellbeing | <ul style="list-style-type: none"> • All Residents feel safe and included, and are empowered to contribute to community life • Specific support is provided for the more vulnerable and less connected in the community • Culture and diversity are celebrated and a person’s background, gender, race or ability is not a barrier to a fair, fulfilling life |
| 2. Environmental Leadership | <ul style="list-style-type: none"> • Drive the use of renewable energy • Reduce household waste volume • Drive the use of recycled water for sustainable agribusiness opportunities • Support the sustainable production of local food and other agribusinesses |
| 3. Balancing Growth | <ul style="list-style-type: none"> • Infrastructure is in place to support existing communities and provide for growth • Unique township characters and boundaries are strengthened • Rural land is preserved for appropriate and sustainable uses • Impact of population growth in neighbouring municipalities and our own Shire is understood and managed |
| 4. Vibrant Economy | <ul style="list-style-type: none"> • Support the creation and retention of jobs to meet the needs of a growing community • Facilitate high quality events throughout the year • Strengthen the vitality of town centres • Key industry sectors such as surfing, tourism, home based and rural businesses are supported |
| 5. High Performing Council | <ul style="list-style-type: none"> • Council is financially sustainable and has the capability to deliver strategic objectives • Council decisions are fair and transparent and the community is involved and informed. |

2. Services, Initiatives and Service Performance Indicators

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



Source: Department of Environment, Land, Water and Planning.

Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are shown in **bold** and underlined in the following sections. The reconciliation between the surplus for the year recorded on the Comprehensive Income Statement and the activities and initiatives is detailed in the following sections is provided below.

| | Net Cost (Income) \$'000 | Expenditure \$'000 | (Income) \$'000 |
|---|--------------------------------|-----------------------|--------------------|
| Strategic Theme | | | |
| Community Wellbeing | 13,912 | 20,058 | (6,146) |
| Environmental Leadership | (1,246) | 8,589 | (9,835) |
| Balancing Growth | 4,279 | 7,401 | (3,121) |
| Vibrant Economy | 8,170 | 10,718 | (2,548) |
| High Performing Council | 4,879 | 8,536 | (3,657) |
| Total Activities and Initiatives | 29,994 | 55,301 | (25,307) |
| Non-attributable Items | | | |
| Asset Write Offs | 414 | 414 | - |
| Bad & Doubtful Debts | 80 | 80 | - |
| Debt Servicing | 1,031 | 1,031 | - |
| Depreciation | 11,597 | 11,597 | - |
| Expensed Capital Works | 3,830 | 3,830 | - |
| Granted Assets | (12,580) | - | (12,580) |
| Interest on Investments | (883) | - | (883) |
| Net Gain on Disposal of Property, Plant & Equipment | (1) | 927 | (928) |
| Non-attributable Items | 3,487 | 17,878 | (14,391) |
| Deficit before Funding Sources | 33,481 | | |
| Funding Sources | | | |
| Rates Revenue & Municipal Charges | (42,649) | | |
| Capital Grants | (2,378) | | |
| Special Rates and Charges | (21) | | |
| Capital Contributions | (2,385) | | |
| Total funding sources | (47,434) | | |
| (Surplus)/Deficit for the Financial Year | (13,952) | | |

2.1 Theme: Community Wellbeing

This theme represents an inclusive community where everyone can participate and contribute. As a result, Council is committed to the following strategic objectives:

- All Residents feel safe and included, and are empowered to contribute to community life.
- Specific support is provided for the more vulnerable and less connected in the community.
- Culture and diversity are celebrated and a person's background, gender, race or ability is not a barrier to a fair, fulfilling life.

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

Services

| Description of Services Provided | Classification | Expenditure (Revenue) Net Cost \$'000 |
|---|---------------------------|--|
| Communications, Community Engagement, and Advocacy | | |
| This service is responsible for coordinating Council communications, including liaising with media, formulating media 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 and advocacy activity is led and supported by the unit. | Recurrent Operations | 1,095 <u>(50)</u> 1,045 |
| | Operating Projects | - <u>-</u> - |
| | Capital Allocation | 5 |
| 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. | Recurrent Operations | 818 <u>-</u> 818 |
| | Operating Projects | 290 <u>(240)</u> 50 |
| | Capital Allocation | - |
| Early Years and Youth | | |
| This service aims to support families, children and young people to achieve their full potential. This is achieved through the provision of family oriented support services including kindergartens, toy libraries, maternal and child health , youth development programs, family day care, vacation and occasional care programs. The unit also supports playgroups, visiting specialists and the provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees. | Recurrent Operations | 4,902 <u>(3,054)</u> 1,848 |
| | Operating Projects | 118 <u>(48)</u> 70 |
| | Capital Allocation | 3,207 |
| Facilities & Open Space Operations | | |
| This service maintains and renews a wide range of Council facilities and associated infrastructure (e.g. recreation, early years, public toilets, community halls). It is responsible for managing and programming several sports and multi-purpose community facilities including pool facilities , which provide a source of income through user fees. The unit also maintains and develops Council's parks and open space assets (e.g. recreation reserves, playgrounds, skate parks, trees, nature reserves). As a Council support service, \$0.9 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Recurrent Operations | 6,580 <u>(370)</u> 6,210 |
| | Operating Projects | 348 <u>(-)</u> 348 |
| | Capital Allocation | 1,283 |

| Description of Services Provided | Classification | Expenditure |
|--|---------------------------|---|
| | | (Revenue) Net Cost \$'000 |
| Library and Arts Development | | |
| This service provides a varied program of arts and cultural activities. Council develops policies and strategies to facilitate art practice often in partnership with community members. The function is also responsible for the provision of library services and manages a service agreement with the Geelong Regional Library. Library services are provided at Torquay and across the municipality with a mobile service. | Recurrent Operations | 820 <u>(2)</u> 818 |
| | Operating Projects | 35 <u>(5)</u> 30 |
| | Capital Allocation | 20 |
| 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 planning the development of public open space and working closely with community groups. | Recurrent Operations | 228 <u>-</u> 228 |
| | Operating Projects | 7 <u>-</u> 7 |
| | Capital Allocation | - |
| Positive Ageing | | |
| This service provides a range of home and community care and social support services for older people and people with a disability to assist them to remain independent and active participants in the community. Services include in-home assessment, home delivered and community meals, in-home domestic respite and personal care, home maintenance and modifications, senior citizens, café style support programs, service coordination, and community development activities. Revenue in this area is generated mainly from government grants and user service fees. | Recurrent Operations | 3,681 <u>(2,263)</u> 1,418 |
| | Operating Projects | 249 <u>(56)</u> 193 |
| | Capital Allocation | - |
| Recreation Planning | | |
| This service plans for the development and management of Council facilities with a primary focus on recreation and multi-purpose facilities. It is responsible for assessing community-led recreation projects and delivering numerous recreation and open space projects. The unit also focuses on community capacity building via community development activities and grants. | Recurrent Operations | 886 <u>(58)</u> 828 |
| | Operating Projects | - <u>-</u> - |
| | Capital Allocation | 1,016 |

Major Initiative

1. Torquay / Jan Juc Social Infrastructure Needs Study

Initiatives – Operational Projects

1. Anglesea Futures Plan Community Consultation
2. Engage Program
3. Freeza Project
4. G21 Regional Hockey Strategy
5. HACC Café Style Support
6. Health & Wellbeing Officer (Year Two of Two)

7. Irrigation Project Winchelsea Golf Course
8. Pop Up Art Space
9. Recreation Facilities Officer
10. Winchelsea RV Friendly Area
11. Winchelsea Town Centre Beautification

Initiatives – New Recurrent Expenditure

1. Kurrabee Myaring Community Centre Operating Budget
2. Proactive Tree Works Annual Allocation
3. Increased Street Tree Management
4. Increased Township Maintenance

Service Performance Outcome Indicators

| Service | Indicator | Performance Measure | Computation |
|---------------------------|---------------|---|---|
| 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 |
| 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 |
| Libraries | Participation | Active library members (Percentage of the municipal population that are active library members) | [Number of active library members / municipal population] x100 |
| Aquatic Facilities | Utilisation | Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population) | Number of visits to aquatic facilities / Municipal population |

2.2 Theme: Environment Leadership

This theme represents preserving and enhancing the natural environment. As a result, Council is committed to the following strategic objectives:

- Drive the use of renewable energy.
- Reduce household waste volume.
- Drive the use of recycled water for sustainable agribusiness opportunities.
- Support the sustainable production of local food and other agribusinesses.

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

Services

| Description of Services Provided | Classification | Expenditure |
|--|---------------------------|---|
| | | (Revenue) Net Cost \$'000 |
| Environment | | |
| This service ensures that Council complies with Victorian and Commonwealth Government legislative requirements regarding the environment, including: native vegetation; listed species and ecological communities; pest plants and animals; and statutory planning referrals. A wide range of Council Plan strategies related to pest plant and animal management, sustainability, environmental leadership and climate change are also delivered. 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. | Recurrent Operations | 1,081 - 1,081 |
| | Operating Projects | 492 <u>(5)</u> 487 |
| | Capital Allocation | 832 |
| | <hr/> | |
| 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. | Recurrent Operations | 7,016 <u>(9,829)</u> (2,813) |
| | Operating Projects | - - - |
| | Capital Allocation | 1,544 |
| | <hr/> | |

Major Initiative

1. Street Light Program Upgrade (Business Case)

Initiatives – Operational Projects

1. Anglesea Futures and Anglesea River
2. Bells Beach Coastal Management Plan
3. Bells Beach Master Plan Stage 1
4. Bells Beach Planning Panel
5. Towards Environmental Leadership Initiatives
6. Municipal Emergency Management Program
7. RACV Water Harvesting Agreement Licence

Initiatives – New Recurrent Expenditure

1. Anglesea Resale Shed Resource

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 |

2.3 Theme: Balancing Growth

This theme represents providing for growth whilst ensuring the intrinsic values and character of the Shire are retained. As a result, Council is committed to the following strategic objectives:

- Infrastructure is in place to support existing communities and provide for growth.
- Unique township characters and boundaries are strengthened.
- Rural land is preserved for appropriate and sustainable uses.
- Impact of population growth in neighbouring municipalities and our own Shire is understood and managed.

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

Services

| Description of Services Provided | Revenue (Expenditure) | Expenditure (Revenue) Net Cost \$'000 |
|--|---------------------------|--|
| Asset Management | | |
| 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 fleet portfolio. As a Council support service, \$1.2 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Recurrent Operations | 1,772 |
| | | <u>(1,637)</u> |
| | | 135 |
| | Operating Projects | 221 |
| | <u>-</u> | 221 |
| | Capital Allocation | 1,573 |
| 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. | Recurrent Operations | 1,832 |
| | | <u>(494)</u> |
| | | 1,338 |
| | Operating Projects | 43 |
| | <u>-</u> | 43 |
| | Capital Allocation | 1,721 |
| Gherang Gravel Pits | | |
| Revenue in this service area relates to gravel pit royalties. Expenditure relating to this service relates to Crown royalty and leasing costs, maintenance, management and associated fees. | Recurrent Operations | 159 |
| | | <u>(432)</u> |
| | | (273) |
| | Operating Projects | - |
| | <u>-</u> | - |
| | Capital Allocation | - |
| Planning & Development | | |
| This service is responsible for municipal building surveying 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 and user service fees. | Recurrent Operations | 2,661 |
| | | <u>(558)</u> |
| | | 2,103 |
| | Operating Projects | 712 |
| | <u>-</u> | 712 |
| | Capital Allocation | - |

Major Initiative

1. Municipal Strategic Statement Review

Initiatives – Operational Projects

1. Asset Condition Audits
2. Growing Winchelsea Planning Panel
3. Land Use Monitoring Report & Website
4. Lorne Structure Plan Consultation
5. Matching Project Funds
6. Planning Customer Support Officer
7. Planning for Growth
8. Spring Creek Developer Contribution Plan and Planning Scheme Amendment
9. Supporting Growth Initiatives
10. VicSmart Planning Scheme Amendment
11. Winchelsea Infrastructure for Growth Review

Initiatives – New Recurrent Expenditure

1. Municipal Building Surveyor
2. Principal Investigations Officer
3. Roads Compliance Officer
4. Strategic Planning Officer

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 |

2.4 Theme: Vibrant Economy

This theme represents supporting innovative, sustainable businesses and activities that create jobs and are valued by the community and visitors. As a result, Council is committed to the following strategic objectives:

- Support the creation and retention of jobs to meet the needs of a growing community.
- Facilitate high quality events throughout the year.
- Strengthen the vitality of town centres.
- Key industry sectors such as surfing, tourism, home based and rural businesses are supported.

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

Services

| Description of Services Provided | Revenue (Expenditure) | Expenditure (Revenue) Net Cost \$'000 |
|---|--------------------------|--|
| Civil Works | | |
| This service is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed road network, ensuring that it can support day-to-day activities including businesses moving customers, supplies and products across the Shire. The Civil Works team also maintains drains and | Recurrent Operations | 4,238 <u>(73)</u> 4,166 |

| Description of Services Provided | Revenue (Expenditure) | Expenditure (Revenue) Net Cost \$'000 |
|---|---------------------------|--|
| <p>footpaths and other civil infrastructure. 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.</p> | Operating Projects | - |
| | | - |
| | Capital Allocation | 5,486 |
| <hr/> | | |
| Development Compliance & Local Laws | | |
| <p>These diverse services support the economy through overseeing issue and compliance with Building development controls and planning enforcement, permits for footpath trading, local law enforcement and Victorian Government agencies enforcement activities,. This service provides staff at school crossings to ensure that all pedestrians are able to cross the road safely. It also provides 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 after-hours service and an emergency service. Revenue in this area is generated mainly from the issuance of infringement notices.</p> | Recurrent Operations | 2,387 |
| | | <u>(1,459)</u> |
| | | 929 |
| | Operating Projects | 234 |
| | <u>(140)</u> | |
| | 94 | |
| | Capital Allocation | - |
| <hr/> | | |
| Economic Development & Tourism | | |
| <p>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.</p> | Recurrent Operations | 2,944 |
| | | <u>(599)</u> |
| | | 2,345 |
| | Operating Projects | 164 |
| | - | |
| | 164 | |
| | Capital Allocation | 25 |
| <hr/> | | |
| Environmental Health | | |
| <p>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.</p> | Recurrent Operations | 751 |
| | | <u>(277)</u> |
| | | 473 |
| | Operating Projects | - |
| | - | |
| | - | |
| | Capital Allocation | - |

Major Initiative

1. Great Ocean Road Gateway

Initiatives – Operational Projects

1. Growing Adventure Tourism
2. Road Safety Officer

Initiatives – New Recurrent Expenditure

1. ANZAC Day Contribution
2. Support Headline Event

Service Performance Indicators

| Service | Indicator | Performance Measure | Computation |
|----------------------|-------------------|---|---|
| Animal Management | Health and safety | Animal management prosecutions (Number of successful animal management prosecutions) | Number of successful animal management prosecutions |
| 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. |
| 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 |
| Economic Development | Economic activity | Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality) | [Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100 |

2.5 Theme: High Performing Council

This theme represents delivering valued services to the community. As a result, Council is committed to the following strategic objectives:

- Council is financially sustainable and has the capability to deliver strategic objectives.
- Council decisions are fair and transparent and the community is involved and informed.

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

Services

| Description of Services Provided | Revenue (Expenditure) | Expenditure (Revenue) Net Cost \$'000 |
|--|--------------------------|--|
| Business Improvement | | |
| This service leads Council's efforts to identify and implement business improvement opportunities in order to deliver financial, service and other benefits. In particular, realising financial gains is important to ensure Council can deliver and maintain the services and new infrastructure required by our growing community. | Recurrent Operations | 222 — 222 |
| | Operating Projects | 133 — 133 |

| Description of Services Provided | Revenue (Expenditure) | Expenditure (Revenue) Net Cost \$'000 |
|---|---------------------------|--|
| | Capital Allocation | - |
| <hr/> | | |
| Corporate Planning | | |
| This service coordinates the development of organisational policy, strategy and systems, and provides support in the areas of corporate planning, community satisfaction data, performance measurement and reporting. As a Council support service, \$0.2 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Recurrent Operations | 336 |
| | | <u>-</u> |
| | | 336 |
| | Operating Projects | 5 |
| | | <u>-</u> 5 |
| | Capital Allocation | - |
| <hr/> | | |
| 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. | Recurrent Operations | 764 |
| | | <u>-</u> |
| | | 764 |
| | Operating Projects | - |
| | | <u>-</u> - |
| | Capital Allocation | - |
| <hr/> | | |
| Councillors, Council Support & Executive Services | | |
| This area provides support for the nine elected representatives of Council as well as the four members of the Executive Management Team and includes costs of \$909k that relate to Council administration and meeting support, a portion of governance , legal support, risk management and other corporate overheads. This area also includes \$50k to strategic partnerships. | Recurrent Operations | 2,966 |
| | | <u>-</u> |
| | | 2,966 |
| | Operating Projects | 31 |
| | | <u>-</u> 31 |
| | Capital Allocation | - |
| <hr/> | | |
| 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 reporting of Council's financial performance. This function also includes management of raising and collection of Council's primary revenue source, rates and charges. Revenue in this area is generated mainly from debt collection recoupments and receipt of the Financial Assistance Grant. As a Council support service, \$1.4 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Recurrent Operations | 1,265 |
| | | <u>(2,652)</u> |
| | | (1,386) |
| | Operating Projects | - |
| | | <u>-</u> - |
| | Capital Allocation | - |
| <hr/> | | |
| Governance | | |
| This service provides statutory and corporate support to the organisation in the development and review of organisational policies and procedures, Council meeting administration, ensuring compliance | Recurrent Operations | 62 |
| | | <u>-</u> |
| | | 62 |

| Description of Services Provided | Revenue (Expenditure) | Expenditure (Revenue) Net Cost \$'000 |
|--|---------------------------|--|
| with legislative requirements, managing Freedom of Information and privacy requests, management of procurement and contracts, Council property administration, maintenance of public registers, Council election services and management of delegations and authorisations. As a Council support service, \$0.6 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Operating Projects | 15 <u>-</u> 15 |
| | Capital Allocation | - |
| | <hr/> | |
| 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 Services unit has the responsibility to support the organisation with a cost effective and efficient technology service which seeks to improve the performance of the organisation. As a Council support service, \$2.4 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Recurrent Operations | 100 <u>-</u> 100 |
| | Operating Projects | 122 <u>-</u> 122 |
| | Capital Allocation | 2,185 |
| | <hr/> | |
| 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. As a Council support service, \$1.3 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Recurrent Operations | 47 <u>-</u> 47 |
| | Operating Projects | - <u>-</u> - |
| | Capital Allocation | - |
| <hr/> | | |
| Program Management Office | | |
| This service provides leadership, analysis and support for Council's program of projects. This includes a standardised and integrated approach to project management across the organisation to ensure the successful delivery of Council's annual program. It has accountability for the successful management of all program management processes, systems and functions, including the Project Delivery Framework, Project Delivery Process and Program Status Reporting for all capital and operational projects. The \$0.9 million net cost includes \$0.7 million of corporate overheads that has been attributed to the Program Management Office primarily due to the higher volume of financial transactions. | Recurrent Operations | 914 <u>-</u> 914 |
| | Operating Projects | - <u>-</u> - |
| | Capital Allocation | - |
| <hr/> | | |
| Project Management Recovery | | |
| Provides project management services to Council to enable delivery of the Capital Works Program and many Operational Projects in accordance with defined scope, financial and quality standards. Project management costs are included in project budgets enabling resources to be scaled up and down with the changing size of the program. All direct project costs are cost recovered, the \$0.3 million net cost reflects corporate | Recurrent Operations | 1,252 <u>(980)</u> 272 |

| Description of Services Provided | Revenue (Expenditure) | Expenditure (Revenue) Net Cost \$'000 |
|---|---------------------------|--|
| overheads not cost recovered. | Operating Projects | - |
| | | - |
| | Capital Allocation | - |
| Risk Management & Legal Services | | |
| This service involves developing and monitoring Council's risk management system, including provision of support to the organisation in relation to managing risk, insurance policies and business continuity. As a Council support service, \$0.4 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service. | Recurrent Operations | 294 |
| | | (25) |
| | | 269 |
| | Operating Projects | 8 |
| | | - |
| | | 8 |
| | Capital Allocation | - |

Major Initiative

1. Digital Transformation

Initiatives – Operational Projects

1. Business Continuity Exercise
2. Business Improvement Program (Business Case)
3. Land Under Roads Audit & Capitalisation
4. Records Management Program (Business Case)

Initiatives – New Recurrent Expenditure

1. Software Support and Development
2. Strategic Partnership Support Fund
3. Workplace Health & Safety Initiatives

Service Performance Outcome Indicators

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

2.6 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 2017/18 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance and sustainable capacity, which are not included in this budget report. The 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.

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 is located in south-western Victoria, 95km from Melbourne, 21km south of Geelong and close to the extended Geelong Ring Road. With its internationally renowned beaches, bushland and rural environment, the Surf Coast Shire is an appealing destination for holiday makers and international visitors, and is increasingly attractive to those looking to make a permanent sea change. The Shire is home to some of the world's best surfing locations and the start of the iconic Great Ocean Road. 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 ten distinct townships; Aireys Inlet, Anglesea, Bellbrae, 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.

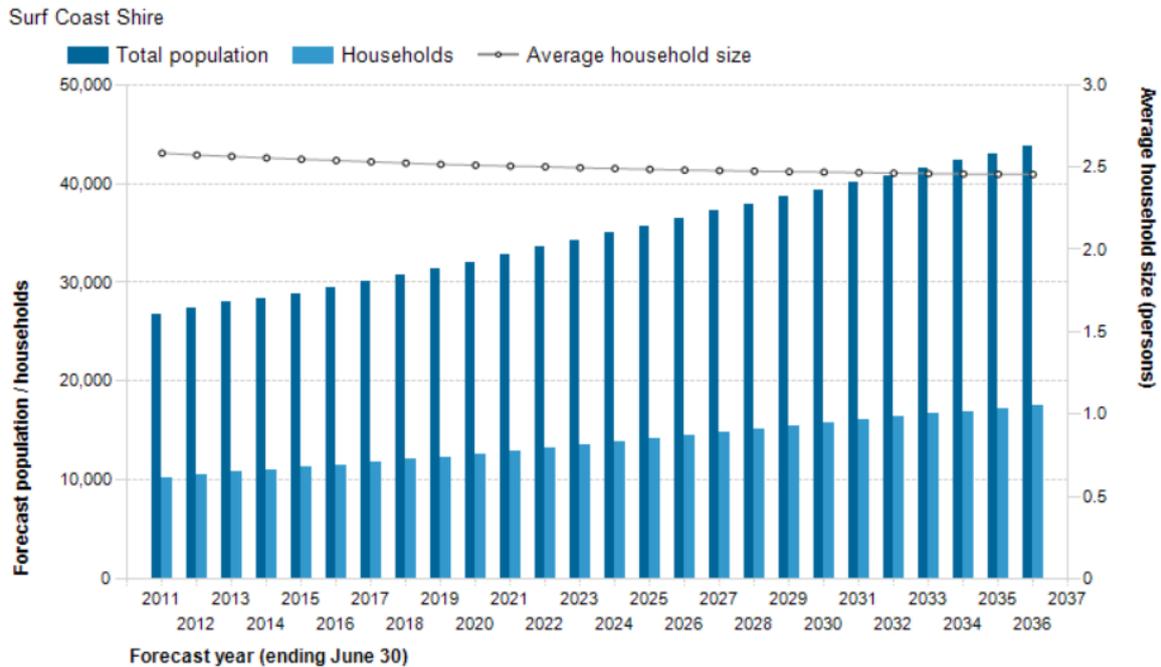
Lorne, in the south-west of the Shire, is another iconic destination. Bordered by Loutitt Bay, the Great Ocean Road and the Otways National Park, this town is a scenic and recreational wonderland. Smaller coastal towns of Anglesea and Aireys Inlet offer magnificent seaside and bushland experiences while 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. These townships and the rural hinterland support over 3,000 businesses which drive an economy estimated to be worth \$1 billion annually. The economy is unique, dominated by surfing, tourism, construction and retail sectors. Traditional and emerging sectors of agriculture and health compliment to create a distinctly different economy to that of Geelong and surrounding regions.

Critical to achieving sustained economic growth is the unique natural surrounds which includes world famous beaches, pristine coastal areas and National Parks. These natural assets are a corner stone in attracting almost 2.1 million visitors who spend over \$500 million annually visiting Surf Coast Shire.

Population

Location and lifestyle continue to contribute to the Surf Coast Shire being one the fastest growing municipalities in Victoria. Since 2001 the permanent population of the Surf Coast Shire has grown from 20,872 to 29,346 in 2016 (latest official Estimated Resident Population). By the end of 2017 the Shire's population is forecast to grow above 30,000 residents for the first time (30,048 estimated), reflecting annual growth of 2.4%.



Forecasts estimate that 87% of the population increase between 2016 and 2017 will occur in the Torquay/Jan Juc area.

The Shire’s population is forecast to grow to nearly 43,800 by 2036 (forecast .id). 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).

Economy

Over a five year period, the Gross Regional Product of the Surf Coast Shire grew by an average of 4.19%. The economy has expanded at four times the rate of other regional Council’s in Victoria over the past 15 years and 1.3 times faster than the State average. Fuelled by over 3,000 businesses, Surf Coast’s economy is estimated to be \$1.007 billion annually.

Industry breakdowns for the top 4 employment sectors are as follows:

- Accommodation and Food Services 15.5%,
- Retail 13.5%,
- Construction 13.4%, and
- Health Care and Social Assistance 7.9%.

There are many micro and small businesses within the Surf Coast with over 87% of all businesses employing 4 or less people. When identified as a distinct industry sector the surf sector represents approximately 27% of total employment in Surf Coast Shire (REMplan 2016).

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.

At years end June 2016, nearly 2.1 million visitors came to Surf Coast Shire, a 24% increase in figures from the prior year, driven by an increase in day trippers. Of those visitors, 38% stayed overnight.

Summer periods dominate visitation patterns with the March Quarter accounting for just 41% of annual visitation to year end June 2016. The December (28%), June (17%) and September Quarters (13%) held distinctly lower visitation periods reflecting the strong influence of the beach and better weather.

During peak visitation periods, the population of Surf Coast Shire is estimated to increase from its usual population of 29,346 to over 85,000 (Economic Indicators Bulletin Geelong 2013). This does not include day trippers to the area or those people attending festivals, events or other activities which can significantly increase these numbers.

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 2036 in Surf Coast Shire, it is forecast that the proportion of people aged 0 to 17 years will be around 22% and aged 60 years or older 29%, reflecting the ageing of the population.

Births

New births are also contributing to Council's increasing population. In 2014 there were around 300 births in Surf Coast Shire (Australian Bureau of Statistics, Registered Births). Between 2016 and 2025 it is projected that there will be a further 3,800 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 18,770 dwellings in 2017. It is anticipated that residential development will grow at a rate of about 2.0% during 2017/18 with about 370 additional dwellings (forecast .id).

Only 46% 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 34.1% of all households in Surf Coast Shire were couples with children, 28.1% were couples without children, 8.5% were one-parent families and 20.0% were lone person households. (Australian Bureau of Statistics, Census of Population).

Over \$2.25 billion of building and construction activity has taken place in Surf Coast Shire in the past 10 years. Of this approximately \$1.5 billion has occurred in Torquay/Jan Juc. Since 2004 only the Regional Cities of Geelong, Bendigo and Ballarat have had greater construction activity than Surf Coast Shire. Construction activity in Torquay/Jan Juc alone is greater than 50% of Victoria's Regional Cities.

Education

In Surf Coast Shire, 50% of people aged over 15 years had completed Year 12 schooling (or equivalent) as of 2011 (38% in the G21 Region) increasing from 45% in 2006. The proportion of residents who have post-school qualifications has also increased from 47% in 2006 to 54% 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 just over 7,500 jobs with major employers including Rip Curl, Quiksilver, Barwon Health and Surf Coast Shire. Construction businesses account for approximately 23% of businesses in the Shire.

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 continues with the construction of the Kurrabee Myaring Community Centre, 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.
- Winchelsea has been identified as an important future growth zone for the Shire, and as such, Council is supporting growth in the area with over \$2.0m of project investment in the 2017/18 budget. Projects include urban street improvements, playground and pathway improvements, and investment in rural roads to support the better movement of both tourism visitors and agricultural products.
- Various strategic projects are planned to prepare Council for the anticipated growth and development in the Shire, including:
 - New infrastructure such as roads and footpaths, and upgrades to existing infrastructure assets
 - Planning for Winchelsea and Spring Creek growth areas
 - Implementing the Bells Beach Coastal Management Plan
 - Opening of the Kurrabee Myaring Community Centre in Torquay in 2018
 - A review of the Torquay/Jan Juc Developer Contributions Plan
 - Further investment in Council's Planning and Development resources
 - Torquay Jan Juc Social Infrastructure Needs Study
- 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 2017/18 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:

- The Victorian Government's cap on rate increases (introduced in 2016/17). The cap for 2017/18 has been set at 2.0%.
- State-wide CPI is forecast to be 2.0% for the 2017/18 year.
- An annual inflation rate (CPI) of 2.0% has been applied to all expense categories in 2017/18 with the exception of wages, construction, contract and materials maintenance costs. This is in line with the Victorian Government's Department of Treasury forecasts.
- The Commonwealth Government's freeze on indexation of Financial Assistance Grants has been lifted and an increase of 3.5% has been budgeted. The Commonwealth Government has advised that 50% the 2017/18 allocation will be brought forward and paid in the 2016/17 financial year.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the Victorian Government with the introduction of the Fire Services Property Levy Act 2012.
- The Commonwealth funding through the Roads to Recovery program will return to normal levels in 2017/18. The program had seen an injection of funds following the Commonwealth Government's decision to freeze the Financial Assistance Grants and to re-introduce the indexation of fuel excise to inflation, but this additional funding concluded in 2016/17. The funding allocation for Surf Coast Shire drops from \$2.3m in 2016/17 to \$0.7m in 2017/18.

Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of government in Australia. In addition councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.

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 2017/18 Budget. These matters have arisen from events occurring in the 2016/17 year resulting in variances between the budgeted results and the forecast for that year and from matters expected to arise in the 2017/18 year. These include:

- The Business Improvement program operation in 2016/17 has delivered savings of \$0.45 million in the 2017/18 budget year, and represents \$3.6 million over the next four years.
- Council has key strategies and obligations that influence Council's allocations to capital programs and projects. These include (but are not limited to) the Council Plan, Council's Asset Management policies and plans, the Torquay/Jan Juc Developer Contributions Plan, Council's strategic waste plans, and a variety of road, pathway, playground, open space and facility strategies and masterplans.
- Council negotiated a new Enterprise Agreement during the 2016/17 year, which commenced on 1 September 2016. The Enterprise Agreement sets the key parameters for staff-related expenses in the 2017/18 budget and future years.
- The 2017/18 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. This has an operating impact of a \$3.8 million increase in expenses, plus a further \$1.3 million for landfill rehabilitation that is charged directly against the provision.

3.4 Financial principles

The key financial principles on which the 2017/18 budget is based are:

- **Transparency**
 - In how we do things
 - In our decision making
 - In how we raise rates and allocate ratepayer funds
 - In how we report our performance
- **Sustainability**
 - The responsible allocation of limited resources
 - Planning for long-term financial sustainability
 - The responsible use of debt
 - Maintaining capacity to fund new things
 - Responsible asset management
- **Strong Financial Framework**
 - Good control over finances
 - Confidence in the process
 - Delivery of plans
 - Meeting regulatory requirements

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 medium term Strategic Resource Plan (Section 8), Rating Strategy (Section 9) and Other Long Term Strategies (Section 10) including borrowings, infrastructure and service delivery, and a Ten Year Financial Plan (Appendix M).

