

# Borough of Queenscliffe Budget - 2011/2012



This Budget Report has been prepared with reference to The Institute of Chartered Accountants "Victorian City Council Model Budget 2011/2012" a best practice guide for reporting local government budgets in Victoria.

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## Mayor's introduction

It gives me pleasure to present the 2011/12 Budget to the community of the Borough of Queenscliffe.

Balancing the operational needs of Council, with the ongoing requirement to fund the renewal and upgrade of Council assets will continue to be a challenge going forward. Ensuring the commitment to minimal rate increases also continues to be a challenge for the Borough with reliance on rates, as the primary source of funding, growing as external funding becomes more and more uncertain as State and Federal Government priorities are influenced by competing demands.

The rate increase proposed for the 2011/12 financial year is 4.5%. Note this is the Budgeted increase in total rates revenue, which will ensure Council maintains existing service levels, fund a number of new initiatives and continue to allocate additional funds to renew the Borough's infrastructure.

The proposed infrastructure improvements in Hesse Street, Queenscliff and the shopping precinct of Point Lonsdale are identified as the priorities for funding submissions from the Borough to the State Government.

Council has placed a high priority on improving pedestrian and road safety and will be preparing a 'Footpath and Road Treatment Plan' and constructing a number of pedestrian improvements.

The proposed budget includes \$67,000 of rate-funded new initiatives as well as some major Capital Works projects totalling \$1,673,890.

Highlights of the New Initiatives and Capital Projects include:

- Annual asset renewal program (\$1,145,890 cost with \$649,790 of this to be funded by external grants, the Asset Replacement Reserve and asset sales)
- Hesse Street revitalisation and Point Lonsdale Main Street improvement (\$295,000 cost with \$250,000 of this to be funded by external grants)
- Footpath and road treatment plan for the Borough (\$40,000) and improved pedestrian safety works in Point Lonsdale and Queenscliff (\$46,000)
- Queenscliff Sports Club Enhancement project (commencing 2010/11, completion expected 2011/12) Council funding \$205,790 from reserved funds
- Power upgrade at Queenscliff Recreation Reserve and Victoria Park (\$120,000) and investigating the undergrounding of power in Point Lonsdale Road (\$5,000)
- Design work for relocation of the Netball Courts to the Football Club area at Queenscliff Recreation Reserve (\$10,000)
- Detailed master plan for Shortlands Bluff tourism development project (\$25,000)
- Increase in governance support to local Community groups Committees of Management (\$10,000)
- Celebrating 150 Years of the Borough (\$4,000)
- Conditional contribution by Council of \$40,000 towards the Queenscliff Railway Station public toilet upgrade

The Capital Works program of \$1,673,890 is funded by \$654,000 from external grants, \$487,500 from Council operations, \$286,600 from the Crown Land Reserve, \$205,790 from the Asset Replacement Reserve and \$40,000 from asset sales (vehicle trade-ins for annual rollover program).

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible and appropriate given the capacity of the organisation and the needs of the Borough.

Residents and other interested members of the community are welcome to view and make comments and submissions on the budget. Council will also hold information sessions for residents and we encourage interested people to attend.

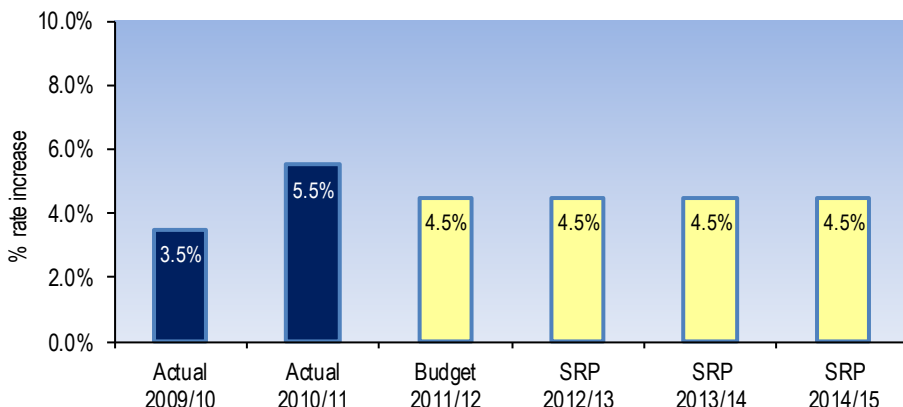
**Cr Bob Merriman**  
**Mayor**

# Chief Executive Officer's summary

Council has prepared a Budget for the 2011/12 financial year which seeks to balance the demand for services and management of the Borough's natural and built environment, with the community's capacity to pay. Key budget information is provided below regarding the rate increase, operating result, service provision, cash and investments, capital works and key strategic activities of the Council.

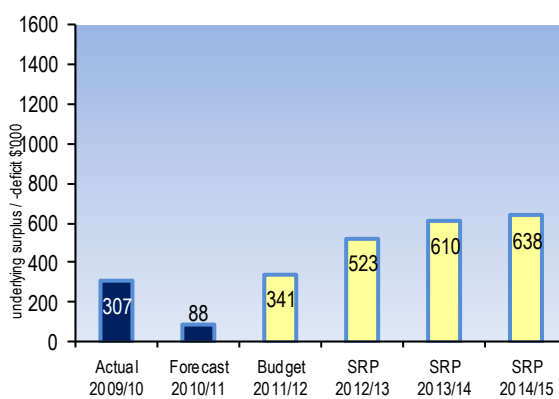
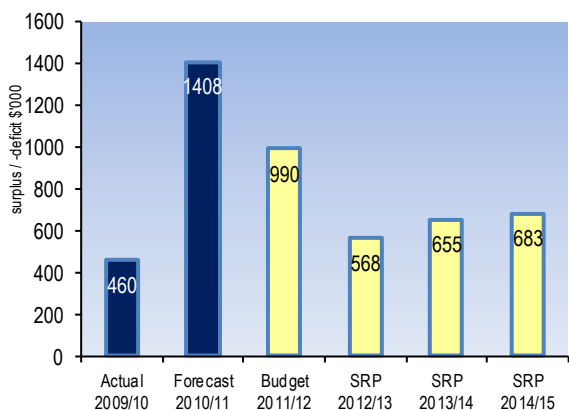
In the following graphs "SRP" denotes strategic resource plan estimates.

## 1. Rates



It is proposed that rates increase by 4.5% for the 2011/12 year, raising total rate revenue of \$5,343,000, including \$10,000 generated from supplementary rates (additional rates for new or improved properties that occurs during the 2011/12 year). The 4.5% increase will enable Council to maintain current service levels and to also provide funding for new initiatives and Capital works for both the rehabilitation of existing assets as well as funding a variety of new projects around the Borough.

## 2. Operating result and underlying result

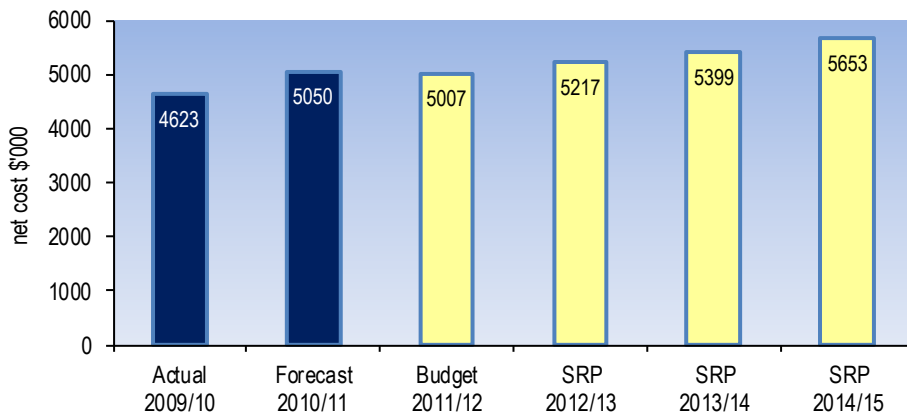


The expected operating result for the 2011/12 year is a surplus of \$990,000, which is a decrease of \$418,000 over 2010/11. The operating result is affected by the level of external funding budgeted for 2011/12, mainly reductions in operating and capital grants (\$701,000).

The underlying result, which excludes items such as capital grants and contributions, is a surplus of \$341,000, which is an increase of \$253,000 over 2010/11 (The forecast underlying result for the 2010/11 year is a surplus of \$88,000).

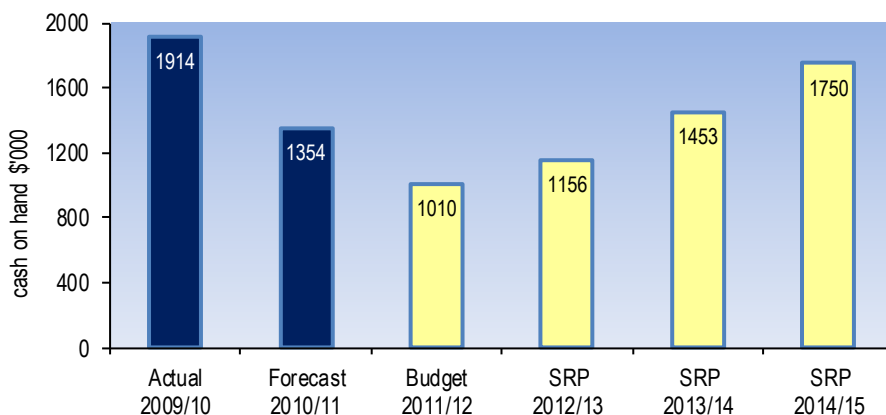
A high level Strategic Resource Plan for the years 2011/12 to 2014/15 has been developed to assist Council in adopting a budget within a longer term financial framework. The key objective of any long term financial plan is financial sustainability, while still achieving the Council's strategic objectives as specified in the Council Plan.

### 3. Services



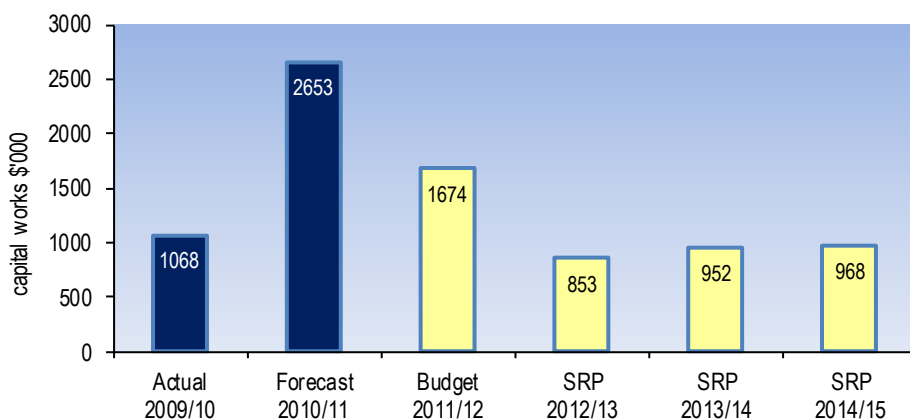
The net cost of services delivered to the community for the 2011/12 year is expected to be \$5,007,000 which is a reduction of \$43,000 over 2010/11. This net reduction in operating expenditure is largely due to a number of one-off projects in 2010/11. (The forecast net cost for the 2010/11 year is \$5,050,000).

### 4. Cash and investments



Cash and investments are expected to decrease by \$344,000 during the year to \$1,010,000 as at 30 June 2012. Reserved funds are to be withdrawn for the Queenscliff Sports Club Enhancement project (Council's contribution of \$205,790).

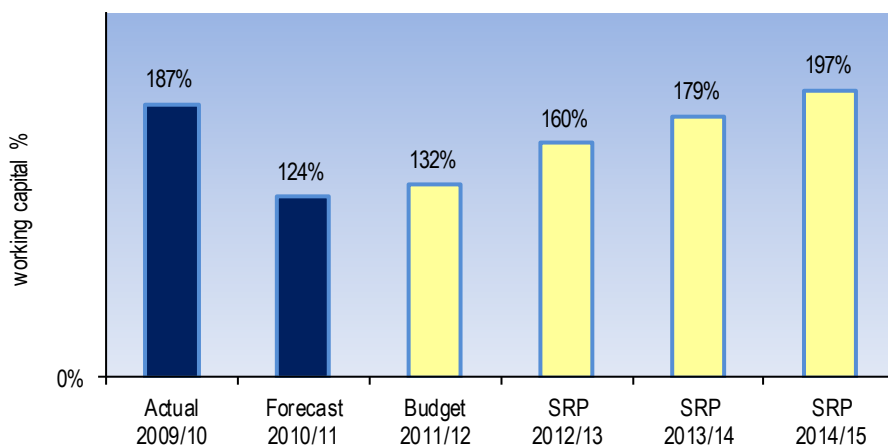
## 5. Capital works



The capital works program for the 2011/12 year is expected to be \$1,673,890 of which \$654,000 is funded from external grants, \$487,500 from Council operations, \$286,600 from the Crown Land Reserve, \$205,790 from the Asset Replacement Reserve and \$40,000 from asset sales (vehicle trade-ins for annual rollover program).

This year's program includes \$286,600 for Caravan Park / Crown Land projects predominantly for annual renewal of foreshore assets and power upgrades at Queenscliff Recreation Reserve and Victoria Park. Other rate funded projects include the annual asset renewal program and progressing the Hesse Street revitalisation project and the Point Lonsdale Main Street improvement.

## 6. Working capital ratio (adjusted for long service leave current provision)

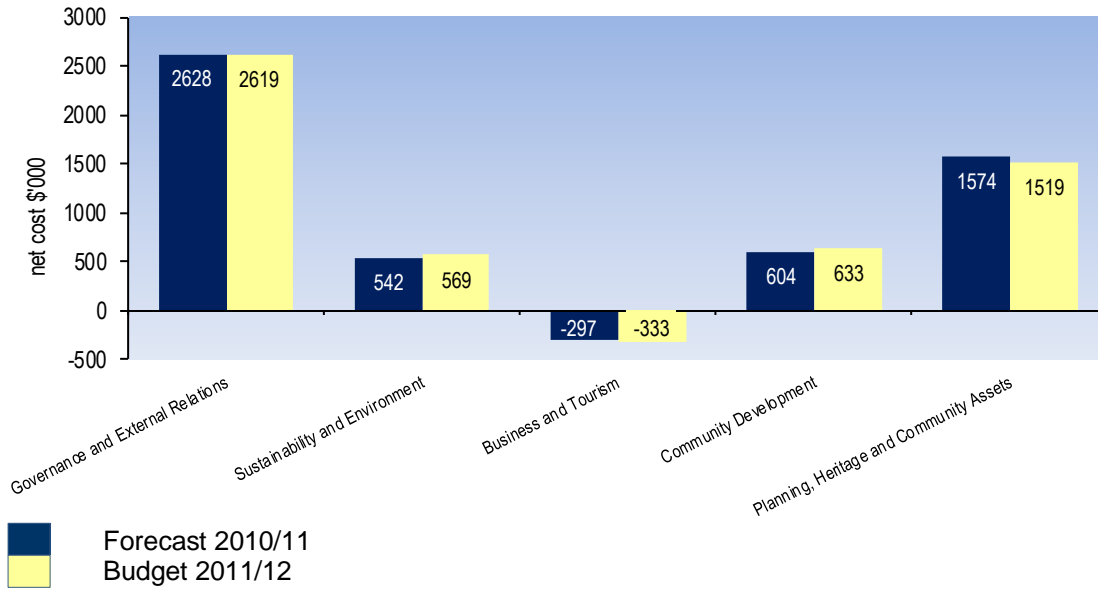


Current assets less current liabilities (working capital position) will improve slightly despite cash reserves decreasing in total.

The Working Capital ratio depicted above has been adjusted by removing the Long Service Leave (LSL) provision from current liabilities. This calculation more accurately indicates the liquidity position of Council on the basis that full LSL payout is not likely to be required within the next 12 months (Note the treatment of LSL provision as a current rather than a non-current liability is the result of changes to Accounting Standards in recent years. It should also be noted that the Auditor-General requires this adjusted ratio to be reported in Annual Reports).

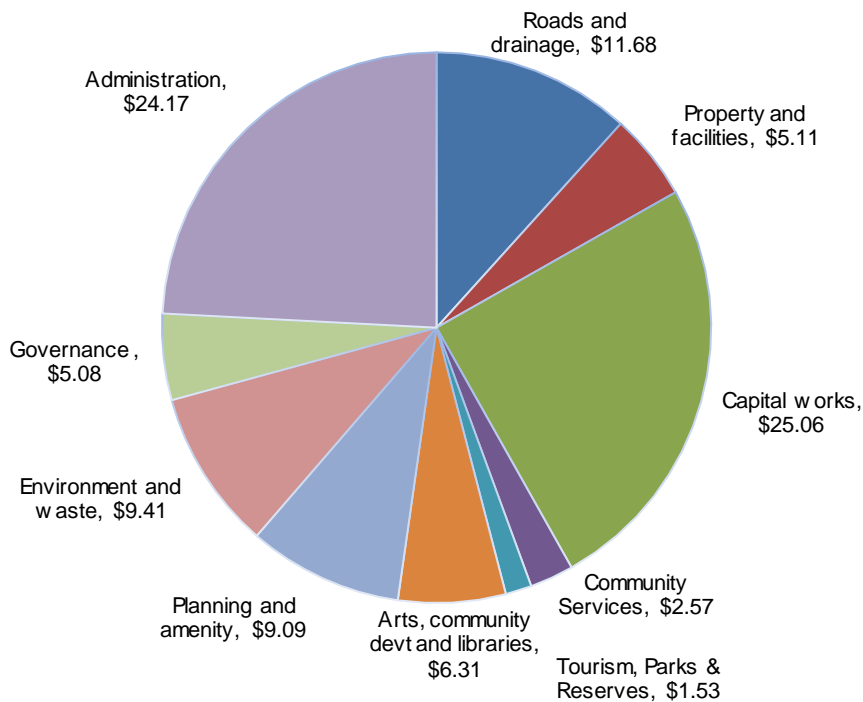
A target of 100% ensures sufficient assets to cover short term liabilities.

## 7. Strategic objectives



The Annual Budget includes a range of activities and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2011/12 year.

## 8. Where rates are spent



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends.

Council adopted a Strategic Financial Plan in April 2010 and the principles underpinning that plan have formed the preparation of this budget. More detailed budget information is available throughout this document.

**Lenny Jenner**  
**Chief Executive Officer**

## Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Local Government Act and Regulations.

