



# WELLINGTON SHIRE COUNCIL

## 2016/17 Budget

**21 June 2016**

This Budget Report has been prepared with reference to Chartered Accountants ANZ “Victorian City Council Model Budget 2016/2017” a best practice guide for reporting local government budgets in Victoria.

# 2016/17 Budget - Wellington Shire Council

<b>Contents</b>	<b>Page</b>
Mayor's introduction	3
Executive Summary	5
 <b>Budget reports (contains all statutory requirements)</b>	
1. Link to the Council Plan	9
2. Services and service performance indicators	12
3. Financial Statements	24
4. Financial performance indicators	31
5. Other budget information (grants, borrowings)	33
6. Detailed list of capital works	36
7. Rates and charges	44
 <b>Budget analysis (best practice)</b>	
8. Summary of financial position	47
9. Budget influences	53
10. Analysis of operating budget	55
11. Analysis of budgeted cash position	61
12. Analysis of capital budget	64
13. Analysis of budgeted financial position	69
 <b>Long term strategies</b>	
14. Strategic resources plan	72
15. Rating information	75
16. Summary of other strategies	78
 <b>Appendices</b>	
A Fees and charges schedule	82
B Budget process	92

# 2016/17 Budget - Wellington Shire Council

## Mayor's Introduction

On behalf of Council, I am pleased to release Wellington Shire Council's proposed budget for 2016/17 to our community. This budget builds on our community's vision and Council Plan 2013-17 which focuses on six key areas:

- Leadership and Engagement
- Organisational
- Natural Environment
- Infrastructure
- Land Use Planning
- Economy
- Community Wellbeing

This is the final year of the current Council term. Our focus is to complete our current commitments set out in the Council Plan 2013-17.

As Councillors, it is our job to listen to community sentiment and understand your priorities. Since the start of our term in 2012, we have consistently heard from our community that Council's services are highly valued. We also hear that Council must remain financially responsible, keeping its rates as low as possible.

In response, Council has initiated an enterprise wide approach to identify savings with negligible impact on services to provide increased value for money to ratepayers.

The 2016/17 budget proposes a general rate increase of 2.5 per cent. This is in line with the new Fair Go Rates System which caps rates increases by Victorian councils to the forecast movement of 2.5 per cent in the Consumer Price Index (CPI).

Council will, with the introduction of rate capping, continue to focus on identifying sustainable cost savings that will enable our delivery of high quality, responsive and accessible services.

In the 2016/17 Budget, through ongoing engagement with our communities, we have identified a series of works that will improve our shire's liveability and access to services.

Overall Council proposes to spend \$45.63 million during 2016/17 on capital works of which \$17.18 million will be funded from grants and contributions including Roads to Recovery funding, and grants toward the ongoing Port of Sale Redevelopment Project and Gippsland Regional Sporting Complex Stage 2A.

Some of the highlights from the 2016/17 capital works program are:

- Port Albert RV and boating parking improvements and Boating Infrastructure Action Plan works
- Redevelopment of the Cowwarr Recreation Reserve Clubrooms
- Commencement of Yarram Regent Theatre refurbishment works
- Streetscape renewal in Yarram and Stratford
- Reconstruction of Pearson Street Maffra
- Sale CBD streetscape renewal continuation along York St
- Golden Beach roundabout renewal and parking improvements
- Renewal of the McAlister Street and Wellsford Street roundabout and Redbank Road and Lee Street intersection in Stratford
- Widening of Rosedale Flynn's Creek Road
- Pound Road West and Lower Jack Road intersection at Alberton
- Renewal of Lays Bridge at Carrajung

## 2016/17 Budget - Wellington Shire Council

We propose \$2.36 million on residential street schemes construction; and \$1.45 million for our annual footpaths and shared paths program. Our natural environment will benefit by a \$4.70 million investment in open space projects including streetscapes, parks, reserves, sportsgrounds, playgrounds and skate parks.

In addition to our capital works program, we will continue to deliver a wide and varied range of services. These include providing over 5,600 immunisations; reuniting over 600 domestic pets with their owners; loaning over 300,000 items from our libraries; teaching over 700 children how to swim; emptying 18,400 garbage and recycling bins every week; inspecting over 1300 food premises; and deciding over 1000 planning permit applications.

Other key initiatives we will continue working toward include advocating for the relocation of the Federation Training's Fulham campus to Sale's CBD to improve access to education and training outcomes for our community; exploring options and opportunities for shared technology and back office processing services with other Gippsland councils; and undertaking a complete review of our community vision, *Wellington 2030*, which will involve a comprehensive service review across the organisation.

We have reviewed all fees and charges and where appropriate have increased them in line with statewide CPI.

Property revaluations will be applied in the 2016/17 financial year. That combined with the first year of the Fair Go Rates System may see some ratepayers with reduced average bills compared to the previous year.

Community feedback supports the use of borrowings rather than rates revenue to fund major long term community infrastructure. The community also strongly supports the maintenance of existing service levels and for these to be funded through a mix of rates revenue and user charges.

Council will continue to focus on identifying sustainable cost reductions to protect existing service levels. We will also explore new approaches for providing services to our community in a tighter fiscal environment and ensure that we engage with you on any planned changes.

The proposed budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible.

I encourage you to peruse this document.

**Cr Darren McCubbin**

**Mayor**

# 2016/17 Budget - Wellington Shire Council

## Executive Summary

Council has prepared a Budget for 2016/17 which is aligned to the vision in the Council Plan 2013-17. It seeks to maintain and improve services and infrastructure as well as deliver services that are valued by our community, and do this within the capped rate increase mandated by the State Government.

This Budget projects a small operational deficit of **(\$1.04 million)** before adding back significant capital funding of \$17.51 million (which supports a large capital works program in 2016/17).

### 1. Key areas we are funding

- Ongoing delivery of services to the Wellington Shire Council community, funded by a budget of \$76.31 million (excluding funding for capital programs). These services are summarised in Section 2.
- A capital works program of \$45.6 million. This includes roads (\$15.2 m); bridges (\$3.2m); footpaths and bicycle paths (\$1.4m); buildings(\$10.9m); recreational leisure and community facilities (\$2.6m); parks open space and streetscapes (\$4.9m); plant and equipment (\$2.5m) and other (\$4.9m). The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 5, 6 and 12.

#### Strategic Objective 1: Leadership and Engagement

- 1) As Chair Council of the Gippsland Local Government Network (GLGN), Wellington will work with other Gippsland Councils to implement objectives in the Gippsland Regional Plan.
- 2) Explore both Corporate (back office processing) and ICT Shared Services opportunities for the GLGN Councils.

#### Strategic Objective 2: Organisational

- 3) Drive the Wellington Shire Council Enterprise Agreement No 9 renegotiation to ensure adoption of an effective and workable agreement.
- 4) Implement Stage 3 of the Information Communications Technology (ICT) Strategic Road Map 2015-17 to achieve organisational wide infrastructure and technology improvements.
- 5) Manage the Port of Sale Cultural Hub Project ICT and AV design and installation.
- 6) Plan and implement an organisational wide electronic document and records management system.
- 7) Implement new Position Descriptions, an automated Appraisal System and KPI reporting database across the organisation.
- 8) Adopt and implement the Domestic Wastewater Management Plan (DWMP).

#### Strategic Objective 3: Natural Environment

- 9) Establish a 5 year work plan (with responsible managers) to reduce energy consumption by 5% per year, at Council's top 5 energy using facilities, utilising Planet Footprint energy monitoring service to document actions implemented and track results.

#### Strategic Objective 4: Infrastructure

- 10) Progress the Port of Sale Cultural Hub construction project in line with the project plan.
- 11) Progress the Port of Sale Precinct (The Port) redevelopment project in line with the project plan.
- 12) Subject to receipt of State Government funding, support Defence Project AIR 5428 outcomes, by commencing detailed planning and project programming for upgrades at West Sale Airport including runway extension and asphalt overlay, runway lighting and other associated works.

## 2016/17 Budget - Wellington Shire Council

### Strategic Objective 5: Land Use Planning

- 13) Implement the North Sale Development Plan and Developer Contributions Plan into the Planning Scheme to support well planned housing growth.
- 14) Facilitate the release of industrial land in Wurruk/West Sale to support economic growth.

### Strategic Objective 6: Economy

- 15) Develop a report and roadmap to address further economic and social opportunities as a result of expansion of RAAF Base East Sale.
- 16) Strongly advocate for the relocation of the Federation Training's Fulham campus to Sale's CBD, and in doing so improve accessibility to education and training outcomes for the Wellington community.

### Strategic Objective 7: Community Wellbeing

- 17) Support the development of Yarram Early Learning Inc. to ensure the service is not dependent on a Council subsidy beyond June 2017.
- 18) Complete detail design for Gippsland Regional Sporting Complex Stage 2A
- 19) Plan for the upgrade of Maffra Gymnastics Club and investigate further enhancements at Cameron Sporting Complex.
- 20) Oversee a review and update of Wellington 2030 and facilitate a comprehensive service review process across the organisation.

## 2. General Rates

- a. The average general rate will rise by 2.5% in line with the order by the Minister for Local Government on 14 December 2015 under the Fair Go Rates System.
- b. Key drivers
  - i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
  - ii. To fund renewal of infrastructure and community assets
  - iii. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant for the three years 2014/15, 2015/16 and 2016/17
- c. This will be a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 and undertaken by valuers external to council staff.

## 3. Other Charges

- d. The garbage charge will increase from \$176 to \$181 and the waste infrastructure charge will increase from \$35 to \$45. On behalf of the State Government, Council collects the EPA Levy charge which will remain at \$14.92 for each property which receives a garbage collection service.
- e. The Boisdale Common Effluent System service charge will remain at \$288 (per connected property) and a septic tank pump out charge of \$100 will be introduced for 2016/17. This charge will recover a portion of the costs of delivering a sewerage system to the community of Boisdale.
- f. Refer Section 6 for further Rates and Charges details.

# 2016/17 Budget - Wellington Shire Council

## 4. Key Statistics

Total Income: \$93.82M (2015/16 = \$82.79M) - Includes Significant Capital Funding 2016/17  
Total Expenditure: \$77.35M (2015/16 = \$72.66M)

Operating result: Deficit (\$1.04M) (2015/16 = Deficit \$3.32M)

Operating result is an important measure of financial sustainability as it excludes all funds which are used for capital, from being allocated to cover operating expenses. In 2016/17 capital funds are defined as recurrent capital grants (Road to Recovery funding of \$9.30M), non recurrent grant funding of \$6.19 and other income to fund capital expenditure of \$2.02M and all have been excluded to determine the operating result .

Cash result: \$4.9M Deficit (2015/16 = \$1.0M Deficit)

(Refer Statement of Cash Flows in Section 3)

This is the net funding result after considering the funding requirements to meet loan principal repayments and reserve transfers.

Total Capital Works Program of \$45.6M

- o \$18.9M from Council operations (rates funded)
- o \$0.0M from borrowings
- o \$1.0M from asset sales
- o \$17.2M from external grants and contributions - (Recurrent and Non Recurrent)
- o \$8.5M from cash and reserves

## 5. Budget Influences

### External Influences

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government has introduced a cap on rate increases from 2016/17. The cap for 2016/17 has been set at 2.5%.
- State-wide CPI is forecast to be 2.5% for the 2016/17 year.
- The Victorian Wage Price Index is projected to be 3.25% in 2016/17.
- Council has estimated the increase in the levy payable to the State Government upon disposal of waste into landfill at 3.0% as this is yet to be announced.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.

### Internal Influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact in 2016/17 and represent challenges for the 2016/17 Budget. These matters have arisen from events occurring in the 2015/16 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2016/17 year. These matters and their financial impact are set out below:

- Council must renegotiate a new Enterprise Bargaining Agreement for commencement in November 2016
- A desire to accommodate reductions in financial assistance grants, and our continued focus on cost reduction drove the implementation of some operational efficiencies, resulting in significant reduction to expenditure in order to support a general rate income increase of 2.5%, whilst minimising impact on service delivery, resulting in the:

## 2016/17 Budget - Wellington Shire Council

- Reduction in the provision of mosquito monitoring and spraying with Council 's contribution reduced to matched government funding.
- Implementation of Information communication and technology (ICT) shared services initiative with East Gippsland Shire Council. This has resulted in one additional position with 50% of the cost reimbursed by East Gippsland Shire Council.
- Commencement in April 2016 an review of the Shire's strategic vision document Wellington 2030 and undertake a further service review process across the organisation by April 2017.
- Completion of Park Services service review with recommended actions to be implemented during 2016/17.
- Review and implementation of additional commercial income streams at West Sale Airport and Gippsland Regional Livestock Exchange.

### 6. Cost Shifting

Cost shifting occurs when Commonwealth and State programs transfer responsibilities to local government with insufficient funding or grants which don't keep pace with delivery costs.

#### **Co- funded services with Commonwealth and State Governments**

Council provide a number of services which are co-funded between Council, Commonwealth and State Governments, including school crossing supervision, state emergency services, mosquito monitoring and maintenance of VicRoads median strips. There is also co-funding arrangements for library services, the Art gallery and Entertainment centre. For a number of these services, the current funding agreement from the State government includes no CPI increases for the term of the agreement (for example the annual Regional Partnership Program funding for Art Gallery and the Entertainment Centre has remained fixed since 2011/12) with the total cost to Council of delivering these services increasing above CPI.

#### **Loss of funding in General**

A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014-15 Budget that it would pause indexation of the total national pool of financial assistance grants to local government for three years (2014-15, 2015-16, 2016-17). The cumulative impact on Wellington Shire Council for the three years totals approximately \$2.6M

#### **Statutory fees that prohibit full cost recovery**

While most statutory fees are increased each July there are number that have not been consistently increased each year, including State- set planning fees, information certificates and caravan parks registration fees. Any revenue shortfall resulting from the inconsistency in increasing all statutory fees must be covered by ratepayers through rate income.

#### **Levies**

There are state government set levies such as the landfill levy and the animal registration levy where Council is required to pay the State government an amount each year. Any increases in these levies are reimbursed by ratepayers through the EPA charge or the annual animal registration charge.

#### **Statutory requirements lead to increased costs**

Since the introduction of Emergency Management Victoria, the facilitation role of Local Government in emergency management has increased significantly which has required Council to fund a full time position to provide this facilitation.



## **2016/17 Budget - Wellington Shire Council**

### **Budget Reports**

The following reports include all statutory disclosures of information and are supported by the analysis contained in section 8 to 15 of this report.

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

1. Links to Council Plan
2. Services and service indicators
3. Financial statements
4. Financial performance indicators
5. Grants and borrowings
6. Detailed list of capital works
7. Rates and charges

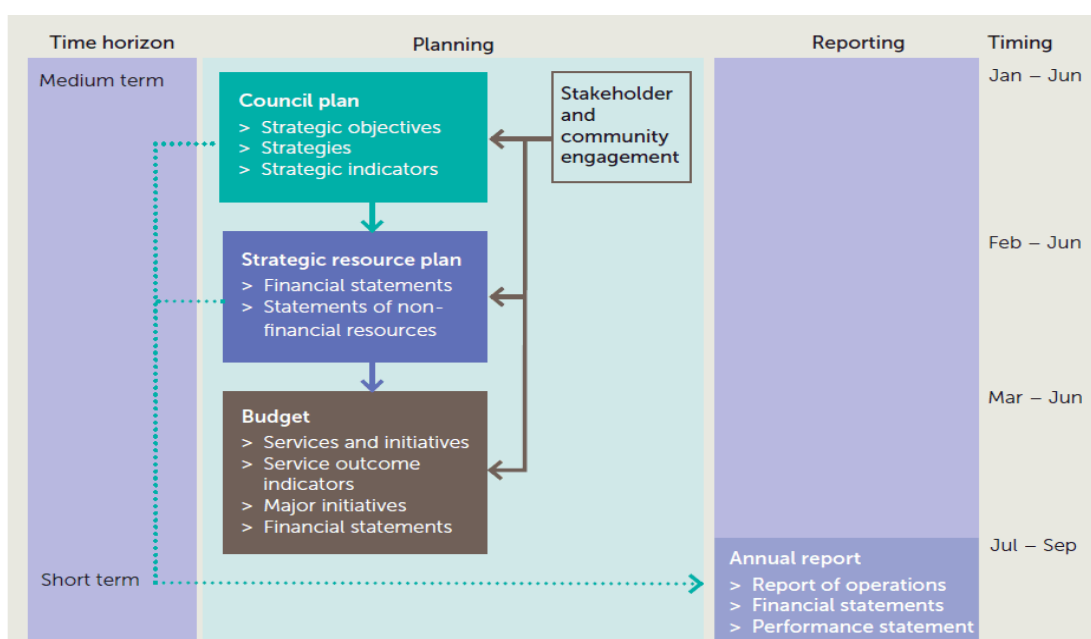
# 2016/17 Budget - Wellington Shire Council

## 1. Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (Wellington 2030) medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

### 1.1 Planning and accountability framework

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



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

In addition to the above, Council has a long term plan (Wellington 2030) which articulates a community vision, mission and values. The Council Plan is prepared with reference to Wellington 2030.

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

## 2016/17 Budget - Wellington Shire Council

### 1.2 Strategic Objectives

Council delivers services and initiatives under 16 major service categories. Each contributes to the achievement of one of the seven Strategic Objectives as set out in the Revised Council Plan for the years 2013-17, and listed in the following table.