3.6 Advocacy priorities

Council will continue to advocate to other levels of government on ratepayers' behalf for support of advocacy priorities such as:

- **The Great Ocean Road Visitor Economy**, including the following projects:
 - The Shipwreck Coast Masterplan
 - Renewal works on the Great Ocean Road
 - The Great Ocean Road Gateway
 - Growing Adventure Tourism (including Surf Coast trails)

- **Towards Environmental Leadership**, including the following projects:
 - Energy Efficient Streetlight Conversions
 - Permanent Town Boundaries
 - Renewable Energy Microgrids
 - Hinterland Futures

- **Building Our Future**, including the following projects:
 - Torquay Soccer Facilities
 - Torquay Active Transport
 - Winchelsea Netball Facilities Upgrade
 - Improved Phone and Internet Coverage

3.7 Cost Shifting

Cost shifting occurs when Commonwealth and Victorian Governments' Programs transfer responsibilities to local government with insufficient funding or grants that don't keep pace with delivery costs. These services do not meet the traditional role of local government and may be better viewed as a Commonwealth or Victorian Governments' responsibility.

Cost shifting occurs for specific services such as:

- Home and Community Care (HACC)
- Maternal and Child Health
- School Crossing Supervision
- Emergency Services funding
- Disability Services

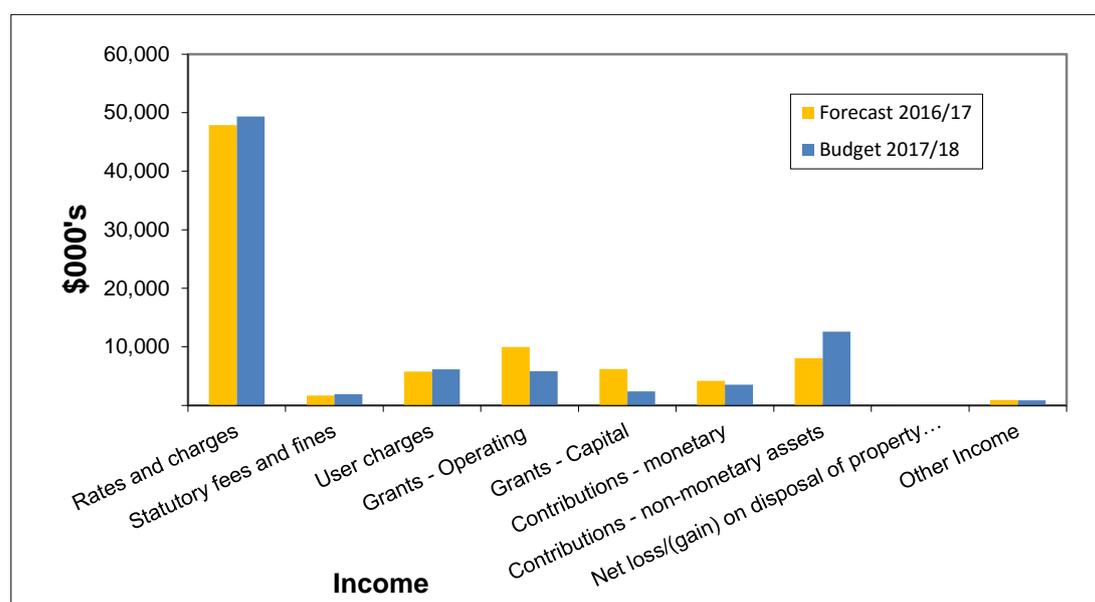
Cost shifting also occurs where other levels of government reduce funding for specific programs. For instance, in 2014 the Commonwealth government announced a freeze in indexation of financial assistance grants paid to local government. By Government estimates, over the three years to 30 June 2017, the sector will have seen a \$925 million reduction in revenue as a result of the freeze. This directly impacts Council's funding that is necessary to provide better infrastructure and better services for our local communities. The cumulative impact on Surf Coast Shire Council was \$0.8million to 30 June 2017. Indexation of financial assistance grants will recommence in 2017/18.

4. Analysis of Operating Budget

This section analyses the expected revenues and expenses of the Council for the 2017/18 year.

4.1 Operating income

| | Ref | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | Variance \$'000 |
|---|-------|-------------------------------|-----------------------------|--------------------|
| Income | | | | |
| Rates and charges | 4.1.1 | 47,871 | 49,353 | 1,482 |
| Statutory fees and fines | 4.1.2 | 1,700 | 1,890 | 189 |
| User charges | 4.1.3 | 5,794 | 6,168 | 373 |
| Grants - Operating | 4.1.4 | 9,961 | 5,832 | (4,129) |
| Grants - Capital | 4.1.5 | 6,188 | 2,378 | (3,810) |
| Contributions - monetary | 4.1.6 | 4,210 | 3,554 | (655) |
| Contributions - non-monetary assets | 4.1.7 | 8,065 | 12,580 | 4,515 |
| Net loss/(gain) on disposal of property infrastructure, plant and equipment | 4.1.8 | (29) | 1 | 30 |
| Other Income | 4.1.9 | 921 | 883 | (38) |
| Total Income | | 84,681 | 82,639 | (2,042) |



4.1.1 Rates and charges (\$1.5 million increase)

It is proposed that income raised by all rates and charges be increased by 3.1% or \$1.5 million in 2017/18 to \$49.4 million. This includes an increase from existing rate payers (including municipal charge) of 2.0%; Garbage Charge increase of 4.0%; the annualised effect of new ratepayers from 2016/17 paying a full year's worth of rates in 2017/18 of \$0.4 million; income from new ratepayers in 2017/18 of \$0.4 million for general rates and municipal charge and \$0.02 million for new garbage charges.

4.1.2 Statutory fees (\$0.2 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 11.1% or \$0.2 million compared to 2016/17. This increase is mainly due to an

increase in planning income (planning fees have recently been revised by the Victorian Government) and supervision/plan checking fees for new subdivisions.

4.1.3 User charges (\$0.4 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council services. User charges are forecast to increase by 6.4% or \$0.4 million compared to 2016/17.

4.1.4 Operating grants (\$4.1 million decrease)

Operating government grants include all monies received from Victorian and Commonwealth Government sources for the purposes of funding the delivery of Council's services. Total operating grants will incur an annual decrease of \$4.1 million for 2017/18, mainly due to \$1.9m of the 2017/18 Financial Assistance Grant allocation being received in 2016/17.

| Operating Grants Funding and Source | 2016/17 Forecast '000 | 2017/18 Budget '000 | Variance '000 |
|--|-----------------------------|---------------------------|------------------|
| Recurrent - Commonwealth Government | | | |
| Commonwealth Home Support | 116 | 116 | - |
| Flexible Service Response | 18 | 18 | - |
| HACC Assessment and Care | 170 | 173 | 3 |
| HACC Cafe Style Support | 52 | 56 | 4 |
| HACC Property Maintenance | 71 | 72 | 2 |
| HACC Services | 739 | 739 | - |
| HACC Minor Capital | 19 | - | (19) |
| Home Care Packages | 366 | 369 | 3 |
| Grants Commission | 5,617 | 1,915 | (3,701) |
| Total Recurrent - Commonwealth Government | 7,167 | 3,458 | (3,709) |
| Non Recurrent - Commonwealth Government | | | |
| Roads to Recovery | - | 30 | 30 |
| Total Non Recurrent - Commonwealth Government | - | 30 | 30 |
| Recurrent - State Government | | | |
| Family Day Care Services | 41 | 41 | - |
| Fleet Management | 7 | 7 | (1) |
| Health Services Administration | 17 | 18 | 1 |
| Immunisations | 7 | 9 | 1 |
| Kindergarten Cluster Management | 1,361 | 1,336 | (25) |
| Local Laws - School Crossings | 42 | 38 | (5) |
| Maternal & Child Health Services | 239 | 246 | 7 |
| Meals on Wheels | 68 | 62 | (5) |
| Positive Ageing Administration | 57 | 58 | 1 |
| Rural Access Services | 49 | 50 | 1 |
| Senior Citizens | 29 | 32 | 2 |
| SSRC Holiday Program | 45 | 45 | - |
| Community Arts Projects | 2 | 2 | - |
| Youth Services | 101 | 81 | (20) |
| Total Recurrent - State Government | 2,065 | 2,022 | (42) |
| Non Recurrent - State Government | | | |
| Community Emergency Management | 240 | 240 | - |
| Public Safety projects | 231 | - | (231) |
| Economic Development & Tourism projects | 80 | - | (80) |
| Environmental projects | 56 | - | (56) |
| Planning Scheme projects | 116 | - | (116) |
| Leisure & Wellbeing | 5 | - | (5) |
| Youth Services | 1 | - | (1) |
| Kindergarten projects | - | 82 | 82 |
| Total Non Recurrent - State Government | 729 | 322 | (407) |
| Total Operating Grants | 9,961 | 5,832 | (4,129) |

4.1.5 Capital grants (\$3.8 million decrease)

Capital grants include all monies received from Victorian and Commonwealth Government sources for the purposes of funding the Capital Works Program.

Overall, the level of capital grants has decreased by 61.6% or \$3.8 million compared to 2016/17. Council has been proactive in seeking external funding through grants and has a number of applications lodged and under consideration. Only confirmed grant funding has been included in the budget. The Commonwealth Government's Roads to Recovery program is also budgeted to return to traditional levels after temporary increases over the last two years. Note \$0.03 million of Roads to Recovery funding will be allocated to non-capital projects in 2017/18 in accordance with Council's adopted Road Safety Strategy 2017-2021.

| Capital Grants Funding and Source | 2016/17 | 2017/18 | Variance |
|--|--------------------|------------------|----------------|
| | Forecast \$'000 | Budget \$'000 | |
| Non Recurrent - Commonwealth Government | | | |
| Roads to Recovery | 2,289 | 664 | (1,625) |
| Black Spot Funding | - | 1,714 | 1,714 |
| Total Non Recurrent - Commonwealth Government | 2,289 | 2,378 | 89 |
| Non Recurrent - State Government | | | |
| Community Buildings | 194 | - | (194) |
| Drainage | 197 | - | (197) |
| Recreation Facilities | 497 | - | (497) |
| Transport | 3,010 | - | (3,010) |
| Total Non Recurrent - State Government | 3,899 | - | (3,899) |
| Total Capital Grants | 6,188 | 2,378 | (3,810) |

4.1.6 Contributions – Monetary (\$0.7 million decrease)

Contributions relate to recoupment of expenditures, community contributions to capital works, and monies paid by developers in regard to new subdivision works.

4.1.7 Contributions – Non monetary assets (\$4.5 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 56% or \$4.5 million compared to 2016/17 due to increased granted asset revenue from developers.

4.1.8 Net loss/(gain) on disposal of property (\$0.03 million increase)

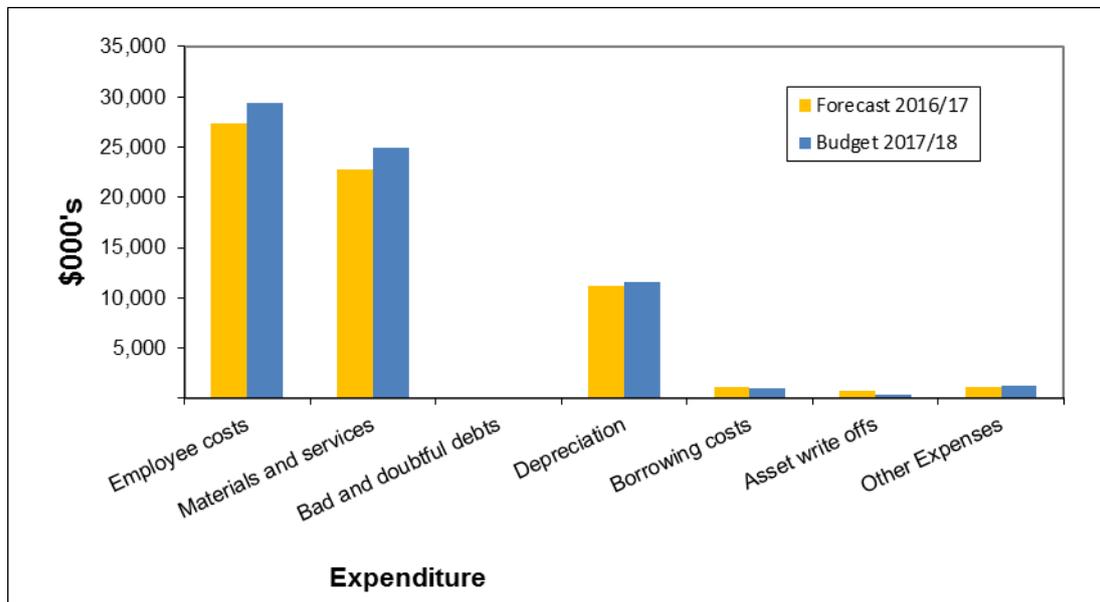
Net loss on disposal relates to sale of heavy plant and light fleet and two parcels of land.

4.1.9 Other income (\$0.04 million decrease)

Other income relates to interest on investments, interest charges on properties and debtors. Other income is forecast to decrease by 4.1% or \$0.04 million compared to 2016/17, attributed predominately to interest on investments which will decrease by approximately \$0.03 million.

4.2 Operating Expenditure

| | Ref | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | Variance \$'000 |
|------------------------|-------|-------------------------------|-----------------------------|--------------------|
| Expenses | | | | |
| Employee costs | 4.2.1 | 27,368 | 29,394 | 2,026 |
| Materials and services | 4.2.2 | 22,791 | 24,917 | 2,126 |
| Bad and doubtful debts | 4.2.3 | 79 | 80 | |
| Depreciation | 4.2.4 | 11,245 | 11,597 | 352 |
| Borrowing costs | 4.2.5 | 1,077 | 1,031 | (46) |
| Asset write offs | 4.2.6 | 795 | 414 | (381) |
| Other Expenses | 4.2.7 | 1,166 | 1,255 | 89 |
| Total expenses | | 64,521 | 68,686 | 4,165 |



4.2.1 Employee benefits (\$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 workers compensation insurance.

Employee costs are forecast to increase by 7.4% or \$2 million compared to 2016/17. The increase relates to the following key factors:

- Annual wage increase of 2.0% as per the conditions of the Surf Coast Shire Council Enterprise Bargaining Agreement No 9 (2016-2019)
- Position level increments
- Improving Council's customer service
- Addressing emerging risks to the community, organisation and the environment
- Delivering community projects

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

| Division | 2017/18 Budget \$'000 | Comprises | |
|--|-----------------------------|----------------------------------|----------------------------------|
| | | Permanent Full Time \$'000 | Permanent Part Time \$'000 |
| Chief Executive | 741 | 741 | - |
| Culture and Community | 11,087 | 5,781 | 5,306 |
| Environment and Development | 7,255 | 5,350 | 1,905 |
| Governance and Infrastructure | 7,503 | 6,294 | 1,269 |
| Total Permanent Staff Expenditure | 26,587 | 18,167 | 8,480 |
| Casuals and Other Expenditure | 2,807 | | |
| Capitalised Labour Costs | 1,561 | | |
| Total Expenditure | 30,955 | | |

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

| Division | 2017/18 Budget | Comprises | |
|-------------------------------|-------------------|------------------------|------------------------|
| | | Permanent Full Time | Permanent Part Time |
| Chief Executive | 5.0 | 5.0 | - |
| Culture and Community | 130.2 | 60.2 | 70.0 |
| Environment and Development | 72.7 | 50.7 | 22.0 |
| Governance and Infrastructure | 78.1 | 63.3 | 14.9 |
| Total Permanent Staff | 286.0 | 179.1 | 106.9 |
| Casuals and Other | 8.3 | | |
| Capitalised Labour | 16.9 | | |
| Total Staff | 311.2 | | |

Some of the key variances to the 2016/17 forecast in staff positions are:

- Additional FTE in Aged and Family Services, including:
 - Increased resources for the delivery of aged care services to meet increased demand
 - New staff for the Kurrabee Myaring Community Centre (opening January 2018)
 - Increased staff in Council's kindergarten services to meet growth in enrolment numbers
- Additional Project Management resources to deliver Council's Capital and Operational Projects
- Temporary position vacancies experienced in 2016/17 that are budgeted to be filled in 2017/18

4.2.2 Materials and services (\$2.1 million increase)

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 increase by 9.3% or \$2.1 million compared to 2016/17.

The increase in materials and services is due to a combination of 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 increase by \$2.4 million to \$3.8 million compared to 2016/17. Note \$1.3 million of expensed capital expenditure recorded in the capital works program in Appendix C relates to the rehabilitation of the landfill site and is accounted for in the landfill provision. Expensed works are mainly attributable to projects carried forward to 2017/18 (\$3.2 million) including the Surf Coast Highway/Beach Road traffic lights construction, Anglesea Landfill Cell Wall Liner, Torquay South Beach Road/Surf Coast Highway Intersection upgrade and stormwater improvements at the Anglesea Landfill.

Excluding the expensed capital works and operational projects, the underlying growth of materials and services expenditure has generally risen by 2.9%.

4.2.3 Bad and doubtful debts (in line with forecast)

Bad and doubtful debts are projected to remain at similar levels to the 2016/17 forecast of \$0.08 million.

4.2.4 Depreciation (\$0.4 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 \$0.4 million or 3.1% is due mainly to the completion of the 2017/18 capital works program and the full year effect of depreciation on the 2016/17 capital program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/18 year.

4.2.5 Borrowing Costs (\$0.05 million decrease)

Finance costs relate to interest charged by financial institutions on funds borrowed. The reduction of \$0.05 million or 4.3% compared to the 2016/17 forecast is in accordance with Council's loan borrowing schedule. New borrowings of \$3.0 million are proposed for the 2017/18 financial year. The new loan is scheduled to be taken out in June 2018 so will have minimal impact on borrowing costs in the 2017/18 financial year.

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

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 2017/18. Asset write-off is forecast to decrease by 48.0% or \$0.4 million compared to 2016/17.

4.2.7 Other Expenses (\$0.1 million increase)

Other expenses are projected to increase by \$0.1 million compared to the 2016/17 forecast.

4.3 Adjusted Underlying Result

| | 2016/2017 Forecast \$'000 | 2017/2018 Budget \$'000 |
|--|---------------------------------|-------------------------------|
| Total income | 84,681 | 82,639 |
| Total expenses | (64,521) | (68,586) |
| Surplus for year | 20,160 | 14,052 |
| Less Grants - capital non-recurrent | (6,188) | (2,378) |
| Less Contributions - non-monetary assets | (8,065) | (12,580) |
| Less Capital Contributions - other sources | (678) | (359) |
| Adjusted underlying surplus/(deficit) | 5,228 | (1,265) |

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 defined in the Local Government Performance Reporting Framework. It is a measure of Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/18 year is a Deficit of \$1.3 million which is a decrease of \$6.5 million. The decrease relates predominately to expensed capital works which is \$2.4m higher in 2017/18 and to 50% (\$1.9m) of the 2017/18 Financial Assistance Grant allocation being received in 2016/17 accounting for \$3.8m of the variance.

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.

Although the adjusted underlying result removes the effect of non-recurrent income from the surplus, it does not adjust the balance for non-recurrent expenditure or non-cash items. For this reason, Council considers Recurrent EBITDA a better indication of operating performance (see section 8.4).

5. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2016/17 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; and
- **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

| | | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | Variance \$'000 |
|--|-------|-------------------------------|-----------------------------|--------------------|
| Cash flow from operating activities | | | | |
| Rates and charges | | 47,879 | 49,353 | 1,474 |
| Grants - operating | | 10,435 | 6,032 | (4,403) |
| Grants - capital | | 6,188 | 2,378 | (3,810) |
| Contributions | | 4,210 | 3,554 | (655) |
| Interest received | | 921 | 883 | (38) |
| Statutory fees and fines | | 1,687 | 1,890 | 202 |
| User charges | | 5,984 | 6,323 | 338 |
| Net GST refund/payment | | 3,371 | 4,029 | 658 |
| Trust funds received/(taken) | | 192 | 37 | (154) |
| Employee costs | | (27,175) | (29,335) | (2,160) |
| Materials and Services | | (29,348) | (31,933) | (2,586) |
| Net cash provided from operating activities | 5.1.1 | 24,344 | 13,211 | (11,133) |
| Cash Flows from investing activities | | | | |
| Proceeds from sale of property, plant & equipment | | 673 | 928 | 255 |
| Payments for property, plant, equipment & infrastructure assets | | (14,974) | (18,140) | (3,165) |
| Cash Flows from investing activities | | 8,600 | - | (8,600) |
| Net cash used in investing activities | 5.1.2 | (5,701) | (17,212) | (11,511) |
| Cash flows from financing activities | | | | |
| Finance costs | | (1,077) | (1,031) | 46 |
| Proceeds from interest bearing loans and borrowings | | - | 3,000 | 3,000 |
| Repayment of interest bearing loans and borrowings | | (628) | (675) | (47) |
| Net cash provided from financing activities | 5.1.3 | (1,706) | 1,294 | 3,000 |
| Net increase/(decrease) in cash & cash equivalents held | | 16,937 | (2,706) | (19,643) |
| Cash & cash equivalents at the beginning of the period | | 6,977 | 23,914 | 16,937 |
| Cash & cash equivalents at the end of the period | 5.1.4 | 23,914 | 21,208 | (2,706) |
| Investments (current and non-current financial assets) | | 16,000 | 16,000 | - |
| Total cash & investments at the end of the period | | 39,914 | 37,208 | (2,706) |

5.1.1 Operating activities (\$11.1 million decrease)

The decrease in net cash provided from operating activities is due mainly to a decrease in operating and capital grants (net \$8.2 million) and an increase in materials and services. Only grants that have signed funding agreements are included in the budget. An increase of \$2.4 million in expensed capital works is the main driver of the increase in materials and services.

The net cash provided from operating activities does not equal the income statement surplus 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 income statement surplus result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

The granted assets relate to the road infrastructure from subdivisions handed to Council. Some of the estates in next year's budget include parts of Grossmans Road, Surf View Estate and the Dunes Estate.

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|--|-------------------------------|-----------------------------|
| Surplus for the year | 20,160 | 13,952 |
| Add Depreciation | 11,245 | 11,597 |
| Less Granted assets | (8,065) | (12,580) |
| Add Asset write offs | 795 | 414 |
| Add Debt servicing | 1,077 | 1,031 |
| Add Net loss/(gain) on disposal of property infrastructure, plant and equipment | 29 | (1) |
| Add Net Movement in current assets and liabilities | (896) | (1,201) |
| Cash flows available from operating activities | 24,344 | 13,211 |

5.1.2 Investing activities (\$11.5 million decrease)

The decrease in payments for investing activities relates to a non-recurring inflow of \$8.6 million in the forecast budget 2016/17 and an increase in the outflow for capital works (\$3.1 million). Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of the capital works program.

5.1.3 Financing activities (\$3.0 million increase)

The increase in receipt of monies from financing activities relates to the \$3.0 million loan scheduled to be taken out in June 2018 for the Kurrambee Myaring Community Centre.

5.1.4 Cash & cash equivalents at end of the period (\$2.7 million decrease)

Total cash and cash equivalents are forecast to decrease to \$21.2 million in 2017/18. There is no movement expected in current and non-current financial assets. Total cash and investments (including current and non-current financial assets) are forecast to decrease to \$37.2 million.

5.2 Restricted and unrestricted cash and investments

Much of Council's cash and cash equivalents are held for specific purposes, and as such are not fully available for Council's operations. The budgeted Balance Sheet statement indicates that Council is estimating total cash and investments of \$37.2 million as at 30 June 2018. The following table shows the cash and cash equivalents as at 30 June 2018 which have been set aside for specific purposes in the future:

| Description | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|--|-------------------------------|-----------------------------|
| Restricted | | |
| Open Space | 1,017 | 1,034 |
| Main Drainage | 210 | 210 |
| Developer Contributions | 3,241 | 4,826 |
| Home Care Packages | 36 | 36 |
| Trust and Deposits | 1,863 | 1,900 |
| Total Restricted Reserves | 6,368 | 8,006 |
| Unrestricted | | |
| Plant Replacement | 807 | 527 |
| Asset Renewal | 150 | 87 |
| Waste | 3,588 | 4,857 |
| Aireys Inlet Units | 308 | 315 |
| DCP Council Funds | 1,250 | 1,441 |
| Winchelsea Infrastructure Plan Allocation | - | 80 |
| Gherang Gravel Pits | 1,542 | 1,815 |
| Defined Benefits Superannuation | 724 | 974 |
| Carried Forward Capital Works | 13,812 | 10,481 |
| Carried Forward Operational Projects | 1,494 | 826 |
| Adopted Strategy Implementation | 4,881 | 2,905 |
| Accumulated Unallocated Cash | 3,859 | 3,762 |
| Total Unrestricted Reserves | 32,414 | 28,069 |
| Total Reserves | 38,782 | 36,076 |
| Reserve Based Debtors and Project Creditors | 1,132 | 1,132 |
| Total Cash and Investments | 39,914 | 37,208 |

The following table outlines the proposed movements through the cash reserves during 2017/18. The carried forward amounts for capital works and operational projects reflect funds that will be cash backed at the end of the year and do not include grant funding not received.

| Reserve | Opening Balance \$'000 01/07/2017 | Transfer To Reserve \$'000 | Transfer From Reserve \$'000 | Closing Balance \$'000 30/06/2018 |
|---|---|-------------------------------|---------------------------------|---|
| Open Space | 1,017 | 120 | 103 | 1,034 |
| Main Drainage | 210 | - | - | 210 |
| Developer Contributions | 3,241 | 2,282 | 697 | 4,826 |
| Home Care Packages | 36 | - | - | 36 |
| Trust and Deposits | 1,863 | 37 | - | 1,900 |
| Plant Replacement | 807 | 943 | 1,223 | 527 |
| Asset Renewal | 150 | 5,131 | 5,194 | 87 |
| Waste | 3,588 | 2,813 | 1,544 | 4,857 |
| Aireys Inlet Units | 308 | 7 | - | 315 |
| DCP Council Funds | 1,250 | 2,163 | 1,973 | 1,441 |
| Winchelsea Infrastructure Plan Allocation | - | 80 | - | 80 |
| Gherang Gravel Pits | 1,542 | 273 | - | 1,815 |
| Defined Benefits Superannuation | 724 | 250 | - | 974 |
| Carried Forward Capital Works | 13,812 | 8,819 | 12,149 | 10,481 |
| Carried Forward Operational Projects | 1,494 | 756 | 1,423 | 826 |
| Adopted Strategy Implementation | 4,881 | - | 1,975 | 2,905 |
| Accumulated Unallocated Cash | 3,859 | 1,902 | 2,000 | 3,762 |
| Totals: | 38,782 | 25,575 | 28,281 | 36,076 |

| Accumulated Unallocated Cash | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|--------------------------------------|-------------------------------|-----------------------------|
| Opening Balance | 3,666 | 3,859 |
| Annual Surplus/(Deficit) | 1,157 | 1,677 |
| Return Anglesea Bowls to AUC | - | 225 |
| Less Net Allocations during the Year | 36 | - |
| Trfr for Digital Transformation | (1,000) | (2,000) |
| Closing Balance | 3,859 | 3,762 |

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 | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | Variance \$'000 | |
|---|-------------------------------|-----------------------------|--------------------|----------------|
| <i>Restricted Cash & Investments</i> | | | | |
| - Legislative Reserves | 5.2.1 | 4,469 | 6,070 | 1,602 |
| - Other Restricted Reserves | 5.2.2 | 1,899 | 1,936 | 37 |
| Total Restricted cash and investments | | 6,368 | 8,006 | 1,639 |
| Unrestricted cash and investments | 5.2.3 | 32,414 | 28,069 | (4,345) |
| Reserve Based Debtors and Project Creditors | | 1,132 | 1,132 | - |
| Total Cash & Investments | | 39,914 | 37,208 | (2,706) |

5.2.1 Legislative reserves (\$1.6 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
- Developer Contributions

Open Space contributions for new subdivision works are budgeted to increase by \$0.02 million. These funds will be allocated to fund future strategic open space development.

The Developer Contributions Reserve will increase by \$1.6million in the 2017/18 year in line with Council's Torquay and Jan Juc Developer Contributions Plan. Funds from this reserve will be allocated to the construction of bike routes on Blackgate Road and South Beach Road (\$0.3 million) and the Deep Creek Linear Reserve (\$0.4 million).

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

5.2.2 Other Restricted Reserves (\$0.04 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:

- Home Care Packages
- Trust and Deposits

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

5.2.3 Unrestricted Reserves (\$4.3 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 and project delivery, Council must ensure that there is equivalent cash available to match these reserves at year-end. Unrestricted reserves are made up of:

- Plant Replacement
- Asset Renewal
- DCP Council Funds
- Winchelsea Infrastructure Plan Allocation
- Waste
- Aireys Inlet Units
- Gherang Gravel Pits
- Defined Benefits Superannuation
- Carried Forward Capital Works
- Carried Forward Operational Projects
- Adopted Strategy Implementation
- Accumulated Unallocated Cash

The Asset Renewal Reserve will decrease by \$0.1 million following the annual allocation of \$5.1 million to the reserve and the reserve funding to the capital works program of \$5.2 million.

The DCP Council Funds Reserve balance will increase by \$0.2 following the annual allocation of \$2.2 million to the reserve and the reserve funding to the capital works program of \$2.0 million.

The Winchelsea Infrastructure Plan Allocation Reserve is a newly created reserve with an allocation of \$0.08 million.

The Waste Reserve will increase by \$1.3 million in the 2017/18 year. Council will fund the Anglesea Landfill Composting (\$0.1 million); Anglesea Landfill Leachate Pond (\$0.4 million); and the Anglesea Landfill Stage 3d Liner (\$1.1 million) projects from this reserve.

Carried Forward Capital Works will decrease by \$3.3 million in the 2017/18 year in line with completion of programmed capital works budgeted for in 2016/17. The Defined Benefits Superannuation Reserve will increase by \$0.25 million.

The Accumulated Unallocated Cash Reserve will decrease by \$0.1 million as a result of the annual surplus of \$1.7 million, the transfer of \$2.0 million to the Digital Transformation Program, and the return to the reserve of \$0.2 million for the Anglesea Bowls Club project that was pre-allocated in 2016/17.

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

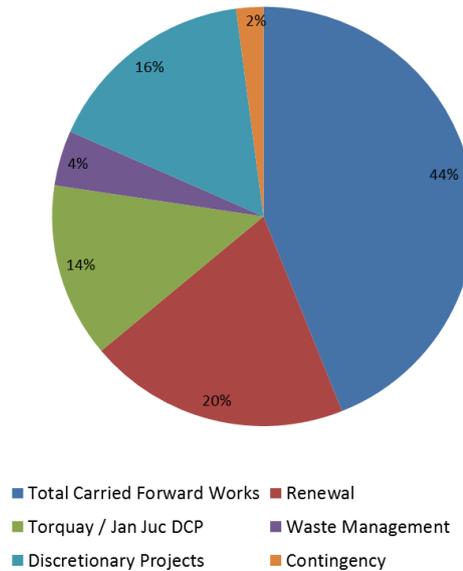
6. Analysis of Capital Budget

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

6.1 Capital works

| Capital Works Areas | Ref | 2017/18 Budget Allocation \$'000 | 2017/18 Budget Spend \$'000 |
|--------------------------------------|--------|---|--------------------------------------|
| Carried Forward Capital Works | | | |
| Renewal Program | | 1,433 | 1,433 |
| Torquay / Jan Juc DCP | | 3,376 | 3,376 |
| Waste Management | | 3,253 | 3,253 |
| <i>Discretionary Projects:</i> | | | |
| Vibrant Economy | | 3,347 | 3,347 |
| Environmental Leadership | | 24 | 24 |
| High Performing Council | | 246 | 246 |
| Balancing Growth | | 70 | 70 |
| Community Wellbeing | | 1,400 | 1,400 |
| Contingency | | 1,662 | - |
| Total Carried Forward Works | 6.1.1 | 14,812 | 13,149 |
| New Works | | | |
| Renewal Program | 6.1.2 | 6,735 | 3,318 |
| Torquay / Jan Juc DCP | 6.1.3 | 4,537 | 3,317 |
| Waste Management | 6.1.4 | 1,434 | 300 |
| Discretionary Projects | | | |
| Vibrant Economy | 6.1.5 | 2,198 | 1,926 |
| Environmental Leadership | 6.1.6 | 114 | - |
| High Performing Council | 6.1.7 | 2,005 | 1,005 |
| Balancing Growth | 6.1.8 | 136 | 50 |
| Community Wellbeing | 6.1.9 | 1,036 | 163 |
| Contingency | 6.1.10 | 702 | |
| Total New Works | | 18,897 | 10,078 |
| Total Capital Works | | 33,708 | 23,227 |
| Represented by | | | |
| New Asset Expenditure | | 8,402 | 6,223 |
| Asset Renewal Expenditure | | 9,594 | 5,751 |
| Asset Upgrade Expenditure | | 8,217 | 6,166 |
| Asset Expansion Expenditure | | 110 | - |
| | | 26,324 | 18,140 |
| Expensed Capital Works | | 5,768 | 3,830 |
| Landfill Provision Works | | 1,617 | 1,258 |
| Total Capital Works | | 33,708 | 23,227 |

Budgeted Capital Works Allocation by Category 2017/18



Whilst Council strategically allocates funding it does not initiate projects until they are well scoped and ready for delivery. In addition Council may hold off projects in order to leverage grant opportunities. Given this, a disparity can exist between capital allocations and project delivery within the same year.