The preparation of the budget begins with Officers preparing the operating and capital components of the annual budget during November and December. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings and workshops during the period January through 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 website. Community members have the right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including public meetings. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

Budget process	Timing
1. Officers prepare operating and capital budgets	November/December
2. Council considers draft budget and Capital Works priorities at informal briefings	January - March
3. Community consultation through Portfolio Reference Groups	March
4. Council resolves that draft Budget be "prepared" and go out for public submissions	April
4. Public notice advising intention to adopt budget	April
5. Community engagement through public meetings to present draft budget	April
5. Budget available for public inspection and submission/comment	April/May
7. Submissions period closes (28 days)	May
8. Community presentations on budget submissions	May
9. Submissions considered by Council / Committee	May
10. Budget and submissions presented to Council for adoption	June
11. Copy of adopted budget submitted to the Minister	June

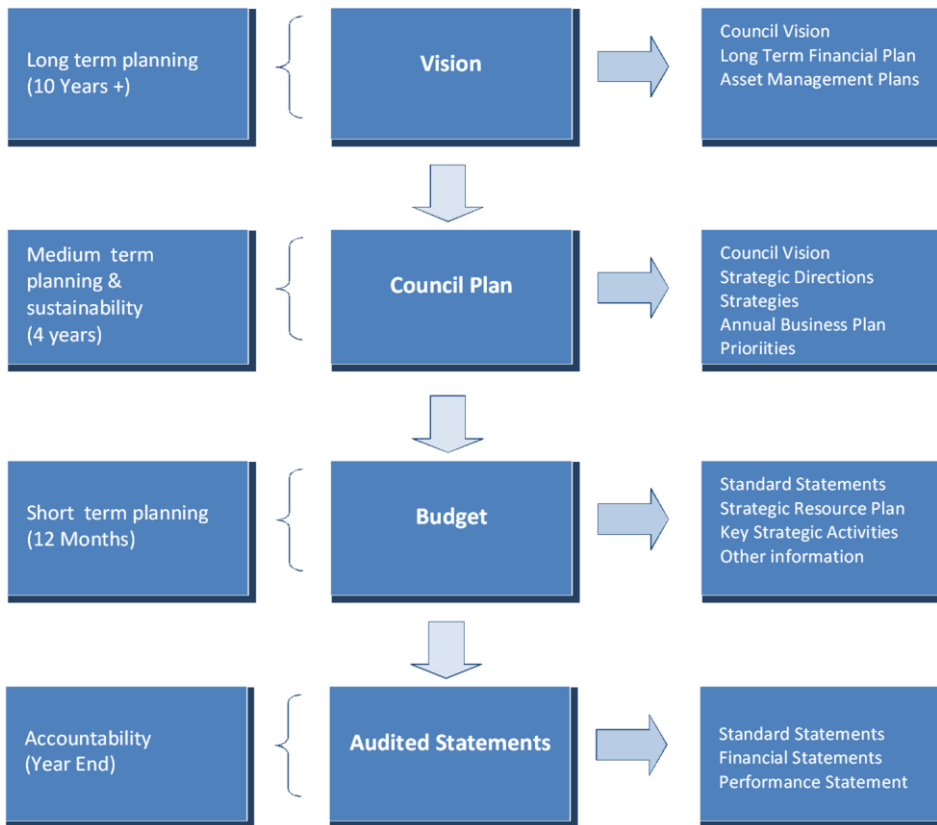
# Overview

## 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 framework. This framework guides the Council in identifying community needs and aspirations over the long term (Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

### 1.1 Strategic planning framework

The Strategic Resource Plan, included in the Council Plan summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the Business Plan priority actions included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the strategic planning framework of Council.



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 of Council and is reviewed each year to develop the Business Plan priority actions which feed into and are costed in the Annual Budget for the forthcoming year. .

## 1.2 Our purpose

### ***Council's vision***

The making of a place in which people live, work and visit with a mutual respect for the environment and for others with whom we share our Borough.

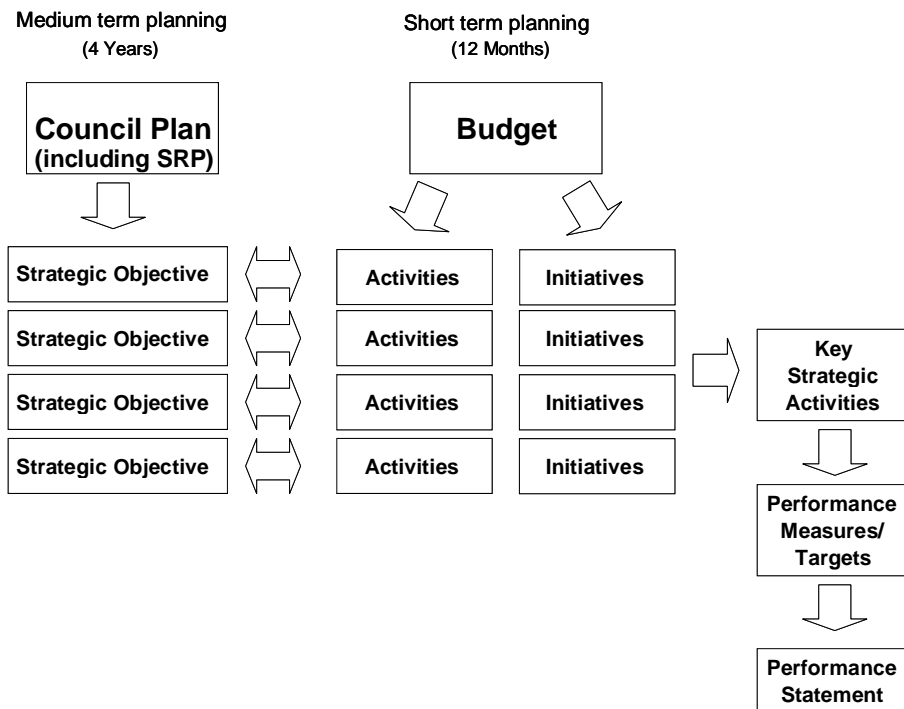
## 1.3 Strategic objectives

The Council delivers activities and initiatives under 25 major service categories which contribute to the achievement of the Strategic Directions set out in the Council Plan for the years 2010-2013. The following table lists the five Strategic Objectives as described in the Council Plan.

	<b>Strategic Objective</b>	<b>Description</b>
1	Governance, Finance and External Relations	Providing accountable governance and long term sustainable financial management
2	Sustainability and Local Environment	Living sustainably and protecting and restoring our diverse environment
3	Business and Tourism	Supporting local businesses and tourism by providing an environment in which they can both flourish
4	Community Development	Work in partnership with the community to build a strong, safe, inclusive and connected community
5	Planning, Heritage and Community Assets	Striving to ensure development sustains and enhances the character of the natural and built environment

## 2. Activities, initiatives and key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget for the 2011/12 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of key strategic activities and performance targets and measures in relation to these. The Strategic Resource Plan (SRP) is part of, and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan is shown below.



## 2.1 Strategic Objective 1 - Governance, Finance and Internal Relations

### Strategic direction

Providing accountable governance and long term sustainable financial management.

### Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Administration	This area includes the Chief Executive Officer, Executive Management Team and associated support which cannot be easily attributed to direct service provision areas. Also included here are customer and civic services, providing a range of governance, statutory and corporate support services, and acting as the main customer interface with the community. Services include the coordination of council and committee meetings, records and information management and office support services.	1,410 (155) <b>1,255</b>
Finance, risk and audit	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, raising and collection of rates and charges, fleet management, insurance and risk management. Expenditure related to the external provision of both valuation and information technology services is captured here, as well as the depreciation expense for all Council assets.	1,343 (164) <b>1,179</b>
Governance	This relates predominantly to Mayor and Councillors, also governance items such as the community satisfaction survey and membership of various organisations including the MAV and G21.	185 0 <b>185</b>
<b>TOTAL</b>	<b>Expenditure (Revenue) Net Cost</b>	<b>2,938 (319) 2,619</b>

### Strategies

- Achieve financial strength and maximise external funding opportunities
- Responsibly manage financial, human and physical resources and take a proactive approach to risk management
- Promote strong community engagement and active participation and advocate on issues of importance to the community
- Foster partnerships with community organisations, business, our municipal neighbours and all levels of government
- Ensure the integrity of planning on and around the municipal boundary
- Work towards consolidating the remainder of Point Lonsdale into the Borough of Queenscliffe
- Ensure the continuing independence of the Borough

## Key strategic activities

Performance Indicator	2011-2012 Target
Successful achievement of Business Plan priority actions.	100%
Increase opportunities for community participation in Council decision making.	Conduct at least four public meetings each year
Maintain working capital ratio greater than 100%.	Greater than 100%
Improve the risk rating for each of Council's insurance audits	Improve by 5% each year
Prepare and adopt annual Budget and Strategic Resource Plan in accordance with the Local Government Act 1989.	Adopt by 31 August 2011
Review the long term Strategic Financial Plan.	30 April 2012
Prepare and lodge annual financial statements and standard statements in accordance with the Local Government Act 1989.	Lodge by 30 September 2011
Annual Local Government Community Satisfaction Survey rating for overall performance generally of the council.	At least 70% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's advocacy and community representation on key local issues.	At least 70% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's engagement in decision making on key local issues.	At least 60% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's interaction and responsiveness in customer contact.	At least 75% of respondents say Council performance was excellent, good or adequate

## 2.2 Strategic Objective 2 – Sustainability and Local Environment

### Strategic direction

Living sustainably and protecting and restoring our diverse environment.

### Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Sustainability and environment	This new area has carriage of the sustainability policy, facilitates community projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority, as is dealing with Climate Change.	67 0 <b>67</b>
Waste disposal	This service includes regular bin based collection of garbage and recycling as well as a cyclic hard rubbish collection. Council also works with the Barwon Region Waste Management Group to increase community awareness and promote behaviours that minimise waste and increase recycling.	514 (12) <b>502</b>
<b>TOTAL</b>	<b>Expenditure (Revenue) Net Cost</b>	<b>581 (12) 569</b>

### Strategies

- Work in partnership with the community and other organisations to protect and restore the local environment and promote sustainable practices
- Protect, restore and rehabilitate the natural ecosystems of the foreshore, coastal and marine environments and increase ecosystem connectivity
- Initiate actions related to climate change
- Work towards being a carbon neutral Council and community
- Promote sustainable energy, waste and water management practices
- Increase the amenity and usefulness of paths and trails in the Borough and surrounds without any detrimental impact on the significant environmental values
- Protect and restore landscapes and heritage plantings in the Borough

### Key strategic activities

Performance Indicator	2011-2012 Target
Successful achievement of Business Plan priority actions.	100%
Maintain Borough of Queenscliffe Council as a Waste Wise accredited organisation.	Accreditation maintained
Achieve net increase in street trees across the municipality.	Net increase
Annual Local Government Community Satisfaction Survey rating for council's overall performance in Waste Management.	At least 80% of respondents say Council performance was excellent, good or adequate

## 2.3 Strategic Objective 3 – Business and Tourism

### **Strategic direction**

Supporting local businesses and tourism by providing an environment in which they can both flourish.

### **Activities**

<b>Program / Activity</b>	<b>Description</b>	<b>Expenditure (Revenue) (Net Income) \$'000</b>
Caravan parks and boat ramp	This service provides approximately 400 camping sites and associated facilities, which provide the revenue to fund the bulk of Council's foreshore activities. The boat ramp service provides a two lane sheltered access to the region's fishing grounds.	670 (1,449) <b>(779)</b>
Visitor information centre	This service provides a state accredited tourist information service year round. Professional and friendly advice from paid and volunteer staff ensure that visitors have a positive experience in the seaside townships of Queenscliff and Point Lonsdale.	141 (15) <b>126</b>
Coastal and environment	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance on Coastal Crown Land.	293 (97) <b>196</b>
Tourism promotion	This service is integrated with the activities of Geelong Otway Tourism, Bellarine Peninsula Tourism and the local Queenscliff Lonsdale Tourism Association. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and visitors who choose to stay longer in the Borough.	235 (111) <b>124</b>
<b>TOTAL</b>	<b>Expenditure (Revenue) (Net Income)</b>	<b>1,339 (1,672) (333)</b>

### **Strategies**

- Work in partnership with businesses and the community to promote and support business and tourism opportunities, sensitive to the social and environmental amenity of the community
- Promote seasonal and adventure tourism opportunities
- Promote the unique natural and heritage attributes of the Borough which will lead to increased local work opportunities
- Work with businesses and other organisations to provide a greater variety of tourism accommodation in the Borough
- Work with Geelong Otway Tourism and Bellarine Tourism to implement the 'Classic' branding for the Borough of Queenscliffe

**Key strategic activities**

<b>Performance Indicator</b>	<b>2011-2012 Target</b>
<b>Successful achievement of Business Plan priority actions.</b>	100%
<b>Increase number of people accessing Queenscliffe Visitor Information Centre.</b>	Total number of people accessing the VIC in person, and via the phone and website increases each year
<b>Maintain level of sponsorship and in-kind support provided to major tourism events.</b>	Value of support maintained for regular tourism events
<b>Number of food safety audit visits.</b>	At least one visit per premise per annum.
<b>Annual Local Government Community Satisfaction Survey rating for Council's overall performance in Economic Development.</b>	At least 70% of respondents say Council performance was excellent, good or adequate

## 2.4 Strategic Objective 4 – Community Development

### **Strategic direction**

Work in partnership with the community to build a strong, safe, inclusive and connected community.

### **Activities**

<b>Program / Activity</b>	<b>Description</b>	<b>Expenditure (Revenue) Net Cost \$'000</b>
Aged and Disabled Services	This service provides a range of services for the aged and disabled including home care, personal care and respite care, home maintenance and senior citizens centre.	648 (488) <b>160</b>
Library	A public library service is provided in Queenscliff, operated by the Geelong Regional Library Corporation, for which Council contributes to cost of this service.	210 0 <b>210</b>
Arts, Recreation and Culture	This service provides a varied ongoing program of arts and cultural events.	74 (2) <b>72</b>
Community Development	Included with general community development are events such as volunteer day celebrations, senior citizens week, Australia Day celebrations and Christmas decorations and festivities.	143 (5) <b>138</b>
Maternal and Child Health	Maternal and child health services are externally provided by Bellarine Health Care and funded by Council grant income.	60 (48) <b>12</b>
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities and smoke free dining venues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	75 (35) <b>40</b>
<b>TOTAL</b>	<b>Expenditure (Revenue) Net Cost</b>	<b>1,210 (578) 632</b>

### **Strategies**

- Promote the health and wellbeing of the Borough community and continue to provide and support high quality health, learning and aged care services
- Facilitate opportunities in sport, recreation, arts, cultural and civic activities
- Advocate for improved public and community transport
- Promote safe walking and cycling activity
- Support and encourage community projects
- Foster safety in the community
- Support and recognise volunteerism
- Promote reconciliation

**Key strategic activities**

<b>Performance Indicator</b>	<b>2011-2012 Target</b>
<b>Successful achievement of Business Plan priority actions.</b>	100%
<b>Level of financial support to community initiatives and not-for-profit community groups and organisations.</b>	Maintain value of grants
<b>Recognise and celebrate volunteer contributions in the Borough of Queenscliffe.</b>	Conduct at least 2 events per annum
<b>Annual Local Government Community Satisfaction Survey rating for Council's overall performance in health and human services.</b>	At least 90% of respondents say Council performance was excellent, good or adequate
<b>Annual Local Government Community Satisfaction Survey rating for council's overall performance in recreational facilities.</b>	At least 80% of respondents say Council performance was excellent, good or adequate

## 2.5 Strategic Objective 5 - Planning, Heritage and Community Assets

### Strategic direction

Striving to ensure development sustains and enhances the character of the natural and built environment.

### Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Road Maintenance and Works	Provided by an external contractor, this service includes maintenance of local roads, kerb and channel, footpaths and shared use trails, drainage, street cleaning and sweeping, parks and gardens and sports ovals.	782 (53) <b>729</b>
Engineering	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. The service also approves and supervises private development activities such as build over easement, legal point of discharge, vehicle point of access and infrastructure associated with unit developments.	187 0 <b>187</b>
Planning and Development Control	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors Council's Planning Scheme as well as preparing major policy documents shaping the future of the Borough. It also processes amendments to the Council Planning Scheme and carries out research on demographic, economic and social issues affecting Council.	226 (51) <b>175</b>
Local Law Enforcement	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, 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 services including a dog and cat collection service, a lost and found notification service, a registration and administration service, an after hours service and an emergency service. This service also facilitates the smooth flow of traffic and parking throughout the municipality through the provision of safe, orderly and equitable parking enforcement and education. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	225 (84) <b>141</b>
Public Conveniences	Maintenance, cleaning and renewal of 13 public conveniences is required to maintain a level of service acceptable to the general community as well as tourists.	109 0 <b>109</b>
Street Lighting	Operation, maintenance and renewal plus energy costs associated with the Borough's street lights.	46 0 <b>46</b>
Powerline Clearance	This is to maintain the legislative clear zones around powerlines to ensure safety and prevention of fire.	41 0 <b>41</b>

Building Maintenance	This service prepares long term maintenance management programs for Council's buildings in an integrated and prioritised manner in order to optimise their strategic value and service potential.	33 0 <b>33</b>
Heritage Assets	Advice is provided via an external contractor regarding Council's heritage assets, in order to maintain the Borough's heritage values.	45 (14) <b>31</b>
Building Control	This service provides statutory building services to the Council community including processing of siting variation consent, emergency management responsibilities, building safety inspections/audits and investigations of complaints and illegal works. Provided by way of a part time external contractor.	45 (17) <b>28</b>
<b>TOTAL</b>	<b>Expenditure (Revenue) Net Cost</b>	<b>1,739 (219) 1,520</b>

### Strategies

- Protect, conserve and add value to the unique natural, built and heritage values of the Borough of Queenscliffe, drawing on an understanding of the limitations of the natural environment and the municipality's historical background
- Develop appropriate planning policies to improve the amenity of the Borough as a place where people live, work and visit
- Work in partnership with the community and stakeholders to achieve responsive and high quality planning outcomes in a consistent manner
- Improve the development of infrastructure and maintain community assets
- Enhance traffic management

Performance Indicator	2011 - 12 Target
Successful achievement of Business Plan priority actions.	100%
Complete review of Queenscliffe Planning Scheme and draft Planning Scheme Amendment.	Council endorsement of final report by 30 June 2012
Number of planning applications processed within 60 statutory days.	70%
Annual Local Government Community Satisfaction Survey rating for council's overall performance in appearance of public areas.	At least 80% of respondents say Council performance was excellent, good or adequate.
Annual Local Government Community Satisfaction Survey rating for council's overall performance in traffic management and parking.	At least 70% of respondents say Council performance was excellent, good or adequate.
Annual Local Government Community Satisfaction Survey rating for council's overall performance in town planning policy and approvals.	At least 50% of respondents say Council performance was excellent, good or adequate.