Theme	Strategic Objective
<b>Leadership and Engagement</b>	Our community is informed about Council business and is involved in Council decision making. Council advocates on behalf of the community.
<b>Organisational</b>	An organisation that is responsive, flexible, honest, accountable and consistent.
<b>Natural Environment</b>	A community focused on sustainable living and the future protection of Wellington's natural environment.
<b>Infrastructure</b>	Assets and infrastructure that meet current and future community needs.
<b>Land Use Planning</b>	Appropriate and forward looking land use planning that incorporates sustainable growth and development.
<b>Economy</b>	Supported business growth and employment, lifestyle opportunities and a vibrant tourism sector.
<b>Community Wellbeing</b>	Enhanced health and wellbeing for the whole community.

## 2016/17 Budget - Wellington Shire Council

### 2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2016/17 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance indicators for key areas of Council operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability.

Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are shown in **bold** and underlined in the following sections.

## 2016/17 Budget - Wellington Shire Council

### 2.1 Strategic Objective 1: Leadership and Engagement

To achieve our objectives, we will continue to plan for the present and future, and to lead and advocate for outcomes that benefit the community. We aim to deliver an appropriate level of service and facility that enables Council and staff to operate effectively. The services, major initiatives and service performance indicators for each business area are described below.

#### Services

Business area	Description of services provided	Expenditure (Income)
		Net Cost \$'000
Councillors, Chief Executive and Executive Team	This area of <b>governance</b> includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which covers service provision across the entire organisation.	2,809 - <b>2,809</b>
Media and Public Relations	This area provides internal and external communication services and support and branding initiatives for Council. The team also seeks to identify trends in public opinion and ensure that Council adapts and responds in a timely manner.	429 - <b>429</b>
<b>Initiatives</b> •Develop an internal communications plan that will establish and embed a shared understanding of corporate expectations, culture and the strategic framework		
<b>TOTAL LEADERSHIP AND ENGAGEMENT</b>		<b>3,238</b>

#### Major Initiatives

- 1) As Chair Council of the Gippsland Local Government Network (GLGN), Wellington will work with other Gippsland Councils to implement objectives in the Gippsland Regional Plan.
- 2) Explore both Corporate (back office processing) and ICT Shared Services opportunities for the GLGN Councils.

#### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Target
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community)	58 or more

## 2016/17 Budget - Wellington Shire Council

### 2.2 Strategic Objective 2: Organisational

To achieve our objective we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, major initiatives and service performance indicators for each business area are described below.

#### Services

Business area	Description of services provided	Expenditure (Income)
		Net Cost \$'000
Information Services	<p>The Information Services Business Unit provides reliable systems and infrastructure to support business activities of the Council. It consists of Information Technology and Information Management teams.</p> <p>The Information Technology team provides day to day IT support to all users and runs network operations. The Information Management team provides electronic document management services; freedom of information legislation services, services associated with the privacy legislation and general records services.</p> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Manage and deliver Information Communication Technology (ICT) services to East Gippsland Shire Council as per the Memorandum of Understanding.</i></li> </ul>	<p>2,649 (194)</p> <hr/> <p><b>2,455</b></p>
People and Excellence	<p>The People and Excellence Unit provides a range of diverse corporate services to staff, the Council and the community. These include Human Resources, People Development and Risk Management.</p> <p>Human Resources provides a holistic service for the "whole of staff life"; from recruitment to cessation.</p> <p>Risk management services aim to identify and control organisational risks, maximise staff and community safety, and to reduce Council's exposure to injury or loss.</p> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Implement a new corporate planning and reporting system to ensure strategic organisational alignment and that reporting capabilities are optimised.</i></li> <li>• <i>Review Council's Business Continuity Planning framework to ensure that an effective plan is in place to maintain the continuity of critical business functions in the event of a business interruption event.</i></li> <li>• <i>Develop an organisation learning and development strategy to ensure that organisation learning needs are identified, prioritised and implemented cost effectively to achieve to identified outcomes.</i></li> </ul>	<p>2,059 (13)</p> <hr/> <p><b>2,046</b></p>

## 2016/17 Budget - Wellington Shire Council

Business area	Description of services provided	Expenditure (Income)	
		Net Cost \$'000	
Finance	<p>The Finance Business Unit provides financial, payroll, rating and property valuation services to the organisation, community and external stakeholders. These services underpin the drive to be a financially sustainable Council, comply with the necessary legislative requirements and meet community needs.</p> <p>The unit also aims to provide a safe, reliable and sustainable fleet of vehicles to support the organisation in achieving its goals.</p> <p><b>Initiatives</b></p> <ul style="list-style-type: none"><li>• <i>Identify and implemented an automated Credit Card module to enable procurement efficiency and compliance.</i></li></ul>	2,258 (167) <hr/> 2,091	
Municipal Services	<p>The Municipal Services Business Unit is responsible for the provision of a broad range of services including:</p> <ul style="list-style-type: none"><li>• Statutory building services,</li><li>• Environmental health services, including <b>food safety</b> support programs</li><li>• Local Laws, including <b>animal management</b> services</li><li>• Customer Service</li></ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"><li>• <i>Develop and implement a Customer Service Strategy that defines the standards required to improve customer satisfaction across all Council services.</i></li></ul>	2,976 (1,104) <hr/> 1,872	
<b>TOTAL ORGANISATIONAL</b>		<b>8,464</b>	
<b>Major Initiatives</b>			
3)	Drive the Wellington Shire Council Enterprise Agreement No 9 renegotiation to ensure adoption of an effective and workable agreement.		
4)	Implement Stage 3 of the Information Communications Technology (ICT) Strategic Road Map 2015-17 to achieve organisational wide infrastructure and technology improvements.		
5)	Manage the Port of Sale Cultural Hub Project ICT and AV design and installation.		
6)	Plan and implement an organisational wide electronic document and records management system.		
7)	Implement new Position Descriptions, an automated Appraisal System and KPI reporting database across the organisation.		
8)	Adopt and implement the Domestic Wastewater Management Plan (DWMP)		
<b>Service Performance Outcome Indicators</b>			
Service	Indicator	Performance Measure	Target
Animal Management	Health and safety	Animal prosecutions (Number of successful animal prosecutions)	15 or less
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	100%

## 2016/17 Budget - Wellington Shire Council

### 2.3 Strategic Objective 3: Natural Environment

To achieve our objectives we will continue to focus on balancing current and potential future need, with the sustainable capacity of our resources and the conditions of our natural environment. The activities and initiatives for each service category and key strategic activities are described below.

#### Services

Business area	Description of services provided	Expenditure (Income)
		Net Cost \$'000
Natural Environment & Parks	<p>The Natural Environment &amp; Parks Unit covers a range of activities related to the operational management of public open space, which includes approximately 320 hectares of parkland and associated infrastructure, such as picnic shelters, BBQs, seating, boardwalks, fences and public toilets. The service also proactively manages 30,000 – 35,000 urban trees and is responsible for the management, design and development of parks and streetscapes in urban areas.</p> <p>The unit is also responsible for moving the Wellington community towards a more sustainable future. Key priority areas include biodiversity, water consumption &amp; quality, <b>waste management</b> and energy use.</p>	<p>12,490</p> <p>(7,479)</p> <p><b>5,011</b></p>

#### Initiatives

- Refine and implement the Wetlands Management Process into the Park Service operational plans.
- Initiate the Depot Nursery Climate Change plant trials.
- Identify the key recommendations of the Turf Management service review for implementation.

<b>TOTAL NATURAL ENVIRONMENT</b>	<b>5,011</b>
----------------------------------	--------------

#### Major Initiatives

9)	Establish a 5 year work plan (with responsible managers) to reduce energy consumption by 5% per year, at Council's top 5 energy using facilities, utilising Planet Footprint energy monitoring service to document actions implemented and track results.
----	---

#### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Target
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	36% or less



# 2016/17 Budget - Wellington Shire Council

## 2.4 Strategic Objective 4: Infrastructure

To achieve our objectives we will continue to focus on balancing current and potential future need, with the sustainable capacity of our resources and the conditions of our built environment. The activities and initiatives for each service category and key strategic activities are described below.

### Services

Business area	Description of services provided	Expenditure (Income)
		Net Cost \$'000
Assets and Projects	<p>The Assets and Projects Business Unit manages a diverse range of services for Council including:</p> <ul style="list-style-type: none"> <li>• <b>Project Management</b> - which includes the implementation and management of capital projects from across the organisation in the order of \$28 million - \$45 million per annum.</li> <li>• <b>Asset Management and Information Systems</b> - which incorporates asset and financial reporting and asset plan development, and assists with ensuring that all long term infrastructure renewal requirements are properly accounted for, with a sound information basis.</li> <li>• <b>Infrastructure Planning</b> - which focuses heavily on new infrastructure development opportunities that have a strong external funding emphasis.</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Progress the Residential Road and Street Construction Plan projects in line with the implementation plan.</i></li> <li>• <i>Oversight the supervision of the Princes Highway/Cobains Road Roundabout project in line with the project plan.</i></li> <li>• <i>Construct the Park Street Bridge, Sale as per the project plan.</i></li> <li>• <i>Progress the Cowwarr Recreation Reserve Clubrooms redevelopment project in line with the project plan.</i></li> </ul>	<p>3,328</p> <p>(30)</p> <hr/> <p><b>3,298</b></p>
Built Environment	<p>The Built Environment Business Unit manages Council's building and infrastructure assets including:</p> <ul style="list-style-type: none"> <li>• <b>Facilities</b> - Managing Council's building assets and infrastructure to ensure long term sustainability of effective service delivery for operational and community purposes.</li> <li>• <b>Planning</b> - effectively plan for the renewal and improvement of Council's infrastructure.</li> <li>• <b>Commercial Facilities management</b> - manage a range of commercial property portfolios including strategic projects in addition to completing the transactions for property acquisitions, disposal and transfers.</li> <li>• <b>Road Management &amp; Operations</b> - manage the maintenance of Council's road infrastructure in a coordinated way to maximise benefit to the community and road users.</li> </ul>	<p>10,911</p> <p>(5,444)</p> <hr/> <p><b>5,467</b></p>

## 2016/17 Budget - Wellington Shire Council

### Initiatives

- Finalise Operational Review for Yarram Aerodrome and present to West Sale Airport and Yarram Aerodrome Strategic Advisory Group.
- Review land identified as surplus to Councils requirements and update Land Sales Strategy.
- Finalise a Stormwater Management Plan which identifies levels of service and service gaps for all townships, supported by a capital works program.
- Initiate a minimum of four projects identified within the Residential Road and Street Construction Plan to the stage of public meetings and formal survey.
- Complete a review of Councils level of service for bituminous surfacing in residential streets and courts.
- Implement year 3 of the Boating Facilities Action Plan.
- Undertake a review of the 2013 – 2016 Boating Facilities Strategic Plan.

### TOTAL INFRASTRUCTURE

8,765

### Major Initiatives

- |     |  |
|-----|--|
| 10) | Progress the Port of Sale Cultural Hub construction project in line with the project plan.   |
| 11) | Progress the Port of Sale Precinct (The Port) redevelopment project in line with the project plan.   |
| 12) | Subject to receipt of State Government funding, support Defence Project AIR 5428 outcomes, by commencing detailed planning and project programming for upgrades at West Sale Airport including runway extension and asphalt overlay, runway lighting and other associated works. |

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Target
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	49 or more (in line with the target for Large Rural Council)

## 2016/17 Budget - Wellington Shire Council

### 2.5 Strategic Objective 5: Land Use Planning

To achieve our objective we aim to develop and improve forward looking land use planning policies and plans that guide and support sustainable growth and appropriate land use and development. The activities and initiatives for each service category and key strategic activities are described below.

#### Services

Business area	Description of services provided	Expenditure (Income) Net Cost \$'000
Land Use Planning	<p>The Land Use Planning Business Unit is responsible for the provision of the following services:</p> <ul style="list-style-type: none"> <li>• <b>Statutory planning</b> service;</li> <li>• Strategic land use planning service.</li> </ul> <p>Many of these services are provided through and driven by legislation. We aim to provide services that satisfy community needs by encouraging and supporting development that meets required standards and is of good design.</p> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Implement the Heritage Study (Stage 2) into the Planning Scheme to protect the Shire's heritage assets.</i></li> </ul>	<p>1,667</p> <p>(299)</p> <hr/> <p><b>1,368</b></p>
Wellington Coast Subdivision Strategy	<p>The Wellington Coast Subdivision Strategy Project Manager is responsible for implementing the Ninety Mile Beach Plan Voluntary Assistance Scheme. Expenditure for 2016/17 is funded through unspent State Government grant funding carried forward.</p>	<p>489</p> <p>-</p> <hr/> <p><b>489</b></p>
<b>TOTAL LAND USE PLANNING</b>		<b>1,857</b>

#### Major Initiatives

13)	Implement the North Sale Development Plan and Developer Contributions Plan into the Planning Scheme to support well planned housing growth
14)	Facilitate the release of industrial land in Wurruk/West Sale to support economic growth

#### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Target
Statutory Planning	Decision Making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not	70% or more

## 2016/17 Budget - Wellington Shire Council

### 2.6 Strategic Objective 6: Economy

To achieve our economic objective we aim to investigate (on behalf of the community) appropriate long term income generating opportunities. We aim to support business (public and private) and tourism activities, and to maximise investment in the Shire. The activities and initiatives for each service category and key strategic activities are described below.

#### Services

Business area	Description of services provided	Expenditure (Income)
		Net Cost \$'000
Economic Development	Council's <b>Economic Development</b> service aims to enhance and grow the diverse economy of this shire and drive key Council Strategic projects.	911
		-
		<b>911</b>

#### Business Development

This service is responsible for all business and industry development support within Council. The services provided vary widely, from providing advice and referral to start-up businesses to multi-million dollar developments. A key function of Business Development is to link business and Government, facilitating supportive structures, networks and lobbying.

#### Tourism Development

This service provides support, direction and guidance for the tourism industry in the Shire. Regional marketing and promotion initiatives are developed in conjunction with industry. Administration oversight is provided to the Visitor Information Centres at Sale, Maffra and Yarram. A key function of the tourism section is the facilitation of industry development, including structures, training and education.

#### Initiatives

- Seek funding to develop a business case for the extension of the Great Southern Rail Trail through to Yarram and Port Albert, in order to increase visitation and business opportunities in adjacent areas.
- Implement the action plan associated with Wellington Shire Economic Development Plan 2016-2022.
- Advocate, in partnership with other Gippsland Shires, for increases and enhancements of V-line services to Gippsland to improve connectivity and access for residents.

<b>TOTAL ECONOMY</b>	<b>911</b>
----------------------	------------

#### Major Initiatives

15)	Develop a report and roadmap to address further economic and social opportunities as a result of expansion of RAAF Base East Sale.
16)	Strongly advocate for the relocation of the Federation Training's Fulham campus to Sale's CBD, and in doing so improve accessibility to education and training outcomes for the Wellington community.

## 2016/17 Budget - Wellington Shire Council

### 2.7 Strategic Objective 7: Community Wellbeing

To achieve our objective we will identify and promote opportunities that encourage people in our communities to participate in a wide range of activities. We will focus our service delivery on promoting health and wellbeing opportunities for people in our communities. The activities and initiatives for each service category and key strategic activities are described below.