Council’s newly established Project Delivery Framework and focus on project management places it well to effectively deliver the Capital Projects scheduled. The project delivery focus for the 2017/18 year is summarised in the preceding table.

6.1.1 Carried Forward Works

At the end of each financial year there are projects that are either incomplete or not commenced due to planning issues, weather delays, extended consultation etc. In some cases, Council makes decisions not to pursue immediate project delivery to seek grant opportunities that may realise greater benefit to the community through partnership funding.

Carried forward capital work projects for 2017/18 totals \$14.8 million of which \$1.6 million relates to Anglesea Landfill Rehabilitation Stage 3, \$1.5 million for the Upgrade of Forest and Grays Road, \$1.4 million towards the construction of Kurrabee Myaring Community Centre in Torquay, and \$1.3 million for the Surf Coast Highway and Beach Road Traffic Light Construction.

6.1.2 Renewal

Renewal works includes the renewal of existing roads, drains, pathways, parks assets, active recreation facilities, buildings, stairways and retaining structures. The 2017/18 \$6.8 million expenditure includes the following: \$1 million for Heavy Plant Replacement, \$0.8 million Unsealed Road Renewal, \$0.6 million Forest and Grays Road, \$0.6 million for Cape Otway Road Widening, and \$0.4 million Light Fleet Replacement.

6.1.3 Torquay/Jan Juc Developer Contributions Plan (DCP)

Projects relating to the adopted Torquay / Jan Juc DCP and included in the 2017/18 program include the \$3.2 million Kurrabee Myaring Community Centre, Bike Routes for: \$0.7 million Blackgate to South Beach Roads and \$0.1 million South of South Beach Road, \$0.4 million Deep Creek Linear Reserve and \$0.1 Bells Beach Reserve.

6.1.4 Waste Management

Waste management projects typically include landfill site rehabilitation works, and upgrade of building facilities such as transfer stations and recycling facilities. The 2017/18 program includes \$1.0 million for the Anglesea Landfill Stage 3D Liner and \$0.3 million for the Anglesea Landfill Leachate Pond.

6.1.5 Vibrant Economy

In 2017/18 Vibrant Economy projects include \$1.7 million for Cape Otway Road's Federal Black Spot Funding project, \$0.2 million each for Drainage Discretionary Works, \$0.1 million for Rural Road Safety Improvements, and \$0.1 million Road Safety at School Sites across the shire.

6.1.6 Environmental Leadership

The Environmental Leadership project in the 2017/18 program relates to the \$0.1 million Surf Coast Civic Precinct Microgrid.

6.1.7 High Performing Council

High Performing Council projects in the 2017/18 program are related to \$2.0 million expenditure in Digital Transformation.

6.1.8 Balancing Growth

Balancing Growth projects in the 2017/18 program have \$0.1 million budget for the Township Local Area Traffic Management program, Parking and Pedestrian Improvement project, and Future Concept Design projects.

6.1.9 Community Wellbeing

Community Wellbeing projects in the 2017/18 program relate to the \$0.3 million Winchelsea Netball Pavilion Upgrade, \$0.1 million Winchelsea Pathway Project, \$0.1 million Jan Juc Zone 2 Masterplan Implementation, \$0.1 million Disability Discrimination Act Program Annual Allocation, and \$0.1 million Lorne Stribling Reserve Change Room Design.

6.1.10 Contingency

Contingency allocation to the capital works program is \$0.7 million in 2017/18. The contingency allocation is developed through assessment of each project's complexity and needs, and will be accessed through Council's Program Management Office governance arrangements. When a project is completed the unexpended portion of contingency will be returned to its funding source.

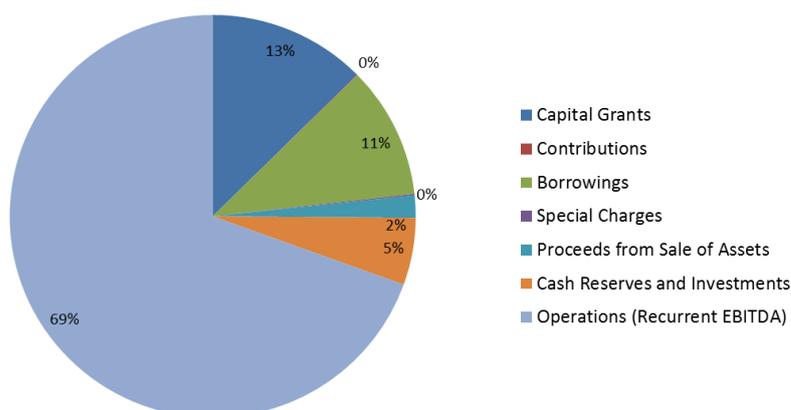
6.2 Funding sources

| | | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | Variance \$'000 |
|---|-------|-------------------------------|-----------------------------|--------------------|
| Carried Forward Capital Works | | | | |
| Funded by Council Funds and Grants Received | | 5,582 | 13,812 | 8,229 |
| Funded by Borrowings | | - | 1,000 | 1,000 |
| Total Carried Forward Capital Works | 6.2.1 | 5,582 | 14,812 | 9,229 |
| New Capital Works | | | | |
| External | | | | |
| Capital Grants | 6.2.2 | 6,188 | 2,378 | (3,810) |
| Contributions | 6.2.3 | 480 | 10 | (470) |
| Borrowings | 6.2.4 | - | 2,000 | 2,000 |
| Special Charges | 6.2.5 | 336 | 21 | (315) |
| | | 7,005 | 4,409 | (2,596) |
| Internal | | | | |
| Proceeds from Sale of Assets | 6.2.6 | 342 | 338 | (4) |
| Cash Reserves and Investments | 6.2.7 | (7,319) | 1,018 | 8,337 |
| Operations (Recurrent EBITDA) | 6.2.8 | 12,050 | 13,131 | 1,081 |
| Total New Capital Works | | 12,078 | 18,897 | 6,819 |
| Total Funding Sources | | 17,660 | 33,708 | 16,048 |

6.2.1 Carried forward capital works (\$9.2 million increase)

The carried forward reserves fund \$13.9 million and new borrowings will fund \$1.0 million of the carried forward capital works program.

Budgeted Total Funding Sources of New Capital Works 2017/18



6.2.2 Capital grants (\$3.8 million decrease)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. The major grants that are budgeted to be received in 2017/18 include the \$1.7 million Cape Otway Road Blackspot Funding project, \$0.6 million for the Cape Otway Road Widening project, and \$0.1 million for Hesse Street, Winchelsea renewal works.

6.2.3 Capital contributions (\$0.5 million decrease)

Contributions relate to community contributions to capital works. The only budgeted contribution for the 2017/18 program is the \$0.01 million for the 1st stage of the Torquay Tigers Cricket Club Practice Facility Improvements project.

6.2.4 Borrowings (\$2.0 million increase)

Borrowings relate to the funding of capital works projects. During the 2017/18 financial year a total of \$3.0 million borrowings are budgeted for the Kurrabee Myaring Community Centre construction, of which \$2.0 million relates to funding of new capital works and \$1.0 million to the carried forward component of this project.

6.2.5 Special charges (\$0.3 million decrease)

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. During 2017/18 two projects make up the \$0.02 million budgeted to be received, the Winchelsea Pathway Project and the Moriac Pathway Project.

6.2.6 Proceeds from sale of assets (\$0.0 million decrease)

Council has a planned program for replacing fleet vehicles, heavy plant and equipment, which is partially funded by proceedings from sale of these assets each year. The 2017/18 year's \$0.3 million proceeds relate to the sale of Council light fleet and heavy plant.

6.2.7 Cash reserves and investments (\$8.3 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 2017/18, including the two Torquay / Jan Juc DCP Projects - Deep Creek Linear Reserve \$0.4 million, and a new bike route project from Blackgate Road to South Beach Road \$0.3 million. In 2016/17 the cash reserves and investments shows negative on the table due to the large carry forward.

6.2.8 Operations (Recurrent EBITDA) (\$1.1 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 2016/17 and 2017/18.

7.1 Budgeted balance sheet

| | Ref | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | Variance \$'000 |
|--|--------------|-------------------------------|-----------------------------|--------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | | 23,914 | 21,208 | (2,706) |
| Trade and other receivables | | 3,022 | 3,082 | 60 |
| Other financial assets | | 15,000 | 15,000 | - |
| Inventories | | 293 | 299 | 6 |
| Non-current assets classified as held for sale | | 529 | - | (529) |
| Other assets | | 542 | 553 | 11 |
| Total current assets | 7.1.1 | 43,300 | 40,141 | (3,159) |
| Non current assets | | | | |
| Trade and other receivables | | 70 | 70 | - |
| Other financial assets | | 1,000 | 1,000 | - |
| Property, infrastructure plant & equipment | | 473,117 | 492,532 | 19,415 |
| Investments in associates and joint ventures | | 537 | 537 | - |
| Total non current assets | 7.1.2 | 474,723 | 494,138 | 19,415 |
| Total assets | | 518,023 | 534,279 | 16,256 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | | 3,651 | 3,688 | 37 |
| Trust funds and deposits | | 1,863 | 1,900 | 37 |
| Provisions | | 6,372 | 5,165 | (1,206) |
| Interest bearing liabilities | | 675 | 951 | 276 |
| Other Liabilities | | 36 | 36 | - |
| Total current liabilities | 7.1.3 | 12,597 | 11,740 | (857) |
| Non current liabilities | | | | |
| Provisions | | 12,467 | 12,475 | 8 |
| Interest bearing liabilities | | 14,262 | 16,311 | 2,049 |
| Total non current liabilities | 7.1.4 | 26,728 | 28,786 | 2,058 |
| Total liabilities | | 39,325 | 40,526 | 1,201 |
| Net assets | 7.1.5 | 478,698 | 493,754 | 15,055 |
| Equity | | | | |
| Accumulated surplus | | 197,385 | 214,044 | 16,659 |
| Assets revaluation reserve | | 242,531 | 243,634 | 1,103 |
| Other reserves | | 38,782 | 36,076 | (2,706) |
| Total equity | 7.1.6 | 478,698 | 493,754 | 15,055 |

7.1.1 Current assets (\$3.2 million decrease)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash, and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$2.7 million in 2017/18 (\$1.9 million of the decrease relates to 50% of the 2017/18 Financial Assistance Grant allocation being received in 2016/17). Non-current assets classified as held for sale will reduce by \$0.5m due to the sale of those assets in 2016/17.

7.1.2 Non-current assets (\$19.4 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 \$19.4 million in this balance is mainly attributable to the total capital works program excluding expensed capital works (\$18.1 million), granted assets (\$12.6 million), cyclical revaluation of assets (\$1.1 million), less depreciation of assets (\$11.6 million), asset write-off (\$0.4 million), and disposal of assets (\$0.4 million).

7.1.3 Current liabilities (\$0.9 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to decrease in 2017/18 by \$0.04 million. Provisions include accrued long service leave, annual leave and future landfill rehabilitation. The movement in provisions relates to the expected increase in employee provisions (\$0.1 million), and landfill rehabilitation works funded by the provision (\$1.3 million).

7.1.4 Non-current liabilities (\$2.1 million increase)

The increase of \$2.1 million in 2017/18 is mainly due to the movement in interest bearing liabilities with new borrowings of \$3.0 million and the transfer to current liabilities (\$0.95 million) as they fall due for payment.

7.1.5 Net assets (\$15.1 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 \$15.1 million is a result of the operating surplus plus the revaluation of property, infrastructure, plant and equipment.

7.1.6 Equity (\$15.1 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 Cash 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 \$2.7 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 \$1.1 million reflects the anticipated revaluation of Council assets in the 2017/18 year.

7.2 Key assumptions

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

- Trade creditors to be based on a proportion of total capital expenditure, operating expenditure and employee costs at 2017/18 levels. Payment cycle is 30 days;
- Other debtors are anticipated to be 3% of total revenue;
- The current provision for future landfill rehabilitation is \$0.0 million at June 30 2018, as there are no rehabilitation works scheduled to be carried out at the Anglesea Landfill in 2018/19;
- Non-current provision for future landfill rehabilitation is \$11.6 million as at June 30 2018, relating to future rehabilitation works at the Anglesea Landfill, which is forecast to close in 2023/24;
- Provisions for employees to the value of \$6.0 million in 2017/18;
- Repayment of loan principal to be \$0.7 million and new borrowings of \$3.0 million in 2017/18;
- Total capital works to be \$23.2 million (including works to be expensed \$3.8 million, landfill rehabilitation provision works \$1.3 million and projects carried forward from 2016/17 \$13.1 million);
- Operational projects carried forward from 2016/17 (\$1.4 million);
- A total of \$14.8 million to be transferred from cash reserves to fund the capital works program for the 2017/18 year (including carried forward projects);
- Asset revaluations will be undertaken in the 2017/18 year and are expected to total \$1.1 million in relation to scheduled revaluations of Council's footpaths and bike paths; recreational, leisure and community facilities; and parks, opens space and streetscapes.

8. Strategic Resource Plan and Key Financial Indicators

This section considers the medium 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 4 years 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 draft Council Plan and expresses them in financial terms for the next 4 years.

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

- Rate increases that are compliant with the *Fair Go Rates* rate capping legislation;
- 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; and
- 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; and
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually as part of the budget preparation process.

8.2 Financial resources

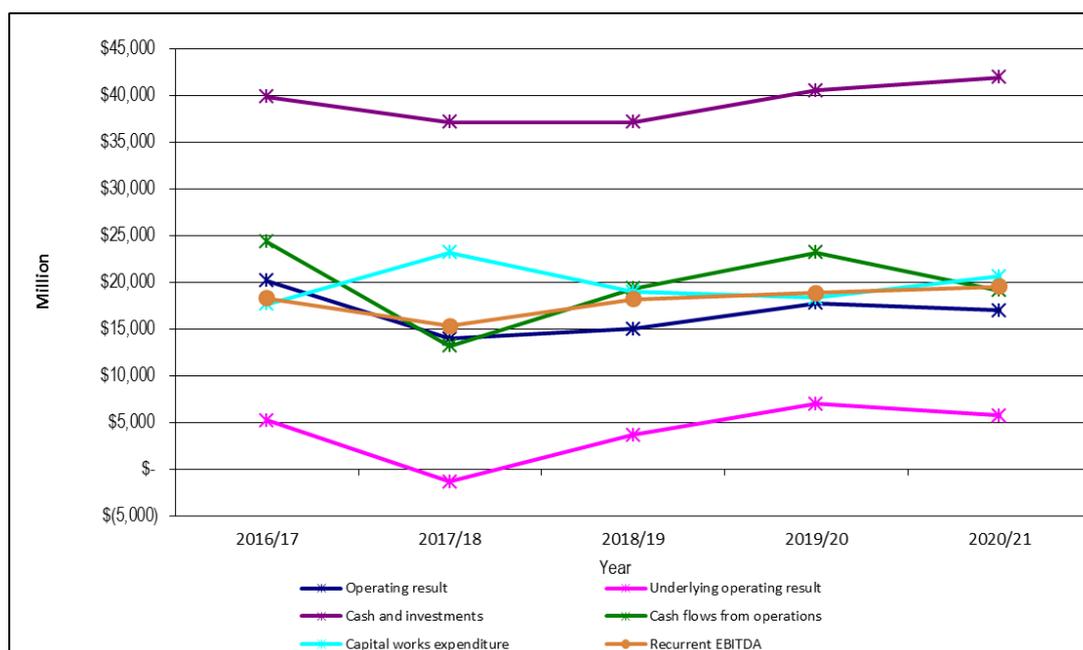
The following table summarises the key financial results for the next four years as set out in the SRP. Appendix A includes a more detailed analysis of the financial resources to be used over the four-year period.

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 | Trend |
|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------|
| Operating result | 20,160 | 13,952 | 14,998 | 17,758 | 16,998 | + |
| Underlying operating result | 5,228 | (1,365) | 3,645 | 6,962 | 5,710 | + |
| Cash and investments | 39,914 | 37,208 | 37,165 | 40,548 | 41,985 | + |
| Cash flows from operations | 24,344 | 13,211 | 19,350 | 23,219 | 19,163 | + |
| Recurrent EBITDA | 18,295 | 15,307 | 18,176 | 18,873 | 19,565 | + |
| Capital works expenditure | 17,660 | 23,227 | 18,996 | 18,377 | 20,640 | o |

Key to Forecast Trend:

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

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



The key outcomes of the SRP are as follows:

- Financial sustainability (Section 5)** - Cash and investments decrease from 2016/17 to 2017/18 mainly due to the early receipt of 50% of the 2017/18 Financial Assistance Grant allocation in 2016/17 (\$1.9m). From 2017/18 cash slightly increases with benefits from the Business improvement program and as a reflection of capital works levels.

Council will also have accumulated a reserve of \$4.8 million by 30 June 2018 for planned waste management infrastructure and significant rehabilitation of the Anglesea landfill which commenced in 2015/16 and is to be completed by 2023/24.

- Recurrent EBITDA** is a measure of normal operations without the impact of one-off revenue and expenses. Council needs to generate enough cash from normal operations to pay for other activities such as loan repayments, asset renewal, DCP commitments, Rehabilitation of the Anglesea Landfill, and other Capital works and non-recurring projects. As we are a growing Council with growing commitments, EBITDA needs to grow to meet these commitments.
- Rating strategy (Section 9)** – The effect of the 2017/18 rate increase will be that properties will experience an average increase in the general rate and municipal charge of 2.0% in line with the rate cap under the *Fair Go Rates* Legislation.

Council has not applied to the Essential Services Commission for a rate cap exemption and is currently undertaking several strategies to manage the financial challenge. These strategies include implementing a business improvement program and business case projects that represent an investment to deliver future savings.

Annual rate increases for 2018/19 onwards are based on the Victorian Government’s Department of Treasury inflation forecast. Rate increases above this threshold will require an application to the Essential Service Commission for consideration and approval by the Minister.

- Service delivery strategy (Section 10)** – There is a 4.0% increase in the garbage charge for kerbside waste collections for the forecast period as per Council’s Strategic Resource Plan. Other service levels will remain steady in the 2017/18 year. Operating surpluses are forecast in the coming years, capital grant revenue is not budgeted for unless there is a grant agreement in place. Excluding the effects of non-operating items such as capital contributions, capital grants and non-monetary asset contributions, the underlying result fluctuates in line with expensed capital works (2017/18 increase of \$2.4million and 2018/19 decrease of \$2.6 million from the respective prior years). The underlying result is an important measure of financial sustainability as once-off items can often mask the operating result, but there are

still once-off fluctuating items that effect this measure with expensed capital works being a good example. Another is the early receipt of 50% the 2017/18 Financial Assistance Grant in 2016/17 (\$1.9m)

- **Borrowing strategy (Section 10)** – \$3.0 million of new borrowings are planned in 2017/18 as part of the funding for the construction of the Kurrambee Myaring Community Centre. Note that the \$1.0 million of borrowings planned for in the 2016/17 budget have been deferred and form part of the \$3.0 million borrowings in this budget. 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 \$81.2 million at an average of \$20.3 million each year. Expenditure on renewal and upgrade of existing assets will total \$50.7 million and expenditure on new assets will total \$19.3 million.

8.3 Non-financial resources

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

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|---|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total Staff Expenditure (operating & capital) | 28,536 | 30,955 | 31,452 | 31,697 | 33,017 |
| Total Employee Numbers (FTE) | 292.1 | 311.2 | 306.9 | 304.7 | 304.7 |

Refer to 4.2.1 for further information.

8.4 Recurrent EBITDA and Allocations

Council has introduced EBITDA reporting in an effort to focus on operating performance, simplify financial reporting and improve transparency in Council decisions.

EBITDA stands for “Earnings Before Interest, Tax, Depreciation, and Amortisation”. Recurrent EBITDA in general terms means how much cash is generated from the day to day operating activities of Council. Recurrent means ongoing and recurring.

Recurrent EBITDA is an important measure, as Council needs to generate enough cash from normal operations to pay for other activities such as loan repayments, asset renewal, DCP commitments, rehabilitation of the Anglesea Landfill, new assets, and non-recurring projects.

The table below identifies how much Recurrent EBITDA is generated by measuring recurrent income and expenditure for existing operations, and growth and compliance costs:

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|--|-------------------------------|-----------------------------|
| Recurrent EBITDA | | |
| Property Rates and Charges | 41,183 | 42,649 |
| Garbage Charges | 6,352 | 6,682 |
| Grants | 9,092 | 5,406 |
| Other Revenue | 8,457 | 8,959 |
| Total Recurrent Income | 65,084 | 63,696 |
| Employee Benefits | (26,693) | (27,444) |
| Materials and Services | (20,095) | (20,114) |
| Total Expenditure - Existing Operations | (46,789) | (47,558) |
| Compliance Costs (recurrent) | - | (310) |
| Non-Discretionary Growth | - | (144) |
| Discretionary Growth | - | (378) |
| Recurrent EBITDA | 18,295 | 15,307 |

Once the Recurrent EBITDA is calculated, Council includes non-recurrent cash adjustments to define the total cash available for allocation. These adjustments include interest earned on investments, balance sheet operating movements and sale of Council Assets.

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|--|-------------------------------|-----------------------------|
| Total Recurrent EBITDA | 18,295 | 15,307 |
| Total Cash Adjustments | (68) | 3,745 |
| Total Cash Available for Allocation | 18,227 | 19,052 |

Council then allocates the cash on the basis of commitments. Contractual commitments and asset renewal are priorities, then adopted masterplans and strategies, and then additional discretionary projects and allocations (as approved by Council).

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|---|-------------------------------|-----------------------------|
| Allocations to Commitments | | |
| Debt Interest & Principal | 1,706 | 1,706 |
| Torquay/Jan Juc Developer Plan Allocation | 2,076 | 2,163 |
| Winchelsea Infrastructure Plan Allocation | - | 80 |
| Developer Contribution Interest Allocation | 52 | 27 |
| Waste Allocation | 2,602 | 2,813 |
| Asset Renewal Allocation | 5,833 | 6,073 |
| Business Case Investments | 500 | 500 |
| Growth and Compliance Costs (non-recurrent) | 1,011 | 833 |
| Total Allocations to Commitments | 13,781 | 14,195 |
| Discretionary Cash Available | 4,446 | 4,857 |
| Discretionary Allocations | | |
| Discretionary Capital Works | 1,927 | 1,119 |
| Discretionary Operating Projects | 817 | 699 |
| Defined Benefits Superannuation Allocation | 250 | 250 |
| Gravel Pits Allocation | 286 | 273 |
| Aireys Inlet Aged Units | 10 | 7 |
| Towards Environmental Leadership | - | 250 |
| Building Better Regions Project Allocation | - | 357 |
| Repayment Anglesea Bowls Club Commitment | - | 225 |
| Total Discretionary Allocations | 3,290 | 3,179 |
| Unallocated Cash Surplus / (Deficit) | 1,157 | 1,677 |

Unallocated cash refers to the cash available after allocations are made to meet Council's funding commitments and priorities. The budget delivers a substantial surplus this financial year which is important to deliver major reforms and initiatives in the future such as the digital transformation program.

Accumulated unallocated cash refers to the accumulation of prior years' 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 exists for accumulated unallocated cash. A formal resolution at a Council meeting is required to utilise these funds.

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 |
|--|--|--------------------------------------|
| Accumulated Unallocated Cash | | |
| Opening Balance | 3,666 | 3,859 |
| Annual Surplus/(Deficit) | 1,157 | 1,677 |
| Return to AUC as per Council Resolution 13 Sept 2016 | - | 225 |
| Net Allocations during the Year | 36 | - |
| Transfer for Digital Transformation | (1,000) | (2,000) |
| Closing Balance | 3,859 | 3,762 |

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 67% (excludes special charge scheme income) of the total recurrent income received by Council annually. Rates therefore represent an important aspect of planning for financial sustainability. The Victorian Government has introduced the Fair Go Rates System which sets out the maximum amount councils may increase rates in a year. For 2017/18 the rate cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

9.2 Current year rate increase

Council has not applied to the Essential Services Commission for a rate cap exemption, applying the rate cap set by the Minister for Local Government of 2.0%. This is significantly under the increase forecast by Council's previous financial plans of 5.0%. Council has undertaken several strategies to manage the financial challenge including the implementation of a business improvement program and business case initiatives that reduce expenditure and/or increase revenue streams. Council has also begun the process to review its fees and charges strategies to ensure, where appropriate, cost recovery in line with the Victorian Auditor-General's report on fees and charges in local government

The table below sets out the rate increases over the past ten years. These rate increase levels have been required to maintain service levels, a strong capital expenditure program including delivering on the Torquay Jan Juc Development Contribution Plan and fund operational projects that meet the needs of a rapidly growing population.

| Year | Surf Coast Shire |
|------------------|------------------|
| 2008/09 | 6.90% |
| 2009/10 | 5.80% |
| 2010/11 | 6.90% |
| 2011/12 | 6.30% |
| 2012/13 | 4.90% |
| 2013/14 | 5.90% |
| 2014/15 | 4.75% |
| 2015/16 | 5.50% |
| 2016/17 | 2.50% |
| 2017/18 | 2.00% |
| Average Increase | 5.15% |

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; and
- 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 and a kerbside collection charge as permitted under the Act.

The effect of the 2017/18 rate increase will be that properties will experience an average increase in the general rate and municipal charge of 2.0%.

There will be an increase of 4.0% in the garbage charge for kerbside waste collections in 2017/18 bringing the fee to \$379 per collection. The rural garbage collection fee will increase by 3.97% bringing the fee to \$314.

The following table summarises the rates to be made for the 2017/18 year. A more detailed analysis of the rates to be raised is contained in Appendix B 'Statutory Disclosures'.

| Rate Type | 2015/16 cents/\$CIV | 2016/17 cents/\$CIV | 2017/18 cents/\$CIV | Change |
|---|------------------------|------------------------|------------------------|--------------|
| General Rates | Cents in \$ of CIV | 0.24591 | 0.25083 | 2.00% |
| Farm Rates | Cents in \$ of CIV | 0.18443 | 0.18811 | 2.00% |
| Commercial/Industrial Rates | Cents in \$ of CIV | 0.46723 | 0.47656 | 2.00% |
| Vacant Residential Rates | Cents in \$ of CIV | 0.49182 | 0.50165 | 2.00% |
| Vacant Provisional Rates | Cents in \$ of CIV | 0.24591 | 0.25083 | 2.00% |
| Municipal Charge | \$ per property | \$ 200 | \$ 204 | 2.00% |
| Urban Garbage (all residential tenements) | \$ per property | \$ 364 | \$ 379 | 4.12% |
| Rural Garbage (optional) | \$ per property | \$ 302 | \$ 314 | 3.97% |

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 1 January 2016 that took effect on 1 July 2016.

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.

For the 2017/18 year, Council has proposed to take out new borrowings of \$3.0 million to fund construction of the Kurrabee Myaring Community Centre. Note in the 2016/17 budget it was planned to take out \$1.0 million in 2016/17 and a further \$2.0 million in 2017/18. Council's borrowing has been reviewed due to the forecast cash available at the end of 2016/17 and the full \$3.0 million borrowings are proposed to be taken out in 2017/18.

After making loan repayments of \$0.7 million and the new borrowings of \$3.0 million are taken out, total borrowings will increase to \$17.3 million as at 30 June 2018.

After taking into account Council's expected Accumulated Unallocated Cash Surplus as at 30 June 2018, Council's net debt level will be \$13.5 million.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

| Year | New Borrowings \$'000 | Principal Paid \$'000 | Interest Paid \$'000 | Balance 30 June \$'000 |
|---------|--------------------------|--------------------------|-------------------------|---------------------------|
| 2016/17 | - | 628 | 1,077 | 14,937 |
| 2017/18 | 3,000 | 675 | 1,031 | 17,262 |
| 2018/19 | - | 951 | 1,155 | 16,311 |
| 2019/20 | - | 1,010 | 1,095 | 15,301 |
| 2020/21 | - | 1,094 | 1,002 | 14,208 |
| 2021/22 | - | 1,155 | 935 | 13,053 |

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

| | 2016/17 \$'000 | 2017/18 \$'000 |
|--|-------------------|-------------------|
| Total amount borrowed as at 30 June of the prior year | 15,565 | 14,937 |
| Total amount to be borrowed | - | 3,000 |
| Total amount projected to be redeemed | 628 | 675 |
| Total amount proposed to be borrowed as at 30 June | 14,937 | 17,262 |

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 asset class and are sourced from master plans, developer contribution plans (DCP's), structure plans and service strategies (e.g. 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; and
- 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 20 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 Commonwealth Government funding for the renewal and upgrade of roads (Roads to Recovery);
- Availability of significant funding for other capital projects; and
- 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 | External | Proceeds From | | | 2017/18 Direct |
|---------|---------------|----------|---------------|----------------|---------------|----------------|
| | Works Program | Funding | Borrowings | Sale of Assets | Cash Reserves | Funded |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2016/17 | 17,660 | 7,005 | - | 342 | (1,737) | 12,050 |
| 2017/18 | 23,227 | 2,409 | 3,000 | 338 | 4,349 | 13,131 |
| 2018/19 | 18,996 | 694 | - | 439 | 5,241 | 12,622 |
| 2019/20 | 18,377 | 708 | - | 427 | 5,241 | 12,001 |
| 2020/21 | 20,640 | 708 | - | 380 | - | 19,552 |

In addition to using cash generated from its annual operations (direct funding), 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 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 2016/17 and 2017/18 financial years.

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 sustainable financial result.

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

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|----------------------------|---------|---------|---------|---------|
| | % | % | % | % |
| Consumer Price Index | 2.0 | 2.25 | 2.5 | 2.5 |
| Wages growth | 2.6 | 2.6 | 2.6 | 2.6 |
| Rate increases | 2.0 | 2.25 | 2.5 | 2.5 |
| Garbage Charge increases | 4.0 | 4.0 | 4.0 | 4.0 |
| Grants Commission | 3.5 | 3.5 | 3.5 | 3.5 |
| Government funding | 2.0 | 2.0 | 2.0 | 2.0 |
| Interest on New Borrowings | 6.0 | 6.0 | 6.0 | 6.0 |

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in 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 | 71 |
| B | Statutory disclosures | 80 |
| C | Capital & operational works program | 86 |
| D | Four year capital program | 93 |
| E | Multi-year operational program | 95 |
| F | Fees and charges schedule | 96 |
| G | Cash reserves | 109 |
| H | Financial performance indicators | 114 |
| I | Council contributions to external parties | 115 |
| J | Asset renewal backlog | 116 |
| K | Budget highlights by ward maps | 117 |
| L | Equity considerations | 122 |
| M | Long Term Financial Plan | 128 |

Appendix A - Financial Statements

This appendix presents information in regard to the Financial Statements.

Presentation currency is Australian Dollars.