## 2.6 Performance Statement

The Key Strategic Activities (KSA) detailed in the preceding pages, are summarised again in Appendix D. The KSA's, their performance measures, targets and results are audited at the end of the year and are included in the Performance Statement as required by section 132 of the Act. The Annual Report for 2011/12 will include the audited Performance Statement which is presented to the Minister for Local Government and the local community.

## 2.7 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Governance, finance and external relations	\$2,619	\$2,938	\$319
Sustainability and local environment	\$569	\$581	\$12
Business and tourism	(\$333)	\$1,339	\$1,672
Community development	\$632	\$1,210	\$578
Planning, heritage and community assets	\$1,520	\$1,739	\$219
<b>Total activities and initiatives</b>	<b>\$5,007</b>	<b>\$7,807</b>	<b>\$2,800</b>
Other non-attributable	\$0		
<b>Deficit before funding sources</b>	<b>\$5,007</b>		
<b>Funding sources</b>			
Rates and charges	\$5,343		
Capital grants and contributions	\$654		
<b>Total funding sources</b>	<b>\$5,997</b>		
<b>Surplus for the year</b>	<b>\$990</b>		

## **3. Budget influences**

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

### **3.1 Snapshot of the Borough of Queenscliffe**

The Borough of Queenscliffe is located to the south of Melbourne on the south eastern tip of the Bellarine Peninsula. The Borough has a land area of 10.7 square kilometres all of which is essentially coastal land.

The Borough was proclaimed a municipality in 1863 and is unique in Victoria in that it is the only Local Government untouched by any boundary change. It remained unchanged through the amalgamation process in the first half of the 1990's.

#### **Population**

The estimated population as at June 30th 2006 was 3261 which is a slight decline from the census of 2001. It is anticipated that the population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non permanent ownership of property.

#### **Ageing population**

In 2006 the population over the age of 64 was 30.5% against a Victorian average of 13.3%. The Borough's population aged over 64 years is estimated to be 40% in 2016 and 45% by 2031. For this reason, there is significant emphasis on the need to provide aged services, although it is also acknowledged that age is not the sole determinant of the need for particular health services.

#### **Births**

Despite an ageing population, approximately 23 babies have been born each year since 2006. In the 2009/10 financial year 24 babies were born in the municipality. (Source: Maternal and Child Health database).

#### **Cultural diversity**

Of the total population, 83% were born in Australia. Of those residents born overseas, 47% come from the United Kingdom. (Source: Australian Bureau of Statistics, Census of Population and Housing).

#### **Housing**

Population density in the Borough is low with 1.1 persons per household compared to the average for smaller Councils being 1.4 and the State average of 1.9.

Property values in the Borough are generally high with the top quartile averaging over \$1M. The overall median house price increased from \$532,000 in 2008 to \$620,000 currently.

#### **Education and occupation**

People in the Borough of Queenscliffe are highly educated. The proportion of residents who have non-school qualifications is well above the State average with 22% of the population having a tertiary degree and 11.2% an advanced diploma or diploma. (Source: Australian Bureau of Statistics, Census of Population and Housing).

There is an above average proportion (81%) of managers, professionals, associate professionals and intermediate clerical and administrative workers, and a below average number of labourers and other semi-skilled or unskilled workers.

The workforce statistics show a high proportion of people not in the workforce (retired) and a below average unemployment level of 3.4% for those actively in the workforce. Of those active in the workforce, 56.8% are in full time employment and 40.8% are working part time.

#### **Budget implications**

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

- The relatively compact area of the Borough gives some inherent service advantages as services are being delivered across a compact area. This is unusual in a non Melbourne metropolitan council
- The Council also has to consider the fact that just outside its border there is a significant resident population at Point Lonsdale which is in the City of Greater Geelong. Council needs to continue to plan its community facilities around the fact that the cohort utilises the services of the Borough

A large percentage of land under Council control is in fact Crown Land and therefore is non rateable. Council must be constructive in the way in which it approaches the management of Crown Land to ensure that there are sufficient revenue streams to review and maintain facilities on the various Crown Land reserves.

### **3.2 External influences**

In preparing the 2011/12 budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Consumer Price Index (CPI) increases on goods and services of 2.7% per annum (ABS release 25 January 2011). State-wide CPI is forecast to be 2.25% for the 2011/12 year (Victorian Budget Papers 2010/11)
- The 'Engineering Construction' and 'Non-Residential Building' Indices prepared by Econtech are forecast at 3.2% and 3.5% respectively (MAV Local Government Cost Index Report, 2010)
- For the purposes of this budget, average inflation of 3% has been included
- Increase in landfill levy: An increase of \$10 per tonne (or 33%) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional annual waste tipping costs of \$13,000. This follows a \$22 per tonne increase (or 275%) in the 2010/11 financial year, with a further \$10 per tonne (25%) increase to apply in 2012/13.
- The recognition during the 2010/11 financial year of an expense of \$38,000, being Council's apportioned share of the unfunded superannuation liability for previous members of the defined benefits scheme.
- Anticipated reduction in the level of State and Federal grants funds to Local Government.

### **3.3 Internal influences**

As well as external influences, there were also a number of internal influences which are expected to have a significant impact on the preparation of the 2011/12 Budget. These matters have arisen from events occurring in the 2010/11 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2011/12 year. These matters and their financial impact are set out below:

- Increase in labour costs: Council's current Enterprise Bargaining Agreement (EBA) runs from 15 January 2010 to 15 January 2013. Increases to be applied under this agreement are as follows: 3.50% from 15 January 2010, 3.75% from 15 January 2011 and 3.75% from 15 January 2012.
- Annual incremental movements through the Award banding accounts for approximately 1% of salary costs
- Staff turnover and succession planning: some areas of Council services have a number of staff approaching retirement age. Trainees have been appointed to assist with succession planning. Allowances are also made in the budget to provide contracted assistance required in the event of staff resignations (and also for back filling whilst staff are on annual leave).

### **3.4 Budget principles**

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

- Existing fees and charges to be increased in line with CPI or market levels
- Grants to be based on estimated funding levels. Unsuccessful applications will result in the project not proceeding (unless alternative funding is sourced)
- New revenue sources to be identified where possible
- Service levels to be maintained at 2010/11 levels except where recurrent or one-off grant funding enables expansion to service delivery.
- Salaries and wages to be increased in line with Enterprise Bargaining Agreement (EBA) with some additional resources for School crossing supervision, Aged Care trainee staff, casual Customer Service backup plus special project assistance as required.
- Road maintenance to increase in line with CPI as per existing maintenance contract
- Capital works projects to be prioritised based on the Asset renewal requirements as determined by the regular review of asset conditions
- New initiatives (operating) prioritised based on community consultation and input
- Real savings identified in 2010/11 to be preserved (for future asset management requirements).

### **3.5 Legislative requirements**

Under the Local Government Act 1989 (the Act), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Finance and Reporting) Regulations 2004 (the Regulations) which support the Act.

The 2011/12 budget, which is included in this report, is for the year 1 July 2011 to 30 June 2012 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ending 30 June 2012 in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2011/12 to 2014/15 (section 9), Rating Strategy (section 10) and Other Long Term Strategies (section 11) including debt, service delivery, cash/liquidity, and asset management.

## Budget analysis

### 4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2011/12 year.

#### 4.1 Budgeted income statement

	Ref	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
Total income	4.2	\$9,403	\$8,685	(\$718)
Total expenses	4.3	(\$7,995)	(\$7,695)	\$300
<b>Surplus (deficit) for the year</b>		<b>\$1,408</b>	<b>\$990</b>	<b>(\$418)</b>
<i>Less capital and other non-operating items</i>				
Grants - capital	4.2.6	(\$1,049)	(\$654)	\$395
Contributions - capital	4.2.7	(\$311)	\$0	\$311
Net loss on sale of assets	4.3.7	\$2	\$5	\$3
Increase in unfunded superannuation liability	4.3.8	\$38	\$0	(\$38)
<b>Underlying surplus (deficit)</b>	4.1.1	<b>\$88</b>	<b>\$341</b>	<b>\$253</b>

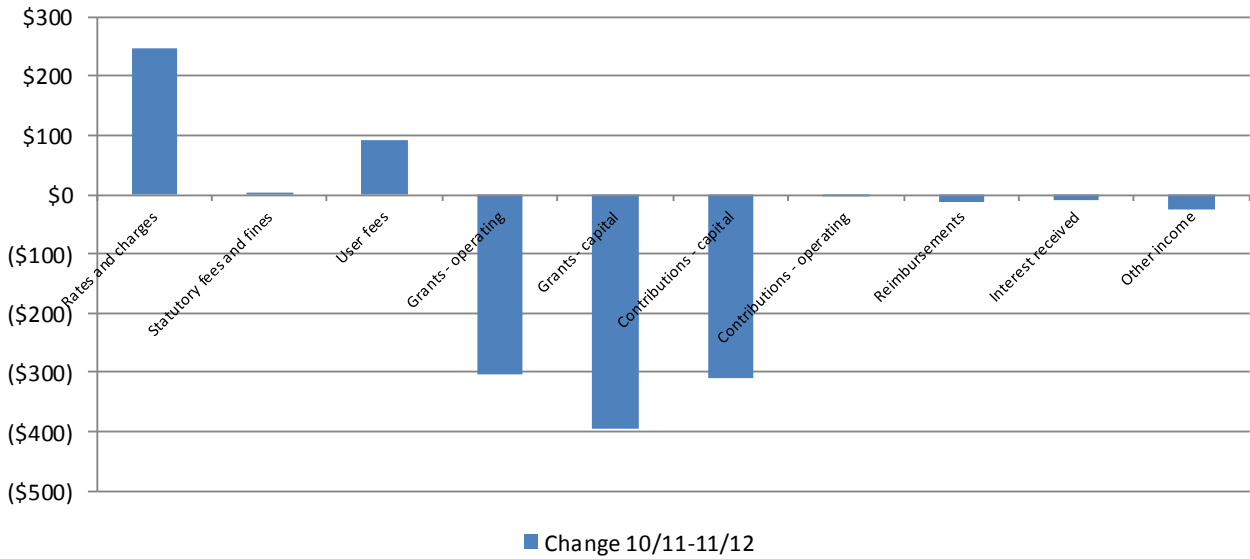
##### 4.1.1 Underlying Surplus (\$253,000 increase)

The underlying result is the net surplus or deficit for the year adjusted for capital grants and contributions and other once-off adjustments. It is one of the measures of financial sustainability as it is net of abnormal items and capital income that is not offset by expenditure in the statement both of which mask the operating result. The underlying result for the 2011/12 year is a surplus of \$341,000 which is an increase of \$253,000 over the 2010/11 year.

#### 4.2 Income

Income Types	Ref	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
Rates and charges	4.2.1	\$5,097	\$5,343	\$246
Statutory fees and fines	4.2.2	\$109	\$111	\$2
User fees	4.2.3	\$1,579	\$1,671	\$92
Grants - operating	4.2.4	\$938	\$635	(\$303)
Grants - capital	4.2.5	\$1,049	\$654	(\$395)
Contributions - capital	4.2.6	\$311	\$0	(\$311)
Contributions - operating	4.2.7	\$2	\$0	(\$2)
Reimbursements	4.2.8	\$66	\$54	(\$12)
Interest received	4.2.9	\$98	\$88	(\$10)
Other income	4.2.10	\$154	\$131	(\$24)
<b>Total income</b>		<b>\$9,403</b>	<b>\$8,685</b>	<b>(\$718)</b>

## Income



Source: Appendix A

### 4.2.1 Rates and charges (\$246,000 increase)

It is proposed that general rate income be increased by 4.5% or (\$246,000) over 2010/11 to \$5,343,000. Supplementary rates are forecast to decrease by \$9,500 over 2010/11 to \$10,000. Section 9. "Rating Strategy" includes a more detailed analysis of the rates and charges to be levied for 2011/12.

### 4.2.2 Statutory fees and fines (\$2,000 increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Health Act registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase by 1.8% or \$2,000 compared to 2010/11.

A detailed listing of statutory fees is included in Appendix E.

### 4.2.3 User fees (\$92,000 increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include the use of council facilities, the provision of aged care services as well as camping and caravan fees. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases reflect market levels and/or CPI.

User charges are projected to increase by 5.8% or \$92,000 over 2010/11. The fees from Councils camping and caravan parks contributes the largest portion of the fees and charges budget and in 2011/12 the fee increases include a 1% component to purchase "Green Power" at the parks.

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

#### 4.2.4 Grants - operating (\$303,000 decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants has decreased by 32.3% or \$303,000 compared to 2010/11. Significant movements in grant funding are summarised below:

Grant Funding Types	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>2010/11 one-off grant funding</b>			
Coastal risk mitigation	\$190	\$0	(\$190)
Bowls clubhouse upgrade	\$60	\$0	(\$60)
Sustainability accord	\$45	\$0	(\$45)
Additional engineering resources	\$20	\$0	(\$20)
<b>2011/12 general increase in grant funding</b>			
Grants commission remains same, all others 2%	\$623	\$635	\$12
<b>Total Grants - operating</b>	<b>\$938</b>	<b>\$635</b>	<b>(\$303)</b>

Council was successful in obtaining government grants for projects during 2010/11. No new operating grants have been budgeted to be received in 2011/12.

#### 4.2.5 Grants - capital (\$395,000 decrease)

Capital grants include all monies received from State and Federal government departments for the purposes of funding the capital works program. Overall the level of capital grants has reduced by 37.7% or \$395,000 compared to 2010/11. Significant movements in grant funding are summarised below:

Grant Funding Types	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>Grant funding which spans both years</b>			
Queenscliff Sports Club Enhancement project	\$200	\$300	\$100
Hesse Street revitalisation and Point Lonsdale Main Street improvement	\$65	\$250	\$185
Roads to recovery	\$40	\$104	\$64
<b>2010/11 one-off grant funding</b>			
Playground and park development	\$247	\$0	(\$247)
Ferry to Pier project	\$250	\$0	(\$250)
Queenscliff community centre incorporating the neighbourhood house	\$100	\$0	(\$100)
Fencing at Princess and Citizens Parks and the Recreation Reserve oval	\$48	\$0	(\$48)
Town hall kitchen refurbishment	\$30	\$0	(\$30)
Boat ramp upgrade including pontoons	\$28	\$0	(\$28)
Other miscellaneous grants below \$20,000 each	\$41	\$0	(\$41)
<b>Total Grants - capital</b>	<b>\$1,049</b>	<b>\$654</b>	<b>(\$395)</b>

A combination of factors are likely to affect the Borough's ability to attract grant funding in the 2011/12 Budget year. The change in government at a State level has meant several grant programs have been re-assessed, particularly in terms of a focus on regional projects as opposed to those expected at local government level.

Natural disasters across the State and across the country has seen a large portion of the expected grant funds redirected to areas of greatest need. The Borough has been successful in having two major projects (as above) qualify for government grants. The Roads to Recovery program is an annual Federally funded program, though the amount available is never certain. Council is budgeting to receive \$104,000 to devote to road asset renewal in 2011/12.

#### 4.2.6 Contributions - capital (\$311,000 decrease)

No capital contributions have been budgeted to be received in 2011/12. Significant one-off capital contributions to be received in 2010/11 include Ferry to Pier (\$20,000), Queenscliff Sports Club Enhancement project (\$250,000) and Queenscliff community centre incorporating the neighbourhood house (\$40,000).

#### 4.2.7 Contributions - operating (\$2,000 decrease)

No operating contributions have been budgeted to be received in 2011/12. The 2010/11 forecast includes \$2,000 for the food safety reporting project required by the Department of Health.

#### 4.2.8 Reimbursements (\$12,000 decrease)

Reimbursements relate predominantly to work cover payments.

Reimbursements are forecast to reduce by 18.2% or \$12,000. The 2011/12 budget provides for one long-term work cover claim (there was an additional short-term work cover claim in 2010/11 which is not expected to continue into 2011/12).

#### 4.2.9 Interest received (\$10,000 decrease)

Interest on investments will be lower in 2011/12 as a result of lower levels of cash being held compared to 2010/11.

Interest received is forecast to reduce by 10.2% or \$10,000. The 2011/12 cash budget assumes all 2010/11 projects will be completed in line with the forecast Capital Works program. Incomplete projects and therefore unspent cash will carry forward to the 2011/12 year and may improve the budget for interest.

#### 4.2.10 Other income (\$24,000 decrease)

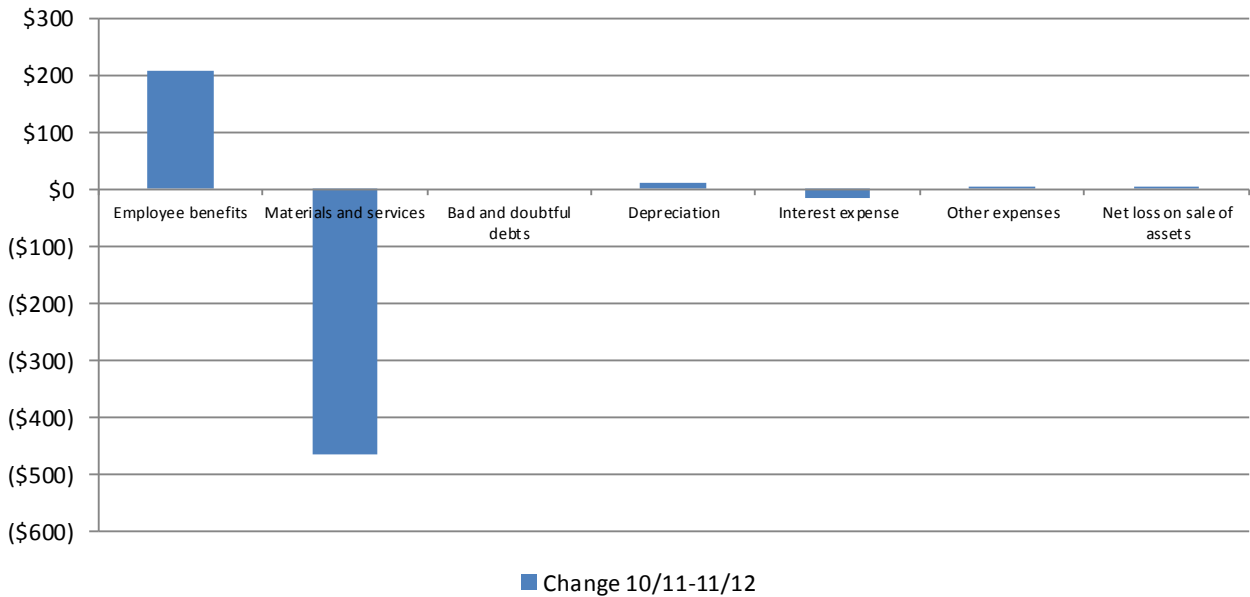
Other income relates to a range of miscellaneous income items including property leases in particular.