#### Services

Business area	Description of services provided	Expenditure (Income)
		Net Cost \$'000
Community Wellbeing	<p>Community Wellbeing Unit provides opportunities for communities to work in partnerships with local government to achieve identified priorities. The unit works to ensure all members of the community have equal opportunity to participate in community activities. Special focus is given to those who have traditionally remained marginalised such as the young, elderly, disabled and transport disadvantaged.</p> <p>Services include:</p> <ul style="list-style-type: none"> <li>• Social Policy and Planning</li> <li>• Access and Inclusion</li> <li>• Youth Liaison</li> <li>• Arts Development</li> <li>• Community Engagement</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• Undertake consultation and planning to ensure the development of a first draft of the Municipal Public Health and Wellbeing plan (2017-21) by June 2017.</li> <li>• Pursue funding opportunities to enable the development of a Positive Ageing Plan.</li> <li>• Complete a review of the Wellington Responsible Gaming Policy.</li> <li>• Finalise the Youth Council Development Strategy and commence implementation.</li> </ul>	<p>2,222</p> <hr/> <p>(377)</p> <hr/> <p><b>1,845</b></p>
Arts & Culture	<p>The Arts &amp; Culture Unit seeks to assist in the development of a vibrant culturally active community that: promotes expression and participation through visual, literary and performing arts; informs and educates the community on various aspects of the arts; enhances the lifestyle of Wellington residents; and encourages visitors to explore the heritage and culture of the region.</p> <p>Services include:</p> <ul style="list-style-type: none"> <li>• Gippsland Art Gallery</li> <li>• Libraries</li> <li>• Esso BHP Billiton Wellington Entertainment Centre (EBBWEC)</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• Investigate and evaluate a replacement box office ticketing system for the Entertainment Centre.</li> <li>• Install patron self- checkout units at Sale Library.</li> <li>• Develop a program of annual exhibitions at Gippsland Art Gallery Sale designed to encourage emerging artists in Gippsland.</li> </ul>	<p>3,187</p> <hr/> <p>(1,016)</p> <hr/> <p><b>2,171</b></p>

## 2016/17 Budget - Wellington Shire Council

Business area	Description of services provided	Expenditure (Income) Net Cost \$'000
Healthy Lifestyles	<p>The Healthy Lifestyles Unit provides services and functions directed at fostering a healthy, well serviced community with a primary focus on community infrastructure planning, priorities and projects; project funding attraction; management and governance of community facilities and administration of Council's community assistance grants scheme.</p> <p>Services include:</p> <ul style="list-style-type: none"> <li>• Planning for and supporting recreation facilities that encourage the community to participate in physical and general wellbeing activities.</li> <li>• Planning for the development of community infrastructure that addresses community service needs.</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Establish a process that enables development and maintenance of 10 year capital planning of community facilities for Council approval.</i></li> <li>• <i>Conduct a review of the community assistance grants program.</i></li> <li>• <i>Implementation of the 2016/17 Aqua Energy and Gippsland Regional Sporting Complex Business Plan.</i></li> </ul>	2,180 (203) <hr/> 1,977
Leisure Services	<p>The Leisure Services Lifestyles Unit provides services and functions directed at fostering a healthier and more active community through the facilitation and provision of a range of recreation, fitness and community activities and programs at Council's recreation facilities.</p> <p>Services include:</p> <ul style="list-style-type: none"> <li>• Ensure Council owned recreation facilities are managed sustainably, are fully utilised and accessible to people of all abilities.</li> </ul> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Complete a business case for the redevelopment of 25 metre indoor pool.</i></li> <li>• <i>Implement the 2016/17 priorities emanating from the 2015-2020 Aquatic Strategy.</i></li> <li>• <i>Inform Aqua Energy's business decisions through the cost allocation model data.</i></li> <li>• <i>Implement actions and recommendations from the Leisure Services Marketing Plan.</i></li> </ul>	3,668 (2,129) <hr/> 1,539
Emergency Management	<p>The Emergency Management team coordinates Council's emergency management responsibilities ensuring the organisation has the skills and capacity to respond appropriately to emergencies and facilitates a coordinated shire approach through the Municipal Emergency Management Planning Committee.</p> <p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• <i>Ensure implementation of all municipal responsibilities for 2016/17 identified in the Municipal Emergency Management Plan.</i></li> <li>• <i>Ensure implementation of all municipal responsibilities for 2016/17 identified in the Municipal Fire Management Plan.</i></li> </ul>	775 (296) <hr/> 479
<b>TOTAL COMMUNITY WELLBEING</b>		<b>8,011</b>

## 2016/17 Budget - Wellington Shire Council

Major Initiatives	
17)	Support the development of Yarram Early Learning Inc. to ensure the service is not dependent on a Council subsidy beyond June 2017.
18)	Complete detail design for Gippsland Regional Sporting Complex Stage 2A
19)	Plan for the upgrade of Maffra Gymnastics Club and investigate further enhancements at Cameron Sporting Complex.
20)	Oversee a review and update of Wellington 2030 and facilitate a comprehensive service review process across the organisation.

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Target
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	17% or more
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	4 or more visits

### 2.8 Performance statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2016/17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 4) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

### 2.9 Reconciliation with budgeted operating result

	Revenue \$'000	Expenditure \$'000	Net Cost \$'000
Leadership and Engagement	-	3,238	(3,238)
Organisational	1,478	9,942	(8,464)
Natural Environment	7,479	12,490	(5,011)
Infrastructure	5,474	14,239	(8,765)
Land Use Planning	299	2,156	(1,857)
Economy	-	911	(911)
Community Wellbeing	4,021	12,032	(8,011)
<b>Total services &amp; initiatives</b>	<b>18,751</b>	<b>55,008</b>	<b>(36,257)</b>
Other non-attributable			(13,132)
<b>Deficit before funding sources</b>			<b>(49,389)</b>
<b>Funding sources:</b>			
Rates			48,674
Capital Grants & Contributions			17,182
<b>Total funding sources</b>			<b>65,856</b>
<b>Surplus for the year</b>			<b>16,467</b>

## **2016/17 Budget - Wellington Shire Council**

### **3. Financial Statements**

This section presents information in regard to the Financial Statements. The budget information for the years 2017/18 to 2019/20 has been extracted from the Strategic Resource Plan.

The section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Finance Report.

Comprehensive Income Statement

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

Statement of Capital Works

Statement of Human Resources.



## 2016/17 Budget - Wellington Shire Council

### Comprehensive Income Statement

For the four years ending 30 June 2020

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
<b>Income</b>					
Rates and charges	51,694	53,722	55,767	58,198	60,561
Statutory fees & fines	469	461	482	482	483
User fees	6,256	6,117	6,290	6,471	6,619
Grants - Operating	7,850	13,619	13,937	14,038	14,548
Grants - Capital	6,546	15,483	6,802	5,996	6,070
Contributions - monetary -Operating	243	165	90	92	94
Contributions - monetary -Capital	86	949	1,436	1,097	1,406
Contributions - non - monetary	5,920	-	-	-	-
Net gain (loss) on disposal of property, infrastructure, plant and equipment	258	328	178	244	196
Other income- Operating	2,513	2,225	2,280	2,336	2,394
Other income- Capital	951	750	825	150	-
<b>Total income</b>	<b>82,786</b>	<b>93,819</b>	<b>88,087</b>	<b>89,104</b>	<b>92,371</b>
<b>Expenses</b>					
Employee costs	23,937	25,353	26,573	27,785	29,189
Materials and Services	26,060	29,122	28,610	28,384	28,053
Bad and doubtful debts	111	111	113	116	119
Depreciation and amortisation	21,138	21,760	22,882	23,445	23,963
Borrowing Costs	652	504	518	518	482
Other expenses	764	502	515	526	538
<b>Total expenses</b>	<b>72,662</b>	<b>77,352</b>	<b>79,211</b>	<b>80,774</b>	<b>82,344</b>
<b>Surplus for the year</b>	<b>10,124</b>	<b>16,467</b>	<b>8,876</b>	<b>8,330</b>	<b>10,027</b>
<b>Other comprehensive income Items that will not be reclassified to surplus or deficit:</b>					
Net asset revaluation increment	575	-	-	-	-
<b>Total comprehensive result</b>	<b>10,699</b>	<b>16,467</b>	<b>8,876</b>	<b>8,330</b>	<b>10,027</b>

## 2016/17 Budget - Wellington Shire Council

### Balance Sheet

For the four years ending 30 June 2020

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	43,359	38,496	39,655	40,748	36,974
Trade and other receivables	4,321	4,172	4,545	4,513	4,927
Non- Current Assets held for sale	218	0	0	0	0
Other assets	873	341	341	341	341
<b>Total current assets</b>	<b>48,771</b>	<b>43,009</b>	<b>44,541</b>	<b>45,602</b>	<b>42,242</b>
<b>Non-current assets</b>					
Trade and other receivables	1,540	2,115	2,787	3,383	4,118
Property, infrastructure, plant & equipment	899,007	921,865	928,962	936,892	947,469
Intangible assets	786	1,062	780	545	796
<b>Total non-current assets</b>	<b>901,333</b>	<b>925,042</b>	<b>932,529</b>	<b>940,820</b>	<b>952,383</b>
<b>Total assets</b>	<b>950,104</b>	<b>968,051</b>	<b>977,070</b>	<b>986,422</b>	<b>994,625</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	5,387	6,007	5,915	5,879	5,823
Trust funds and deposits	900	900	900	900	900
Provisions	6,801	7,171	7,489	7,804	8,171
Interest-bearing loans and borrowings	1,481	919	517	3,627	761
<b>Total current liabilities</b>	<b>14,569</b>	<b>14,997</b>	<b>14,821</b>	<b>18,210</b>	<b>15,655</b>
<b>Non-current liabilities</b>					
Provisions	1,829	1,843	1,854	1,866	1,879
Interest Bearing loans and borrowings	8,656	9,693	10,001	7,622	8,340
<b>Total non-current liabilities</b>	<b>10,485</b>	<b>11,536</b>	<b>11,855</b>	<b>9,488</b>	<b>10,219</b>
<b>Total liabilities</b>	<b>25,054</b>	<b>26,533</b>	<b>26,676</b>	<b>27,698</b>	<b>25,874</b>
<b>Net assets</b>	<b>925,050</b>	<b>941,518</b>	<b>950,394</b>	<b>958,724</b>	<b>968,751</b>
<b>Equity</b>					
Accumulated surplus	311,895	329,783	340,521	349,000	359,062
Reserves	613,155	611,735	609,873	609,724	609,689
<b>Total equity</b>	<b>925,050</b>	<b>941,518</b>	<b>950,394</b>	<b>958,724</b>	<b>968,751</b>

## 2016/17 Budget - Wellington Shire Council

### Statement of Changes in Equity

For the four years ending 30 June 2020

	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
<b>2017</b>				
Balance at beginning of the financial year	925,050	311,895	606,539	6,616
Surplus/(deficit) for the year	16,468	16,468	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to other reserves	-	4,023	-	(4,023)
Transfer from other reserves	-	(2,603)	-	2,603
<b>Balance at end of the financial year</b>	<b>941,518</b>	<b>329,783</b>	<b>606,539</b>	<b>5,196</b>
<b>2018</b>				
Balance at beginning of the financial year	941,518	329,783	606,539	5,196
Surplus/(deficit) for the year	8,876	8,876	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to reserves	-	4,209	-	(4,209)
Transfer from reserves	-	(2,347)	-	2,347
<b>Balance at end of the financial year</b>	<b>950,394</b>	<b>340,521</b>	<b>606,539</b>	<b>3,334</b>
<b>2019</b>				
Balance at beginning of the financial year	950,394	340,521	606,539	3,334
Surplus/(deficit) for the year	8,331	8,331	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to reserves	-	2,857	-	(2,857)
Transfer from reserves	-	(2,708)	-	2,708
<b>Balance at end of the financial year</b>	<b>958,724</b>	<b>349,000</b>	<b>606,539</b>	<b>3,185</b>
<b>2020</b>				
Balance at beginning of the financial year	958,724	349,000	606,539	3,185
Surplus/(deficit) for the year	10,027	10,027	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to reserves	-	2,950	-	(2,950)
Transfer from reserves	-	(2,915)	-	2,915
<b>Balance at end of the financial year</b>	<b>968,751</b>	<b>359,062</b>	<b>606,539</b>	<b>3,150</b>

## 2016/17 Budget - Wellington Shire Council

### Statement of Cash Flow

For the four years ending 30 June 2020

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
	Inflows (Outflows)	Inflows (Outflows)	2017/18 \$'000 Inflows (Outflows)	2018/19 \$'000 Inflows (Outflows)	2019/20 \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	51,424	53,484	55,527	57,913	60,284
Statutory fees and fines	469	461	482	482	483
User fees	6,424	6,065	6,276	6,449	6,605
Grants - Operating	9,304	14,507	13,731	14,244	14,342
Grants - Capital	8,104	15,483	6,802	5,996	6,070
Contributions- monetary	350	512	829	611	729
Interest received	1,265	1,000	1,025	1,051	1,077
Trust funds and deposits taken	120	-	-	-	-
Other receipts	1,788	1,975	2,080	1,435	1,317
Employees costs	(23,685)	(24,959)	(26,234)	(27,449)	(28,799)
Materials and services	(26,772)	(28,511)	(28,713)	(28,430)	(28,119)
Other payments	(446)	(503)	(515)	(526)	(538)
<b>Net cash provided by operating activities</b>	<b>28,345</b>	<b>39,514</b>	<b>31,290</b>	<b>31,776</b>	<b>33,451</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(26,802)	(45,626)	(30,248)	(31,867)	(35,418)
Proceeds from sale of property, infrastructure, plant and equipment	1,100	1,278	729	971	822
<b>Net cash used in investing activities</b>	<b>(25,702)</b>	<b>(44,348)</b>	<b>(29,519)</b>	<b>(30,896)</b>	<b>(34,596)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(653)	(504)	(518)	(518)	(482)
Proceeds from borrowings	-	1,956	825	1,248	1,480
Repayment of borrowings	(2,990)	(1,481)	(919)	(517)	(3,627)
<b>Net cash used in financing activities</b>	<b>(3,643)</b>	<b>(29)</b>	<b>(612)</b>	<b>213</b>	<b>(2,629)</b>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>	<b>(1,000)</b>	<b>(4,863)</b>	<b>1,159</b>	<b>1,093</b>	<b>(3,774)</b>
Cash & cash Equivalents at beginning of the financial year	44,359	43,359	38,496	39,655	40,748
<b>Cash &amp; cash equivalents at end of the financial year</b>	<b>43,359</b>	<b>38,496</b>	<b>39,655</b>	<b>40,748</b>	<b>36,974</b>

## 2016/17 Budget - Wellington Shire Council

### Statement of Capital Works

For the four years ending 30 June 2020

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
<b>Property</b>					
Land	185	-	1,235	125	-
Landfill Improvements	60	1,530	75	-	1,600
Buildings	1,850	10,913	4,810	5,725	5,780
<b>Total Property</b>	<b>2,095</b>	<b>12,443</b>	<b>6,120</b>	<b>5,850</b>	<b>7,380</b>
<b>Infrastructure</b>					
Roads	10,557	15,160	10,605	13,010	12,560
Bridges	1,530	3,200	817	474	531
Footpaths	704	1,449	1,900	766	1,492
Drainage	196	290	415	1,950	2,245
Recreational leisure and community facilities	2,091	2,646	2,185	1,515	1,405
Waste Management	649	110	320	400	180
Parks, open space and streetscapes	2,600	4,786	3,883	4,207	6,006
Aerodromes	248	485	910	410	75
Off Street Car Parks	223	96	56	-	-
Other Infrastructure	2,214	1,137	366	320	20
<b>Total Infrastructure</b>	<b>21,011</b>	<b>29,359</b>	<b>21,457</b>	<b>23,052</b>	<b>24,514</b>
<b>Plant &amp; Equipment</b>					
Plant, Machinery and Equipment	2,902	2,542	2,202	2,485	2,401
Furniture & Fittings	229	68	10	24	10
Computers and telecommunications	124	276	100	100	344
Library books	205	264	259	256	265
<b>Total Plant &amp; Equipment</b>	<b>3,461</b>	<b>3,150</b>	<b>2,571</b>	<b>2,865</b>	<b>3,020</b>
<b>Intangibles</b>	<b>235</b>	<b>675</b>	<b>100</b>	<b>100</b>	<b>504</b>
<b>Total Intangibles</b>	<b>235</b>	<b>675</b>	<b>100</b>	<b>100</b>	<b>504</b>
<b>Total capital works expenditure</b>	<b>26,802</b>	<b>45,626</b>	<b>30,248</b>	<b>31,867</b>	<b>35,418</b>
<b>Represented by:</b>					
New asset expenditure	499	2,063	1,362	-	-
Asset renewal expenditure	19,015	29,352	20,079	25,254	29,265
Asset expansion expenditure	954	3,917	3,595	1,443	1,586
Asset upgrade expenditure	6,333	10,294	5,212	5,170	4,567
<b>Total capital works expenditure</b>	<b>26,802</b>	<b>45,626</b>	<b>30,248</b>	<b>31,867</b>	<b>35,418</b>

## 2016/17 Budget - Wellington Shire Council

### Statement of Human Resources

For the four years ending 30 June 2020

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	23,937	<b>25,353</b>	26,573	27,785	29,189
Employee costs - capital	328	<b>387</b>	52	-	-
<b>Total staff expenditure</b>	<b>24,265</b>	<b>25,740</b>	<b>26,625</b>	<b>27,785</b>	<b>29,189</b>
	FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>					
Employees	288.8	288.1	283.7	281.1	280.1
Capitalised Labour	(3.6)	(3.6)	(1.0)	0.0	0.0
<b>Total Staff numbers</b>	<b>285.2</b>	<b>284.5</b>	<b>282.7</b>	<b>281.1</b>	<b>280.1</b>

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

Department	Budget 2016/17 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Built & Natural Environment	9,608	9,552	56
Chief Executive Officer	1,046	1,046	-
Community and Culture	5,307	3,601	1,706
Corporate Services	3,641	3,383	258
Development	4,399	3,754	645
<b>Total permanent staff expenditure</b>	<b>24,001</b>	<b>21,336</b>	<b>2,665</b>
Casuals and other expenditure	1,739		
Less: Capitalised Labour costs	(387)		
<b>Total operating expenditure</b>	<b>25,353</b>		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Built & Natural Environment	115.6	115.0	0.6
Chief Executive Officer	7.0	7.0	-
Community and Culture	62.5	39.0	23.5
Corporate Services	38.4	35.0	3.4
Development	48.1	38.0	10.1
<b>Total permanent staff</b>	<b>271.6</b>	<b>234.0</b>	<b>37.6</b>
Casuals and other	16.5		
Less: Capitalised Labour costs	(3.6)		
<b>Total staff</b>	<b>284.5</b>		

