



2016-17 BUDGET



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Mayor's Introduction



Council has great pleasure in presenting its 2016/17 budget – the final of its four-year term.

One of the major influences on the budget this year is the Victorian Government's new *Fair Go Rates System* which places a limit on annual rate increases. The current limit is 2.5%.

Council agrees it is important to manage the impact of Council rate rises on household budgets and that infrastructure and services should be delivered cost effectively. A 2.5% rate cap will however reduce Council revenue by more than \$100 million over 10 years.

It is going to be a challenge for both Council and our community to operate with lower rate rises while responding to the needs of a growing region. Rather than apply for an exemption to the rate cap at this stage, Council has embarked on a review and reform program. Our view is that we should be able to achieve savings while continuing to meet community expectations.

Council will seek further gains by continuing our Business Improvement Program and looking at industry collaborations and the sharing of service delivery with other agencies. The 2016/17 budget also has an allowance of \$500,000 to pursue projects that will deliver future savings. In other words we are investing now to save more in the future.

I am sure ratepayers are familiar with how technological improvements can influence service delivery. We believe there are ways we can save money and deliver a better customer experience through the use of digital technology and will soon be announcing a digital transformation taskforce to guide this work. Council is providing an initial \$1 million to assist this transformation

Whilst our budget reflects the 2.5% rate cap our allocation to asset renewal has increased by 6.9%. This is a strategic commitment maintained by Council recognising that without adequate allocations to asset renewal, public infrastructure can quickly deteriorate impact services and cost much more in the longer term. The renewal projects are part Council's overall capital works program which sees \$21.0 million allocated in 2016/17 to 83 new infrastructure projects across the Shire.

Environmental leadership continues to be supported in the budget and through our many community partnerships. One of the strengths of Surf Coast Shire is the great work being done by clubs, community groups and individuals in many fields. Council's focus is to encourage community led decision making and to that end community engagement remains a cornerstone of how we operate.

The challenges ahead necessitate change. Our aim is to ensure its change for the better. To this end Council looks forward to partnering with our community as we work our way through this new territory.

I commend this budget to ratepayers and would like to thank my fellow Councillors and Council staff for their efforts in preparing this important document.

Cr Rose Hodge
Mayor

CEO Summary

The budget is an annual milestone that brings together an assessment of the current environment, Council's priorities and the enacting of Council's long term financial plans.

This is Surf Coast Shire Council's first budget since the introduction of the Victorian Government's *Fair Go Rates System* which has set a maximum rate revenue increase this year of 2.5%. The *Fair Go Rates System* arguably represents the greatest change in local government since the amalgamations of the mid-1990s. This has focussed Council's attention in this budget on service reviews, operational improvements and financial management.

Many enhancements were made to the budget process and document last year, and further improvements are included in the 2016/17 budget. Significant further enhancements include:

- Expression of the annual result as Unallocated Cash Surplus/(Deficit)
- Reporting of Council's Accumulated Unallocated Cash position
- Recurrent EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) reporting framework to provide clearer insight
- Enhanced Asset Renewal Funding Strategy, based on more detailed condition assessments
- Torquay / Jan Juc Developer Contribution Plan allocation
- Business Case investment allowance introduced in return for future savings
- Specific allocation for growth and compliance items

The budget also provides readers with an additional indicator on budget equity. We have also continued to provide maps that plot the distribution of projects funded across the Shire.

I am pleased with the Council's attention to cost management as reflected in this budget, with the underlying cost increase on existing operations being held to only 1.7% after adjusting for the reallocation of project management costs. This result includes savings achieved through our Business Improvement Program, which began in May 2015. The program savings of \$401,000 are reflected in this budget and are also an embedded saving for every year thereafter. We will expand this program in 2016/17 with an additional staff member as well as allocating \$500,000 to business case investments that will lead to much needed future savings.

Council understands the need to embrace the digital world in order to meet the needs of ratepayers and to drive further efficiencies. Technology enabled business improvement will be a major focus in 2016/17. To support the necessary changes to how we will operate in the future, Council has allocated an initial one million to a digital transformation program, funded from Council's unallocated reserve funds.

I would like to also note that the G21 Councils are committed to seek service improvement and efficiencies through our collaboration with like-minded organisations. We are also working with the Great Ocean Road Coastal Committee on synergies where possible. Thank you to those organisations for embracing this endeavour.

Overall this budget delivers an \$726,000 unallocated cash surplus; this is prudent given that future results are dependent on achieving further savings and Council has a number of potential funding demands in the future. Achieving a surplus in this budget reflects that we have responded positively to lower revenue by managing our costs and driving reform in our organisation. This effort will continue over upcoming years.

Thank you to staff and Councillors for their continuous efforts to improve service to our community and for the positive way they are working to build our future.

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 nine distinct townships; Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each of these townships has its own distinct identity and community priorities. Many townships are popular tourism destinations for both domestic and international holidaymakers. A large percentage of home owners in the shire are not permanent residents, instead the owners use their shire properties as weekenders or for holiday rentals.

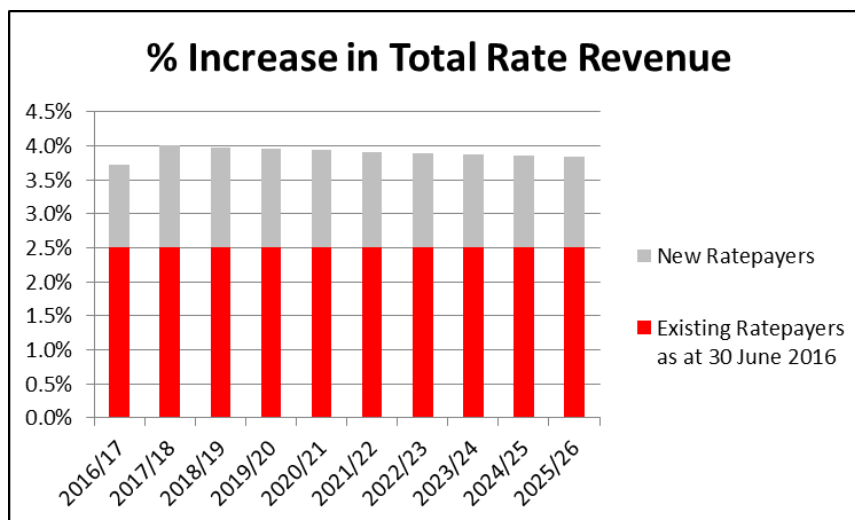
The Shire is home to some of the world's best surfing locations, with the iconic Great Ocean Road beginning in the Surf Coast Shire. Surfing is a major industry in the shire. In the rural hinterland agriculture, including gourmet food production, is a key industry sector.

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 for locals.

In preparing this budget Council has sought to support the needs of each community and the shire wide priorities. The budget is guided by Council's vision of 'Working towards an engaged, innovative and sustainable community'.

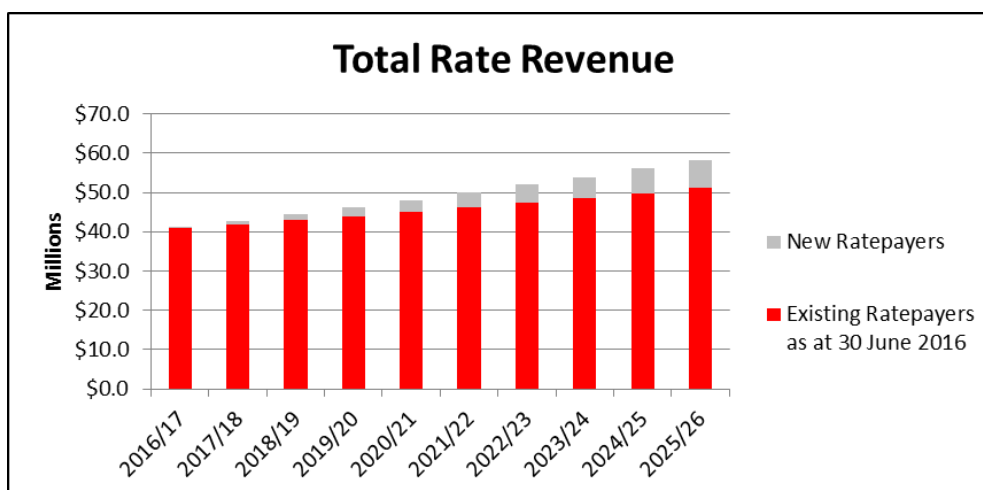
Rates

Council proposes to increase rate revenue in line with the Fair Go Rates System cap of 2.5%. The cap applies to both general rates and the municipal charge. Council's rate revenue also increases from supplementary rates, which are new ratepayers that are created throughout the year (from the building of new properties, subdivisions or existing property development). The graph below demonstrates the percentage increase in rates revenue, split between existing ratepayers and supplementary rates.



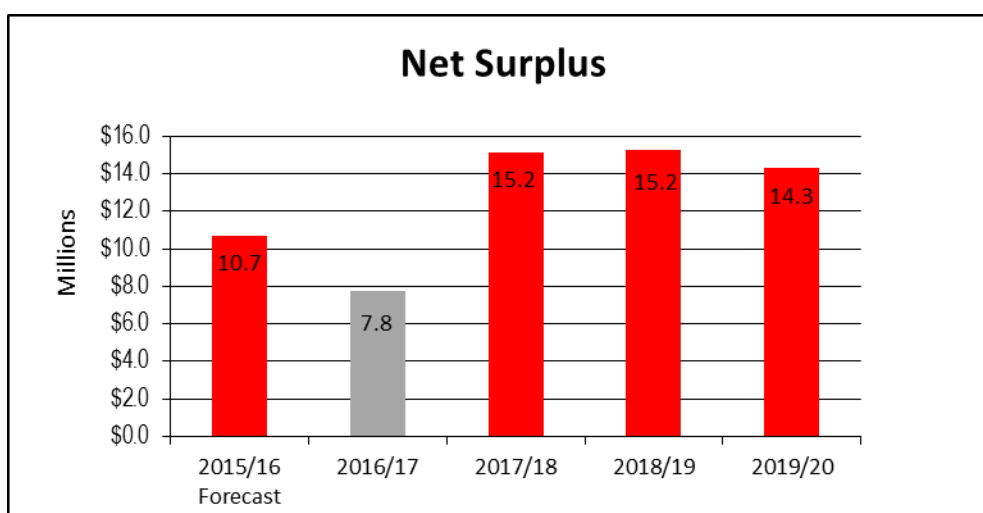
The 2016/17 budget coincides with a general revaluation of property values. Every two years each property within the Council's boundary is independently revalued, and these values are used to calculate individual rates charges. The revaluation does not result in a net gain or loss to Council, it is merely a redistribution of rates income according to updated property values. This means ratepayers may see rate increases that differ from the 2.5% which is the average increase across the total rate revenue.

Council's long term financial planning identifies the rate funds 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 2016/17 year is \$7.8 million. The net surplus represents all operating revenues less expenses and is shown on Council's formal financial statements. It is important to note this result includes many one-off factors such as external capital funding that are pre-allocated to prescribed uses. This can make comparison over time difficult. Accordingly, Council also provides its financial information in an alternate format to show the annual result as an unallocated surplus/(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 performance. This may include items such as specific charges, contributions, grants and project funding that are once-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 surplus/(deficit).

Recurrent EBITDA and Allocations

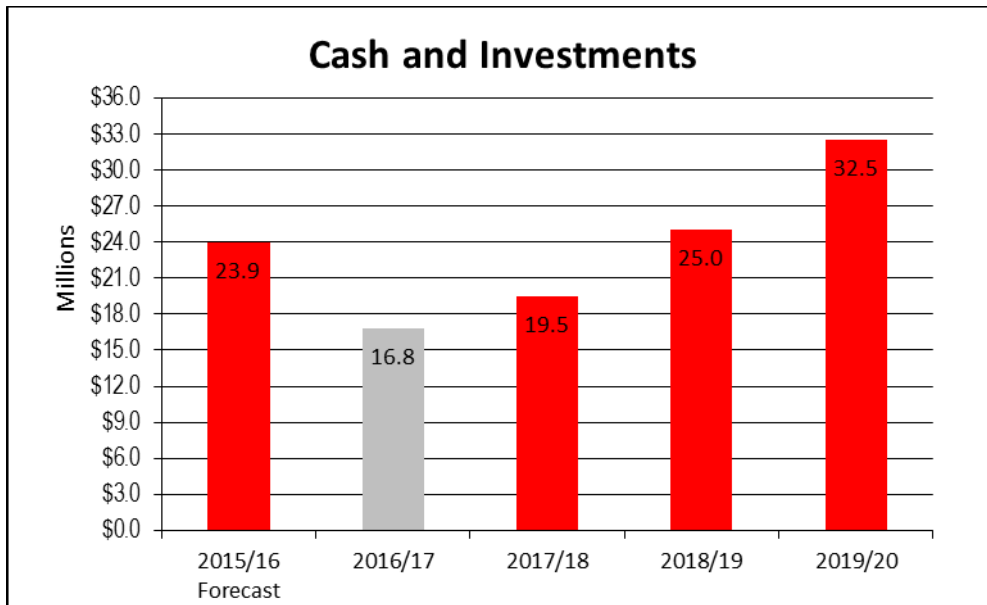
Council has introduced a management reporting format based on recurrent EBITDA and the calculation of unallocated cash. Recurrent EBITDA allows a clear focus on Council's operational performance, without the impact of one-off revenue and expenses. As is suggested by the term unallocated cash, this states the funds that are available for Council to allocate to other priorities.

	2015/16 Forecast \$'000	2016/17 Budget \$'000
Recurrent EBITDA	13,156	16,322
Cash Adjustment of Available Funds	3,249	1,497
Total Cash Available for Allocation	16,404	17,820
Allocations to Commitments		
Debt Interest & Principal	1,706	1,706
Torquay/Jan Juc Developer Plan Allocation	1,992	2,076
Developer Contribution Interest Allocation	-	52
Waste Allocation	2,363	2,637
Asset Renewal Allocation	5,455	5,833
Business Case Investments	100	500
Growth and Compliance Costs (non-recurrent)	-	1,011
Discretionary Cash Available	4,788	4,004
Discretionary Allocations		
Discretionary Capital Works	2,174	1,931
Operating non-recurrent projects	762	817
Defined Benefits Superannuation Allocation	200	250
Gravel Pits Allocation	290	284
Discretionary allocation allowance	-	-
Unallocated Cash Surplus / (Deficit)	1,363	721
Accumulated Unallocated Cash		
Opening Balance	1,050	2,032
Annual Surplus/(Deficit)	1,363	721
Less Net Allocations during the Year	(381)	-
Less transfer for Digital Transformation	-	(1,000)
Closing Balance	2,032	1,753

Recurrent EBITDA will increase by \$3.2 million mainly due to the full year Federal Assistance Grant being received in 2016/17 (\$1.8 million of the 2015/16 allocation was received in 2014/15) and the containment of Council's costs to an underlying 1.7% increase. Allocations to commitments represent Council's contractual commitments and adopted strategies.

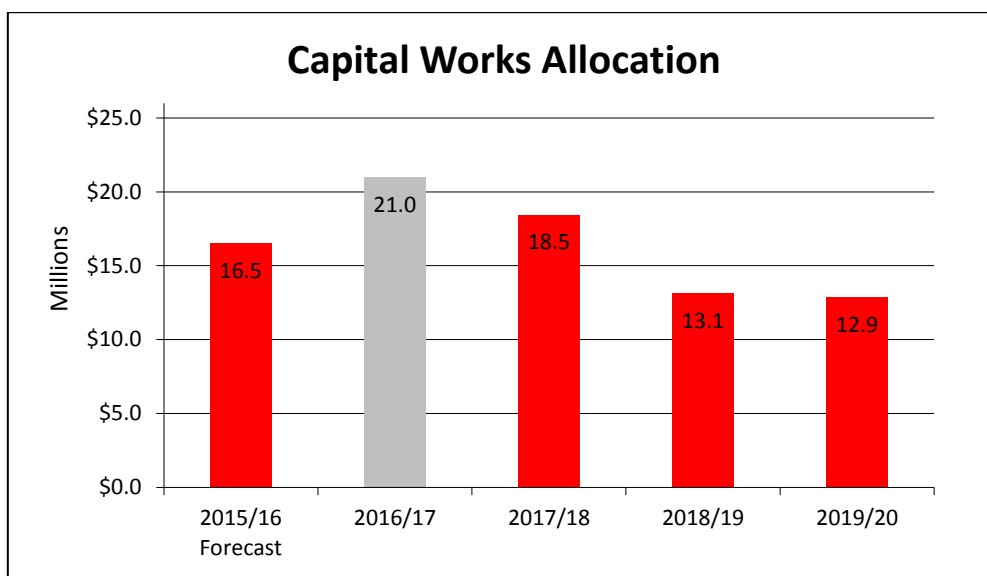
Discretionary allocations represent Council's allocation of cash to special purpose reserves, adopted masterplans and strategies, and new operational and capital projects across the shire.

Cash and Investments



Cash and investments are expected to decrease by (\$7.1 million) during the year to \$16.8 million. This balance is expected to fluctuate in future years in line with the level of capital works expenditure. 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 2020/21 and beyond. Accordingly, Council's cash holding will increase over the next few years.

Capital Works

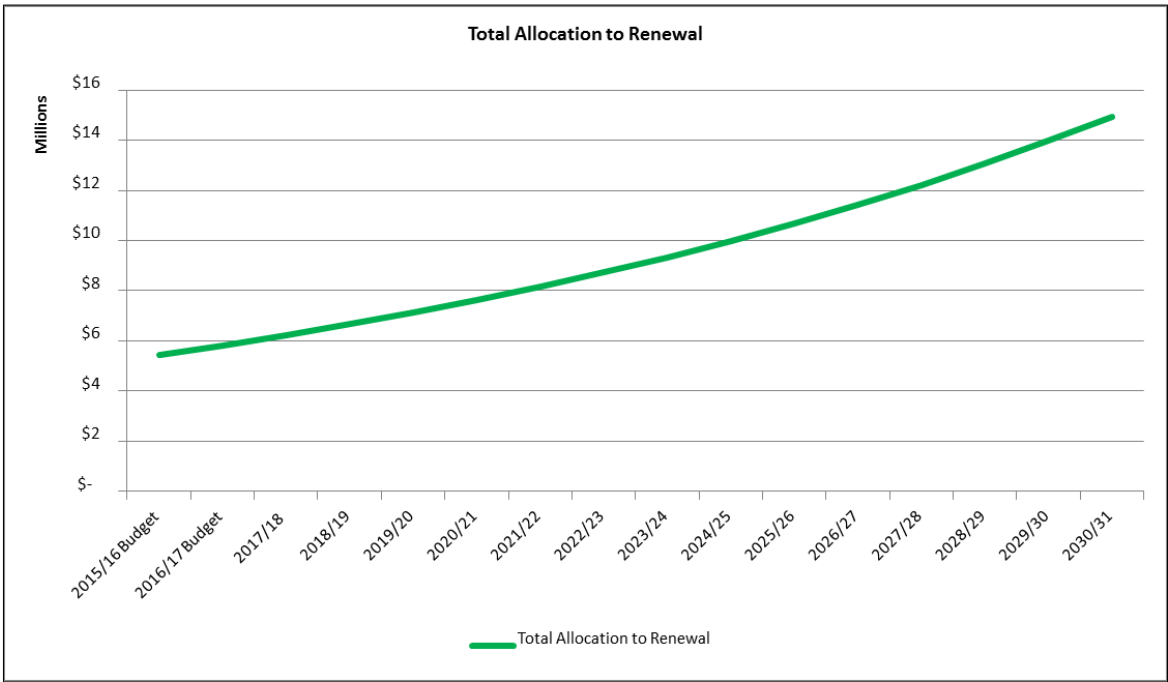


The capital works allocation for 2016/17 is \$21.0 million including expensed capital works and landfill provision works. Council’s anticipated expenditure on capital works in 2016/17 is expected to be \$21.1 million.

Council’s capital works program in 2018/19 and 2019/20 is planned to be lower but increases significantly in following years. Cash to fund this higher level of works is in part being allocated to reserves in the preceding years.

The capital works program has been based on analysis and consultation that has enabled Council to assess needs and develop 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. The fluctuations each year are based on the planned delivery of the capital program.

Asset Renewal Allocation



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

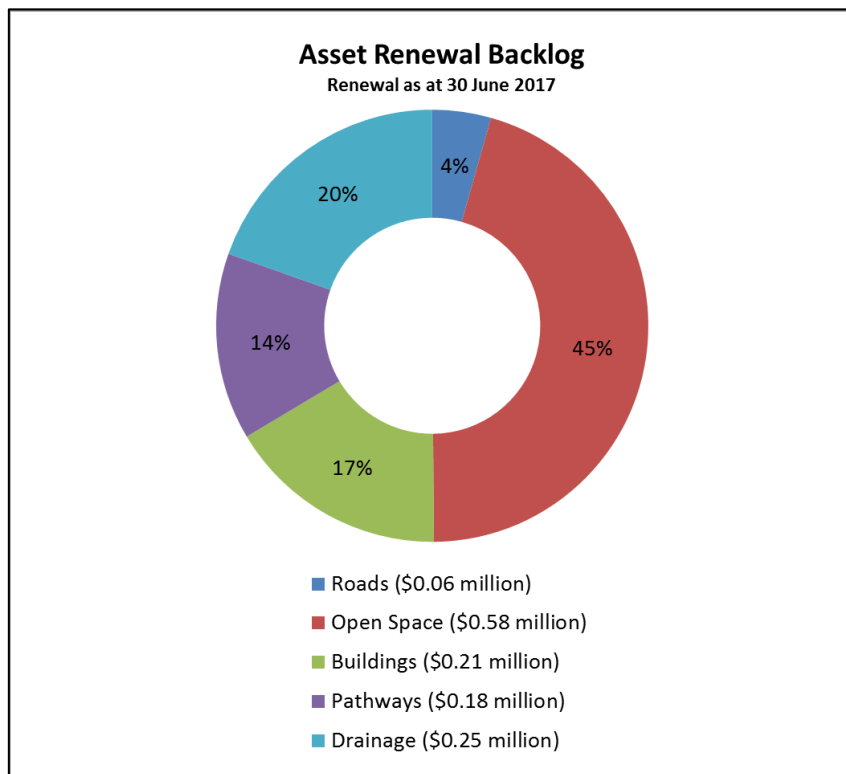
Council has established an asset renewal funding strategy that provides an overall allocation to asset renewal, rather than determining each year’s funding from the projects that are to be undertaken that year. This approach is based on predicting the level of asset renewal funding required in the longer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

This approach aims to smooth the impact of increasing renewal allocations on Council’s budgets. Council is also focused on improving its long term modelling for the renewal requirement and also

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

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

Asset Renewal Backlog

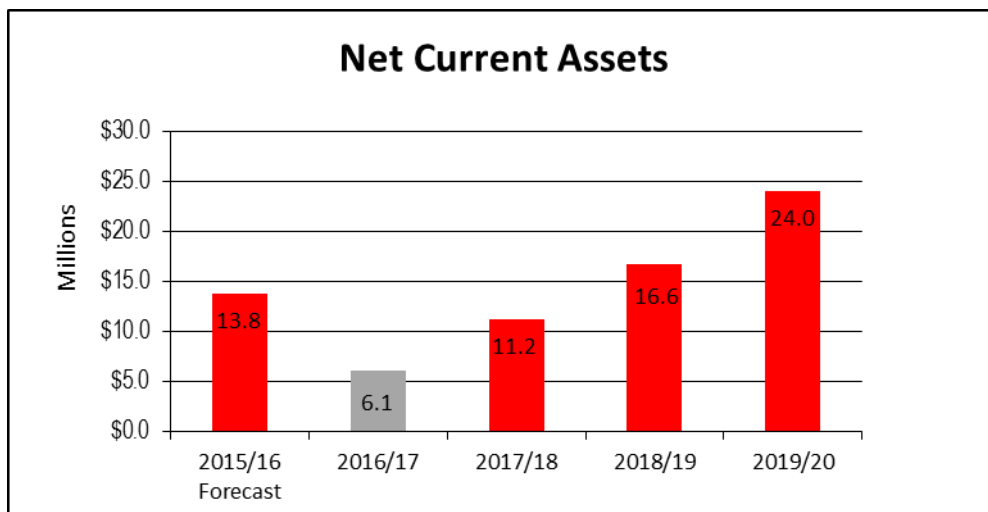


Council has assets such as facilities and roads to support its services. When the condition of an asset degrades to the point that it impedes the service then Council needs to consider whether the asset will be renewed. Council then prioritises renewal candidates within available renewal funding, with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

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

Officers run models that estimate the asset renewal requirement into the future. Given Council's Asset Renewal Funding Strategy provides a known level of renewal allocation, the likely future backlog can be predicted to inform Council's longer term financial planning.

Financial Position

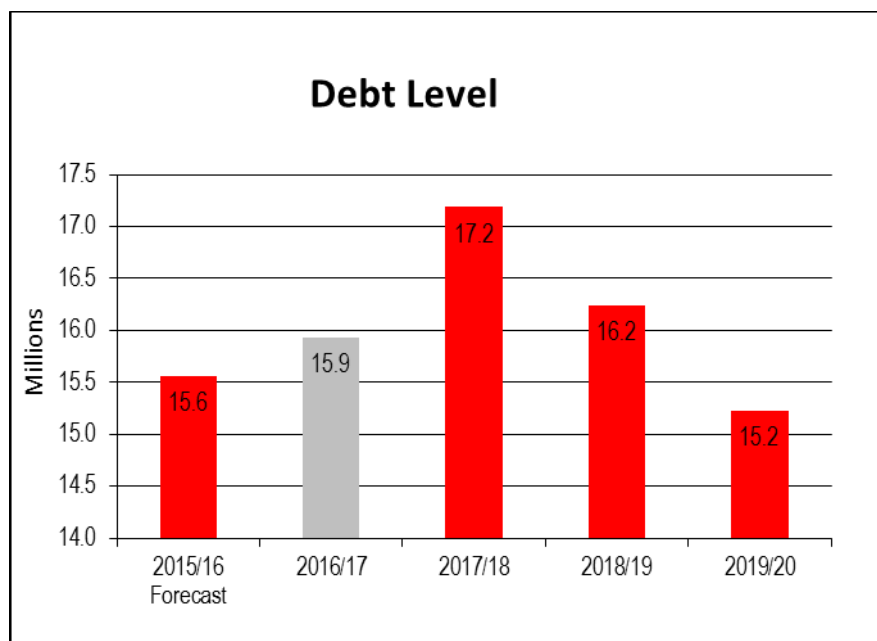


Net Current Assets (Working Capital) will decrease by \$7.7 million to \$6.1 million as at 30 June 2017. This is mainly due to the movements in the landfill provision with the timing of expected works and the capital works program.

Net Assets will increase by \$14.2 million to \$409.7 million as at 30 June 2017.

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

Debt Management

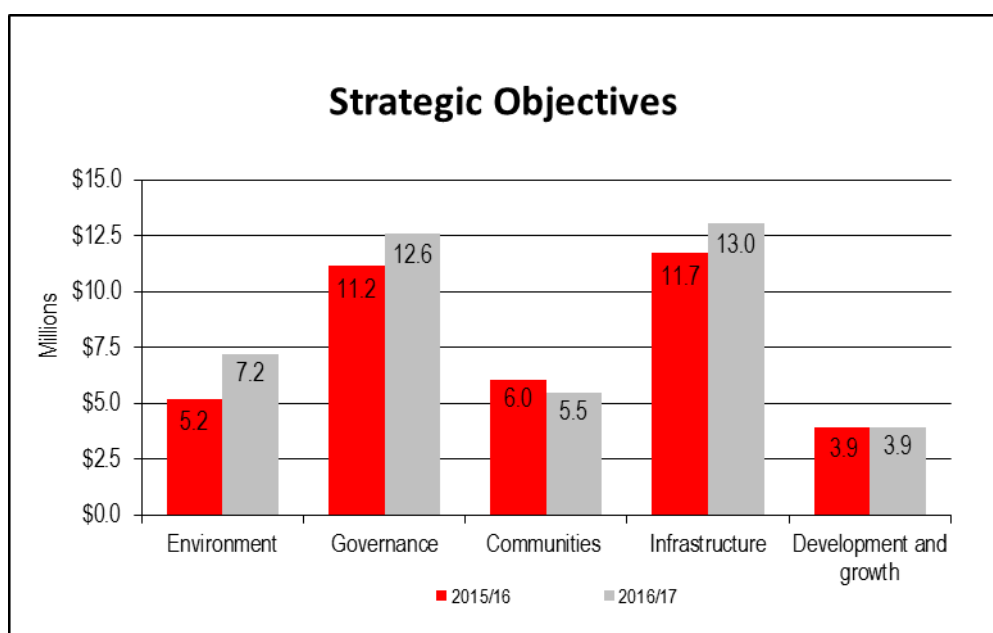


Council continues to maintain a moderate level of debt and is planning to take out a loan of \$1.0 million in 2016/17 and \$2.0 million in 2017/18 in order to help fund the North Torquay Children's Centre.