The appendix includes the following budgeted information:

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Statement of Capital Works;
- Statement of Human Resources;
- Reconciliation of Recurrent EBITDA to Income Statement; and
- Long Term Financial Plan

Comprehensive Income Statement

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Income | | | | | |
| Rates and charges | 47,871 | 49,353 | 51,274 | 53,394 | 55,589 |
| Statutory fees and fines | 1,700 | 1,890 | 1,785 | 1,820 | 1,857 |
| User charges | 5,794 | 6,168 | 6,214 | 6,383 | 6,558 |
| Grants - Operating | 9,961 | 5,832 | 7,525 | 7,735 | 7,951 |
| Grants - Capital | 6,188 | 2,378 | 694 | 708 | 708 |
| Contributions - monetary | 4,210 | 3,554 | 4,056 | 4,294 | 3,954 |
| Contributions - non-monetary assets | 8,065 | 12,580 | 10,220 | 9,660 | 10,200 |
| Net gain/(loss) on disposal of property infrastructure, plant and equipment | (29) | 1 | 41 | 30 | (18) |
| Other Income | 921 | 883 | 905 | 962 | 989 |
| Total Income | 84,681 | 82,639 | 82,715 | 84,987 | 87,789 |
| Expenses | | | | | |
| Employee costs | 27,368 | 29,394 | 29,857 | 30,067 | 31,351 |
| Materials and services | 22,791 | 24,917 | 21,944 | 20,675 | 22,395 |
| Bad and doubtful debts | 79 | 80 | 81 | 84 | 86 |
| Depreciation | 11,245 | 11,597 | 12,380 | 12,891 | 13,427 |
| Borrowing costs | 1,077 | 1,031 | 1,155 | 1,095 | 1,002 |
| Asset write offs | 795 | 414 | 1,022 | 1,108 | 1,187 |
| Other Expenses | 1,166 | 1,255 | 1,278 | 1,310 | 1,342 |
| Total expenses | 64,521 | 68,686 | 67,717 | 67,230 | 70,790 |
| Surplus/(deficit) for the year | 20,160 | 13,952 | 14,998 | 17,758 | 16,998 |
| Other Comprehensive Income | | | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | | | |
| Net asset revaluation increment | 6,182 | 1,103 | 2,942 | 8,554 | 1,339 |
| Total Comprehensive Result | 26,342 | 15,055 | 17,940 | 26,312 | 18,337 |

Balance Sheet

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 23,914 | 21,208 | 21,165 | 24,548 | 25,985 |
| Trade and other receivables | 3,022 | 3,082 | 3,144 | 3,206 | 3,271 |
| Other financial assets | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Inventories | 293 | 299 | 305 | 311 | 317 |
| Non-current assets classified as held for sale | 529 | - | - | - | - |
| Other assets | 542 | 553 | 564 | 575 | 587 |
| Total current assets | 43,300 | 40,141 | 40,177 | 43,641 | 45,160 |
| Non current assets | | | | | |
| Trade and other receivables | 70 | 70 | 70 | 70 | 70 |
| Other financial assets | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Property, infrastructure plant & equipment | 473,117 | 492,532 | 509,620 | 531,595 | 544,132 |
| Investments in associates and joint ventures | 537 | 537 | 537 | 537 | 537 |
| Total non current assets | 474,723 | 494,138 | 511,226 | 533,202 | 545,738 |
| Total assets | 518,023 | 534,279 | 551,404 | 576,842 | 590,898 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 3,651 | 3,688 | 3,725 | 3,762 | 3,799 |
| Trust funds and deposits | 1,863 | 1,900 | 1,938 | 1,977 | 2,017 |
| Provisions | 6,372 | 5,165 | 5,217 | 8,595 | 5,322 |
| Interest bearing liabilities | 675 | 951 | 1,010 | 1,094 | 1,155 |
| Other Liabilities | 36 | 36 | 36 | 36 | 36 |
| Total current liabilities | 12,597 | 11,740 | 11,925 | 15,464 | 12,329 |
| Non current liabilities | | | | | |
| Provisions | 12,467 | 12,475 | 12,483 | 9,165 | 9,174 |
| Interest bearing liabilities | 14,262 | 16,311 | 15,301 | 14,208 | 13,053 |
| Total non current liabilities | 26,728 | 28,786 | 27,785 | 23,373 | 22,227 |
| Total liabilities | 39,325 | 40,526 | 39,710 | 38,837 | 34,555 |
| Net assets | 478,698 | 493,754 | 511,693 | 538,005 | 556,342 |
| Equity | | | | | |
| Accumulated surplus | 197,385 | 214,044 | 229,084 | 243,459 | 259,020 |
| Assets revaluation reserve | 242,531 | 243,634 | 246,576 | 255,130 | 256,469 |
| Other reserves | 38,782 | 36,076 | 36,033 | 39,417 | 40,854 |
| Total equity | 478,698 | 493,754 | 511,693 | 538,005 | 556,342 |

Statement of Changes in Equity

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Equity Opening Balance | 452,356 | 478,698 | 493,754 | 511,693 | 538,005 |
| Surplus for the Year | 20,160 | 13,952 | 14,998 | 17,758 | 16,998 |
| Net Asset Revaluation | 6,182 | 1,103 | 2,942 | 8,554 | 1,339 |
| Total Equity | 478,698 | 493,754 | 511,693 | 538,005 | 556,342 |

Statement of Cash Flows

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Cash flow from operating activities | | | | | |
| Rates and charges | 47,879 | 49,353 | 51,274 | 53,394 | 55,589 |
| Grants - operating | 10,435 | 6,032 | 7,785 | 8,002 | 8,226 |
| Grants - capital | 6,188 | 2,378 | 694 | 708 | 708 |
| Contributions | 4,210 | 3,554 | 4,056 | 4,294 | 3,954 |
| Interest received | 921 | 883 | 905 | 962 | 989 |
| Statutory fees and fines | 1,687 | 1,890 | 1,785 | 1,820 | 1,857 |
| User charges | 5,984 | 6,323 | 6,215 | 6,385 | 6,559 |
| Net GST refund/payment | 3,371 | 4,029 | 3,672 | 3,585 | 3,862 |
| Trust funds received/(taken) | 192 | 37 | 38 | 39 | 40 |
| Employee costs | (27,175) | (29,335) | (29,797) | (30,006) | (31,290) |
| Materials and Services | (29,348) | (31,933) | (27,277) | (25,964) | (31,331) |
| Net cash provided from operating activities | 24,344 | 13,211 | 19,350 | 23,219 | 19,163 |
| Cash Flows from investing activities | | | | | |
| Proceeds from sale of property, plant & equipment | 673 | 928 | 439 | 427 | 380 |
| Payments for property, plant, equipment & infrastructure assets | (14,974) | (18,140) | (17,726) | (18,158) | (16,010) |
| Cash Flows from investing activities | 8,600 | - | - | - | - |
| Net cash used in investing activities | (5,701) | (17,212) | (17,287) | (17,730) | (15,630) |
| Cash flows from financing activities | | | | | |
| Finance costs | (1,077) | (1,031) | (1,155) | (1,095) | (1,002) |
| Proceeds from interest bearing loans and borrowings | - | 3,000 | - | - | - |
| Repayment of interest bearing loans and borrowings | (628) | (675) | (951) | (1,010) | (1,094) |
| Net cash provided from financing activities | (1,706) | 1,294 | (2,105) | (2,105) | (2,095) |
| Net increase/(decrease) in cash & cash equivalents held | 16,937 | (2,706) | (43) | 3,383 | 1,437 |
| Cash & cash equivalents at the beginning of the period | 6,977 | 23,914 | 21,208 | 21,165 | 24,548 |
| Cash & cash equivalents at the end of the period | 23,914 | 21,208 | 21,165 | 24,548 | 25,985 |
| Investments (current and non-current financial assets) | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| Total cash & investments at the end of the period | 39,914 | 37,208 | 37,165 | 40,548 | 41,985 |

Statement of Capital Works

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Property | | | | | |
| Land | - | 1 | - | - | - |
| Buildings | 3,022 | 5,280 | 2,975 | 3,195 | 2,781 |
| Total Property | 3,022 | 5,281 | 2,975 | 3,195 | 2,781 |
| Plant and Equipment | | | | | |
| Plant, Machinery and Equipment | 734 | 1,600 | 1,331 | 1,429 | 1,293 |
| Fixtures, Fittings and Furniture | 38 | 5 | - | - | - |
| Computers and Telecommunications | 360 | 998 | 1,946 | 718 | 218 |
| Total Plant and Equipment | 1,133 | 2,603 | 3,276 | 2,146 | 1,511 |
| Infrastructure | | | | | |
| Roads | 5,842 | 7,604 | 5,664 | 7,301 | 8,226 |
| Bridges | 14 | 40 | 59 | 63 | 70 |
| Footpaths and Cycleways | 500 | 271 | 551 | 608 | 590 |
| Drainage | 424 | 353 | 901 | 1,002 | 510 |
| Recreational, Leisure and Community Facilities | 3,123 | 774 | 3,863 | 3,357 | 1,819 |
| Parks, Open Space and Streetscapes | 917 | 1,215 | 437 | 486 | 504 |
| Expensed Capital Works | 1,393 | 3,830 | 1,270 | 219 | 1,304 |
| Landfill Provision Works | 1,293 | 1,258 | - | - | 3,327 |
| Total Infrastructure | 13,505 | 15,344 | 12,744 | 13,035 | 16,349 |
| Total Capital Works Expenditure | 17,660 | 23,227 | 18,996 | 18,377 | 20,640 |
| Represented by | | | | | |
| New Asset Expenditure | 6,418 | 6,223 | 5,958 | 4,373 | 2,797 |
| Asset Renewal Expenditure | 3,883 | 5,751 | 6,463 | 6,995 | 7,171 |
| Asset Upgrade Expenditure | 4,674 | 6,166 | 5,305 | 6,790 | 6,042 |
| Expensed Capital Works | 1,393 | 3,830 | 1,270 | 219 | 1,304 |
| Landfill Provision Works | 1,293 | 1,258 | - | - | 3,327 |
| Total Capital Works Expenditure | 17,660 | 23,227 | 18,996 | 18,377 | 20,640 |

Reconciliation of net movement in property, plant and equipment

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total Capital Works | 17,660 | 23,227 | 18,996 | 18,377 | 20,640 |
| Asset Revaluation Increment | 6,182 | 1,103 | 2,942 | 8,554 | 1,339 |
| Depreciation and Amortisation | (11,245) | (11,597) | (12,380) | (12,891) | (13,427) |
| Written Down Value of Assets Sold | (421) | (398) | (398) | (398) | (398) |
| Assets Written Off | (795) | (414) | (1,022) | (1,108) | (1,187) |
| Expensed Capital Works | (2,686) | (5,088) | (1,270) | (219) | (4,630) |
| Granted Assets | 8,065 | 12,580 | 10,220 | 9,660 | 10,200 |
| Transfer to Current Assets | (529) | - | - | - | - |
| Net Movement in Property, Plant and Equipment | 16,232 | 19,415 | 17,088 | 21,975 | 12,536 |

Statement of Human Resources

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--------------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Staff Expenditure | | | | | |
| Employee Costs - Operating | 27,368 | 29,394 | 29,857 | 30,067 | 31,351 |
| Employee Costs - Capital | 1,167 | 1,561 | 1,595 | 1,630 | 1,666 |
| Total Staff Expenditure | 28,536 | 30,955 | 31,452 | 31,697 | 33,017 |
| | FTE | FTE | FTE | FTE | FTE |
| Staff Numbers | | | | | |
| Employees | 292.1 | 311.2 | 306.9 | 304.7 | 304.7 |
| Total Staff Numbers | 292.1 | 311.2 | 306.9 | 304.7 | 304.7 |

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

| Division | 2017/18 Budget \$'000 | Comprises | |
|--|-----------------------------|----------------------------------|----------------------------------|
| | | Permanent Full Time \$'000 | Permanent Part Time \$'000 |
| Chief Executive | 741 | 741 | - |
| Culture and Community | 11,087 | 5,781 | 5,306 |
| Environment and Development | 7,179 | 5,274 | 1,905 |
| Governance and Infrastructure | 7,503 | 6,234 | 1,269 |
| Total Permanent Staff Expenditure | 26,511 | 18,031 | 8,480 |
| Casuals and Other Expenditure | 2,883 | | |
| Capitalised Labour Costs | 1,561 | | |
| Total Expenditure | 30,955 | | |

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

| Division | 2017/18 Budget | Comprises | |
|-------------------------------|-------------------|------------------------|------------------------|
| | | Permanent Full Time | Permanent Part Time |
| Chief Executive | 5.0 | 5.0 | - |
| Culture and Community | 130.2 | 60.2 | 70.0 |
| Environment and Development | 72.7 | 50.7 | 22.0 |
| Governance and Infrastructure | 78.1 | 63.3 | 14.9 |
| Total Permanent Staff | 286.0 | 179.1 | 106.9 |
| Casuals and Other | 8.3 | | |
| Capitalised Labour | 16.9 | | |
| Total Staff | 311.2 | | |

Reconciliation of Recurrent EBITDA to Income Statement

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Recurrent EBITDA | | | | | |
| Property Rates and Charges | 41,183 | 42,649 | 44,325 | 46,166 | 48,073 |
| Garbage Charges | 6,352 | 6,682 | 6,950 | 7,228 | 7,517 |
| Grants | 9,092 | 5,406 | 7,525 | 7,735 | 7,951 |
| Other Revenue | 8,457 | 8,959 | 9,181 | 9,410 | 9,644 |
| Total Recurrent Income | 65,084 | 63,696 | 67,981 | 70,539 | 73,185 |
| Employee Benefits | (26,693) | (27,444) | (28,057) | (28,767) | (29,551) |
| Materials and Services | (20,095) | (20,114) | (20,697) | (21,299) | (21,919) |
| Business Improvement Program Benefits | - | - | 350 | 600 | 850 |
| Business Case Benefits | - | - | 100 | 200 | 300 |
| Digital Transformation Benefits | - | - | 100 | 200 | 300 |
| Total Expenditure - Existing Operations | (46,789) | (47,558) | (48,205) | (49,066) | (50,020) |
| Compliance Costs (recurrent) | - | (310) | (400) | (800) | (1,200) |
| Compliance Costs (projects) | - | - | (600) | (600) | (600) |
| Non-Discretionary Growth | - | (144) | (600) | (1,200) | (1,800) |
| Discretionary Growth | - | (378) | - | - | - |
| Recurrent EBITDA | 18,295 | 15,307 | 18,176 | 18,873 | 19,565 |
| Reserve Transfers | | | | | |
| Developer Contributions (DCP Torquay) | 1,766 | 2,245 | 2,744 | 2,067 | 1,559 |
| Developer Contributions (Spring Creek) | - | - | - | 891 | 1,035 |
| Developer Contributions (non-DCP) | 2 | 10 | 10 | 10 | 11 |
| Open Space Contributions | 200 | 120 | 120 | 120 | 120 |
| Defined Benefits Super Call | - | - | (1,000) | - | - |
| Sale of Land | 331 | 590 | - | - | - |
| Cash Adjustment of Available Funds | | | | | |
| Interest Revenue | 921 | 883 | 905 | 962 | 989 |
| Finance Costs | (1,077) | (1,031) | (1,155) | (1,095) | (1,002) |
| Projects | | | | | |
| Special Rates & Charges | 336 | 21 | - | - | - |
| Grants Capital Projects | 6,188 | 2,378 | 694 | 708 | 708 |
| Contributions Capital Projects | 480 | 10 | - | - | - |
| Sale of Plant | 342 | 338 | 439 | 427 | 380 |
| Expensed Capital Works | (1,393) | (3,830) | (1,270) | (219) | (1,304) |
| Operational Projects Expenses | (2,723) | (2,851) | (1,086) | (250) | (250) |
| Operational Projects - Business Case Expenses | (500) | (375) | - | - | - |
| Operational Projects Revenue | 1,668 | 494 | - | - | - |
| Non Cash Items | | | | | |
| Depreciation | (11,245) | (11,597) | (12,380) | (12,891) | (13,427) |
| Contributions - non-monetary assets | 8,065 | 12,580 | 10,220 | 9,660 | 10,200 |
| WDV of Assets Sold | (702) | (927) | (398) | (398) | (398) |
| Asset Write Offs | (795) | (414) | (1,022) | (1,108) | (1,187) |
| Surplus/(Deficit) | 20,160 | 13,952 | 14,998 | 17,758 | 16,998 |

Four Year Financial Plan

For the four years ending 30 June 2021

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|---|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Recurrent EBITDA less Waste and Other Special Purposes | | | | | |
| Property Rates and Charges | 41,183 | 42,649 | 44,325 | 46,166 | 48,073 |
| Grants | 9,092 | 5,406 | 7,525 | 7,735 | 7,951 |
| Other Revenue | 6,081 | 6,393 | 6,521 | 6,651 | 6,784 |
| Total Recurrent Income | 56,357 | 54,448 | 58,370 | 60,553 | 62,808 |
| Employee Benefits | (26,226) | (26,917) | (27,510) | (28,197) | (28,959) |
| Materials and Services | (14,734) | (14,510) | (14,873) | (15,244) | (15,626) |
| Business Improvement Program Benefits | - | - | 350 | 600 | 850 |
| Business Case Benefits | - | - | 100 | 200 | 300 |
| Digital Transformation Benefits | - | - | 100 | 200 | 300 |
| Total Expenditure - Existing Operations | (40,959) | (41,427) | (41,832) | (42,442) | (43,134) |
| Compliance Costs (recurrent) | - | (310) | (400) | (800) | (1,200) |
| Compliance Costs (projects) | - | - | (600) | (600) | (600) |
| Non-Discretionary Growth | - | (144) | (600) | (1,200) | (1,800) |
| Discretionary Growth | - | (353) | - | - | - |
| Total Expenditure - New Operations | - | (807) | (1,600) | (2,600) | (3,600) |
| Recurrent EBITDA less Waste and Other Special Purposes | 15,397 | 12,214 | 14,938 | 15,511 | 16,074 |
| Recurrent EBITDA Waste | | | | | |
| Garbage Charges | 6,352 | 6,682 | 6,950 | 7,228 | 7,517 |
| Other Revenue | 1,925 | 2,112 | 2,197 | 2,285 | 2,376 |
| Total Recurrent Income | 8,277 | 8,795 | 9,146 | 9,512 | 9,893 |
| Employee Benefits | (468) | (521) | (542) | (564) | (587) |
| Materials and Services | (5,206) | (5,435) | (5,652) | (5,878) | (6,113) |
| Total Expenditure - Existing Operations | (5,674) | (5,956) | (6,194) | (6,442) | (6,700) |
| Discretionary Growth | - | (25) | - | - | - |
| Total Expenditure - New Operations | - | (25) | - | - | - |
| Recurrent EBITDA Waste | 2,602 | 2,813 | 2,952 | 3,070 | 3,193 |
| Recurrent EBITDA Other Special Purposes | | | | | |
| Other Revenue | 451 | 454 | 464 | 474 | 484 |
| Total Recurrent Income | 451 | 454 | 464 | 474 | 484 |
| Employee Benefits | - | (5) | (5) | (6) | (6) |
| Materials and Services | (155) | (169) | (173) | (176) | (180) |
| Total Expenditure - Existing Operations | (155) | (174) | (178) | (182) | (186) |
| Recurrent EBITDA Other Special Purposes | 296 | 279 | 286 | 292 | 298 |
| Total Recurrent EBITDA | 18,295 | 15,307 | 18,176 | 18,873 | 19,565 |

| | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total Recurrent EBITDA | 18,295 | 15,307 | 18,176 | 18,873 | 19,565 |
| Cash Adjustments:- | | | | | |
| Balance Sheet Adjustments | 253 | 19 | 18 | 18 | 17 |
| Interest Revenue | 921 | 883 | 905 | 962 | 989 |
| 2017/18 Grants Commission funds received 2016/17 | (1,915) | 1,915 | - | - | - |
| Asset sales - plant/fleet | 342 | 338 | 439 | 427 | 380 |
| Asset sales - land | 331 | 590 | - | - | - |
| Total Cash Adjustments | (68) | 3,745 | 1,362 | 1,407 | 1,386 |
| Total Cash Available for Allocation | 18,227 | 19,052 | 19,538 | 20,280 | 20,951 |
| Allocations to Commitments | | | | | |
| Debt Interest & Principal | 1,706 | 1,706 | 2,105 | 2,105 | 2,095 |
| Torquay/Jan Juc Developer Plan Allocation | 2,076 | 2,163 | 2,254 | 2,349 | 2,447 |
| Spring Creek Infrastructure Plan Allocation | - | - | 700 | 729 | 760 |
| Winchelsea Infrastructure Plan Allocation | - | 80 | 200 | 208 | 217 |
| Developer Contribution Interest Allocation | 52 | 27 | 27 | 27 | 53 |
| Waste Allocation | 2,602 | 2,813 | 2,952 | 3,070 | 3,193 |
| Asset Renewal Allocation | 5,833 | 6,073 | 6,507 | 6,970 | 7,457 |
| Business Case Investments | 500 | 500 | 500 | 500 | 500 |
| Growth and Compliance Costs (non-recurrent) | 1,011 | 833 | - | - | - |
| Total Allocations to Commitments | 13,781 | 14,195 | 15,244 | 15,958 | 16,723 |
| Discretionary Cash Available | 4,446 | 4,857 | 4,293 | 4,322 | 4,228 |
| Discretionary Allocations | | | | | |
| Discretionary Capital Works | 1,927 | 1,119 | - | - | - |
| Discretionary Operating Projects | 817 | 699 | - | - | - |
| Discretionary Project Allocation | - | - | 1,685 | 2,501 | 2,606 |
| Preallocated Community Projects | - | - | 715 | - | - |
| Defined Benefits Superannuation Allocation | 250 | 250 | 250 | 250 | 250 |
| Gravel Pits Allocation | 286 | 273 | 279 | 285 | 291 |
| Aireys Inlet Aged Units | 10 | 7 | 7 | 7 | 7 |
| Towards Environmental Leadership | - | 250 | 250 | 250 | 250 |
| Building Better Regions Project Allocation | - | 357 | - | - | - |
| Repayment Anglesea Bowls Club Commitment | - | 225 | - | - | - |
| Total Discretionary Allocations | 3,290 | 3,179 | 3,186 | 3,293 | 3,404 |
| Unallocated Cash Surplus / (Deficit) | 1,157 | 1,677 | 1,108 | 1,029 | 824 |
| Accumulated Unallocated Cash | | | | | |
| Opening Balance | 3,666 | 3,859 | 3,762 | 2,369 | 2,669 |
| Annual Surplus/(Deficit) | 1,157 | 1,677 | 1,108 | 1,029 | 824 |
| Return to AUC as per Council Resolution 13 Sept 2016 | - | 225 | - | - | - |
| Net Allocations during the Year | 36 | - | - | - | - |
| Transfer for Digital Transformation | (1,000) | (2,000) | (2,500) | (730) | - |
| Closing Balance | 3,859 | 3,762 | 2,369 | 2,669 | 3,492 |

Appendix B - Statutory Disclosures

This appendix presents information which the Local Government 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; and
- Differential rates.

Statutory disclosures

1. Borrowings

| | 2016/17 | 2017/18 |
|---|---------|-----------|
| | \$ | \$ |
| New borrowings (other than refinancing) | - | 3,000,000 |
| Debt redemption | 628,397 | 674,948 |

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 | 2016/17 | 2017/18 | Change |
|---------------------------------|-------------|-------------|--------|
| | cents/\$CIV | cents/\$CIV | |
| General rate land | 0.24591 | 0.25083 | 2.00% |
| Farm rate land | 0.18443 | 0.18811 | 2.00% |
| Commercial/Industrial rate land | 0.46723 | 0.47656 | 2.00% |
| Vacant Residential rate land | 0.49182 | 0.50165 | 2.00% |
| Vacant Provisional rate land | 0.24591 | 0.25083 | 2.00% |

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 | 2016/17 | 2017/18 | Change |
|---|-------------------|-------------------|--------------|
| | \$ | \$ | |
| General rate land | 29,041,617 | 30,149,695 | 3.82% |
| Farm rate land | 1,950,353 | 1,975,099 | 1.27% |
| Commercial/Industrial rate land | 3,190,488 | 3,441,007 | 7.85% |
| Vacant Residential rate land | 2,327,238 | 2,135,394 | (8.24%) |
| Vacant Provisional rate land | 172,540 | 308,744 | 78.94% |
| Total amount to be raised by general rates | 36,682,236 | 38,009,938 | 3.62% |

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 | 2016/17 | 2017/18 | Change |
|------------------------------------|---------------|---------------|--------------|
| General rate land | 17,724 | 18,086 | 2.04% |
| Farm rate land | 965 | 959 | (0.62%) |
| Commercial/Industrial rate land | 970 | 1,021 | 5.26% |
| Vacant Residential rate land | 977 | 844 | (13.61%) |
| Vacant Provisional rate land | 224 | 372 | 66.07% |
| Total number of assessments | 20,860 | 21,282 | 2.02% |

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 | 2016/17 \$ | 2017/18 \$ | Change |
|---------------------------------|----------------|----------------|----------|
| General rate land | 11,809,856,000 | 12,019,971,500 | 1.78% |
| Farm rate land | 1,057,503,000 | 1,049,970,000 | (0.71%) |
| Commercial/Industrial rate land | 682,851,600 | 722,051,100 | 5.74% |
| Vacant Residential rate land | 473,189,000 | 425,674,000 | (10.04%) |
| Vacant Provisional rate land | 70,164,000 | 123,089,000 | 75.43% |
| Total Value | 14,093,563,600 | 14,340,755,600 | 1.75% |

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 2016/17 \$ | Per Rateable Property 2017/18 \$ | Change |
|---|---|---|--------|
| Municipal | 200 | 204 | 2.00% |
| Urban Garbage (all residential tenements) | 364 | 379 | 4.12% |
| Rural Garbage (optional) | 302 | 314 | 3.97% |

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

| | 2016/17 \$ | 2017/18 \$ | Change |
|---|---------------|---------------|--------|
| Municipal Charge | 4,119,000 | 4,289,304 | 4.13% |
| Urban Garbage (all residential tenements) | 5,921,854 | 6,155,353 | 3.94% |
| Rural Garbage (optional) | 513,295 | 527,074 | 2.68% |
| Total | 10,554,149 | 10,971,731 | 3.96% |

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

| | 2016/17 | 2017/18 | Change |
|-----------------------------------|-------------------|-------------------|--------------|
| | \$ | \$ | |
| General Rates Revenue | 36,682,236 | 38,009,938 | 3.62% |
| Municipal Charge | 4,119,000 | 4,289,304 | 4.13% |
| Kerbside Collection and Recycling | 6,435,149 | 6,682,427 | 3.84% |
| Total | 47,236,385 | 48,981,669 | 3.69% |

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; and
- 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% (0.25083 cents in the dollar of CIV) for all rateable residential properties.
- A farm rate of 75% (0.18811 cents in the dollar of CIV) for all rateable farm properties.
- A commercial/industrial rate of 190% (0.47656 cents in the dollar of CIV) for all rateable business properties.
- A vacant residential land rate of 200% (0.50165 cents the dollar of CIV) for all rateable vacant residential land.
- A vacant provisional residential land rate of 100% (0.25083 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;
 - Seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - 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
 - 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; and
- 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; and
- 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 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 and Operational Works Program

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

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

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

The operational works program includes the following grouped by ward:

- Operational projects for 2017/18;
- Operational projects carried forward for 2016/17;
- New recurrent operational expenditure for 2017/18; and
- Business case investments.

Note: Allocation to project funding/expenditure are shown excluding contingency in the following tables. Contingency allocation is shown at a program level except for projects where there is a requirement to expend the total project budget, for example external grant funded project.

Capital Works Program

For the year ending 30 June 2018

| Works Description - New Funding | Expenditure | | | | | | Funding | | | | | | | |
|---|-------------------|-------------------|---------------------|---------------|--------------------|--------------------------------|------------------|---------------------|----------------------|------------------------------------|----------------------------|--------------------------|---------------------------------------|----------------------------|
| | Renewal \$'000 | Upgrade \$'000 | Expansion \$'000 | New \$'000 | Expensed \$'000 | Total Expenditure \$'000 | External Funds | | | Council Cash | | | | |
| | | | | | | | Grants \$'000 | Contrib's \$'000 | Borrowings \$'000 | Cash Reserve Funds \$'000 | Special Rates \$'000 | Asset Sales \$'000 | 2017/18 Direct Funded \$'000 | Total Funding \$'000 |
| Renewal Program | | | | | | | | | | | | | | |
| Bike Park Renewal Program | 27 | | | | | 27 | | | | | | | 27 | 27 |
| Bridge Renewal Program | 51 | | | | | 51 | | | | | | | 51 | 51 |
| Building Renewal Program | 391 | | | | | 391 | | | | | | | 391 | 391 |
| Drainage Renewal Program | 47 | | | | | 47 | | | | | | | 47 | 47 |
| Facility Signage Renewal Program | 15 | | | | | 15 | | | | | | | 15 | 15 |
| Fencing Renewal Program | 72 | | | | | 72 | | | | | | | 72 | 72 |
| Footpath Renewal Program | 83 | | | | | 83 | | | | | | | 83 | 83 |
| Heavy Plant Replacement Program | 1,030 | | | | | 1,030 | | | | 158 | | 166 | 706 | 1,030 |
| I.T. Renewal Program | 162 | | | | | 162 | | | | | | | 162 | 162 |
| Kerb Renewal Program | 87 | | | | | 87 | | | | | | | 87 | 87 |
| Light Fleet Replacement Program | 443 | | | | | 443 | | | | | | 171 | 272 | 443 |
| Lighting Renewal Program | 25 | | | | | 25 | | | | | | | 25 | 25 |
| Nature Reserve Renewal Program | 43 | | | | | 43 | | | | | | | 43 | 43 |
| Park Furniture Renewal Program | 144 | | | | | 144 | | | | | | | 144 | 144 |
| Playground Renewal Program | 95 | | | | | 95 | | | | | | | 95 | 95 |
| Sealed Road Renewal Program | 243 | | | | | 243 | | | | | | | 243 | 243 |
| Soft Playing Surface Renewal Program | 102 | | | | | 102 | | | | | | | 102 | 102 |
| Structures Renewal Program | 143 | | | | | 143 | | | | | | | 143 | 143 |
| Unsealed Road Renewal Program | 763 | | | | | 763 | | | | | | | 763 | 763 |
| Barwon River Playground Renewal | 156 | | | | | 156 | | | | | | | 156 | 156 |
| Cape Otway Road Widening | 237 | 331 | | | | 568 | 554 | | | | | | 14 | 568 |
| Coogoorah Playground Renewal | 186 | | | | | 186 | | | | | | | 186 | 186 |
| Forest / Grays Road Upgrade | 250 | 310 | | | | 560 | | | | | | | 560 | 560 |
| Sealed Road Renewal - Horseshoe Bend Road | 371 | | | | | 371 | | | | | | | 371 | 371 |
| Sealed Road Renewal - Pavement Rehabilitation | 165 | | | | | 165 | | | | | | | 165 | 165 |
| Bob Pettitt Tennis Courts | 70 | | | | | 70 | | | | | | | 70 | 70 |
| Duncan Street Footpath | 61 | | | | | 61 | | | | | | | 61 | 61 |
| Gnarwarre Road Culvert | 97 | | | | | 97 | | | | | | | 97 | 97 |
| Hesse Street, Winchelsea | 298 | | 110 | | | 408 | 110 | | | | | | 298 | 408 |
| Spring Creek Reserve Toilet | 127 | | | | | 127 | | | | | | | 127 | 127 |
| Renewal Contingency Allocation | 346 | | | | | 346 | | | | | | | 346 | 346 |
| Total Renewal | 6,330 | 641 | 110 | | | 7,081 | 664 | | | 158 | | 338 | 5,921 | 7,081 |