## 2016/17 Budget - Wellington Shire Council

### 4. Financial Performance Indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators 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	Actual 2014/15	Forecast 2015/16	Budget 2016/17	Strategic Resource Plan Projections			Trend
						2017/18	2018/19	2019/20	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue  Permissible range: -20.0% to 20.0%	1	8.5%	2.2%	10.0%	2.0%	5.0%	5.7%	+
Liquidity									
Working Capital	Current assets/Current liabilities  Permissible range: 100.0% to 300.0%	2	321.1%	334.8%	286.8%	300.5%	250.4%	269.8%	-
Unrestricted cash	Unrestricted cash / Current liabilities  Permissible range: 0.0% to 200.0%		156.8%	228.3%	229.3%	240.0%	201.8%	222.0%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / Rate revenue  Permissible range: 0.0% to 50.0%	3	26.6%	19.6%	19.8%	18.9%	19.3%	15.0%	+
Loans and borrowings	Interest and principal repayments / Rate revenue  Permissible range: 0.0% to 10.0%		7.3%	7.0%	3.7%	2.6%	1.8%	6.8%	-
Indebtedness	Non-current liabilities /Own source revenue  Permissible range: 0.0% to 50.0%		20.4%	16.9%	18.1%	18.0%	14.0%	14.5%	+
Asset renewal	Asset renewal expenses /Asset Depreciation  Permissible range: 50.0% to 100.0%	4	69.4%	91.1%	137.0%	89.2%	109.3%	121.7%	+
Stability									
Rates concentration	Rate revenue / Adjusted underlying revenue  Permissible range: 40.0% to 80.0%	5	60.3%	69.6%	62.5%	69.0%	68.4%	68.4%	o

## 2016/17 Budget - Wellington Shire Council

Indicator	Notes	Actual 2014/15	Forecast 2015/16	Budget 2016/17	Strategic Resource Plan Projections			Trend +/-
					2017/18	2018/19	2019/20	
Rates effort	Rate revenue / Capital improved value of rateable properties in the municipality  <i>Permissible range: 0.2% to 0.7%</i>	0.54%	0.56%	0.56%	0.58%	0.59%	0.61%	o
<b>Efficiency</b>								
Expenditure level	Total expenses / Number of property assessments  <i>Permissible range: \$2,000 to \$4,000</i>	2,181.33	2,181.51	2,322.26	2,378.07	2,424.99	2,472.12	+
Revenue level	Residential rate revenue / Number of residential property assessments  <i>Permissible range: \$800 to \$1,800</i>	1,114.95	1,188.01	1,251.13	1,305.15	1,370.65	1,434.12	-
Workforce turnover	Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year  <i>Permissible range: 5.0% to 20.0%</i>	9.4%	12.0%	11.0%	10.0%	10.0%	10.0%	o

### Key to Forecast Trend:

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

### Notes to indicators

**1 Adjusted underlying result** - An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. The adjusted underlying result calculation includes recurrent capital funding (i.e. Roads to Recovery funding) but excludes all other capital income. The 2016/17 adjusted underlying result reflects the increased allocation of Roads to Recovery funding for 2016/17 (\$9.3 million) which in future years will reduce to historical annual allocation of \$2.5 to \$3.0 million. The ratio shows a decrease in 2017/18 with future years increasing.

**2 Working Capital** - The proportion of current liabilities covered by current assets. Working capital is forecast to decrease in 2016/17 year due to a run down in cash reserves to fund the capital program. . The trend in later years is to fluctuate between 250% and 300% which is within the permissible range under the LGPRF.

**3 Debt compared to rates** - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

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

**5 Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council's reliance on rate revenue compared to all other revenue sources will remain steady over the four year period.



## **2016/17 Budget - Wellington Shire Council**

### **5. Other budget information (required by the Regulations)**

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

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

## 2016/17 Budget - Wellington Shire Council

### 5.1.1 Grants - operating (\$5.77 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants has increased by \$5.77 million compared to 2015/16. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below:

Operating Grants	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b>Recurrent - Commonwealth</b>			
Victoria Grants Commission	5,952	12,046	6,093
Roads to Recovery - Operating	95	-	(95)
<b>Recurrent - State Government</b>			
Libraries	309	309	-
Rural Access	220	248	28
Cultural Services	208	208	-
Municipal emergency	172	170	3
Parks & Environmental services	95	106	11
State Emergency Services	75	76	1
Environmental health	72	72	4
School crossing supervisors	69	69	-
Property valuation	209	67	(143)
Fire Service Property levy	55	55	-
Senior citizens	56	56	-
Community support programs	34	25	(9)
Other	12	12	-
<b>Total Recurrent grants</b>	<b>7,633</b>	<b>13,519</b>	<b>5,886</b>
<b>Non- Recurrent - State Government</b>			
Community & Recreation Facilities	17	100	83
Economic Development & Tourism	17	-	(17)
Community Support programs	148	-	(148)
Environmental Health	23	-	(23)
Other	12	-	(12)
<b>Total Non- Recurrent grants</b>	<b>217</b>	<b>100</b>	<b>(117)</b>
<b>Total Operating grants</b>	<b>7,850</b>	<b>13,619</b>	<b>5,769</b>

The increase in Victoria Grants Commission (VGC) funding results from the Commonwealth Government advising on 30 June 2015 that they would be advancing all councils approximately 50% of their 2015/16 Grants Commission allocation; resulting in this Council receiving \$6.07 million on the 30 June 2015. Advances are not expected to be brought forward in future years.

Council also expects a decrease in property valuations funding which is aligned with legislated statewide biannual revaluation schedules. The cessation of several non-recurrent grants which will not continue into 2016/17 are partially offset by the anticipated receipt of non-recurrent grant funding relating to the Cowwarr Recreation Reserve Clubroom Redevelopment (\$100,000).

## 2016/17 Budget - Wellington Shire Council

### 5.1.2 Grants capital (\$8.94 million increase)

Capital grants include all monies received from State and Federal government for the purposes of funding specific capital works projects. Overall the level of capital grants has increased by 236.54% or \$8.94 million compared to 2015/16. Grant funding for the Port of Sale Cultural Hub and Precinct redevelopment (\$3.3 million), Gippsland Regional Sporting Complex Stage 2A (\$650,000) and Sale CBD Streetscape Renewal York Street (\$500,000) are expected in 2016/17. During 2016/17 the Roads to Recovery annual allocation of \$2.45 million, the 2016/17 additional allocation of \$5.11 million and the carried forward amount of \$1.74 million will be spent on projects such as Residential Road and Street Construction Plan Implementation, Park Street Bridge Renewal and the Stratford - Streetscape Renewal. Section 12 "Analysis of Capital Budget" includes a more detailed analysis of the capital grants expected to be received during 2016/17.

A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below:

Grants - capital	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b><u>Recurrent - Commonwealth</u></b>			
Roads to Recovery	4,625	9,295	4,670
<b>Total Recurrent grants</b>	4,625	9,295	4,670
<b><u>Non- Recurrent - State Government</u></b>			
Buildings	1,128	4,783	3,655
Parks and open space	86	820	734
Footpaths and cycleways	100	300	200
Bridges	500	285	(215)
Waste management	84	-	(84)
Plant, machinery and equipment	13	-	(13)
Library books	10	-	(10)
<b>Total Non- Recurrent grants</b>	1,921	6,188	4,268
<b>Total Capital grants</b>	6,546	15,483	8,937

### 5.1.3 Statement of Borrowings

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

	2015/16 \$	2016/17 \$
Total amount borrowed as at 30 June of the prior year	13,127	10,137
Total amount to be borrowed	-	1,956
Total amount projected to be redeemed	(2,990)	(1,481)
Total amount proposed to be borrowed as at 30 June	10,137	10,612

## **6. Capital Works Program**

This section presents a listing of the capital works projects that will be undertaken for the 2016/17 year.

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

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

## 2016/17 Budget - Wellington Shire Council

### Capital works program

For the year ending 30 June 2017

#### 6.1 New works

Capital Works Area	Project	Asset Expenditure Type				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Cash	Borrowings
	Cost \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PROPERTY</b>									
<b>LANDFILL IMPROVEMENTS</b>									
Kilmany Landfill – Cell 2 Construction	1,500	-	1,500	-	-	-	-	1,500	-
Rosedale - Construct New Waste Cell	30	-	30	-	-	-	-	30	-
<b>TOTAL LANDFILL IMPROVEMENTS</b>	<b>1,530</b>	-	1,530	-	-	-	-	1,530	-
<b>BUILDINGS</b>									
Annual Toilet Renewal Program	100	-	100	-	-	-	-	100	-
Art Gallery Lighting (Port of Sale Cultural Hub)	80	-	-	-	80	-	-	80	-
EBBWEC - Café Deck Extension	35	-	-	35	-	-	-	35	-
EBBWEC - New Storage Space	50	-	-	-	50	-	-	50	-
EBBWEC - Energy Efficiencies (Solar System)	80	-	-	80	-	-	-	80	-
Maffra Depot Security Gates	50	-	30	20	-	-	-	50	-
Heyfield Pool - Building Renewal	65	-	52	13	-	-	-	65	-
Port of Sale Cultural Hub (Art Gallery/Library)	3,875	-	1,937	969	969	1,500	250	2,125	-
Port Of Sale Cultural Hub Roof Replacement	275	-	275	-	-	-	-	275	-
Port of Sale Precinct Redevelopment (The Port)	2,530	-	633	1,264	633	1,800	-	730	-
Public Toilet Water and Septic Renewal - Golden Beach & Loch Sport	95	-	57	38	-	-	-	95	-
Sale Depot - Energy Efficiencies (Solar System)	21	-	-	21	-	-	-	21	-
Sale Depot - Water Harvesting	16	-	-	16	-	-	-	16	-
Yarram - Regent Theatre Refurbishment Works	300	-	255	45	-	-	-	300	-
Yarram Depot - Bulk Storage Bays	18	-	-	-	18	-	-	18	-
<b>TOTAL BUILDINGS</b>	<b>7,590</b>	-	3,339	2,501	1,750	3,300	250	4,040	-
<b>TOTAL PROPERTY</b>	<b>9,120</b>	-	4,869	2,501	1,750	3,300	250	5,570	-

**2016/17 Budget - Wellington Shire Council**

		Asset Expenditure Type				Summary of Funding Sources			
Capital Works Area	Project Cost \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
<b>INFRASTRUCTURE</b>									
<b>ROADS</b>									
Alberton - Pound Road West and Lower Jack Road - Intersection	330	-	330	-	-	-	-	330	-
Asphalt Resealing - Urban Streets - Annual Program	600	-	600	-	-	-	-	600	-
Boisdale - Boisdale Newry Road Widening	180	-	90	90	-	180	-	-	-
Cowwarr - Cowwarr Seaton Road Widening	450	-	225	225	-	450	-	-	-
Cowwarr - Sale Toongabbie Road Widening	300	-	150	150	-	300	-	-	-
Crest Widening - Tylers Road - Pearsondale	120	-	60	60	-	-	-	120	-
Final Seals for Road Projects - Annual Program	300	-	300	-	-	-	-	300	-
Golden Beach - Roundabout Renewal and Parking Improvements	400	-	300	100	-	-	-	400	-
Kerb & Channel Replacement - Annual Program	190	-	190	-	-	-	-	190	-
Kilmany - Settlement Road Lower Widening 1.8km	250	-	125	125	-	250	-	-	-
Maffra - Foster Street Reconstruction	100	-	100	-	-	-	-	100	-
Maffra - Pearson Street - Reconstruction	500	-	375	125	-	-	-	500	-
Port Albert - RV and Boating Parking Improvements	200	-	120	80	-	-	-	200	-
Port of Sale - traffic and parking improvements (The Port)	600	-	300	300	-	600	-	-	-
Project Advanced Planning	200	-	100	60	40	-	-	200	-
Residential Road and Street Construction Plan Implementation	2,359	-	1,416	943	-	1,485	874	-	-
Rosedale - Rosedale Flynn's Creek Road Widening	900	-	450	450	-	900	-	-	-
Rural Road Resealing - Annual Program	2,025	-	2,025	-	-	-	-	2,025	-
Sale - Foster Street Pedestrian Crossing Improvements (The Port)	135	-	68	67	-	135	-	-	-
Sale - Guthridge Parade Reconstruction	375	-	300	75	-	75	-	300	-
Stratford - McAlister Street & Wellsford Street Renewal	400	-	300	100	-	-	-	400	-
Stratford - Redbank Road and Lee Street - Intersection	300	-	300	-	-	-	-	300	-
Tinamba Newry Road and Tinamba Glenmaggie Road	100	-	100	-	-	-	-	100	-
Unsealed Road Intersection Upgrades	200	-	100	100	-	-	-	200	-
Unsealed Roads Reconstruction - Annual Program	1,100	-	1,100	-	-	-	-	1,100	-
Urban Streets Resealing - Annual Program	500	-	500	-	-	-	-	500	-
Wonyip - Christies Albert River Road Reconstruction 250m	50	-	50	-	-	50	-	-	-
Wurruk - Riverside Drive Reconstruction	250	-	250	-	-	250	-	-	-
Wurruk - Settlement Road Lower Widening 1.0km	150	-	75	75	-	150	-	-	-
Yarram Morwell Road / Grand Ridge Road landslip works	300	-	300	-	-	-	-	300	-
<b>TOTAL ROADS</b>	<b>13,864</b>	-	10,699	3,125	40	4,825	874	8,165	-
<b>BRIDGES</b>									
Forsyths Bridge	200	-	200	-	-	200	-	-	-
Lays Bridge	250	-	250	-	-	250	-	-	-
Major Culvert & Floodway Renewal	120	-	120	-	-	-	-	120	-
Safety Barrier Renewal and Improvements	110	-	55	55	-	-	-	110	-
Sale - Park Street Bridge Renewal	1,300	-	1,300	-	-	1,300	-	-	-
Swing Bridge Drive Unit Refurbishment	150	-	150	-	-	-	-	150	-
Trenton Valley Bridge	250	-	250	-	-	250	-	-	-
<b>TOTAL BRIDGES</b>	<b>2,380</b>	-	2,325	55	-	2,000	-	380	-

**2016/17 Budget - Wellington Shire Council**

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
<b>FOOTPATHS</b>									
Annual Footpaths Access Improvement Program	120	-	120	-	-	-	-	120	-
Annual Footpaths Network Connections Program	64	-	-	32	32	-	-	64	-
Annual Footpaths Renewal Program (The Port)	250	-	250	-	-	-	-	250	-
Sale - Glebe Woondella Shared Path Construction	765	-	-	-	765	265	-	500	-
<b>TOTAL FOOTPATHS</b>	<b>1,199</b>	-	370	32	797	265	-	934	-
<b>DRAINAGE</b>									
Heyfield - Gordon Street Recreation Reserve Dam Wall Remediation	80	-	80	-	-	-	-	80	-
Minor Drainage Network - Renewal Works	160	-	160	-	-	-	-	160	-
Seaspray Flood Mitigation System - Pump Replacement	50	-	50	-	-	-	-	50	-
<b>TOTAL DRAINAGE</b>	<b>290</b>	-	290	-	-	-	-	290	-
<b>RECREATIONAL LEISURE AND COMMUNITY FACILITIES</b>									
Gippsland Regional Sporting Complex Stage II	1,700	1,700	-	-	-	650	550	500	-
GRSC Seating Improvements	25	-	5	20	-	-	5	20	-
Healthy Lifestyles Facilities - Pump Renewal Program	25	-	25	-	-	-	-	25	-
Maffra - Cameron Sporting Complex Stadium LED lighting upgrade	110	-	88	22	-	50	-	60	-
Outdoor Pools - Shade Structure Replacement	40	-	40	-	-	-	-	40	-
Outdoor Pools Security Fencing	30	-	30	-	-	-	-	30	-
Rosedale - Recreation Reserve Cricket Nets Upgrade	66	-	46	20	-	44	4	18	-
Sale - 25m Pool Plant Room Roof Renewal	10	-	10	-	-	-	-	10	-
Sale - Outdoor Pool Plant Room Replacement	300	-	300	-	-	-	-	300	-
Stratford - Recreation Reserve Additional Netball Court	185	-	37	148	-	100	15	70	-
<b>TOTAL RECREATIONAL LEISURE AND COMMUNITY FACILITIES</b>	<b>2,491</b>	1,700	581	210	-	844	574	1,073	-
<b>WASTE MANAGEMENT</b>									
Kilmany Landfill - Carpark final seal	10	-	10	-	-	-	-	10	-
Kilmany Landfill - Internal Access Road	30	-	-	30	-	-	-	30	-
Longford Landfill - EPA required monitoring bores (groundwater) x 2	20	-	-	-	20	-	-	20	-
Maffra Landfill – Entry Road Sealing	50	-	25	25	-	-	-	50	-
<b>TOTAL WASTE MANAGEMENT</b>	<b>110</b>	-	35	55	20	-	-	110	-
<b>PARKS OPEN SPACE AND STREETSCAPES</b>									
Coongulla - Woolenook Reserve Improvements	30	-	-	30	-	-	-	30	-
Golden Beach - Park Renewal	30	-	30	-	-	-	-	30	-
Gravel Path Renewal Program	84	-	84	-	-	-	-	84	-
Maffra - CBD Park Works	25	-	20	5	-	-	-	25	-
Maffra - Mafeking Hill Reserve Renewal	25	-	20	5	-	-	-	25	-
Playgrounds Expansion Program (The Port)	110	-	-	-	110	-	-	110	-
Playgrounds Renewal Program	200	-	200	-	-	-	-	200	-
Sale - Botanic Gardens Development	200	-	40	80	80	135	-	65	-
Sale - Gunaikurnai Cultural Trail Arts Renewal	30	-	30	-	-	-	-	30	-
Sale - Raglan Street Roundabout - Landscape Renewal	42	-	29	13	-	-	-	42	-
Sale - Skate Park Renewal (The Port)	120	-	72	24	24	-	-	120	-
Sale - CBD Streetscape Renewal (York Street)	1,500	-	750	750	-	500	-	1,000	-
Stratford - Streetscape Renewal	700	-	700	-	-	700	-	-	-
Stratford - Memorial Park Irrigation	60	-	-	-	60	-	-	60	-
Yarram - Town Centre Median Irrigation Renewal/Upgrade	45	-	27	18	-	-	-	45	-
<b>TOTAL PARKS, OPEN SPACE AND STREETSCAPES</b>	<b>3,201</b>	-	2,002	925	274	1,335	-	1,866	-