Other income is forecast to reduce by 15.6% or \$24,000 over 2010/11. The reduction in income for 2011/12 is mainly due to one-off additional lease income negotiated during 2010/11.

### 4.3 Expenses

<b>Expense Types</b>	<b>Ref</b>	<b>Forecast 2010/11 \$'000</b>	<b>Budget 2011/12 \$'000</b>	<b>Variance \$'000</b>
Employee benefits	4.3.1	\$2,708	\$2,916	\$208
Materials and services	4.3.2	\$4,100	\$3,633	(\$468)
Bad and doubtful debts	4.3.3	\$2	\$2	\$0
Depreciation	4.3.4	\$699	\$709	\$10
Interest expense	4.3.5	\$122	\$107	(\$15)
Other expenses	4.3.6	\$322	\$324	\$1
Net loss on sale of assets	4.3.7	\$2	\$5	\$3
Increase in unfunded superannuation liability	4.3.8	\$38	\$0	(\$38)
<b>Total expenses</b>		<b>\$7,995</b>	<b>\$7,695</b>	<b>(\$300)</b>

## Expenses



Source: Appendix A

### 4.3.1 Employee benefits (\$208,000 increase)

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

Employee costs are forecast to increase by 7.7% or \$208,000 compared to 2010/11. This increase relates to the following key factors:

- 3.75% increase as per Enterprise Bargaining Agreement (EBA)
- 1% increase related to annual increment increases as staff progress through Award bandings
- \$5,000 (\$15,000 in 2010/11, increased to \$20,000 for 2011/12) provided for additional Aged care services (personal and respite care fluctuations).
- Increased staffing hours including customer service casual staff, one additional school crossing supervisor, trainee staff in Aged care services and special projects requirements
- Full year effect of some temporary staff vacancies/savings during 2010/11 budgeted to be filled for the whole of the 2011/12 year (caravan parks, environmental health, and sustainability and environment)

In summary, average staff numbers (based on monthly averages) during the budget period are as follows:

Type of employment	Forecast 2010/11	Budget 2011/12	Variance
Number of staff	56.0	57.0	1.0
<b>Equivalent full time (EFTs)</b>	<b>37.8</b>	<b>38.4</b>	<b>0.6</b>
Permanent	49.0	50.0	1.0
Casual	7.0	7.0	0.0
<b>Total number of staff</b>	<b>56.0</b>	<b>57.0</b>	<b>1.0</b>

The above figures include employees under short-term contracts at caravan parks.

The most significant increases in employee costs by service unit are summarised below.

<b>Activity/Program</b>	<b>Forecast 2010/11 \$'000</b>	<b>Budget 2011/12 \$'000</b>	<b>Variance \$'000</b>
Governance and administration	\$851	\$911	\$60
Foreshore and caravan parks	\$335	\$375	\$40
Aged care services	\$415	\$447	\$32
Town planning	\$157	\$173	\$16
Finance, risk and audit	\$243	\$258	\$15
Law enforcement	\$138	\$152	\$14
Other activities/programs (below \$10,000 each)	\$569	\$600	\$31
<b>Total employee benefits</b>	<b>\$2,708</b>	<b>\$2,916</b>	<b>\$208</b>

A large portion of this increase is due to normal annual increases for the Enterprise Bargaining Agreement and banding increases.

#### 4.3.2 Materials and services (\$468,000 decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services, and utility costs. Materials and services are forecast to decrease by 11.4% or \$468,000 compared to 2010/11. Significant movements in materials and services are summarised below:

<b>Materials &amp; Services</b>	<b>Forecast 2010/11 \$'000</b>	<b>Budget 2011/12 \$'000</b>	<b>Variance \$'000</b>
Bank charges	\$31	\$33	\$2
Cleaning	\$90	\$97	\$7
Contractors/Consultants	\$1,463	\$1,109	(\$354)
Donations & Contributions	\$320	\$368	\$48
Electricity	\$130	\$146	\$16
Gas	\$10	\$11	\$1
Insurance	\$127	\$140	\$13
Legal expenses	\$54	\$29	(\$25)
Materials	\$267	\$220	(\$47)
Memberships/Subscriptions	\$34	\$32	(\$2)
Minor equipment & works	\$11	\$8	(\$3)
Other expenses	\$26	\$28	\$2
Plans/assessments	\$111	\$9	(\$102)
Postage	\$14	\$15	\$1
Printing, Stationery & Advertising	\$86	\$91	\$5
Public Relations	\$4	\$4	\$0
Repairs & Maintenance	\$1,109	\$1,089	(\$20)
Security	\$33	\$19	(\$16)
Telephone	\$37	\$39	\$2
Training	\$21	\$22	\$1
Travel expenses	\$69	\$70	\$1
Water	\$53	\$57	\$4
	<b>\$4,100</b>	<b>\$3,633</b>	<b>(\$468)</b>

The reduction in Materials and services is largely in two areas: Contractors/Consultants and Plans/assessments.

Projects in 2010/11 shown as contractors/consultants, mostly funded by Government grants, were one-off items and therefore not repeated in 2011/12. These include Point Lonsdale Cliff Safety and the Oceanview pipeworks removal. The reduction in planning work for projects is again due to the fact that 2010/11 was made up of one-off projects, including the Planning Scheme review and the Point Lonsdale Structure Plan.

Any works not completed by 30 June 2011, will be completed in the 2011/12 year and the remaining funds from the 2010/11 Budget will be transferred into 2011/12.

Details of major items budgeted in 2011/12 in these categories include:

Contractors/consultants:

• Waste disposal	\$397,000
• Public convenience contract	\$ 91,000
• Aged Services Home Maintenance contract	\$ 70,000
• Maternal & Child Health contract	\$ 60,000
• Weed control & revegetation	\$ 60,000
• Valuation contract	\$ 48,000
• Building Inspector	\$ 45,000
• Heritage Advisor	\$ 45,000
• Powerline & Sundry Tree Clearance	\$ 41,000
• Information Technology service contract	\$ 39,000
• Engineering additional contracted resources	\$ 35,000

Plans/assessments

• Asset Management Planning	\$ 9,000
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#### 4.3.3 Bad and doubtful debts (\$Nil movement)

Bad and doubtful debts is projected to remain consistent at \$2,000 and relates to parking fines forwarded to Bartel, Taylor & Associates for collection and a consequent reduction in collection rates.

#### 4.3.4 Depreciation and amortisation (\$10,000 increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$10,000 for 2011/12 is due mainly to the full year effect of depreciation from the 2010/11 capital works program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2011/12 year.

#### 4.3.5 Interest expense (\$15,000 decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

#### 4.3.6 Other expenses (\$1,000 increase)

Other expenses relate to a range of unclassified items including mayoral and councillor allowances, audit fees and motor vehicle lease expense. Other expenses are forecast to increase by 0.3% or \$1,000 compared to 2010/11. This is due to indexation on mayoral and councillor allowances.

#### 4.3.7 Net loss on sale of assets (\$3,000 increase)

Net loss on sale of assets relates to the planned cyclical replacement of part of the motor vehicle fleet. The budget assumes some net loss on disposal of assets, although depreciation charges generally closely reflect asset life and residual value.

#### 4.3.8 Increase in unfunded superannuation liability (\$38,000 decrease)

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased.

A recent call has been made on this fund during the 2011/12 year (\$38,000) and this increase in the unfunded superannuation liability will be recorded on the balance sheet as at 30 June 2011. No further increases in the unfunded superannuation liability have been included in the 2011/12 budget. (and therefore the decrease from 2010/11 to 2011/12 in this item).

#### 4.3.9 Cash / Rates Budget

As part of the budgeting process, the total "rates" budget is prepared on a break-even basis in terms of the total income and total expenditure. In the case of budgeted surplus funds, Council has determined that an amount be reserved for future asset replacement. An amount of \$122,000 has been budgeted for the Asset Replacement Reserve and thus the remaining budget has been developed to ensure this amount is available as surplus funds.

The statement below shows the income and expenditure in the 2011/12 budget:

<b>Statement of Income and Expenditure - Budget 2011/12</b>			
	\$'000's		\$'000's
<b>Income</b>		<b>Expenditure</b>	
Rates and charges	\$ 5,343	Employee benefits	\$ 2,916
Statutory fees and fines	\$ 111	Contract payments, materials and services	\$ 3,633
User Fees	\$ 1,671	Bad and doubtful debts	\$ 2
Grants - Recurrent	\$ 635	Finance costs	\$ 107
Grants - Non-recurrent	\$ 654	Other	\$ 324
Reimbursements	\$ 54	Loan Redemption	\$ 344
Interest received	\$ 88	Capital Expenditure	\$ 1,674
Other revenue	\$ 131		
Proceeds from Asset Sales	\$ 40		
Borrowings	\$ 150		
Transfer from Crown Land Reserve	\$ 247		
	<u>\$ 9,121</u>		<u>\$ 8,999</u>
		<b>Surplus funds available for transfer to Asset Replacement Reserve</b>	<b>\$ 122</b>
			<u>\$ 9,121</u>

## 5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2011/12 year.

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

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

### 5.1 Budgeted cash flow statement

	Ref	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	5.1.1			
<i>Receipts</i>				
Rates and charges		\$5,092	\$5,338	\$246
User fees and fines		\$1,683	\$1,764	\$81
Grants and cash contributions		\$2,300	\$1,289	(\$1,011)
Other receipts		\$317	\$272	(\$45)
		<b>\$9,392</b>	<b>\$8,663</b>	<b>(\$729)</b>
<i>Payments</i>				
Supplier payments		(\$3,967)	(\$3,850)	\$118
Employee benefits		(\$2,691)	(\$2,895)	(\$204)
Other payments		(\$324)	(\$326)	(\$1)
		<b>(\$6,983)</b>	<b>(\$7,070)</b>	<b>(\$88)</b>
<b>Net cash provided by operating activities</b>		<b>\$2,410</b>	<b>\$1,593</b>	<b>(\$817)</b>
<b>Cash flows from investing activities</b>	5.1.2			
Proceeds from sale of assets		\$43	\$40	(\$3)
Payments for property, plant and equipment		(\$2,653)	(\$1,675)	\$978
<b>Net cash used in investing activities</b>		<b>(\$2,611)</b>	<b>(\$1,635)</b>	<b>\$976</b>
<b>Cash flows from financing activities</b>	5.1.3			
Interest expense		(\$122)	(\$107)	\$15
Proceeds from borrowings		\$0	\$150	\$150
Repayment of borrowings		(\$237)	(\$344)	(\$107)
<b>Net cash used in financing activities</b>		<b>(\$359)</b>	<b>(\$301)</b>	<b>\$58</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(\$560)</b>	<b>(\$344)</b>	<b>\$217</b>
Cash and cash equivalents at the beginning of the period		\$1,914	\$1,354	(\$559)
<b>Cash and cash equivalents at end of the year</b>	5.1.4	<b>\$1,354</b>	<b>\$1,010</b>	<b>(\$344)</b>

Source: Appendix A

### 5.1.1 Operating activities (\$817,000 decrease)

The decrease in cash inflows from operating activities is due mainly to one-off grants and cash contributions forecast to be received in 2010/11.

The net cash flows from operating activities does not equal the operating surplus for the year as the expected revenues and expenses of the Council include non-cash items which 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.

	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>Surplus for the year</b>	<b>\$1,408</b>	<b>\$990</b>	<b>(\$418)</b>
Depreciation	\$699	\$709	\$10
Gain/(loss) on sale of assets	\$2	\$5	\$3
Net movement in current assets and liabilities	\$300	(\$112)	(\$412)
<b>Cash flows available from operating activities</b>	<b>\$2,410</b>	<b>\$1,593</b>	<b>(\$817)</b>

### 5.1.2 Investing activities (\$976,000 increase)

The increase is due to more payments forecast for capital works in 2010/11 than that which is budgeted to be expended in the 2011/12 year.

### 5.1.3 Financing activities (\$58,000 increase)

For 2011/12 the total principal repayment is \$344,000 comprising of bank loans (\$209,000) and unfunded superannuation liability (\$135,000), as well as an interest expense of \$107,000. A new bank loan is expected to be established in the 2011/12 budget, in order to redeem the outstanding unfunded superannuation liability.

### 5.1.4 Cash and cash equivalents at end of the year (\$344,000 decrease)

Overall, total cash and investments is forecast to decrease by \$344,000 to \$1,010,000 as at 30 June 2012, reflecting the 2011/12 Budgeted reduction in reserved funds to fund some of the major Capital Works projects.

## 5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council has cash and investments of \$1,010,000 at 30 June 2012, which has restricted amounts as shown in the following table.

	Ref	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>\$1,354</b>	<b>\$1,010</b>	<b>(\$344)</b>
Restricted cash and investments				
- Trust funds and deposits	5.2.1	\$68	\$68	\$0
- Discretionary reserves	5.2.2	\$469	\$343	(\$125)
- Long service leave	5.2.3	\$250	\$250	\$0
<b>Unrestricted cash and investments</b>	5.2.4	<b>\$568</b>	<b>\$348</b>	<b>(\$219)</b>

### 5.2.1 Trust funds and deposits (\$68,000)

This includes monies paid to Council for tender deposits and contract retention etc. They are held as a liability until due to be returned or forfeited.

### 5.2.2 Discretionary reserves (\$343,000)

These funds are available for whatever purpose Council decides is their best use. In this case Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2011/12 year, the budget includes two discretionary reserves being the Crown Land Reserve of \$50,000 plus \$293,000 in an Asset Replacement Reserve.

### 5.2.3 Long service leave (\$250,000)

These funds are separately identified as restricted to ensure there are sufficient funds to meet Council's obligations as set out in the Local Government (Long Service Leave) Regulations 2002. Note this is different to the Long Service Leave provision in the balance sheet due to the requirement to calculate employee entitlements in the Balance Sheet under Accounting Standard AASB 137.

### 5.2.4 Unrestricted cash and investments (\$348,000)

These funds are considered unrestricted cash under conventional accounting treatment and reporting. It should be noted that at year end there may be grant and contribution income which has been received (and therefore brought to account) in the current year which at year end has not been expended.

The matching expenditure for these grants will occur in the subsequent year and thus the amount included as cash on 30 June will be restricted to the extent of these grant adjustments.

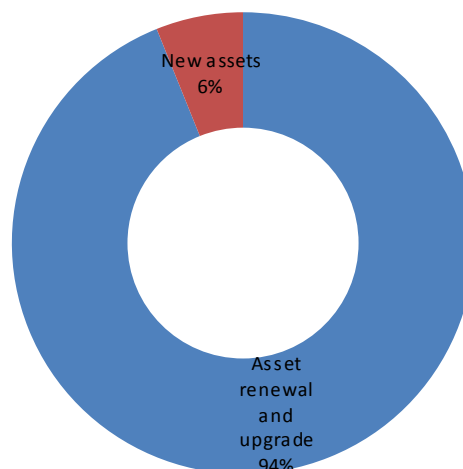
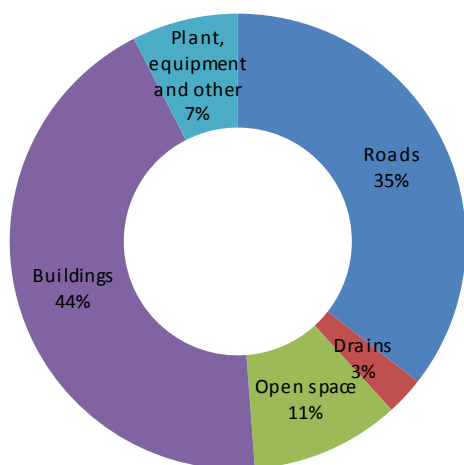
## 6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2011/12 year and the sources of funding for the capital budget.

### 6.1 Capital works

	Ref	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
Roads	6.1.1	\$334	\$595	\$261
Drains	6.1.2	\$32	\$45	\$13
Open space	6.1.3	\$1,196	\$177	(\$1,019)
Buildings	6.1.4	\$964	\$731	(\$233)
Plant, equipment and other	6.1.5	\$128	\$126	(\$2)
<b>Total capital works</b>		<b>\$2,653</b>	<b>\$1,674</b>	<b>(\$979)</b>
<b>Represented by:</b>				
Asset renewal and upgrade	6.1.6	\$1,982	\$1,572	(\$410)
New assets	6.1.6	\$671	\$102	(\$569)
<b>Total capital works</b>		<b>\$2,653</b>	<b>\$1,674</b>	<b>(\$979)</b>

\*Budgeted total capital works 2011/12 = 94% renewal



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

### 6.1.1 Roads assets (\$595,500)

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

For the 2011/12 year, \$595,500 will be expended on road projects. The more significant projects include Hesse Street revitalisation and Point Lonsdale Main Street improvement (\$295,000), federally funded Roads to Recovery projects (\$104,000), road resheeting (\$40,000), footpaths (\$34,000), pavement repair (\$19,000), kerb and channel (\$15,500), the design and construction of projects which improve pedestrian safety (\$46,000), a footpath and road treatment plan for Point Lonsdale and Queenscliff (\$32,000 capital), Foreshore car parks and roads (\$10,000).

### 6.1.2 Drains (\$45,000)

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

For the 2011/12 year, \$45,000 will be expended on drainage projects including replacing one drainage pump in Nelson Road Point Lonsdale and replacing underground drainage in Beach St Queenscliff.

### 6.1.3 Open Space (\$176,600)

Open space includes parks, reserves, streetscapes and playground equipment.

For the 2011/12 year, \$176,600 will be expended on open space projects. This includes renewal of open space infrastructure \$40,000, renewal of playground, furniture and BBQ's at Foreshore Reserves (\$60,000), beach access tracks (\$41,600), a detailed master plan for Shortlands Bluff tourism development project (\$25,000) and design work for the relocation of the Netball Courts to the Football Club area (\$10,000).