| Works Description - New Funding | Expenditure | | | | | | Funding | | | | | | | |
|--|-------------------|-------------------|---------------------|---------------|--------------------|--------------------------------|------------------|---------------------|----------------------|------------------------------------|----------------------------|--------------------------|---------------------------------------|----------------------------|
| | Renewal \$'000 | Upgrade \$'000 | Expansion \$'000 | New \$'000 | Expensed \$'000 | Total Expenditure \$'000 | External Funds | | | Council Cash | | | | Total Funding \$'000 |
| | | | | | | | Grants \$'000 | Contrib's \$'000 | Borrowings \$'000 | Cash Reserve Funds \$'000 | Special Rates \$'000 | Asset Sales \$'000 | 2017/18 Direct Funded \$'000 | |
| <u>Torquay / Jan Juc DCP Projects</u> | | | | | | | | | | | | | | |
| Bells Beach Reserve (OR10) | | 108 | | | | 108 | | | | | | | 108 | 108 |
| Bike Routes Blackgate Rd-South Beach Rd (PC03) | | 726 | | | | 726 | | | | 270 | | | 456 | 726 |
| Bike Routes South of South Beach Rd (PC03) | | 77 | | | | 77 | | | | | | | 77 | 77 |
| Deep Creek Linear Reserve (OR06) | | 387 | | | | 387 | | | | 387 | | | 387 | 387 |
| Grass Tree Park (OR05) | | 33 | | | | 33 | | | | | | | 33 | 33 |
| Kurrambee Myaring Community Centre (CY01B) | | | | 3,207 | | 3,207 | | | 2,000 | | | | 1,207 | 3,207 |
| Torquay / Jan Juc DCP Contingency Allocation | | 133 | | | | 133 | | | | 40 | | | 93 | 133 |
| Total Torquay / Jan Juc DCP | | 1,463 | | 3,207 | | 4,670 | | | 2,000 | 697 | | | 1,973 | 4,670 |
| <u>Waste Management Projects</u> | | | | | | | | | | | | | | |
| Anglesea Landfill Composting Area D&C | | | | | 90 | 90 | | | | | | | 90 | 90 |
| Anglesea Landfill Leachate Pond | | | | | 328 | 328 | | | | | | | 328 | 328 |
| Anglesea Landfill Stage 3D Liner | | | | | 1,016 | 1,016 | | | | | | | 1,016 | 1,016 |
| Waste Management Contingency Allocation | | | | | 110 | 110 | | | | | | | 110 | 110 |
| Total Waste Management | | | | | 1,544 | 1,544 | | | | | | | 1,544 | 1,544 |

| Works Description - New Funding | Expenditure | | | | | | Funding | | | | | | | |
|---|-------------------|-------------------|---------------------|---------------|--------------------|--------------------------------|------------------|---------------------|----------------------|------------------------------------|----------------------------|--------------------------|---------------------------------------|----------------------------|
| | Renewal \$'000 | Upgrade \$'000 | Expansion \$'000 | New \$'000 | Expensed \$'000 | Total Expenditure \$'000 | External Funds | | | Council Cash | | | 2017/18 Direct Funded \$'000 | Total Funding \$'000 |
| | | | | | | | Grants \$'000 | Contrib's \$'000 | Borrowings \$'000 | Cash Reserve Funds \$'000 | Special Rates \$'000 | Asset Sales \$'000 | | |
| Discretionary Program Allocation | | | | | | | | | | | | | | |
| Vibrant Economy | | | | | | | | | | | | | | |
| Drainage Upgrades Discretionary Works | | 150 | | | | 150 | | | | | | | 150 | 150 |
| Road Safety Discretionary Works | | | | | 15 | 15 | | | | | | | 15 | 15 |
| Road Safety Improvements at School Sites | | | | 55 | | 55 | | | | | | | 55 | 55 |
| Road Safety Strategy Implementation | | | | 61 | | 61 | | | | | | | 61 | 61 |
| Rural Road Safety Improvements | | | | 131 | | 131 | | | | | | | 131 | 131 |
| Street Light Upgrades and Maintenance | | 15 | | | | 15 | | | | | | | 15 | 15 |
| Shopping Centre Improvements | | 23 | | | | 23 | | | | | | | 23 | 23 |
| Torquay SES Facility Drainage Works | | 15 | | | | 15 | | | | | | | 15 | 15 |
| Cape Otway Road/Winchelsea-Deans Mash Road | | 20 | | | | 20 | | | | | | | 20 | 20 |
| Cape Otway Road Federal Blackspot | 857 | 857 | | | | 1,714 | 1,714 | | | | | | | 1,714 |
| Environmental Leadership | | | | | | | | | | | | | | |
| Surf Coast Civic Precinct Microgrid (Business Case) | | | | 114 | | 114 | | | | | | | 114 | 114 |
| High Performing Council | | | | | | | | | | | | | | |
| Digital Transformation | | | | 1,400 | 600 | 2,000 | | | | | | | 2,000 | 2,000 |
| Customer Experience Function Furniture | | | | 5 | | 5 | | | | | | | 5 | 5 |
| Balancing Growth | | | | | | | | | | | | | | |
| Future Concept Design Budget | | | | | 50 | 50 | | | | | | | 50 | 50 |
| Township LATM, Parking and Pedestrian Improvements | | | | 86 | | 86 | | | | | | | 86 | 86 |
| Community Wellbeing | | | | | | | | | | | | | | |
| DDA Program Annual Allocation | 24 | | | 67 | | 91 | | | | | | | 91 | 91 |
| Bike Path & Pathway Infrastructure | | | | 38 | | 38 | | | | | | | 38 | 38 |
| Jan Juc Zone 2 Masterplan Implementation | | | | 108 | | 108 | | | | 103 | | | 5 | 108 |
| Lorne Pathway Project | | | | 28 | | 28 | | | | | | | 28 | 28 |
| Moriac Pathway Project | | | | 22 | | 22 | | | | | 1 | | 21 | 22 |
| Torquay Grossmans Road Pathway Project | | | | 13 | | 13 | | | | | | | 13 | 13 |
| Winchelsea Pathway Project | | | | 120 | | 120 | | | | | 20 | | 100 | 120 |
| Stribling Reserve Change Rooms Design | | 86 | | | | 86 | | | | | | | 86 | 86 |
| Winchelsea Netball Pavilion Upgrade | 245 | 68 | | | | 313 | | | | | | | 313 | 313 |
| Torquay Cricket Club Practice Facility Improvement Stg1 | | 20 | | | | 20 | | 10 | | | | | 10 | 20 |
| Anglesea Netball Club Car Park Design | | | | 10 | | 10 | | | | | | | 10 | 10 |
| Torquay Cricket Club Practice Facility Improvement Stg2 | | | | 5 | | 5 | | | | | | | 5 | 5 |
| Painkalac Creek Pathway | | | | 60 | | 60 | | | | 60 | | | 60 | 60 |
| Anglesea Art House | 20 | | | | | 20 | | | | | | | 20 | 20 |
| Aireys Inlet Shops Pedestrian Access | | 14 | | | | 14 | | | | | | | 14 | 14 |
| Anglesea Cricket Clubrooms | 8 | 30 | | | | 38 | | | | | | | 38 | 38 |
| Lorne Historic Society Building Fascade | | 50 | | | | 50 | | | | | | | 50 | 50 |
| Discretionary Capital Works Contingency Allocation | | 49 | | 65 | | 114 | | | | | | | 114 | 114 |
| Total Discretionary Capital Works | 1,154 | 1,396 | | 2,387 | 665 | 5,602 | 1,714 | 10 | | 163 | 21 | | 3,694 | 5,602 |
| Total New Funding Allocations | 7,484 | 3,500 | 110 | 5,594 | 2,209 | 18,897 | 2,378 | 10 | 2,000 | 1,018 | 21 | 338 | 13,131 | 18,897 |
| Carried Forward Capital Works Projects | | | | | | | | | | | | | | |
| Carried Forward Capital Works Projects | 1,933 | 4,613 | | 2,166 | 4,438 | 13,149 | | | 1,000 | 12,149 | | | | 13,149 |
| Carried Forward Capital Works Contingency | 177 | 104 | | 643 | 738 | 1,662 | | | | 1,662 | | | | 1,662 |
| Total Carried Forward Capital Works Projects | 2,110 | 4,717 | | 2,809 | 5,176 | 14,812 | | | 1,000 | 13,812 | | | | 14,812 |
| Total Capital Works Program | 9,594 | 8,217 | 110 | 8,402 | 7,385 | 33,708 | 2,378 | 10 | 3,000 | 14,830 | 21 | 338 | 13,131 | 33,708 |

Operational Works Program

For the year ending 30 June 2018

| Works Description - New Funding | Expenditure | | | | | | Funding | | | | | | | | | |
|---|--------------------|-----------------|-------------------|----------------------|----------------------|--------------------------------|------------------|-----------------------------|---------------------|----------------------|------------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--------------|
| | Anglesea \$'000 | Lorne \$'000 | Torquay \$'000 | Winchelsea \$'000 | Shire Wide \$'000 | Total Expenditure \$'000 | External Funds | | | | Council Cash | | | | | |
| | | | | | | | Grants \$'000 | Fees & Charges \$'000 | Contrib's \$'000 | Borrowings \$'000 | Cash Reserve Funds \$'000 | Special Rates \$'000 | Asset Sales \$'000 | Direct Funded \$'000 | Total Funding \$'000 | |
| Operational Projects (PMO Program) | | | | | | | | | | | | | | | | |
| Anglesea Futures and Anglesea River | 35 | | | | | 35 | | | | | | | | | 35 | 35 |
| Anglesea Futures Plan Community Consultation | 25 | | | | | 25 | | | | | | | | | 25 | 25 |
| Asset Condition Audits | | | | | 91 | 91 | | | | | | | | | 91 | 91 |
| Bells Beach Coastal Management Plan | | | | | 75 | 75 | | | | | | | | | 75 | 75 |
| Bells Beach MP Stage 1 | | | | 32 | | 32 | | | | | | | | | 32 | 32 |
| Bells Beach Planning Panel | | | 12 | | | 12 | | | | | | | | | 12 | 12 |
| Environmental Leadership | | | | | 250 | 250 | | | | | | | | | 250 | 250 |
| G21 Regional Hockey Strategy | | | | | 1 | 1 | | | | | | | | | 1 | 1 |
| Great Ocean Road Gateway | | | | | 65 | 65 | | | | | | | | | 65 | 65 |
| Growing Adventure Tourism | | | | | 23 | 23 | | | | | | | | | 23 | 23 |
| Growing Winchelsea Planning Panel | | | | 10 | | 10 | | | | | | | | | 10 | 10 |
| Irrigation Project Winchelsea Golf Course | | | | 7 | | 7 | | | | | | | | | 7 | 7 |
| Kurrambee Myaring Centre Operational Model | | | | | 23 | 23 | | | | | | | | | 23 | 23 |
| Land Under Roads Audit & Capitalisation | | | | | 40 | 40 | | | | | | | | | 40 | 40 |
| Land Use Monitoring Report & Website | | | | | 10 | 10 | | | | | | | | | 10 | 10 |
| Lorne Structure Plan Consultation | | 20 | | | | 20 | | | | | | | | | 20 | 20 |
| Matching Project Funds | | | | | 30 | 30 | | | | | | | | | 30 | 30 |
| Municipal Strategic Statement Review | | | | | 88 | 88 | | | | | | | | | 88 | 88 |
| Planning for Growth | | | | | 40 | 40 | | | | | | | | | 40 | 40 |
| Spring Creek DCP and PS Amendment | | | 30 | | | 30 | | | | | | | | | 30 | 30 |
| Street Light Program Upgrade (Business Case) | | | | | 228 | 228 | | | | | | | | | 228 | 228 |
| Supporting Growth Initiatives | | | | | 100 | 100 | | | | | | | | | 100 | 100 |
| Torquay / Jan Juc Social Infrastructure Needs Study | | | 48 | | | 48 | | | | | | | | | 48 | 48 |
| VicSmart Planning Scheme Amendment | | | | | 18 | 18 | | | | | | | | | 18 | 18 |
| Winchelsea DCP Review | | | | 23 | | 23 | | | | | | | | | 23 | 23 |
| Winchelsea RV Friendly Area | | | | 9 | | 9 | | | | | | | | | 9 | 9 |
| Winchelsea Town Centre Beautification | | | | 50 | | 50 | | | | | | | | | 50 | 50 |
| Contingency Allocation | 5 | | 8 | 3 | 39 | 55 | | | | | | | | | 55 | 55 |
| Total Operational Projects (PMO Program) | 65 | 20 | 130 | 102 | 1,121 | 1,437 | | | | | | | | | 1,437 | 1,437 |
| Operational Projects (Outside PMO Program) | | | | | | | | | | | | | | | | |
| 2016 Council Elections | | | | | 10 | 10 | | | | | | | | | 10 | 10 |
| Business Continuity Exercise | | | 8 | | | 8 | | | | | | | | | 8 | 8 |
| Business Improvement Officer (Business Case) | | | | | 115 | 115 | | | | | | | | | 115 | 115 |
| Engage Program | | | | | 23 | 23 | 23 | | | | | | | | 23 | 23 |
| Fixed Term (Two Years) Local Laws Officer | | | | | 124 | 124 | | 140 | | | | | | | (16) | 124 |
| Freeza Project | | | | | 25 | 25 | 25 | | | | | | | | 25 | 25 |
| HACC Café Style Support | | | | | 56 | 56 | 56 | | | | | | | | 56 | 56 |
| Health & Wellbeing Officer Yr Two of Two | | | | | 53 | 53 | | | | | | | | | 53 | 53 |
| Municipal Emergency Management Program | | | | | 240 | 240 | 240 | | | | | | | | 240 | 240 |
| Planning Customer Support Officer | | | | | 50 | 50 | | | | | | | | | 50 | 50 |
| Pop Up Art Space | | | | | 30 | 30 | | | 5 | | | | | | 25 | 30 |
| RACV Water Harvesting Agreement Licence | | | | | 5 | 5 | | | 5 | | | | | | 5 | 5 |
| Records Management Program (Business Case) | | | | | 32 | 32 | | | | | | | | | 32 | 32 |
| Recreation Facilities Officer | | | 48 | | | 48 | | | | | | | | | 48 | 48 |
| Road Safety Officer | | | | | 38 | 38 | | | | | | | | | 38 | 38 |
| Statutory Planning Growth & Back Log | | | | | 183 | 183 | | | | | | | | | 183 | 183 |
| Temporary Planner | | | | | 81 | 81 | | | | | | | | | 81 | 81 |
| Total Operational Projects (Outside PMO Program) | | | 56 | | 1,065 | 1,121 | 344 | 140 | 10 | | | | | | 627 | 1,121 |
| Total Operational Program | 65 | 20 | 186 | 102 | 2,186 | 2,558 | 344 | 140 | 10 | | | | | | 2,064 | 2,558 |

| Works Description | Expenditure | | | | | | Funding | | | | | | | | | | | |
|---|--------------------|-----------------|-------------------|----------------------|----------------------|--------------------------------|------------------|-----------------------------|---------------------|----------------------|------------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--|--------------|--------------|
| | Anglesea \$'000 | Lorne \$'000 | Torquay \$'000 | Winchelsea \$'000 | Shire Wide \$'000 | Total Expenditure \$'000 | External Funds | | | | Council Cash | | | | Total Funding \$'000 | | | |
| | | | | | | | Grants \$'000 | Fees & Charges \$'000 | Contrib's \$'000 | Borrowings \$'000 | Cash Reserve Funds \$'000 | Special Rates \$'000 | Asset Sales \$'000 | Direct Funded \$'000 | | | | |
| Carried Forward Operational Projects | | | | | | | | | | | | | | | | | | |
| Carried Forward Operational Projects | 20 | 20 | 149 | 92 | 1,143 | 1,423 | | | | | | 1,423 | | | | | | 1,423 |
| Contingency Allocation | 5 | | 12 | 4 | 50 | 71 | | | | | | 71 | | | | | | 71 |
| Total Carried Forward Operational Projects | 25 | 20 | 161 | 95 | 1,193 | 1,494 | | | | | | 1,494 | | | | | | 1,494 |
| Total Operational Works Program | 90 | 40 | 346 | 197 | 3,379 | 4,052 | 344 | 140 | 10 | | | 1,494 | | | | | 2,064 | 4,052 |

Business Cases

For the year ending 30 June 2018 - (Business Cases are included in the Operational and Capital Works Programs)

| Description - New Funding | Expenditure | | | | | | Funding | | | | | | | | | | | | |
|-------------------------------------|--------------------|-----------------|-------------------|----------------------|----------------------|--------------------------------|------------------|-----------------------------|---------------------|----------------------|------------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--|------------|------------|--|
| | Anglesea \$'000 | Lorne \$'000 | Torquay \$'000 | Winchelsea \$'000 | Shire Wide \$'000 | Total Expenditure \$'000 | External Funds | | | | Council Cash | | | | Total Funding \$'000 | | | | |
| | | | | | | | Grants \$'000 | Fees & Charges \$'000 | Contrib's \$'000 | Borrowings \$'000 | Cash Reserve Funds \$'000 | Special Rates \$'000 | Asset Sales \$'000 | Direct Funded \$'000 | | | | | |
| Business Cases | | | | | | | | | | | | | | | | | | | |
| Business Improvement Officer | | | | | 115 | 115 | | | | | | | | | | | 115 | 115 | |
| Records Management Program | | | | | 32 | 32 | | | | | | | | | | | 32 | 32 | |
| Street Light Program Upgrade | | | | | 228 | 228 | | | | | | | | | | | 228 | 228 | |
| Surf Coast Civic Precinct Microgrid | | | 114 | | | 114 | | | | | | | | | | | 114 | 114 | |
| Contingency Allocation | | | 11 | | | 11 | | | | | | | | | | | 11 | 11 | |
| Total Business Cases | | | 125 | | 375 | 500 | | | | | | | | | | | 500 | 500 | |

New Recurrent Operational Expenditure

For the year ending 30 June 2018

| Description - New Funding | Expenditure | | | | | | Funding | | | | | | | | |
|---|--------------------|-----------------|-------------------|----------------------|----------------------|--------------------------------|------------------|-----------------------------|---------------------|----------------------|------------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|
| | Anglesea \$'000 | Lorne \$'000 | Torquay \$'000 | Winchelsea \$'000 | Shire Wide \$'000 | Total Expenditure \$'000 | External Funds | | | | Council Cash | | | | Total Funding \$'000 |
| | | | | | | | Grants \$'000 | Fees & Charges \$'000 | Contrib's \$'000 | Borrowings \$'000 | Cash Reserve Funds \$'000 | Special Rates \$'000 | Asset Sales \$'000 | Direct Funded \$'000 | |
| <u>New Recurrent Operational Expenditure</u> | | | | | | | | | | | | | | | |
| Anglesea Resale Shed Resource | | | | | 25 | 25 | | | | | 25 | | | | 25 |
| ANZAC Day Contribution | | | | | 10 | 10 | | | | | | | | 10 | 10 |
| Building Surrounds | | | | | 12 | 12 | | | | | | | | 12 | 12 |
| Building Utilities | | | | | 28 | 28 | | | | | | | | 28 | 28 |
| Customer Experience Function | | | | | 125 | 125 | | | | | | | | 125 | 125 |
| Geelong Chamber of Commerce Contribution | | | | | 3 | 3 | | | | | | | | 3 | 3 |
| Kurrambee Myaring Centre Operating Budget | | | | | 246 | 246 | 82 | 118 | | | | | | 46 | 246 |
| Municipal Building Surveyor | | | | | 50 | 50 | | | | | | | | 50 | 50 |
| Passive Reserves | | | 15 | | | 15 | | | | | | | | 15 | 15 |
| Playground Maintenance | | | 6 | | | 6 | | | | | | | | 6 | 6 |
| Principal Investigations Officer | | | | | 110 | 110 | | | | | | | | 110 | 110 |
| Proactive Tree Works Annual Allocation | | | | | 50 | 50 | | | | | | | | 50 | 50 |
| Roads Compliance Officer | | | | | 100 | 100 | | | | | | | | 100 | 100 |
| Software Support and Development | | | | | 100 | 100 | | | | | | | | 100 | 100 |
| Strategic Partnership Support Fund | | | | | 50 | 50 | | | | | | | | 50 | 50 |
| Strategic Planning Wages | | | | | 13 | 13 | | | | | | | | 13 | 13 |
| Street Tree Management | | | | | 22 | 22 | | | | | | | | 22 | 22 |
| Support Headline Event | | | | | 10 | 10 | | | | | | | | 10 | 10 |
| Township Maintenance | | | | | 1 | 1 | | | | | | | | 1 | 1 |
| Video Equipment and Editing Software | | | | | 1 | 1 | | | | | | | | 1 | 1 |
| Winchelsea RV Friendly Program | | | | 11 | | 11 | | | | | | | | 11 | 11 |
| WorkPlace Health & Safety | | | | | 43 | 43 | | | | | | | | 43 | 43 |
| Total Recurrent Operational Expenditure | | | 21 | 11 | 999 | 1,032 | 82 | 118 | | | 25 | | | 807 | 1,032 |

Appendix D - Four Year Capital Program

| Capital Works Program | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Renewal Program | | | | |
| Bike Park Renewal Program | 27 | 31 | 33 | 37 |
| Bridge Renewal Program | 51 | 59 | 63 | 70 |
| Building Renewal Program | 391 | 615 | 653 | 727 |
| Drainage Renewal Program | 47 | 177 | 188 | 210 |
| Facility Signage Renewal Program | 15 | 15 | 15 | 15 |
| Fencing Renewal Program | 72 | 84 | 90 | 101 |
| Footpath Renewal Program | 83 | 189 | 201 | 224 |
| Hard Court Renewal Program | | 72 | 77 | 86 |
| Heavy Plant Replacement Program | 1,030 | 919 | 992 | 885 |
| I.T. Renewal Program | 162 | 196 | 207 | 218 |
| Kerb Renewal Program | 87 | 95 | 100 | 112 |
| Light Fleet Replacement Program | 443 | 412 | 437 | 408 |
| Lighting Renewal Program | 25 | 25 | 25 | 25 |
| Nature Reserve Renewal Program | 43 | 60 | 64 | 72 |
| Park Furniture Renewal Program | 144 | 170 | 148 | 197 |
| Playground Renewal Program | 95 | 408 | 521 | 361 |
| Sealed Road Renewal Program | 243 | 1,741 | 1,911 | 2,096 |
| Soft Playing Surface Renewal Program | 102 | 119 | 127 | 142 |
| Structures Renewal Program | 143 | 166 | 177 | 198 |
| Unsealed Road Renewal Program | 763 | 886 | 941 | 1,048 |
| Barwon River Playground Renewal | 156 | | | |
| Cape Otway Road Widening | 568 | | | |
| Coogoorah Playground Renewal | 186 | | | |
| Forest / Grays Road Upgrade | 560 | | | |
| Sealed Road Renewal - Horseshoe Bend Road | 371 | | | |
| Sealed Road Renewal - Pavement Rehabilitation | 165 | | | |
| Bob Pettitt Tennis Courts | 70 | | | |
| Duncan Street Footpath | 61 | | | |
| Gnarwarre Road Culvert | 97 | | | |
| Hesse Street, Winchelsea | 408 | | | |
| Spring Creek Reserve Toilet | 127 | | | |
| Renewal Contingency Allocation | 346 | | | |
| Total Renewal | 7,081 | 6,438 | 6,970 | 7,230 |
| Torquay / Jan Juc DCP Projects | | | | |
| Bells Beach Reserve (OR10) | 108 | | | |
| Bike Routes Blackgate Rd-South Beach Rd (PC03) | 726 | | | |
| Bike Routes South of South Beach Rd (PC03) | 77 | | | |
| Deep Creek Linear Reserve (OR06) | 387 | | | 348 |
| Grass Tree Park (OR05) | 33 | | | |
| Kurrabee Myaring Community Centre (CY01B) | 3,207 | | | |
| Duffields Road Upgrade (RD08) | | 45 | 646 | |
| Duffields/Grossmans Intersection (RD15) | | 26 | 357 | |
| Torquay Central & North (OR01) South Beach | | 136 | | |
| Torquay Central & North (OR01) Various | | 330 | | 66 |
| CCP Active Recreation (OR02) | | 559 | 477 | |
| South Beach Road Upgrade (RD09) | | | 87 | 2,929 |
| Anderson St Turning Lanes (RD06) | | | | 208 |
| Spring & Deep Creek's Pathways (PC01) | | | | 205 |
| Surf Coast Hwy/Zeally Bay Rd Intersection (RD05) | | | | 54 |
| Torquay / Jan Juc DCP Contingency Allocation | 133 | 115 | 160 | 203 |
| Total Torquay / Jan Juc DCP | 4,670 | 1,210 | 1,727 | 4,014 |

| Capital Works Program | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 |
|---|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Waste Management Projects | | | | |
| Anglesea Landfill Composting Area D&C | 90 | | | |
| Anglesea Landfill Leachate Pond | 328 | | | |
| Anglesea Landfill Stage 3D Liner | 1,016 | | | |
| Anglesea Landfill Options Study | | | | 44 |
| Anglesea Landfill Stage 4 Rehab | | | | 2,911 |
| Torquay Transfer Station Construction | | | | 860 |
| Winch & Lorne Site Shed Upgrades | | | | 61 |
| Anglesea Landfill Stage 3E Liner | | | | 1,009 |
| Waste Management Contingency Allocation | 110 | | | 698 |
| Total Waste Management | 1,544 | | | 5,583 |
| Discretionary Program Allocation | | | | |
| Vibrant Economy | | | | |
| Drainage Upgrades Discretionary Works | 150 | | | |
| Road Safety Discretionary Works | 15 | | | |
| Road Safety Improvements at School Sites | 55 | | | |
| Road Safety Strategy Implementation | 61 | | | |
| Rural Road Safety Improvements | 131 | | | |
| Street Light Upgrades and Maintenance | 15 | | | |
| Shopping Centre Improvements | 23 | | | |
| Torquay SES Facility Drainage Works | 15 | | | |
| Cape Otway Road/Winchelsea-Deans Mash Road | 20 | | | |
| Cape Otway Road Federal Blackspot | 1,714 | | | |
| Roads to Recovery Program | | 634 | 648 | 648 |
| Discretionary Vibrant Economy Projects | | 798 | 1,160 | 1,202 |
| Environmental Leadership | | | | |
| Surf Coast Civic Precinct Microgrid (Business Case) | 114 | 82 | | |
| High Performing Council | | | | |
| Digital Transformation | 2,000 | 2,500 | 730 | |
| Customer Experience Function Furniture | 5 | | | |
| Balancing Growth | | | | |
| Future Concept Design Budget | 50 | | | |
| Township LATM, Parking and Pedestrian Improvements | 86 | | | |
| Community Wellbeing | | | | |
| DDA Program Annual Allocation | 91 | 91 | 91 | 91 |
| Bike Path & Pathway Infrastructure | 38 | | | |
| Jan Juc Zone 2 Masterplan Implementation | 108 | | | |
| Lorne Pathway Project | 28 | | | |
| Moriac Pathway Project | 22 | | | |
| Torquay Grossmans Road Pathway Project | 13 | | | |
| Winchelsea Pathway Project | 120 | | | |
| Stribling Reserve Change Rooms Design | 86 | | | |
| Winchelsea Netball Pavilion Upgrade | 313 | | | |
| Torquay Cricket Club Practice Facility Improvement Stg1 | 20 | | | |
| Anglesea Netball Club Car Park Design | 10 | | | |
| Torquay Cricket Club Practice Facility Improvement Stg2 | 5 | | | |
| Painkalac Creek Pathway | 60 | | | |
| Anglesea Art House | 20 | | | |
| Aireys Inlet Shops Pedestrian Access | 14 | | | |
| Anglesea Cricket Clubrooms | 38 | | | |
| Lorne Historic Society Building Fascade | 50 | | | |
| Stribling Reserve Lighting Upgrade | | 92 | | |
| Winchelsea Netball Pavilion Redevelopment | | 100 | | |
| Modewarre Cricket Club All Weather Practice Facility | | 15 | | |
| Anglesea SLSC Redevelopment | | 250 | | |
| Jan Juc SLSC Redevelopment | | 250 | | |
| Anglesea Motor Yacht Club Redevelopment | | 20 | | |
| Discretionary Community Wellbeing Projects | | 1,197 | 1,741 | 1,804 |
| Discretionary Capital Works Contingency Allocation | 114 | 77 | 69 | 69 |
| Total Discretionary Capital Works | 5,602 | 6,107 | 4,439 | 3,814 |
| Total Capital Works Program | 18,897 | 13,755 | 13,136 | 20,640 |

Appendix E - Multi Year Operational Program

| Multi Year Operational Program | Expenditure | | | | | Funding | | | | |
|---|-----------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|
| | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 | Total Expenditure \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 | Total Funding \$'000 |
| <u>Multi-Year Operational Projects (PMO Program)</u> | | | | | | | | | | |
| Anglesea Futures and Anglesea River | 35 | 20 | | | 55 | 35 | 20 | | | 55 |
| Bells Beach Coastal Management Plan | 75 | 75 | | | 150 | 75 | 75 | | | 150 |
| Environmental Leadership | 250 | 250 | | | 500 | 250 | 250 | | | 500 |
| Growing Adventure Tourism | 23 | 23 | 33 | | 78 | 23 | 23 | 33 | | 78 |
| Lorne Structure Plan Consultation | 20 | 80 | | | 100 | 20 | 80 | | | 100 |
| <u>Multi-Year Operational Projects (Outside PMO Program)</u> | | | | | | | | | | |
| Business Continuity Exercise | 8 | 5 | 10 | | 23 | 8 | 5 | 10 | | 23 |
| Pop Up Art Space | 30 | 30 | | | 60 | 30 | 30 | | | 60 |
| RACV Water Harvesting Agreement Licence | 5 | 5 | 5 | 5 | 20 | 5 | 5 | 5 | 5 | 20 |
| Road Safety Officer | 38 | 40 | 42 | 43 | 163 | 38 | 40 | 42 | 43 | 163 |
| Statutory Planning Growth & Back Log | 183 | 78 | | | 261 | 183 | 78 | | | 261 |
| <u>Multi-Year Business Cases</u> | | | | | | | | | | |
| Records Management Program | 32 | 32 | | | 64 | 32 | 32 | | | 64 |
| Street Light Program Upgrade | 228 | 500 | | | 728 | 228 | 500 | | | 728 |
| Contingency Allocation | 10 | 10 | | | 20 | 10 | 10 | | | 20 |
| Total Multi Year Projects | 936 | 1,147 | 89 | 48 | 2,220 | 936 | 1,147 | 89 | 48 | 2,220 |

Appendix F - 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 budget year.

Fees and charges include GST where applicable. Statutory fees vary over time in accordance with legislation.