**2016/17 Budget - Wellington Shire Council**

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
<b>AERODROMES</b>									
Aerodrome Minor Capital Works - Audit Works	75	-	45	15	15	-	-	75	
West Sale Airport - ERAP Stage 2 Headworks	275	-	206	69	-	-	-	275	
West Sale Airport - North West Corner Boundary Fencing	50	-	-	50	-	-	-	50	
West Sale Airport - Perimeter Fencing	85	-	60	26	-	-	-	85	
<b>TOTAL AERODROMES</b>	<b>485</b>	-	311	159	15	-	-	485	-
<b>OFF STREET CAR PARKS</b>									
Off Street Car Park Resealing	54	-	54	-	-	-	-	54	-
<b>TOTAL OFF STREET CAR PARKS</b>	<b>54</b>	-	54	-	-	-	-	54	-
<b>OTHER INFRASTRUCTURE</b>									
Boating Infrastructure Action Plan Works	517	-	310	207	-	397	-	120	-
Maffra Caravan Park - Amenities Refurbishment	39	-	39	-	-	-	-	39	-
<b>TOTAL OTHER INFRASTRUCTURE</b>	<b>556</b>	-	349	207	-	397	-	159	-
<b>TOTAL INFRASTRUCTURE</b>	<b>24,630</b>	1,700	17,017	4,767	1,146	9,666	1,448	13,516	-
<b>PLANT &amp; EQUIPMENT</b>									
<b>PLANT, MACHINERY AND EQUIPMENT</b>									
Fleet Renewal - Annual Program	1,268	-	1,268	-	-	-	-	1,268	-
Plant Renewal - Annual Program	1,274	-	1,274	-	-	-	-	1,274	-
<b>TOTAL PLANT, MACHINERY AND EQUIPMENT</b>	<b>2,541</b>	-	2,541	-	-	-	-	2,542	-
<b>FURNITURE &amp; FITTINGS</b>									
Gippsland Art Gallery (Sale) - Art Acquisitions	24	-	12	12	-	-	-	24	-
Library - Portable Hearing Loops	4	4	-	-	-	-	-	4	-
Library - Self Check Kiosk - Sale Library	40	-	-	-	40	-	-	40	-
<b>TOTAL FURNITURE &amp; FITTINGS</b>	<b>68</b>	4	12	12	40	-	-	68	-
<b>COMPUTERS AND TELECOMMUNICATIONS</b>									
IT - Hardware Upgrade	100	-	-	100	-	-	-	100	-
<b>TOTAL COMPUTERS AND TELECOMMUNICATIONS</b>	<b>100</b>	-	-	100	-	-	-	100	-
<b>LIBRARY BOOKS</b>									
Library - Audio Visual Developments	48	-	46	2	-	-	-	48	-
Library - Book Collection Developments	175	-	166	9	-	-	-	175	-
Library - Cataloguing and Processing	41	-	39	2	-	-	-	41	-
<b>TOTAL LIBRARY BOOKS</b>	<b>264</b>	-	251	13	-	-	-	264	-
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<b>2,972</b>	4	2,804	125	40	-	-	2,973	-



## 2016/17 Budget - Wellington Shire Council

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
<b>INTANGIBLES</b>									
Albert Applications (Software)	20	20	-	-	-	-	-	20	-
Library Management Database Software	44	-	44	-	-	-	-	44	-
<b>TOTAL INTANGIBLES</b>	<b>64</b>	20	44	-	-	-	-	64	-
<b>TOTAL NEW CAPITAL WORKS 2016/17</b>	<b>36,786</b>	1,724	24,732	7,394	2,936	12,966	1,698	22,122	-

### 6.2 Works carried forward from the 2015/16 year

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
<b>BUILDINGS</b>									
Port of Sale Bank Stabilisation	60	-	60	-	-	-	-	60	-
Port of Sale Cultural Hub (Art Gallery/Library)	2,928	-	1,464	732	732	500	-	2,428	-
Heyfield Pool - Building Renewal	85	-	68	17	-	-	-	85	-
Heyfield - Gordon Street Rec Reserve Clubroom Redevelopment	250	-	-	250	-	126	-	124	-
<b>TOTAL BUILDINGS</b>	<b>3,323</b>	-	1,592	999	732	626	-	2,697	-
<b>TOTAL PROPERTY</b>	<b>3,323</b>	-	1,592	999	732	626	-	2,697	-
<b>INFRASTRUCTURE</b>									
<b>ROADS</b>									
Cobains Road Reconstruction	200	-	120	80	-	200	-	-	-
Maffra - Brewers Hill Road 4.5km Reconstruction	200	-	150	50	-	200	-	-	-
Residential Road and Street Construction Plan Implementation	571	-	343	228	-	580	-	(9)	-
Sale - Guthridge Parade Reconstruction	200	-	160	40	-	200	-	0	-
Sale - Hearshall Road 3.0km Reconstruction	125	-	125	-	-	125	-	-	-
<b>TOTAL ROADS</b>	<b>1,296</b>	-	898	398	-	1,305	-	9	-
<b>BRIDGES</b>									
Maxfields Bridge Renewal	570	-	570	-	-	285	-	285	-
Sale - Park Street Bridge Renewal	250	-	250	-	-	250	-	-	-
<b>TOTAL BRIDGES</b>	<b>820</b>	-	820	-	-	535	-	285	-
<b>FOOTPATHS</b>									
Glebe Woondella Shared Path Construction	250	-	-	-	250	250	-	-	-
<b>TOTAL FOOTPATHS</b>	<b>250</b>	-	-	-	250	250	-	-	-

**2016/17 Budget - Wellington Shire Council**

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
RECREATIONAL LEISURE AND COMMUNITY FACILITIES									
Lex Glover Regional Aquatic Complex - Air Handling Project Stage 2	120	-	30	90	-	-	-	120	-
Lex Glover Regional Aquatic Complex - Pool heating	35	-	9	26	-	-	-	35	-
TOTAL RECREATIONAL LEISURE AND COMMUNITY FACILITIES	155	-	39	116	-	-	-	155	-
PARKS, OPEN SPACE AND STREETSCAPES									
Loch Sport Foreshore Management Program	275	-	275	-	-	175	-	100	-
Port Albert - Rutter Park Shelter Upgrade	40	-	-	40	-	-	-	40	-
Rosedale - Streetscape Renewal	450	-	338	112	-	-	-	450	-
Maffra - Cameron Sporting Complex - Water Bore & Irrigation	70	49	-	21	-	10	-	60	-
Sale CBD Streetscape Renewal (York Street)	550	-	275	275	-	-	-	550	-
Yarram - Streetscape Renewal	200	-	200	-	-	-	-	200	-
TOTAL PARKS, OPEN SPACE AND STREETSCAPES	1,585	49	1,088	448	-	185	-	1,400	-
OFF STREET CAR PARKS									
Sale - Baldwin Reserve Car Park Reconstruction	42	-	42	-	-	-	-	42	-
TOTAL OFFSTREET CAR PARKS	42	-	42	-	-	-	-	42	-
OTHER INFRASTRUCTURE									
Loch Sport - Charlies Street Boat Ramp	581	291	-	290	-	117	-	465	-
TOTAL OTHER INFRASTRUCTURE	581	291	-	290	-	117	-	465	-
TOTAL INFRASTRUCTURE									
	4,729	340	2,887	1,252	250	2,391	-	2,338	-
Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
PLANT & EQUIPMENT									
FURNITURE & FITTINGS									
TOTAL FURNITURE & FITTINGS									
COMPUTERS AND TELECOMMUNICATIONS									
End User Devices	65	-	33	32	-	-	-	65	-
IT Infrastructure	60	-	30	30	-	-	-	60	-
Remote Sites AV Technology	51	-	26	25	-	-	-	51	-
TOTAL COMPUTERS AND TELECOMMUNICATIONS	176	-	89	87	-	-	-	176	-
TOTAL PLANT & EQUIPMENT									
	176	-	89	87	-	-	-	176	-
INTANGIBLES									
CMS Authority Contract Management Systems	545	-	-	545	-	-	-	545	-
Unified Communications	27	-	14	13	-	-	-	27	-
Library Management Database Software	40	-	40	-	-	-	-	40	-
TOTAL INTANGIBLES	612	-	54	558	-	-	-	612	-
TOTAL CARRIED FORWARD WORKS FROM 2015/16									
	8,840	340	4,622	2,896	982	3,017	-	5,823	

### 6.3 Summary

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
PROPERTY	12,443	-	6,461	3,500	2,482	3,926	250	8,267	-
INFRASTRUCTURE	29,359	2,040	19,905	6,019	1,397	12,057	1,448	15,854	-
PLANT & EQUIPMENT	3,148	4	2,892	212	40	-	-	3,149	-
INTANGIBLES	676	20	98	558	-	-	-	676	-
<b>TOTAL CAPITAL WORKS 2016/17</b>	<b>45,626</b>	2,064	29,356	10,289	3,919	15,983	1,698	27,945	-

OPERATING PROJECTS		Summary of Funding Sources			
WORKS DESCRIPTION	COST \$'000	Grants \$'000	Contributions \$'000	Cash \$'000	Borrowings \$'000
Kilmany Landfill - Landfill Rehabilitation	1,200	-	-	1,200	-
Maffra Landfill - Landfill Rehabilitation	35	-	-	35	-
Princes Highway/Cobains Road Intersection Upgrade	1,300	-	-	-	1,300
Variable Message and Speed Radar Sign	18	-	9	9	-
Roadside Fire Hydrant Markers Replacement	25	-	-	25	-
Aerial Bundle Cable Program - (Power line bundling for high value tree avenues)	50	-	-	50	-
Yarram - Memorial Park - Landscape Renewal	50	-	-	50	-
Rosedale - Streetscape Renewal	60	-	-	60	-
Cowwarr - Recreation Reserve Clubroom Redevelopment	635	100	40	495	-
Roundabout and Splitter Island - OH&S and Landscaping Upgrade	40	-	-	40	-
Town Tree Replacement Program	38	-	-	38	-
Urban Furniture Renewal Program	84	-	-	84	-
West Sale Airport - Eastern Recreation Aviation Precinct - legal and consultants	15	-	-	15	-
Healthy Lifestyles Facilities - Facility Painting Program	35	-	-	35	-
Rosedale - Demolition of Dwelling	20	-	-	20	-
<b>TOTAL OPERATING PROJECTS</b>	<b>3,605</b>	100	49	2,156	1,300

## 2016/17 Budget - Wellington Shire Council

### 7. Rates and Charges

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

#### 7. Rates and charges

In developing the Strategic Resource Plan (SRP) as referred to in Section 14, rates and charges are an important source of revenue, averaging 57.3% of the total revenue received by Council annually. Planning for the impact of minimal rate increases has therefore been an important component of the Strategic Resource Planning (SRP) process. The State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2016/17 the FGRS cap has been set at 2.5% which applies to general rates. Council projected forward during the preparation of its last SRP, rate rises approximating 2.5% and as a result the operations have been streamlined over 2015/16 in readiness for the FGRS cap.

It is predicted that the 2016/17 operating position will be significantly impacted by wages growth and reductions in government funding. It will therefore be necessary to achieve future revenue growth while containing costs in order to annually achieve an almost breakeven operating position. The \$18.9 million contribution from operations toward capital investment for the 2016/17 year is only partially funding the capital works and in future years if rate capping continues rationalisation of the extent and criticality of expenditure will be crucial in managing the shire.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate will increase by 2.5% in line with the rate cap. Other charges including the Garbage charge, Waste Infrastructure charge and the EPA levy are outside the Fair Go Rate System (FGRS) and will be on a cost recovery basis. This will raise total rate and charges for 2016/17 of \$53.72 million, including \$0.20 million generated from supplementary rates.

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

Type or class of land	Budget 2015/16 cents/\$CIV	Budget 2016/17 cents/\$CIV	Change
General residential	0.005362	<b>0.005329</b>	-0.6%
Commercial/Industrial	0.005362	<b>0.005329</b>	-0.6%
Farm	0.004290	<b>0.004263</b>	-0.6%
Cultural & Recreational Land Act (rate concession)	N/A	N/A	N/A

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

Type of Property	2015/16 \$	2016/17 \$
General residential	29,201,820	<b>30,619,779</b>
Commercial/Industrial	7,940,763	<b>8,405,618</b>
Farm	9,355,472	<b>9,382,669</b>
Cultural & Recreational Land	73,849	<b>66,060</b>
<b>Total amount to be raised by general rates</b>	<b>46,571,904</b>	<b>48,474,126</b>

Additional supplementary property valuation and new assessments occurring during 2015/16 are included in the budget

#### 7.3 The number of assessments in relation to each type or class of land compared with the previous year.

Type of Property	2015/16 No.	2016/17 No.
General residential	28,102	<b>28,141</b>
Commercial/Industrial	1,494	<b>1,513</b>
Farm	3,658	<b>3,618</b>
Cultural & Recreational Land	37	<b>37</b>
<b>Total number of assessments</b>	<b>33,291</b>	<b>33,309</b>

## 2016/17 Budget - Wellington Shire Council

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

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

Type of Property	2015/16 \$	2016/17 \$
General residential	5,446,068,607	<b>5,745,677,300</b>
Commercial/Industrial	1,480,933,000	<b>1,577,335,000</b>
Farm	2,180,966,000	<b>2,200,921,000</b>
Recreational Land	26,662,000	<b>27,700,000</b>
<b>Total value of land</b>	<b>9,134,629,607</b>	<b>9,551,633,300</b>

The uplift represents supplementary (new assessments of CIV) occurring/created during 2015/16 and in place for 2016/17.

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

Type of Charge	Per Rateable Property 2015/16 \$	Per Rateable Property 2016/17 \$	Change
Residential Garbage collection	176.00	<b>181.00</b>	2.8%
Commercial Garbage collection (includes GST)	193.60	<b>199.10</b>	2.8%
Waste Infrastructure Charge (Landfill operation and rehabilitation)	35.00	<b>45.00</b>	28.6%
EPA Levy Charge	14.92	<b>14.92</b>	-
Boisdale Common Effluent System and Pump out Charge( New) -Residential	288.00	<b>388.00</b>	34.7%
Boisdale Common Effluent System and Pump out Charge (New) - Commercial - includes GST	316.80	<b>426.80</b>	34.7%

Service rates are charges are not covered by FGRS

### 7.7 The estimated amount to be raised by each type of service rate or charge compared with the previous financial year.

Type of Charge	2015/16 \$	2016/17 \$
Kerbside collection (Garbage)	3,257,760	<b>3,387,761</b>
Waste Infrastructure Charge	1,059,065	<b>1,371,060</b>
EPA Levy Charge	276,169	<b>278,825</b>
Boisdale Common Effluent System Charge	7,500	<b>9,700</b>
<b>Total amount to be raised by service rates or charges</b>	<b>4,600,494</b>	<b>5,047,346</b>

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

	2015/16 \$	2016/17 \$
Rates and charges	51,172,398	<b>53,521,472</b>
Supplementary rates	200,000	<b>200,000</b>
<b>Total</b>	<b>51,372,398</b>	<b>53,721,472</b>

## 2016/17 Budget - Wellington Shire Council

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

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

### 7.10. Differential rates

#### Rates to be levied

The rate in the dollar to be applied to the CIV in relation to land in each category of differential are:

- A general rate of 0.005329 for all rateable general properties; and
- A rate of 0.004263 for all rateable farm properties, being 80% of the general rate

Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions. Details of the types of classes of land, which are subject to each differential rate are set out below.

#### Farm Land

Farm land is land, which is:

- not less than 2 hectares in area; and
- is used primarily for:
  - grazing (including agistment);
  - dairying;
  - pig-farming;
  - poultry-farming;
  - fish-farming;
  - tree-farming;
  - bee-keeping;
  - viticulture;
  - horticulture;
  - fruit-growing or the growing of crops of any kind or for any combination of these activities, and;
- is used by a business;
  - that has significant and substantial commercial purpose or character; and
  - that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
  - that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating, and;
- where the ratepayer is a Primary Producer as evidenced by a current ATO assessment

#### Recreational land

Recreational land is land, which is as defined in accordance with Section 4 of the *Cultural & Recreational Lands Act 1963* :

- controlled by a non-profit organisation which exists for the purpose of providing or promoting culture or sporting recreation facilities which is used for sporting, recreation or cultural purposes or which is used for agricultural

The amounts levied on recreational land have regard to the services provided by the Council in relation to such lands, and the benefit to the community derived from such recreational lands.