### 6.1.4 Buildings (\$730,790)

Buildings include community and sporting facilities, toilet blocks, municipal offices, and pavilions.

For the 2011/12 year, \$730,790 will be expended on building projects. These include the completion of the Queenscliff Sports Club Enhancement project (funding split over 2010/11 and 2011/12), power upgrade at Queenscliff Recreation Reserve and Victoria Park (\$120,000), building works at Queenscliff Recreation Reserve including toilet blocks (\$10,000) and Foreshore Public Conveniences (\$10,000).

### 6.1.5 Plant, equipment and other (\$126,000)

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

For the 2011/12 year, \$126,000 will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the vehicle fleet (\$95,000), and information technology equipment (\$26,000) and building fixtures and fittings (\$5,000).

### 6.1.6 Asset renewal and upgrade (\$1,571,890) and new assets (\$102,000)

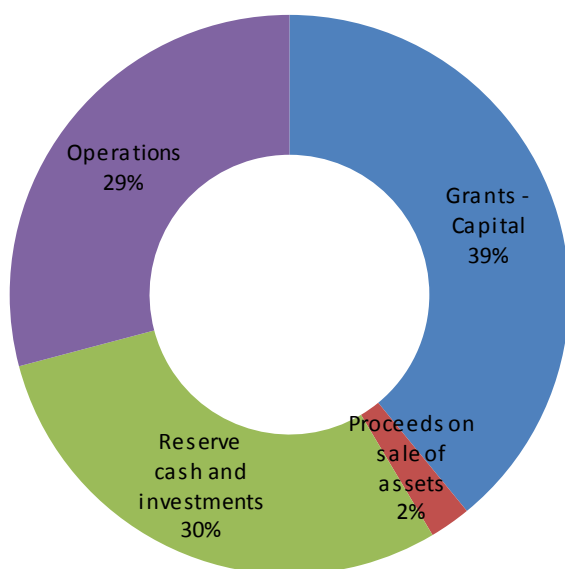
A distinction is made between expenditure on new assets and expenditure on the renewal and upgrade of existing assets. Expenditure on an existing asset is renewal/upgrade if it improves the service potential of the life of the asset. Expenditure on new assets will result in an additional burden for future operation, maintenance and capital renewal.

The major projects included in the above categories, which constitute expenditure on new assets, are the design and construction of projects which improve pedestrian safety (\$46,000), a detailed master plan for the Shortlands Bluff tourism development project (\$25,000), a footpath and road treatment plan for Point Lonsdale and Queenscliff (total cost \$40,000 of which \$16,000 relates to new assets), design work for the relocation of the Netball Courts to the Football Club area (\$10,000) and fixtures and fittings (5,000). The remaining capital expenditure represents renewal and upgrade of existing assets.

## 6.2 Funding sources

Sources of Funding	Ref	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>External</b>				
Grants - Capital	6.2.1	\$1,052	\$654	(\$398)
Contributions - Capital	6.2.2	\$311	\$0	(\$311)
Proceeds on sale of assets	6.2.3	\$43	\$40	(\$3)
		<b>\$1,406</b>	<b>\$694</b>	<b>(\$712)</b>
<b>Internal</b>				
Reserve cash and investments	6.2.4	\$506	\$493	(\$13)
Unrestricted cash and investments	6.2.5	\$358	\$0	(\$358)
Operations	6.2.6	\$383	\$488	\$104
		<b>\$1,247</b>	<b>\$980</b>	<b>(\$266)</b>
<b>Total funding sources</b>		<b>\$2,653</b>	<b>\$1,674</b>	<b>(\$978)</b>

### Budget 2011/12 Capital funding



Source: Appendix A.

#### 6.2.1 Grants - Capital (\$654,000)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Queenscliff Sports Club Enhancement project (\$300,000), Hesse Street revitalisation and Point Lonsdale Main Street improvement (\$250,000) and Roads to Recovery projects (\$104,000).

#### 6.2.2 Contributions - Capital (\$NIL)

Capital contributions include all monies received from community sources for the purposes of funding the capital works program. No contributions are budgeted to be received for Capital Projects in 2011/12.

Borough of Queenscliffe Budget 2011/12

### 6.2.3 Proceeds on sale of assets (\$40,000)

Proceeds from sale of assets are from motor vehicle sales in accordance with Council's fleet renewal policy.

### 6.2.4 Reserve cash and investments (\$492,390)

The Council has cash reserves which are used to fund its annual capital works program. The reserves include monies set aside for specific purposes such as Queenscliff Sports Club Enhancement project (\$205,790) and for other non-specific as Asset renewal projects (\$286,600). A more detailed analysis is included in Appendix A 'Statement of Investment Reserves'.

### 6.2.5 Unrestricted cash and investments (\$NIL)

In addition to reserve investments, Council may have uncommitted cash and investments which represent funds preserved from the previous year mainly as a result of grants and contributions being received in advance. It is forecast at this stage to have no grant adjustments in 2010/11 and therefore no unrestricted cash to carry forward into 2011/12. Previous year's have shown amounts where payments from funding agencies have been received late in June and included in that financial years income even though the matching expenditure will take place in the subsequent year..

### 6.2.6 Operations (\$487,500)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$487,500 will be generated from operations to fund the 2011/12 capital works program.

## 7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2010/11 and 2011/12. It also considers a number of key performance indicators.

### 7.1 Budgeted balance sheet

	Ref	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>Current assets</b>	7.1.1			
Cash and cash equivalents		\$1,354	\$1,010	(\$344)
Trade and other receivables		\$417	\$439	\$22
Inventories		\$7	\$7	\$0
Other assets		\$223	\$223	\$0
<b>Total current assets</b>		<b>\$2,000</b>	<b>\$1,679</b>	<b>(\$321)</b>
<b>Non-current assets</b>	7.1.1			
Trade and other receivables		\$17	\$17	\$0
Investments in associates accounted for using the equity method		\$271	\$271	\$0
Property, infrastructure, plant and equipment		\$57,236	\$58,156	\$920
<b>Total non-current assets</b>		<b>\$57,524</b>	<b>\$58,444</b>	<b>\$920</b>
<b>Total assets</b>		<b>\$59,524</b>	<b>\$60,123</b>	<b>\$599</b>
<b>Current liabilities</b>	7.1.2			
Trade and other payables		\$1,013	\$796	(\$217)
Trust funds and deposits		\$68	\$68	\$0
Provisions		\$412	\$432	\$19
Interest-bearing loans and borrowings		\$344	\$212	(\$132)
<b>Total current liabilities</b>		<b>\$1,837</b>	<b>\$1,507</b>	<b>(\$330)</b>
<b>Non-current liabilities</b>	7.1.2			
Provisions		\$40	\$42	\$2
Interest-bearing loans and borrowings		\$1,076	\$1,015	(\$61)
<b>Total non-current liabilities</b>		<b>\$1,116</b>	<b>\$1,057</b>	<b>(\$59)</b>
<b>Total liabilities</b>		<b>\$2,953</b>	<b>\$2,564</b>	<b>(\$390)</b>
<b>Net assets</b>		<b>\$56,571</b>	<b>\$57,560</b>	<b>\$990</b>
<b>Equity</b>	7.1.4			
Accumulated surplus		\$30,533	\$31,649	\$1,116
Asset revaluation reserve		\$25,568	\$25,568	\$0
Other reserves - discretionary		\$470	\$343	(\$125)
<b>Total equity</b>		<b>\$56,570</b>	<b>\$57,560</b>	<b>\$990</b>

Source: Appendix A

### 7.1.1 Current Assets (\$321,000 decrease) and Non-Current Assets (\$920,000 increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of six months or less. These balances are projected to decrease by \$344,000 during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Both short and long term debtors are not expected to change significantly in the budget. Payment arrangements and other collection procedures are reviewed/carried out on a monthly basis and balances reported to Council on a quarterly basis during the financial year.

Inventories held for sale include book stock and merchandise made available through Council's Visitor Information Centre. Stocktakes are conducted on an annual basis at financial year-end.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery and other revenues due to be received in the next 12 months.

The Borough recognises its interest in the Geelong Regional Library Corporation by recording an investment in its financial statements at a value based on the Borough's underlying interest in the net assets of the service disclosed in its audited financial statements each year. The Borough's share of the net assets is calculated on the same ratio as it contributes to the operating costs of the service. Annual contributions to the library service are included in the Income Statement.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by the Council over many years. The increase in this balance is attributable to the net result of the capital works program (the addition of \$1,673,890 of new assets), depreciation of assets (\$709,000) and through the sale of property, plant and equipment (\$40,000)

### 7.1.2 Current Liabilities (\$330,000 decrease) and Non-Current Liabilities (\$59,000 decrease)

Trade and other payables relate to those suppliers to whom Council owes money as at 30 June. These liabilities are budgeted to reduce by \$217,000 from 2010/11 levels, as the 2010/11 year includes a number of one-off projects which are likely to be completed right on year-end and will be due for payment as at 30 June 2012.

Trust funds and deposits includes monies paid to Council for tender deposits, hall hire etc. They are held as a liability until due to be returned. This is budgeted to remain consistent from year to year as old deposits are returned and new deposits collected.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase in line with the Enterprise Bargaining Agreement.

Interest-bearing loans and borrowings relate to bank borrowings but also include the liability to the Superannuation body (Vision Super). The Council is budgeting to repay loan principal of \$209,000 on borrowings and \$135,000 in unfunded superannuation liability. A new loan of \$150,000 will be established through bank borrowings in order to extinguish the superannuation liability.

### 7.1.3 Working Capital (\$9,000 increase)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Council has committed an amount in current assets to specific and restricted purposes and these are held as cash reserves, representing a future liability.

	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Variance \$'000
<b>Current assets*</b>	\$2,000	\$1,679	(\$321)
<b>Current liabilities</b>	\$1,837	\$1,507	(\$331)
<b>Working capital</b>	\$163	\$172	\$9
<b>adjusted by removal of LSL provision from Current Assets**</b>	<b>\$389</b>	<b>\$409</b>	<b>\$20</b>
Restricted cash and investments			
- Discretionary reserves	\$470	\$343	(\$126)
<b>Unrestricted working capital</b>	<b>(\$80)</b>	<b>\$66</b>	<b>\$146</b>

\* The 2011/12 budget assumes a similar percentage of accounts payable to that experienced in previous years. For Capital works that have not commenced but are committed contractually, the working capital calculated at year end would be restricted to the extent of the commitment.

\*\* Removal of LSL current liability is an accepted adjustment required to be reported in annual financial statements to the Auditor-General and is therefore shown above as a more realistic working capital figure.

### 7.1.4 Equity (\$990,000 increase)

Total equity 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
- Discretionary reserves are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- Accumulated surplus which is the value of all net assets less total Reserved funds. The increase in the accumulated surplus of \$1,116,000 results directly from the surplus for the year adjusted for funds transferred to/from reserves.

During the year a net amount of \$125,000 is budgeted to be transferred from other reserves to accumulated surplus. This reflects the movement in and out of the Crown Land and Asset Replacement reserves and is shown within the equity section of the balance sheet.

## 7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2012 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 98.2% of total rates and charges raised will be collected in the 2011/12 year (2010/11 forecast = 98.2%)
- Trade creditors to be based on total capital and operating expenditure (mainly materials and services) allowing for a similar percentage to 2010/11 of unpaid invoices at year end. Payment cycle is 14 days
- Other debtors and creditors levels are budgeted to remain consistent with 2010/11 levels
- Employee entitlements are to increase in line with the Enterprise Bargaining Agreement 3.75%, plus an allowance of 1% for annual increases through Award banding levels for some employees.
- Repayment of loan principal is to be \$209,300. The unfunded superannuation liability of \$135,000 (plus \$15,000 interest) is to be paid out, via the establishment of a new bank loan of \$150,000
- Total capital expenditure budget of \$1,673,890
- A total of \$125,000 to be transferred from reserves to accumulated surplus, representing a movement from one category of equity to another.

## Long term strategies

### 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 Long Term Financial Plan (LTFP) for 10 years into the future. The Strategic Resource Plan (SRP) is essentially the four years 2011/12 to 2014/15 drawn from the LTFP.

The LTFP is developed as part of Council ongoing strategic 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 four 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 elements which underpin financial sustainability, are:

- Underlying operating result – ongoing surpluses are desirable so as not to erode Council's asset base
- Cash/liquidity – ensure sufficient cash to meet short-medium liabilities (working capital ratio target of greater than 100%)
- Debt – ensure only low to moderate debt levels and that debt ratios are within guidelines
- Asset renewal expenditure at levels that ensure assets are replaced as and when required (target is 100% of depreciation level)

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 Local Government Act:

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

The SRP is updated through the annual review of the Long Term Financial Plan (LTFP) which is essentially ten years of estimates modelled on different scenarios of rate increases and assumptions on movements in other revenue sources and expenditure items.

## 8.2 Financial resources

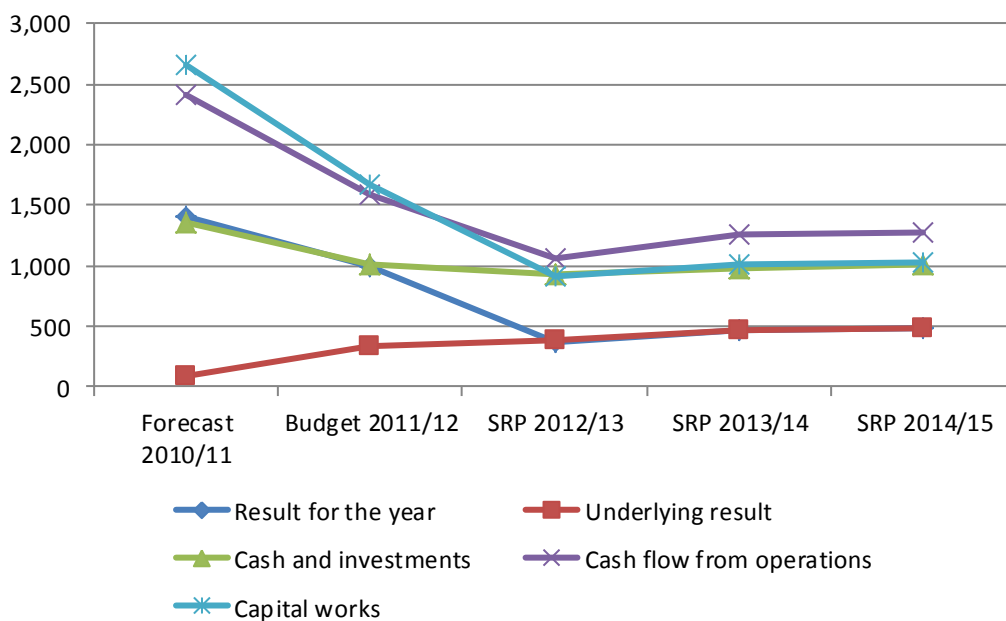
The following table summaries the key financial results for the next four years as set out in the SRP for years 2011/12 to 2014/15. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Strategic Resource Plan Projections					
	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	SRP 2012/13 \$'000	SRP 2013/14 \$'000	SRP 2014/15 \$'000	Trend +/-
Result for the year	1,408	990	568	655	683	-
Underlying result	88	341	523	610	638	+
Cash and investments	1,354	1,010	1,129	1,394	1,657	+
Cash flow from operations	2,410	1,593	1,250	1,458	1,475	-
Capital works	2,653	1,674	885	984	1002	-

Key to Forecast Trend:

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

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



The key outcomes of the SRP are as follows:

- **Underlying operating result (section 4)** – Whilst the operating result declines in 2012/13, the underlying position improves. Capital income boosts the operating result but is removed to provide a more realistic underlying operating result which is showing projected improvement in future years.
- **Cash/liquidity (Section 5)** - Cash and investments are forecast to increase steadily over the next four years.
- **Rating strategy (section 9)** – the current SRP includes modest rate increases over the four years at a consistent level of 4.5%.
- **Debt strategy (section 10.1)** – Borrowings are forecast to reduce from \$1,420,000 to \$607,000 over the four year period despite new borrowings of \$150,000 in 2011/12.
- **Asset Management strategy (section 10.2)** – Capital expenditure over the four year period will total \$4,545,000, an average of \$1,136,000 per annum. Future years expenditure is based on minimal external funding and is therefore showing mainly the rate funding that is available for the annual Capital program.
- **Service delivery strategy (section 10.3)** – Service levels have been maintained throughout the four year period. Any additional services or special projects is not forecast given the uncertainty in attracting grant income in the future. The ability to undertake any specific projects outside normal budgetary levels will depend on Government policy and direction, however, Council will continue to pursue external funding as opportunities are presented.

## 8.3 Financial Key Performance Indicators

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

Indicator	Notes	Forecast 2010/11	Budget 2011/12	Strategic Resource Plan Projections			Trend +/-
				SRP 2012/13	SRP 2013/14	SRP 2014/15	
<b>Financial performance</b>							
Underlying result/ Underlying revenue	1	1.1%	4.3%	6.3%	7.0%	7.1%	+
Expenses per Assessment		\$2,663	\$2,556	\$2,589	\$2,680	\$2,776	+
Rate revenue/Underlying revenue	2	63.4%	66.5%	67.3%	67.5%	68.2%	+
Rate revenue per Assessment		\$1,698	\$1,774	\$1,858	\$1,946	\$2,038	+
Debt servicing/Total revenue		1.3%	1.2%	0.9%	0.6%	0.5%	-
Grants/Total revenue		21.1%	14.8%	7.7%	7.5%	7.4%	-
Fees and charges/Total revenue		18.0%	20.5%	21.6%	21.7%	21.2%	+
<b>Financial position</b>							
Indebtedness/Rate revenue	3	27.9%	23.0%	18.1%	13.9%	9.9%	-
Underlying result/Total assets		0.1%	0.6%	0.9%	1.0%	1.0%	+
Net realisable assets per Assessment		\$16,830	\$16,979	\$16,924	\$17,031	\$17,138	+
Current assets/Current liabilities	4	108.9%	111.4%	129.4%	142.9%	155.0%	+
Current assets/Current liabilities (excluding LSL)	4	124.2%	132.2%	157.4%	173.7%	188.6%	+
Total liabilities per Assessment		\$984	\$851	\$749	\$703	\$649	-
<b>Capital expenditure</b>							
Capital works							
- Asset renewal and upgrade		\$1,982	\$1,572	\$885	\$984	\$1,002	-
- New assets		\$671	\$102	\$0	\$0	\$0	-
Capital works/Rate revenue		52.1%	31.3%	29.9%	15.1%	16.0%	-
Asset renewal/Total depreciation	5	283.5%	221.8%	124.9%	138.9%	141.4%	-

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

### Notes to indicators

1. **Underlying result** – Improvement in financial performance expected over the period, despite uncertainty with respect to grant income available in future years.
2. **Rate revenue / Underlying revenue** – Reflects extent of reliance of rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources. Note revenue is net of Capital income to reflect the reliance on rates to fund operations.
3. **Indebtedness / Rate revenue** – Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.
4. **Current Assets / Current Liabilities** – Working capital is forecast to steadily increase at an acceptable level. Working Capital net of LSL current provision also increases appropriately.
5. **Asset renewal / Total depreciation** – This percentage indicates the extent of Council's renewals against its depreciation charge (depreciation being an indication of the decline in value of the existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed. Council needs to average at least 100 over a period, with peaks and troughs occurring as large assets are programmed for expenditure. Though the trend indicator shows a decline after 2011/12, the above 100 percentage is a positive outcome.