Council's debt level at 30 June 2017 will be \$15.9 million, being 33.4% of Rate Revenue (excluding special rate charges). A commonly referred to industry indication, with the recommended prudential guidelines to be within 60%.

After taking into account Council's expected Accumulated Unallocated Cash Surplus as at 30 June 2017, Council's net debt level will be \$14.2 million, being 29.7% of rate revenue.

Strategic Objectives



Section 2 provides a description of the services and initiatives to be funded in the budget for the 2016/17 year. The above graph shows the net cost to Council for each strategic objective for the budget and forecast years.

The net increase in the Environment strategic objectives (\$2 million) is largely due to once off projects to be completed in 2016/17. These projects include the Anglesea Landfill Works Program, Environmental Leadership, Winchelsea Common, Bells Beach Coastal Management Plan, and Anglesea Futures Program Support.

The net increase in the Governance strategic objectives (\$1.4 million) in the 2016/17 budget is largely due to once off projects to be completed in 2016/17. These projects include the 2016 Council Election, Business Improvement Officer, Digital Strategy Development, Employee Engagement Framework and Development of the Council Plan.

The net decrease in the Communities strategic objectives (\$0.5 million) in the 2016/17 budget is largely due to reduced projects in 2016/17 in comparison to 2015/16.

The net increase in the Infrastructure strategic objectives (\$1.3 million) in the 2016/17 budget is largely due to increased projects in 2016/17 in comparison to 2015/16.

The Development and Growth strategic objective expenditure in the 2016/17 budget remains steady in comparison to 2015/16 expenditure.

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 technology-enabled work practices. Council understands that technology is changing the community's expectations of the way services are delivered. The commencement of Council's Digital Transformation Program will be a major focus in 2016/17. This budget supports this objective through the allocation of \$1 million funded from Council's unallocated reserve funds. A key outcome of the budget is the establishment of a dedicated role to plan and drive this transformation program and to work with the Digital Transformation Taskforce in collaboration with community members and the broader community.

Activity Based Working

The budget also supports the exploration and planning for an Activity Based Working (ABW) environment. ABW is a concept in which the office space is designed in such a way that it supports work activities optimally. It enables staff to change their work setting and locations as their tasks and work teams change. Adoption of technology and new working practices can enable the organisation to seek a more engaged and productive workplace as well as offering significant cost savings and efficiency gains. The allocation of \$50k to investigate implementation of an ABW environment will be funded from the Digital Transformation Program in recognition that this business transformation is fundamentally enabled through innovative use of technology. Importantly an ABW environment will further develop the organisation's ability to identify and embrace new working practices available through technology innovations.

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 2016/17 budget, which is included in this report, is for the year 1 July 2016 to 30 June 2017 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 2017 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. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings January to 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 State Governments 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 31 May. 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 public information sessions, focus groups and other techniques. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised following:

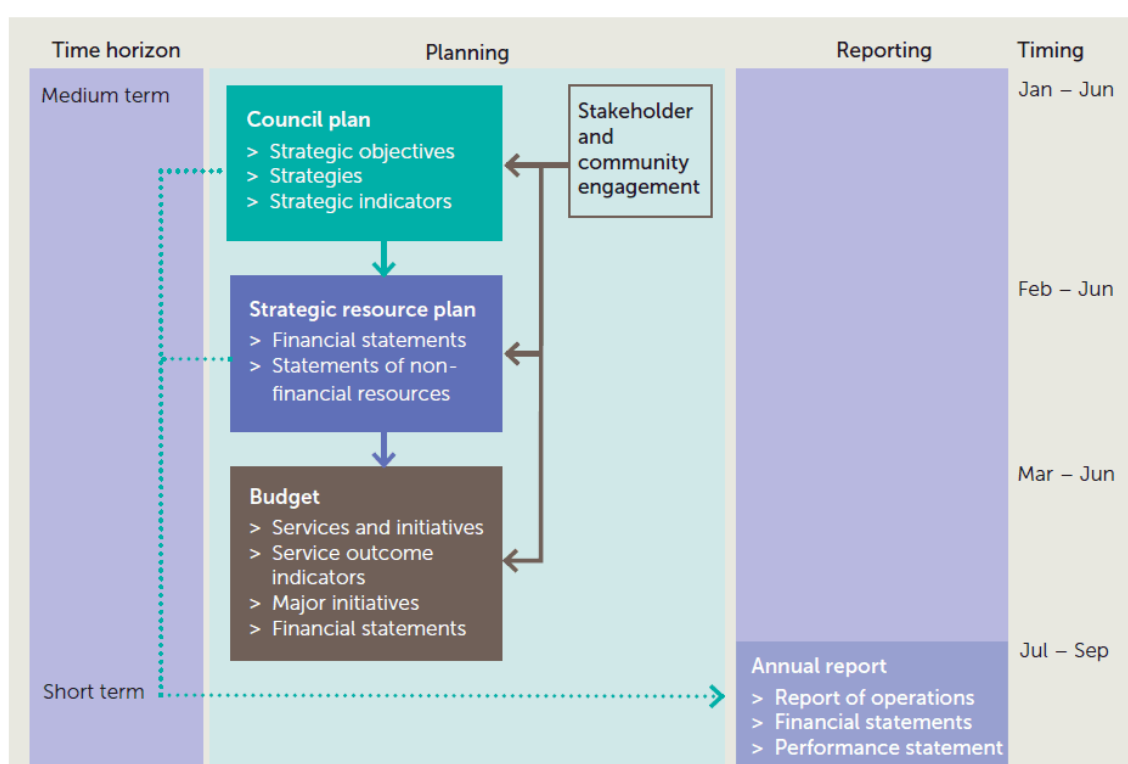
Budget process	Timing
1. Officers update Council's long term financial projections	Dec-Mar
2. Officers prepare operating and capital budgets	Jan-Feb
3. Councillors consider draft budgets at informal briefings	Jan-Mar
4. Proposed budget submitted to Council for approval	19 April
5. Public notice advising intention to adopt budget	21 April
6. Budget available for public inspection and comment	21 April
7. Public submission process undertaken	Apr/May
8. Submissions period closes	20 May
9. Submissions considered by Council	31 May
10. Budget presented to Council for adoption	14 Jun
11. Copy of adopted budget submitted to the Minister	Jun

1. Linkage to the Council Plan

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

1.1 Strategic planning framework

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



Source: Department of Environment, Land, Water and Planning (formerly Department of Transport, Planning and Local Infrastructure)

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

1.2 Our purpose

Vision

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

Achieving the Vision

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

Our Values

Surf Coast Shire Council has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan. Having all Surf Coast Shire Council staff practise the following organisational values enhances the quality of this partnership:

- Integrity
- Respect
- Innovation
- Collaboration

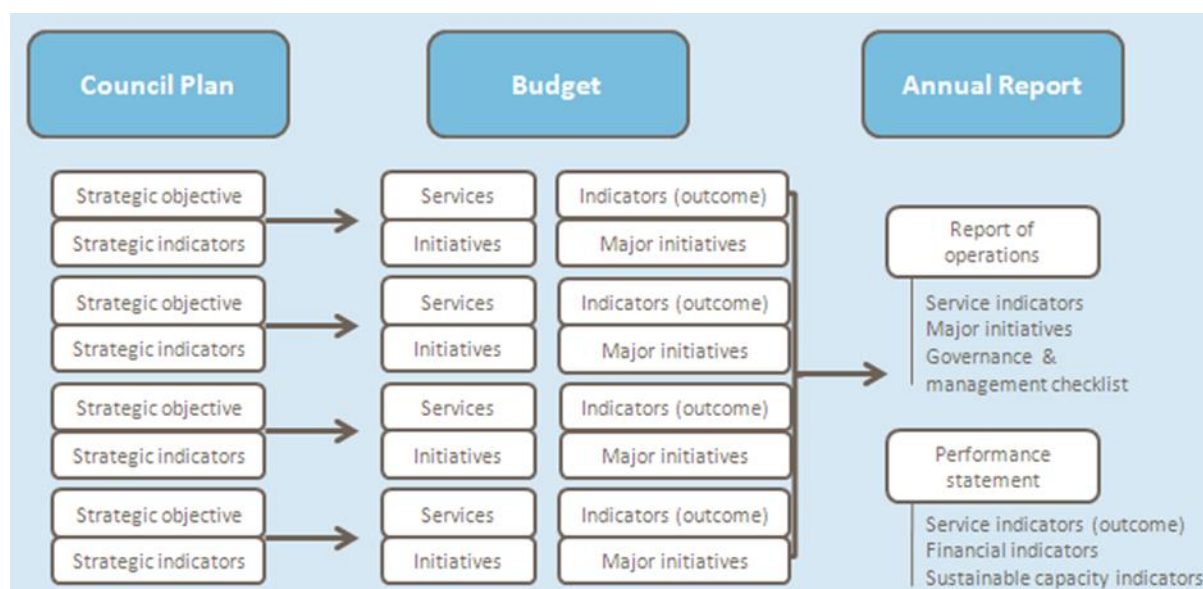
1.3 Strategic objectives

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

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

2. Services, Initiatives and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2016/17 year and how these will contribute to achieving the strategic objectives outlined in the 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 (formerly Transport, Planning and Local Infrastructure)

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 (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Strategic Theme				
	Environment	7,199	9,959	(2,760)
	Governance	12,596	14,855	(2,259)
	Communities	5,496	11,596	(6,100)
	Infrastructure	13,040	17,447	(4,407)
	Development and growth	3,939	4,846	(907)
	Total activities and initiatives	42,269	58,702	(16,434)
	Non-attributable items ^(#1)	395		
	Deficit before funding sources	42,664		
	Funding Sources			
	Rates and charges	47,618		
	Capital grants	2,509		
	Special Rates & Charges	219		
	Capital Contributions	84		
	Total funding sources	50,430		
	Surplus for the year	7,766		

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

2.1 Theme 1: Environment

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

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

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

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Environment	This service ensures that Council complies with State and Federal legislative requirements regarding the environment, including: native vegetation; listed species and ecological communities; estuary works and artificial estuary openings; and statutory planning referrals. The unit also delivers a wide range of Council Plan strategies related to pest plant and animal management, sustainability and climate change. The unit is the designated land manager for Council's many nature reserves (including the world famous Bells Beach Surfing Recreation Reserve), 1500km of rural roadsides and also some waterways. The unit provides specialist environmental and sustainability advice internally to Council and externally to community groups, local businesses, agencies and members of the public.	1,419 (30) 1,389
Open Space Planning	The open space activities of Council include ensuring that the management of public open space is conducted with a focus on environmental planning. The Open Space Planning unit is responsible for maintaining and planning the development of public open space.	180 - 180
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.	8,360 (2,730) 5,630

Major Initiatives

Solar Improvement Program – Council Civic Office (\$67k)

Initiatives

1. Environmental Leadership (\$150k)
2. Bells Beach Coastal Management Plan - Year 2 Non Capex (\$75k)
3. Winchelsea Common Remediation Contribution (\$67k)
4. Winchelsea Common Restoration (\$50k)
5. VASP Adaption Plan & Risk Register (\$45k)
6. Management of Encroachments Budgets (\$30k)
7. Environmental Sustainability and Climate Change Programs Growth (\$25k)
8. Road Side Pest and Weeds (\$24k)

9. Anglesea Futures Program Support and Anglesea River (\$20k)
10. Free Green Waste Drop Off Period Prior to Summer (\$17k)
11. Painkalac Creek Bridge to Lialeeta Rd - 160m Retaining Wall Planting Contribution (\$13k)
12. Bells Beach Hinterland - Planning Scheme Amendment (\$12k)
13. RACV Stormwater Harvest Agreement Licence (\$11k)
14. RACV Water Harvesting Agreement (10 Years) (\$5k)
15. Winchelsea Common CCMA Plains Tender (\$5k)
16. Rural Environment Assets Review - C81 Biodiversity (\$2k)

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

2.2 Theme 2: Governance

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

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

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

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Executive Services & Council Support	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.	2,636 - 2,636
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.	2,312 - 2,312
Corporate Planning	This service provides development of organisational policy, strategy, systems, and support in the areas of corporate planning, community satisfaction data, performance measurement and reporting.	222 - 222
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 the raising and collection of Council's primary revenue source, rates and charges. Revenue in this area is generated mainly from pensioner rate concession and	2,552 (768) 1,784

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
	debt collection recoupments.	
Risk Management	This service involves overseeing Council's risk management system, including provision of support to the organisation in regard to managing risks, insurance policies and business continuity.	142 (3) 139
People and Culture	This service is responsible for supporting the organisation with strategic and operational human resources management and includes learning and development and occupational health and safety. The activities of the unit include developing and implementing strategies, policies and procedures that promote high level human resources and industrial relations services. The unit also supports the organisation in attracting new staff, retaining existing staff and the ongoing development of the skills within Council's work force.	1,650 - 1,650
Communications and Community Engagement	This service is responsible for coordinating Council communications, including liaising with media, formulating press releases, preparing publications and delivering digital communication. The unit also provides support to the Mayor and Councillors in regard to media matters. Council's community engagement activity is led and supported by the unit.	937 (4) 933
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.	622 - 622
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 with legislative requirements, managing Freedom of Information and privacy requests, procurement and contracts, Council property administration, legal services, maintenance of public registers, Council election services and management of delegations and authorisations.	1,169 (36) 1,133
Development Compliance & Local Laws	This service includes animal management, traffic management, permits for footpath trading, local law enforcement and State Government agencies enforcement activities, Building development controls function and planning enforcement. This service provides staff at school crossings to ensure that all pedestrians are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment in Council by providing animal management services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after hours service and an emergency service. Revenue in this area is generated mainly from the issuance of infringement notices.	1,939 (1,450) 489
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	402 - 402

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
	maintain the services and new infrastructure required by our growing community.	
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 Report for all capital and operational projects. Project management costs are included in project budgets enabling resources to be scaled up and down with the changing size of the program.	272 - 272

Major Initiative

Digital Transformation Project Leader (Two Years Full Time) (\$150k)

Council Systems Improvements (\$132k)

Business Improvement Officer (Two Years Full Time) (\$108k)

Activity Based Working Project (\$50k)

Initiatives

1. 2016 Council Elections (\$195k)
2. Fixed Term (Two Years) Local Laws Officer (\$120k)
3. Digital Strategy Development (\$70k)
4. Employee Engagement Framework (\$50k)
5. Valuation Services for Insurance Purposes (\$42k)
6. Development of the Council Plan 2017-2021 (\$34k)
7. Domestic Animal Management Plan Review (\$30k)
8. Customer Service Casual Staff Budget (\$24k)
9. Review Community Developer Levy Process (\$20k)
10. Volunteer Officer (\$15k)
11. Councillor Induction (\$10k)
12. Employee Health & Wellbeing program (\$10k)
13. Review Infringement Debtors (\$8k)
14. Professional Advocacy Advice (\$8k)
15. White Ribbon Accreditation (\$8k)
16. Business Continuity Exercise (One Year Project) (\$7k)
17. Audio Visual and Static Foyer Communication Equipment (\$6k)
18. Video Equipment and Editing Software (\$4k)
19. MAV - Local Government Funding Vehicle (\$4k)
20. InfoCouncil Updates (\$3k)
21. GORRT Regional Visitor Information Centre Review (\$1k)

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

2.3 Theme 3: Communities

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

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

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

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Sport & Recreation	This service is primarily responsible for Council's promotion and support of community access and provision of recreation facilities and programs. It is responsible for the management of Council's sporting reserves and pavilions, community houses and leisure and community services. The unit provides advice on local leisure needs and assists community groups with funding applications, licence agreements and liaises with community houses, men's sheds and S86 committees. Revenue in this area is generated mainly from leasing/hiring Council infrastructure, entry fees at Winchelsea Health Club, entry fees and kiosk sales at Winchelsea Swimming Pool, sports program fees for Council run programs (i.e. basketball, Net Set Go etc.) and grants received.	1,690 (300) 1,390
Social Planning	This service assists Council to meet its responsibilities for the social wellbeing of the community by providing advice and coordinating projects in the areas of social research, social planning, social policy and health promotion.	294 (49) 245
Arts Development	This service provides a varied program of arts and cultural activities. Council plans and develops arts and cultural infrastructure and develops policies and strategies to facilitate art practice. The function is also responsible for the provision of library services and manages a service agreement with the	836 — 836

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
	Geelong Regional Library. Library services are provided at Torquay and across the municipality with a mobile service.	
Early Years	This service provides family oriented support services including kindergartens, toy libraries, maternal and child health , youth services, family day care, vacation and occasional care programs. The unit also supports playgroups, visiting specialists and through community engagement provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees.	3,648 (2,777) 871
Positive Ageing	This service provides a range of home and community care and social support services for older people and people with a disability including home delivered and community meals, in home domestic respite and personal care, home maintenance, senior citizens and service coordination. Revenue in this area is generated mainly from government grants received and user service fees.	3,447 (2,431) 1,016
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.	1,084 (274) 810
Environmental Health	This service provides public and environmental health protection services to the community and ensures Council complies with its legislative duties. Services include: food safety - registration and monitoring compliance of food, accommodation, caravan parks and health (hairdressers, tattooist, beauty etc.) businesses; Inspection and issuing permits for wastewater treatment systems and septic tanks; Investigations of public health complaints such as nuisances, food safety, pest control, noise, emissions, odour, pollution, asbestos, water quality; Customer Services/Expert Advice on public and environmental health matters; Public health emergency response; and Childhood and School Immunisation Services. Revenue in this area is generated mainly from health registration fees.	596 (269) 327

Initiatives

1. Anglesea Kindergarten & Cluster Management (\$255k)
2. Municipal Emergency Expenditure Program (\$240k)
3. Municipal Emergency Resourcing Program (\$150k)
4. Community Project Development Officer - Permanent Position (\$93k)
5. Regional Motor Cycle Facility Contribution (\$90k)
6. HACC Minor Capital (\$62k)

7. HACC Café Style Support (\$56k)
8. Health and Wellbeing Officer (Two Years Only) (\$53k)
9. Sport and Rec Facilities Officer at SCS and Recreation Centre (\$45k)
10. Engage Program (\$41k)
11. Lorne Stribling Reserve Masterplan (\$40k)
12. Pop Up Art Space (\$33k)
13. Aged Care Reform Implementation Planning (\$30k)
14. FReeZA Project (\$24k)
15. Torquay North Early Learning Centre Operational Model (\$24k)
16. Geelong Regional Library Corporation (GRLC) - Increased Contribution (\$23k)
17. Aged and Family Strategy Implementation (\$22k)
18. Lorne Football, Netball & Cricket Club - Electronic Scoreboard Contribution (\$20k)
19. HACC Bushfire Heatwave Preparation (\$18k)
20. Projection and Sound Equipment for the Globe Theatre (\$17k)
21. Youth Trainee (Certificate 4) (\$15k)
22. Winchelsea Community House - Occasional Care - Shade Sail (\$15k)
23. Winchelsea Gun/Go Kart Clubs Relocation (\$10k)
24. Torquay Marine Rescue Service - Contribution (\$8k)
25. Early Years Strategy Review (\$7k)
26. Accessible Community Garden - All Aboard (\$5k)
27. Aireys Inlet Primary School Master Plan (\$5k)
28. Geelong Region Arts Atlas (\$3k)
29. G21 Barwon Regional Cricket Strategy (\$2k)

Service Performance Outcome Indicators

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

Service	Indicator	Performance Measure	Computation
		service)	Municipal target population in relation to CALD people for HACC services] x100
Food Safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.4 Theme 4: Infrastructure

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

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

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

Services

Service Area	Description of Services Provided	Expenditure
		(Revenue) Net Cost \$'000
Parks & Open Space	This service is responsible for the coordination of all Council parks, reserves, gardens and related infrastructure. This involves ensuring appropriate maintenance levels, including planting of vegetation, tree pruning, planning and developing areas of open space, and implementation of street tree strategies.	3,254 (15) 3,239
Civil Works	This service is responsible for the maintenance of Council's sealed road network, unsealed road network, drains and footpaths. In undertaking these responsibilities, the unit is also required to source and manage contracting services to assist with the completion of works, regularly review the standard and cost of materials, and to keep up to date with improved work practices.	6,336 (48) 6,288
Assets & Capital Works	This service is responsible for integrated and prioritised capital works planning. This includes development and implementation of asset management plans for planning for the expansion of Council's asset portfolio for the needs of a growing population, as well as planning the renewal management of Council's existing Infrastructure. In addition the function manages and maintains Council's building and fleet portfolios.	5,875 (3,547) 2,328
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, user service fees and gravel pit royalties and fees.	1,982 (797) 1,185

Major Initiatives

Street Light Upgrade Program, Upgrade of Lamps to LED (Year 2 of overall Program) (\$100k)

Initiatives

1. Condition & Valuation Audits - Road Network (\$116k)
2. Remediation of Land (\$101k)
3. Street Light Program Upgrade (\$100k)
4. Torquay Jan Juc DCP Review (\$80k)
5. Additional Funding - New Building Assets (\$59k)

6. Resolution of Land Encroachment Issues (\$56k)
7. Multi Year Project - DDA Audits and Implementation Plans (\$30k)
8. Landscape Maintenance on New Oval and Regional Playground Skate Facility (\$29k)
9. Hesse Street Pedestrian Bridge Design (\$23k)
10. Building Repair & Maintenance Program - Toilet Block Sanitary & Sharps Bins (\$20k)
11. Condition & Valuation Audits - Bridge Network (\$12k)
12. Additional AutoCAD Licence (\$11k)
13. Winchelsea Depot - Site Masterplan (\$9k)

Service Performance Indicators

Service	Indicator	Performance Measure	Computation
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

2.5 Theme 5: Development & Growth

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

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

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

Services

Service Area	Description of Services Provided	Expenditure (Revenue) Net Cost \$'000
Planning & Development	This service is responsible for building and strategic and statutory planning . It includes processing all planning applications, providing advice and assessing development proposals which require a planning permit, and representing Council at the Victorian Civil and Administrative Tribunal where necessary. It is also responsible for monitoring Council's planning scheme, developing land use policy and preparing and processing amendments to the Planning Scheme. Review of policies and strategies relating to urban design issues are also processed under this function. Revenue in this area is generated mainly from government grants received and user service fees.	2,377 (340) 2,037
Economic Development & Tourism	The Economic Development and Tourism service is responsible for business engagement and support, grants administration, tourism marketing, visitor centres, event facilitation and the Australia National Surfing Museum. It includes supporting existing business, attracting new business, providing economic data, grants administration, developing business profiles and contributing to local trader groups. Tourism development functions include promoting the conference market, product development and marketing and funding Great Ocean Road Regional Tourism. The service also facilitates a range of small to internationally recognised events via our event liaison team and provides an event grants funding program. Four visitor centres and the Australian National Surfing Museum service and distribute information to visitors. Revenue in this area is generated mainly from Museum and Visitor Information Centre sales.	2,469 (567) 1,902

Major Initiatives

New Planning System – Efficiency & Service Delivery Improvements (\$100k)

Initiatives

1. Statutory Planning Resources - Growth in Applications & Reducing Back Log (\$168k)
2. Spring Creek Precinct Structure Plan (\$52k)
3. Australian National Surfing Museum - Concept Design Project (\$50k)

4. Signature Event Funding Allocation (\$50k)
5. Torquay Central Business Area (\$50k)
6. Strategic Planner - Casual Twelve Months (\$48k)
7. Permanent Town Boundaries Review (\$30k)
8. Growing Adventure Tourism (\$23k)
9. Lorne Community Aspirations Stage 2 - Contribution (\$20k)
10. Torquay Car Parking Strategy Planning Scheme Amendment (\$20k)
11. Growing Winchelsea - Precinct Structure Plan - Town Centre (\$20k)
12. Rural Hinterland Strategy Project (\$17k)
13. Major Council Landholding Analysis - Torquay (\$15k)
14. Planning Scheme amendment C105 Aldi (\$15k)
15. Planning Scheme Amendment - Review Flood & Land Sub Flood - C85 Flooding (\$14k)
16. Rural Hinterland Strategy - Land Development - Thompson Valley (\$13k)
17. Visitor Information Centre Technology Improvements (\$10k)
18. Implement Bushfire Review Policy - C96 Biodiversity Coastal Townships (\$9k)
19. Torquay RSL - ANZAC Day Contribution (\$5k)
20. Growing Winchelsea Place Making Strategy (\$2k)
21. ANZAC Day Contribution (\$2k)
22. Winchelsea RSL - Contribution 2017 ANZAC Day (\$2k)
23. Modewarre Memorial Hall Committee - Contribution 2017 ANZAC Day (\$1k)

Service Performance Outcome Indicators

Key Strategic Activity		Performance Measure	Performance Target
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100

2.6 Performance statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2016/17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations

3. Budget Influences

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

3.1 Snapshot of Surf Coast Shire Council

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

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

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

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

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

The Surf Coast Shire, with its natural beauty, proximity to the beach and bushland, and its ability to sustain thriving vibrant communities, continues to deliver jobs and create economic development opportunities. These townships and the rural hinterland support over 3,000 businesses which drive an economy estimated to be worth almost \$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 million visitors who expend over \$500 million annually visiting Surf Coast Shire.

Population

Proximity 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 28,481 in 2014 (latest official Estimated Resident Population). Between 2013 and 2014 Surf Coast Shire's population increased by 0.7% and Torquay/Jan Juc and surrounds grew by 2.7% to around 17,554 people. Surf Coast Shire's population is estimated at 29,346 in 2016 (forecast .id). Between 2016 and 2017 the Shire is forecast to grow by about 700 people with 40% of this growth in Torquay North (Forecast .id).

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 4.53%. 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 \$958 million annually and is forecast to reach \$1 billion by the end of 2016. Industry breakdowns for the top 4 employment sectors are as follows: Accommodation and Food Services 15.5%, Retail Trade 13.5%, Construction 13.4% and Health Care and Social Assistance 7.9%. 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 2015).

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 2015, nearly 1.8 million visitors came to Surf Coast Shire, an 11% decrease in figures from the prior year. Of those visitors, 49% stayed overnight.

Summer periods dominate visitation patterns with the March Quarter accounting for just 43% of annual visitation to year end June 2015. The December (23%), June (19%) and September Quarters (15%) 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 28,481 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 18,402 dwellings in 2016. It is anticipated that residential development will grow at a rate of about 2.0% during 2016/17 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. While Real Estate Services is the most significant contributor to value add activity it only employs 2% of the workforce. 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 North continues with the construction of open space pathways, recreation areas and facilities, a regional bicycle route, road widening and an intersection upgrade to support the growing population and demand placed on Council provided community infrastructure.
- Various strategic projects are planned to prepare Council for the anticipated growth and development in the Shire, including:
 - Planning Scheme amendment to implement approved strategic work, including Torquay Carparking. It is anticipated that the Growing Winchelsea, Spring Creek Precinct and Aireys Inlet to Eastern View Plans funded from the 2015/16 budgets will be completed in 2016/17.
 - Implementing the Bells Beach Coastal Management Plan.
 - Construct Torquay North Early Learning Centre facility.
 - Providing further support to Council's Signature Event Funding.
- 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 2016/17 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 State Government has introduced a cap on rate increases from 2016/17. The cap for 2016/17 has been set at 2.5%.
- State-wide CPI is forecast to be 2.5% for the 2016/17 year.
- An annual inflation rate (CPI) of 2.5% has been applied to all expense categories in 2016/17 with the exception of wages, construction, contract and materials maintenance costs. This is in line with the Victorian Government's Department of Treasury forecasts.
- Whilst the Commonwealth governments' freeze on indexation of Financial Assistance Grants to local government is still in place, Council has budgeted for an increase of \$84k in line with indicative estimates from the Victorian Grants Commission. This increase is due to the change in the distribution of grants between states due to population growth. Note that fifty percent of the 2015/16 Financial Assistance Grant was received as an early payment in 2014/15. An early payment is not budgeted for the 2016/17 allocation.

- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.
- An annual construction price index forecast for the 2016/17 year of 4.0% has been applied to construction, contract and materials maintenance costs as these costs traditionally increase higher than the CPI rate.
- The commonwealth funding through the Roads to Recovery program has seen an injection of funds following the federal government's decision to freeze the Financial Assistance Grants and to re-introduce the indexation of fuel excise to inflation. The 2015/16 allocation that was doubled was for one year only.
- 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 the 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 2016/17 Budget. These matters have arisen from events occurring in the 2015/16 year resulting in variances between the budgeted results and the revised forecast for that year and from matters expected to arise in the 2016/17 year. These include:

- The Business Improvement program operation in 2015/16 has delivered savings of \$0.4 million in the 2016/17 budget year.
- Council must renegotiate a new Collective Agreement during the 2016/17 year for commencement on 1 September 2016. A prudent assumption has been made in formulating the budget but the outcome will not be known until 2016/17.
- The 2016/17 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 \$4.6 million increase in expenses, plus a further \$2.6 million for landfill rehabilitation that is charged directly against the provision.

3.4 Budget principles

The key budget principles on which the 2016/17 budget is based (and which are drawn from the Strategic Resource Plan) are:

- **Responsible use of debt**, which includes maintaining debt levels below local government prudential guidelines.
- **A fully funded 10 year capital works program**, which includes increased funding for new infrastructure and increased funding for renewing existing assets to high standards.
- **Maintenance of a strong liquidity position**, ensuring Council has the flexibility to respond to short term challenges.
- **Achievement of an operating surplus every year**, with the goal of achieving a sustainable surplus in the near future.
- **Equitable and transparent distribution of rate revenue.**
- **Responsible and sustainable asset management.**
- **Being financially sustainable in the long-term.**

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

3.5 Long term strategies

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan (section 8), Rating

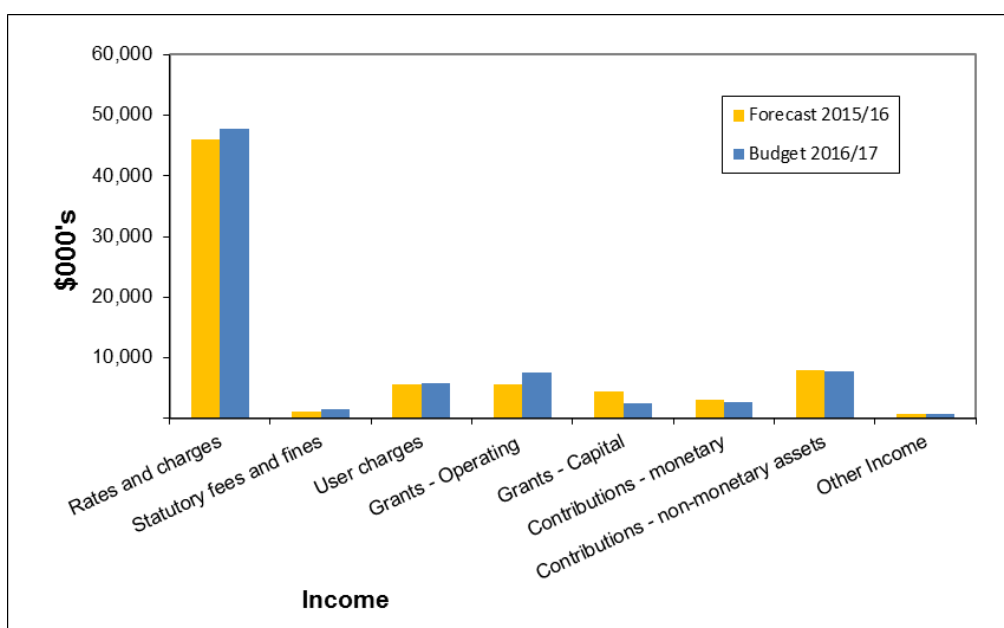
Strategy (section 9) and Other Long Term Strategies (section 10) including borrowings, infrastructure and service delivery.

4. Analysis of Operating Budget

This section analyses the expected revenues and expenses of the Council for the 2016/17 year.

4.1 Operating revenue

	Ref	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Income				
Rates and charges	4.1.1	45,975	47,837	1,863
Statutory fees and fines	4.1.2	1,144	1,525	381
User charges	4.1.3	5,591	5,771	180
Grants - Operating	4.1.4	5,546	7,526	1,980
Grants - Capital	4.1.5	4,333	2,509	(1,825)
Contributions - monetary	4.1.6	3,053	2,693	(360)
Contributions - non-monetary assets	4.1.7	7,874	7,840	(34)
Other Income	4.1.8	773	792	19
Total income		74,289	76,493	2,204



4.1.1 Rates and charges (\$1.9 million increase)

It is proposed that income raised by all rates and charges be increased by 4.1% or \$1.8 million in 2016/17 to \$47.8 million. This includes an increase from existing rate payers (including municipal charge) of 2.5%; Garbage Charge increase of 4%; the annualised effect of new ratepayers from 2015/16 paying a full year's worth of rates in 2016/17 of \$0.2 million; income from new ratepayers in 2016/17 of \$0.4 million for general rates and municipal charge and \$0.05 million for garbage charges. Rates and charges also includes \$0.22 million for 3 special charge schemes to assist with funding a pathway on Beach Road from Alleyne Avenue to Koorunga Place, construction and sealing of Beal and Trebeck Courts and Hopkins Street.

4.1.2 Statutory fees (\$0.4 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 33.3% or \$0.4 million compared to 2015/16. This increase is mainly due to supervision and plan checking subdivisions increasing \$0.1 million.

4.1.3 User charges (\$0.2 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 3.2% or \$0.2 million compared to 2015/16.

4.1.4 Operating grants (\$2.0 million increase)

Operating government grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services. Total operating grants shows an annual increase of \$1.8 million for 2016/17.

It should be noted that this increase reflects early receipt of \$1.83 million of Grants Commission funding for 2015/16 received late in 2014/15. Whilst the Commonwealth governments' freeze on indexation of Financial Assistance Grants to local government is still in place, Council has budgeted for an increase of \$84k in line with indicative estimates from the Victorian Grants Commission. This increase is due to the change in the distribution of grants between states due to population growth. Considering the early payment in 2014/15, the total funding relating to 2015/16 totals \$7.37 million compared to \$7.53 million in 2016/17, an increase of 2.2% in operating grant funding.

Operating Grants Funding and Source	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Commonwealth Home Support	116	116	-
Flexible Service Response	30	18	(12)
HACC Assessment and Care	168	170	2
HACC Cafe Style Support	44	52	8
HACC Property Maintenance	71	71	()
HACC Services	710	721	11
HACC Minor Capital	-	18	18
Home Care Packages	356	369	13
Grants Commission	1,791	3,701	1,910
Total Recurrent - Commonwealth Government	3,286	5,236	1,950
Recurrent - State Government			
Economic Development & Tourism	8	-	(8)
Family Day Care Services	44	46	3
Fleet Management	12	7	(5)
Health Services Administration	14	17	3
Immunisations	12	7	(4)
Kindergarten Cluster Management	1,128	1,289	161
Local Laws - School Crossings	37	38	1
Maternal & Child Health Services	225	239	14
Meals on Wheels	60	68	8
Positive Ageing Administration	50	57	6
Rural Access Services	48	49	1
Senior Citizens	42	29	(12)
SSRC Holiday Program	40	45	5
State Emergency Services	32	33	1
Youth Services	114	101	(13)
Total Recurrent - State Government	1,864	2,025	161
Non Recurrent - State Government			
Community Emergency Management	265	240	(25)
Economic Development & Tourism	23	-	(23)
Environment New Initiatives	63	24	(39)
Leisure & Wellbeing	45	-	(45)
Youth Services	-	1	1
Total Non Recurrent - State Government	397	265	(132)
Total Operating Grants	5,546	7,526	1,980

4.1.5 Capital grants (\$1.8 million decrease)

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

Overall, the level of capital grants has decreased by 42.1% or \$1.8 million compared to 2015/16. Grants that are budgeted to be received in 2016/17 include Federal Roads to Recovery \$2.3 million; Spring Creek Netball Facility Upgrade \$0.1 million; Winchelsea Entrance Sculptures \$0.05 million and Anglesea Cricket Clubs Pavilion \$0.07 million.

Capital Grants Funding and Source	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Non Recurrent - Commonwealth Government			
Roads to Recovery	2,004	2,289	285
Roads & Bridges Initiative	100	-	(100)
Recreation Facilities	500	-	(500)
Total Non Recurrent - Commonwealth Government	2,604	2,289	(315)
Non Recurrent - State Government			
Community Buildings	400	70	(330)
Drainage	283	-	(283)
Recreation Facilities	636	100	(536)
Transport	245	50	(195)
Waste Management	165	-	(165)
Total Non Recurrent - State Government	1,729	220	(1,509)
Total Capital Grants	4,333	2,509	(1,825)

4.1.6 Contributions – Monetary (\$0.4 million decrease)

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 decrease by 11.8% or \$0.4 million compared to 2015/16.

4.1.7 Contributions – Non monetary assets (\$0.03 million decrease)

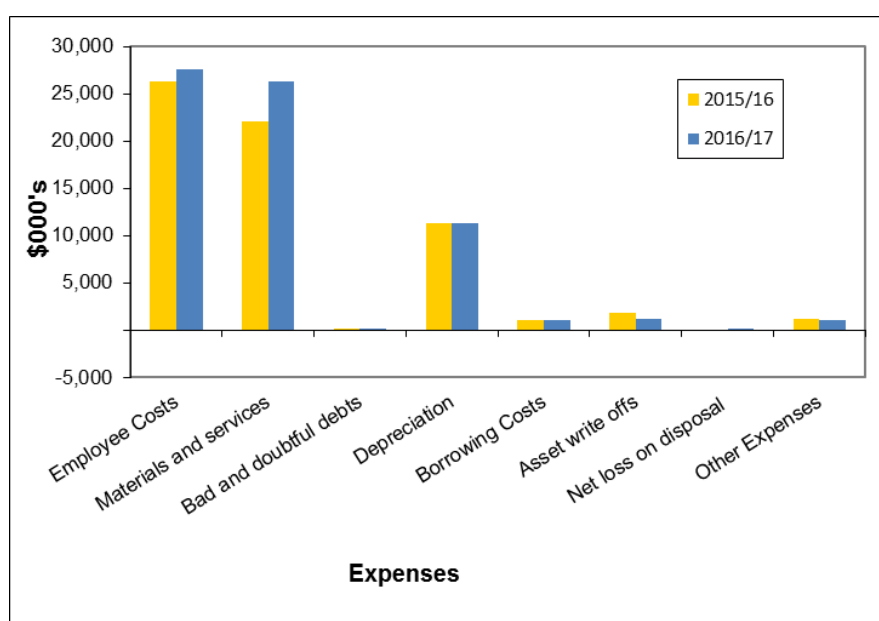
Contributions relate to recoupment of expenditures, community contributions to capital works, and monies paid by developers in regard to new subdivision works. Contributions are forecast to decrease by 0.4% or \$0.03 million compared to 2015/16 due to reduced granted asset revenue.

4.1.8 Other income (\$0.02 million increase)

Other income relates to interest on investments, interest charges on properties and debtors. Other incomes is forecast to increase by 2.5% or \$0.02 million compared to 2015/16, attributed predominately to interest on investments which will increase by approximately \$0.02 million.

4.2 Operating Expenditure

		2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Ref				
Expenses				
Employee Costs	4.2.1	26,324	27,567	1,243
Materials and services	4.2.2	22,014	26,237	4,223
Bad and doubtful debts	4.2.3	79	79	
Depreciation	4.2.4	11,253	11,338	85
Borrowing Costs	4.2.5	1,122	1,077	(44)
Asset write offs	4.2.6	1,779	1,243	(536)
Net loss on disposal	4.2.7	(115)	83	198
Other Expenses	4.2.8	1,166	1,103	(63)
Total operating expenses		63,622	68,728	5,106



4.2.1 Employee benefits (\$1.2 million increase)

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

Employee costs are forecast to increase by 4.7% or \$1.2 million compared to 2015/16. The increase relates to the following key factors:

- For the purpose of developing the budget the Surf Coast Shire Enterprise Agreement increase has been assumed to be 2.0% (the enterprise agreement negotiations will finalise after the budget has been adopted).
- Position level increments.
- Increase in staff numbers including a Business Improvement Officer, Local Laws Officer and Senior Planner. These positions are all temporary and are expected to realise budget savings. There are also permanent new positions of Community Project Development Officer and staff at the Anglesea Kindergarten included.
- Project managers costed to the operating budget in the revised forecast are being capitalised and included as part of the capital budget in the 2016/17 budget, this partially offsets the increase in staff numbers.

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

Directorate		Permanent Full Time	Permanent Part Time
	\$'000	\$'000	\$'000
Chief Executive	2,762	2,498	264
Culture & Community	8,446	3,863	4,584
Governance & Infrastructure	7,367	6,499	868
Environment & Development	6,430	4,781	1,648
Total Permanent Staff Expenditure	25,004	17,640	7,364
Casuals & Other Expenditure	2,563		
Capitalised Labour Costs	1,728		
Total Expenditure	29,295		

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

Directorate	Budget Head Count	Budget FTE	Permanent Full Time	Permanent Part Time
Chief Executive	26.0	22.0	19.0	3.0
Culture & Community	143.0	96.1	38.0	58.1
Governance & Infrastructure	83.0	74.2	64.4	9.8
Environment & Development	99.0	71.3	49.0	22.3
Total Permanent Staff	351.0	263.6	170.4	93.2
Casuals & Other	85.0	9.8		
Capitalised Labour Costs	22.0	21.6		
Total Staff	458.0	295.0		

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

Some of the key variances in employee costs are:

- The Business Improvement new position for a two year period to assist with the focus of improving service and realising savings \$0.1 million.
- Anglesea Kindergarten employees employed by Council from July 2017 \$0.2 million.
- Kindergartens operating by Surf Coast Shire agreeing to a new award.
- Three project manager costs now being included as part of the capital program.
- A new position for a two year period in the Development Compliance and Local Laws unit to provide additional resources in law enforcement, animal registrations and patrols.
- The Statutory Planning unit addition of 1.6 FTE for a three year period to assist in addressing the backlog in applications and to instigate improvements to processes \$0.15 million and a casual strategic planner position funded by planning scheme amendment fees \$0.05 million.
- A new project development officer to support community identified projects \$0.1 million.

4.2.2 Materials and services (\$4.2 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 19.2% or \$4.2 million compared to 2015/16 revised forecast.

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 \$1.9 million to \$4.6 million compared to 2015/16 (note \$2.6 million of expensed capital expenditure recorded in the capital works program in Appendix C relates to the rehabilitation of the landfill site and is funded out of the landfill provision). Expensed works in 2016/17 are mainly attributable to the Surf Coast Highway/Beach Road traffic lights construction, Anglesea Landfill Wall Liner, Torquay South Beach Road/Surf Coast Highway Intersection upgrade and stormwater improvements at the Anglesea Landfill.

A decrease in expenditure in operational projects (including business case investments) partially offsets the increases in materials and services.

Excluding the expensed capital works and operational projects, materials and services have generally risen by 2.8%.

4.2.3 Bad and doubtful debts (in line with forecast)

Bad and doubtful debts are projected to remain at similar levels to the 2015/16 revised forecast of \$0.08 million.

4.2.4 Depreciation (\$0.09 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 \$0.09 million or 0.8% is due mainly to the completion of the 2016/17 capital works program and the full year effect of depreciation on the 2015/16 capital program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2016/17 year.

4.2.5 Borrowing Costs (\$0.04 million decrease)

Finance costs relate to interest charged by financial institutions on funds borrowed. The reduction of \$0.04 million or 3.9% compared to the 2015/16 revised forecast is in accordance with Council's loan borrowing schedule. Borrowings of \$1.0 million are proposed for the 2016/17 financial year. The loan is scheduled to be taken out in June 2017 so have minimal impact on borrowing costs in the 2016/17 financial year.

4.2.6 Asset write-off (\$0.5 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 2016/17. Asset write-off is forecast to decrease by 30.1% or \$0.5 million compared to 2015/16.

4.2.7 Net Loss on Disposal (\$0.2 million decrease)

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

4.2.8 Other Expenses (\$0.06 million decrease)

Other expenses are projected to decrease by \$0.06 million compared to the 2015/16 revised forecast.

4.3 Adjusted Underlying Result

	2015/16 Forecast \$'000	2016/17 Budget \$'000
Total income	74,289	76,493
Total expenses	(63,622)	(68,728)
Surplus for year	10,667	7,766
Less Grants - capital non-recurrent	(4,333)	(2,509)
Less Contributions - non-monetary assets	(7,874)	(7,840)
Less Capital Contributions - other sources	(361)	(303)
Adjusted underlying surplus/(deficit)	(1,901)	(2,886)

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 2016/17 year is a deficit of \$3.0 million which is a decrease of \$1.0 million.

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.

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

	Ref	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Cash flow from operating activities	5.1.1			
Rates and charges		45,854	47,795	1,941
Operating grants		5,742	7,792	2,050
Capital grants		4,487	2,597	(1,889)
Contributions		3,053	2,693	(360)
Interest received		773	792	19
User charges		5,788	5,975	187
Statutory fees		1,144	1,525	381
Net GST refund/payment		3,440	4,140	700
Employee costs		(26,215)	(27,456)	(1,241)
Materials and Services		(26,192)	(33,398)	(7,206)
Other Payments		(1,359)	(1,290)	69
Net cash provided from operating activities		16,515	11,165	(5,350)
Cash Flows from investing activities	5.1.2			
Proceeds from sale of property, plant & equipment		612	587	(25)
Payments for property, plant, equipment & infrastructure assets		(17,330)	(18,197)	(867)
Cash Flows from investing activities		6,500	-	(6,500)
Net cash used in investing activities		(10,218)	(17,610)	(7,392)
Cash flows from financing activities	5.1.3			
Finance costs		(1,122)	(1,077)	44
Proceeds from interest bearing loans and borrowings		-	1,000	1,000
Repayment of interest bearing loans and borrowings		(584)	(628)	(44)
Net cash provided from financing activities		(1,706)	(706)	1,000
Net decrease in cash & cash equivalents held		4,591	(7,151)	(11,742)
Cash & cash equivalents at the beginning of the period		5,602	10,192	4,591
Cash & cash equivalents at the end of the period	5.1.4	10,192	3,041	(7,151)
Investments (current and non-current financial assets)		13,750	13,750	-
Total cash & investments at the end of the period		23,942	16,791	(7,151)

5.1.1 Operating activities (\$5.4 million decrease)

The decrease in net cash provided from operating activities is due mainly to an increase in materials in services (\$7.2 million) partially due to the increase in expensed capital works (\$4.6 million) partially offset by the increase in rates and charges (\$1.9 million).

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

The net movement in current assets and liabilities predominately relates to the payments for the landfill rehabilitation (\$0.4 million 2015/16 and \$2.6 million 2016/17).

	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Surplus for year	10,667	7,766	(2,902)
Add Depreciation	11,253	11,338	85
Less Granted assets	7,874	7,840	(34)
Add Asset write offs	1,779	1,243	(536)
Add Debt servicing	1,122	1,077	(44)
Add Net loss (gain) on disposal of property infrastructure, plant and equipment	(115)	83	198
Add Net Movement in current assets and liabilities	(318)	(2,503)	(2,185)
Net cash provided from operating activities	16,515	11,165	(5,350)

5.1.2 Investing activities (\$7.4 million decrease)

The decrease in payments for investing activities relates to no movement in other financial assets in 2016/17 compared to an inflow of \$6.5 million in the forecast budget 2015/16; partially offset by an increase in the outflow for capital works (\$0.9 million). Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of the capital works program.

5.1.3 Financing activities (\$1.0 million increase)

The increase in receipt of monies from financing activities relates to the \$1.0 million loan scheduled to be taken out in June 2017 for the Torquay North Early Learning Centre.

5.1.4 Cash & cash equivalents at end of the period (\$7.2 million decrease)

Total cash and cash equivalents are forecast to decrease to \$3.0 million in 2016/17. Total cash and investments (including current and non-current financial assets) are forecast to decrease to \$16.8 million.

5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and are not fully available for Council's operations. The budgeted Balance Sheet statement indicates that Council is estimating total cash and investments of \$23.9 million as at 30 June 2016. The following table shows the cash and cash equivalents as at 30 June 2016 which have been set aside for specific purposes in the future:

Description	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance (Unfavourable) \$'000
Restricted			
Open Space	199	399	200
Main Drainage	216	201	(15)
Aireys Inlet Units	337	337	-
Asset Development	60	60	-
Developer Contributions	3,757	2,361	(1,396)
Waste	6,107	3,986	(2,121)
Trust and Deposits	1,323	1,323	-
Total Restricted Reserves	11,999	8,667	(3,332)
Unrestricted			
Plant Replacement	428	296	(132)
DCP Council Funds	512	812	300
Gherang Gravel Pits	1,856	2,010	154
Defined Benefits Superannuation	474	724	250
Carried Forward Capital Works	4,385	-	(4,385)
Carried Forward Operational Projects	799	-	(799)
Adopted Strategy Implementation	451	1,251	800
Asset Renewal	243	510	267
Accumulated Unallocated Cash	2,032	1,758	(274)
Total Unrestricted Reserves	11,179	7,360	(3,819)
Total Reserves	23,179	16,027	(7,151)
Reserve Based Debtors and Project Creditors	757	757	-
Budget Adjustment	7	7	-
Total Cash and Investments	23,942	16,791	(10,977)

Reserve	Opening Balance \$'000 01/07/2016	Transfer To Reserve \$'000	Transfer From Reserve \$'000	Closing Balance \$'000 30/06/2017
Open Space	199	200	-	399
Main Drainage	216	-	15	201
Aireys Inlet Units	337	-	-	337
Asset Development	60	-	-	60
Developer Contributions	3,757	1,295	2,691	2,361
Waste	6,107	2,637	4,758	3,986
Trust and Deposits	1,323	-	-	1,323
Plant Replacement	428	600	732	296
DCP Council Funds	512	2,076	1,776	812
Gherang Gravel Pits	1,856	284	130	2,010
Defined Benefits Superannuation	474	250	-	724
Carried Forward Capital Works	4,385	-	4,385	-
Carried Forward Operational Projects	799	-	799	-
Adopted Strategy Implementation	451	1,000	200	1,251
Asset Renewal	243	5,233	4,967	510
Accumulated Unallocated Cash	2,032	726	1,000	1,758
Totals:	23,179	14,302	21,453	16,027

Accumulated Unallocated Cash	2015/16 Forecast \$'000	2016/17 Budget \$'000
Opening Balance	1,050	2,032
Less Net Allocations during the Year	(381)	
Annual Surplus/(Deficit)	1,363	726
Trfr for Digital Transformation		(1,000)
Closing Balance	2,032	1,758

Projected Net Annual Allocation: (250)

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	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Total Cash & Investments		23,942	16,791	(7,151)
Restricted Cash & Investments				
- Legislative Reserves	5.2.1	752	937	185
- Other Restricted Reserves	5.2.2	11,247	7,730	(3,517)
Total Restricted cash and investments		11,999	8,667	(3,332)
Unrestricted cash and investments	5.2.3	11,943	8,124	(3,819)

5.2.1 Legislative reserves (\$0.2 million increase)

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

Legislative reserves are made up of:

- Open Space
- Main Drainage
- Aireys Inlet Units

Open Space contributions for new subdivision works are budgeted to increase by \$0.2 million. These funds will be allocated to fund future strategic open space development.

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

5.2.2 Other Restricted Reserves (\$3.5 million decrease)

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

Other Restricted reserves are made up of:

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

Developer contributions will increase by \$1.3m in the 2016/17 year in line with Council's Torquay and Jan Juc Developer Contributions Plan. Funds from this reserve (\$0.2 million) will be allocated to the construction of the Torquay North Children's Services Hub.

Council will spend all of its annual allocation to the waste reserve (\$2.6 million) and draw on \$2.2 million from the reserve to complete the waste capital program.

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

5.2.3 Unrestricted Reserves (\$3.8 million decrease)

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

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

Unrestricted reserves are made up of:

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

Carried Forward Capital Works will decrease by \$4.4 million in the 2016/17 year in line with completion of programmed capital works budgeted for in 2015/16. The Defined Benefits Superannuation Reserve will increase by \$0.25 million.

The DCP Council funds reserve balance will increase to \$0.8 million, as \$ 1.8m is allocated to fund capital projects.

The accumulated unallocated cash reserve will decrease by \$0.3 million as a result of the annual surplus of \$0.7 million and the transfer to the adopted strategy reserve of \$1.0 million. The \$1.0 million transfer will fund the commencement of the Digital Transformation Program.

The asset renewal cash reserve will increase by \$0.3 million following the annual allocation of \$5.0 million to the capital works program.

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

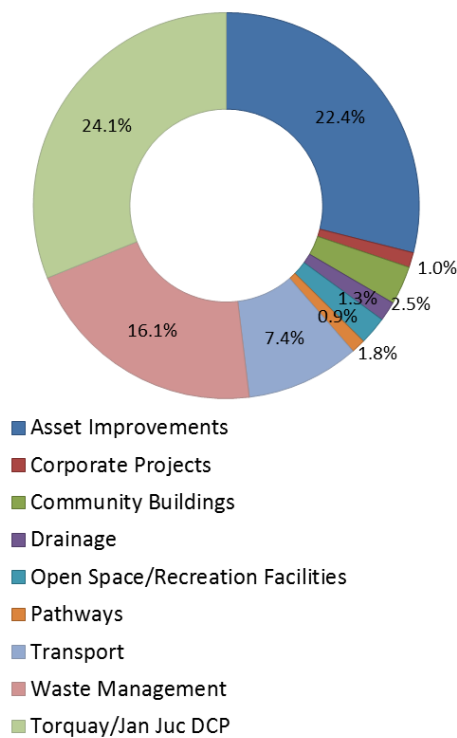
6. Analysis of Capital Budget

This section analyses the planned capital expenditure budget for the 2016/17 year and the sources of funding for the capital budget.

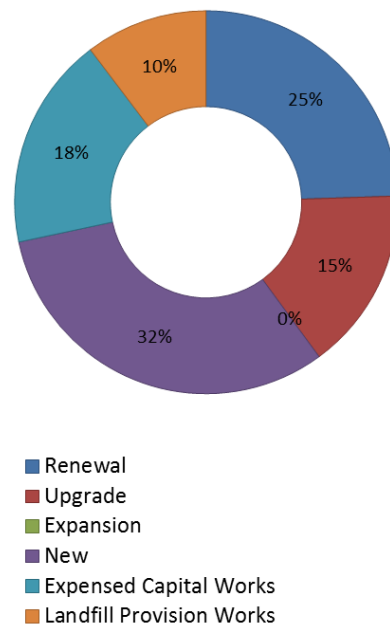
6.1 Capital works

	Ref	2016/17 Budget \$'000	2016/17 Est. Spend \$'000
Capital works carried forward			
Asset Improvements	6.1.1	25	25
Corporate Projects	6.1.1	943	93
Community Buildings	6.1.1	20	-
Drainage	6.1.1	100	50
Open Space/Recreation Facilities	6.1.1	50	30
Pathways	6.1.1	-	-
Torquay/Jan Juc DCP	6.1.1	1,365	1,365
Transport	6.1.1	150	150
Waste Management	6.1.1	1,239	1,239
Contingency		493	-
Carried Forward Capital Works	6.1.1	4,385	2,952
New Capital Works			
Asset Improvements	6.1.2	5,700	5,478
Corporate Projects	6.1.3	245	245
Community Buildings	6.1.4	638	185
Drainage	6.1.5	325	325
Open Space/Recreation Facilities	6.1.6	462	462
Pathways	6.1.7	233	233
Transport	6.1.8	1,873	1,595
Waste Management	6.1.9	4,097	4,097
Torquay/Jan Juc DCP	6.1.10	6,131	5,570
Contingency	6.1.11	1,302	-
Total New Capital Works		21,007	18,189
Total Capital Works		25,392	21,141
Represented by:			
Renewal		6,216	
Upgrade		3,925	
Expansion		-	
New		8,056	
		18,197	
Expensed Capital Works		4,574	
Landfill Provision Works		2,622	
Total Capital Works		25,392	

Budgeted capital works by category 2016/17



Budgeted capital works by expenditure type 2016/17



6.1.1 Carried forward works

Carry forward capital projects for 2016/17 totals \$4.4 million of which \$1.3 million relates to the Construction the Early Learning Centre in Torquay North, \$1.2 million relates to the Anglesea Landfill Rehabilitation Stage 3A (\$1.1 million) and Cell 2 Wall Liner Extension (\$0.1 million) and \$0.9 million for the purchase of land in Winchelsea.