## **Budget Analysis**

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

This section includes the following analysis and information.

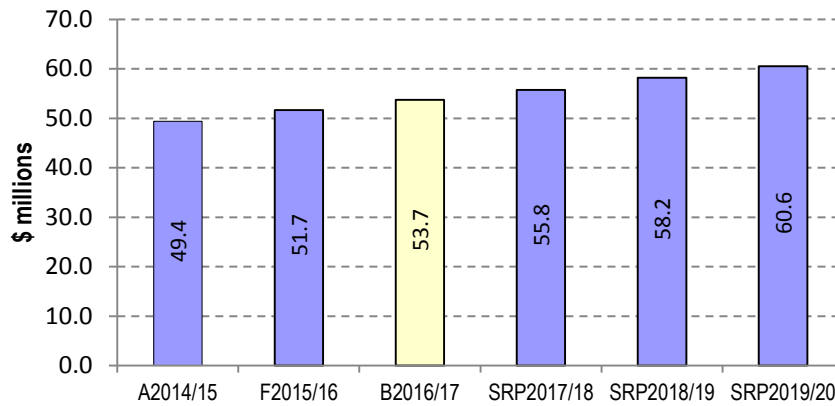
- 8      Summary of financial position
- 9      Budget influences
- 10     Analysis of operating budget
- 11     Analysis of budgeted cash position
- 12     Analysis of capital budget
- 13     Analysis of budgeted financial position

# 2016/17 Budget - Wellington Shire Council

## 8. Summary of financial position

Council has prepared a Budget for the 2016/17 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

### 8.1 Total Rates and charges



A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

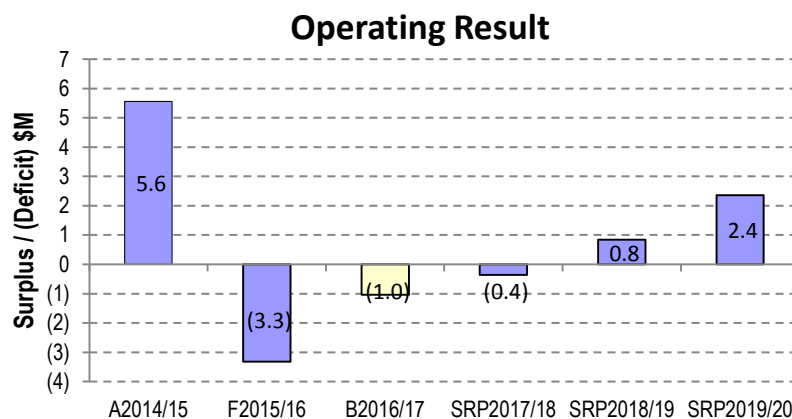
Income from all rates and charges will increase by 3.93% for the 2016/17 year, raising total rates and charges income of \$53.72 million (15/16 \$51.69 million).

The Waste Infrastructure Charge will increase from \$35 to \$45, and the Garbage Charge will increase from \$171 to \$181.

The separately itemised EPA Levy Charge will remain at \$14.92 for each property which receives a Garbage collection service.

The Boisdale Common Effluent System service charge will remain at \$288 (per connected property) with an additional \$100 pump out charge to be introduced. This charge will recover a portion of the costs of delivering a sewerage system to the community of Boisdale. Refer to Sections 7 and 10 for more information.

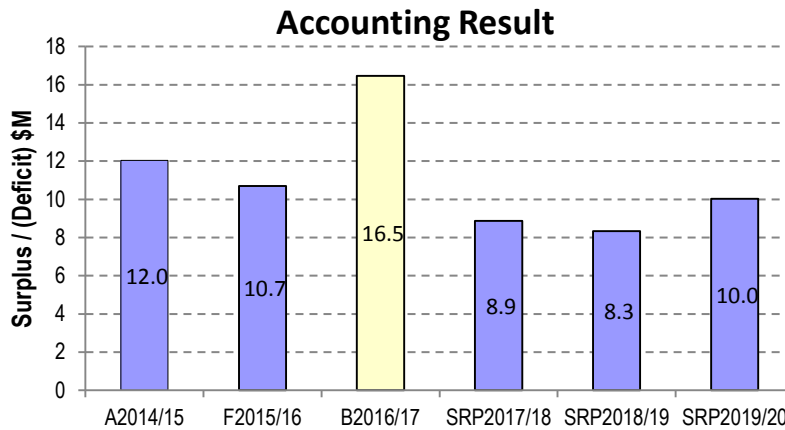
### 8.2 Operating result - Surplus/(Deficit)



Operating result is an important measure of financial sustainability as it excludes all funds which are intended to be used for capital, from being allocated to cover operating expenses. For the 2016/17 financial year it is anticipated that the operating result will be a (deficit) of \$1.04 million

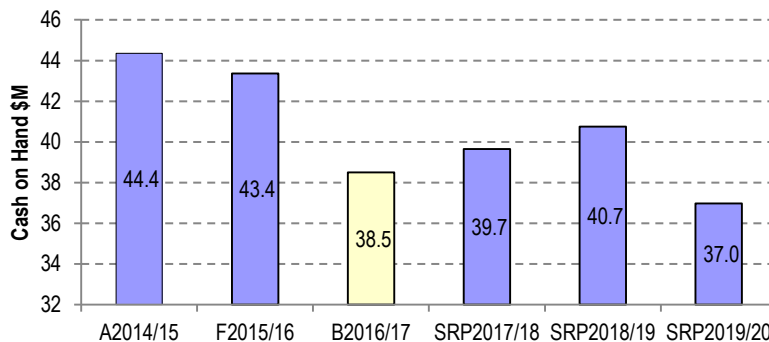


## 2016/17 Budget - Wellington Shire Council



The accounting result is the surplus/(deficit) and includes all capital funding of \$16.50 million. This one off result is not anticipated beyond 2016/17. This capital funding includes \$9.30 million for Roads to Recovery allocation (\$6 million above normal recurrent levels), Port of Sale Cultural Hub redevelopment \$3.30 million, Gippsland Regional Sports Complex Stage 2A \$1.15 million, and other renewal projects necessary across the shire.

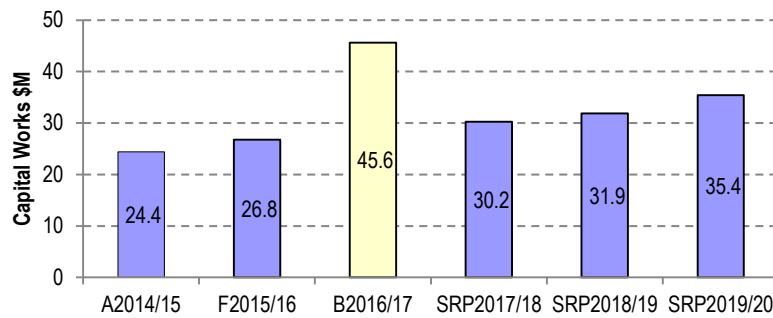
### 8.3 Cash and investments



Cash and investments are expected to decrease by \$4.86 million during the year to \$38.50 million as at 30 June 2017. The reduction in cash and investments is in line with Council's Strategic Resource Plan with cash and investments projected to be \$43.36 million as at 30 June 2016. This balance includes \$10.48 million of grant and rates funding (both operating and capital) for projects that will be completed in 2016/17.

## 2016/17 Budget - Wellington Shire Council

### 8.4 Capital works



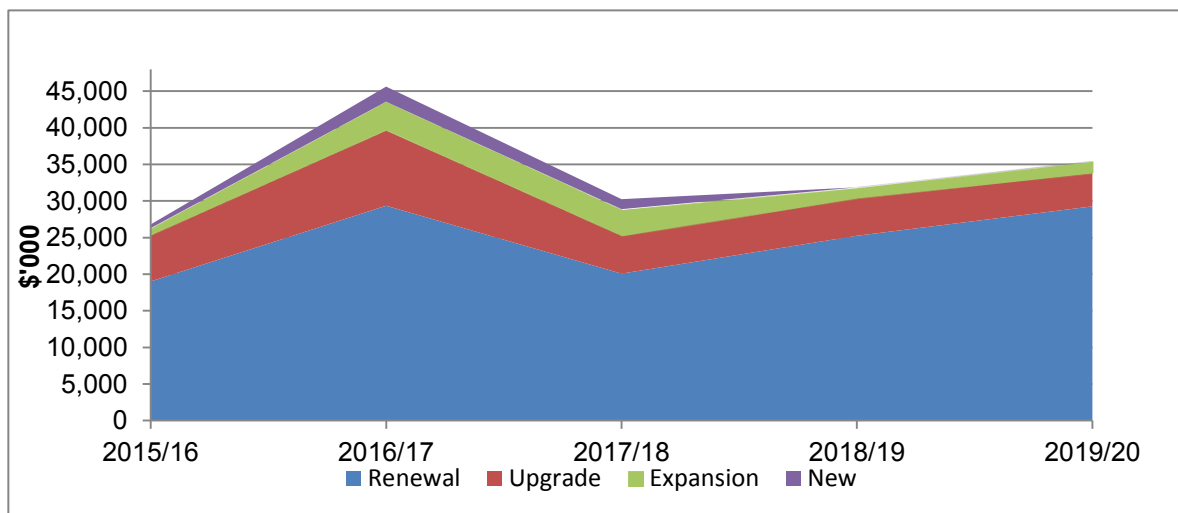
The capital expenditure program has been developed and prioritised based on a process of consultation that has enabled Council to assess needs and develop sound business cases for each project.

The capital works program for the 2016/17 year is expected to be \$45.63 million of which \$8.84 million relates to projects which will be carried forward from the 2015/16 year. The carried forward component is fully funded from the 2015/16 budget. Of the \$45.63 million of capital funding required, \$18.88 million will come from Council operations, \$15.13 million from external grants, contributions and asset trade-ins and the balance (including the carried forward component) of \$11.62 million from cash and investments and reserves.

The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes a number of major projects including:

- Continuation of the Port of Sale Cultural Hub and Precinct Redevelopment (\$6.68 million and \$2.93 million carried forward from 2015/16)
- Residential Road and Street Construction Plan Implementation (\$2.36 million and \$571,000 carried forward from 2015/16)
- Gippsland Regional Sporting Complex Stage 2A (\$1.70 million and \$1.35 million planned for 2017/18)
- Sale CBD Streetscape Renewal York Street (\$1.50 million)
- Kilmany New Cell Construction (\$1.50 million)
- Renewal of Park Street Bridge (\$1.3 million and \$250,000 carried forward from 2015/16)
- Rosedale Flynns Creek Road Widening (\$900,000)
- Port Albert RV and Boating Parking Improvements & Boating Infrastructure Action Plan Works (\$717,000)

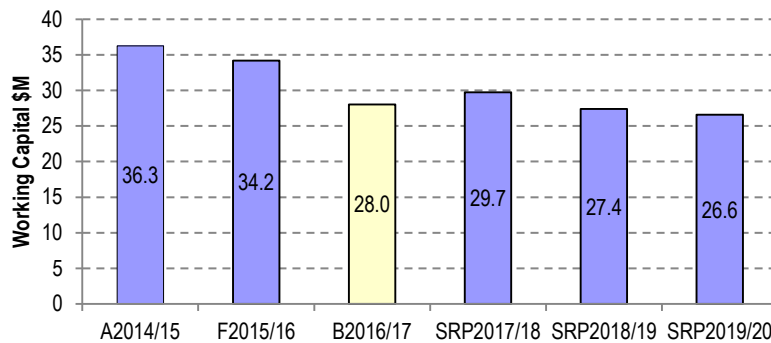
The following graph depicts how the capital works budget will be spent in the next four years.



Further information on the capital program and our current status regarding the renewal gap can be found in Section 16 - Infrastructure Information.

## 2016/17 Budget - Wellington Shire Council

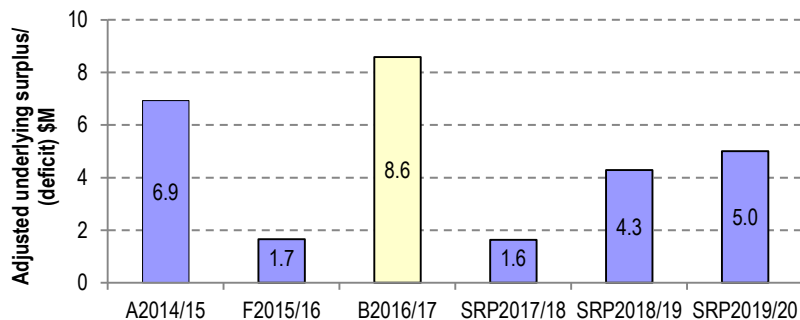
### 8.5 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$6.47 million to \$941.52 million although net current assets (Working Capital) will reduce by \$6.19 million to \$28.01 million as at 30 June 2017. This is mainly due to the use of cash reserves to fund the capital works program. (Net assets is forecast to be \$925.05 million as at 30 June 2016).

The Council's conservative debt management strategy sees debt maintained well within the State Government Local Government Performance Reporting indicator permissible range. This approach has placed Wellington in a healthy financial position to continue addressing infrastructure renewal costs, and will see the Council investing around \$143.16 million over the next four years to tackle this area and fund major new capital initiatives.

### 8.6 Financial sustainability

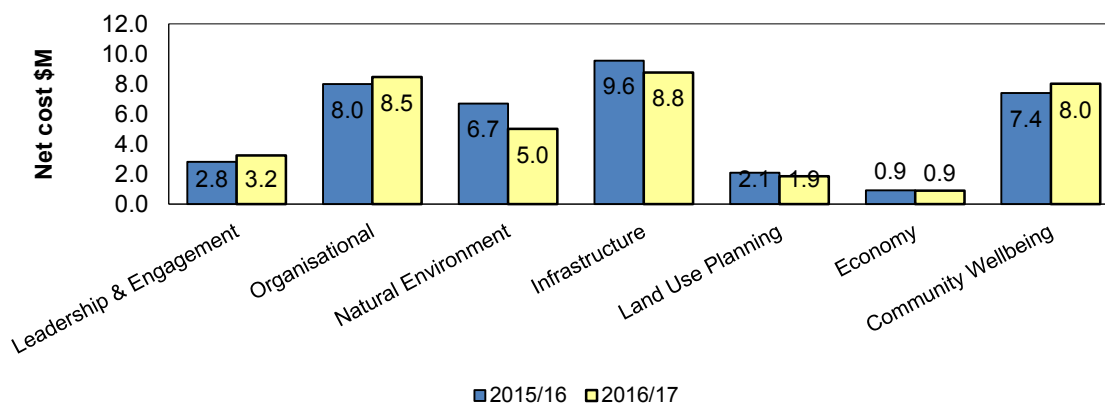


A high level Strategic Resource Plan (SRP) for the years 2016/17 - 2019/20 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows an overall trend of improving performance over the next four years.

This contains operations surplus (deficit) and recurrent capital funding, it is considered representative of 'business as usual' for Local Government.

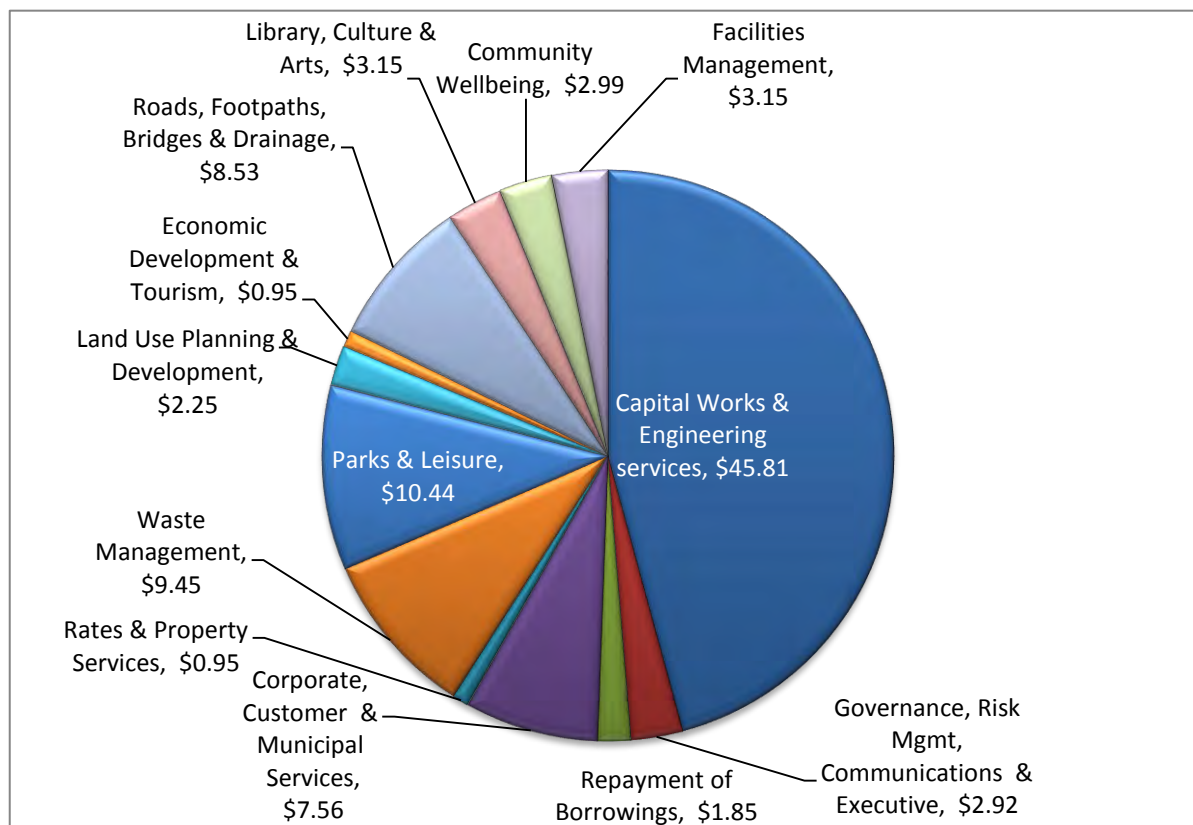
## 2016/17 Budget - Wellington Shire Council

### 8.7 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic themes specified in the Council Plan. The above graph shows the level of expenditure in the budget to achieve the strategic themes as set out in the Council Plan for the 2016/17 year.