Note: Revaluation of assets every second year will have an effect on the depreciation expense and thus an effect on this last ratio. Condition based assessment of assets will also impact on depreciation rates. Annual review of these indicators is necessary to ensure Council undertakes prudent Asset management.

## 8.4 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.

Indicator	Forecast	Budget	Strategic Resource Plan Projections		
	2010/11 \$'000	2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
Employee costs	2,708	2,916	3,052	3,194	3,343
Employees (EFT)	37.8	38.4	38.4	38.4	38.4

## 9. Rating strategy

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

### 9.1 Strategy development

In developing the Strategic Resource Plan (referred to in Section 8), rates and charges were identified as the major source of revenue, accounting for 61.5% of the total revenue received by Council annually. Planning for future rate increases is therefore an important component of the Strategic Resource Planning process.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases and the capacity to pay the annual increases, particularly given the recent significant increases in valuations and subsequently rates for some properties in the municipality. The following table shows the last five years rate increases at the Borough.

Year	Rate increase
2006/07	6.50%
2007/08	6.75%
2008/09	6.75%
2009/10	3.50%
2010/11	5.50%
<b>Average increase</b>	<b>5.80%</b>

The table indicates that over the past five years Council's rate increases have averaged 5.80% per annum. The dilemma faced by the Borough as with many small shires is the low growth in rateable properties (and therefore rate income) and the unavoidable increase in costs and demands for services and infrastructure.

## 9.2 Current year rate increase

It is predicted that 2011/12 operating position will be significantly impacted by reductions in government funding. It will therefore be necessary to achieve future revenue growth while containing costs in order to continue to achieve a breakeven cash position each year as set out in the Strategic Resource Plan and to maintain a robust capital works program into the future.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, general rates will increase by 4.5% in 2011/12 raising a total rate of \$5,342,561, including \$10,000 generated from supplementary rates. The following table sets out future proposed rate increases and total rates to be raised, based on the forecast financial position of Council as at 30 June 2011.

Year	Rate Increase %	Total Rates Raised \$'000
2010/11	5.50%	5,097
<b>2011/12</b>	<b>4.50%</b>	<b>5,343</b>
2012/13	4.50%	5,595
2013/14	4.50%	5,860
2014/15	4.50%	6,137

## 9.3 Rating structure

Council has established a rating structure which comprises the following

- Property values, used to determine the distribution of the total residential rates levied,
- Differential rating for Commercial properties – including the Tourism operators
- Differential rating for Cultural and Recreational ratepayers (in the form of a rating concession)
- An additional charge for second garbage bins if requested

Striking a balance between these elements ensures the distribution of the rate burden across residents, businesses and recreational ratepayers is broadly equitable within the framework of a property based taxation system.

The existing rating structure provides two differential rates (residential and business) and a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Act. The business rate is set at 135% of the residential rate and the rate concession for recreational land is set at 25% of the residential rate. As mentioned, Council does not have a municipal charge or a separate garbage charge (except for second bins).

The following table summarises the rates to be applied in the 2011/12 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	Forecast 2010/11	Budget 2011/12
Residential rates	Cents in \$ of CIV	0.230390	0.240976
Business rates	Cents in \$ of CIV	0.311370	0.325318
Recreational rates	Cents in \$ of CIV	0.125517	0.060244
Second bin charge	\$ per property	\$160	\$170

## 10. Other strategies

This section sets out the strategies that have been developed and incorporated into the Strategic Resource Plan including debt/borrowings, asset management, cash/liquidity and service delivery.

### 10.1 Debt

In developing the Strategic Resource Plan SRP (see Section 8), borrowings were identified as an important funding source for capital works programs. In the past, Council has borrowed to finance large infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs.

The SRP includes the results of an analysis of Council's debt position against both State averages and small shire 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 analysis shows the Borough to have debt at low to moderate levels for its size.

For the 2011/12 year, Council has decided to take out a new bank loan of \$150,000 to repay the unfunded superannuation liability (\$135,000 principal and \$15,000 estimated interest) and therefore, after making principal repayments of \$344,000 (bank loans of \$209,000 and unfunded superannuation liability of \$135,000), will reduce its net total borrowings to \$1,226,000 as at 30 June 2012. Previous debt calculations included the unfunded superannuation liability and therefore the intended borrowings do not impact on the total net figure reported as debt/borrowings in councils Balance Sheet.

The reasoning behind converting the superannuation liability to bank borrowings is based on the projected interest to be charged by the Superannuation fund compared to the rates provided by the banks. The Superannuation fund estimates are based on the fund performance and Council would be charged at their estimated higher rate.

The following table sets out future proposed borrowings, based on the forecast financial position as at 30 June 2011.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2010/11	0	237	122	1,420
<b>2011/12</b>	<b>150</b>	<b>344</b>	<b>107</b>	<b>1,226</b>
2012/13	0	212	74	1,015
2013/14	0	199	50	816
2014/15	0	209	41	607

## 10.2 Asset Management

The Council has developed an Asset Management Strategy based on knowledge provided by various Asset Management Plans. Reviews of asset conditions and the resulting analysis have provided details of capital expenditure requirements for the next 10-20 years depending on the class of asset, and is a key input to the LTFP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future requirements for the community. The Strategy has been developed through a rigorous process of community input and feedback. These include recognition of the annual Community Satisfaction Survey, and the 'Request for Service' system which documents and addresses community feedback.

The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification and prioritisation of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within asset classes on the basis of condition and level of service criteria
- Business Case template to evaluate capital project submissions (priority to renewal and upgrade of existing assets versus creation of new assets)

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.

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

Year	Total Capital Program \$'000	Grants and Contributions \$'000	Sale of Assets \$'000	Investment Reserves \$'000	Unrestricted Cash and Investments \$'000	Council Operations \$'000
2010/11	2,653	1,364	43	506	358	383
2011/12	1,674	654	40	493	0	488
2012/13	885	50	40	0	0	795
2013/14	984	50	40	0	0	894
2014/15	1,002	50	40	0	0	912

### 10.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 8) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve a breakeven cash position each year. The Rating Strategy (see Section 9) also refers to modest rate increases into the future approximating CPI plus 2%. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2011/12 %	2012/13 %	2013/14 %	2014/15 %
<b>Income</b>				
Rate increases	4.50%	4.50%	4.50%	4.50%
Government funding - recurrent	1.50%	1.50%	1.50%	1.50%
Statutory fees	2.00%	2.00%	2.00%	2.00%
User charges	CPI or market-tested	CPI or market-tested	CPI or market-tested	CPI or market-tested
<b>Expenses</b>				
Consumer Price Index - average of both CPI and the Engineering Construction Index	3.00%	3.00%	3.00%	3.00%
Wages growth - EBA plus oncosts	4.65%	4.65%	4.65%	4.65%
Regional library contribution	15.00%	14.00%	13.00%	6.00%
Electricity	5.50%	10.00%	10.00%	10.00%
Gas	4.00%	10.00%	10.00%	10.00%
Water	6.50%	10.00%	10.00%	10.00%
Fuel*	5.00%	5.00%	5.00%	5.00%
Insurance premiums	10.00%	3.00%	3.00%	3.00%

\*Annual review of future escalation assumptions will be required as circumstances change both locally and globally.

As well as the general influences, there are also a number of specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

#### Waste Disposal

Waste tipping fees for inert waste are expected to rise significantly as the State Government has increased the levy payable upon disposal of waste at landfill. Following a \$22 per tonne (or 275%) increase in the 2010/11 financial year, the fee will rise a further \$10 per tonne (33%) in 2011/12 and again in 2012/13 (25% increase). The financial impact is an additional \$18,000 in budget for the 2011/12 year.

#### Valuation Services

The Council is required to revalue all properties with the municipality every two years. The last general revaluation was carried out as at 1 January 2010 effective for the 2010/11 year and the new revaluation will be undertaken as at 1 January 2012. An allowance of \$48,000 has been made every two years commencing in 2011/12 to meet the additional cost of resources (contracted out) to complete the revaluation process. A smaller allowance of \$19,000 is included in the budget every other two years (ie. non-revaluation years) to cover the cost of resources (contracted out) to complete valuations for supplementary rating purposes.

Revaluation of council's own assets also occurs on a regular basis and funding is provided for this to occur each year for different classes of assets.

The service delivery outcomes measured in financial terms are shown in the following table.

<b>Year</b>	<b>Surplus for the year \$'000</b>	<b>Underlying Surplus \$'000</b>	<b>Net Service Cost \$'000</b>
2010/11	1,408	88	5,050
<b>2011/12</b>	<b>990</b>	<b>341</b>	<b>5,007</b>
2012/13	568	523	5,217
2013/14	655	610	5,399
2014/15	683	638	5,653

Service levels have been maintained throughout the four year period with both operating and underlying surpluses forecast in all four years. The net cost of the services provided to the community increase from \$5,007,000 to \$5,653,000 over the four year period.

## Appendices

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

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

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted Standard Statements	53
B	Statutory disclosures	59
C	Capital works and new initiatives	64
D	Key strategic activities	68
E	Fees and charges schedule	72

## Appendix A - Budgeted Standard Statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2011/12 to 2014/15 has been extracted from the Strategic Resource Plan.

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

The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Investment Reserves.

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Budgeted Standard Income Statement  
For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resources Plan		
	2010/11	2011/12	Projections		
	\$'000's	\$'000's	2012/13	2013/14	2014/15
			\$'000's	\$'000's	\$'000's
<b>REVENUES</b>					
Rates and charges	5,097	\$5,343	5,595	5,860	6,137
Statutory fees & fines	109	\$111	111	113	116
User Charges	1,579	\$1,671	1,689	1,771	1,792
Grants - Operating	938	\$635	641	651	662
Grants - Capital	1,049	\$654	50	50	50
Capital Contributions	311	\$0	0	0	0
Contributions - Operating	2	\$0	0	0	0
Reimbursements	66	\$54	55	57	59
Interest received	98	\$88	88	88	88
Other Income	154	\$131	133	135	138
<b>TOTAL OPERATING REVENUE</b>	<b>9,403</b>	<b>\$8,685</b>	<b>8,362</b>	<b>8,726</b>	<b>9,041</b>
<b>EXPENSES</b>					
Employee benefits	2,708	\$2,916	3,052	3,194	3,343
Materials & Services	4,100	\$3,633	3,628	3,779	3,919
Bad and doubtful debts	2	\$2	0	0	0
Depreciation	699	\$709	709	709	709
Interest expense	122	\$107	74	50	41
Other expenses	322	\$324	328	334	341
<b>TOTAL OPERATING EXPENSES</b>	<b>7,955</b>	<b>\$7,690</b>	<b>7,790</b>	<b>8,066</b>	<b>8,353</b>
<b>OPERATING RESULT</b>	<b>1,448</b>	<b>\$995</b>	<b>573</b>	<b>660</b>	<b>688</b>
<b>Non-operating income and expenditure</b>					
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	(2)	(\$5)	(5)	(5)	(5)
Share of net profits of associates and joint ventures accounted for by the equity method	0	\$0	0	0	0
Abnormal expense - increase in Unfunded Superannuation Liability	(38)	\$0	0	0	0
<b>COMPREHENSIVE RESULT</b>	<b>1,408</b>	<b>\$990</b>	<b>568</b>	<b>655</b>	<b>683</b>
minus Capital grants and contributions	(1,361)	(\$654)	(50)	(50)	(50)
minus other abnormals and Library share	40	\$5	5	5	5
<b>UNDERLYING SURPLUS / (DEFICIT)</b>	<b>88</b>	<b>\$341</b>	<b>523</b>	<b>610</b>	<b>638</b>

Budgeted Standard Balance Sheet  
For the four years ending 30 June 2015

BALANCE SHEET	Forecast	Budget	Strategic Resources Plan		
	2010/11	2011/12	Projections		
	\$'000's	\$'000's	2012/13	2013/14	2014/15
			\$'000's	\$'000's	\$'000's
<b>ASSETS</b>					
<b><u>Current Assets</u></b>					
Cash and cash equivalents	1,354	1,010	1,129	1,394	1,657
Trade and other receivables	417	439	447	468	478
Inventories	7	7	7	7	7
Other assets	223	223	223	223	223
<b>Total Current Assets</b>	<b>2,000</b>	<b>1,679</b>	<b>1,807</b>	<b>2,092</b>	<b>2,365</b>
<b><u>Non-Current Assets</u></b>					
Trade and other receivables	17	17	17	17	17
Investments in associates accounted for using the equity method	271	271	271	271	271
Property, plant and equipment, infrastructure	57,236	58,156	58,324	58,553	58,800
<b>Total Non-Current Assets</b>	<b>57,524</b>	<b>58,444</b>	<b>58,612</b>	<b>58,841</b>	<b>59,088</b>
<b>TOTAL ASSETS</b>	<b>59,524</b>	<b>60,123</b>	<b>60,418</b>	<b>60,933</b>	<b>61,453</b>
<b>LIABILITIES</b>					
<b><u>Current Liabilities</u></b>					
Trade and other payables	1,013	796	677	714	738
Trust funds and deposits	68	68	68	68	68
Provisions	412	432	452	473	495
Interest bearing loans and borrowings	344	212	199	209	225
<b>Total Current Liabilities</b>	<b>1,837</b>	<b>1,507</b>	<b>1,396</b>	<b>1,464</b>	<b>1,525</b>
<b><u>Non-Current Liabilities</u></b>					
Provisions	40	42	44	46	48
Interest bearing loans and borrowings	1,076	1,015	816	607	382
<b>Total Non-Current Liabilities</b>	<b>1,116</b>	<b>1,057</b>	<b>860</b>	<b>652</b>	<b>430</b>
<b>TOTAL LIABILITIES</b>	<b>2,953</b>	<b>2,564</b>	<b>2,255</b>	<b>2,117</b>	<b>1,955</b>
<b>NET ASSETS</b>	<b>56,570</b>	<b>57,560</b>	<b>58,162</b>	<b>58,816</b>	<b>59,498</b>
<b><u>EQUITY</u></b>					
Accumulated Surplus	30,533	31,649	32,397	33,164	33,848
Asset Revaluation reserve	25,568	25,568	25,568	25,568	25,568
Discretionary Reserves	469	343	163	50	50
<b>TOTAL EQUITY</b>	<b>56,570</b>	<b>57,560</b>	<b>58,127</b>	<b>58,782</b>	<b>59,465</b>

Budgeted Standard Cash Flow Statement  
For the four years ending 30 June 2015

CASH FLOW STATEMENT	Forecast	Budget	Strategic Resources Plan Projections		
	2010/11 \$'000's	2011/12 \$'000's	2012/13 \$'000's	2013/14 \$'000's	2014/15 \$'000's
<b>Cash flow from operating activities</b>					
Rates	5,092	5,338	5,591	5,855	6,131
User charges, statutory fees & fines	1,683	1,764	1,797	1,869	1,903
Grants & cash contributions	2,300	1,289	691	701	712
Other receipts	317	272	276	280	284
Payments to suppliers	(3,967)	(3,850)	(3,747)	(3,741)	(3,895)
Payments to employees	(2,691)	(2,895)	(3,030)	(3,171)	(3,319)
Other payments	(324)	(326)	(328)	(334)	(341)
Net GST (payments) / refunds					
<b>Net cash provided by operating activities</b>	<b>2,410</b>	<b>1,593</b>	<b>1,250</b>	<b>1,458</b>	<b>1,475</b>
<b>Cash flow from investing activities</b>					
Payments for property, plant and equipment, infrastructure	(2,653)	(1,675)	(885)	(984)	(1,002)
Proceeds from sale of property, plant and equipment, infrastructure	43	40	40	40	40
<b>Net cash used in investing activities</b>	<b>(2,611)</b>	<b>(1,635)</b>	<b>(845)</b>	<b>(944)</b>	<b>(962)</b>
<b>Cash flow from financing activities</b>					
-					
Trust funds and deposits	0	0	0	0	0
Finance costs	(122)	(107)	(74)	(50)	(41)
Proceeds from interest bearing loans and borrowings		150	0	0	0
Repayment of interest bearing loans and borrowings	(237)	(344)	(212)	(199)	(209)
<b>Net cash provided by / (used in) financing activities</b>	<b>(359)</b>	<b>(301)</b>	<b>(286)</b>	<b>(249)</b>	<b>(250)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(560)</b>	<b>(344)</b>	<b>119</b>	<b>265</b>	<b>263</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,914</b>	<b>1,354</b>	<b>1,010</b>	<b>1,129</b>	<b>1,394</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,354</b>	<b>1,010</b>	<b>1,129</b>	<b>1,394</b>	<b>1,657</b>

Budgeted Standard Capital Works Statement  
For the four years ending 30 June 2015

	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Strategic Resource Plan Projections		
			2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
<b>Capital works areas</b>					
Roads	\$334	\$595	\$228	\$326	\$347
Drains	\$32	\$45	\$100	\$35	\$35
Open space	\$1,196	\$177	\$98	\$113	\$114
Buildings	\$964	\$731	\$366	\$412	\$423
Plant, equipment and other	\$128	\$126	\$93	\$98	\$83
<b>Total capital works</b>	<b>\$2,653</b>	<b>\$1,674</b>	<b>\$885</b>	<b>\$984</b>	<b>\$1,002</b>
<b>Represented by:</b>					
Asset renewal and upgrade	\$1,982	\$1,572	\$885	\$984	\$1,002
New assets	\$671	\$102	\$0	\$0	\$0
<b>Total capital works</b>	<b>\$2,653</b>	<b>\$1,674</b>	<b>\$885</b>	<b>\$984</b>	<b>\$1,002</b>

Reconciliation of net movement in property, plant and equipment

	Forecast 2010/11 \$'000	Budget 2011/12 \$'000	Strategic Resource Plan Projections		
			2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
<b>Total capital works</b>	<b>\$2,653</b>	<b>\$1,674</b>	<b>\$885</b>	<b>\$984</b>	<b>\$1,002</b>
Asset revaluation increment	\$0	\$0	\$0	\$0	\$0
Depreciation and amortisation	(\$699)	(\$709)	(\$709)	(\$709)	(\$709)
Written down value of assets sold	(\$44)	(\$45)	(\$45)	(\$45)	(\$45)
<b>Net movement in property, plant and equipment</b>	<b>\$1,911</b>	<b>\$919</b>	<b>\$132</b>	<b>\$230</b>	<b>\$248</b>

Budgeted Standard Statement of Investment Reserves  
For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan Projections		
	2010/11 \$'000	2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
<b>Discretionary</b>					
Asset replacement reserve	\$171	\$293	\$0	\$0	\$0
Crown land reserve	\$91	\$50	\$50	\$50	\$50
<b>Total reserves</b>	<b>\$262</b>	<b>\$343</b>	<b>\$50</b>	<b>\$50</b>	<b>\$50</b>

Future estimates for the Asset Replacement Reserve will be reviewed as part of further Asset Management analysis. Expenditure requirements for the renewal of council assets will be reassessed based on further modelling of scenarios regarding utilisation and condition of existing assets.