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|--|---------|------------|--------------------|----------|
| COMMUNITY | | | | |
| Council Operations | | | | |
| Full Copy Council Minutes | | \$32.00 | N | Council |
| Minutes are available free of charge from Council's website – www.surfcoast.vic.gov.au | | | | Council |
| Facsimile/per page | | \$2.20 | N | Council |
| Local Calls | | \$2.20 | Y | Council |
| STD Call to 3 Minutes | | \$7.00 | Y | Council |
| Receive Fax (per sheet) | | \$0.80 | Y | Council |
| Customer Service | | | | |
| Black & White Photocopying/Printing per page | | \$0.90 | N | Council |
| Colour Photocopying/Printing per page | | \$2.15 | N | Council |
| Charity Groups (per page) | | \$0.40 | N | Council |
| Community Transport | | | | |
| Community Bus hire only (Petrol by User) | per Km | \$0.83 | Y | Council |
| Winchelsea Large Capacity Community Bus (25 seat) - Youth activities | per Day | \$53.50 | Y | Council |
| Winchelsea Large Capacity Community Bus (25 seat) - Adult activities up to 400 km round trip | per Day | \$133.00 | Y | Council |
| Winchelsea Large Capacity Community Bus (25 seat) - Adult activities over 400 km round trip | per Day | \$265.50 | Y | Council |
| Building Hire | | | | |
| Public Hall Hire | | | | |
| Shire based Community Group | Hour | \$10.00 | Y | Council |
| Commercial and Non-Shire Community Group | Hour | \$20.00 | Y | Council |
| Functions, Weddings, Parties & Major Events | | | | |
| Funeral Afternoon Teas | Hour | \$10.00 | Y | Council |
| Bellbrae Hall - Private Hirer Standard Function Rate (6pm-12am) | Block | \$160.00 | Y | Council |
| Bellbrae Hall - Private Hirer Half Day Function Rate (2-5 hours) | Block | \$128.00 | Y | Council |
| Moriac Community Centre - Private Hirer Standard Function Rate (6pm-12am) | Block | \$160.00 | Y | Council |
| Moriac Community Centre - Private Hirer Half Day Function Rate (2-5 hours) | Block | \$128.00 | Y | Council |
| Freshwater Creek Hall - Private Hirer Standard Function Rate (6pm-12am) | Block | \$160.00 | Y | Council |
| Freshwater Creek Hall - Private Hirer Half Day Function Rate (2-5 hours) | Block | \$128.00 | Y | Council |
| The Quay Pavilion - Private Hirer Standard Function Rate (6pm-12am) | Block | \$263.00 | Y | Council |
| The Quay Pavilion - Private Hirer Half Day Function Rate (2-5 hours) | Block | \$170.00 | Y | Council |
| Bob Pettit Pavilion - Private Hirer Standard Function Rate (6pm-12am) | Block | \$263.00 | Y | Council |
| Bob Pettit Pavilion - Private Hirer Half Day Function Rate (2-5 hours) | Block | \$170.00 | Y | Council |
| Wurdale Hall - Private Hirer Standard Function Rate (6pm-12am) | Block | \$160.00 | Y | Council |
| Wurdale Hall - Private Hirer Half Day Function Rate (2-5 hours) | Block | \$128.00 | Y | Council |
| Anglesea Hall - Private Hirer Standard Function Rate (6pm-12am) | Block | \$263.00 | Y | Council |
| Anglesea Hall - Private Hirer Half Day Function Rate (2-5 hours) | Block | \$170.00 | Y | Council |
| Security Bonds – No Alcohol | | \$320.00 | N | Council |
| Security Bonds – With Alcohol | | \$639.00 | N | Council |
| Winchelsea Swimming pool | | | | |
| Family Season Pass | Season | \$187.00 | Y | Council |
| Family Season Pass (Early Bird) | Season | \$165.00 | Y | Council |
| Adult per Swim Person | | \$5.50 | Y | Council |
| Child per Swim Person | | \$4.50 | Y | Council |
| Schools Person | | \$3.50 | Y | Council |
| Spectator Person | | \$1.00 | Y | Council |
| School Carnival (plus entry fee person) | Hour | \$73.00 | Y | Council |
| Regional Carnival | | \$1,128.00 | Y | Council |
| Season Swim Pass - Single | Season | \$76.00 | Y | Council |
| Season Swim Pass - Single Concession | Season | \$69.00 | Y | Council |
| Season Swim Pass - Single (Early Bird) | Season | \$55.50 | Y | Council |
| Eastern Reserve Gymnasium | | | | |
| Membership - Individual | | | | |
| 3 month | | \$206.00 | Y | Council |
| 6 month | | \$362.50 | Y | Council |
| 12 month | | \$669.50 | Y | Council |
| Monthly Direct Debit | | \$57.00 | Y | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|--|--------------|----------|--------------------|----------|
| COMMUNITY | | | | |
| Membership - Concession | | | | |
| 3 month | | \$186.50 | Y | Council |
| 6 month | | \$324.50 | Y | Council |
| 12 month | | \$602.50 | Y | Council |
| Monthly Direct Debit | | \$46.50 | Y | Council |
| Membership - Youth | | | | |
| 3 month | | \$147.50 | Y | Council |
| 6 month | | \$250.50 | Y | Council |
| 12 month | | \$466.50 | Y | Council |
| Monthly Direct Debit | | \$40.50 | Y | Council |
| Membership - Family (max of 2 Adults & 2 Children) | | | | |
| 3 month | | \$289.50 | Y | Council |
| 6 month | | \$502.50 | Y | Council |
| 12 month | | \$932.00 | Y | Council |
| Monthly Direct Debit | | \$80.00 | Y | Council |
| 10 Visit Pass Health Club or Group Fitness | | \$101.00 | Y | Council |
| Casual Single Visit - Health Club or Group Fitness | | \$13.00 | Y | Council |
| Personal Training Member | Hour | \$51.50 | Y | Council |
| Personal Training Member | Half Hour | \$35.00 | Y | Council |
| Personal Training 2:1 Members | Hour | \$57.00 | Y | Council |
| Personal Training 3:1 Members | Hour | \$69.00 | Y | Council |
| Personal Training Non Member | Hour | \$57.00 | Y | Council |
| Personal Training ½ hour - (Non Member) | Half Hour | \$40.50 | Y | Council |
| Surf Coast Sport & Recreation Centre | | | | |
| Sport per game | | | | |
| Adults Basketball | Team | \$69.00 | Y | Council |
| Adults Netball | Team | \$74.00 | Y | Council |
| Junior Basketball and Netball | Team | \$55.50 | Y | Council |
| Badminton - Adults | Player | \$7.50 | Y | Council |
| Badminton - Child/student | Player | \$6.60 | Y | Council |
| Indoor Soccer - Juniors | Player | \$7.50 | Y | Council |
| Indoor Soccer - Seniors | Team | \$55.00 | Y | Council |
| Minor Sports | Player | \$5.50 | Y | Council |
| Kinder gym - Casual | Week Casual | \$14.50 | Y | Council |
| 10 Visit Pass | | | | |
| Kindergym | | \$127.00 | Y | Council |
| Fit for Fifties | | \$101.00 | Y | Council |
| Little Champs | | \$48.50 | Y | Council |
| Badminton | | \$60.50 | Y | Council |
| Play Groups | | \$31.00 | Y | Council |
| Team Registrations & Insurance | | | | |
| Adult Registration per Season | | \$62.00 | Y | Council |
| Junior Registration per Season | | \$51.50 | Y | Council |
| Insurance Senior Basketball per Season (Set by Victorian Country Basketball Council) | Player (est) | \$42.00 | Y | Council |
| Insurance Junior Basketball per Year (Set by Victorian Country Basketball Council) | Player (est) | \$42.00 | Y | Council |
| Insurance Senior Netball per Year (Set by Netball Victoria) | Player (est) | \$73.00 | Y | Council |
| Insurance Junior (Under 18 years) Netball per Year (Set by Netball Victoria) | Player (est) | \$53.00 | Y | Council |
| Insurance Soccer – Senior (Set by Football Federation Victoria) | Player (est) | \$45.50 | Y | Council |
| Insurance Soccer – Junior (Set by Football Federation Victoria) | Player (est) | \$35.00 | Y | Council |
| Fitness Classes | | | | |
| Casual | Visit | \$14.50 | Y | Council |
| Concession | Visit | \$13.50 | Y | Council |
| 10 Visit Concession Card | | \$111.00 | Y | Council |
| 1 Month Membership | | \$92.50 | Y | Council |
| 3 Month Membership | | \$199.00 | Y | Council |
| 6 Month Membership | | \$370.00 | Y | Council |
| 12 Month Membership | | \$553.00 | Y | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|---|----------|--------------------|----------|
| COMMUNITY | | | | |
| Crèche | | | | |
| Per Child Visit | | \$5.50 | N | Council |
| 10 Visit Concession Card | | \$51.00 | N | Council |
| Birthday Parties | | | | |
| Stadium/Kitchen/Staff Member | Party up to 2 Hours 26 - 50 Children | \$269.00 | Y | Council |
| Stadium/Kitchen/Staff Member | Party up to 2 Hours up to 25 Children | \$198.00 | Y | Council |
| Multipurpose Room/Kitchen Staff | Party up to 2 Hours | \$198.00 | Y | Council |
| Main Stadium | | | | |
| Sport – Casual Hire - Day Time - Off Peak Use | | | | |
| Commercial Groups | Hour | \$50.50 | Y | Council |
| Registered Teams | Hour | \$31.00 | Y | Council |
| Community Groups | Hour | \$31.00 | Y | Council |
| Teams ½ Court | Hour | \$20.00 | Y | Council |
| Individual Hire ½ Court | Person | \$5.50 | Y | Council |
| Functions – Social/Commercial - Peak Use | | | | |
| Fri/Sat/Sun (6pm-12am max Hire) | Block | \$520.00 | Y | Council |
| ½ Hall Only | Block | \$361.50 | Y | Council |
| Fri/Sat/Sun (6pm-12am) per Hour | Hour | \$92.00 | Y | Council |
| Community Group Rate 6pm-12am | Block | \$344.00 | Y | Council |
| Bonds | | | | |
| Functions - No Alcohol | | \$329.50 | N | Council |
| Functions - With Alcohol | | \$658.00 | N | Council |
| Multi-Purpose Room | | | | |
| Social & Commercial Functions (Meetings/Workshops) | | | | |
| Sat/Sun (6pm-12am max. Hire) | Block | \$225.50 | Y | Council |
| Sat/Sun (6pm-12am Hourly Rate) | Hour | \$42.50 | Y | Council |
| Mon/Fri (9am-9pm Hourly Rate) | Hour | \$19.50 | Y | Council |
| Full Room (Day & Evening Hourly Rate) | Hour | \$19.50 | Y | Council |
| Kitchen Hire (if Required Fee Applies in Addition to Room Charge) | Hour | \$15.00 | Y | Council |
| Community Group Hire (Non Profit) | Hour | \$10.00 | Y | Council |
| Bonds | | | | |
| Functions - No Alcohol | | \$320.00 | N | Council |
| Functions - With Alcohol | | \$640.00 | N | Council |
| Equipment Hire | | | | |
| Trestle Table Hire | Each | \$15.50 | Y | Council |
| Chair Hire | Each | \$2.50 | Y | Council |
| Stage Hire | Day | \$43.00 | Y | Council |
| PA Hire (Portable One Speaker System) | Day | \$30.50 | Y | Council |
| Bond Applies for All Equipment Hire | | \$106.00 | N | Council |
| Volleyball Posts / Nets | Day | \$20.00 | Y | Council |
| Recreation Reserves | | | | |
| Recreation Reserve Licence Fees | Min Fee | \$126.00 | N | Council |
| Community & Civic Precinct Recreation Facility (Banyul-Warri Fields) | | | | |
| Playing Field/Court: | | | | |
| Tenant/Anchor Club | | \$0.00 | N | Council |
| Incorporated Community Club/Group/School - Based in Surf Coast Shire | | \$0.00 | N | Council |
| Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity) | | \$0.00 | N | Council |
| Commercial Use and Non Surf Coast Shire Club/Group/School (Per Court/Field): | | | | |
| - Oval & Synthetic/Grass Pitch | Half Day | \$300.00 | Y | Council |
| | Full Day | \$477.00 | Y | Council |
| | Hour | \$34.00 | Y | Council |
| - Netball Court | Half Day | \$122.00 | Y | Council |
| | Full Day | \$220.00 | Y | Council |
| | Hour | \$34.00 | Y | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|--------------------|--------------------------------------|--------------------|----------|
| COMMUNITY | | | | |
| Community Hub Change Rooms (NB: Fee Applies to Each Pair of Change Rooms) | | | | |
| Tenant/Anchor Club | | Free access during allocated periods | | Council |
| Incorporated Community Club/Group/School - Based in Surf Coast Shire | Cleaning Fee | \$60.50 | Y | Council |
| Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity) | Cleaning Fee | \$60.50 | Y | Council |
| Commercial Use and Non Surf Coast Shire Club/Group/School (Per Court/Field): | Cleaning Fee | \$182.00 | Y | Council |
| Grant Pavilion - Peter Troy and China Gilbert Meeting Rooms | | | | |
| Tenant/Anchor Club - Free access to one meeting room during allocated training and game-day sessions. | | See comment | | Council |
| Incorporated Community Club/Group/School - Based in Surf Coast Shire | Hour | \$12.00 | Y | Council |
| | Half Day / 4 Hours | \$48.50 | Y | Council |
| | Full Day / 8 Hours | \$83.00 | Y | Council |
| Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity) | Hour | \$24.00 | Y | Council |
| | Half Day / 4 Hours | \$71.00 | Y | Council |
| | Full Day / 8 Hours | \$132.00 | Y | Council |
| Commercial Use and Non Surf Coast Shire Club/Group/School | Hour | \$43.00 | Y | Council |
| | Half Day / 4 Hours | \$142.50 | Y | Council |
| | Full Day / 8 Hours | \$273.00 | Y | Council |
| Grant Pavilion – Tantau and Cooper Function Rooms | | | | |
| Note Whole 2nd Level Available by Booking Both Rooms | | | | |
| Tenant/Anchor Club - 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. | | See comment | | Council |
| Incorporated Community Club/Group/School - Based in Surf Coast Shire | Hour | \$24.00 | Y | Council |
| Incorporated Community Club/Group/School - Based in Surf Coast Shire | Half Day | \$71.00 | Y | Council |
| Incorporated Community Club/Group/School - Based in Surf Coast Shire | Full Day | \$132.00 | Y | Council |
| Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity) | Hour | \$29.50 | Y | Council |
| Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity) | Half Day | \$96.00 | Y | Council |
| Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity) | Full Day | \$181.00 | Y | Council |
| Commercial Use and Non Surf Coast Shire Club/Group/School | Hour | \$60.50 | Y | Council |
| Commercial Use and Non Surf Coast Shire Club/Group/School | Half Day | \$241.00 | Y | Council |
| Commercial Use and Non Surf Coast Shire Club/Group/School | Full Day | \$414.00 | Y | Council |
| Grant Pavilion | | | | |
| Grant Pavilion Function Cleaning | | \$186.50 | Y | Council |
| Event Logistics Crew - Staff Member | Hour | \$35.00 | Y | Council |
| Waste Removal 240L Recycling Bin | Each | \$23.00 | Y | Council |
| Family & Children Services | | | | |
| Family Day Care | | | | |
| Family Day Care Administration Levy | Hour | \$1.70 | N | Council |
| Children's Services Hub | | | | |
| Occasional Care 4 Hour Session | Session | \$44.00 | N | Council |
| 3 Year Old Activity Program | Term | \$300.00 | N | Council |
| Kindergarten | | | | |
| 4 Year Old Program (Jan Juc, Torquay, Kurrabee Myaring, Lorne, Anglesea and Winchelsea) | Term | \$350.00 | N | Council |
| 3 Year Old Program (Lorne) (5 Hour Session) | Term | \$475.00 | N | Council |
| 3 year Old Program (Jan Juc) (3 Hour Session) | Term | \$315.00 | N | Council |
| 3 year Old Program (Jan Juc) (4 Hour Session) | Term | \$420.00 | N | Council |
| 3 year Old Program (Winchelsea) (4 Hour Session) | Term | \$400.00 | N | Council |
| 3 year Old Program (Anglesea) (4 Hour Session) | Term | \$360.00 | N | Council |
| 3 year Old Program (Kurrabee Myaring) (3 Hour Session) - Commencing 2018 | Term | \$330.00 | N | Council |
| Vacation Care | | | | |
| All Day Care per Child | | \$58.50 | N | Council |
| Excursion Costs per Child | | \$35.00 | N | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|-----------------------------|-------------------|--------------------|----------|
| COMMUNITY | | | | |
| Children's Services, Community Groups & Non-Profit Organisations | | | | |
| Business Hours | | | | |
| Single Room | Hour | \$16.00 | Y | Council |
| Playgroups | Hour | \$8.00 | Y | Council |
| After Hours (5.30pm – 10pm) | | | | |
| Single Room | Hour | \$25.50 | Y | Council |
| Commercial Use | | | | |
| Business Hours | | | | |
| Single Room | Hour | \$32.00 | Y | Council |
| After Hours (5.30pm – 10pm) | | | | |
| Single Room | Hour | \$47.50 | Y | Council |
| Office Hire | | | | |
| For-Profit Organisations | Day | \$106.00 | Y | Council |
| Non-Profit Organisations | Day | \$75.50 | Y | Council |
| Aged & Disability Services | | | | |
| Home and Community Care Services - Client Fees | | | | |
| 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. | | | | |
| Delivered Meals - Low, Medium & High Income Clients | | | | |
| 2 Course & Juice | per meal | \$8.90 - \$16.10 | N | Council |
| 3 Course & Juice | per meal | \$10 - \$17.90 | N | Council |
| Domestic Assistance (Domestic Home Care) (Low, Medium & High Income Clients) | Hour | \$7.20 - \$38.70 | N | Council |
| Personal Care | Hour | \$6.70 - \$38.70 | N | Council |
| Respite Care | Hour | \$3.30 - \$35.70 | N | Council |
| Property Maintenance (Low, Medium & High Income Clients) | Hour | \$12.70 - \$50.30 | N | Council |
| Morning Melodies - Includes Meal & Transport | 5 Event Season | \$195.00 | N | Council |
| Client Travel Charge | Km | \$0.70 | N | Council |
| Home Care Packages | | | | |
| Package Level 2; Case Management Level 5% | per annum | \$731.65 | N | Council |
| Package Level 2; Case Management Level 7.5% | per annum | \$1,097.47 | N | Council |
| Package Level 2; Case Management Level 10% | per annum | \$1,463.29 | N | Council |
| Package Level 3; Case Management Level 5% | per annum | \$1,608.56 | N | Council |
| Package Level 3; Case Management Level 7.5% | per annum | \$2,412.84 | N | Council |
| Package Level 3; Case Management Level 10% | per annum | \$3,217.11 | N | Council |
| Package Level 4; Case Management Level 5% | per annum | \$2,445.32 | N | Council |
| Package Level 4; Case Management Level 7.5% | per annum | \$3,667.98 | N | Council |
| Package Level 4; Case Management Level 10% | per annum | \$4,890.64 | N | Council |
| On Call(Care Coordination for after hours, weekends and emergencies) | per hour | \$95.00 | N | Council |
| Package Administration Fee | monthly at 20% | | | Council |
| Package Exit Fee(if client wishing to move to another provider. Does not apply if client moving into perm care, hospital, deceased) Please see brokered fees for service fees | flat fee at exit of package | \$500.00 | N | Council |
| Aged and Disability Services - Brokerage Fees | | | | |
| Minimum shift fee-(Minimum 30 minutes, except when stand alone, when minimum fee will be for 60mins) | | | | |
| Hourly rates are inclusive of staffing and operational cost, including non-client related travel. Rate applied will be based on time and day of service provision. | | | | |
| Delivered Meals - 3 Course & Juice | | \$21.55 | N | Council |
| Domestic Assistance (General Home Care) 7am-7pm (mon-Fri) | Hour | \$52.60 | N | Council |
| Domestic Assistance (Domestic Home Care) Weekend rate Before 7am and between 7-9pm Mon-Fri. Before 12pm Saturday and first two hours only. Surcharge rate applies after 2 hours | Hour | \$66.30 | N | Council |
| Domestic Assistance (Domestic Home Care) Surcharge Rate: After 9pm(Mon-Fri) Saturday(after first two hours on Weekend rate, and after 12pm) All day Sunday | hour | \$83.10 | N | council |
| Sleep Over Care | Hour | \$170.00 | N | Council |
| Personal Care 7am-7pm (Mon-Fri) | Hour | \$56.70 | N | Council |
| Personal Care Weekend. Before 7am and between 7-9pm Mon-Fri. Before 12pm Saturday and first two hours only. Surcharge rate applies after 2 hours | Hour | \$67.30 | N | Council |
| Personal Care Surcharge Rate: After 9pm(Mon-Fri). Saturday (after first two hours on Weekend rate, and after 12pm). All day Sunday | Hour | \$82.80 | N | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|---------------------------------|-------------------|--------------------|-----------------|
| COMMUNITY | | | | |
| Personal Care Public Holiday | Hour | \$98.30 | N | Council |
| Respite Care 7am-7pm Mon-Fri | Hour | \$57.50 | N | Council |
| Respite Care Weekend Rate Before 7am and between 7-9pm Mon-Fri. Before 12pm Saturday and first two hours only. Surcharge rate applies after 2 hours | Hour | \$71.50 | N | Council |
| Surcharge Rate: After 9pm(Mon-Fri) Saturday(after first two hours on Weekend rate, and after 12pm) All day Sunday. | Hour | \$87.50 | N | Council |
| Respite Public Holiday rate | Hour | \$105.00 | N | Council |
| Property Maintenance (materials are additional at cost.) | Hour | \$65.00 | N | Council |
| Uneventful or late cancellation (cancellation received after 12 midday, the day prior to the scheduled service) | as per rate of rostered shift | | | council |
| Veterans Affairs services | as per rate of Veterans Affairs | | | Veteran Affairs |
| NDIS | as set by NDIS | | | NDIS |
| Client Travel Charge | Km | \$1.30 | N | Council |
| CORPORATE | | | | |
| Financial Services | | | | |
| Rate Administration | | | | |
| Rate Searches – Hard Copy | Hour | \$125.00 | N | Council |
| Rate Searches – Computer Records | | \$26.00 | N | Council |
| Land Information Certificate | | \$24.80 | N | Statutory |
| Payment Rejection Administration Fee - Rates and Debtors | | \$45.00 | N | Council |
| Recovery Referral Fee | | \$37.00 | N | Council |
| Sales Register (Issued Quarterly not Including Names and Addresses) | | \$235.00 | N | Council |
| Interest on Sundry Debtors (Penalty Interest Act) | | 9.50% | N | Statutory |
| Information Services | | | | |
| Freedom of Information | | | | |
| Freedom of Information Fee | | \$27.90 | N | Statutory |
| Administration Cost for FOI Searches | Hour | \$20.90 | N | Statutory |
| Risk Management | | | | |
| Insurance | | | | |
| Contents Insurance for Approved Community Groups | | | | |
| Contents up to \$10,000 | Council | \$44.00 | Y | Council |
| Each Additional \$10,000 Contents or Part Thereof | Council | \$44.00 | Y | Council |
| GIS IMAGES | | | | |
| Low Resolution Images 40 dpi via Email | | \$0.00 | N | Council |
| Printed Images - First Copy of an Image | | | | |
| Size A0 | Each | \$58.00 | N | Council |
| Size A1 | Each | \$46.00 | N | Council |
| Size A2 | Each | \$34.00 | N | Council |
| Size A3 | Each | \$24.00 | N | Council |
| Size A4 | Each | \$12.50 | N | Council |
| Printed Images - Additional Copies of an Image | | | | |
| Size A0 | Each | \$44.00 | N | Council |
| Size A1 | Each | \$34.00 | N | Council |
| Size A2 | Each | \$27.00 | N | Council |
| Size A3 | Each | \$18.00 | N | Council |
| Size A4 | Each | \$10.50 | N | Council |
| Laminating A3 | Each | \$23.00 | N | Council |
| Laminating A4 | Each | \$18.00 | N | Council |
| Job specific mapping (Including Digital Data Supply) | Hour | \$56.00 | N | Council |
| Election Fines | | | | |
| Election Fines – Set by State Government | | \$76.00 | N | Statutory |
| Events | | | | |
| Application Fee to Stage new Commercial/Major events in Surf Coast Shire | | \$290.00 | N | Council |
| Visitor Centres | | | | |
| Marketing display fee - Lorne Visitor Centre A3 Display | Week | \$10.00 | Y | Council |
| Marketing display fee - Lorne Visitor Centre Light Box | Week | \$23.00 - \$37.00 | Y | Council |
| Marketing display fee - Lorne Visitor Centre Floor Display | Week | \$26.00 - \$74.00 | Y | Council |
| Marketing display fee - Lorne Visitor Centre Local Arts Display | Week | \$13.00 | Y | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|--------------|-------------|--------------------|-----------|
| PLANNING & ENVIRONMENT | | | | |
| Tourism | | | | |
| Commercial Tour Operator Licenses | | | | |
| Annual Fee – Standard One Year Licence | | \$282.00 | N | Statutory |
| Use Fee – General Visitor | Visitor | \$2.40 | N | Statutory |
| Use Fee – School Student and Child | Visitor | \$1.60 | N | Statutory |
| Use Fee Cap (Maximum) | | \$13,488.00 | N | Statutory |
| Business Road Signage Assessment and Installation | Minimum Cost | \$495.00 | N | Council |
| Surf World Surfing Museum | | | | |
| Theatre Hire Day Rate | Hour | \$73.00 | Y | Council |
| Theatre Hire Night Rate | Hour | \$134.00 | Y | Council |
| Whole Facility (Day or Night) | Hour | \$158.00 | Y | Council |
| Bond (Only for Whole Facility and Dependent on Group) | | \$600.00 | N | Council |
| Bond (for Hiring of Theatre Room Alone) | | \$200.00 | N | Council |
| Adult Entry | | \$12.00 | Y | Council |
| Child Entry | | \$8.00 | Y | Council |
| Children Under 5yrs | | \$0.00 | | Council |
| Concession Entry | | \$8.00 | Y | Council |
| Family Entry | | \$25.00 | Y | Council |
| School Groups Entry | | \$6.50 | Y | Council |
| Bells Tour School Groups | | \$9.00 | Y | Council |
| Theatre Hire Day Rate (Community Group) | Hour | \$52.00 | Y | Council |
| Theatre Hire Night Rate (Community Group) | Hour | \$109.00 | Y | Council |
| Research Fee without Museum Officer | Hour | \$10.50 | Y | Council |
| Research Fee with Museum Officer | Hour | \$37.00 | Y | Council |
| Copying / Image Reproduction | | | | |
| Books, Magazines, Newspapers and Journals (PDF) | Per 50 Pages | \$18.00 | Y | Council |
| Books, Magazines, Newspapers and Journals (TIFF) | Page | \$16.00 | Y | Council |
| Pictures and Photographs | Each | \$21.00 | Y | Council |
| Local Laws | | | | |
| Dog & Cat Registrations | | | | |
| Dog or Cat Eligible for Reduced Rate Under the Domestic Animals Act 1994. 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 which Complies with Regulations - Working Dog - Dogs Older than 10 Years Old | | \$41.70 | N | Council |
| Dangerous, Menacing or Restricted Breed Dogs | | \$344.50 | N | Council |
| All Other Dogs & Cats | | \$143.10 | N | Council |
| Late Payment Surcharge | | \$8.60 | N | Council |
| Pensioner Fees for Each Registration Category Other than Dangerous, Menacing or Restricted Breed Dogs | | | | Statutory |
| Dog & Cat Fees | | | | |
| Cat Cage Hire | Week | \$38.00 | Y | Council |
| Cat Cage Deposit | | \$63.90 | N | Council |
| Dogs Citronella Collar Hire | | \$45.30 | Y | Council |
| Dogs Citronella Collar Deposit | | \$63.90 | N | Council |
| Dogs Citronella Collar Refill | | \$18.70 | Y | Council |
| Domestic Animal Business | | \$536.70 | N | Council |
| Excess Dog Application and Inspection Fee | | \$227.60 | N | Council |
| Dog Pound Release Fee | | \$167.30 | Y | Council |
| Cat Pound Release Fee | | \$167.30 | Y | Council |
| Pound release (Unregistered Animal Surcharge) | | \$25.60 | N | Council |
| Replacement Dog/Cat Tags | | \$3.10 | N | Council |
| Impounding of Livestock (Other Than Dogs/Cats) | | | | |
| Cattle and Horses (Varies to Market Price) | Head | \$219.30 | Y | Council |
| Sheep, Pigs and Goats (Varies to Market Price) | Head | \$219.30 | Y | Council |
| Others (Varies to Market Price) | Head | \$14.50 | Y | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|------------------|----------|--------------------|-----------|
| PLANNING & ENVIRONMENT | | | | |
| After Hours Call Out | | \$339.20 | N | Council |
| Sustenance | Head | \$74.70 | N | Council |
| Penalties | | | | |
| Parking for a period longer than fixed | | \$155.00 | N | Statutory |
| Road Safety Act Parking Enforcement (Set by Statute) | | Various | N | Statutory |
| Release fee for impounded goods | | \$100.70 | N | Council |
| Towing of Abandoned Vehicles | | \$195.70 | N | Council |
| Permits | | | | |
| Shopfront 'Street' Trading Permits | | | | |
| A Frame Inspection and Application Fee | | \$72.10 | N | Council |
| A Frame Permit | | \$217.30 | N | Council |
| Permit Inspection and Application Fee | | \$37.00 | N | Council |
| To Occupy Public Place to Sell Merchandise – Winchelsea, Deans Marsh and Moriac | m2 of Used Space | \$53.60 | N | Council |
| To Occupy Public Place to Sell Merchandise – All Other Areas | m2 of Used Space | \$72.10 | N | Council |
| Street Furniture (Alfresco Dining) – Annual Permit – Winchelsea, Deans Marsh and Moriac | m2 of Used Space | \$104.00 | N | Council |
| Street Furniture (Alfresco Dining) – Annual Permit – All Other Areas | m2 of Used Space | \$135.90 | N | Council |
| Miscellaneous Permits | | | | |
| Disabled Parking Permits | | \$0.00 | N | Council |
| Open for Inspection Signage Permit | | \$235.90 | N | Council |
| Camping Permit Fee (Private Property) | | \$196.20 | N | Council |
| Occupy Temp Accommodation on Land | 6 Months | \$261.60 | N | Council |
| Occupy Road | Day | \$196.20 | N | Council |
| Waste Bin (Regardless of Size) < 30 Days | | \$103.00 | N | Council |
| Skip Waste Bin (up to 3 m ³) | 7 Days | \$0.00 | N | Council |
| Hopper Waste Bin (greater than 3m ³) | 7 Days | \$0.00 | N | Council |
| Hopper Waste Bin (greater than 3m ³) | 30 Days | \$0.00 | N | Council |
| Hoardings (fencing or barriers) Permit Fee | | \$261.60 | N | Council |
| Wedding Application Permit Fee - Conduct a Wedding on Council Land and Reserves | | \$170.00 | N | Council |
| Statutory Planning | | | | |
| Town Planning Application Fees (Set by Statute) | | Various | N | Statutory |
| Public Notice Fee – Up to 15 Notifications 1st Property | | \$126.00 | N | Council |
| Subsequent Properties | | \$9.00 | N | Council |
| Erect Public Notice on a property (Per Notice) | | \$200.00 | N | Council |
| Extension of Time | | \$306.70 | N | Council |
| Property Enquiries | | \$46.50 | N | Council |
| Demolition Consent Permit | | \$61.00 | N | Statutory |
| Amendment of Plans/Permits | | \$306.70 | N | Council |
| Subdivision Applications (Set by Statute) | | Various | N | Statutory |
| Subdivision Certification (Set by Statute) | | Various | N | Statutory |
| Building Approvals for Properties Search | | \$48.60 | N | Statutory |
| Plans for Approval (Ocean Acres, SUZ etc.) | | \$306.70 | N | Council |
| Written Advice | | \$132.00 | N | Council |
| Copy of Planning Permit | | \$50.00 | N | Council |
| Copy of Plans | | | | |
| A3 or A4 size | | \$11.50 | N | Council |
| A0 or A1 size | | \$22.50 | N | Council |
| Building Control - Building Charges (Minister's Guidelines + 25%) | | | | |
| Building Notice Resolution | | \$280.00 | N | Council |
| Storm Water Application (Legal Point of Discharge) | | \$64.10 | N | Statutory |
| Building over Easement | | \$256.90 | N | Statutory |
| Form 10 (Statutory Charge) Legal Enquiry | | \$51.15 | N | Statutory |
| Copy of Plans | | \$152.00 | N | Council |
| Copy of Building Approval/Certificate of Occupancy | | \$46.50 | N | Council |
| Variation of Regulations | | \$256.90 | N | Statutory |
| Inspections | | \$152.00 | N | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|------|-----------------------------|--------------------|-----------|
| PLANNING & ENVIRONMENT | | | | |
| Lodgement Fee (Statutory Charge) | | \$38.35 | N | Statutory |
| Issue of Building Approval | | Various | N | Statutory |
| Property Request Info | | \$115.30 | N | Statutory |
| Property Request Info 2.10 (Statutory) | | \$51.15 | N | Statutory |
| Environment Protection Act 1970 | | | | |
| Septic Tanks | | | | |
| Septic Tank Application Fee – Install | | \$590.00 | N | Council |
| Septic Tank Application Fee – Alter | | \$260.00 | N | Council |
| Building Regulation 801 Consent Request | | \$235.00 | N | Council |
| Septic Tank File Request | | \$32.00 | N | Council |
| Urgent Septic Tank File Request | | \$128.00 | N | Council |
| Food Act 1984 | | | | |
| New Registration | | | | |
| Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers) | | \$1,263.00 | N | Council |
| Class 1 Small Premises (Child Care & Delivered Meals Organisation) | | \$860.00 | N | Council |
| Class 2 Premises (includes mobile & temporary food premises) | | \$685.00 | N | Council |
| Class 2 - Each Additional Mobile and Temporary Food Premises | | \$106.00 | N | Council |
| Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises) | | \$398.00 | N | Council |
| Class 3 - Each Additional Mobile and Temporary Food Premises | | \$55.00 | N | Council |
| Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises) | | \$191.00 | N | Council |
| Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises) | | \$116.00 | N | Council |
| Mobile and Temporary Food Premises - Once Off Event | | 25% of New Registration Fee | N | Council |
| Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year) | | 0.00 | N | Council |
| Bi-annual pro-rata rates apply | | | | |
| Renewal of Registration | | | | |
| Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers) | | \$838.00 | N | Council |
| Class 1 Small Premises (Child Care & Delivered Meals Organisation) | | \$573.00 | N | Council |
| Class 2 Premises (includes mobile & temporary food premises) | | \$457.00 | N | Council |
| Class 2 - Each Additional Mobile and Temporary Food Premises | | \$105.00 | N | Council |
| Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises) | | \$265.00 | N | Council |
| Class 3 - Each Additional Mobile and Temporary Food Premises | | \$55.00 | N | Council |
| Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises) | | \$128.00 | N | Council |
| Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises) | | \$74.00 | N | Council |
| Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year) | | \$0.00 | N | Council |
| Mobile and Temporary Food Premises - Once Off Event | | 25% of New Registration Fee | N | Council |
| Renewal of Registration - 5 Star Rating | | | | |
| Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers) | | \$758.00 | N | Council |
| Class 1 Small Premises (Child Care & Delivered Meals Organisation) | | \$520.00 | N | Council |
| Class 2 Premises (includes mobile & temporary food premises) | | \$414.00 | N | Council |
| Renewal of Registration - 2 Star Rating | | | | |
| Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers) | | \$1,087.00 | N | Council |
| Class 1 Small Premises (Child Care & Delivered Meals Organisation) | | \$743.00 | N | Council |
| Class 2 Premises (includes mobile & temporary food premises) | | \$589.00 | N | Council |
| Renewal of Registration - 1 Star Rating | | | | |
| Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers) | | \$1,172.00 | N | Council |
| Class 1 Small Premises (Child Care & Delivered Meals Organisation) | | \$796.00 | N | Council |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|--|-----------|--------------------------------------|--------------------|-----------|
| PLANNING & ENVIRONMENT | | | | |
| Class 2 Premises (includes mobile & temporary food premises) | | \$636.00 | N | Council |
| Transfer of Registration | | | | |
| Application for Transfer of Registration | | 50% Renewal of Registration Fee | N | Council |
| Request for Inspection/assessment and report fee | | \$254.50 | N | Council |
| Urgent request for Inspection/assessment and report fee (within 2 working days) | | \$493.50 | N | Council |
| Note: Food premises are classed in accordance with section 19c of the Food Act 1984 | | | | |
| Public Health and Wellbeing Act 2008 | | | | |
| Registered Premises – New Application: | | | | |
| Hairdressing and/or Temporary Make Up | | | | |
| New Application Once off Application | | \$150.00 | N | Council |
| Transfer | | \$150.00 | N | Council |
| Beauty Therapy (excl. Temporary Make Up) | | | | |
| New Application | | \$150.00 | N | Council |
| Renewal | | \$150.00 | N | Council |
| Transfer | | \$80.00 | N | Council |
| Skin Penetration, Tattooing, Colonic Irrigation | | | | |
| New Application | | \$207.00 | N | Council |
| Renewal | | \$207.00 | N | Council |
| Transfer | | \$100.00 | N | Council |
| Prescribed Accommodation – New Application / Renewal | | | | |
| 6-15 people | | \$292.00 | N | Council |
| 16-25 people | | \$415.00 | N | Council |
| 26-50 people | | \$530.00 | N | Council |
| > 50 people | | \$705.00 | N | Council |
| Prescribed Accommodation – Transfer | | 50% of new application / renewal fee | N | Council |
| Bi-annual pro-rata rates apply | | | | |
| Caravan Parks (Fee Per Unit Set By State Government) | | | | |
| Caravan Park Registration - Fee Lesser of Council Fee or Cap Under Residential Tenancies Act 1997 | Site | \$10.00 | N | Statutory |
| Transfer of Caravan Park Registration | Fee Units | 5.00 fee units | N | Statutory |
| Immunisations | | | | |
| Immunisation (Vaccines) | | At cost per dose plus 30% | N | Council |
| Immunisation History Search | | 22.00 | N | Council |
| Fire Prevention (Fee Per Unit Set By State Government) | | | | |
| CFA Act Infringement Notice (legislated fee) | Fee Units | 10.00 fee units | N | Statutory |
| Block Clearing | | Cost + \$160.00 | N | Council |
| Application for Permit to Burn | | \$0.00 | N | Council |
| INFRASTRUCTURE | | | | |
| Infrastructure Administration | | | | |
| Vehicle Crossings (Non-Utilities) | | \$175.00 | N | Council |
| Additional Inspection | | \$77.50 | N | Council |
| Memorandum of Authorisation (Traffic Management Plan Approval) | | \$93.00 | N | Council |
| Asset Protection Permit | | \$175.00 | N | Council |
| Road Works Permits (Fee Per Unit Set By State Government) | | | | |
| Arterial Road – Works, Other than Minor Works on Roadway, Shoulder or Pathway | Fee Units | 43.20 fee units | N | Statutory |
| Arterial Road – Works, Other than Minor Works not on Roadway, Shoulder or Pathway | Fee Units | 30.20 fee units | N | Statutory |
| Arterial Road – Minor Works on Roadway, Shoulder or Pathway | Fee Units | 16.00 fee units | N | Statutory |
| Arterial Road – Minor Works not on Roadway, Shoulder or Pathway | Fee Units | 9.50 fee units | N | Statutory |
| Other Roads Speed Over 50km/h –Works, Other than Minor Works on Roadway, Shoulder or Pathway | Fee Units | 43.10 fee units | N | Statutory |
| Other Roads Speeds Over 50km/h –Works, Other than Minor Works not on Roadway, Shoulder or Pathway | Fee Units | 23.50 fee units | N | Statutory |
| Other Roads Speeds Over 50km/h – Minor Works on Roadway, Shoulder or Pathway | Fee Units | 9.30 fee units | N | Statutory |
| Other Roads Speeds Over 50km/h – Minor Works not on Roadway, Shoulder or Pathway | Fee Units | 6.00 fee units | N | Statutory |
| Other Roads Speed Under 50km/h –Works, Other than Minor Works on Roadway, Shoulder or Pathway | Fee Units | 23.50 fee units | N | Statutory |
| Other Roads Speeds Under 50km/h –Works, Other than Minor Works not on Roadway, Shoulder or Pathway | Fee Units | 6.00 fee units | N | Statutory |
| Other Roads Speeds Under 50km/h – Minor Works on Roadway, Shoulder or Pathway | Fee Units | 9.30 fee units | N | Statutory |
| Other Roads Speeds Under 50km/h – Minor Works not on Roadway, Shoulder or Pathway | Fee Units | 6.00 fee units | N | Statutory |