6.1.2 Asset improvements

Asset improvements includes renewal of existing roads, drains, pathways, park assets, active recreation facilities, buildings, stairways and retaining structures. The asset improvements expenditure relates to the following larger renewal projects such as Sealed Road Renewal Program (\$1.2 million), Unsealed Road Renewal (\$0.8 million), Heavy Plant Renewal (\$0.7 million), Darian Road Reconstruction (\$0.3 million) and Aireys Inlet Reserve Playground (\$0.2 million).

6.1.3 Corporate projects

In 2016/17 the corporate projects will include the investment into the Surf Coast Shire Digital Transformation program. Authority Software Upgrade and the Activity Based Working project totalling \$0.2 million.

6.1.4 Community buildings

Community buildings include community and sports facilities. New community building works in 2016/17 include the Spring Creek Netball Facility Upgrade (\$0.4 million), Anglesea Cricket Club Pavilion Upgrade Stage 1 (\$0.1 million) and Anglesea's Memorial Hall Air-Conditioning Installation (\$0.04 million).

6.1.5 Drainage

In addition to the Small Drainage Works Program (\$0.03 million), significant drainage projects to be undertaken during 2016/17 include Kargnum Crescent Winchelsea Erosion Works (\$0.1 million) and Bellbrae Drainage and Streetscape Improvements (\$0.2 million).

6.1.6 Open space/recreation facilities

Open space development in 2016/17 includes projects such as the Playground Strategy (\$0.2 million), Construction of Winchelsea Entrance Sculptures (\$0.1 million) and Connewarre Reserve Master Plan Stage 3 Drainage Improvements (\$0.1 million).

6.1.7 Pathways

New pathways in 2016/17 include the Beach Road Path – Alleyne to Kooringa (\$0.1 million), Barwon Terrance Path – Willis Street to Pool (\$0.1 million), Pimelia Way Path Connection, Pathways Ancillary Works, Highlander Street Path and Bicycle Lanes Program.

6.1.8 Transport

Transport includes rehabilitation, upgrade, expansion and construction of roads, and includes the allocation of Federal Roads to Recovery and State Roads and Bridges funding. Works in 2016/17 include 1.8km Cape Otway Road Widening (\$1.0 million), Construction and Sealing of Hopkins Street Aireys Inlet (\$0.1 million), Construction and Sealing of Beal and Trebeck Streets in Winchelsea (\$0.2 million), Lorne School Traffic Management Improvements (\$0.1 million) and Transport and Drainage Design (\$0.1 million).

6.1.9 Waste management

Waste management projects typically include landfill site rehabilitation works and upgrade of building facilities such as transfer stations and recycling facilities. The increase in waste management projects relates mainly to installation of the Anglesea Landfill Rehabilitation Stage 3B – Side of Cell 2 (\$1.1 million), Anglesea Landfill Extension to Cell Side Wall Liner Stage C (\$1.1 million), Anglesea Landfill Stormwater Improvements (\$0.4 million) and Lorne Big Belly Bins and Gravity Locks (\$0.2 million).

6.1.10 Torquay/Jan Juc Developer Contributions Plan (DCP)

Projects relating to the adopted Torquay/Jan Juc DCP and included in the 2016/17 program include the Grenville Oval Road Construction & Carpark (\$1.6 million), Early Learning Children's Centre in Torquay North (\$1.2 million), Surf Coast Highway / Beach Road Traffic Lights Construction (\$1.2 million), Horseshoe Bend / South Beach Road Intersection Upgrade (\$0.75 million), Surf Coast Highway / South Beach Road Intersection Upgrade (\$0.8 million), Horseshoe Bend Road widening (\$0.3 million), Upgrade Deep Creek Linear Reserve (\$0.1 million), Upgrade Bells Beach Recreation Reserve (\$0.1 million) and Upgrade of Grass Tree Park (\$0.1 million).

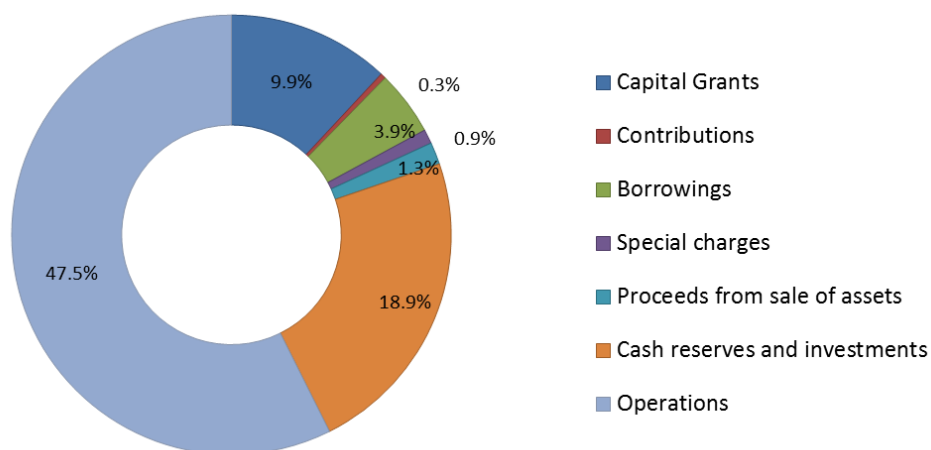
6.1.11 Contingency

Contingency allocation to the capital works program is \$1.3 million in 2016/17. 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 complete the portion of contingency will be returned to its source funding for further allocation by Council.

6.2 Funding sources

	Ref	2015/16 Revised Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Internal				
Carried Forward Capital Works	6.2.1	3,101	4,385	1,284
Total carried forward capital works		3,101	4,385	1,284
New capital works				
External				
Capital Grants	6.2.2	4,333	2,509	(1,825)
Contributions	6.2.3	372	84	(288)
Borrowings	6.2.4	-	1,000	1,000
Special charges	6.2.5	301	219	(82)
Proceeds from sale of assets	6.2.6	442	342	(100)
		5,448	4,153	(1,295)
Internal				
Cash reserves and investments	6.2.7	1,414	4,804	3,389
Operations	6.2.8	10,131	12,050	1,919
Total new capital works		16,994	21,007	4,013
Total funding sources		20,095	25,392	5,298

Budgeted total funding sources 2016/17



6.2.1 Carried forward capital works (\$1.3 million increase)

In comparison to 2015/16 there is a \$1.3 million increase in carried forward capital works. The 2016/17 carried forward capital works projects are shown in Appendix C.

6.2.2 Capital grants (\$1.8 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 2016/17 include the 1.8km Cape Otway Road Widening (\$1.0 million), Horseshow Bend/South Beach Road Intersection Upgrade (\$0.75 million), Horseshoe Bend Road Widening Stage 4 (\$0.3 million), Bellbrae Drainage and Streetscape Improvements (\$0.2 million), and Spring Creek Recreation Reserve Master Plan Stage 2 Netball Facility Upgrade (\$0.1 million).

6.2.3 Capital contributions (\$0.3 million decrease)

Contributions relate to community contributions to capital works. The main source of capital contributions for the 2016/17 year relate to the Spring Creek Recreation Reserve Master Plan Stage 2 Netball Facility Upgrade (\$0.05 million), Anglesea Cricket Club Pavilion Upgrade Stage 1 (\$0.02 million) and Spring Creek Tennis Courts (\$0.01 million).

6.2.4 Borrowings (\$1.0 million increase)

Borrowings relate to the funding of capital works projects. During 2016/17, the borrowings will be matched to the funding requirements of the Torquay North Early Learning Centre (\$1.0 million).

6.2.5 Special charges (\$0.1 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 2016/17 the three special charge schemes are Beal/Trebeck Streets Winchelsea Construction and Sealing (\$0.1 million), Beach Road Path - Alleyne to Koorunga (\$0.05 million) and Hopkins Street Aireys Inlet Construction and Sealing (\$0.06 million).

6.2.6 Proceeds from sale of assets (\$0.1 million decrease)

Council has a planned program for replacing fleet vehicles, heavy plant and equipment, which is partially funded by proceeds from sale of these assets each year. The 2016/17 year proceeds relates to the sale of Council's light fleet and heavy plant (\$0.3 million).

6.2.7 Cash reserves and investments (\$3.4 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 2016/17, including the Surf Coast Highway / Beach Road Traffic Lights Construction (\$1.2 million), Anglesea Landfill Rehabilitation Stage 3B (\$1.1 million), Surf Coast Highway / South Beach Road Intersection Upgrade (\$0.8 million), Realign Anglesea Transfer Station Entrance (\$0.3 million), Lorne Big Belly Bins and Locks (\$0.3 million) and Digital Transformation (\$0.2 million).

6.2.8 Operations (\$1.9 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 2015/16 and 2016/17.

7.1 Budgeted balance sheet

	Ref	2015/16 Forecast \$'000	2016/17 Budget \$'000	Variance \$'000
Assets				
Current assets	7.1.1			
Cash and cash equivalents		10,192	3,041	(7,151)
Trade and other receivables		4,550	4,655	105
Other financial assets		12,250	12,250	-
Inventories		287	287	-
Non-current assets classified as held for sale		281	318	37
Total current assets		27,561	20,552	(7,009)
Non current assets	7.1.2			
Trade and other receivables		201	138	(63)
Other financial assets		1,500	1,500	-
Property, infrastructure plant & equipment		405,665	424,798	19,133
Investments in associates and joint ventures		580	580	-
Total non current assets		407,946	427,016	19,071
Total assets		435,507	447,568	12,062
Liabilities				
Current liabilities	7.1.3			
Trade and other payables		3,168	3,218	50
Trust funds and deposits		1,323	1,323	-
Provisions		8,657	9,178	521
Interest bearing liabilities		628	748	120
Total current liabilities		13,776	14,467	691
Non current liabilities	7.1.4			
Provisions		11,211	8,180	(3,031)
Interest bearing liabilities		14,937	15,188	252
Total non current liabilities		26,148	23,368	(2,780)
Total liabilities		39,924	37,836	(2,089)
Net assets	7.1.5	395,582	409,733	14,151
Equity				
	7.1.6			
Accumulated surplus		187,979	202,896	14,917
Assets revaluation reserve		184,425	190,810	6,385
Other reserves		23,179	16,027	(7,151)
Total equity		395,582	409,733	14,151

7.1.1 Current assets (\$7.0 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 (\$7.0 million) in 2016/17. Trade and other receivables are monies owed to Council by ratepayers and others and include rates, grants, user charges, special charges and asset sales. Trade and other receivables are projected to increase (\$0.1 million) in 2016/17. Cash and cash equivalents are expected to decrease by \$7.2 million (refer to section 5 for further information). Other financial assets include investments with maturity dates of over three months and less than twelve months. These are expected to remain at 2015/16 levels.

7.1.2 Non-current assets (\$19.1 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 \$19.1 million in this balance is mainly attributable to the total capital works program excluding expensed capital works (\$18.2 million), granted assets (\$7.8 million), cyclical revaluation of assets (\$6.4 million), less depreciation of assets (\$11.3 million), asset write-off (\$1.2 million), disposal of assets (\$0.4 million) and transfer to non-current assets held for resale (\$0.3 million).

7.1.3 Current liabilities (\$0.7 million increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to increase in 2016/17 by (\$0.05 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), the landfill rehabilitation works expenditure of (\$2.6 million) and the transfer of non-current provisions of (\$3.0 million) to current provisions for landfill rehabilitation works expected in 2017/18.

7.1.4 Non-current liabilities (\$2.8 million decrease)

The decrease of \$2.8 million in 2016/17 is mainly due to the reclassification of rehabilitation works (\$3.0 million) to current liabilities for expected works in 2017/18. Interest bearing liabilities increase of (\$0.3 million) is made up of a transfer to current liabilities (\$0.75 million) as they fall due for payment and new borrowings (\$1.0 million).

7.1.5 Net assets (\$14.2 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 \$14.2 million is a result of the operating surplus plus the revaluation of property, infrastructure, plant and equipment.

7.1.6 Equity (\$14.2 million increase)

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

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

It has been budgeted that during the year a net amount of \$7.2 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 \$6.3 million reflects the anticipated revaluation of Council assets in the 2016/17 year.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2017 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 2016/17 levels. Payment cycle is 30 days;
- Other debtors are anticipated to be 3% of total revenue;
- The current provision for future landfill rehabilitation is \$4.2 million at June 30 2017 relating to rehabilitation works to be carried out at the Anglesea Landfill in 2017/18;
- Provisions for employees to the value of \$5.7 million in 2016/17 will remain steady with an increase of 2% to reflect wages increase;
- Non-current provision for future landfill rehabilitation is \$7.5 million as at June 30 2017 relating to future rehabilitation works at the Anglesea Landfill, which is forecast to close in 2023/24;
- Repayment of loan principal to be \$0.6 million and new borrowings of \$1.0 million in 2017/18;
- Total capital works to be \$25.4 million (including works to be expensed \$4.6 million, landfill rehabilitation provision works \$2.6 million and projects carried forward from 2015/16 \$4.4 million);
- Operational projects carried forward from 2015/16 (\$0.8 million).
- A total of \$9.2 million to be transferred from cash reserves to fund the capital works program for the 2016/17 year (including carried forward projects).
- Asset revaluations will be undertaken in the 2016/17 year and are expected to total \$6.4 million in relation to scheduled revaluations of Council's road, carparks, bridges and land assets.

8. Strategic Resource Plan and Key Financial Indicators

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

8.1 Plan development

Council has prepared a Strategic Resource Plan (SRP) for 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 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 to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives that underpin the SRP are:

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

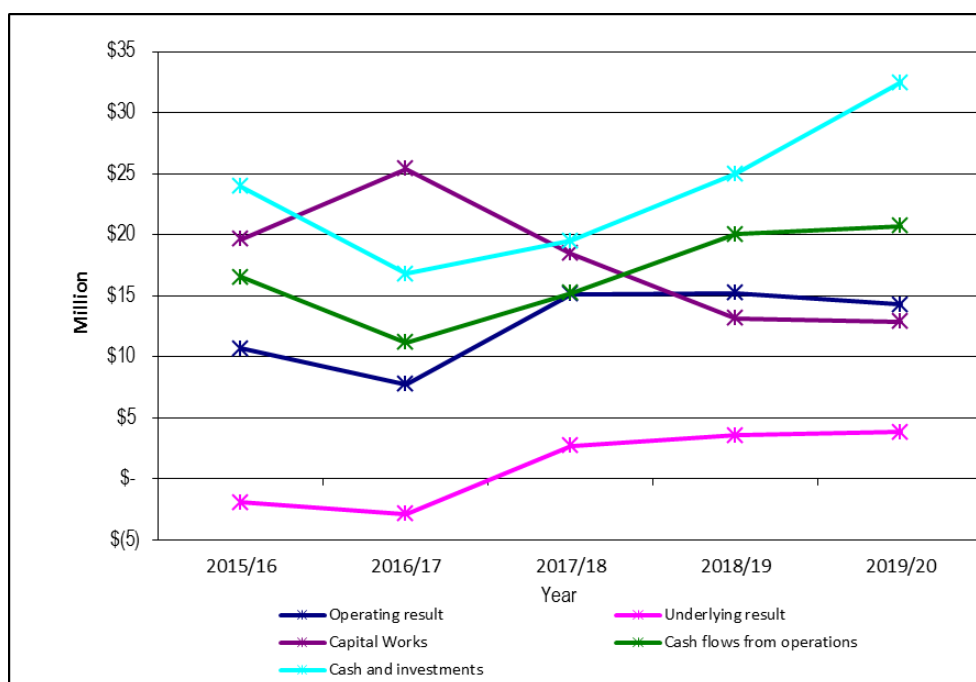
The following table summarises the key financial results for the next four years as set out in the SRP. Appendix A includes a more detailed analysis of the financial resources to be used over the four-year period.

	2015/16	2016/17	2017/18	2018/19	2019/20	
	Forecast	Budget	Forecast	Forecast	Forecast	Trend
	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating result	10,667	7,766	15,160	15,236	14,287	+
Underlying operating result	(1,901)	(2,886)	2,720	3,589	3,862	+
Cash and investments	23,942	16,791	19,485	25,008	32,471	+
Cash flows from operations	16,515	11,165	15,214	20,061	20,732	+
Capital works	19,630	25,392	18,455	13,145	12,891	-

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 are fluctuating in line with the budgeted capital program (including expensed capital works and landfill provision works) and the budgeted defined benefits call in 2018/19 (\$1.0 million).

Council will also have accumulated a reserve in excess of \$4.0 million by 30 June 2017 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.

- **Rating strategy (section 9)** – The effect of the 2016/17 rate increase will be that properties will experience an average increase in the general rate and municipal charge of 2.5% in line with the rate cap of the Fair Go Rates System. This rate increase is significantly under the increase forecast by Council's Long Term Financial Plan of 5.5%.

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.

The annual rate increase from 2017/18 is currently forecast at 2.5%. 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 2016/17 year. Operating surpluses are forecast in the coming years along with significant decrease in anticipated capital grant revenue, whilst surpluses are directed to fund the annual capital works program. 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 and the \$1.0 million defined benefits call in 2018/19. The underlying result is an important measure of financial sustainability as once-off items can often mask the operating result.
- **Borrowing strategy (section 10)** – \$1.0 million of new borrowings are planned in 2016/17 and a further \$2.0 million in 2017/18 as part of the funding for the construction of the Torquay North Early Learning Centre. No other new borrowings are planned over the next 10 years and borrowing levels are within the local government prudential guidelines that set limits for working capital, levels of debt and debt commitment costs compared to levels of rate revenue and assets.

- **Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total \$69.9 million at an average of \$17.5 million each year. Expenditure on renewal and upgrade of existing assets will total \$38.8 million, expenditure on new assets will total \$18.3 million and expenditure on expansion assets will total \$0.2 million.

8.3 Non-financial resources

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

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Total Staff Expenditure (operating & capital)	27,572	29,295	29,679	31,496	31,336
Total Employee numbers (FTE)	284.3	295.0	293.3	289.1	289.1

The increase in FTE in 2016/17 is due to additional staff including a business improvement officer, a local laws officer, a senior planner and a part time administration planning officer, a community development officer, kindergarten staff at the Anglesea Kindergarten as well as the full year impact of employees commencing in 2015/16 partially offset by the cessation of limited tenure positions.

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 operating activities of Council. Recurrent means ongoing and recurring.

Recurrent EBITDA is an important number, because 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.

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

	2015/16 Forecast \$'000	2016/17 Budget \$'000
Recurrent EBITDA		
Property Rates and Charges	39,631	41,183
Garbage Charges	6,043	6,435
Grants	5,150	6,931
Other Revenue	7,768	8,151
Total Recurrent Income	58,591	62,700
Employee Benefits	(26,119)	(26,476)
Materials and Services	(19,316)	(19,866)
Business Improvement Program Savings	-	401
Business Case Savings	-	-
Total Expenditure - Existing Operations	(45,435)	(45,941)
Compliance Costs	-	(30)
Non-Discretionary Growth	-	(119)
Discretionary Growth	-	(288)
Recurrent EBITDA	13,156	16,322

Once the Recurrent EBITDA is calculated, Council includes non-recurrent cash adjustments to define the total cash available for allocation.

	2015/16 Forecast \$'000	2016/17 Budget \$'000
Recurrent EBITDA	13,156	16,322
Cash adjustments	3,249	1,497
Total Cash Available for Allocation	16,404	17,820

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).

	2015/16 Forecast \$'000	2016/17 Budget \$'000
Allocations to Commitments		
Debt Interest & Principal	1,706	1,706
Torquay/Jan Juc Developer Plan Allocation	1,992	2,076
Developer Contribution Interest Allocation	-	52
Waste Allocation	2,363	2,637
Asset Renewal Allocation	5,455	5,833
Business Case Investments	100	500
Growth and Compliance Costs (non-recurrent)	-	1,011
Discretionary Cash Available	4,788	4,004
Discretionary Allocations		
Discretionary Capital Works	2,174	1,927
Operating non-recurrent projects	762	817
Defined Benefits Superannuation Allocation	200	250
Gravel Pits Allocation	290	284
Discretionary allocation allowance	-	-
Unallocated Cash Surplus / (Deficit)	1,363	726

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

Accumulated unallocated cash refers to the accumulation of prior 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.

	2015/16 Forecast \$'000	2016/17 Budget \$'000
Accumulated Unallocated Cash		
Opening Balance	1,050	2,032
Annual Surplus/(Deficit)	1,363	726
Less Net Allocations during the Year	(381)	-
Less transfer for Digital Transformation	-	(1,000)
Closing Balance	2,032	1,758

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 62.3% (excludes special charge scheme income) of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the Fair Go Rates System which sets out the maximum amount councils may increase rates in a year. For 2016/17 the rate cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Surf Coast Shire community.

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

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 Fair Go Rates System of 2.5%. This is significantly under the increase forecast by Council's previous Long Term Financial Plan of 5.0%. Council is undertaking several strategies to manage the financial challenge including implementing a business improvement program and business case initiatives that reduce expenditure and/or increase revenue streams. Council will also review its fees and charges policies 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 six 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. This highlights the challenges Council will face with operating in a rate cap environment.

Year	Surf Coast Shire
2011/12	6.30%
2012/13	4.90%
2013/14	5.90%
2014/15	4.75%
2015/16	5.50%
2016/17	2.50%
Average increase	4.98%

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, a kerbside collection charge and a recycling charge as permitted under the Act.

The effect of the 2016/17 rate increase will be that properties will experience an average increase in the general rate and municipal charge of 2.5%. Due to this year being a revaluation year, the actual rate increase experienced by individual ratepayers may be different as rate increases are impacted by property valuation movements of individual properties compared to the average across the municipality as well as the rate increase. Effectively if a property valuation movement is less than the average across the municipality, the rate increase will be less than the average rate increase. If your property valuation movement is greater than the average across the municipality, the rate increase will be greater than the average rate increase.

There will be an increase of 4.0% in the garbage charge for kerbside waste collections in 2016/17 bringing the fee to \$364 per collection. The rural garbage collection fee will increase by 3.78% bringing the fee to \$302.

The following table summarises the rates to be made for the 2016/17 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	Change
General Rates	Cents in \$ of CIV	0.25457	0.24591	(3.40%)
Farm Rates	Cents in \$ of CIV	0.19093	0.18443	(3.40%)
Commercial/Industrial Rates	Cents in \$ of CIV	0.48369	0.46723	(3.40%)
Vacant Residential Rates	Cents in \$ of CIV	0.50915	0.49182	(3.40%)
Vacant Provisional Rates	Cents in \$ of CIV	0.25457	0.24591	(3.40%)
Municipal Charge	\$ per property	\$ 195	\$ 200	2.56%
Urban Garbage (all residential tenements)	\$ per property	\$ 350	\$ 364	4.00%
Rural Garbage (optional)	\$ per property	\$ 291	\$ 302	3.78%

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 to take 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.

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

For the 2016/17 year, Council has proposed to take out new borrowings of \$1.0 million to fund construction of the Torquay North Early Learning Centre. A further \$2.0 million of new borrowings will be taken out for this project in 2017/18. After making loan repayments of \$0.6 million and the new borrowings of \$1.0 million are taken out, total borrowings will increase to \$15.9 million as at 30 June 2017.

After taking into account Council's expected Accumulated Unallocated Cash Surplus as at 30 June 2017, Council's net debt level will be \$14.2 million.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2016.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2015/16	-	584	1,122	15,565
2016/17	1,000	628	1,077	15,937
2017/18	2,000	748	1,094	17,188
2018/19	-	950	1,164	16,238
2019/20	-	1,010	1,104	15,228

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

	2015/16 \$'000	2016/17 \$'000
Total amount borrowed as at 30 June of the prior year	16,149	15,565
Total amount to be borrowed	-	1,000
Total amount projected to be redeemed	584	628
Total amount proposed to be borrowed as at 30 June	15,565	15,937

10.2 Infrastructure

The Council has developed an Asset Management Strategy based on the knowledge provided by various Asset Management Plans, which set out Council's capital expenditure requirements for the next 10 years and is a key input to the SRP. It predicts infrastructure consumption, renewal and infrastructure needs to meet future community service expectations. Asset Management Plans summarise the anticipated needs of the community, which have been identified through a rigorous process of consultation and evaluation, and sourced from master plans, developer contribution plans (DCP's), structure plans and service strategies (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 Federal 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 Works Program \$'000	External funding \$'000	Borrowings \$'000	Cash Reserves \$'000	2016/17 Direct Funded \$'000
2015/16	19,630	5,006	-	3,946	10,677
2016/17	25,392	3,153	1,000	9,189	12,050
2017/18	18,455	1,417	2,000	3,331	11,708
2018/19	13,145	1,498	-	701	10,946
2019/20	12,891	855	-	443	11,594

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants and special rates, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These cash reserves are either 'legislative' or 'policy' cash reserves. Legislative reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by statute and include contributions to car parking, drainage and public resort and recreation. Policy cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose. Section 5.2 includes a Statement of Reserves which summarises reserves for the 2015/16 and 2016/17 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.

	2016/17	2017/18	2018/19	2019/20
	%	%	%	%
Consumer Price Index	2.5	2.5	2.5	2.5
Wages growth	2.8	2.8	2.8	2.8
Rate increases	2.5	2.5	2.5	2.5
Garbage Charge increases	4.0	4.0	4.0	4.0
Grants Commission	0.0	2.5	2.5	2.5
Government funding	2.5	2.5	2.5	2.5
Statutory fees	3.0	3.0	3.0	3.0
Council fees	3.0	3.0	3.0	3.0
Interest on Borrowings	6.5	6.5	6.5	6.5

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 #
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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;
- Statement of Human Resources;
- Balance Sheet;
- Statement of Cash Flows;
- Statement of Changes in Equity;
- Statement of Capital Works;
- Reconciliation of Recurrent EBITDA to Income Statement; and
- Four Year Financial Plan

Comprehensive Income Statement

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Income					
Rates and charges	45,975	47,837	49,666	51,707	53,901
Statutory fees and fines	1,144	1,525	1,331	1,371	1,412
User charges	5,591	5,771	5,869	6,074	6,301
Grants - Operating	5,546	7,526	7,731	7,919	8,104
Grants - Capital	4,333	2,509	1,280	1,207	1,225
Contributions - monetary	3,053	2,693	2,910	3,345	3,381
Contributions - non-monetary assets	7,874	7,840	11,160	10,440	9,200
Other Income	773	792	716	756	879
Total Income	74,289	76,493	80,662	82,818	84,403
Expenses					
Employee costs	26,324	27,567	27,908	29,681	29,475
Materials and services	22,014	26,237	22,186	21,716	23,776
Bad and doubtful debts	79	79	82	84	87
Depreciation	11,253	11,338	11,538	12,227	12,823
Borrowing costs	1,122	1,077	1,094	1,164	1,104
Asset write offs	1,779	1,243	1,315	1,425	1,545
Net loss/(gain) on disposal of property infrastructure, plant and equipment	(115)	83	201	69	55
Other Expenses	1,166	1,103	1,180	1,215	1,251
Total expenses	63,622	68,728	65,502	67,582	70,116
Surplus/(deficit) for the year	10,667	7,766	15,160	15,236	14,287
Other Comprehensive Income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment	6,347	6,385	1,049	2,741	6,983
Total Comprehensive Result	17,014	14,151	16,209	17,977	21,271

Statement of Human Resources

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Staff Expenditure					
Employee costs - operating	26,324	27,567	27,908	29,681	29,475
Employee costs - capital	1,248	1,728	1,771	1,816	1,861
Total Staff Expenditure (operating & capital)	27,572	29,295	29,679	31,496	31,336
Employee Numbers					
Total Employee numbers (FTE)	284.3	295.0	293.3	289.1	289.1

Balance Sheet

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Assets					
Current assets					
Cash and cash equivalents	10,192	3,041	9,985	17,508	24,971
Trade and other receivables	4,550	4,655	4,746	4,840	4,935
Other financial assets	12,250	12,250	8,000	6,000	6,000
Inventories	287	287	(31)	(31)	(31)
Non-current assets classified as held for sale	281	318	318	318	318
Total current assets	27,561	20,552	23,019	28,635	36,193
Non current assets					
Trade and other receivables	201	138	99	56	13
Other financial assets	1,500	1,500	1,500	1,500	1,500
Property, infrastructure plant & equipment	405,665	424,798	436,951	448,833	461,749
Investments in associates and joint ventures	580	580	580	580	580
Total non current assets	407,946	427,016	439,130	450,969	463,841
Total assets	435,507	447,568	462,148	479,604	500,035
Liabilities					
Current liabilities					
Trade and other payables	3,168	3,218	3,268	3,320	3,372
Trust funds and deposits	1,323	1,323	1,323	1,323	1,323
Provisions	8,657	9,178	6,233	6,336	6,440
Interest bearing liabilities	628	748	950	1,010	1,095
Total current liabilities	13,776	14,467	11,775	11,988	12,230
Non current liabilities					
Provisions	11,211	8,180	8,193	8,469	8,483
Interest bearing liabilities	14,937	15,188	16,238	15,228	14,133
Total non current liabilities	26,148	23,368	24,431	23,697	22,615
Total liabilities	39,924	37,836	36,206	35,685	34,846
Net assets	395,582	409,733	425,942	443,919	465,189
Equity					
Accumulated surplus	187,979	202,896	218,023	227,883	234,855
Assets revaluation reserve	184,425	190,810	191,859	194,600	201,583
Other reserves	23,179	16,027	16,060	21,436	28,751
Total equity	395,582	409,733	425,942	443,919	465,189

Note: Other reserves balances in 2018/19 and 2019/20 include an approximation of funds held for higher future capital works.