The Crown Land reserve balance of \$50,000 is a discretionary amount reserved to enable Council to have funds available if required to meet funding agreements for grants if matching funding is required from Council.

## **Appendix B - Statutory disclosures**

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

The appendix includes the following budgeted information:

### **1. Rates and Charges**

This section provides detail regarding the amounts included in both the 2010/11 approved budget and the 2011/12 draft budget, in particular:

- number of assessments
- rate type – residential, business or recreational
- rate in the dollar to be charged
- second bin charge
- estimated supplementary rates
- total budgeted rates and charges.

Note the 2010/11 year refers to approved budget, rather than 2010/11 year-end forecast, to provide an appropriate point of comparison when the rates budget is struck. Variations to rate income may occur during a financial year, as supplementary rates take effect and it is possible that there will be further adjustments to rate income received by 30 June which will not be included within this draft budget. Any such changes would be included in the forecasting process during the next financial year.

### **2. Differential Rates**

This section provides detail regarding the three rates charged by Council:

- i. Residential
- ii. Business
- iii. Cultural and recreational

### **3. Borrowings**

This section provides detail on the following:

- New borrowings – bank loan
- Debt redemption:
  - Bank loans
  - Unfunded superannuation liability

## 1. Rates and Charges

1.1 The proposed rate in the dollar in cents for each type of rate to be levied

Type of Property	2010/11 cents/\$CIV	2011/12 cents/\$CIV
General rate for rateable residential properties	0.230390	0.240976
General rate for rateable business properties	0.311370	0.325318
Rate concession for rateable cultural and recreational properties	0.125517	0.060244

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

Type of Property	2010/11 \$	2011/12 \$
Residential	4,434,136	4,676,362
Business	650,272	641,498
Cultural and recreational	7,004	3,501

1.3 The estimated total amount to be raised by rates

	2010/11 \$	2011/12 \$
Total rates to be raised	5,091,442	5,321,361

1.4 The proposed percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year

Type of Property	2010/11 Change %	2011/12 Change %
Residential	-7.3	4.59
Business	-5.4	4.48
Cultural and recreational	1.0	-52.00

1.5 The number of assessments for each type of rate to be levied, compared to the previous year

Type of Property	2010/11 No.	2011/12 No.
Residential	2,722	2,734
Business	276	273
Cultural and recreational	4	4
<b>Total number of assessments</b>	<b>3,002</b>	<b>3,011</b>

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

1.7 The estimated total value (CIV) of land in respect of which each type of rate is to be levied, compared with the previous year.

Type of Property	2010/11 \$	2011/12 \$
Residential	1,924,607,000	1,940,592,500
Business	208,819,480	197,191,347
Cultural and recreational	5,580,000	5,812,000
<b>Total</b>	<b>2,139,006,480</b>	<b>2,143,595,847</b>

1.8 There is no proposal to raise a Municipal Charge

1.9 The proposed unit amount to be levied for each type of charge under section 162 of the Act.

Type of Charge	Per Rateable Property 2010/11 \$	Per Rateable Property 2011/12 \$
Municipal	0	0
Kerbside collection	0	0
Recycling	0	0
Second bins	160	170
<b>Total</b>	<b>160</b>	<b>170</b>

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

Type of Charge	2010/11 \$	2011/12 \$
Municipal	0	0
Kerbside collection	0	0
Recycling	0	0
Second bins	9,600	11,200
<b>Total</b>	<b>9,600</b>	<b>11,200</b>

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

	2010/11 \$	2011/12 \$
Rates and charges	5,091,442	5,321,361
Supplementary rates	10,000	10,000
Second bins	9,600	11,200
<b>Total</b>	<b>5,111,042</b>	<b>5,342,561</b>

- 1.12 There are no known significant changes, which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:
- The making of supplementary valuations;
  - The variation of returned levels of value (e.g. valuation appeals);
  - Changes in use of land such that rateable land becomes non-rateable land and vice versa; and
  - Changes in use of land such that residential land becomes business land and vice versa.

## **2. Differential Rates**

### **2.1 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 0.240976% (0.240976 cents in the dollar of CIV) for all rateable residential properties; and
- A general rate of 0.325318% (0.325318 cents in the dollar of CIV) for all rateable business properties
- A general rate of 0.060244% (0.060244 cents in the dollar of CIV) for all rateable cultural and recreational properties

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

### **2.2 Residential and Business rates**

The existing rating structure provides two differential rates (residential and business) and a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. The business rate is set at 135% of the residential rate.

Residential land is any land, which is:

- Occupied for the principal purpose of physically accommodating persons; or
- Unoccupied but zoned residential under the Borough of Queenscliffe Planning Scheme and which is not business land

### **2.3 Cultural and Recreation rates**

Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Act. The rate concession for recreational land is set at 25% of the residential rate.

### **2.4 Other charges**

Council does not have a separate garbage charge or a Municipal charge. A "second bin" rate is charged for additional garbage charges where these are requested.

### 3. Borrowings

	Forecast 2010/11 \$	Budget 2011/12 \$
<b>New borrowings - bank loan</b>	<b>\$0</b>	<b>\$150,000</b>
<b><i>Debt redemption</i></b>		
- Bank loans	\$236,800	\$209,300
- Unfunded superannuation liability	\$0	\$135,000
<b>Total debt redemption</b>	<b>\$236,800</b>	<b>\$344,300</b>

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## Appendix C - Capital works and new initiatives

This appendix presents a listing of the capital works and new initiatives projects that will be undertaken for the 2011/12 financial year.

The capital works and new initiatives projects are grouped in the following order:

1. Projects are first split into either rate-funded or caravan park / crown land projects
2. Projects are then split into either annual asset renewal program or priority projects for the 2011/12 year
3. For those projects which fall within the annual asset renewal program, these projects are then split into asset class as follows:
  - Rate-funded projects:
    - Renewal buildings
      - Urgent
      - Short term
      - Other
      - Specific project (for the 2011/12 year, this relates to the Queenscliff sports club)
    - Renewal infrastructure
      - Kerb and channel
      - Footpaths
      - Pavement repair
      - Road resealing
      - Drainage
      - Open space
      - Roads to recovery
    - Renewal other assets
      - Motor vehicles
      - Computer equipment
      - Fixtures and fittings
  - Caravan park / crown land projects:
    - Renewal buildings and amenities
    - Renewal reserves
    - Renewal car parks and roads
    - Renewal beach access tracks
4. Projects are then split into either operating or capital expenditure (note some projects may span both operating and capital expenditure)
5. For those projects which fall within capital expenditure, these projects are then split into either renewal / upgrade or new assets (note some projects may span both renewal / upgrade and new asset expenditure).

Council	Estimated Cost of Project	Funding Source				Net Cost to Rates budget	Total Operating	Capital		TOTAL CAPEX
		Government Grants	Local Community	Other	TOTAL			Renewal/ Upgrade	New	
<b>Annual Renewal Program</b>										
<b>(1) Renewal Buildings</b>										
Renewal Council Buildings -URGENT	\$26,000				\$0	\$26,000		\$26,000		\$26,000
Renewal Council Buildings -SHORT TERM	\$32,000				\$0	\$32,000		\$32,000		\$32,000
Renewal Council Buildings -OTHER RENEWAL	\$27,000				\$0	\$27,000		\$27,000		\$27,000
Renewal Council Buildings - QUEENSLIFF SPORTS CLUB ENHANCEMENT PROJECT	\$505,790	(\$300,000)	\$0	(\$205,790)	(\$505,790)	\$0		\$505,790		\$505,790
<b>Sub Total : Renewal Buildings</b>	<b>\$590,790</b>	<b>(\$300,000)</b>	<b>\$0</b>	<b>(\$205,790)</b>	<b>(\$505,790)</b>	<b>\$85,000</b>	<b>\$0</b>	<b>\$590,790</b>	<b>\$0</b>	<b>\$590,790</b>
<b>(2) Renewal Infrastructure</b>										
Renewal Kerb & Channel	\$15,500				\$0	\$15,500		\$15,500		\$15,500
Renewal Footpaths	\$34,000				\$0	\$34,000		\$34,000		\$34,000
Renewal Pavement Repair	\$19,000				\$0	\$19,000		\$19,000		\$19,000
Renewal Road Resealing	\$40,000				\$0	\$40,000		\$40,000		\$40,000
Renewal Drainage	\$45,000				\$0	\$45,000		\$45,000		\$45,000
Renewal Open Space	\$40,000				\$0	\$40,000		\$40,000		\$40,000
Roads to Recovery Program	\$104,000	(\$104,000)			(\$104,000)	\$0		\$104,000		\$104,000
<b>Sub Total : Renewal Infrastructure</b>	<b>\$297,500</b>	<b>(\$104,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$104,000)</b>	<b>\$193,500</b>	<b>\$0</b>	<b>\$297,500</b>	<b>\$0</b>	<b>\$297,500</b>
<b>(3) Renewal - Other Assets</b>										
Motor Vehicles	\$95,000			(\$40,000)	(\$40,000)	\$55,000		\$95,000		\$95,000
Computer Equipment	\$26,000				\$0	\$26,000		\$26,000		\$26,000
Fixtures & Fittings	\$5,000				\$0	\$5,000			\$5,000	\$5,000
<b>Sub Total : Renewal Other Assets</b>	<b>\$126,000</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>	<b>\$86,000</b>	<b>\$0</b>	<b>\$121,000</b>	<b>\$5,000</b>	<b>\$126,000</b>
<b>TOTAL Annual Renewal Program</b>	<b>\$1,014,290</b>	<b>(\$404,000)</b>	<b>\$0</b>	<b>(\$245,790)</b>	<b>(\$649,790)</b>	<b>\$364,500</b>	<b>\$0</b>	<b>\$1,009,290</b>	<b>\$5,000</b>	<b>\$1,014,290</b>

Council	Estimated Cost of Project	Funding Source				Net Cost to Rates budget	Total Operating	Capital		TOTAL CAPEX
		Government Grants	Local Community	Other	TOTAL			Renewal/ Upgrade	New	
<b>Priority Projects</b>										
Hesse Street Revitalisation Stage 2 'packaged' with Project (54f) Point Lonsdale Main Street Improvement *	\$295,000	(\$250,000)			(\$250,000)	\$45,000		\$295,000		\$295,000
Celebrating 150 Years of the Borough	\$4,000				\$0	\$4,000	\$4,000			\$0
Undertaking additional design and costing works for the undergrounding of power in Point Lonsdale Road - (note: future budget allocation of net \$500k required to progress project)	\$5,000				\$0	\$5,000	\$5,000			\$0
Contribution to the upgrade of the Queenscliff Railway Station Public Toilet noting that this would be a Council contribution to Bellarine Railway asset.	\$40,000				\$0	\$40,000	\$40,000			\$0
Increase governance support to local Committees of Management	\$10,000				\$0	\$10,000	\$10,000			\$0
Improve pedestrian safety through undertaking two design projects (safe crossing at corner of Fellows Rd & Grimes Rd, Point Lonsdale and in the area of Flinders St & Henry St, Queenscliff) and two construction projects (construction of safe pedestrian crossing at cnr of Fellows Rd & Grimes Rd, Point Lonsdale and completion of footpath in Lawrence Rd between Fellows Rd and Point Lonsdale Rd, Point Lonsdale).	\$46,000				\$0	\$46,000			\$46,000	\$46,000
Produce a footpath plan for Point Lonsdale and Queenscliff	\$40,000				\$0	\$40,000	\$8,000	\$16,000	\$16,000	\$32,000
<b>TOTAL Priority Projects: Rate funded</b>	<b>\$440,000</b>	<b>(\$250,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$250,000)</b>	<b>\$190,000</b>	<b>\$67,000</b>	<b>\$311,000</b>	<b>\$62,000</b>	<b>\$373,000</b>
<b>Total Rate funded projects 2011/12</b>	<b>\$1,454,290</b>	<b>(\$654,000)</b>	<b>\$0</b>	<b>(\$245,790)</b>	<b>(\$899,790)</b>	<b>\$554,500</b>	<b>\$67,000</b>	<b>\$1,320,290</b>	<b>\$67,000</b>	<b>\$1,387,290</b>

Crown Land	Estimated Cost of Project	Funding Source				Net Cost to Crown Land Reserve	Total Operating	Capital		
		Government Grants	Local Community	Other	TOTAL FUNDING			Renewal/Upgrade	New	TOTAL CAPITAL
<b>Annual Renewal Program</b>										
<b>(1) Renewal Buildings &amp; Amenities</b>										
Queenscliff Recreation Reserve building renewal	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Foreshore Public Conveniences	\$10,000				\$0	\$10,000		\$10,000		\$10,000
<b>Sub Total : Renewal Buildings &amp; Amenities</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$20,000</b>
<b>(2) Renewal - Reserves</b>										
Walking tracks, caravan parks and boat ramp signage	\$20,000				\$0	\$20,000		\$20,000		\$20,000
Replace coin operated BBQ's with free electric	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Foreshore and park furniture renewal	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Lower Princess, Princess and Citizens Parks	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Fencing at Caravan Parks	\$10,000				\$0	\$10,000		\$10,000		\$10,000
<b>Sub Total : Renewal Reserves</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$60,000</b>
<b>(3) Renewal - Car Parks &amp; Roads</b>										
Access roads for reserves, parks and carparks	\$10,000				\$0	\$10,000		\$10,000		\$10,000
<b>Sub Total : Renewal Car Parks &amp; Roads</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$10,000</b>
<b>(4) Renewal - Beach Access Tracks</b>										
Track clearance, surface renewal and track fencing	\$20,000				\$0	\$20,000		\$20,000		\$20,000
Beach access, hand rails and steps	\$21,600				\$0	\$21,600		\$21,600		\$21,600
<b>Sub Total : Renewal Beach Access Tracks</b>	<b>\$41,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,600</b>	<b>\$0</b>	<b>\$41,600</b>	<b>\$0</b>	<b>\$41,600</b>
<b>TOTAL Annual Renewal Program</b>	<b>\$131,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$131,600</b>	<b>\$0</b>	<b>\$131,600</b>	<b>\$0</b>	<b>\$131,600</b>
<b>Priority Projects</b>										
Power Upgrade at Queenscliff Recreation Reserve & Victoria Park	\$120,000				\$0	\$120,000		\$120,000		\$120,000
Shortlands Bluff Tourism Development Project - detailed masterplan (note: future budget allocation is required to progress this project)	\$25,000				\$0	\$25,000			\$25,000	\$25,000
Relocation of the Netball Courts to the Football Club area - design work (note: future budget allocation of net \$300k would be required to progress this project)	\$10,000				\$0	\$10,000			\$10,000	\$10,000
<b>TOTAL Priority Projects: Crown Land Reserve funded</b>	<b>\$155,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$155,000</b>	<b>\$0</b>	<b>\$120,000</b>	<b>\$35,000</b>	<b>\$155,000</b>
<b>Total Crown Land projects 2011/12</b>	<b>\$286,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$286,600</b>	<b>\$0</b>	<b>\$251,600</b>	<b>\$35,000</b>	<b>\$286,600</b>
<b>Total Capital and New Initiatives Program 2011/12</b>	<b>\$1,740,890</b>	<b>(\$654,000)</b>	<b>\$0</b>	<b>(\$245,790)</b>	<b>(\$899,790)</b>	<b>\$841,100</b>	<b>\$67,000</b>	<b>\$1,571,890</b>	<b>\$102,000</b>	<b>\$1,673,890</b>

## Appendix D - Key strategic activities

This appendix presents a number of key strategic activities to be undertaken during the 2011/12 year and performance targets and measures in relation to these.

The key strategic objectives of Council comprise:

- Governance, finance and external relations
- Sustainability and local environment
- Business and tourism
- Community development
- Planning, heritage and community assets.

Each of these strategic objectives has a number of performance indicators and targets to achieve including:

- 100% successful achievement of Business Plan priority actions
- % (varies for each strategic objective) of respondents to the Annual Local Government Community Satisfaction Survey rating say Council performance was excellent, good or adequate
- Items specific to each strategic objective (example: Governance, finance and external relations includes a target for maintaining the working capital ratio greater than 100%).