| Description | Unit | 2017/18 | Includes GST (Y/N) | Fee Type |
|---|-------------|-------------|--------------------|-----------|
| INFRASTRUCTURE | | | | |
| Water Permits | | | | |
| Water Permits - Minimum Charge Includes First 3,000 Litres | | \$21.22 | N | Council |
| Water Permits - Cost per Kilolitre Above 3,000 litres | | \$2.37 | N | Council |
| Developer Levies | | | | |
| Non-Standard Public Lighting Levy | | \$300.00 | N | Council |
| Admin. Fee – Special Rate Projects | Percentage | 6.00% | N | Council |
| Subdivision Supervision Fees | Percentage | 2.50% | N | Statutory |
| Subdivisions Plan - Checking Fees | Percentage | 0.75% | N | Statutory |
| Drainage Investigation for Unit Developments (Up-to Three Units) | | \$420.00 | N | Council |
| Drainage Investigation Hourly Rate | | \$120.00 | N | Council |
| Waste Disposal | | | | |
| Domestic Garbage - Uncompacted Waste | Cubic Metre | \$82.00 | Y | Council |
| Domestic Hard Waste - Uncompacted Waste | Cubic Metre | \$82.00 | Y | Council |
| Commercial Garbage – Compacted Waste | Tonne | \$141.00 | Y | Council |
| Commercial Garbage - Uncompacted Waste | Cubic Metre | \$82.00 | Y | Council |
| Commercial Hard Waste – Uncompacted Waste | Cubic Metre | \$82.00 | Y | Council |
| Clean Fill (Anglesea Only – Subject to Demand) | Tonne | \$22.50 | Y | Council |
| Construction & Demolition – Waste Mixed | Tonne | \$141.00 | Y | Council |
| Construction & Demolition – Recyclable Timber (Anglesea) | Tonne | \$30.00 | Y | Council |
| Construction & Demolition – Recyclable Timber | Cubic Metre | \$37.00 | Y | Council |
| Construction & Demolition – Recycle Plaster (Anglesea) | Tonne | \$30.00 | Y | Council |
| Construction & Demolition – Recyclable Concrete/Bricks (Anglesea) | Tonne | \$62.00 | Y | Council |
| Construction & Demolition – Recyclable Concrete/Bricks (Lorne) | Cubic Metre | \$99.00 | Y | Council |
| Recyclable Material (if more than 0.5m3) | Cubic Metre | \$13.00 | Y | Council |
| Green Waste | Cubic Metre | \$29.00 | Y | Council |
| Tree stumps (Anglesea only) | Tonne | \$40.00 | Y | Council |
| Sand (Anglesea only) | Tonne | \$0.00 | | Council |
| General Items | | | | |
| Car Tyres | Each | \$8.00 | Y | Council |
| Light Truck/4wd Tyres | Each | \$9.50 | Y | Council |
| Truck Tyres | Each | \$21.00 | Y | Council |
| Car Bodies | Each | \$57.00 | Y | Council |
| Mattresses (& Bases) | Each | \$22.50 | Y | Council |
| TVs | Each | \$7.50 | Y | Council |
| Sale of Mulch (Subject to Availability) | Cubic Metre | \$14.50 | Y | Council |
| Sale of Second Hand Bins (Anglesea only – Subject to Availability) | Each | \$15.00 | Y | Council |
| Sale of Compost Bins | Each | \$55.00 | Y | Council |
| Sale of Reusable Items - Fee for Items to be Determined by Coordinator Waste Management | Each | See comment | Y | Council |
| Sale of Timber Grindings (subject to availability) | Cubic Metre | \$0.00 | Y | Council |
| Sale of Crushed Masonry (subject to availability) | Cubic Metre | \$15.00 | Y | Council |
| Sale of Ground Plaster (Anglesea only - subject to availability) | Cubic Metre | \$0.00 | Y | Council |
| Kerbside Waste Collection | | | | |
| Residential Garbage Service Upgrade - 240L Bin | Year | \$180.00 | N | Council |
| Additional Residential Recycle Service – 120L, 240L or 360L Bin | Year | \$66.00 | N | Council |
| Upgrade Residential Recycle Service to 360L Bin | Occasion | \$61.00 | N | Council |
| Additional Residential Green Waste Service – 120L, 240L or 360L Bin | Year | \$71.00 | N | Council |
| Upgrade Residential Green Waste Service to 360L Bin | Year | \$61.00 | N | Council |
| Event Bin Hire | Each | \$18.50 | N | Council |
| Infrequently Occupied Residence Bin Placement Fee | Occasion | \$6.50 | N | Council |
| Replacement Key | Each | \$2.00 | N | Council |
| Gravity Lock Bin Lid | Each | \$43.00 | N | Council |
| SafeWaste bin strap | Each | \$2.50 | N | Council |

Standpipe Water Charges

Note water charges do not attract GST charges.

| Litres | Gallons | 2017/18 (\$) |
|---------------|---------|--------------|
| 0-3,000 | 600 | 21.22 |
| 3,000 - 6,000 | 1,200 | 27.58 |
| 9,000 | 2,000 | 36.07 |
| 11,400 | 2,500 | 40.31 |
| 13,600 | 3,000 | 45.62 |
| 15,900 | 3,500 | 51.98 |
| 18,200 | 4,000 | 58.35 |
| 20,500 | 4,500 | 66.84 |
| 22,700 | 5,000 | 73.20 |
| 25,000 | 5,500 | 80.63 |
| 27,300 | 6,000 | 88.05 |
| 29,500 | 6,500 | 96.54 |
| 31,800 | 7,000 | 102.91 |
| 34,100 | 7,500 | 110.33 |
| 36,400 | 8,000 | 117.76 |
| 38,600 | 8,500 | 126.25 |
| 40,900 | 9,000 | 132.61 |
| 43,200 | 9,500 | 140.04 |
| 45,500 | 10,000 | 147.47 |
| 50,000 | 11,000 | 162.32 |
| 54,600 | 12,000 | 177.17 |
| 59,100 | 13,000 | 192.02 |
| 63,600 | 14,000 | 205.81 |
| 68,200 | 15,000 | 221.73 |
| 72,700 | 16,000 | 235.52 |
| 77,300 | 17,000 | 251.43 |
| 81,800 | 18,000 | 265.23 |
| 86,400 | 19,000 | 281.14 |
| 91,000 | 20,000 | 294.93 |
| 95,500 | 21,000 | 310.84 |
| 100,000 | 22,000 | 324.64 |
| 104,600 | 23,000 | 340.55 |
| 109,100 | 24,000 | 353.28 |
| 113,700 | 25,000 | 368.13 |
| 118,200 | 26,000 | 382.98 |
| 122,700 | 27,000 | 396.78 |
| 127,300 | 28,000 | 412.69 |
| 131,800 | 29,000 | 426.48 |

Appendix G - 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 flows into this Reserve occur 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 2017: | \$1,017,000 |
| Budgeted Balance as at 30 June 2018: | \$1,034,000 |

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 2017: | \$210,000 |
| Budgeted Balance as at 30 June 2018: | \$210,000 |

Developer Contributions Reserve (legislative)

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 2017: | \$3,241,000 |
| Budgeted Balance as at 30 June 2018: | \$4,826,000 |

Home Care Packages Reserve (contractual)

Purpose

The purpose of this reserve is to meet Council's obligation under Commonwealth Government legislation to carry any unspent individual client funds into future periods.

Typical Sources of Inflows and Outflows:

Inflows are from unspent client funds at year end and outflows are from client's utilising funds from the prior period.

| | |
|--------------------------------------|----------|
| Forecast Balance as at 30 June 2017: | \$36,000 |
| Budgeted Balance as at 30 June 2018: | \$36,000 |

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 2017: | \$1,863,000 |
| Budgeted Balance as at 30 June 2018: | \$1,900,000 |

Unrestricted Reserves

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 2017: | \$807,000 |
| Budgeted Balance as at 30 June 2018: | \$527,000 |

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 2017: | \$150,000 |
| Budgeted Balance as at 30 June 2018: | \$87,000 |

Waste Reserve

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 2017: | \$3,858,000 |
| Budgeted Balance as at 30 June 2018: | \$4,857,000 |

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 2017: | \$308,000 |
| Budgeted Balance as at 30 June 2018: | \$315,000 |

DCP Council Funds Reserve

Purpose

The purpose of this reserve is to provide funding based on the Torquay/Jan Juc Developer Plan.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis at a predetermined rate as set by Council. Funds from Torquay/Jan Juc DCP projects completed under budget will also be returned to this reserve. Outflows from this reserve will be spent on the delivery of DCP projects.

| | |
|--------------------------------------|-------------|
| Forecast Balance as at 30 June 2017: | \$1,250,000 |
| Budgeted Balance as at 30 June 2018: | \$1,441,000 |

Winchelsea Infrastructure Plan Allocation Reserve

Purpose

The purpose of this reserve is to provide funding for projects in line with strategies yet to be approved and 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 on a straight line basis at a predetermined rate as set by Council. Funds from Winchelsea Infrastructure Plan projects completed under budget will also be returned to this reserve. Outflows from this reserve will be spent on the delivery of Winchelsea Infrastructure Plan Allocation projects that are yet to be defined..

| | |
|--------------------------------------|----------|
| Forecast Balance as at 30 June 2017: | \$Nil |
| Budgeted Balance as at 30 June 2018: | \$80,000 |

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 2017: \$1,542,000

Budgeted Balance as at 30 June 2018: \$1,815,000

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 2017: \$724,000

Budgeted Balance as at 30 June 2018: \$974,000

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 2017: \$13,812,000

Budgeted Balance as at 30 June 2018: \$10,481,000

Carried Forward Operational Projects Reserve

Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for operational 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 2017: \$1,494,000

Budgeted Balance as at 30 June 2018: \$826,000

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 2017: | \$4,881,000 |
| Budgeted Balance as at 30 June 2018: | \$2,905,000 |

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 2016: | \$3,859,000 |
| Budgeted Balance as at 30 June 2017: | \$3,762,000 |

Appendix H - Financial Performance Indicators

| Indicator | Measure | 2016/17 Forecast | 2017/18 Budget | 2018/19 Forecast | 2019/20 Forecast | 2020/21 Forecast | Trend +/- |
|----------------------------|--|---------------------|-------------------|---------------------|---------------------|---------------------|--------------|
| Operating position | | | | | | | |
| Adjusted underlying result | Adjusted underlying surplus (deficit) / Adjusted underlying revenue | 7.50% | -2.03% | 5.11% | 9.38% | 7.46% | + |
| Liquidity | | | | | | | |
| Working Capital | Current assets / current liabilities | 343.74% | 341.93% | 336.91% | 282.21% | 366.30% | + |
| Obligations | | | | | | | |
| Loans and borrowings | Interest bearing loans and borrowings / rate revenue | 31.20% | 34.98% | 31.81% | 28.66% | 25.56% | + |
| Loans and borrowings | Interest and principal repayments on interest bearing loans and borrowings / rate revenue | 3.66% | 4.02% | 4.22% | 4.10% | 3.88% | - |
| Indebtedness | Non-current liabilities / own source revenue | 46.93% | 48.61% | 45.84% | 37.11% | 34.00% | + |
| Asset renewal | Asset renewal and upgrade expenses / Asset depreciation | 76.09% | 102.76% | 95.06% | 106.94% | 98.41% | + |
| Stability | | | | | | | |
| Rates concentration | Rate revenue / adjusted underlying revenue | 68.15% | 73.31% | 71.85% | 71.95% | 72.67% | - |
| Rates effort | Rate revenue / CIV of rateable properties in the municipality | 0.34% | 0.34% | 0.35% | 0.36% | 0.38% | o |
| Efficiency | | | | | | | |
| Expenditure level | Total expenses/ no. of property assessments | \$3,093 | \$3,227 | \$3,119 | \$3,035 | \$3,132 | o |
| Revenue level | Residential rate revenue / No. of residential property assessments | \$1,891 | \$1,936 | \$1,993 | \$2,055 | \$2,118 | + |
| Workforce turnover | No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | o |

Appendix I - Council Contributions to External Parties

| Category / Organisation | 2017/18 (\$) |
|--|------------------|
| Business / Tourism / Traders Associations | 163,407 |
| Great Ocean Road Regional Tourism | 153,407 |
| Aireys Inlet Tourism and Traders Association | 2,000 |
| Anglesea Business and Tourism Association | 2,000 |
| Growing Winchelsea | 2,000 |
| Lorne Business and Tourism Association | 2,000 |
| Torquay Commerce and Tourism Association | 2,000 |
| Early Years / Education Providers | 21,108 |
| Torquay School Stadium Project - Joint Use Agreement | 15,608 |
| Moriac Kindergarten | 4,000 |
| Surf Coast Toy Library | 1,500 |
| Funding Programs | 243,500 |
| Major Events Program | 87,500 |
| Minor Community Grants | 75,000 |
| Signature Events Program | 55,000 |
| ANZAC Day Contributions | 15,000 |
| Community Events Program | 11,000 |
| Local Government | 131,500 |
| G21 Regional Alliance | 60,000 |
| Municipal Association of Victoria | 30,000 |
| Peri Urban Group of Councils | 15,000 |
| Victorian Local Government Association | 10,000 |
| Committee for Geelong | 5,000 |
| Geelong Chamber of Commerce | 3,000 |
| LG Pro | 3,000 |
| Rural Councils Victoria | 3,000 |
| Municipal Engineering Foundation Scholarships Program | 1,500 |
| Australian Local Government Women's Association | 1,000 |
| Other Programs & Services | 762,045 |
| Geelong Regional Library Corporation | 685,133 |
| Victorian State Emergency Services | 33,815 |
| Barwon South West Waste Management Group | 17,000 |
| TX Australia Pty Ltd - Anglesea Television Blackspot | 15,000 |
| Barwon Sports Academy | 5,647 |
| Corangamite Catchment Management | 3,850 |
| Mt Gellibrand Fire Tower Lookout Committee | 1,600 |
| Senior Citizens / Community Houses & Groups | 49,500 |
| 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 | 4,400 |
| Lorne Senior Citizens Centre | 4,400 |
| Moriac and District Seniors Citizens Club | 4,400 |
| Torquay Senior Citizens Centre | 4,400 |
| Winchelsea Senior Citizens Centre | 4,400 |
| Barwon Neighbourhood House Network | 2,500 |
| Total Contributions | 1,371,060 |

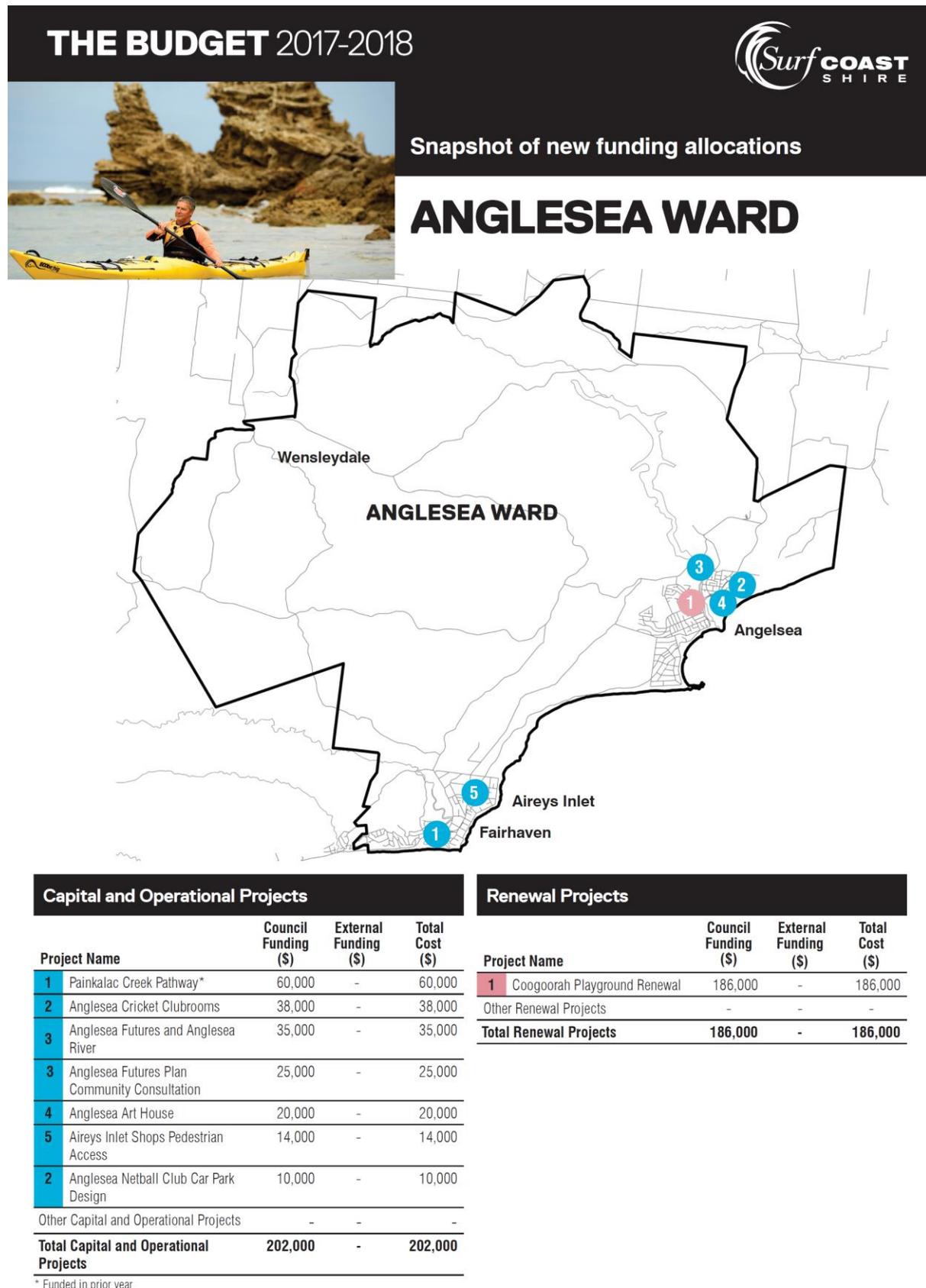
Appendix J - Asset Renewal Backlog

The asset renewal backlog lists assets that have reached the service level at which Council renews assets, but at this stage have not been allocated funding. These items will be prioritised for consideration in Council's 2018/19 budget.

| Township | Asset Location | Works Description | Estimated Replacement Cost \$ |
|------------------------------------|---|--|----------------------------------|
| Unsealed Roads | | | |
| Aireys Inlet | Gilbert Street - Unnamed Rd RHS To Boundary Rd | Gravel Resheet | 75,000 |
| Pennyroyal | Dunse Track - Pennyroyal Valley Rd To End of Council Asset | Gravel Resheet | 61,000 |
| Deans Marsh | Sincocks Road - Deans Marsh/Lorne Rd To End | Gravel Resheet | 31,000 |
| Bambra | Bambra Cemetery Road - Property No 200 To Swayns La | Gravel Resheet | 28,000 |
| Buckley | Lewis Road - Buckley Rd To Lake Modewarre | Gravel Resheet | 24,000 |
| Winchelsea | Menzels Road - Ondit Rd To End | Gravel Resheet | 24,000 |
| Moggs Creeks | Old Coach Road - Bimbadeen Dr To Bambra Rd | Gravel Resheet | 17,000 |
| Deans Marsh | Carrong Track - Deans Marsh Lorne Road To End | Gravel Resheet | 17,000 |
| Lorne | Grove Road - Unnamed Road Reserve To Erskine Falls Rd | Gravel Resheet | 16,000 |
| Deans Marsh | Barreet Lane - Deans Marsh Lorne to Pennyroyal Station Rd | Gravel Resheet | 13,000 |
| Various | Various Roads (less than \$10,000) | Gravel Resheet | 31,000 |
| Sealed Roads | | | |
| | Nil at intervention | | |
| Kerb | | | |
| | Nil at intervention | | |
| Buildings | | | |
| Winchelsea | Hesse Street Reserve - Tennis Clubroom | Replace Building (Awaiting outcome of Scout/Council discussions) | 200,000 |
| Drainage | | | |
| Torquay | Spring Creek Catchment 1 | Replace 750m - Various Locations | 160,000 |
| Jan Juc | Jan Juc Catchment 7 | Replace 180m - Various Locations | 50,000 |
| Jan Juc | Jan Juc Catchment 4 | Replace 140m - Various Locations | 41,000 |
| Footpaths (Roads and Parks) | | | |
| Jan Juc | Sunset Strip - Alexandra Ave to Cantala Dr - right lane | Footpath Replacement | 37,000 |
| Torquay | Almeida Close - Conside Crescent To T- Junction | Footpath Replacement | 31,000 |
| Lorne | Mountjoy Parade Service Road - Sealed section outside Grand Pacific Hotel | Footpath Replacement | 30,000 |
| Anglesea | Gabba Court - Arinya Cres To End Of Court | Footpath Replacement | 29,000 |
| Winchelsea | Harding Street - Hopkins St To Willis Street | Footpath Replacement | 23,000 |
| Jan Juc | St Andrews Drive - Hoylake Avenue To Court Bowl | Footpath Replacement | 23,000 |
| Lorne | Otway Street - 0629003 - Mountjoy Parade To Lower Otway st | Footpath Replacement | 20,000 |
| Anglesea | Noble Street - 0602001 - Reserve Rd To Roundabout at Murray St | Footpath Replacement | 19,000 |
| Anglesea | Great Ocean Rd Service Rd, Anglesea - 0705001 - Camp to McDougall Rds | Footpath Replacement | 16,000 |
| Lorne | Grove Road - 0359003 - Mountjoy Parade To Otway St | Footpath Replacement | 16,000 |
| Aireys Inlet | Aireys Inlet Allen Noble Sanctuary | Footpath Replacement | 15,000 |
| Torquay | Frog Hollow Drive - 0884001 - Messmate Road to Property 14 | Footpath Replacement | 13,000 |
| Lorne | Mountjoy Parade - 0576007 - Beal St to Francis St (Roadside Only) | Footpath Replacement | 11,000 |
| Torquay | Torquay Spring Creek Nature Reserve | Footpath Replacement | 11,000 |
| Various | Various small pathway segments | Footpath Replacement | 98,000 |
| Open Space | | | |
| Lorne | Stribling Reserve | Renewal of Open Space Items | 74,000 |
| Winchelsea | Eastern Reserve | Renewal of Open Space Items | 51,000 |
| Bellbrae | Bellbrae Picnic Reserve | Renewal of Open Space Items | 35,000 |
| Lorne | Lorne Community House | Renewal of Open Space Items | 35,000 |
| Aireys Inlet | Anderson Roadknight Reserve | Renewal of Open Space Items | 20,000 |
| Jan Juc | Jan Juc Creek Reserve | Renewal of Open Space Items | 10,000 |
| Various | Various Other Reserves | Renewal of Open Space Items | 35,000 |
| Total Assets | | | 1,440,000 |

Appendix K - Budget Highlights by Ward

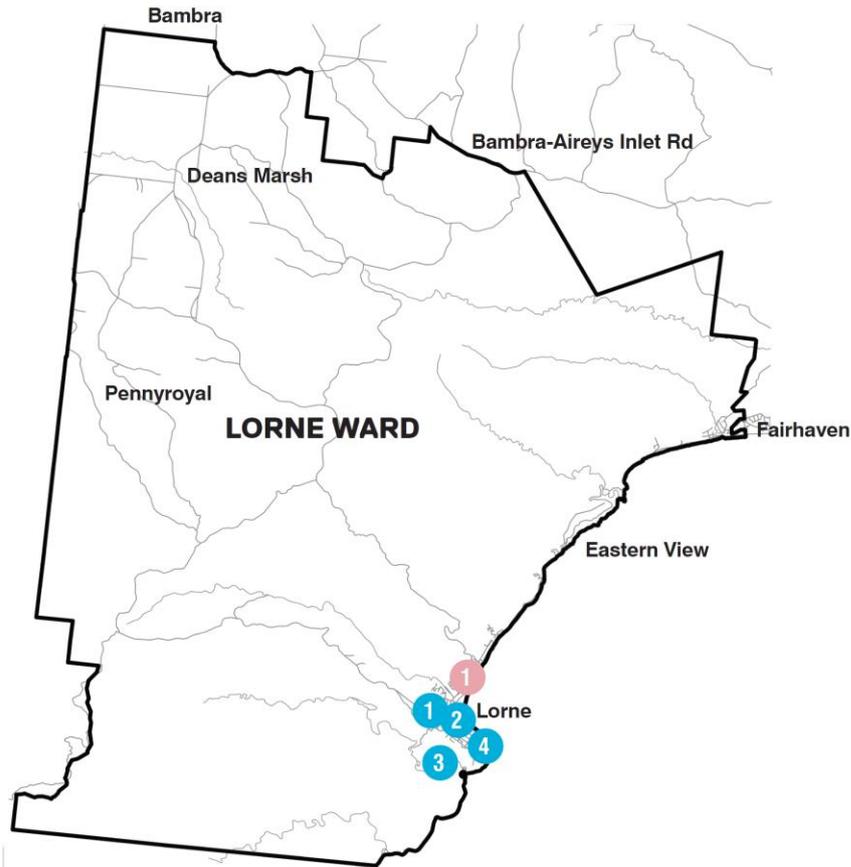
Note: Figures show new project allocations excluding contingency.