### 8.8 Council expenditure allocations



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.

This budget has been developed through a rigorous process of consultation and review and management endorses it as financially responsible. More detailed budget information is available throughout this document.

# 2016/17 Budget - Wellington Shire Council

## 9. Budget Influences

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

### 9.1 External Influences

- Consumer Price Index (CPI) increases on goods and services of 1.7% per annum through the year to December quarter 2015 (ABS release 28 January 2016). Statewide CPI is forecast to be 2.5% for the 2016/17 year (Victorian Budget Papers 2015/16).
- Australian Average Weekly Earnings (AWE) growth for Public Sector fulltime adult ordinary time earnings in the 12 months to May 2015 was 1.7% (ABS release 13 August 2015). The wages price index in Victoria is projected to be 3.25% per annum in 2016/17 and the subsequent two years (Victorian Budget Papers 2015/16).
- In the 2014/15 Federal Budget, the Federal Government "paused" indexation for three years on the national pool of financial assistance grants provided to local government via the Victoria Grants Commission. The impact of this freeze on indexation over three years is approximately \$2.6 million, which led to Council completing a review during 2014/15 of services provided to the community in order to identify savings to offset this reduced income expectation.
- In July 2015, the Federal Government announced an increase in Roads to Recovery (R2R) funding, of which this Council received an allocation of \$1.905 million in 2015/16 and \$5.11 million in 2016/17. Previous to this announcement, the 2015/16 annual allocation of R2R funding had already been doubled from \$2.22 million to \$4.44 million. As a result of this increase Council resolved in October 2015 to include new projects, expand some projects currently funded from R2R and reallocated projects currently funded from rates to R2R funded.
- Council has estimated the increase in the levy payable to the State Government upon disposal of waste into landfill at 3.0%, as this is yet to be announced. Council has, however, been able to maintain the charge to ratepayers to recover this at \$14.92 per assessment, due to prior year costs being less than estimated.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to cost shifting include school crossing supervisors, library services, State Emergency Services (SES) and Arbovirus (mosquito monitoring). In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- Proposed 2016/17 borrowings of \$1.30 million contribution towards the Princes Highway/Cobains Road Intersection Upgrade (borrowings initially proposed for 2014/15).
- Proposed borrowings of \$0.67 million towards the residential street construction scheme which will then be repaid by the participating ratepayers over 5 to 10 years.
- Anticipated receipt of capital works funding of \$17.18 million for works associated with roads, bridges and footpaths (\$10.10 million), Port of Sale Cultural Hub (\$6.35 million), Gippsland Regional Sporting Complex Stage 2A (\$1.2 million), implementation of Boating Infrastructure plans (\$397,000) and other projects.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

# 2016/17 Budget - Wellington Shire Council

## 9.2 Internal Influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact in 2016/17 and represent challenges for the 2016/17 Budget. These matters have arisen from events occurring in the 2015/16 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2016/17 year. These matters are set out below:

- Council's current Enterprise Bargaining Agreement concludes in November 2016 and negotiations are planned to commence mid 2016.
- A desire to accommodate reductions in financial assistance grants, and our continued focus on cost reduction drove the implementation of some operational efficiencies, resulting in significant reduction to expenditure in order to support a general rate income increase of 2.5%, whilst minimising impact on service delivery, resulting in:
  - Reduction in the provision of mosquito monitoring and spraying with Council's contribution reduced to matched government funding.
  - Implementation of Information communication and technology (ICT) shared services initiative with East Gippsland Shire Council. This has resulted in one additional position with 50% of the cost reimbursed by East Gippsland Shire Council.
  - Commence, in April 2016, an review of the Shire's strategic vision document Wellington 2030 and undertake a further service review process across the organisation by April 2017.
  - Service Review completion of Park Services with recommended actions to be implemented during 2016/17.
  - Review and implementation of additional commercial income streams at West Sale Airport and Gippsland Regional Livestock Exchange.

## 9.3 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, or more closely aligned to cost where user-pays principles apply;
- Grants to be based on confirmed funding levels;
- New revenue sources to be identified where possible;
- Key service levels to be maintained, in general, at 2015/16 levels with the aim to use less resources with an emphasis on innovation and efficiency;
  - Contract labour to be minimised;
  - The use of business cases to support:
    - Increases in staffing levels without matching external funding;
    - New initiatives or projects which are not cost neutral;
- Real savings in expenditure and increases in revenue identified in 2015/16 to be preserved; and
- Operating revenues and expenses arising from completed 2015/16 capital projects to be included.

## 9.4 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2016/17 to 2019/20 (section 14), Rating Information (section 15) and Other Long Term Strategies (section 16) including borrowings and infrastructure.

## 2016/17 Budget - Wellington Shire Council

### 10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2016/17 year.

#### 10.1 Budgeted income statement

	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b>Total Income</b>	10.2	82,786	93,819	11,033
<b>Total Expenses</b>	10.3	(72,662)	(77,352)	(4,690)
<b>Surplus (deficit) for the year</b>		<b>10,124</b>	<b>16,467</b>	<b>6,343</b>
<b>Adjust for:</b>				
Grants – capital non-recurrent		(1,922)	(6,188)	(4,266)
Capital contributions		(86)	(949)	(863)
Capital other sources		(540)	(750)	(210)
Contributions - non monetary assets		(5,920)	-	5,920
<b>Adjusted underlying surplus</b>	10.1.1	<b>1,656</b>	<b>8,580</b>	<b>6,924</b>
<b>Adjust for:</b>				
Grants – capital -recurrent		(4,625)	(9,295)	(4,670)
Net gain (loss) on disposal of property, infrastructure, plant and equipment		(258)	(328)	(70)
Other non monetary capital adjustments		(93)	-	93
<b>Operating Result</b>	10.1.1	<b>(3,320)</b>	<b>(1,043)</b>	<b>2,277</b>

#### 10.1.1 Operating Result (\$2.28 million variance improvement)

##### Adjusted underlying surplus (\$6.92 million variance increase)

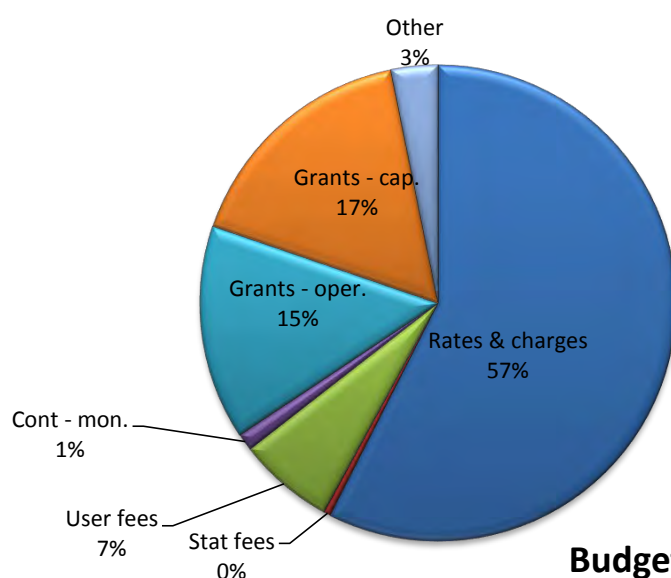
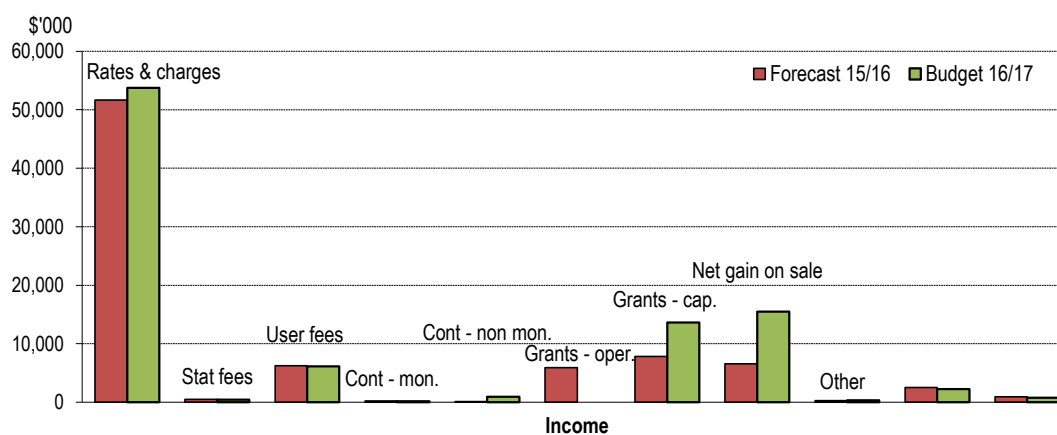
The operating result is an important measure of financial sustainability as it excludes all funds which are used for capital from being allocated to cover operating expenses. It is a measure of Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. Contributions of non-monetary assets and other non monetary adjustments including profit/loss on disposal of assets, recognition and derecognition of assets are also excluded as they are not part of Council's normal operations and the value of these adjustments assumed by Council is dependent on the level of activity each year. The underlying result for the 2016/17 year is a deficit of \$1.04 million which is an improvement of \$2.28 million from the 2015/16 year.

Local Government Reporting of 'adjusted underlying surplus/(deficit)' includes recurrent capital income. In 2016/17 this improves the operating deficit (\$1.04 million) by \$9.62 million giving an adjusted underlying surplus of \$8.58 million.

## 2016/17 Budget - Wellington Shire Council

### 10.2 Income

Income Types	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Rates and charges	10.2.1	51,694	53,722	2,028
Statutory fees & fines	10.2.2	469	461	(8)
User fees	10.2.3	6,256	6,117	(139)
Contributions - monetary -Operating	10.2.4	243	165	(78)
Contributions - monetary -Capital	10.2.4	86	949	863
Contributions - non- monetary	10.2.5	5,920	-	(5,920)
Grants - operating	5.1.1	7,850	13,619	5,769
Grants - capital	5.1.2	6,546	15,483	8,937
Net gain (loss) on disposal of property, infrastructure, plant & equip.	10.2.6	258	328	70
Other income- Operating	10.2.7	2,513	2,225	(288)
Other income- Capital	10.2.7	951	750	(201)
<b>Total Income</b>		<b>82,786</b>	<b>93,819</b>	<b>11,033</b>



**Budgeted income 2016/17**



## **2016/17 Budget - Wellington Shire Council**

### **10.2.1 Rates and charges (\$2.03 million increase)**

It is proposed that the total rates and charges income will increase by \$2.03 million to \$53.72 million. The general rate income will be calculated within the Fair Go Rates system and as per the Ministerial directive of 2.5% rise. The Waste Infrastructure Charge will rise from \$35 to \$45, Garbage Charge increase to \$181 and the separately itemised EPA Levy Charge introduced in 2011/12 will remain unchanged.

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2016/17 and the rates and charges specifically required by the Regulations.

### **10.2.2 Statutory fees & fines (\$8,000 decrease)**

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, *Public Health and Wellbeing Act 2008* registrations, provision of property information and fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to decrease by 1.71% or \$8,000 compared to 2015/16, mainly due to an expected decrease in demand for Land Information Certificates.

### **10.2.3 User fees (\$139,000 decrease)**

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure, entertainment and other community facilities. In setting the budget, the key principles for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels.

User fees are projected to decrease by 2.22% or \$139,000 over 2015/16. The main areas contributing to the decrease include a reduction in waste management fees and a number of one-off reimbursements and other charges received in 2015/16. This is partly offset by additional income associated with the shared services initiative between Wellington Shire Council and East Gippsland Shire Council which came into effect part way through 2015/16. Leisure services have also increased by \$25,000 due to expected increased patronage of Council facilities. Council has reviewed all fees and charges and where appropriate has increased them in line with the Statewide CPI of 2.5%.

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

### **10.2.4 Contributions - monetary (\$785,000 increase)**

Cash contributions include all monies received from community sources or other non government bodies towards the delivery of Council's services to ratepayers (operating) and capital works program. Overall the level of contributions will increase by \$785,000 compared to 2015/16. Contributions for operating projects has reduced by \$78,000 compared to 2015/16 due a reduction in a number of one-off contributions to be received towards community programs. The majority of the capital contribution increase relates to contributions by ratepayers to a special charge scheme (\$799,000), and further contributions towards sporting infrastructure projects (\$64,000).

### **10.2.5 Contributions - non- monetary (\$5.92 million decrease)**

The 2015/16 forecast includes gifted and donated assets relating to infrastructure assets from new subdivisions, and land acquired under the Ninety Mile Beach Plan Voluntary Assistance Scheme. No non-monetary contributions have been budgeted for in 2016/17.

### **10.2.6 Net gain (loss) on disposal of property, infrastructure, plant & equip. (\$70,000 increase)**

Proceeds from the disposal of Council assets is expected to be \$968,000 for 2016/17 and relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet. The written down value of assets sold is anticipated to be \$805,000.

## 2016/17 Budget - Wellington Shire Council

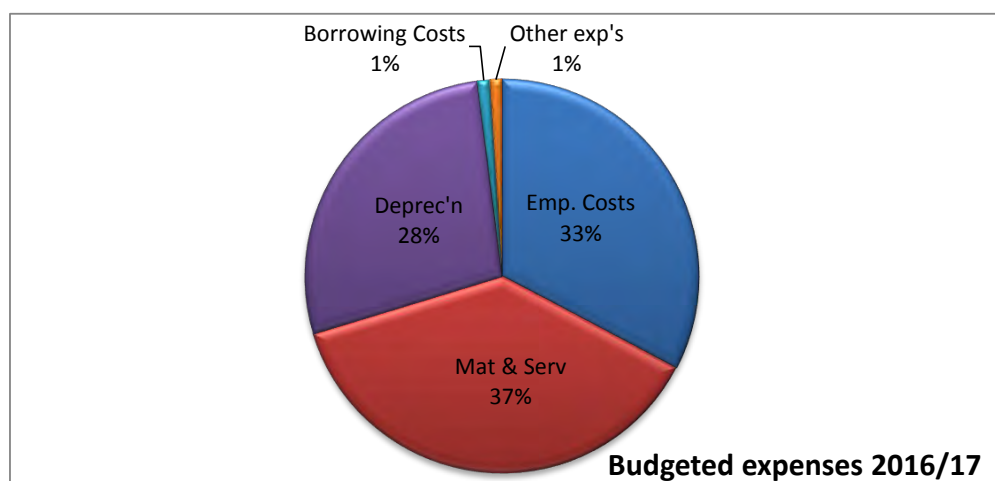
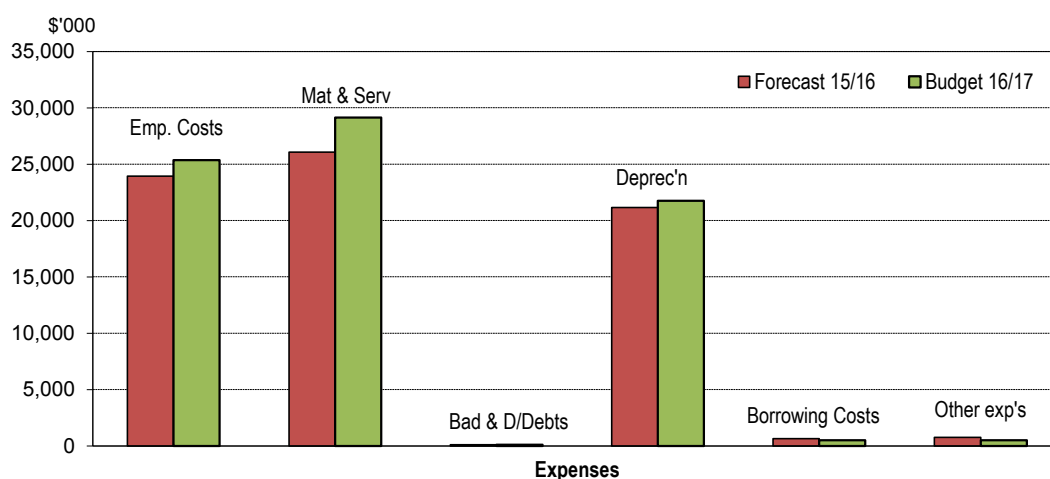
### 10.2.7 Other income (\$489,000 decrease)

Other income relates to a range of items such as donations for capital works, lease income for council properties and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to decrease by 16.44% or \$489,000 compared to 2015/16. The decrease in other income-operating is mainly due to a decline in interest on investment income of \$265,000 as a result of increased budgeted expenditure during 2016/17, which will result in fewer funds being available for investment during the year. There will be an net increase in capital income associated with donations of \$750,000 being received towards the Gippsland Regional Sporting Complex Stage 2A and the Port of Sale Cultural Hub, partly offset by no 2016/17 budget for the recognition of new assets 2015/16 (forecast \$411,000).