Statement of Cash Flows

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Cash flow from operating activities					
Rates and charges	45,854	47,795	49,614	51,656	53,849
Operating grants	5,742	7,594	8,003	8,198	8,390
Capital grants	4,487	2,597	1,325	1,250	1,269
Contributions	3,053	2,693	2,910	3,345	3,381
Interest received	773	792	716	756	879
User charges	5,788	6,175	6,076	6,288	6,523
Statutory fees	1,144	1,525	1,331	1,371	1,412
Net GST refund/payment	3,440	4,140	2,260	1,724	2,013
Employee costs	(26,215)	(27,454)	(27,795)	(29,565)	(29,357)
Materials and Services	(26,192)	(33,403)	(27,849)	(23,544)	(26,165)
Other Payments	(1,359)	(1,290)	(1,377)	(1,418)	(1,460)
Net cash provided from operating activities	16,515	11,165	15,214	20,061	20,732
Cash Flows from investing activities					
Proceeds from sale of property, plant & equipment	612	587	598	478	479
Payments for property, plant, equipment & infrastructure assets	(17,330)	(18,197)	(13,276)	(12,902)	(11,634)
Cash Flows from investing activities	6,500	-	4,250	2,000	-
Net cash used in investing activities	(10,218)	(17,610)	(8,429)	(10,424)	(11,155)
Cash flows from financing activities					
Finance costs	(1,122)	(1,077)	(1,094)	(1,164)	(1,104)
Proceeds from interest bearing loans and borrowings	-	1,000	2,000	-	-
Repayment of interest bearing loans and borrowings	(584)	(628)	(748)	(950)	(1,010)
Net cash provided from financing activities	(1,706)	(706)	158	(2,114)	(2,114)
Net decrease in cash & cash equivalents held	4,591	(7,151)	6,944	7,523	7,463
Cash & cash equivalents at the beginning of the period	5,602	10,192	3,041	9,985	17,508
Cash & cash equivalents at the end of the period	10,192	3,041	9,985	17,508	24,971
Investments (current and non-current financial assets)	13,750	13,750	9,500	7,500	7,500
Total cash & investments at the end of the period	23,942	16,791	19,485	25,008	32,471

Statement of Changes in Equity

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Equity Opening Balance	378,568	395,582	409,733	425,942	443,919
Surplus for the Year	10,667	7,766	15,160	15,236	14,287
Net Asset Revaluation	6,347	6,385	1,049	2,741	6,983
Total Equity	395,582	409,733	425,942	443,919	465,189

Statement of Capital Works

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Capital Works					
Land	1,014	850	-	-	-
Buildings	2,004	3,587	3,902	1,741	625
Plant, machinery & equipment	1,250	1,074	1,182	1,349	1,496
Computers & Telecomms	322	450	363	381	392
Fixtures, Fitting & Furniture	-	20	20	21	22
Roads	6,052	5,791	3,754	4,845	5,022
Bridges	90	45	48	56	60
Footpaths & Cycleways	1,699	483	908	211	595
Carparks	144	-	95	44	-
Drainage	509	650	271	458	211
Parks, Open Space & Streetscapes	684	3,274	1,326	979	1,950
Recreation, Leisure & Communities	3,947	912	589	2,246	772
Expensed Capital Works	1,915	4,574	2,135	243	1,258
Landfill Provision	-	2,622	2,856	-	-
Contingency (excl. Expensed Capital Works)	-	1,061	1,007	570	489
Total Capital Works	19,630	25,392	18,455	13,145	12,891
Represented by:					
Renewal	6,820	6,216	6,573	7,127	7,724
Upgrade	1,800	3,925	2,093	1,876	1,764
Expansion	494	-	167	-	76
New	8,217	8,056	4,444	3,899	2,070
Expensed Capital Works	1,944	4,574	2,135	243	1,258
Landfill Provision Works	356	2,622	3,044	-	-
Total Capital Works	19,630	25,392	18,455	13,145	12,891

Reconciliation of net movement in property, plant and equipment

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Total capital works	19,630	25,392	18,455	13,145	12,891
Asset revaluation increment	6,347	6,385	1,049	2,741	6,983
Depreciation and amortisation	(11,253)	(11,338)	(11,538)	(12,227)	(12,823)
Written down value of assets sold	(497)	(389)	(480)	(547)	(533)
Assets written off	(1,779)	(1,243)	(1,315)	(1,425)	(1,545)
Expensed capital works	(2,300)	(7,195)	(5,179)	(243)	(1,258)
Granted assets	7,874	7,840	11,160	10,440	9,200
Transfer to Current Assets		(318)			
Transfer from Current Assets	318				
Net movement in property, plant and equipment	18,340	19,133	12,153	11,882	12,916

Reconciliation of Recurrent EBITDA to Income Statement

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Recurrent EBITDA					
Property Rates and Charges	39,631	41,183	42,829	44,531	46,290
Garbage Charges	6,043	6,435	6,800	7,176	7,579
Grants	5,150	6,931	7,331	7,507	7,680
Other Revenue	7,768	8,151	8,505	8,780	9,078
Total Recurrent Income	58,591	62,700	65,465	67,993	70,627
Employee Benefits	(26,119)	(26,476)	(27,330)	(28,099)	(28,890)
Materials and Services	(19,316)	(19,866)	(20,954)	(21,568)	(22,201)
Business Improvement Program Savings	-	401	751	1,101	1,351
Business Case Savings	-	-	100	200	300
Total Expenditure - Existing Operations	(45,435)	(45,941)	(47,432)	(48,366)	(49,440)
Compliance Costs	-	(30)	(1,191)	(2,226)	(3,293)
Non-Discretionary Growth	-	(119)	(98)	(98)	(98)
Discretionary Growth	-	(288)	-	-	-
Recurrent EBITDA	13,156	16,322	16,745	17,303	17,795
Reserve Transfers					
Developer Contributions (DCP)	862	1,241	1,400	1,800	1,800
Developer Contributions (non-DCP)	3	2	-	-	-
Open Space Contributions	200	200	205	210	215
Defined Benefits Super Call	-	-	-	(1,000)	-
Sale of Land	170	245	190	-	-
Cash Adjustment of Available Funds					
Interest Revenue	773	792	716	756	879
Finance Costs	(1,122)	(1,077)	(1,094)	(1,164)	(1,104)
Projects					
Special Rates & Charges	301	219	37	-	32
Grants Non-Recurrent	4,333	2,509	1,680	1,619	1,650
Contributions Capital	372	84	-	-	-
Sale of Plant	442	342	408	478	479
Expensed Capital Works	(1,944)	(4,574)	(2,135)	(243)	(1,258)
Operational Projects Expenses	(2,203)	(3,272)	-	-	-
Operational Projects - Business Case Expenses	-	(500)	(500)	(500)	(500)
Operational Projects Revenue	980	644	-	-	-
Non Cash Items					
Increase Provision for Landfill Rehabilitation	-	-	-	(262)	-
Depreciation	(11,253)	(11,338)	(11,538)	(12,227)	(12,823)
Contributions - non-monetary assets	7,874	7,840	11,160	10,440	9,200
WDV of Assets Sold	(497)	(670)	(798)	(547)	(533)
Asset Write Offs	(1,779)	(1,243)	(1,315)	(1,425)	(1,545)
Surplus/(Deficit)	10,667	7,766	15,160	15,236	14,287
Income Statement Surplus/(Deficit)	10,667	7,766	15,160	15,236	14,287

Four Year Financial Plan

For the four years ending 30 June 2020

	2015/16 Forecast \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Recurrent EBITDA					
Property Rates and Charges	39,631	41,183	42,829	44,531	46,290
Garbage Charges	6,043	6,435	6,800	7,176	7,579
Grants	5,150	6,931	7,331	7,507	7,680
Other Revenue	7,768	8,151	8,505	8,780	9,078
Total Recurrent Income	58,591	62,700	65,465	67,993	70,627
Employee Benefits	(26,119)	(26,476)	(27,330)	(28,099)	(28,890)
Materials and Services	(19,316)	(19,866)	(20,954)	(21,568)	(22,201)
				-	-
Business Improvement Program Savings	-	401	751	1,101	1,351
Business Case Savings	-	-	100	200	300
Total Expenditure - Existing Operations	(45,435)	(45,941)	(47,432)	(48,366)	(49,440)
Compliance Costs	-	(30)	(1,191)	(2,226)	(3,293)
Non-Discretionary Growth	-	(119)	(98)	(98)	(98)
Discretionary Growth		(288)	-	-	
Recurrent EBITDA	13,156	16,322	16,745	17,303	17,795
Cash Adjustments:-					
Balance Sheet Adjustment	38	119	112	379	118
Interest Revenue	773	792	716	756	879
Grants Commission funds returned (pd early)	1,826	-	-	-	-
Asset sales - plant/fleet	442	342	408	478	479
Asset sales - land	170	245	190	-	-
Cash adjustments	3,249	1,497	1,425	1,613	1,476
Total Cash Available for Allocation	16,404	17,820	18,170	18,915	19,271
Allocations to Commitments					
Debt Interest & Principal	1,706	1,706	1,842	2,114	2,114
Torquay/Jan Juc Developer Plan Allocation	1,992	2,076	2,163	2,254	2,349
Developer Contribution Interest Allocation	-	52	54	55	57
Waste Allocation	2,363	2,637	2,827	3,328	3,105
Asset Renewal Allocation	5,455	5,833	6,238	6,672	7,135
Business Case Investments	100	500	500	500	500
Growth and Compliance Costs (non-recurrent)	-	1,011	-	-	-
Discretionary Cash Available	4,788	4,004	4,545	3,992	4,011
Discretionary Allocations					
Discretionary Capital Works	2,174	1,927	-	-	-
Operating non-recurrent projects	762	817	-	-	-
Defined Benefits Superannuation Allocation	200	250	250	250	250
Gravel Pits Allocation	290	284	293	301	310
Discretionary allocation allowance	-	-	2,707	2,699	2,690
Unallocated Cash Surplus / (Deficit)	1,363	726	1,295	742	761
Accumulated Unallocated Cash					
Opening Balance	1,050	2,032	1,758	3,053	3,795
Annual Surplus/(Deficit)	1,363	726	1,295	742	761
Less Net Allocations during the Year	(381)	-	-	-	-
Less transfer for Digital Transformation	-	(1,000)	-	-	-
Closing Balance	2,032	1,758	3,053	3,795	4,557

Note: Anticipates \$250k net allocation may arise during the year

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

	2015/16	2016/17
	\$	\$
New borrowings (other than refinancing)	-	1,000,000
Debt redemption	584,000	628,000

2. Rates and charges

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

Type of Property	2015/16 cents/\$CIV	2016/17 cents/\$CIV	Change
General rate land	0.25457	0.24591	(3.40%)
Farm rate land	0.19093	0.18443	(3.40%)
Commercial/Industrial rate land	0.48369	0.46723	(3.40%)
Vacant Residential rate land	0.50915	0.49182	(3.40%)
Vacant Provisional rate land	-	0.24591	

The rate in the dollar calculations are based on Council's rating information as at 9 June 2016. No supplementary rates are to be processed from this date to the end of the financial year. This enables the calculations within Council's budget to comply with the requirements of the Fair Go Rates System. The rate cap of 2.5% has been applied to the product of the 2015/16 rate in the dollar times the capital improved value as at 9 June 2016. The resulting figure is then applied to the new valuations for 2016/17 as per Council's differentials.

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	2015/16 \$	2016/17 \$	Change
General rate land	27,571,481	29,041,617	5.33%
Farm rate land	1,868,638	1,950,353	4.37%
Commercial/Industrial rate land	3,104,346	3,190,488	2.77%
Vacant Residential rate land	2,811,878	2,327,238	(17.24%)
Vacant Provisional rate land	-	172,540	
Total amount to be raised by general rates	35,356,343	36,682,236	3.75%

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	2015/16	2016/17	Change
General rate land	17,293	17,724	2.49%
Farm rate land	959	965	0.63%
Commercial/Industrial rate land	938	970	3.41%
Vacant Residential rate land	1,263	977	(22.64%)
Vacant Provisional rate land	-	224	
Total number of assessments	20,453	20,860	1.99%

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	2015/16 \$	2016/17 \$	Change
General rate land	10,830,609,000	11,809,856,000	9.04%
Farm rate land	978,703,000	1,057,503,000	8.05%
Commercial/Industrial rate land	641,804,900	682,851,600	6.40%
Vacant Residential rate land	552,269,000	473,189,000	(14.32%)
Vacant Provisional rate land	-	70,164,000	
Total Value	13,003,385,900	14,093,563,600	8.38%

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 2015/16 \$	Per Rateable Property 2016/17 \$	Change
Municipal	195	200	2.56%
Urban Garbage (all residential tenements)	350	364	4.00%
Rural Garbage (optional)	291	302	3.78%

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

	2015/16 \$	2016/17 \$	Change
Municipal Charge	3,935,490	4,119,000	4.66%
Urban Garbage (all residential tenements)	5,462,147	5,921,854	8.42%
Rural Garbage (optional)	478,349	513,295	7.31%
Total	9,875,986	10,554,149	6.87%

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

	2015/16	2016/17	
	\$	\$	Change
General Rates Revenue	35,356,343	36,682,236	3.75%
Municipal Charge	3,935,490	4,119,000	4.66%
Kerbside Collection and Recycling	5,940,496	6,435,149	8.33%
Total	45,232,329	47,236,385	4.43%

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% (0.24591 cents in the dollar of CIV) for all rateable residential properties.
- A farm rate of 75% (0.18443 cents in the dollar of CIV) for all rateable farm properties.
- A commercial/industrial rate of 190% (0.46723 cents in the dollar of CIV) for all rateable business properties.
- A vacant residential land rate of 200% (0.49182 cents the dollar of CIV) for all rateable vacant residential land.
- A vacant provisional residential land rate of 100% (0.24591 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 2016/17 year.

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

- New works for 2016/17; and
- Works carried forward from the 2015/16 year.

The operational works program includes the following grouped by ward:

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

Note: Individual 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 2017

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	2016/17 Direct Funded \$' 000	
Renewal Program 2016/17														
Renewal														
Unsealed Road Renewal	750					750							750	750
Sealed Road Renewal	1,170					1,170							1,170	1,170
Drainage Renewal	115					115							115	115
Building Renewal	366					366							366	366
Footpath Renewal	160					160							160	160
Kerb Renewal	37					37							37	37
IT Desktop Equipment Renewal	220					220							220	220
IT Other Equipment Renewal	120					120							120	120
Heavy Plant Replacement	720					720						163	557	720
Light Fleet Replacement	354					354						179	175	354
Playground Equipment Renewal	64					64							64	64
Park Furniture Renewal	134					134							134	134
Soft Playing Surface & Irrigation Renewal	100					100							100	100
Nature Reserve & Community Garden Renewal	50					50							50	50
Facility Fencing Renewal	67					67							67	67
Skate Park Renewal	38					38							38	38
Bike Park Renewal	24					24							24	24
Structure Renewal	133					133							133	133
Anglesea Arthouse Sheds	139					139							139	139
Horseshoe Bend Road Culverts	45					45							45	45
McIntyres Road Culvert Crossing for Fire Access	16					16							16	16
Aireys Inlet/Fairhaven Drainage Upgrades	21					21							21	21
Gnarwarre Tennis Courts	41					41							41	41
Spring Creek Tennis Courts	14	45				60		14					46	60
Aireys Inlet Reserve Playground	186					186							186	186
Bob Pettitt Reserve Pavilion Playground	58					58							58	58
Darian Road Reconstruction	349					349							349	349
Anglesea Shopping Centre Pathway	90					90							90	90
Tree Trimming (Pre Reseal) Program					76	76							76	76
Renewal Contingency Allocation	121	7			4	132							132	132
Total Renewal	5,700	52			80	5,832		14				342	5,477	5,832

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	2016/17 Direct Funded \$' 000	
Developer Contribution Plans Projects 2016/17														
DCP Projects														
Construct an Early Learning Centre in Torquay North (CY01b)				1,218		1,218			1,000	160			58	1,218
Grenville Oval Road Construction & Carpark (OR02)				1,566		1,566							1,566	1,566
Upgrade Grass Tree Park (OR05)		55				55							55	55
Upgrade Deep Creek linear reserve (OR06)		79				79							79	79
Upgrade Bells Beach recreation reserve (OR10)		68				68							68	68
Surf Coast Highway / South Beach Rd intersection upgrade (RD01)					800	800				800				800
Horseshoe Bend Road Widening (South of Sth Beach Rd) - Stage 4 (Contribution) (PC03)	60	240				300	300							300
Horseshoe Bend / South Beach Road intersection upgrade (RD14)		750				750	750							750
Construct Regional Bike Route through Torquay Design (Widening Horseshoe Bend Rd) (PC03)		48				48				48				48
Coombes Road Widening Design (RD11)		67				67				67				67
Surf Coast Highway / Beach Road Traffic Lights Construction (RD04)					1,180	1,180				1,180				1,180
DCP Contingency Allocation		11		244	131	387				137			250	387
Total DCP	60	1,318		3,029	2,111	6,517	1,050		1,000	2,391			2,076	6,517
Waste Management Projects 2016/17														
Waste Management														
Anglesea Landfill Rehabilitation Stage 3b - Side of Cell 2 to approx RL53					1,105	1,105				1,105				1,105
Anglesea Transfer Station Upgrade - Stage 2b - Install Wind & Rain Protection				154		154							154	154
Torquay Transfer Station Development - Design					47	47							47	47
Anglesea Landfill - Extend Cell Side Wall Liner - Stage C					1,091	1,091							1,091	1,091
Anglesea Landfill Stormwater Improvements - Construction					372	372							372	372
Anglesea Landfill Stage 4 Rehabilitation to EPA standards - Design					58	58							58	58
Anglesea Landfill - Fence Replacement	110					110							110	110
Winchelsea Transfer Station - Seal Entry Roads		47				47							47	47
Tarpomatic - Alternate Daily Cover System				331		331							331	331
Realign Anglesea Transfer Station Entrance				516		516				325			191	516
Lorne Big Belly Bins & Locks				173	66	239				239				239
Winchelsea Big Belly Bins				17		17				17				17
Deans Marsh Transfer Station Clean Up Works					10	10				10				10
Waste Management Contingency Allocation	6	2		63	591	661				371			290	661
Total Waste Management	116	50		1,254	3,340	4,758				2,068			2,690	4,758

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	2016/17 Direct Funded \$' 000	
Other Capital Works Program 2016/17														
Community Buildings														
Building & Open Space Design					39	39							39	39
Anglesea Cricket Club Pavilion Upgrade Stage 1		95				95	70	20					5	95
Facility Signage Program	5			14		19							19	19
Office Furniture				20		20							20	20
Spring Creek Rec Reserve Master Plan (Stage 2) - Netball Facility Upgrade	214	214				429	100	50					279	429
Memorial Anglesea Hall Air-Conditioning Installation				36		36							36	36
Drainage														
Kargnum Crescent, Winchelsea - Erosion Works		29		29		58							58	58
Small Drainage Works		29				29				15			14	29
Bellbrae Drainage and Streetscape Improvements		119		119		238	238							238
Open Space														
Shire Hall Precinct Landscaping					23	23							23	23
Winchelsea Entrance Sculptures				100		100	50						50	100
Connewarre Reserve MP (Stage 3) - Drainage Improvements		73				73							73	73
Playground Strategy		103		139		242							242	242
Shopping Centre Refurbishment		24				24							24	24
Transport														
Lorne School Traffic Management Improvements		131				131							131	131
Cape Otway Road Widening - Gherang Rd to 200m north of Bridge at 1325 COR - 1.8km		1,000				1,000	1,000							1,000
Transport & Drainage Design					126	126							126	126
Public Lighting Upgrade Program				15		15							15	15
Road Safety Program	105	114		105		323							323	323
Hopkins Street Aireys Inlet - Construction and Sealing		95				95				35	60			95
Beal Street and Trebeck Street Winchelsea - Construction and Sealing		184				184				69	115			184
Pathways														
Pathways Ancillary Works				19		19							19	19
Bicycle Lanes Program				10		10							10	10
Beach Road Path - Alleyne to Kooringa				86		86					45		41	86
Barwon Terrace Path - Willis St to Pool				71		71							71	71
Pimelia Way Path Connection				33		33							33	33
Highlander St Path Connection at 25				14		14							14	14
Corporate Projects														
Digital Transformation					150	150				150				150
Activity Based Working					50	50				50				50
Authority Software Upgrade		45				45							45	45
Other Capital Works Contingency Allocation	16	67		30	9	123				26			97	123
Total Other Capital Works	340	2,322		841	397	3,900	1,458	70		345	219		1,807	3,900
Total New Funding Allocations	6,216	3,740		5,123	5,928	21,007	2,509	84	1,000	4,804	219	342	12,050	21,007

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	2016/17 Direct Funded \$' 000	
Carried Forward Capital Works Reserve to 2016/17 Program														
Asset Improvements														
Road Safety Program				25		25				25				25
DCP Projects														
Grenville Oval at Banyul Warri Fields (Community & Civic Precinct)				80		80				80				80
Construct an Early Learning Centre in Torquay North (CY01b)				1,285		1,285				1,285				1,285
Community Buildings														
Anglesea Bowls Club Upgrade		20				20				20				20
Drainage														
Dickins Road Flood Mitigation		50		50		100				100				100
Open Space														
Growing Winchelsea - Beautification of Town Centre		30				30				30				30
Recreation Facilities Improvements - Eastern Reserve		20				20				20				20
Transport														
Aireys Inlet Pedestrian Refuge				150		150				150				150
Waste Management														
Anglesea Landfill Rehabilitation Stage 3A - Side of Cell 2					1,100	1,100				1,100				1,100
Anglesea Landfill -Cell 2 Wall Liner Extension					139	139				139				139
Corporate Projects														
Sale of Land (costs) - Mt Moriac					28	28				28				28
Purchase of Land Winchelsea				850		850				850				850
Civica Online Requisitioning and AP Workflow		65				65				65				65
Carried Forward Contingency Allocation				493		493				493				493
Total Carry Forwards		185		2,933	1,267	4,385				4,385				4,385
Total	6,216	3,925		8,056	7,195	25,392	2,509	84	1,000	9,189	219	342	12,050	25,392

Operational Works Program

For the year ending 30 June 2017

Description	Expenditure						Funding						
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000	Total Expenditure \$'000	Grants \$'000	Fees & Charges \$'000	Asset Sales \$'000	Contrib's \$'000	Cash Reserve Funded \$'000	2016/17 Direct Funded \$'000	Total Funding \$'000
Operational Projects													
2016 Council Elections					195	195		25				170	195
Accessible Community Garden - All Aboard			5			5						5	5
Additional AutoCAD Licence					11	11						11	11
Aged and Family Strategy Implementation					22	22						22	22
Aged Care Reform Implementation Planning					30	30						30	30
Anglesea Futures Program Support and Anglesea River	20					20						20	20
ANZAC Day Contribution					2	2						2	2
Audio Visual and Static Foyer Communication Equipment					6	6						6	6
Australian National Surfing Museum - Concept Design Project			50			50						50	50
Bells Beach Coastal Management Plan - Year 2 Non Capex					75	75						75	75
Business Continuity Exercise (One Year Project)					7	7						7	7
Condition & Valuation Audits - Bridge Network					12	12						12	12
Condition & Valuation Audits - Road Network					116	116						116	116
Councillor Induction					10	10						10	10
Development of the Council Plan 2017-2021					34	34						34	34
Digital Strategy Development					70	70						70	70
Domestic Animal Management Plan Review					30	30						30	30
Engage Program					41	41	44					(3)	41
Environmental Leadership					150	150						150	150
FReeZA Project					24	24	24						24
Growing Adventure Tourism					23	23						23	23
HACC Café Style Support					56	56	52			1		3	56
HACC Minor Capital					19	19	19						19
Hesse Street Pedestrian Bridge Design				23		23						23	23
InfoCouncil Updates					3	3						3	3
Lorne Community Aspirations Stage 2 - Contribution		20				20						20	20
Lorne Football, Netball & Cricket Club - Electronic Scoreboard		20				20						20	20
Contribution													
Major Council Landholding Analysis - Torquay			15			15						15	15
Modewarre Memorial Hall Committee - Contribution 2017 ANZAC Day				1		1						1	1
Multi Year Project - DDA Audits and Implementation Plans					30	30						30	30
Municipal Emergency Expenditure Program					240	240	240						240
Painkalac Creek Bridge to Lialeeta Rd - 160m Retaining Wall Planting	13					13						13	13
Contribution													
Permanent Town Boundaries Review					30	30						30	30
Pop Up Art Space					33	33						33	33
Projection and Sound Equipment for the Globe Theatre				17		17						17	17
RACV Water Harvesting Agreement (10 Years)					5	5				5			5

Description	Expenditure						Funding						
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000	Total Expenditure \$'000	Grants \$'000	Fees & Charges \$'000	Asset Sales \$'000	Contrib's \$'000	Cash Reserve Funded \$'000	2016/17 Direct Funded \$'000	Total Funding \$'000
Operational Projects Continued													
Resolution of Land Encroachment Issues					56	56						56	56
Review Community Developer Levy Process					20	20						20	20
Review Infringement Debtors					8	8						8	8
Road Side Pest and Weeds					24	24	24						24
Rural Hinterland Strategy Project					17	17						17	17
Torquay Carparking Strategy Planning Scheme Amendment			20			20						20	20
Torquay Jan Juc DCP Review			80			80						80	80
Torquay Marine Rescue Service - Contribution			8			8						8	8
Torquay North Early Learning Centre Operational Model					24	24						24	24
Torquay RSL - ANZAC Day Contribution					5	5						5	5
Valuation Services for Insurance Purposes					42	42						42	42
Video Equipment and Editing Software					4	4						4	4
Visitor Information Centre Technology Improvements					10	10						10	10
Winchelsea Common Restoration				50		50						50	50
Winchelsea Community House - Occasional Care - Shade Sail				15		15						15	15
Winchelsea Depot - Site Masterplan				9		9						9	9
Winchelsea RSL - Contribution 2017 ANZAC Day				2		2						2	2
Fixed Term (Two Years) Local Laws Officer					120	120		160				(40)	120
G21 Barwon Regional Cricket Strategy					2	2						2	2
Health and Wellbeing Officer (Two Years Only)					53	53						53	53
MAV - Local Government Funding Vehicle					4	4						4	4
Professional Advocacy Advice					8	8						8	8
Remediation of Land					101	101						101	101
Sport and Rec Facilities Officer at SCS and Recreation Centre					45	45						45	45
Statutory Planning Resources - Growth in Applications & Reducing Back Log					168	168						168	168
Strategic Planner - Casual Twelve Months					48	48		48					48
Youth Trainee (Certificate 4)					15	15	1					14	15
Operational Projects Contingency Allocation	5		5	4	46	60						60	60
Total Operational Projects	38	40	183	120	2,093	2,473	405	233		6		1,828	2,473