## Governance, Finance and External Relations

Performance Indicator	2011-2012 Target
Successful achievement of Business Plan priority actions.	100%
Increase opportunities for community participation in Council decision making.	Conduct at least four public meetings each year
Maintain working capital ratio greater than 100%.	Greater than 100%
Improve the risk rating for each of Council's insurance audits	Improve by 5% each year
Prepare and adopt annual Budget and Strategic Resource Plan in accordance with the Local Government Act 1989.	Adopt by 31 August 2011
Review the long term Strategic Financial Plan.	30 April 2012
Prepare and lodge annual financial statements and standard statements in accordance with the Local Government Act 1989 .	Lodge by 30 September 2011
Annual Local Government Community Satisfaction Survey rating for overall performance generally of the council.	At least 70% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's advocacy and community representation on key local issues.	At least 70% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's engagement in decision making on key local issues.	At least 60% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's interaction and responsiveness in customer contact.	At least 75% of respondents say Council performance was excellent, good or adequate

## Sustainability and Local Environment

Performance Indicator	2011-2012 Target
Successful achievement of Business Plan priority actions.	100%
Maintain Borough of Queenscliffe Council as a Waste Wise accredited organisation.	Accreditation maintained
Achieve net increase in street trees across the municipality.	Net increase
Annual Local Government Community Satisfaction Survey rating for council's overall performance in Waste Management.	At least 80% of respondents say Council performance was excellent, good or adequate

## Business and Tourism

Performance Indicator	2011-2012 Target
Successful achievement of Business Plan priority actions.	100%
Increase number of people accessing Queenscliffe Visitor Information Centre.	Total number of people accessing the VIC in person, and via the phone and website increases each year
Maintain level of sponsorship and in-kind support provided to major tourism events.	Value of support maintained for regular tourism events
Number of food safety audit visits.	At least one visit per premise per annum.
Annual Local Government Community Satisfaction Survey rating for Council's overall performance in Economic Development.	At least 70% of respondents say Council performance was excellent, good or adequate

## Community Development

Performance Indicator	2011-2012 Target
Successful achievement of Business Plan priority actions.	100%
Level of financial support to community initiatives and not-for-profit community groups and organisations.	Maintain value of grants
Recognise and celebrate volunteer contributions in the Borough of Queenscliffe.	Conduct at least 2 events per annum
Annual Local Government Community Satisfaction Survey rating for Council's overall performance in health and human services.	At least 90% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's overall performance in recreational facilities.	At least 80% of respondents say Council performance was excellent, good or adequate

## Planning, Heritage and Community Assets

Performance Indicator	2011-2012 Target
<b>Successful achievement of Business Plan priority actions.</b>	100%
<b>Complete review of Queenscliffe Planning Scheme and draft Planning Scheme Amendment.</b>	Council endorsement of final report by 30 June 2012
<b>Number of planning applications processed within 60 statutory days.</b>	70%
<b>Annual Local Government Community Satisfaction Survey rating for council's overall performance in appearance of public areas.</b>	At least 80% of respondents say Council performance was excellent, good or adequate
<b>Annual Local Government Community Satisfaction Survey rating for council's overall performance in traffic management and parking.</b>	At least 70% of respondents say Council performance was excellent, good or adequate
<b>Annual Local Government Community Satisfaction Survey rating for council's overall performance in town planning policy and approvals.</b>	At least 50% of respondents say Council performance was excellent, good or adequate

## **Appendix E - Fees and charges schedule**

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2011/12 year.

The following information is listed for each type of fee charged by Council:

- Program / activity to which the user fee relates (example: law enforcement)
- Type of fee charged (example: dog registration)
- More details regarding each fee type (example: dog registration – sterilised dog)
- An indication as to whether the fee is statutory or at the discretion of Council
- Whether the fee is inclusive of GST, or if in fact GST does not apply to the fee
- Fees for both the current year (2010/11) and proposed fees for the next year (2011/12)
- % increase in fees compared with that charged for the previous year.

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2010/11		2011/12		
					Price	% Increase	Price	% Increase	
Administration	Photocopy charges - per page	Own paper supplied		Y	\$0.10	100%	\$0.10	0%	
		A4 paper		Y	\$0.15	50%	\$0.15	0%	
		A3 paper		Y	\$0.40	14%	\$0.40	0%	
		A4 colour copy		Y	\$1.00	0%	\$1.05	5%	
		A3 colour copy		Y	\$1.50	0%	\$1.55	3%	
		A4 laminating		Y	\$2.00	0%	\$2.05	3%	
		A3 laminating		Y	\$3.50	0%	\$3.60	3%	
		Freedom of Information Enquiries	Per hour	Legislated	N	\$23.90	2%	\$24.40	2%
	Book Sales (either of the two books below)	General Public		Y	\$49.95	0%	\$49.95	0%	
	- Enduring the Rip	Maritime Museum		Y	\$34.95	0%	\$34.95	0%	
	- History of Queenscliff								
Facility Hire	Per day hire - Town Hall	Local / Not-for-profit (set up own chairs)		Y	\$40.00	-73%	\$41.00	3%	
		Social Events / Functions		Y	\$250.00	67%	\$257.50	3%	
		Commercial		Y	\$400.00	82%	\$412.00	3%	
	Per day hire - Pavilion	Local		Y	\$72.00	3%	\$74.00	3%	
		Non-local		Y	\$155.00	3%	\$160.00	3%	
		Power usage only		Y	\$41.00	3%	\$42.00	2%	
	Per day hire - Oval	Booking fee		Y	\$55.00	10%	\$60.00	9%	
Rates & Charges	Land Information Certificates	Per certificate	Legislated	N	\$20.00	0%	\$20.00	0%	
	Valuations	Per valuation		Y	\$17.50	25%	\$17.50	0%	
	Previous years rates notices	Per notice + Admin fee @ \$20/hour		N	\$11.00	10%	\$11.00	0%	
Waste Disposal	Garbage Charges 2nd Bin	Per bin		N	\$160.00	3%	\$170.00	6%	
Aged Care	Charges dependant on client means test	Home Care		N	\$4.55 - \$17.30	3%	\$4.70 - \$17.80	3%	
		Personal Care		N	\$4.55 - \$17.30	3%	\$4.70 - \$17.80	3%	
		Respite Care		N	\$2.60 - \$19.20	3%	\$2.70 - \$19.80	3%	
		Home Maintenance		N	\$9.10 - \$15.80	3%	\$9.40 - \$16.30	3%	
		Client Travel	Per hour, extra to \$ rate for care received		N	\$1.00	0%	\$1.00	0%
		Other Agencies \$/hour	Home Care		Y	\$44.90	3%	\$46.25	3%
			Personal Care		Y	\$47.20	3%	\$48.50	3%
			Respite Care		Y	\$48.00	3%	\$49.50	3%
			Home Maintenance		Y	\$50.00	3%	\$51.50	3%
			Travel fees per km		Y	\$1.10	0%	\$1.10	0%
		Community Aged Care Packages	varies per package		N	\$10.00 - \$50.00	0%	\$10.00 - \$50.00	0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2010/11		2011/12	
					Price	% Increase	Price	% Increase
Engineering	Build Over Easement Permit	Per permit		N	\$215.00	5%	\$221.00	3%
	Legal Point of Discharge Enquiry	Per enquiry	Legislated	N	\$55.55	2%	\$57.20	3%
Building	Lodgement Fees - Residential	Per lodgement	Legislated	N	\$33.30	2%	\$34.00	2%
	Lodgement Fees - Commercial	Per lodgement	Legislated	N	\$33.30	2%	\$34.00	2%
	Building Certificate by Solicitor	Per certificate	Legislated	N	\$44.40	2%	\$45.30	2%
	Variation to Residential Code		Legislated	N	\$222.30	2%	\$226.75	2%
	Consent to Construct in Flood Areas		Legislated	N	\$222.30	2%	\$226.75	2%
	Copying of Building Application	Per copy		Y	\$100 min.	0%	\$100 min.	0%
	Property Enquiries by Building Surveyors	Per enquiry	Legislated	Y	\$44.40	2%	\$45.30	2%
	Records Search Fee	Per hour		Y	\$100.00	0%	\$102.00	2%
Environmental Health	Food	Per registration		N	\$275.00	25%	\$300.00	9%
	Food - pre-packaged goods	Per registration		N	\$175.00	0%	\$200.00	14%
	Accommodation	Per registration		N	\$250.00	25%	\$300.00	20%
	Hairdresser	Per registration		N	\$145.00	4%	\$150.00	3%
	Premises	Condition report		Y	\$155.00	3%	\$160.00	3%
	Community Organisation	Temporary food licence		N	\$12.00	20%	\$14.00	17%
	General	Temporary food licence		N	\$60.00	20%	\$64.00	7%
Town Planning	Certificate	Per certificate	Legislated	N	\$18.20	0%	\$18.20	0%
	Planning Permit - new application	Per permit	Legislated	N	\$102 - \$815	3%	\$105 - \$840	3%
	Planning Permit - extension of time	Per permit	Legislated	N	\$102.00	3%	\$105.00	3%
	Planning Permit - amendment	Per permit	Legislated	N	\$102.00	3%	\$105.00	3%
	Planning Permit - subdivision	Per subdivision	Legislated	N	\$386.00	3%	\$398.00	3%
	Certification - subdivision	Per subdivision	Legislated	N	\$140.00	3%	\$144.00	3%
	Section 29A request	Per request	Legislated	N	\$55.55	2%	\$56.65	2%
	Planning Infringements	Per infringement - natural person	Legislated	N			\$597.25	100%
	Planning Infringements	Per infringement - body corporate	Legislated	N			\$1,194.50	100%
<b>Planning fees schedule attached, which is legislated by State Government and subject to change. Please contact Council's planning department for current information on applicable planning fees.</b>								
Local Laws	Dog Registrations - per registration	Restricted Breed		N	\$130.00		\$135.00	4%
		Menacing Breed		N	\$130.00		\$135.00	4%
		Dangerous Dog (Residential)		N	\$130.00		\$135.00	4%
		Dangerous Dog (Guard Dog)		N	\$120.00		\$125.00	4%
		Entire (existing reg'ns only)		N	\$82.00	3%	\$86.00	5%
		Entire & Microchipped		N	\$35.00		\$37.00	6%
		Vic Canine Assoc registered		N	\$30.00	15%	\$32.00	7%
		Desexed (existing reg'ns only)		N	\$30.00	15%	\$32.00	7%
		Desexed & Microchipped		N	\$26.00		\$28.00	8%
		Desexed (Pensioner Concession)		N	\$16.00	7%	\$18.00	13%
		Dual Registered		N	\$6.00	0%	\$7.00	17%
		Guide Dog		N	\$0.00	0%	\$0.00	0%
		Replacement Dog Tag		N	\$2.00	0%	\$2.00	0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2010/11		2011/12	
					Price	% Increase	Price	% Increase
	Cat Registrations - per registration	Entire (existing reg'ns only)		N	\$72.00	3%	\$75.00	4%
		Entire & Microchipped		N	\$32.00		\$34.00	6%
		Microchipped (existing reg'ns only)		N	\$26.00	8%	\$29.00	12%
		Desexed (existing reg'ns only)		N	\$23.00	5%	\$25.00	9%
		Desexed & Microchipped		N	\$22.00		\$24.00	9%
		Desexed (Pensioner Concession)		N	\$13.00	8%	\$15.00	15%
		Dual Registered		N	\$6.00	0%	\$7.00	17%
		Replacement Cat Tag		N	\$2.00	100%	\$2.00	0%
	Permit Fees	Planting on or removal of plants from naturestrip		N	Nil	0%	Nil	0%
		Keeping more animals or birds than prescribed		N	\$10.00	0%	\$75.00	650%
		Keeping an animal or bird not listed		N	Nil	0%	Nil	0%
		Lighting a fire in the open		N	\$40.00	0%	\$50.00	25%
		Builders construction of temporary vehicle crossing		N	\$105.00	0%	\$108.00	3%
		Tapping into Council drain		N	\$55.00	0%	\$55.00	0%
		Road opening		N	\$105.00	5%	\$108.00	3%
		Bringing a horse or donkey		N	\$10.00	0%	\$20.00	100%
		Erecting booth, stall scaffolding etc - for charitable purposes		N	Nil	0%	Nil	0%
		Erecting booth, stall scaffolding etc - for other purposes		N	\$50.00	0%	\$100.00	100%
		Placing signs, displaying or storing goods - for charitable purposes		N	Nil	0%	Nil	0%
		Placing signs, displaying or storing goods - for other purposes		N	\$10.00	0%	\$20.00	100%
		Placing signs, displaying or storing goods - annually		N	\$60.00	0%	\$75.00	25%
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for charitable purposes		N	Nil	0%	Nil	0%
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for other purposes		N	\$50.00	0%	\$50.00	0%
		Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets - for charitable purposes		N	Nil	0%	Nil	0%
		Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets - for other purposes		N	By arrangement	0%	By arrangement	0%
		Filming within the Borough - Feature Films & Commercials - First Day		N	\$250.00	0%	\$250.00	0%
		Filming within the Borough - Feature Films & Commercials - Subsequent Day(s), per day		N	\$100.00	0%	\$100.00	0%
		Filming within the Borough - Major Television Productions, low and medium budget films, telemovies - First Day		N	\$200.00	0%	\$200.00	0%
		Filming within the Borough - Major Television Productions, low and medium budget films, telemovies - Subsequent Day(s), per day		N	\$100.00	0%	\$100.00	0%
		Filming within Borough - Commercial Stills Photography - First Day		N	\$150.00	0%	\$150.00	0%
		Filming within the Borough - Commercial Stills Photography - Subsequent Day(s), per day		N	\$50.00	0%	\$50.00	0%
		Filming within Borough - Small Scale Television Productions - First Day		N	\$100.00	0%	\$100.00	0%
		Filming within the Borough - Small Scale Television Productions - Subsequent Day(s), per day		N	\$50.00	0%	\$50.00	0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2010/11		2011/12	
					Price	% Increase	Price	% Increase
		Filming within the Borough - Productions for Charities		N	By arrangement	0%	By arrangement	0%
		Using a crane, hoist or movable platform etc		N	\$50.00	0%	\$100.00	100%
		Fly an engine powered model airplane		N	\$5.00	0%	\$20.00	300%
		Landing a helicopter - weekdays 9am-5pm, weekends 10am-3pm		N	\$50.00	0%	\$60.00	20%
		Landing a helicopter - after hours, Monday - Saturday		N	\$195.00	0%	\$195.00	0%
		Landing a helicopter - after hours, Sunday		N	\$240.00	0%	\$240.00	0%
		Removing paint etc from, painting or repairing a vehicle or boat		N	\$50.00	0%	\$100.00	100%
		Place a skip - accredited & have insurance - per day/week		N	\$10.00	0%	\$20.00	100%
		Place a skip - non-accredited - per day/week		N	\$20.00	0%	\$50.00	150%
		Events - local law - weddings		N	\$50.00	0%	\$75.00	50%
		Events - local law - major event (promote or conduct an event for which an entry fee is charged or which is intended to make a profit)		N	By arrangement	0%	By arrangement	0%
		Conduct a road activity - for charitable purposes		N	Nil	0%	Nil	0%
		Conduct a road activity - for other purposes		N	\$50.00	0%	\$50.00	0%
		Camping or keeping a caravan etc		N	\$20.00	0%	\$24.00	20%
		Special uses and events		N	By arrangement	0%	By arrangement	0%
		Consumption of liquor		N	Nil	0%	Nil	0%
		Itinerant trading		N	By arrangement	0%	By arrangement	0%
		Street appeals - for charitable purposes		N	Nil	0%	Nil	0%
		Street appeals - for other purposes		N	\$100.00	0%	\$100.00	0%
	Parking Fines - per infringement	Minimum fee	Legislated	N	\$54.00	4%	\$56.00	4%
		Medium fee	Legislated	N	\$70.00	3%	\$72.00	3%
		Maximum fee	Legislated	N	\$116.00	3%	\$119.00	3%
		Courtesy letter fee	Legislated	N	\$21.00	2%	\$21.50	2%
	Fire Hazard Charges	Standard fine	Legislated	N	\$234.00	3%	\$241.00	3%
		Failure to comply with a notice to comply	Legislated	N	\$116.00	3%	\$119.00	3%
		Failing to obtain a permit to conduct road opening	Legislated	N	\$530.00	3%	\$545.00	3%
	Animal Infringements	Dog not on lead in public place		N	\$121.00	3%	\$125.00	3%
		Dog wandering at large, day time		N	\$175.00	3%	\$180.00	3%
		Dog wandering at large, night time		N	\$234.00	3%	\$241.00	3%
		Failure to register a dog or cat		N	\$234.00	3%	\$241.00	3%
		Registered dog or cat not wearing tag		N	\$59.00	4%	\$61.00	3%
		Unregistered dog or cat wearing a tag		N	\$118.00	3%	\$122.00	3%
		Contravening council order regarding dogs or cats in public place		N	\$59.00	4%	\$61.00	3%
		Dog or cat being a nuisance		N	\$59.00	4%	\$61.00	3%
		Cat at large or not securely confined to owners premises		N	\$59.00	4%	\$61.00	3%
		Greyhounds not muzzled or chain outside owners premises		N	\$175.00	3%	\$180.00	3%
		Non compliance of order to abate nuisance		N	\$175.00	3%	\$180.00	3%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2010/11		2011/12	
					Price	% Increase	Price	% Increase
Boat Ramp Fees	All	Casual (day use) pass		N	\$10.00	0%	\$10.00	0%
	Resident	Annual pass		N	\$106.00	3%	\$109.00	3%
	Non Resident	Annual pass		N	\$160.00	7%	\$170.00	6%
Caravan Park Fees	Go Lightly (based on 2 adults & 4 children)	Annual fees - A		Y	\$6,120.00	5%	\$6,450.00	5%
		Annual fees - B		Y	\$5,520.00	5%	\$5,820.00	5%
		Annual fees - C		Y	\$5,250.00	5%	\$5,535.00	5%
	Recreation Reserve (based on 2 adults)	Annual fee		Y	\$3,900.00	19%	\$4,060.00	4%
	Victoria Park (based on 2 adults)	Annual fee		Y	\$3,900.00	19%	\$4,060.00	4%
	All Parks - additional persons	Annual fee - extra adult		Y	\$111.00	5%	\$115.00	4%
		Annual fee - extra child		Y	\$56.50	5%	\$59.00	4%
		Casual - per night - extra adult		Y	\$11.00	10%	\$12.00	9%
	Casual - per night	Casual - per night - extra child		Y	\$6.00	20%	\$7.00	17%
		(seniors discount 10% casual extras)						
		Peak (15 Dec to 30 Jan)		Y	\$45.00	13%	\$51.00	13%
	Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)	Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$30.00	11%	\$36.00	20%
		Off Peak (1 May to 31 Oct)		Y	\$30.00	11%	\$31.00	3%
		New Cabin - Peak (15 Dec to 30 Jan)		Y	\$220.00	10%	\$228.00	4%
	Cabins - per night	New Cabin - Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$168.00	5%	\$174.00	4%
New Cabin - Off Peak (1 May to 31 Oct)			Y	\$147.00	5%	\$153.00	4%	
Old Style Cabin ("Whale") - All Year			Y	\$80.00	0%	\$95.00	19%	
	Additional Person		Y	\$15.00	0%	\$15.00	0%	
	Cancellation Fee		Y	\$50.00	0%	\$50.00	0%	
	Additional Parking Charges - per vehicle		Y	\$15.00	0%	\$15.00	0%	