Snapshot of new funding allocations

LORNE WARD

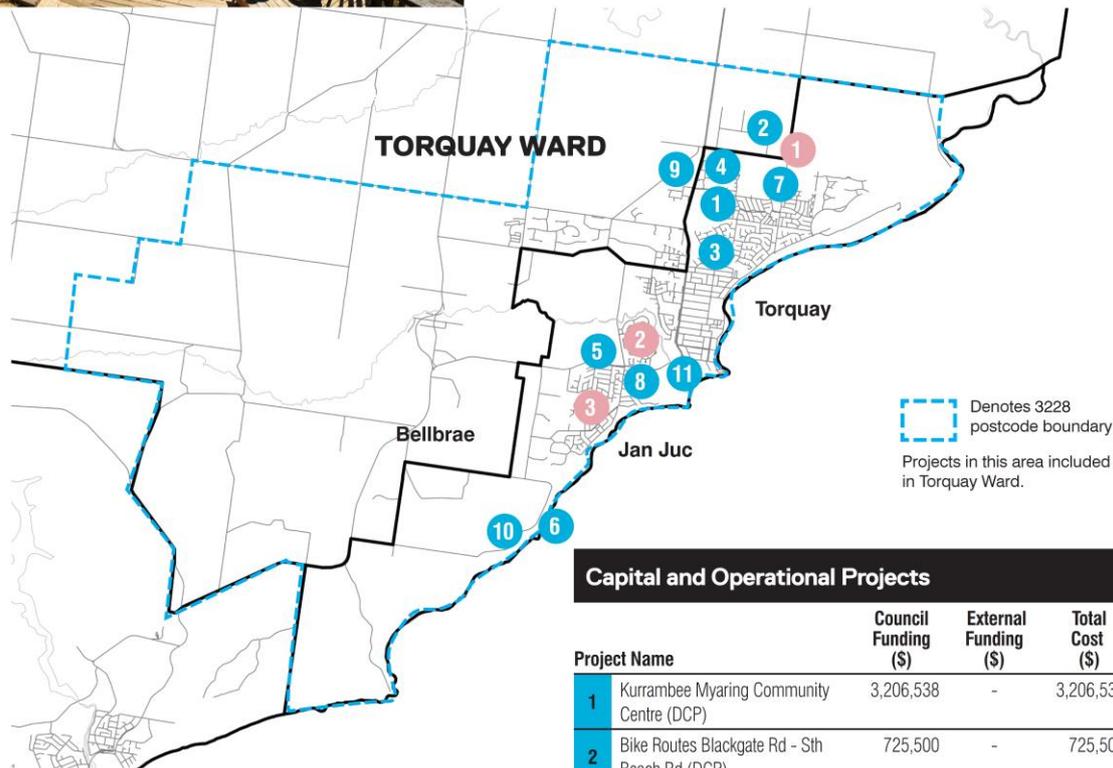


| Capital and Operational Projects | | | | Renewal Projects | | | |
|---|----------------------|-----------------------|-----------------|-------------------------------|----------------------|-----------------------|-----------------|
| Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) | Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) |
| 1 Stribling Reserve Change Rooms Design | 86,000 | - | 86,000 | 1 Duncan Street Footpath | 61,000 | - | 61,000 |
| 2 Lorne Historic Society Building Fascade | 50,000 | - | 50,000 | Other Renewal Projects | - | - | - |
| 3 Lorne Pathway Project | 28,000 | - | 28,000 | Total Renewal Projects | 61,000 | - | 61,000 |
| 4 Lorne Structure Plan Consultation | 20,000 | - | 20,000 | | | | |
| Other Capital and Operational Projects | - | - | - | | | | |
| Total Capital and Operational Projects | 184,000 | - | 184,000 | | | | |



Snapshot of new funding allocations

TORQUAY WARD



Capital and Operational Projects

| Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) |
|---|----------------------|-----------------------|------------------|
| 1 Kurrabee Myaring Community Centre (DCP) | 3,206,538 | - | 3,206,538 |
| 2 Bike Routes Blackgate Rd - Sth Beach Rd (DCP) | 725,500 | - | 725,500 |
| 3 Deep Creek Linear Reserve (DCP) | 387,000 | - | 387,000 |
| 4 Surf Coast Civic Precinct Microgrid | 113,700 | - | 113,700 |
| 5 Jan Juc Zone 2 Master Plan Implementation | 108,100 | - | 108,100 |
| 6 Bells Beach Reserve (DCP) | 108,000 | - | 108,000 |
| 7 Bike Routes Sth of Sth Beach Rd (DCP) | 77,000 | - | 77,000 |
| 8 Torquay/Jan Juc Social Infrastructure Needs Study | 48,000 | - | 48,000 |
| 9 Grass Tree Park (DCP) | 33,000 | - | 33,000 |
| 10 Bells Beach Master Plan Stage 1 | 32,000 | - | 32,000 |
| 11 Torquay Cricket Practice Facilities Upgrade | 15,000 | 10,000 | 25,000 |
| Other Capital and Operational Projects | 147,000 | - | 147,000 |
| Total Capital and Operational Projects | 5,001,338 | 10,000 | 5,011,338 |

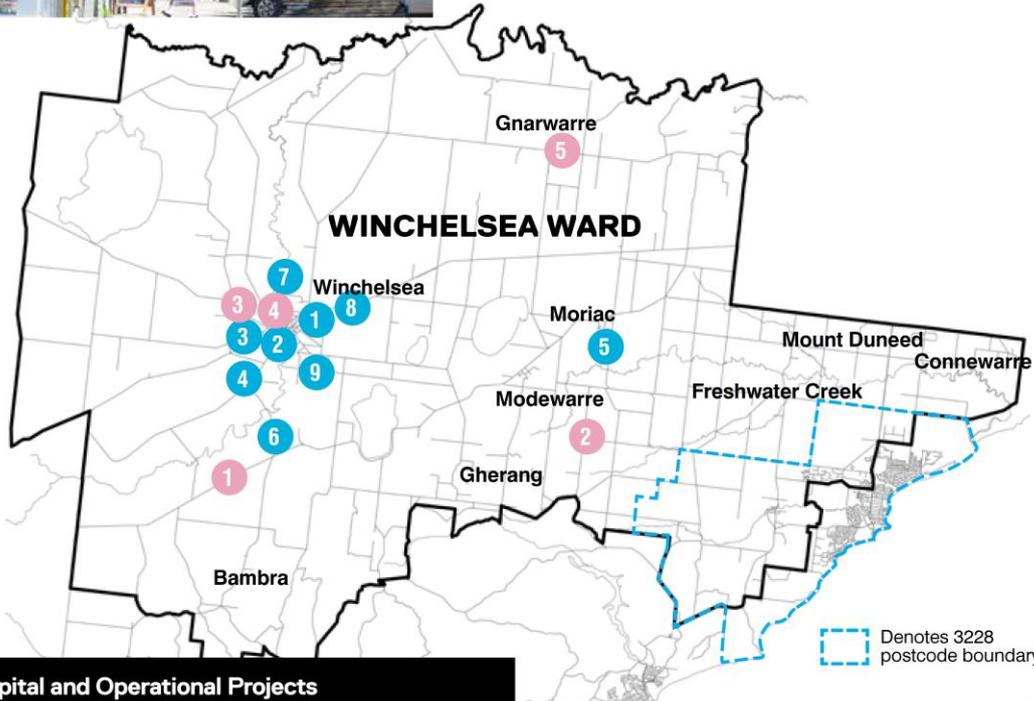
Renewal Projects

| Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) |
|---|----------------------|-----------------------|-----------------|
| 1 Sealed Road Renewal Program - Horseshoe Bend Road | 371,000 | - | 371,000 |
| 2 Spring Creek Reserve Toilet | 127,000 | - | 127,000 |
| 3 Bob Pettitt Reserve Tennis Courts | 70,000 | - | 70,000 |
| Other Renewal Projects | - | - | - |
| Total Renewal Projects | 568,000 | - | 568,000 |



Snapshot of new funding allocations

WINCHELSEA WARD



Capital and Operational Projects

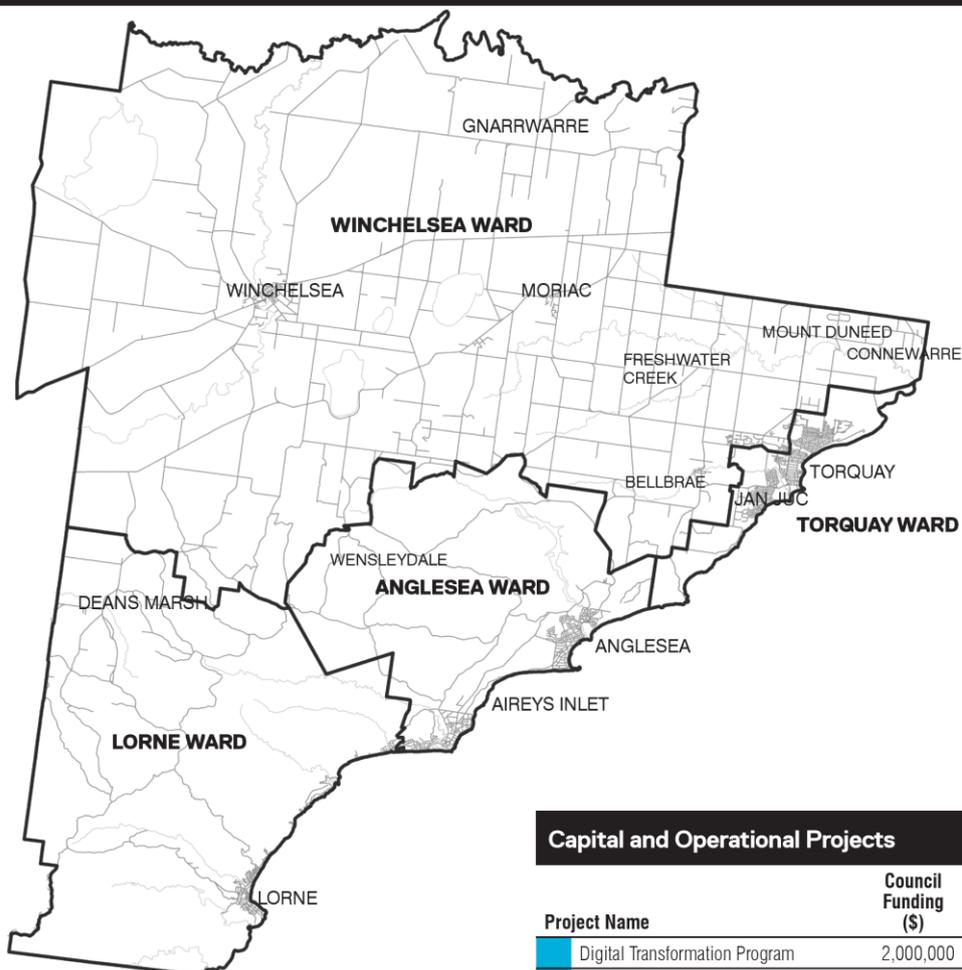
| Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) |
|---|----------------------|-----------------------|------------------|
| 1 Cape Otway Road Federal Blackspot | - | 1,714,000 | 1,714,000 |
| 1 Winchelsea Netball Pavilion Upgrade | 313,000 | - | 313,000 |
| 2 Winchelsea Pathway Project | 100,000 | 20,000 | 120,000 |
| 3 Winchelsea Town Centre Beautification | 50,000 | - | 50,000 |
| 4 Winchelsea DCP Review | 23,000 | - | 23,000 |
| 5 Moriac Pathway Project | 21,000 | 1,000 | 22,000 |
| 6 Cape Otway Road/Winchelsea-Deans Mash Road | 20,000 | - | 20,000 |
| 7 Growing Winchelsea Planning Panel | 10,000 | - | 10,000 |
| 8 Winchelsea RV Friendly Area | 8,500 | - | 8,500 |
| 9 Irrigation Project Winchelsea Golf Course | 7,000 | - | 7,000 |
| Other Capital and Operational Projects | - | - | - |
| Total Capital and Operational Projects | 552,500 | 1,735,000 | 2,287,500 |

Projects in this area included in Torquay Ward

Renewal Projects

| Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) |
|-------------------------------|----------------------|-----------------------|------------------|
| 1 Cape Otway Road | 13,558 | 554,442 | 568,000 |
| 2 Forest / Grays Road | 560,000 | - | 560,000 |
| 3 Hesse Street, Winchelsea | 298,000 | 110,000 | 408,000 |
| 4 Barwon River Playground | 156,000 | - | 156,000 |
| 5 Gnarwarre Road Culvert | 97,000 | - | 97,000 |
| Other Renewal Projects | - | - | - |
| Total Renewal Projects | 1,124,558 | 664,442 | 1,789,000 |

Snapshot of new funding allocations **SHIRE WIDE**



Capital and Operational Projects

| Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) |
|---|----------------------|-----------------------|------------------|
| Digital Transformation Program | 2,000,000 | - | 2,000,000 |
| Anglesea Landfill Stage 3D Cell Lining | 1,016,000 | - | 1,016,000 |
| Anglesea Landfill Leachate Pond | 328,000 | - | 328,000 |
| Environmental Leadership Program | 250,000 | - | 250,000 |
| Street Light Upgrade Program | 228,000 | - | 228,000 |
| Rural Road Safety Improvements | 131,000 | - | 131,000 |
| DDA Program Annual Allocation | 91,000 | - | 91,000 |
| Anglesea Landfill Composting Area D&C | 90,000 | - | 90,000 |
| Bells Beach Coastal Management Plan | 75,000 | - | 75,000 |
| Great Ocean Road Gateway | 65,000 | - | 65,000 |
| Road Safety Strategy Implementation | 61,000 | - | 61,000 |
| Road Safety Improvements at School Sites | 54,500 | - | 54,500 |
| Pop Up Art Space | 25,000 | 5,000 | 30,000 |
| Other Capital and Operational Projects | 1,368,500 | 489,410 | 1,857,910 |
| Total Capital and Operational Projects | 5,783,000 | 494,410 | 6,277,410 |

Renewal Projects

| Project Name | Council Funding (\$) | External Funding (\$) | Total Cost (\$) |
|---------------------------------|----------------------|-----------------------|------------------|
| Heavy Plant Replacement Program | 1,030,000 | - | 1,030,000 |
| Other Renewal Projects | 3,100,800 | - | 3,100,800 |
| Total Renewal Projects | 4,130,800 | - | 4,130,800 |

Appendix L - 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 introduced 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

| No. | 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 medium 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. Indicator 1 includes council funds allocated from the Accumulated Unallocated Cash Reserve, direct funding and annual debt financing for projects (excluding carried forward projects). The budget document also provides the project funding allocations in the form of maps to assist readability.

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.

| Budget 2017/18 | | | | | | | | | | |
|----------------------------|---------------------|-------------|----------------------------|-------------|--------------------|-------------|-----------------------|-------------|--------------------|-------------|
| Ward | Rates | | Council Funding | | | | | | | |
| | | | New Projects (excl. Loans) | | Renewal | | Year Loan Costs (P&I) | | Total | |
| Torquay (incl. 3228) | \$20,590,832 | 49% | \$2,369,038 | 71% | \$628,000 | 28% | \$676,556 | 100% | \$3,673,594 | 59% |
| Anglesea | \$9,900,638 | 23% | \$147,000 | 4% | \$211,000 | 9% | \$0 | 0% | \$358,000 | 6% |
| Winchelsea (excl. 3228) | \$5,003,215 | 12% | \$610,500 | 18% | \$1,352,558 | 60% | \$0 | 0% | \$1,963,058 | 31% |
| Lorne | \$6,804,557 | 16% | \$198,000 | 6% | \$71,000 | 3% | \$0 | 0% | \$269,000 | 4% |
| Total Ward Specific | \$42,299,242 | 100% | \$3,324,538 | 100% | \$2,262,558 | 100% | \$676,556 | 100% | \$6,263,652 | 100% |
| Whole of Shire | | | \$5,949,500 | | \$3,566,271 | | \$1,029,069 | | | |
| 3228 Rates in Winchelsea | \$2,755,442 | | | | | | | | | |

Percentages may not equal 100% due to rounding

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

The 2016/17 budget table has been provided below for comparative purposes.

| Budget 2016/17 | | | | | | | | | | |
|----------------------------|---------------------|-------------|----------------------------|-------------|--------------------|-------------|-----------------------|-----------|--------------------|-------------|
| Ward | Rates | | Council Funding | | | | | | | |
| | | | New Projects (excl. Loans) | | Renewal | | Year Loan Costs (P&I) | | Total | |
| Torquay (incl. 3228) | \$19,395,559 | 48% | \$2,687,295 | 75% | \$1,212,100 | 31% | \$676,101 | 100% | \$4,575,496 | 56% |
| Anglesea | \$9,664,312 | 24% | \$75,000 | 2% | \$982,300 | 26% | \$0 | 0% | \$1,057,300 | 13% |
| Winchelsea (excl. 3228) | \$5,088,652 | 12% | \$421,450 | 12% | \$1,456,050 | 38% | \$0 | 0% | \$1,877,500 | 23% |
| Lorne | \$6,652,713 | 16% | \$408,500 | 11% | \$199,400 | 5% | \$0 | 0% | \$607,900 | 7% |
| Total Ward Specific | \$40,801,236 | 100% | \$3,592,245 | 100% | \$3,849,850 | 100% | \$676,101 | 0% | \$8,118,196 | 100% |
| Whole of Shire | | | \$6,663,244 | | \$2,231,132 | | \$1,029,034 | | | |
| 3228 Rates in Winchelsea | \$2,355,606 | | | | | | | | | |

Percentages may not equal 100% due to rounding

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).

| Budget 2017/18 | | | | | | | | | | |
|--|---------------------|-------------|---------------------------|-------------|--------------------|-------------|-----------------------|-------------|--------------------|-------------|
| Ward | Rates | | Total Funding | | | | | | | |
| | | | New Projects (excl. Loan) | | Renewal | | Year Loan Costs (P&I) | | Total | |
| Torquay (incl. 3228) | \$20,590,832 | 49% | \$3,179,038 | 54% | \$628,000 | 21% | \$676,556 | 100% | \$4,483,594 | 47% |
| Anglesea | \$9,900,638 | 23% | \$207,000 | 3% | \$211,000 | 7% | \$0 | 0% | \$418,000 | 4% |
| Winchelsea (excl. 3228) | \$5,003,215 | 12% | \$2,345,500 | 40% | \$2,017,000 | 69% | \$0 | 0% | \$4,362,500 | 46% |
| Lorne | \$6,804,557 | 16% | \$198,000 | 3% | \$71,000 | 2% | \$0 | 0% | \$269,000 | 3% |
| Total Ward Specific | \$42,299,242 | 100% | \$5,929,538 | 100% | \$2,927,000 | 100% | \$676,556 | 100% | \$9,533,094 | 100% |
| Whole of Shire | | | \$6,443,910 | | \$4,154,000 | | \$1,029,069 | | | |
| 3228 Rates in Winchelsea | \$2,755,442 | | | | | | | | | |
| Percentages may not equal 100% due to rounding | | | | | | | | | | |

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

The 2016/17 budget table has been provided below for comparative purposes.

| Budget 2016/17 | | | | | | | | | | |
|--|---------------------|-------------|---------------------------|-------------|--------------------|-------------|-----------------------|-------------|---------------------|-------------|
| Ward | Rates | | Total Funding | | | | | | | |
| | | | New Projects (excl. Loan) | | Renewal | | Year Loan Costs (P&I) | | Total | |
| Torquay (incl. 3228) | \$19,395,559 | 48% | \$5,404,365 | 71% | \$1,347,100 | 34% | \$676,101 | 100% | \$7,427,566 | 61% |
| Anglesea | \$9,664,312 | 24% | \$165,000 | 2% | \$982,300 | 25% | \$0 | 0% | \$1,147,300 | 9% |
| Winchelsea (excl. 3228) | \$5,088,652 | 12% | \$1,621,450 | 21% | \$1,456,050 | 37% | \$0 | 0% | \$3,077,500 | 25% |
| Lorne | \$6,652,713 | 16% | \$408,500 | 5% | \$199,400 | 5% | \$0 | 0% | \$607,900 | 5% |
| Total Ward Specific | \$40,801,236 | 100% | \$7,599,315 | 100% | \$3,984,850 | 100% | \$676,101 | 100% | \$12,260,266 | 100% |
| Whole of Shire | | | \$7,198,244 | | \$2,231,132 | | \$1,029,034 | | | |
| 3228 Rates in Winchelsea | \$2,355,606 | | | | | | | | | |
| Percentages may not equal 100% due to rounding | | | | | | | | | | |

Indicator 3 – Asset Distribution by Ward

This indicator reflects data as at 30 June 2016. It indicates the proportion of Council assets relative to rates and rates assessments in different wards.

| As at 30 June 2016 | | | | | | | | | | |
|----------------------------|---------------------|-------------|------------------|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| Ward | Rates | | Rate Assessments | | Asset Valuation | | | | | |
| | | | | | Road Assets | | Non Road Assets | | Total | |
| Torquay (incl. 3228) | \$18,851,313 | 48% | 10,321 | 48% | \$164,870,244 | 49% | \$38,643,249 | 36% | \$203,513,493 | 46% |
| Anglesea | \$9,412,739 | 24% | 5,015 | 23% | \$55,241,068 | 16% | \$19,466,512 | 18% | \$74,707,580 | 17% |
| Winchelsea (excl. 3228) | \$4,679,748 | 12% | 3,198 | 15% | \$84,277,830 | 25% | \$38,372,274 | 36% | \$122,650,104 | 28% |
| Lorne | \$6,687,623 | 17% | 3,027 | 14% | \$32,166,016 | 10% | \$11,163,768 | 10% | \$43,329,784 | 10% |
| Total Ward Specific | \$39,631,424 | 100% | 21,561 | 100% | \$336,555,158 | 100% | \$107,645,803 | 100% | \$444,200,961 | 100% |
| | | | | | Whole of Shire | \$1,750,527 | \$23,138,512 | \$24,889,039 | | |
| | | | | | Land | \$3,386,000 | \$103,925,000 | \$107,311,000 | | |
| | | | | | Council Corporate | \$0 | \$12,274,000 | \$12,274,000 | | |
| | | | | | Shire Total | \$341,691,685 | \$246,983,315 | \$588,675,000 | | |

The indicator represents a good reflection of investment of funds over time and likely future demand for asset renewal. The table highlights in particular that the proportion of the value of assets in the Winchelsea ward is greater than the proportion of the current rate revenue.

Indicator 4 – Supplementary Rates by Ward

| Budget 2017/18 | | | | | | |
|--|---------------------|-------------|---------------------------|-------------|---------------------------|-------------|
| Ward | Supplementary Rates | | Council Funding | | Total Funding | |
| | | | New Projects (excl. Loan) | | New Projects (excl. Loan) | |
| Torquay (incl. 3228) | \$292,327 | 84% | \$2,369,038 | 71% | \$3,179,038 | 54% |
| Anglesea | \$28,479 | 8% | \$147,000 | 4% | \$207,000 | 3% |
| Winchelsea (excl. 3228) | \$18,348 | 5% | \$610,500 | 18% | \$2,345,500 | 40% |
| Lorne | \$10,846 | 3% | \$198,000 | 6% | \$198,000 | 3% |
| Total Ward Specific | \$350,000 | 100% | \$3,324,538 | 100% | \$5,929,538 | 100% |
| Whole of Shire | | | \$5,949,500 | | \$6,443,910 | |
| 3228 Supplementary Rates in Winchelsea | \$83,892 | | | | | |

Percentages may not equal 100% due to rounding

This indicator provides a correlation between supplementary rates, which reflects where growth is occurring in the Shire, and the funding allocations being made to new projects. The table highlights in particular that proportion of investment in new projects relative to the proportion of supplementary rates is higher in the Winchelsea ward. Proactive investment in Winchelsea ward may be appropriate given it's identification as a future growth node and the importance to have infrastructure in place to support a growing community.

Appendix M - Long Term Financial Plan

Part 1 of 2

| Long Term Financial Plan | 2016/17 Forecast \$'000 | 2017/18 Budget \$'000 | 2018/19 Forecast \$'000 | 2019/20 Forecast \$'000 | 2020/21 Forecast \$'000 | 2021/22 Forecast \$'000 | 2022/23 Forecast \$'000 | 2023/24 Forecast \$'000 | 2024/25 Forecast \$'000 | 2025/26 Forecast \$'000 | 2026/27 Forecast \$'000 |
|--|-------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Recurrent EBITDA | | | | | | | | | | | |
| Property Rates and Charges | 41,183 | 42,649 | 44,325 | 46,166 | 48,073 | 50,045 | 52,086 | 54,198 | 56,383 | 58,644 | 60,982 |
| Garbage Charges | 6,352 | 6,682 | 6,950 | 7,228 | 7,517 | 7,817 | 8,130 | 8,455 | 8,794 | 9,145 | 9,511 |
| Grants | 9,092 | 5,406 | 7,525 | 7,735 | 7,951 | 8,174 | 8,403 | 8,640 | 8,883 | 9,134 | 9,392 |
| Other Revenue | 8,457 | 8,959 | 9,181 | 9,410 | 9,644 | 9,886 | 10,134 | 10,389 | 10,651 | 10,921 | 11,198 |
| Total Recurrent Income | 65,084 | 63,696 | 67,981 | 70,539 | 73,185 | 75,922 | 78,754 | 81,683 | 84,711 | 87,844 | 91,084 |
| Employee Benefits | (26,693) | (27,444) | (28,057) | (28,767) | (29,551) | (30,356) | (31,184) | (32,034) | (32,908) | (33,805) | (34,727) |
| Materials and Services | (20,095) | (20,114) | (20,697) | (21,299) | (21,919) | (22,558) | (23,217) | (23,896) | (24,596) | (25,318) | (26,062) |
| Business Improvement Program Benefits | - | - | 350 | 600 | 850 | 1,100 | 1,350 | 1,600 | 1,850 | 2,100 | 2,350 |
| Business Case Benefits | - | - | 100 | 200 | 300 | 400 | 500 | 600 | 700 | 800 | 900 |
| Digital Transformation Benefits | - | - | 100 | 200 | 300 | 400 | 500 | 600 | 700 | 800 | 900 |
| Total Expenditure - Existing Operations | (46,789) | (47,558) | (48,205) | (49,066) | (50,020) | (51,015) | (52,051) | (53,130) | (54,254) | (55,423) | (56,639) |
| Compliance Costs | - | (310) | (400) | (800) | (1,200) | (1,600) | (2,000) | (2,400) | (2,800) | (3,200) | (3,600) |
| Compliance Costs - Projects | - | - | (600) | (600) | (600) | (600) | (600) | (600) | (600) | (600) | (600) |
| Non-Discretionary Growth | - | (144) | (600) | (1,200) | (1,800) | (2,400) | (3,000) | (3,600) | (4,200) | (4,800) | (5,400) |
| Discretionary Growth | - | (378) | - | - | - | - | - | - | - | - | - |
| Recurrent EBITDA | 18,295 | 15,307 | 18,176 | 18,873 | 19,565 | 20,308 | 21,103 | 21,952 | 22,858 | 23,821 | 24,845 |
| Cash Adjustments:- | | | | | | | | | | | |
| Balance Sheet Adjustments | 253 | 19 | 18 | 18 | 17 | 16 | 16 | 15 | 14 | 14 | 13 |
| Interest Revenue | 921 | 883 | 905 | 962 | 989 | 920 | 855 | 796 | 740 | 688 | 640 |
| 2017/18 Grants Commission funds received 2016/17 | (1,915) | 1,915 | - | - | - | - | - | - | - | - | - |
| Asset sales - plant/fleet | 342 | 338 | 439 | 427 | 380 | 428 | 390 | 401 | 502 | 405 | 341 |
| Asset sales - land | 331 | 590 | - | - | - | - | - | - | - | - | - |
| Total Cash Adjustments | (68) | 3,745 | 1,362 | 1,407 | 1,386 | 1,364 | 1,261 | 1,212 | 1,256 | 1,107 | 994 |
| Total Cash Available for Allocation | 18,227 | 19,052 | 19,538 | 20,280 | 20,951 | 21,672 | 22,364 | 23,164 | 24,114 | 24,928 | 25,839 |

| Long Term Financial Plan | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Forecast | Budget | Forecast |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Allocations to Commitments | | | | | | | | | | | |
| Debt Interest & Principal | 1,706 | 1,706 | 2,105 | 2,105 | 2,095 | 2,090 | 2,098 | 2,098 | 2,098 | 2,098 | 2,098 |
| Torquay/Jan Juc Developer Plan Allocation | 2,076 | 2,163 | 2,254 | 2,349 | 2,447 | 2,550 | 2,657 | 2,769 | 2,885 | 3,006 | 3,133 |
| Spring Creek Infrastructure Plan Allocation | - | - | 700 | 729 | 760 | 792 | 825 | 860 | 896 | 934 | 973 |
| Winchelsea Infrastructure Plan Allocation | - | 80 | 200 | 208 | 217 | 226 | 236 | 246 | 256 | 267 | 278 |
| Developer Contribution Interest Allocation | 52 | 27 | 27 | 27 | 53 | 80 | 133 | 133 | 133 | 133 | 133 |
| Waste Allocation | 2,602 | 2,813 | 2,952 | 3,070 | 3,193 | 3,321 | 3,453 | 3,592 | 3,735 | 3,885 | 4,040 |
| Asset Renewal Allocation | 5,833 | 6,073 | 6,507 | 6,970 | 7,457 | 7,987 | 8,553 | 9,150 | 9,798 | 10,491 | 11,236 |
| Business Case Investments | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| Growth and Compliance Costs (non-recurrent) | 1,011 | 833 | - | - | - | - | - | - | - | - | - |
| Total Allocations to Commitments | 13,781 | 14,195 | 15,244 | 15,958 | 16,723 | 17,545 | 18,455 | 19,347 | 20,301 | 21,313 | 22,390 |
| Discretionary Cash Available | 4,446 | 4,857 | 4,293 | 4,322 | 4,228 | 4,127 | 3,909 | 3,817 | 3,813 | 3,615 | 3,449 |
| Discretionary Allocations | | | | | | | | | | | |
| Discretionary Capital Works | 1,927 | 1,119 | - | - | - | - | - | - | - | - | - |
| Discretionary Operating Projects | 817 | 699 | - | - | - | - | - | - | - | - | - |
| Discretionary Project Allocation | - | - | 1,685 | 2,501 | 2,606 | 2,715 | 2,829 | 2,948 | 3,072 | 3,201 | 3,335 |
| Preallocated Community Projects | - | - | 715 | - | - | - | - | - | - | - | - |
| Defined Benefits Superannuation Allocation | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 |
| Gravel Pits Allocation | 286 | 273 | 279 | 285 | 291 | 298 | 304 | 311 | 318 | 325 | 332 |
| Aireys Inlet Aged Units | 10 | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 |
| Towards Environmental Leadership | - | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 |
| Building Better Regions Project Allocation | - | 357 | - | - | - | - | - | - | - | - | - |
| Repayment Angelsea Bowls Club Commitment | - | 225 | - | - | - | - | - | - | - | - | - |
| Total Discretionary Allocations | 3,290 | 3,179 | 3,186 | 3,293 | 3,404 | 3,520 | 3,641 | 3,767 | 3,897 | 4,034 | 4,175 |
| Unallocated Cash Surplus / (Deficit) | 1,157 | 1,677 | 1,108 | 1,029 | 824 | 607 | 268 | 50 | (85) | (419) | (726) |
| Accumulated Unallocated Cash | | | | | | | | | | | |
| Opening Balance | 3,666 | 3,859 | 3,762 | 2,369 | 2,669 | 3,492 | 4,099 | 4,367 | 4,417 | 4,333 | 3,914 |
| Annual Surplus/(Deficit) | 1,157 | 1,677 | 1,108 | 1,029 | 824 | 607 | 268 | 50 | (85) | (419) | (726) |
| Return to AUC as per Council Resolution 13 Sept 2016 | - | 225 | - | - | - | - | - | - | - | - | - |
| Net Allocations during the Year | 36 | - | - | - | - | - | - | - | - | - | - |
| Transfer for Digital Transformation | (1,000) | (2,000) | (2,500) | (730) | - | - | - | - | - | - | - |
| Closing Balance | 3,859 | 3,762 | 2,369 | 2,669 | 3,492 | 4,099 | 4,367 | 4,417 | 4,333 | 3,914 | 3,188 |