Description	Expenditure						Funding						
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000	Total Expenditure \$'000	Grants \$'000	Fees & Charges \$'000	Asset Sales \$'000	Contrib's \$'000	Cash Reserve Funded \$'000	2016/17 Direct Funded \$'000	Total Funding \$'000
<u>Carried Forward Operational Projects to 2016/17 Program</u>													
Aireys Inlet Primary School Master Plan	5					5					5		5
Bells Beach Hinterland - Planning Scheme Amendment			12			12					12		12
Early Years Strategy Review					7	7					7		7
Employee Health & Wellbeing program					10	10					10		10
GORRT Regional Visitor Information Centre Review					1	1					1		1
Growing Winchelsea - Precinct Structure Plan - Town Centre				20		20					20		20
Growing Winchelsea Place Making Strategy				2		2					2		2
HACC Bushfire Heatwave Preparation					18	18					18		18
HACC Minor Capital					43	43					43		43
Implement Bushfire Review Policy - C96 Biodiversity Coastal Townships					9	9					9		9
Lorne Stribling Reserve Masterplan		40				40					40		40
Municipal Emergency Resourcing Program					150	150					150		150
Planning Scheme Amendment - Review Flood & Land Sub Flood - C85 Flooding					14	14					14		14
Planning Scheme amendment C105 Aldi			15			15					15		15
RACV Stormwater Harvest Agreement Licence					11	11					11		11
Regional Motor Cycle Facility Contribution					90	90					90		90
Rural Environment Assets Review - C81 Biodiversity					2	2					2		2
Rural Hinterland Strategy - Land Development - Thompson Valley					13	13					13		13
Spring Creek Precinct Structure Plan			52			52					52		52
Street Light Program Upgrade					100	100					100		100
Torquay Central Business Area			50			50					50		50
VASP Adaption Plan & Risk Register					45	45					45		45
White Ribbon Accreditation					8	8					8		8
Winchelsea Common CCMA Plains Tender				5		5					5		5
Winchelsea Common Remediation Contribution				67		67					67		67
Winchelsea Gun/Go Kart Clubs Relocation				10		10					10		10
Carried Forward Operational Projects Contingency Allocation													
Total Carried Forward Operational Projects	5	40	129	104	521	799					799		799
Total Operational Works Program	42	80	312	224	2,614	3,272	405	233		6	799	1,828	3,272

Business Cases

For the year ending 30 June 2017

Description	2016/17 Expenditure \$'000	2016/17 Return \$'000	Comments
Business Cases			
Business Improvement Officer (Two Years Full Time)	108		Annual savings of \$100,000 to be identified in 2016/17 to then be realised from 2017/18.
Council Systems Improvements	132		System improvements that will enable Council to interact and serve the community with greater effectiveness.
New Planning System - Efficiency Improvements	100		Delivery of a new planning system which will enable a saving of 1.6 FTE in 2019/20.
Multi Year Project - Street Lighting Upgrade Program	100	7	Increasing LED street lighting infrastructure is expected provide returns of \$7,000 per annum.
Solar Improvement Program - Council Civic Office	67		Installation of solar panels is anticipated to return \$7,500 per annum in electricity savings.
Total Business Cases	507	7	

Recurrent Operational Expenditure

For the year ending 30 June 2017

Description	Expenditure						Funding						
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000	Total Expenditure \$'000	Grants \$'000	Fees & Charges \$'000	Asset Sales \$'000	Contrib's \$'000	Cash Reserve Funded \$'000	2016/17 Direct Funded \$'000	Total Funding \$'000
Recurrent Operational Expenditure													
Additional Funding - New Building Assets					59	59						59	59
Anglesea Kindergarten & Cluster Management	255					255	191	74				(10)	255
Building Repair & Maintenance Program - Toilet Block Sanitary & Sharps Bins					20	20						20	20
Community Project Development Officer - Permanent Position					93	93						93	93
Customer Service Casual Staff Budget					24	24						24	24
Employee Engagement Framework					50	50						50	50
Environmental Sustainability and Climate Change Programs Growth					25	25						25	25
Free Green Waste Drop Off Period Prior to Summer					17	17		(12)				28	17
Geelong Region Arts Atlas					3	3						3	3
Geelong Regional Library Corporation (GRLC) - Increased Contribution					23	23						23	23
Landscape Maintenance on New Oval and Regional Playground Skate Facility			29			29						29	29
Management of Encroachments Budgets					30	30						30	30
Signature Event Funding Allocation					50	50						50	50
Volunteer Officer					15	15						15	15
Total Recurrent Operational Expenditure	255		29		408	692	191	63				439	692

Appendix D - Four Year Capital Program

Capital Works Program	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Renewal Program				
Community Buildings				
Building Renewal	366	508	588	624
Anglesea Arthouse Sheds	139			
Drainage				
Drainage Renewal	115	146	170	180
Horseshoe Bend Road Culverts	45			
McIntyres Road Culvert Crossing for Fire Access	16			
Aireys Inlet/Fairhaven Drainage Upgrades	21			
Open Space				
Playground Equipment Renewal	64	310	360	383
Park Furniture Renewal	134	143	269	282
Soft Playing Surface & Irrigation Renewal	100	98	114	122
Nature Reserve & Community Garden Renewal	50	49	57	61
Facility Fencing Renewal	67	69	80	86
Skate Park Renewal	38			
Bike Park Renewal	24	25	30	32
Structure Renewal	133	137	159	169
Gnarwarre Tennis Courts	41			
Spring Creek Tennis Courts	60			
Aireys Inlet Reserve Playground	186			
Bob Pettitt Reserve Pavilion Playground	58			
Hard Court Renewal		59	69	74
Facility Lighting Renewal		24	24	24
Transport				
Unsealed Road Renewal	750	732	848	900
Sealed Road Renewal	1,170	1,530	1,882	1,996
Kerb Renewal	37	78	90	96
Darian Road Reconstruction	349			
Tree Trimming (Pre Reseal) Program	76	80	83	87
Bridge Renewal		49	57	60
Pathways				
Footpath Renewal	160	156	181	192
Anglesea Shopping Centre Pathway	90			
Corporate Projects				
IT Desktop Equipment Renewal	220	215	226	231
IT Other Equipment Renewal	120	119	120	124
Heavy Plant Replacement	720	803	975	1,084
Light Fleet Replacement	354	456	437	477
Renewal Contingency Allocation	132	134	158	168
Total Renewal	5,832	5,919	6,976	7,453
Developer Contribution Plans Projects				
Community Buildings				
Construct an Early Learning Centre in Torquay North (CY01b)*	1,218	2,998		
Open Space				
Grenville Oval Road Construction & Carpark (OR02)*	1,566			
Civic precinct active recreation facilities (OR02)			1,151	
Upgrade Grass Tree Park (OR05)	55	36		
Upgrade Deep Creek linear reserve (OR06)	79	407		
Upgrade Bells Beach recreation reserve (OR10)	68	125		
Torquay Central and Torquay North passive public open spaces (OR01)		147	359	
Transport				
Surf Coast Highway / South Beach Rd intersection upgrade (RD01)	800			
Horseshoe Bend Road Widening (South of Sth Beach Rd) - Stage 4 (Contribution) (PC03)	300			
Horseshoe Bend / South Beach Road intersection upgrade (RD14)	750			
Construct regional bike route (1) through Torquay (PC03)	48		926	
Coombes Road Widening Design (RD11)	67			
Surf Coast Highway / Beach Road Traffic Lights Construction (RD04)	1,180			
Duffields / Grossmans Road intersection upgrade (RD15)			28	387
Duffields Road upgrade (RD08)			49	716
South Beach Road upgrade (RD09)				94
Pathways				
Construct pathways along Spring and Deep creeks (PC01)		578		
Construct pathways through the Torquay North open space network (PC02)				607
DCP Contingency Allocation	387	298	175	125
Total Developer Contribution Plans	6,517	4,590	2,689	1,930

Capital Works Program	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000
Waste Management Projects				
<u>Waste Management</u>				
Anglesea Landfill Rehabilitation Stage 3b - Side of Cell 2 to approx RL53	1,105			
Anglesea Transfer Station Upgrade - Stage 2b - Install wind & rain protection	154			
Torquay Transfer Station Development - Design	47			
Anglesea Landfill - Extend Cell Side Wall Liner - Stage C	1,091			
Anglesea Landfill Stormwater Improvements - Construction	372			
Anglesea Landfill Stage 4 Rehabilitation to EPA standards	58	2,621		
Anglesea Landfill - Fence Replacement	110			
Tarpomatic - Alternate Daily Cover System	331			
Deans Marsh Transfer Station Clean Up Works	10			
Anglesea Landfill - Extend Cell Side Wall Liner - Stage D		922		
Torquay Transfer Station Development - Construction			846	
Anglesea Landfill - Extend Cell Side Wall Liner - Stage E				816
<u>Transport</u>				
Winchelsea Transfer Station - Seal Entry Roads	47			
Realign Anglesea Transfer Station Entrance	516			
<u>Open Space</u>				
Lorne Big Belly Bins & Locks	239			
Winchelsea Big Belly Bins	17			
Waste Management Contingency Allocation	661	572	136	132
Total Waste Management	4,758	4,115	982	948
Other Capital Works Program				
<u>Community Buildings</u>				
Building & Open Space Design	39	54	22	101
Anglesea Cricket Club Pavilion Upgrade Stage 1	95			
Facility Signage Program	19	20	21	22
Office Furniture	20	20	21	22
Spring Creek Rec Reserve Master Plan (Stage 2) - Netball Facility Upgrade	429			
Memorial Anglesea Hall Air-Conditioning Installation	36			
Other Community Building Projects		401	214	
<u>Drainage</u>				
Kargnum Crescent, Winchelsea - Erosion Works	58			
Small Drainage Works	29	29	30	31
Bellbrae Drainage and Streetscape Improvements	238			
Other Drainage Projects		100	257	
<u>Open Space</u>				
Shire Hall Precinct Landscaping	23			
Winchelsea Entrance Sculptures	100			
Connewarre Reserve MP (Stage 3) - Drainage Improvements	73			
Playground Strategy	242	84	143	137
Shopping Centre Refurbishment	24	24	25	26
Other Open Space Projects		193	374	677
<u>Transport</u>				
Lorne School Traffic Management Improvements	131	216		
Cape Otway Road Widening - Gherang Rd to 200m north of Bridge at 1325 COR - 1.8km	1,000			
Transport & Drainage Design	126	103	127	108
Public Lighting Upgrade Program	15	15	16	16
Road Safety Program*	348	339	354	369
Hopkins Street Aireys Inlet - Construction and Sealing	95			
Beal Street and Trebeck Street Winchelsea - Construction and Sealing	184			
Other Transport Projects		1,082	714	499
<u>Pathways</u>				
Pathways Ancillary Works	19	19	20	20
Bicycle Lanes Program	10	10	10	10
Beach Road Path - Alleyne to Kooringa	86			
Barwon Terrace Path - Willis St to Pool	71			
Pimelia Way Path Connection	33			
Highlander St Path Connection at 25	14			
Other Pathways Projects		148		369
<u>Corporate Projects</u>				
Digital Transformation	150	800		
Activity Based Working	50			
Authority Software Upgrade	45	38	38	38
Other Capital Works Contingency Allocation	123	135	112	116
Total Other Capital Works	3,925	3,831	2,497	2,561
Total Capital Works Program	21,032	18,455	13,145	12,891

*Indicates a carried forward component from 2015/16 financial year.

Appendix E - Multi Year Operational Program

Multi Year Operational Program	Expenditure					Funding				
	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	Total Expenditure \$'000	2016/17 Budget \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	Total Funding \$'000
<u>Multi-Year Operational Projects</u>										
2016 Council Elections	195	10			205	25	25	5		55
Anglesea Futures Program Support and Anglesea River	20	20	20		60					
Bells Beach Coastal Management Plan - Year 2 Non Capex	75	75	75		225					
Environmental Leadership	150	150	150		450					
Growing Adventure Tourism	23	23	23	33	100					
Pop Up Art Space	33	34	35		102					
RACV Water Harvesting Agreement (Ten Years)	5	5	5	5	20	5	5	5	5	20
Torquay North Early Learning Centre Operational Model	24	23			47					
Video Equipment and Editing Software	4	1	1		6					
Winchelsea Common Restoration	50	50	50		150					
<u>Multi-Year Non Recurrent Operations</u>										
Fixed Term (Two Years) Local Laws Officer	120	124			244	160	140			300
Health and Wellbeing Officer (Two Years)	53	56			109					
Statutory Planning Resources - Growth in Applications & Reducing Back Log	168	172	177		517					
<u>Multi-Year Business Cases</u>										
Business Improvement Officer (Two Years)	108	108			216		100	200	300	600
Multi Year Project - Street Lighting Upgrade Program	100	100	100	100	400	8	8	8	8	31
New Planning System - Efficiency Improvements	100	50			150			50	127	177
Solar Improvement Program - Council Civic Office	67				67		8	8	8	23
Contingency Allocation	35	25	25							
Total Multi Year Projects	1,330	1,026	660	138	3,068	198	285	275	447	1,206

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 2016/17 year.

Fees and charges include GST where applicable.

*Denotes statutory fees which are variable in accordance with legislation.

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
COMMUNITY			
COUNCIL OPERATIONS			
Full Copy Council Minutes		31.00	N
(Minutes are available free of charge from Council's website – www.surfcoast.vic.gov.au)			
Facsimile/per page		2.10	N
Local Calls		2.10	Y
STD Call to 3 Minutes		6.75	Y
Receive Fax (per sheet)		0.75	Y
CUSTOMER SERVICE			
Black & White Photocopying/Printing per page		0.85	N
Colour Photocopying/Printing per page		2.10	N
Charity Groups (per page)		0.40	N
COMMUNITY TRANSPORT			
Community Bus hire only (Petrol by User)	Km	0.80	Y
Winchelsea Large Capacity Community Bus (25 seat) - Youth activities	per Day	52.00	Y
Winchelsea Large Capacity Community Bus (25 seat) - Adult activities up to 120 km round trip	per Day	129.00	Y
Winchelsea Large Capacity Community Bus (25 seat) - Adult activities over 120 km round trip	per Day	258.00	Y
BUILDING HIRE			
Public Hall Hire			
Shire based Community Group	Hour	9.60	Y
Commercial and Non-Shire Community Group	Hour	19.20	Y
Functions, Weddings, Parties & Major Events			
Funeral Afternoon Teas	Hour	9.60	Y
Bellbrae Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	155.00	Y
Bellbrae Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	124.00	Y
Moriac Community Centre - Private Hirer Standard Function Rate (6pm-12am)	Block	155.00	Y
Moriac Community Centre - Private Hirer Half Day Function Rate (2-5 hours)	Block	124.00	Y
Freshwater Creek Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	155.00	Y
Freshwater Creek Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	124.00	Y
The Quay Pavilion - Private Hirer Standard Function Rate (6pm-12am)	Block	255.00	Y
The Quay Pavilion - Private Hirer Half Day Function Rate (2-5 hours)	Block	165.00	Y
Bob Pettit Pavilion - Private Hirer Standard Function Rate (6pm-12am)	Block	255.00	Y
Bob Pettit Pavilion - Private Hirer Half Day Function Rate (2-5 hours)	Block	165.00	Y
Wurdale Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	155.00	Y

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Wurdale Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	124.00	Y
Anglesea Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	255.00	Y
Anglesea Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	165.00	Y
Security Bonds – No Alcohol		310.00	N
Security Bonds – With Alcohol		620.00	N
WINCHELSEA SWIMMING POOL			
Family Season Pass	Season	181.00	Y
Family Season Pass (Early Bird)	Season	160.00	Y
Adult per Swim Person		5.40	Y
Child per Swim Person		4.30	Y
Schools Person		3.20	Y
Spectator Person		1.00	Y
School Carnival (plus entry fee person)	Hour	71.00	Y
Regional Carnival		1095.00	Y
Season Swim Pass - Single	Season	74.00	Y
Season Swim Pass - Single Concession	Season	67.00	Y
Season Swim Pass - Single (Early Bird)	Season	54.00	Y
EASTERN RESERVE GYMNASIUM			
Membership - Individual			
3 month		200.00	Y
6 month		352.00	Y
12 month		650.00	Y
Monthly Direct Debit		55.50	Y
Membership - Concession			
3 month		181.00	Y
6 month		315.00	Y
12 month		585.00	Y
Monthly Direct Debit		45.00	Y
Membership - Youth			
3 month		143.00	Y
6 month		243.00	Y
12 month		453.00	Y
Monthly Direct Debit		39.20	Y
Membership - Family (max of 2 Adults & 2 Children)			
3 month		281.00	Y
6 month		488.00	Y
12 month		905.00	Y
Monthly Direct Debit		77.50	Y
10 Visit Pass Health Club or Group Fitness		98.00	Y
Casual Single Visit - Health Club or Group Fitness		12.70	Y
Personal Training Member	Hour	50.00	Y
Personal Training Member	Half Hour	34.00	Y
Personal Training 2:1 Members	Hour	55.20	Y
Personal Training 3:1 Members	Hour	67.00	Y
Personal Training Non Member	Hour	55.20	Y
Personal Training ½ hour - (Non Member)	Half Hour	39.20	Y

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
SURF COAST SPORT & RECREATION CENTRE			
Sport per game			
Adults Basketball	Team	67.00	Y
Adults Netball	Team	72.00	Y
Junior Basketball and Netball	Team	54.00	Y
Badminton - Adults	Player	7.40	Y
Badminton - Child/student	Player	6.40	Y
Indoor Soccer - Juniors	Player	7.40	Y
Indoor Soccer - Seniors	Team	53.00	Y
Junior Basketball/Netball clinics	8 Week Term	63.00	Y
Minor Sports	Player	5.40	Y
Kindergym - Casual	Week Casual	13.90	Y
10 Visit Pass			
Kindergym		123.00	Y
Fit for Fifties		98.00	Y
Little Champs		47.00	Y
Badminton		58.50	Y
Play Groups		30.00	Y
Team Registrations & Insurance			
Adult Registration per Season		60.00	Y
Junior Registration per Season		50.00	Y
Insurance Senior Basketball per Season (Set by Victorian Country Basketball Council)	Player (est)	42.00	Y
Insurance Junior Basketball per Year (Set by Victorian Country Basketball Council)	Player (est)	42.00	Y
Insurance Senior Netball per Year (Set by Netball Victoria)	Player (est)	73.00	Y
Insurance Junior (Under 18 years) Netball per Year (Set by Netball Victoria)	Player (est)	53.00	Y
Insurance Soccer – Senior (Set by Football Federation Victoria)	Player (est)	45.50	Y
Insurance Soccer – Junior (Set by Football Federation Victoria)	Player (est)	35.00	Y
Fitness Classes			
Casual	Visit	14.00	Y
Concession	Visit	13.00	Y
10 Visit Concession Card		107.50	Y
1 Month Membership		90.00	Y
3 Month Membership		193.00	Y
6 Month Membership		359.00	Y
12 Month Membership		537.00	Y
Crèche			
Per Child Visit		5.40	N
10 Visit Concession Card		49.50	N
Birthday Parties			
Stadium/Kitchen/Staff Member	Party up to 2 Hours 26 - 50 Children	261.00	Y
Stadium/Kitchen/Staff Member	Party up to 2 Hours up to 25 Children	192.00	Y
Multipurpose Room/Kitchen Staff	Party up to 2 Hours	192.00	Y
MAIN STADIUM			
Sport – Casual Hire Day time Off Peak Use			
Commercial Groups	Hour	49.00	Y

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Registered Teams	Hour	30.00	Y
Community Groups	Hour	30.00	Y
Teams ½ Court	Hour	19.20	Y
Individual Hire ½ Court	Person	5.40	Y
Functions – Social/Commercial			
Peak Use			
Fri/Sat/Sun (6pm-12am max Hire)	Block	505	Y
½ Hall Only	Block	351	Y
Fri/Sat/Sun (6pm-12am) per Hour	Hour	89.5	Y
Community Group Rate 6pm-12am	Block	334	Y
Bonds			
Functions - No Alcohol		320.00	N
Functions - With Alcohol		639.00	N
MULTI-PURPOSE ROOM			
Social & Commercial Functions (Meetings/Workshops)			
Sat/Sun (6pm-12am max. Hire)	Block	219.00	Y
Sat/Sun (6pm-12am Hourly Rate)	Hour	41.40	Y
Mon/Fri (9am-9pm Hourly Rate)	Hour	19.00	Y
Full Room (Day & Evening Hourly Rate)	Hour	19.00	Y
Kitchen Hire (if Required Fee Applies in Addition to Room Charge)	Hour	14.90	Y
Community Group Hire (Non Profit)	Hour	9.60	Y
Bonds			
Functions - No Alcohol		310.00	N
Functions - With Alcohol		620.00	N
Equipment Hire			
Trestle Table Hire	Each	14.90	Y
Chair Hire	Each	2.40	Y
Stage Hire	Day	41.50	Y
PA Hire (Portable One Speaker System)	Day	29.50	Y
Bond Applies for All Equipment Hire		103.00	N
Volleyball Posts / Nets	Day	19.20	Y
RECREATION RESERVES			
Recreation Reserve Licence Fees	Min Fee	123.00	N
COMMUNITY & CIVIC PRECINCT RECREATION FACILITY (Banyul-Warri Fields)			
Playing Field/Court:			
Tenant/Anchor Club		No Charge	
Incorporated Community Club/Group/School - Based in Surf Coast Shire		No Charge	
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)		No Charge	
Commercial Use and Non Surf Coast Shire Club/Group/School (Per Court/Field):			
- Oval & Synthetic/Grass Pitch	Half Day	291.00	Y
	Full Day	463.00	Y
- Netball Court	Half Day	118.00	Y
	Full Day	213.00	Y

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Community Hub Change Rooms			
(NB: Fee Applies to Each Pair of Change Rooms)			
Tenant/Anchor Club		Free access during allocated periods	
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Cleaning Fee	58.50	Y
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Cleaning Fee	58.50	Y
Commercial Use and Non Surf Coast Shire Club/Group/School (Per Court/Field):	Cleaning Fee	176.00	Y
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.	
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Hour	11.7	Y
	Half Day / 4 Hours	47.00	Y
	Full Day / 8 Hours	80.50	Y
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Hour	23.40	Y
	Half Day / 4 Hours	69.00	Y
	Full Day / 8 Hours	128.00	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	Hour	41.50	Y
	Half Day / 4 Hours	138.50	Y
	Full Day / 8 Hours	265.00	Y
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.	
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Hour	23.40	Y
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Half Day	69.00	Y
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Full Day	128.00	Y
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Hour	28.50	Y
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Half Day	93.00	Y
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Full Day	175.50	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	Hour	58.50	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	Half Day	234.00	Y
Commercial Use and Non Surf Coast Shire Club/Group/School	Full Day	402.00	Y
Grant Pavilion			
Grant Pavilion Function Cleaning		181.00	Y
Event Logistics Crew - Staff Member	Hour	34.00	Y
Waste Removal 240L Recycling Bin	Each	22.40	Y

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
FAMILY & CHILDREN SERVICES			
Family Day Care			
Family Day Care Administration Levy	Hour	0.43	N
Children's Services Hub			
Occasional Care 4 Hour Session	Session	36.00	N
Occasional Care 3 Hour Session	Session	27.00	N
3 Year Old Activity Program	Term	270.00	N
Kindergarten			
4 Year Old Program (Jan Juc, Torquay, Lorne and Winchelsea)	Term	320.00	N
3 Year Old Program (Lorne) (5 Hour Session)	Term	425.00	N
3 year Old Program (Jan Juc) (3 Hour Session)	Term	303.90	N
4 year Old Program (Jan Juc) (4 Hour Session)	Term	403.75	N
3 year Old Program (Winchelsea) (3 Hour Session)	Term	270.00	N
Vacation Care			
All Day Care per Child		55.50	N
Excursion Costs per Child		33.00	N
Children's Services, Community Groups & Non-Profit Organisations			
<u>Business Hours</u>			
Single Room	Hour	15.00	Y
Playgroups	Hour	7.50	Y
<u>After Hours</u> (5.30pm – 10pm)			
Single Room	Hour	24.00	Y
<u>Commercial Use</u>			
<u>Business Hours</u>			
Single Room	Hour	30.00	Y
<u>After Hours</u> (5.30pm – 10pm)			
Single Room	Hour	44.50	Y
<u>Office Hire</u>			
For-Profit Organisations	Day	100.00	Y
Non-Profit Organisations	Day	71.00	Y
AGED & DISABILTY 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.			
<i>Delivered Meals - Low, Medium & High Income Clients</i>			
2 Course & Juice		9.30 - 17.00	N
3 Course & Juice		9.50 - 17.30	N
Domestic Assistance (General Home Care)	Hour	6.90 - 37.40	N
<i>(Low, Medium & High Income Clients)</i>	Hour		
Personal Care	Hour	6.40 - 37.40	N
Respite Care	Hour	3.20 - 34.50	N

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Property Maintenance	Hour	12.30 - 48.60	N
<i>(Low, Medium & High Income Clients)</i>			
Morning Melodies - Includes Meal & Transport	5 Event Season	185.00	N
Client Travel Charge		0.65	N
Aged and Disability Services - Brokerage Fees			
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		20.80	N
Domestic Assistance (General Home Care)	Hour	51.80 - 80.25	N
Sleep Over Care	Hour	160.00	N
Personal Care	Hour	54.65 - 95.00	N
Respite Care	Hour	55.50 - 101.00	N
Property Maintenance	Hour	57.00	N
Client Travel Charge		1.20	N
CORPORATE			
FINANCIAL SERVICES			
Rate Administration			
Rate Searches – Hard Copy	Hour	121.00	N
Rate Searches – Computer Records		25.00	N
Land Information Certificate –Set by Statute *		24.80	N
Payment Rejection Administration Fee - Rates and Debtors		44.00	N
Recovery Referral Fee		36.00	N
Sales Register (Issued Quarterly not Including Names and Addresses)		228.00	N
Interest on Sundry Debtors (Penalty Interest Act) *		9.50%	N
INFORMATION SERVICES			
Freedom of Information			
Freedom of Information Fee – Set by Statute *		27.90	N
Administration Cost for FOI Searches *	Hour	20.90	N
RISK MANAGEMENT			
Insurance			
Contents Insurance for Approved Community Groups			
Contents up to \$10,000		44.00	Y
Each Additional \$10,000 Contents or Part Thereof		44.00	Y
GIS IMAGES			
Low Resolution Images 40 dpi via Email		No Charge	
Printed Images - First Copy of an Image			
Size A0	Each	58.00	N
Size A1	Each	46.00	N
Size A2	Each	34.00	N
Size A3	Each	24.00	N
Size A4	Each	12.50	N
Printed Images - Additional Copies of an Image			

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Size A0	Each	44.00	N
Size A1	Each	34.00	N
Size A2	Each	27.00	N
Size A3	Each	18.00	N
Size A4	Each	10.50	N
Laminating A3	Each	23.00	N
Laminating A4	Each	18.00	N
Job specific mapping (Including Digital Data Supply)	Hour	56.00	N
PLANNING & ENVIRONMENT			
EVENTS			
Application Fee to Stage new Commercial/Major events in Surf Coast Shire		290	N
VISITOR CENTRES			
Marketing display fee - Lorne Visitor Centre A3 Display	Week	9.50	Y
Marketing display fee - Lorne Visitor Centre Light Box	Week	22.50 - 36.00	Y
Marketing display fee - Lorne Visitor Centre Floor Display	Week	25.50 - 72.00	Y
Marketing display fee - Lorne Visitor Centre Local Arts Display	Week	12.50	Y
TOURISM			
Commercial Tour Operator Licenses			
Annual Fee – Standard One Year Licence *		282.00	N
Use Fee – General Visitor *	Visitor	2.40	N
Use Fee – School Student and Child *	Visitor	1.60	N
Use Fee Cap (Maximum) *		13488.00	N
Business Road Signage Assessment and Installation	Minimum Cost	495.00	N
SURF WORLD SURFING MUSEUM			
Theatre Hire Day Rate	Hour	72.00	Y
Theatre Hire Night Rate	Hour	95.00	Y
Whole Facility (Day or Night)	Hour	155.00	Y
Bond (Only for Whole Facility and Dependent on Group)		600.00	N
Bond (for Hiring of Theatre Room Alone)		200.00	N
Adult Entry		12.00	Y
Child Entry		8.00	Y
Children Under 5yrs		No Charge	
Concession Entry		8.00	Y
Family Entry		25.00	Y
School Groups Entry		6.50	Y
Bells Tour School Groups		9.00	Y
Theatre Hire Day Rate (Community Group)	Hour	50.00	Y
Theatre Hire Night Rate (Community Group)	Hour	70.00	Y
Research Fee without Museum Officer	Hour	10.00	Y
Research Fee with Museum Officer	Hour	31.00	Y
Copying / Image Reproduction			
Books, Magazines, Newspapers and Journals (PDF)	Per 50 Pages	17.50	Y
Books, Magazines, Newspapers and Journals (TIFF)	Page	15.50	Y
Pictures and Photographs	Each	20.00	Y

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
LOCAL LAWS			
Dog & Cat Registrations			
Dog or Cat Eligible for Reduced Rate Under the <i>Domestic Animals Act 1994</i>		37.00	N
Includes: Sterilised Dog & Cat			
- Dog or Cat kept for Breeding in Registered Domestic Business			
- Cat Registered with Prescribed Feline Association			
- Dogs Registered with Victorian Canine Association			
- Dogs that have Undergone Obedience Training which Complies with Regulations			
- Working Dog			
- Dogs Older than 10 Years Old			
Dangerous, Menacing or Restricted Breed Dogs		334.50	N
All Other Dogs & Cats		127.00	N
Pensioner Fees for Each Registration Category Other than Dangerous, Menacing or Restricted Breed Dogs *			
Dog & Cat Fees			
Cat Cage Hire	Week	14.00	Y
Cat Cage Deposit		62.00	N
Dogs Citronella Collar Hire		44.00	Y
Dogs Citronella Collar Deposit		62.00	N
Dogs Citronella Collar Refill		6.20	Y
Domestic Animal Business		355.00	N
Excess Dog Application and Inspection Fee		221.00	N
Dog Pound Release Fee		143.00	Y
Cat Pound Release Fee		70.00	Y
Replacement Dog/Cat Tags		No Charge	
Impounding of Livestock (Other Than Dogs/Cats)			
Cattle and Horses (Varies to Market Price)	Head	79.00	Y
Sheep, Pigs and Goats (Varies to Market Price)	Head	16.00	Y
Others (Varies to Market Price)	Head	14.00	Y
Sustenance Fee Cattle, Horses (Varies to Market Price)	Head	16.00	Y
Sustenance Fee Other – Daily	Head	14.00	Y
Penalties			
Parking for a Period Longer than Fixed *		152.00	N
Road Safety Act Parking Enforcement (Set by Statute) *		Various	N
Towing of Disabled Vehicles		190.00	N
Release fee for impounded goods		37.00	N
Permits			
Disabled Parking Permits		No Charge	
A Frame Inspection and Application Fee		70.00	N
A Frame Permit		201.00	N
Open for Inspection Signage Permit		229.00	N
Permit Inspection and Application Fee		36.00	N
To Occupy Public Place to Sell Merchandise – Winchelsea, Deans Marsh and Moriac	m ² of Used Space	52.00	N
To Occupy Public Place to Sell Merchandise – All Other Areas	m ² of Used Space	59.00	N
Street Furniture (Alfresco Dining) – Annual Permit – Winchelsea, Deans Marsh and Moriac	m ² of Used Space	101.00	N
Street Furniture (Alfresco Dining) – Annual Permit – All Other Areas	m ² of Used Space	111.00	N

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Camping Permit Fee (Private Property)		133.00	N
Occupy Temp Accommodation on Land	6 Months	254.00	N
Occupy Road	Day	101.00	N
Skip Waste Bin (up to 3 m³)	7 Days	59.00	N
Hopper Waste Bin (greater than 3m³)	7 Days	84.00	N
Hopper Waste Bin (greater than 3m³)	30 Days	335.00	N
Hoardings (fencing or barriers) Permit Fee		254.00	N
Wedding Application Permit Fee - Conduct a Wedding on Council Land and Reserves		165.00	N
ELECTION FINES			
Election Fines – Set State Government *		76.00	N
STATUTORY PLANNING			
Town Planning Application Fees (Set by Statute) *		Various	N
Advertising Fee – Up to 15 Notifications 1st Property		122.50	N
Subsequent Properties		8.50	N
Extension of Time		85.50	N
Surcharge Fee if History File is Offsite		30.00	N
Property Enquiries		45.00	N
File Retrieval		31.00	N
Demolition Consent Permit *		61.00	N
Amendment of Plans/Permits		154.50	N
Surcharge Fee if History File is Offsite		30.00	N
Subdivision Applications (Set by Statute) *		Various	N
Subdivision Certification (Set by Statute) *		Various	N
Building Approvals for Properties Search *		48.60	N
Plans for Approval (Ocean Acres, SUZ etc)		148.50	N
Written Advice		128.00	N
Copy of Planning Permit		44.50	N
Copy of Plans			N
A3 or A4 size		11.00	N
A0 or A1 size		22.00	N
Surcharge Fee if History File is Offsite		31.00	N
BUILDING CONTROL			
Building Charges (Minister's Guidelines + 25%)			
Building Notice Resolution		272.00	N
Storm Water Application (Legal Point of Discharge) *		62.60	N
Building over Easement *		250.65	N
Form 10 (Statutory Charge) Legal Enquiry *		49.90	N
Copy of Plans		148.00	N
Copy of Building Approval/Certificate of Occupancy		45.00	N
Variation of Regulations *		250.65	N
Inspections		148.00	N
Lodgement Fee (Statutory Charge) *		37.40	N
Issue of Building Approval *		Various	N
Property Request Info *		109.50	N
Property Request Info 2.10 (Statutory) *		49.90	N

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
ENVIRONMENT PROTECTION ACT 1970			
Septic Tanks			
Septic Tank Application Fee – Install		572.00	N
Septic Tank Application Fee – Alter		252.00	N
Building Regulation 801 Consent Request		227.00	N
Septic Tank File Request		31.00	N
Urgent Septic Tank File Request		124.00	N
FOOD ACT 1984			
New Registration			
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		1226.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		834.00	N
Class 2 Premises (includes mobile & temporary food premises)		664.00	N
Class 2 - Each Additional Mobile and Temporary Food Premises		103.00	N
Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises)		386.00	N
Class 3 - Each Additional Mobile and Temporary Food Premises		52.00	N
Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises)		185.00	N
Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises)		113.00	N
Mobile and Temporary Food Premises - Once Off Event		25% of New Registration Fee	
Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year)		No Charge	
<i>Bi-annual pro-rata rates apply</i>			
Renewal of Registration			
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		814.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		556.00	N
Class 2 Premises (includes mobile & temporary food premises)		443.00	N
Class 2 - Each Additional Mobile and Temporary Food Premises		103.00	N
Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises)		258.00	N
Class 3 - Each Additional Mobile and Temporary Food Premises		52.00	N
Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises)		124.00	N
Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises)		72.00	N
Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year)		No Charge	
Mobile and Temporary Food Premises - Once Off Event		25% of New Registration Fee	
Renewal of Registration - 5 Star Rating			
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		736.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		505.00	N

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Class 2 Premises (includes mobile & temporary food premises)		402.00	N
Renewal of Registration - 2 Star Rating			
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		1056.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		721.00	N
Class 2 Premises (includes mobile & temporary food premises)		572.00	N
Renewal of Registration - 1 Star Rating			
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		1138.00	N
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		773.00	N
Class 2 Premises (includes mobile & temporary food premises)		618.00	N
Transfer of Registration			
Application for Transfer of Registration		50% Renewal of Registration Fee	N
Request for Inspection/assessment and report fee		247.00	N
Urgent request for Inspection/assessment and report fee (within 2 working days)		479.00	N
<i>Note: Food premises are classed in accordance with section 19c of the Food Act 1984</i>			
PUBLIC HEALTH AND WELLBEING ACT 2008			
Registered Premises – New Application:			
Hairdressing and/or Temporary Make Up			
New Application Once off Application		144.00	N
Transfer		144.00	N
Beauty Therapy (excl. Temporary Make Up)			
New Application		144.00	N
Renewal		144.00	N
Transfer		77.00	N
Skin Penetration, Tattooing, Colonic Irrigation			
New Application		201.00	N
Renewal		201.00	N
Transfer		98.00	N
Prescribed Accommodation – New Application / Renewal			
6-15 people		283.00	N
16-25 people		402.00	N
26-50 people		515.00	N
> 50 people		685.00	N
Prescribed Accommodation – Transfer		50% of new application / renewal fee	N
<i>Bi-annual pro-rata rates apply</i>			
CARAVAN PARKS			
(1 Fee Unit = \$13.24)			
Caravan Park Registration - Fee Lesser of Council Fee or Cap Under <i>Residential Tenancies Act 1997</i>	Site	10.00	N
Transfer of Caravan Park Registration *		5 fee units	N

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
IMMUNISATIONS			
Immunisation (Vaccines)		At cost per dose plus 30%	N
Immunisation History Search		21.00	N
FIRE PREVENTION			
CFA Act Infringement Notice (legislated penalty) (1 penalty unit fee is \$151.67) *	10 Penalty Units	1516.70	N
Block Clearing		Cost + \$155.00 plus GST	N
Application for Permit to Burn		No Charge	
INFRASTRUCTURE			
INFRASTRUCTURE ADMINISTRATION			
Vehicle Crossings (Non-Utilities)		170.00	N
Additional Inspection		75.00	N
Memorandum of Authorisation (Traffic Management Plan Approval)		90.00	N
Asset Protection Permit		170.00	N
Road Works Permits (Fee per unit) 1 Fee Unit = \$13.60			
Arterial Road – Works, Other than Minor Works on Roadway, Shoulder or Pathway *		43.2 fee units	N
Arterial Road – Works, Other than Minor Works not on Roadway, Shoulder or Pathway *		30.2 fee units	N
Arterial Road – Minor Works on Roadway, Shoulder or Pathway *		16 fee units	N
Arterial Road – Minor Works not on Roadway, Shoulder or Pathway *		9.5 fee units	N
Other Roads Speed Over 50km/h –Works, Other than Minor Works on Roadway, Shoulder or Pathway *		43.1 fee units	N
Other Roads Speeds Over 50km/h –Works, Other than Minor Works not on Roadway, Shoulder or Pathway *		23.5 fee units	N
Other Roads Speeds Over 50km/h – Minor Works on Roadway, Shoulder or Pathway *		9.3 fee units	N
Other Roads Speeds Over 50km/h – Minor Works not on Roadway, Shoulder or Pathway *		6 fee units	N
Other Roads Speed Under 50km/h –Works, Other than Minor Works on Roadway, Shoulder or Pathway *		23.5 fee units	N
Other Roads Speeds Under 50km/h –Works, Other than Minor Works not on Roadway, Shoulder or Pathway *		6 units	N
Other Roads Speeds Under 50km/h – Minor Works on Roadway, Shoulder or Pathway *		9.3 fee units	N
Other Roads Speeds Under 50km/h – Minor Works not on Roadway, Shoulder or Pathway *		6 fee units	N
WATER PERMITS			
Water Permits - Minimum Charge Includes First 3,000 Litres		21.00	N
Water Permits - Cost per Kilolitre Above 3,000 litres		2.30	N
DEVELOPER LEVIES			
Non-Standard Public Lighting Levy		290.00	N
Admin. Fee – Special Rate Projects		5.00%	N
Subdivision Supervision Fees *		2.50%	N
Subdivisions Plan - Checking Fees *		0.75%	N
Drainage Investigation for Unit Developments (Up-to Three Units)		400.00	N

Description	Unit	2016/17 (\$)	Includes GST (Y/N)
Drainage Investigation Hourly Rate		115.00	N
WASTE DISPOSAL			
Domestic Garbage - Uncompacted Waste	Cubic Metre	80.00	Y
Domestic Hard Waste - Uncompacted Waste	Cubic Metre	80.00	Y
Commercial Garbage – Compacted Waste	Tonne	137.00	Y
Commercial Garbage - Uncompacted Waste	Cubic Metre	80.00	Y
Commercial Hard Waste – Uncompacted Waste	Cubic Metre	80.00	Y
Clean Fill (Anglesea Only – Subject to Demand)	Tonne	22.00	Y
Construction & Demolition – Waste Mixed	Tonne	137.00	Y
Construction & Demolition – Recyclable Timber (Anglesea)	Tonne	29.00	Y
Construction & Demolition – Recyclable Timber	Cubic Metre	36.00	Y
Construction & Demolition – Recycle Plaster (Anglesea)	Tonne	29.00	Y
Construction & Demolition – Recyclable Concrete/Bricks (Anglesea)	Tonne	60.00	Y
Construction & Demolition – Recyclable Concrete/Bricks (Lorne)	Cubic Metre	96.00	Y
Recyclable Material	Cubic Metre	12.00	Y
Green Waste	Cubic Metre	28.00	Y
Sand	Tonne	No Charge	
General Items			
Car Tyres	Each	8.00	Y
Light Truck Tyres	Each	9.50	Y
Truck Tyres	Each	21.00	Y
Car Bodies	Each	55.00	Y
Mattresses (& Bases)	Each	22.00	Y
TVs	Each	7.00	Y
Sale of Mulch (Anglesea, Lorne and Winchelsea Only – Subject to Availability)	Cubic Metre	14.00	Y
Sale of Second Hand Bins (Anglesea only – Subject to Availability)	Each	15.00	Y
Sale of Compost Bins	Each	55.00	Y
Sale of Reusable Items		Fee for Items to be Determined by Coordinator Waste Management	Y
KERBSIDE WASTE COLLECTION			
Residential Garbage Service Upgrade - 240L Bin	Year	175.00	N
Additional Residential Recycle Service – 240L or 360L Bin	Year	64.00	N
Upgrade Residential Recycle Service to 360L Bin	Year	59.00	N
Additional Residential Green Waste Service – 240L or 360L Bin	Year	69.00	N
Upgrade Residential Green Waste Service to 360L Bin	Year	59.00	N
Event Bin Hire	Each	18.00	N
Infrequently Occupied Residence Bin Placement Fee	Occasion	6.25	N
Replacement Key	Each	2.00	N
Gravity Lock Bin Lid	Each	42.00	N

Standpipe Water Charges

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

*Note water charges do not attract GST charges.

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 2016:	\$199,000
Budgeted Balance as at 30 June 2017:	\$399,000

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 2016:	\$216,000
Budgeted Balance as at 30 June 2017:	\$201,000

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 2016:	\$337,000
Budgeted Balance as at 30 June 2017:	\$337,000

Asset Development Reserve (contractual)**Purpose**

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

Typical Sources of Inflows and Outflows:

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

Forecast Balance as at 30 June 2016:	\$60,000
Budgeted Balance as at 30 June 2017:	\$60,000

Developer Contributions Reserve (contractual)**Purpose**

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

Typical Sources of Inflows and Outflows:

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

Forecast Balance as at 30 June 2016:	\$3,757,000
Budgeted Balance as at 30 June 2017:	\$2,361,000

Waste Reserve (contractual)**Purpose**

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

Typical Sources of Inflows and Outflows:

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

Forecast Balance as at 30 June 2016:	\$6,107,000
Budgeted Balance as at 30 June 2017:	\$3,986,000

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 2016:	\$1,323,000
Budgeted Balance as at 30 June 2017:	\$1,323,000

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 2016:	\$428,000
Budgeted Balance as at 30 June 2017:	\$296,000

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 2016:	\$1,856,000
Budgeted Balance as at 30 June 2017:	\$2,010,000

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 2016:	\$474,000
Budgeted Balance as at 30 June 2017:	\$724,000

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 2016:	\$4,385,000
Budgeted Balance as at 30 June 2017:	\$0

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 2016:	\$799,000
Budgeted Balance as at 30 June 2017:	\$0

Adopted Strategy Implementation Reserve

Purpose

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

Typical Sources of Inflows and Outflows:

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

Forecast Balance as at 30 June 2016:	\$451,000
Budgeted Balance as at 30 June 2017:	\$1,251,000

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 2016:	\$243,000
Budgeted Balance as at 30 June 2017:	\$510,000

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 2016:	\$512,000
Budgeted Balance as at 30 June 2017:	\$812,000

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:	\$2,032,000
Budgeted Balance as at 30 June 2017:	\$1,758,000

Appendix H - Financial Performance Indicators

Indicator	Measure	2015/16 Forecast	2016/17 Budget	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	Trend +/-
Operating position							
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	-3.08%	-4.38%	3.99%	5.04%	5.22%	+
Liquidity							
Working Capital	Current assets / current liabilities	200.06%	142.06%	195.49%	238.86%	295.93%	+
Obligations							
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	33.86%	33.31%	34.61%	31.40%	28.25%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	3.71%	3.57%	3.71%	4.09%	3.92%	o
Indebtedness	Non-current liabilities / own source revenue	48.34%	41.53%	42.13%	39.24%	35.91%	-
Asset renewal	Asset renewal expenses / Asset depreciation	76.60%	84.85%	75.11%	73.63%	73.99%	-
Stability							
Rates concentration	Rate revenue / adjusted underlying revenue	74.00%	72.32%	72.75%	72.65%	72.82%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.35%	0.34%	0.35%	0.36%	0.37%	o
Efficiency							
Expenditure level	Total expenses/ no. of property assessments	\$3,111	\$3,289	\$3,081	\$3,132	\$3,202	o
Revenue level	Residential rate revenue / No. of residential property assessments	\$1,817	\$1,858	\$1,899	\$1,945	\$1,992	+
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

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.

Appendix I - Council Contributions to External Parties

Organisation	2016/17 \$
Business / Tourism / Traders Associations	
Great Ocean Road Regional Tourism	151,870
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	
Torquay School Stadium Project - Joint Use Agreement	13,100
Moriac Kindergarten	4,000
Surf Coast Toy Library	1,500
Australian Breastfeeding Association	310
Early Childhood Australia	300
Funding Programs	
Major Events Program	88,700
Minor Community Grants	75,000
Signature Events Funding	50,000
Community Events Program	10,000
Torquay RSL - ANZAC Day Contribution	10,000
ANZAC Day Contribution	2,000
Winchelsea RSL - ANZAC Day Contribution	2,000
Modewarre Memorial Hall Committee - ANZAC Day Contribution	1,000
Local Government	
G21 Regional Alliance	56,000
Municipal Association of Victoria	35,200
Peri Urban Group of Councils	15,375
Victorian Local Government Association	9,000
Victorian Chamber of Commerce	6,000
Timber Towns Victoria	5,250
National Sea Change Taskforce	2,700
LG Pro	2,500
Australian Local Government Women's Association	700
Other Programs & Services	
Geelong Regional Library Corporation	678,544
Victorian State Emergency Services	66,300
Barwon South West Waste Management Group	16,242
Barwon Sports Academy	5,000
Corangamite Catchment Management Agreement	3,900
G21 Region Alliance - Geelong Regional Art Atlas	2,600
Mt Gellibrand Fire Tower Lookout Committee	1,600
Senior Citizens / Community Houses & Groups	
All Aboard - Accessible Community Garden Contribution	5,000
Anglesea Community House	5,000
Deans Marsh Community Cottage	5,000
Lorne Community House	5,000
Spring Creek Community House	5,000
Winchelsea Community House	5,000
Anglesea and Aireys Inlet Senior Citizens Club	3,600
Lorne Senior Citizens Centre	3,600
Moriac and District Seniors Citizens Club	3,600
Torquay Senior Citizens Centre	3,600
Winchelsea Senior Citizens Centre	3,600
Barwon Neighbourhood House Network	2,500
Total	1,377,191

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 has not allocated the funds. These items will be prioritised for consideration in Council's 2017/18 draft budget.

Township	Asset Location	Works Description	Estimated Replacement Cost \$
Unsealed Roads			
Winchelsea	Koenig Lane - Laneway between Austin St and Harding St	Gravel Resheet	2,730
Sealed Roads			
Buckley	Lake Modewarre Car Park	Reseal	18,000
Lorne	Lorne Transfer Station Car Park	Reseal	10,925
Freshwater Creek	Freshwater Creek Tennis Club Car Park	Reseal	5,170
Aireys Inlet	Alice Road - Great Ocean Road to Anderson St	Reseal	5,100
Anglesea	Wray Street - Bingley Pde To Camp Rd	Reseal	4,360
Anglesea	Simmons Court - Inverloch St To End Of Court	Reseal	3,300
Lorne	Mountjoy Parade Service Road - Sealed section outside Grand Pacific Hotel	Reseal	2,035
Lorne	Sabine Street - Allen St to Smithers St	Reseal	600
Kerb			
Winchelsea	Dwyer Street	Kerb Replacement	4,000
Buildings			
Winchelsea	Hesse Street Reserve - Tennis Clubroom	Replace Building (Awaiting outcome of Scout/Council discussions)	200,000
Anglesea	Bus Shelter - Great Ocean Road, Melba Pde To Sixth Ave	Replacement	12,000
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)			
Winchelsea	Austin Street - Segment 003 - Willis Street To Hopkins Street	Footpath Replacement	23,500
Anglesea	Noble Street - Segment 001 - Reserve Rd To Roundabout at Murray St	Footpath Replacement	20,500
Jan Juc	Sunset Strip - Segment 003 - Alexander Ave to Cantala Dr - Right Lane	Footpath Replacement	18,000
Anglesea	Gabba Court - Segment 001 - Arinya Cres To End Of Court	Footpath Replacement	14,625
Lorne	Mountjoy Parade - Segment 007 - Beal St to Francis St (Roadside Only)	Footpath Replacement	10,400
Lorne	Duncan Street - Segment 002 - Dorman St To End	Footpath Replacement	9,938
Lorne	Ocean Road - Segment 006 - Doble St To Swing Bridge	Footpath Replacement	8,575
Lorne	Smith Street, Lorne - Segment 004 - William St To Bay St	Footpath Replacement	6,950
Torquay	Almeida Close - Segment 001 - Conside Crescent To T-Junction	Footpath Replacement	6,000
Moriac	Greenfields Drive - 0354 - Segment 003 - Buttercup Dr To Cooks Lane	Footpath Replacement	5,500
Lorne	Smith Street, Lorne - Segment 003 - Grove Road To William St	Footpath Replacement	5,475
Torquay	Beach Road, Torquay - Segment 002 - Fischer Street To Surf Coast Highway	Footpath Replacement	5,125
Torquay	Frog Hollow Drive - Segment 001 - Messmate Road to Property 14	Footpath Replacement	5,100
Torquay	Beach Road, Torquay - Segment 003 - Surf Coast Highway To Baines Cres	Footpath Replacement	4,750
Winchelsea	Harding Street - Segment 002 - Hopkins St To Willis Street	Footpath Replacement	4,700

Township	Asset Location	Works Description	Estimated Replacement Cost \$
Lorne	William Street - Segment 003 - Otway Street To Polwarth Road	Footpath Replacement	4,125
Winchelsea	Willis Street - Segment 004 - Harding St To Austin St	Footpath Replacement	4,100
Lorne	Grove Road - Segment 003 - Mountjoy Parade To Otway St	Footpath Replacement	3,975
Jan Juc	St Andrews Drive - Segment 001 - Hoylake Avenue To Court Bowl	Footpath Replacement	3,250
Winchelsea	Hesse Street - Segment 001 - Armytage Street To Princes Hwy	Footpath Replacement	2,850
Lorne	Mountjoy Parade Service Road - 1Segment 00 - Sealed section outside Grand Pacific Hotel	Footpath Replacement	2,725
Lorne	Otway Street - Segment 003 - Mountjoy Parade To Lower Otway St	Footpath Replacement	1,850
Lorne	Brownes Lane - Segment 001 - Mountjoy Parade To Cumberland Entrance	Footpath Replacement	1,425
Winchelsea	Austin Street - Segment 002 - Mercer Street To Willis Street	Footpath Replacement	1,325
Lorne	Otway Street - Segment 003 - Mountjoy Parade To Lower Otway st	Footpath Replacement	1,163
Winchelsea	Barwon Terrace - Segment 002 - Willis Street To Batson Street	Footpath Replacement	923
Torquay	Anderson Street, Torquay- Segment 001 - Surf Coast Highway To Pearl Street	Footpath Replacement	825
Lorne	Ocean Road - Segment 008 - Deans Marsh Rd To Erskine River Bridge	Footpath Replacement	650
Anglesea	Seventh Avenue - Segment 004 - Sixth Ave To North End	Footpath Replacement	405
Anglesea	Great Ocean Rd Service Rd, Anglesea - Segment 001 - Camp to McDougall Rds	Footpath Replacement	360
Open Space			
Lorne	Stribling Recreation Reserve	Various Items at Reserve	76,560
Winchelsea	Eastern Reserve Winchelsea	Various Items at Reserve	60,510
Freshwater Creek	Freshwater Creek Hall and Recreation Reserve	Various Items at Reserve	42,950
Winchelsea	Hesse Street Recreation Reserve	Various Items at Reserve	31,690
Jan Juc	Jan Juc Creek Reserve	Various Items at Reserve	26,660
Buckley	Lake Modewarre (Waltons Rd) Reserve	Various Items at Reserve	25,275
Anglesea	Fairyland Nature Reserve	Various Items at Reserve	22,025
Torquay	Deep Creek Nature Reserve West	Various Items at Reserve	21,600
Winchelsea	Barwon River Reserve	Various Items at Reserve	21,425
Bells Beach	Bells Beach Coastal Reserve	Various Items at Reserve	21,150
Torquay	Deep Creek Nature Reserve	Various Items at Reserve	18,500
Aireys Inlet	Mellors Swamp	Various Items at Reserve	16,215
Aireys Inlet	Inlet Crescent Reserve	Various Items at Reserve	14,775
Aireys Inlet	Anderson Roadknight Reserve	Various Items at Reserve	12,900
Mount Moriac	Mount Moriac Recreation Reserve	Various Items at Reserve	12,700
Anglesea	Anglesea McMillan Precinct	Various Items at Reserve	12,210
Bambra	Bambra Hall and Recreation Reserve	Various Items at Reserve	12,000
Anglesea	Bingley Parade Nature Reserve	Various Items at Reserve	9,075
Anglesea	Anglesea Tennis Club	Various Items at Reserve	8,020
Anglesea	Coogoorah Park Nature Reserve	Various Items at Reserve	7,140
Anglesea	Anglesea Riverbank Reserve	Various Items at Reserve	6,730
Bellbrae	Bellbrae Recreation Reserve	Various Items at Reserve	6,090
Modewarre	Modewarre Hall and Recreation Reserve	Various Items at Reserve	5,105
Anglesea	Cameron Park	Various Items at Reserve	4,005
Lorne	Gracedale Reserve	Various Items at Reserve	3,440
Jan Juc	Bob Pettitt Recreation Reserve	Various Items at Reserve	3,375
Torquay	Great Ocean Views Reserve	Various Items at Reserve	3,255
Aireys Inlet	Split Point Lighthouse Reserve	Various Items at Reserve	3,225
Lorne	Lorne Senior Citizens Centre	Various Items at Reserve	3,220

Township	Asset Location	Works Description	Estimated Replacement Cost \$
Torquay	Grasstree Park Nature Reserve	Various Items at Reserve	2,800
Torquay	Alleyne Ave Walkway	Various Items at Reserve	2,695
Paraparap	Larcombes Road Nature Reserve	Various Items at Reserve	2,581
Aireys Inlet	Great Ocean Road Nature Reserve	Various Items at Reserve	2,500
Aireys Inlet	Painkalac Creek Nature Reserve	Various Items at Reserve	2,500
Anglesea	Anglesea Lions Park	Various Items at Reserve	2,500
Buckley	Casuarina Woodland	Various Items at Reserve	2,500
Jan Juc	Great Ocean Road / Duffields Road	Various Items at Reserve	2,500
Lorne	Otway Street Reserve	Various Items at Reserve	2,500
Lorne	Stony Creek Nature Reserve	Various Items at Reserve	2,500
Lorne	Varna Gully Reserve	Various Items at Reserve	2,500
Mount Duneed	Rice Nature Reserve	Various Items at Reserve	2,500
Torquay	Geelong Road	Various Items at Reserve	2,500
Torquay	Great Ocean Road	Various Items at Reserve	2,500
Torquay	Whites Beach Reserve	Various Items at Reserve	2,500
Winchelsea	E.F Guye Reserve	Various Items at Reserve	2,500
Torquay	Torquay Price Street Precinct	Various Items at Reserve	2,490
Anglesea	Ellimatta Recreation Reserve	Various Items at Reserve	2,385
Winchelsea	Barwon River West Nature Reserve	Various Items at Reserve	2,340
Anglesea	Anglesea Lawn Bowls Club Precinct	Various Items at Reserve	2,295
Torquay	Ocean Acres Drive	Various Items at Reserve	2,000
Various	Various other reserves with less than \$2000 Renewal Requirement at each reserve	Various Items at Reserve	18,855
Total Assets			1,281,074

Appendix K - Budget Highlights by Ward

Note: Project values exclude contingency.

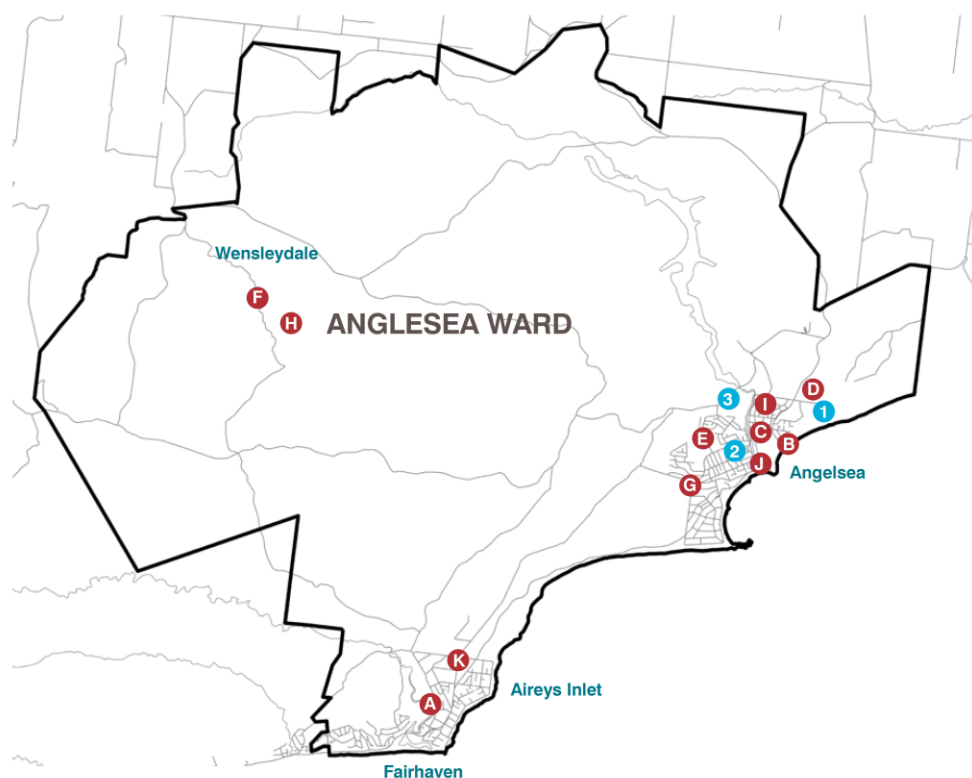




Budget 2016-17

Snapshot of highlights for Anglesea Ward





Renewal Projects

	Council funding (\$)	External funding (\$)	Total cost (\$)
A Aireys Inlet Reserve - Playground	186,210		186,210
B Anglesea Arthouse - Sheds	138,960		138,960
C Anglesea Shopping Centre Pathway	90,000		90,000
D Ellimatta Recreation Reserve - Sprinkler Heads & Retaining Wall	48,000		48,000
E Golf Links Road - Reseal	46,000		46,000
F Breakfast Creek Road - Partial Gravel Resheet	42,000		42,000
G Harvey Street - Reseal	37,000		37,000
H Alsops Road - Gravel Resheet	35,300		35,300
I McDougall Road - Reseal	25,000		25,000
J Cameron Road - Playground Items	25,000		25,000
K Aireys Inlet/Fairhaven - Drainage Upgrades	21,240		21,240
Other Renewal Projects	233,718		233,718
Total Renewal Projects	928,428		928,428

Capital and Operational Projects

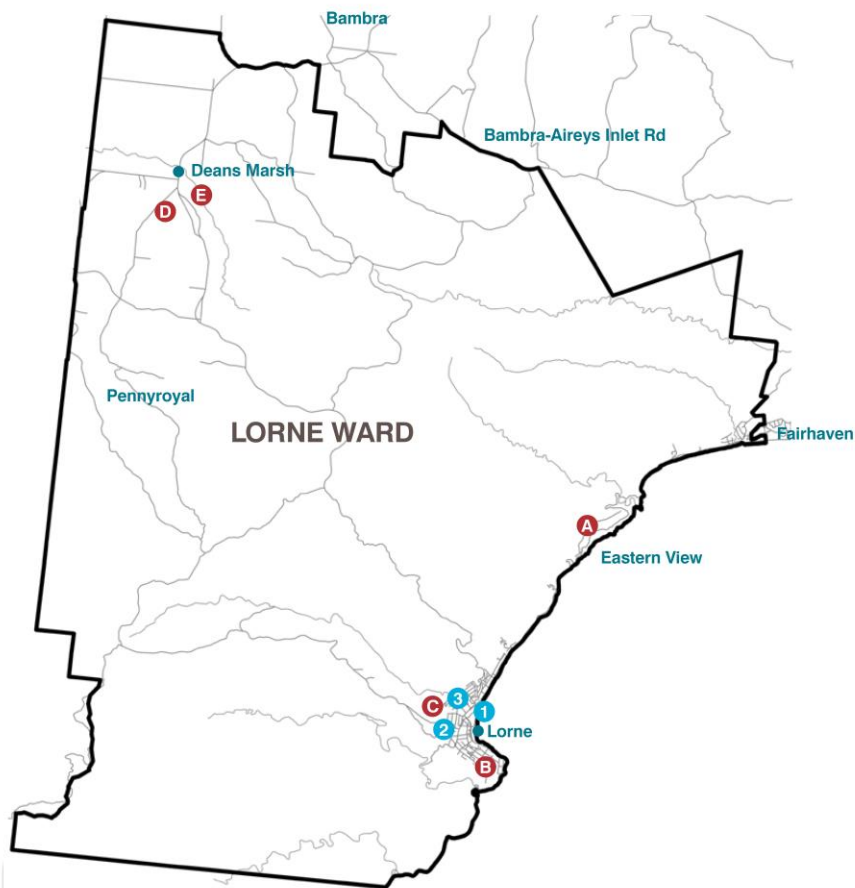
	Council funding (\$)	External funding (\$)	Total cost (\$)
1 Anglesea Cricket Club Pavilion Upgrade - Stage 1	5,240	90,000	95,240
2 Memorial Hall Anglesea - Air Conditioning Installation	36,000		36,000
3 Anglesea Futures Program Support	20,000		20,000
Other Capital and New Initiatives Projects	94,898	267,541	362,439
Total Capital and New Initiative Projects	156,138	357,541	513,679



Budget 2016-17



Snapshot of highlights for Lorne Ward



Renewal Projects

		Council funding (\$)	External funding (\$)	Total cost (\$)
A	Mair Road - Gravel Resheet	60,500		60,500
B	Francis Street - Reseal with Patching	21,000		21,000
C	Lorne - Drainage Improvement Works	20,000		20,000
D	Deans Marsh Recreation Reserve - Cricket Pitch & Skate park	17,325		17,325
E	Deans Marsh Recreation Reserve Car Park - Gravel Resheet	11,900		11,900
	Other Renewal Projects	68,050		68,050
	Total Renewal Projects	198,775		198,775

Capital and Operational Projects

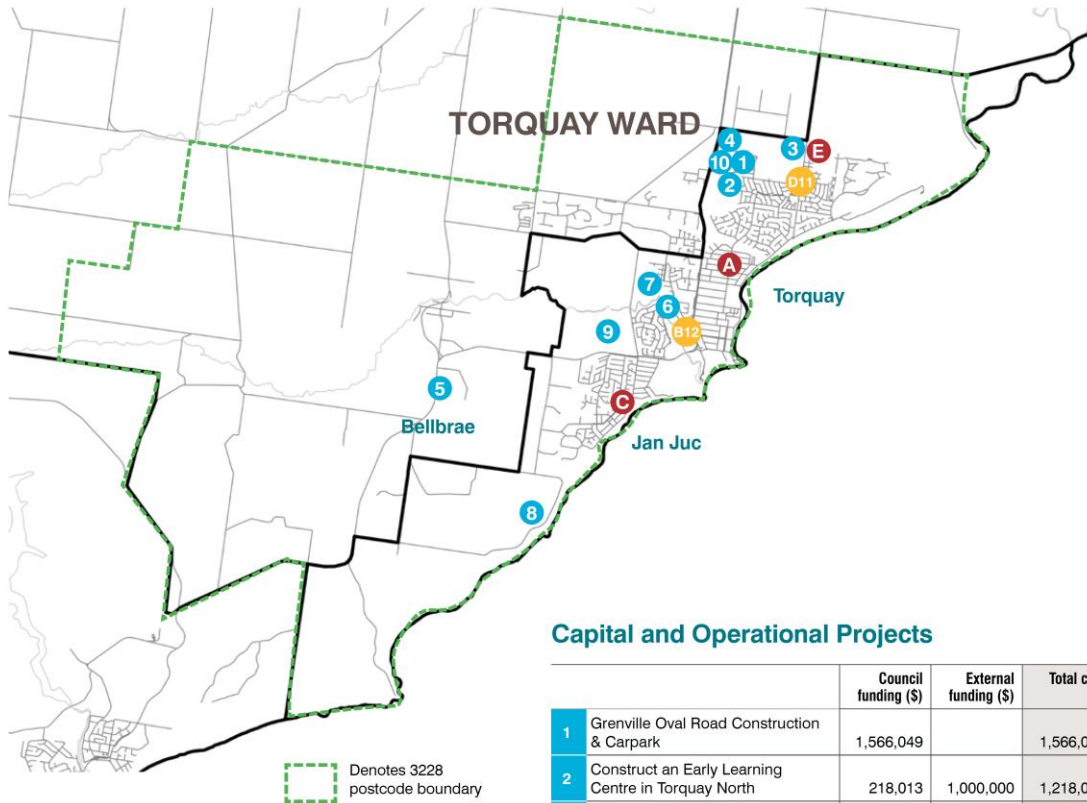
		Council funding (\$)	External funding (\$)	Total cost (\$)
1	Lorne Big Belly Bins & Locks	239,000		239,000
2	Lorne School Traffic Management Improvements	130,950		130,950
3	Lorne Football, Netball & Cricket Club - Electronic Scoreboard Contribution	20,000		20,000
	Other Capital and New Initiatives Projects	20,000		20,000
	Total Capital and New Initiative Projects	409,950		409,950



Budget 2016-17



Snapshot of highlights for Torquay Ward & 3228 postcode



Capital and Operational Projects

	Council funding (\$)	External funding (\$)	Total cost (\$)
1 Grenville Oval Road Construction & Carpark	1,566,049		1,566,049
2 Construct an Early Learning Centre in Torquay North	218,013	1,000,000	1,218,013
3 Horseshoe Bend / South Beach Road Intersection Upgrade		750,372	750,372
4 Surf Coast Highway / South Beach Rd Intersection Upgrade	800,000		800,000
5 Bellbrae Drainage and Streetscape Improvements		238,438	238,438
6 Beach Road Footpath - Alleyne to Kooronga	85,710		85,710
7 Upgrade Deep Creek Linear Reserve	79,370		79,370
8 Upgrade Bells Beach Recreation Reserve	68,289		68,289
9 Torquay Jan Juc DCP Review	80,000		80,000
10 Upgrade Grass Tree Park	54,568		54,568
D Horseshoe Bend Road Widening - Stage 4 Contribution *		240,000	240,000
B 12 Spring Creek Rec Reserve Master Plan Stage 2 - Netball Facility Upgrade *	139,285	75,000	214,285
Other Capital and New Initiatives Projects	1,499,712	13,636	1,513,348
Total Capital and New Initiative Projects	4,590,996	2,317,446	6,908,442

Renewal Projects

	Council funding (\$)	External funding (\$)	Total cost (\$)
A Darian Road Reconstruction	348,570		348,570
B 12 Spring Creek Rec Reserve Master Plan Stage 2 - Netball Facility Upgrade *	139,285	75,000	214,285
C Bob Pettitt Reserve Pavilion Playground	57,690		57,690
D 11 Horseshoe Bend Road Widening - Stage 4 Contribution *		60,000	60,000
E Horseshoe Bend Road Culverts Overlay	45,000		45,000
Other Renewal Projects	563,465		563,465
Total Renewal Projects	1,154,010	135,000	1,289,010

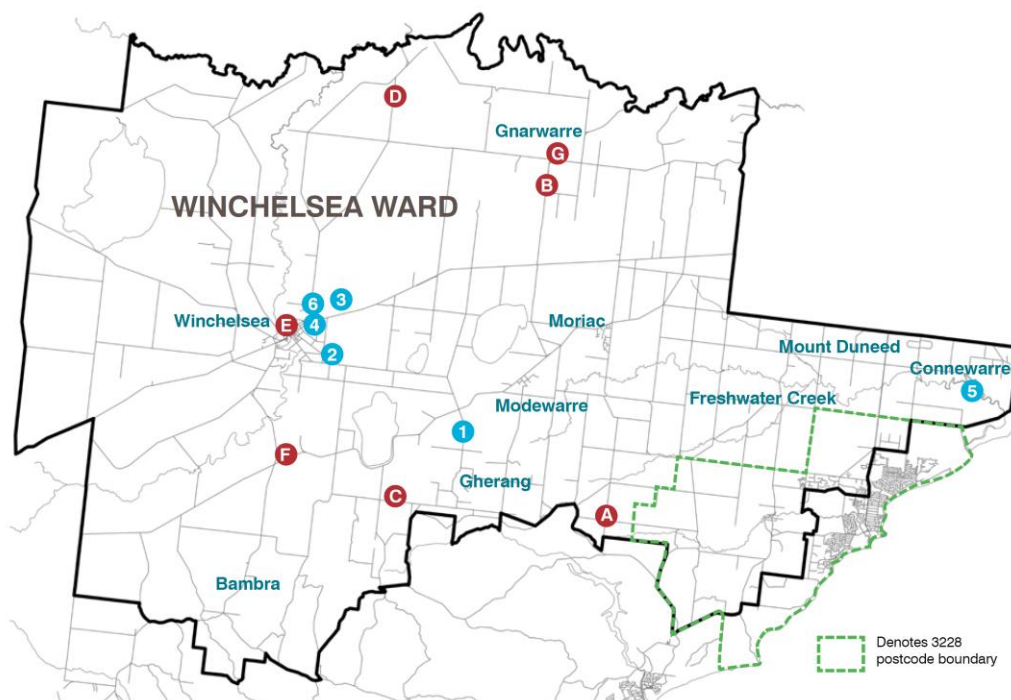
* Project include Renewal and Capital Funding



Budget 2016-17



Snapshot of highlights for **Winchelsea Ward**
excluding 3228 postcode



Renewal Projects

		Council funding (\$)	External funding (\$)	Total cost (\$)
A	Grays Road - Reconstruction	450,000		450,000
B	Barrabool Road - Reseal	126,500		126,500
C	Wormbete Station Road - Gravel Resheet	110,200		110,200
D	Gnarwarre Road - Gravel Resheet	100,600		100,600
E	Main Street Service Road - Replace Asphalt Footpath with Concrete	97,000		97,000
F	Cape Otway Road - Final Seal	87,500		87,500
G	Gnarwarre Tennis Courts	40,860		40,860
	Other Renewal Projects	422,727		422,727
Total Renewal Projects		1,435,387		1,435,387

Capital and Operational Projects

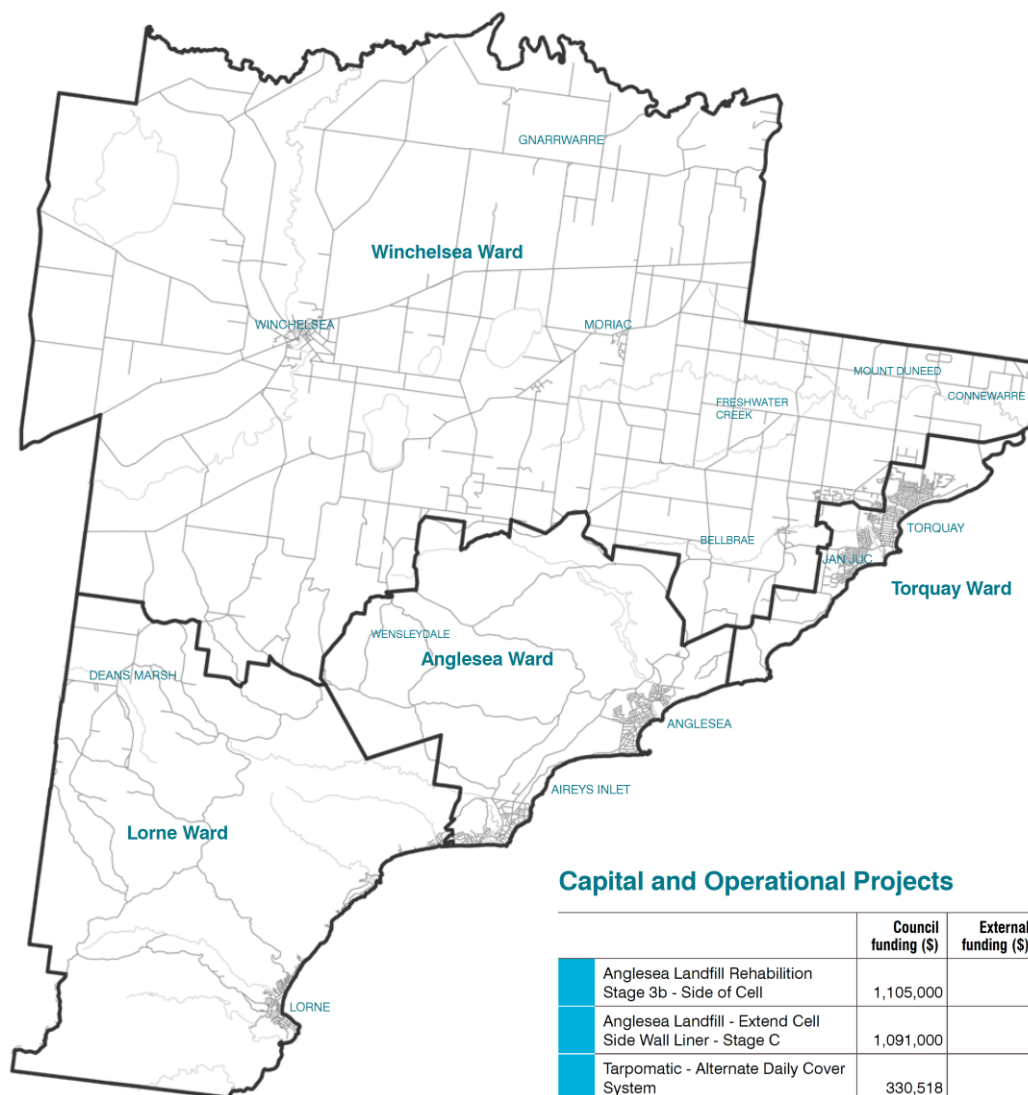
		Council funding (\$)	External funding (\$)	Total cost (\$)
1	Cape Otway Road Widening - Gherang Road		1,000,000	1,000,000
2	Winchelsea Common Restoration	50,000		50,000
3	Construction of Winchelsea Gateway	45,240	50,000	95,240
4	Beal Court & Trebeck Court - construction and sealing	183,991		183,991
5	Connewarre Reserve MP (Stage 3) - Drainage Improvements	73,330		73,330
6	Barwon Terrace Path - Willis Street to Pool	71,430		71,430
	Other Capital and New Initiatives Projects	164,610		164,610
Total Capital and New Initiative Projects		588,601	1,050,000	1,638,601



Budget 2016-17



Snapshot of highlights for Whole of Shire



Renewal Projects

	Council funding (\$)	External funding (\$)	Total cost (\$)
Heavy Plant Replacement Program	720,000		720,000
Other Renewal Projects	1,574,637		1,574,637
Total Renewal Projects	2,294,637		2,294,637

Capital and Operational Projects

	Council funding (\$)	External funding (\$)	Total cost (\$)
Anglesea Landfill Rehabilitation Stage 3b - Side of Cell	1,105,000		1,105,000
Anglesea Landfill - Extend Cell Side Wall Liner - Stage C	1,091,000		1,091,000
Tarpomatic - Alternate Daily Cover System	330,518		330,518
Playground Strategy	242,290		242,290
Environmental Leadership	150,000		150,000
2016 Council Elections	170,000	25,000	195,000
Condition & Valuation Audits - Road Network	116,000		116,000
Signature Event Funding Allocation	50,000		50,000
Growing Adventure Tourism	23,000		23,000
Other Capital and New Initiatives Projects	3,275,640	607,592	3,883,232
Total Capital and New Initiative Projects	6,553,448	632,592	7,186,040

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

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

Equity Considerations

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

Category 1: General

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 long term financial plan that reflects its funding intentions over time. Funding for particular projects can be large and may cause peaks in allocation to one ward. Additionally, asset renewal funding responds objectively to asset condition rather than a prescribed timeframe. Accordingly it is important to consider equity over time. It can however be challenging to maintain a data time series for consistent comparisons, given factors such as changing ward boundaries.
4	Pragmatic Model	An important principle in preparing any allocation model or suite of indicators is identifying where sufficient value has been provided, beyond which the preparation cost exceeds the incremental benefit. Council's Finance team has many important responsibilities to fulfil with limited resources and Council is mindful of not unreasonably diverting resources.
5	Ward Boundaries	It may be necessary to adjust the analysis to account for any agreed ward boundary anomalies. One example that is often reflected is to attribute the portion of the Winchelsea ward with a 3228 post code to the Torquay ward for the purpose of analysis.

Category 2: Funding

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

Category 3: Services and Assets

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

Category 4: Funding Allocations

18	Whole of Shire Projects	It is reasonable to consider a number of projects as “Whole of Shire” initiatives rather than being associated with individual wards or communities. The inclusion of this funding in an assessment of equity would need to consider an appropriate allocation basis, for example population, rate assessments or rate distribution.
19	Asset Renewal	Council’s Asset Renewal Funding Strategy is based on funding the renewal of roads and facilities when their condition degrades to the point that it impacts service delivery. This represents a commitment to maintain existing services and is particularly important in those communities that do not receive significant new investment due to lower growth.
20	Use of Ratepayer Funds	Council is committed to the efficient and effective use of ratepayer funds, reflected through formal project identification based on: <ul style="list-style-type: none"> • Renewal: objective condition assessment • New/Upgrade: adopted strategies, subject matter expert review The resultant funding allocations are also likely spread over time, rather than necessarily matching to current funding contributions. This emphasises the importance of considering equity over time.
21	Operational Projects	Communities often view infrastructure investment as an indicator of equitable funding contribution. It is also important to include funding allocations to operational projects that deliver a particularly localised benefit.
22	Pre-Growth Investment	Council may need to establish facilities in advance of new ratepayers moving to an area, resulting in funding allocations prior to receiving higher rates. This emphasises the importance of considering equity over a longer timeframe.
23	DCP Commitments	Council is contractually bound to provide funding contributions as part of Developer Contribution Plans. This is often in the order of 60% of the total infrastructure cost, with developers providing 40%. These agreements are a function of growth and often require investment prior to receiving a higher rate income.
24	Project Allocation vs Spend	Data comparisons that utilise project funding should be based on funds allocation rather than spend timing. The timing of project spend may vary due to project cash flow requirements or holding project commencement in order to secure grants. Importantly, allocated project funds are retained on the project budget until spent or formally reallocated by Council.
25	Corporate Overheads	Council’s corporate overheads are allocated based on specific drivers to relevant services and projects. Accordingly these are reflected in net service costs and project budgets, and would form part of any subsequent equity consideration.
26	Debt Funded Projects	Council raises loans for particular project purposes. It is important to treat a project that includes debt funding differently when performing an equity analysis. Rather than including the value of the loan as an up-front portion of the project costing, it is more appropriate to reflect in the analysis the annual loan cost, including both principle and interest payments. The annual loan cost would then continue to be reflected in future year’s analysis until the end of the loan term.
27	Reserve Allocations	Council typically provides allocations to reserves in each year’s budget, some of which may reasonably be attributable to a particular location, while others represent a general allocation. Each allocation would need to be considered individually in relation to equity assessment.

Equity Indicators

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

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

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

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

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

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

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	100%	\$8,118,196	100%
<i>Whole of Shire</i>			\$6,663,244		\$2,231,132		\$1,029,034			
<i>3228 Rates in Winchelsea</i>			\$2,355,606							

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

For comparative purposes, the 2015/16 information has been included below.

2015/16 Ward	Rates		Council Funding							
			New Projects (excl. Loans)		Renewal		Year Loan Costs (P&I)		Total	
Torquay (incl. 3228)	\$18,567,223	47%	\$5,317,009	81%	\$884,810	23%	\$677,381	100%	\$6,879,200	62%
Anglesea	\$9,467,678	24%	\$328,500	5%	\$553,900	15%	\$0	0%	\$882,400	8%
Winchelsea (excl. 3228)	\$4,592,552	12%	\$483,864	7%	\$1,674,700	44%	\$0	0%	\$2,158,564	20%
Lorne	\$6,664,669	17%	\$427,095	6%	\$693,900	18%	\$0	0%	\$1,120,995	10%
Total Ward Specific	\$39,292,122	100%	\$6,556,468	100%	\$3,807,310	100%	\$677,381	100%	\$11,041,159	100%
<i>Whole of Shire</i>			\$3,092,808		\$2,814,409		\$1,029,535			
<i>3228 Rates in Winchelsea</i>			\$2,355,805							

Note the 2015/16 figures included carried forward projects. This has been removed from the 2016/17 figures.

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).

2016/17 Ward	Rates		Total Funding							
			New Projects (excl. Loans)		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%
<i>Whole of Shire</i>			\$7,198,244		\$2,231,132		\$1,029,034			
<i>3228 Rates in Winchelsea</i>			\$2,355,606							

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

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

For comparative purposes, the 2015/16 information has been included below.

2015/16 Ward	Rates		Total Funding							
			New Projects (excl. Loans)		Renewal		Year Loan Costs (P&I)		Total	
Torquay (incl. 3228)	\$18,567,223	47%	\$7,620,509	76%	\$894,810	23%	\$677,381	100%	\$9,192,700	63%
Anglesea	\$9,467,678	24%	\$1,248,500	12%	\$553,900	15%	\$0	0%	\$1,802,400	12%
Winchelsea (excl. 3228)	\$4,592,552	12%	\$688,864	7%	\$1,674,700	44%	\$0	0%	\$2,363,564	16%
Lorne	\$6,664,669	17%	\$437,095	4%	\$693,900	18%	\$0	0%	\$1,130,995	8%
Total Ward Specific	\$39,292,122	100%	\$9,994,968	100%	\$3,817,310	100%	\$677,381	100%	\$14,489,659	100%
<i>Whole of Shire</i>			\$3,642,808		\$2,814,409		\$1,029,535			
<i>3228 Rates in Winch</i>			\$2,355,805							

Note the 2015/16 figures included carried forward projects. This has been removed from the 2016/17 figures.

Indicator 3 – Asset Distribution by Ward

This indicator reflects data as at 30 June 2014. It indicates the proportion of Council assets relative to rates and rates assessments in different wards.

2015/16 Ward	Rates		Rate Assessments		Asset Valuation					
					Road Assets		Non Road Assets		Total	
Torquay (incl. 3228)	\$18,567,223	47%	9,743	48%	\$108,357,425	45%	\$69,408,881	46%	\$177,766,306	46%
Anglesea	\$9,467,678	24%	4,864	24%	\$35,420,006	15%	\$33,019,820	22%	\$68,439,826	18%
Winchelsea (excl. 3228)	\$4,592,552	12%	2,964	14%	\$76,563,170	32%	\$31,595,027	21%	\$108,158,197	28%
Lorne	\$6,664,669	17%	2,882	14%	\$19,909,968	8%	\$15,573,076	10%	\$35,483,044	9%
Total Ward Specific	\$39,292,122	100%	20,453	100%	\$240,250,569	100%	\$149,596,804	100%	\$389,847,373	100%
<i>Whole of Shire</i>					\$830,995		\$19,765,137		\$20,596,133	
<i>Land</i>					\$2,714,000		\$101,467,000		\$104,181,000	
<i>Council Corporate</i>					\$0		\$15,702,495		\$15,702,495	
<i>Shire Total</i>					\$243,795,564		\$286,531,436		\$530,327,001	

2015/16 Ward	Land Area (Council Owned / Managed)	
Torquay (incl. 3228)	5,413,791	50%
Anglesea	1,647,428	15%
Winchelsea (excl. 3228)	3,394,830	32%
Lorne	315,440	3%
Total Ward Specific	10,771,489	100%

Indicator 4 – Supplementary Rates by Ward

This indicator would provide insight into where growth is occurring in the shire. This indicator is under development.

Appendix M - Collaborative Partnerships G21 Councils

The five Councils in the G21 region are the City of Greater Geelong, Colac Otway Shire Council, Golden Plains Shire Council, the Borough of Queenscliff and Surf Coast Shire Council.

Surf Coast has been working with these other four Councils to discuss opportunities to work together more regularly in an endeavour to provide better services and value for our ratepayers. Opportunities are available to realise enhanced services through a combined commitment from the councils.

To this regard the G21 councils have developed a joint statement of commitment to reinforce the partnership. The statement is below:



This collaboration will strengthen existing partnerships. The councils believe that there are opportunities for improvements and innovation through sharing resources, joint procurement of materials and services and collaboration on future technology improvements.

This is an exciting collaboration which will be a key factor in Council's response to the State Governments Fair Go Rates Policy.