### 10.3 Expenses

Expenditure Types	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Employee costs	10.3.1	23,937	25,353	1,416
Materials & Services	10.3.2	26,060	29,122	3,062
Bad and doubtful debts		111	111	-
Depreciation and Amortisation	10.3.3	21,138	21,760	622
Borrowing Costs	10.3.4	652	504	(148)
Other expenses	10.3.5	764	502	(262)
<b>Total operating expenditure</b>		<b>72,662</b>	<b>77,352</b>	<b>4,690</b>



## 2016/17 Budget - Wellington Shire Council

### 10.3.1 Employee costs (\$1.42 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc. Employee costs are forecast to increase by 5.92% or \$1.42 million compared to 2015/16. This increase relates to four key factors:

- Council's Enterprise Bargaining Agreement (EBA).
- Band level increases.
- Council continues to review its operational structure, make efficiencies and reduce labour costs.
- Increases in FTE for 2016/17 have been offset by associated grant funding.

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

Division	Total Budget 2016/17	Comprises	
		Permanent Full Time	Permanent Part Time
	\$'000	\$'000	\$'000
Built & Natural Environment	9,608	9,552	56
Chief Executive Officer	1,046	1,046	-
Community and Culture	5,307	3,601	1,706
Corporate Services	3,641	3,383	258
Development	4,399	3,754	645
<b>Total permanent staff expenditure</b>	<b>24,001</b>	<b>21,336</b>	<b>2,665</b>
Casuals and other expenditure	1,739		
<b>Subtotal</b>	<b>25,740</b>		
Less: Capitalised Labour costs	(387)		
<b>Total Operating Expenditure</b>	<b>25,353</b>		

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

Division	Total Budget 2016/17	Comprises	
		Permanent Full Time	Permanent Part Time
	FTE	FTE	FTE
Built & Natural Environment	115.6	115.0	0.6
Chief Executive Officer	7.0	7.0	-
Community and Culture	62.5	39.0	23.5
Corporate Services	38.4	35.0	3.4
Development	48.1	38.0	10.1
<b>Total permanent staff</b>	<b>271.6</b>	<b>234.0</b>	<b>37.6</b>
Casuals and other	16.5		
Less: Capitalised Labour costs	(3.6)		
<b>Total Staff</b>	<b>284.5</b>		

## **2016/17 Budget - Wellington Shire Council**

### **10.3.2 Materials & Services (\$3.06 million increase)**

Materials and services include the purchase of consumables, payments to contractors for the provision of services, insurance and utility costs. Materials and services are forecast to increase by 11.75% or \$3.06 million compared to 2015/16. This increase in expenditure primarily relates to the rehabilitation of the Kilmany and Maffra landfill sites (\$1.35 million), a contribution towards the Princes Highway/Cobains Road Intersection Upgrade (\$1.3 million), and the Cowwarr Recreation Reserve Clubroom Redevelopment (\$635,000).

These have been partly offset by expected decreases in relating to agency staff backfilling vacant roles during 2015/16 (\$321,000) and the expected completion of the Rosedale Recreation Reserve Water Bore by 30 June 2016 (\$195,000).

### **10.3.3 Depreciation and Amortisation (\$622,000 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 \$622,000 for 2016/17 is due mainly to the completion of the 2016/17 capital works program and the full year effect of depreciation on the 2015/16 capital works program. Refer to Section 12 'Analysis of Capital Budget' for a more detailed analysis of Council's borrowing strategy for the 2016/17 year.

### **10.3.4 Borrowing Costs (\$148,000 decrease)**

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The decrease in borrowing costs results from the planned repayment of principal in accordance with loan agreements. Loan borrowings of \$1.96 million are planned in 2016/17. (Refer to Section 16. 'Borrowing Strategy' for a more detailed analysis)

### **10.3.5 Other expenses (\$262,000 decrease)**

Other expenses relate to a range of unclassified items including councillor allowances, asset write offs, operating leases and other miscellaneous expenditure items. Other expenses are forecast to decrease by 34.29% or \$262,000 compared to 2015/16, mainly due to the write off of road assets and the derecognition of roads which are no longer council maintained (non cash items). This is partly offset by the commencement of some new operating lease rentals.

# 2016/17 Budget - Wellington Shire Council

## 11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2016/17 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

### 11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance (Outflow) \$'000
<b>Cash flows from operating activities</b>	11.1.1			
<i>Receipts</i>				
Rates and charges		51,424	53,484	2,060
Statutory fees and fines		469	461	(8)
User Charges		6,424	6,065	(359)
Grants - operating		9,304	14,507	5,203
Grants - capital		8,104	15,483	7,379
Contributions		350	512	162
Interest		1,265	1,000	(265)
Trust funds and deposits taken		120	0	(120)
Other receipts		1,788	1,975	187
		<b>79,248</b>	<b>93,487</b>	<b>14,239</b>
<i>Payments</i>				
Payments to Employees		(23,685)	(24,959)	(1,274)
Payment to Suppliers		(26,772)	(28,511)	(1,739)
Other Payments		(446)	(503)	(57)
		<b>(50,903)</b>	<b>(53,973)</b>	<b>(3,070)</b>
<b>Net cash provided by operating activities</b>		<b>28,345</b>	<b>39,514</b>	<b>11,169</b>
<b>Cash flows from investing activities</b>	11.1.2			
Payments for Property, Infrastructure, Plant and Equipment		(26,802)	(45,626)	(18,824)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		1,100	1,278	178
<b>Net cash used in investing activities</b>		<b>(25,702)</b>	<b>(44,348)</b>	<b>(18,646)</b>
<b>Cash flows from financing activities</b>	11.1.3			
Finance costs		(653)	(504)	149
Proceeds from borrowings		-	1,956	1,956
Repayment of borrowings		(2,990)	(1,481)	1,509
<b>Net cash used in financing activities</b>		<b>(3,643)</b>	<b>(29)</b>	<b>3,614</b>
<b>Net decrease by cash and cash equivalents</b>		<b>(1,000)</b>	<b>(4,863)</b>	<b>(3,863)</b>
Cash and cash equivalents at the beginning of the year		44,359	43,359	(1,000)
<b>Cash and cash equivalents at end of the year</b>	11.1.4	<b>43,359</b>	<b>38,496</b>	<b>(4,863)</b>

Source: Section 3

## 2016/17 Budget - Wellington Shire Council

### 11.1.1 Operating activities (\$11.17 million increase)

The increase in cash inflows from operating activities is mainly due to significantly higher receipts of grant funding of \$12.58 million in 2016/17 with the major increases relating to the Roads to Recovery program (\$9.30 million), the Port of Sale Cultural Hub and Precinct Redevelopment (\$3.3 million) and a full year allocation of Victoria Grants commission allocation (an additional \$6.1 million). There is also additional \$2.06 million rates income along with increase in employee costs and material and suppliers including the deferral of the Kilmany landfill rehabilitation until 2016/17.

The net cash flows from operating activities does not equal the 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 Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b>Net surplus (deficit) for the year</b>	10,124	16,467	6,343
Depreciation	21,138	21,760	622
Loss (gain) on sale of assets	(258)	(328)	(70)
Write off of assets	237	-	(237)
Borrowing Costs	654	504	(150)
Non cash contributions	(5,920)	-	5,920
Recognition of assets	(411)	-	411
Derecognition of assets	81	-	(81)
Net movement in current assets and liabilities	2,700	1,111	(1,589)
<b>Cash flows available from operating activities</b>	<b>28,345</b>	<b>39,514</b>	<b>11,169</b>

### 11.1.2 Investing activities (\$18.65 million increase)

The \$18.65 million increase in payments for property, infrastructure, plant and equipment represents Council's continued commitment to the renewal of community assets and delivering improvements to facilities in line with the Infrastructure Strategy as per Section 16. More detailed information on the 2016/17 capital program can be found in Section 6 and 12.

### 11.1.3 Financing activities (\$3.61 million decrease)

The increase in loan borrowings results from the \$1.30 million to fund a contribution to the Princes/Highway Cobains Road intersection upgrade (deferred from 2015/16) and to fund the residential street scheme (with funds to be repaid by ratepayers over a 5 to 10 year period). During 2016/17 loan principal and interest repayments have increased by \$1.66 million (refer to Section 16 Borrowing Strategy for further details).

### 11.1.4 Cash and cash equivalents at end of the year (\$4.86 million decrease)

Overall, total cash and investments is forecast to decrease by \$4.86 million to \$38.50 million as at 30 June 2017, partly due to some 2015/16 projects that will be completed in 2016/17 as well as reflecting Council's strategy of using excess cash and investments to support renewal of ageing infrastructure assets. The cash at the end of the year will be sufficient to meet Council's short term commitments, cover required reserves and fund carried forward expenditure.

## 11.2 Restricted funds and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2017 it will have cash and investments of \$38.50 million, which will be restricted as shown in the following table.

## 2016/17 Budget - Wellington Shire Council

	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>43,359</b>	<b>38,496</b>	<b>(4,863)</b>
Restricted cash and investments				
- Statutory and non-discretionary reserves	11.2.1	(863)	(934)	(71)
- Cash held to fund carry forward works and programs	11.2.2	(8,271)	(2,620)	5,651
- Trust funds and deposits		(900)	(900)	-
<b>Unrestricted cash and investments</b>	11.2.3	<b>33,325</b>	<b>34,042</b>	<b>717</b>
- Discretionary reserves	11.2.4	(5,753)	(4,262)	1,491
<b>Unrestricted cash adjusted for discretionary reserves</b>	11.2.5	<b>27,572</b>	<b>29,780</b>	<b>2,208</b>

Source: Section 3

### 11.2.1 Statutory reserves (\$934,000)

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

### 11.2.2 Cash held to fund carry forward works and programs (\$2.62 million)

An amount of \$8.27 million is forecast to be held at 30 June 2016 to fund works (for both capital and operating projects) budgeted but not completed in the 2015/16 financial year. In addition, there is also \$1.24 million of cash forecast within reserves at 30 June 2016 that will fund carry forward works (for both capital and operating projects). Section 6.2 contains further details on capital works funding. The amount being carried forward from 2015/16 (\$2.62 million) relates to unspent grant funding for the delivery of the Wellington Coast Subdivision voluntary assistance scheme and emergency management programs, which will be spent over the next five years.

### 11.2.3 Unrestricted cash and investments (\$34.04 million)

The amount shown is in accordance with the definition of unrestricted cash included in Section 3 of the Regulations. These funds are free of statutory reserve funds and cash to be used to fund capital expenditure and other operating programs from the previous financial year.

### 11.2.4 Discretionary reserves (\$4.26 million)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, 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. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

### 11.2.5 Unrestricted cash adjusted for discretionary reserves (\$29.78 million)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

## 2016/17 Budget - Wellington Shire Council

### 12. Analysis of capital budget

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

#### 12.1 Capital works

Capital Works Areas	Ref.	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b>Works carried forward</b>	12.1.1			
<b>Property</b>				
Buildings		1,850	3,323	1,473
<b>Total Property</b>		<b>1,850</b>	<b>3,323</b>	<b>1,473</b>
<b>Infrastructure</b>				
Roads		863	1,296	433
Bridges		204	820	616
Footpaths		135	250	115
Drainage		-	-	-
Recreational leisure and community facilities		1,063	155	(908)
Waste Management		21	-	(21)
Parks, open space and streetscapes		1,110	1,585	475
Aerodromes		54	-	(54)
Off Street Car Parks		-	42	42
Other Infrastructure		134	581	447
<b>Total Infrastructure</b>		<b>3,583</b>	<b>4,729</b>	<b>1,145</b>
<b>Plant &amp; Equipment</b>				
Plant, Machinery and Equipment		113	-	(113)
Furniture & Fittings		6	-	(6)
Computers and telecommunications		124	176	52
<b>Total Plant &amp; Equipment</b>		<b>243</b>	<b>176</b>	<b>(67)</b>
<b>Intangibles</b>		183	611	428
<b>Total works carried forward</b>		<b>5,859</b>	<b>8,838</b>	<b>2,979</b>
<b>New works for 2016/17</b>				
<b>Property</b>	12.1.2			
Land		185	-	(185)
Landfill Improvements		60	1,530	1,470
Buildings		(0)	7,590	7,590
<b>Total Property</b>		<b>245</b>	<b>9,120</b>	<b>8,875</b>
<b>Infrastructure</b>	12.1.3			
Roads		9,693	13,864	4,171
Bridges		1,327	2,380	1,053
Footpaths		569	1,199	630
Drainage		196	290	94
Recreational leisure and community facilities		1,028	2,491	1,463
Waste Management		628	110	(518)
Parks, open space and streetscapes		1,490	3,201	1,711
Aerodromes		195	485	290
Off Street Car Parks		223	54	(169)
Other Infrastructure		2,080	556	(1,524)
<b>Total Infrastructure</b>		<b>17,428</b>	<b>24,630</b>	<b>7,202</b>

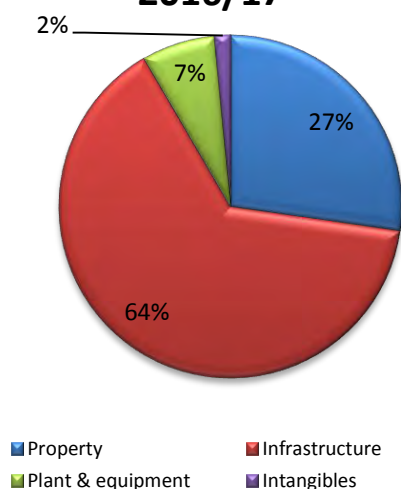


## 2016/17 Budget - Wellington Shire Council

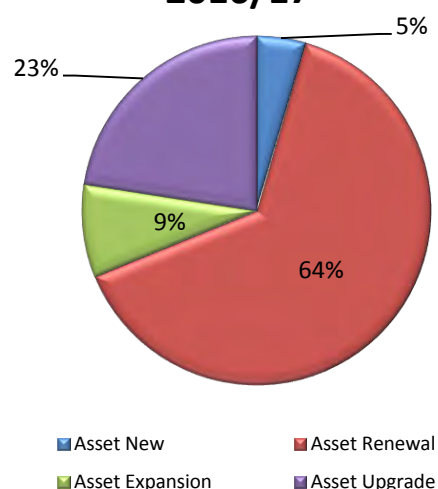
<b>Plant &amp; Equipment</b>	12.1.4			
Plant, Machinery and Equipment		2,789	2,541	(248)
Furniture & Fittings		223	68	(155)
Computers and telecommunications		(0)	100	100
Library Books		205	264	59
<b>Total Plant &amp; Equipment</b>		<b>3,217</b>	<b>2,973</b>	<b>(244)</b>
<b>Intangibles</b>	12.1.5	51	64	13
<b>Total new works</b>		<b>20,942</b>	<b>36,787</b>	<b>15,845</b>
<b>Total capital works</b>		<b>26,802</b>	<b>45,626</b>	<b>18,824</b>

Capital Works Areas	Ref.	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b>Represented by:</b>				
Asset New	12.1.6	499	2,063	1,564
Asset Renewal	12.1.6	19,015	29,352	10,337
Asset Expansion	12.1.6	954	3,917	2,963
Asset Upgrade	12.1.6	6,333	10,294	3,960
<b>Total capital works</b>		<b>26,802</b>	<b>45,626</b>	<b>18,825</b>

**Budgeted capital works  
2016/17**



**Budgeted capital works  
2016/17**



A more detailed listing of the capital works program is included in Section 6.

### 12.1.1 Carried forward works (\$8.84 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to planning issues, weather delays, extended consultation, natural disasters etc. For the 2015/16 year it is forecast that \$8.84 million of capital works will be incomplete and carried forward into the 2016/17 year. The most significant of these projects is the Port of Sale Cultural Hub Redevelopment (\$2.93 million).

## **2016/17 Budget - Wellington Shire Council**

### **12.1.2 Property (\$9.12 million)**

The property class comprises land, landfill improvements and buildings.

For the 2016/17 year, \$9.12 million will be expended on building, building improvements and landfill improvements. The most significant projects include the Port of Sale Cultural Hub and Precinct Redevelopment (\$6.68 million), Gippsland Regional Sporting Complex Stage 2A (\$1.70 million), Kilmany Landfill – Cell 2 Construction (\$1.50 million) and the Yarram - Regent Theatre Refurbishment Works (\$300,000).

### **12.1.3 Infrastructure (\$24.63 million)**

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, aerodromes, off street car parks and other infrastructure.

For the 2016/17 year, \$13.86 million will be expended on roads. The more significant projects include the annual road reseals program (\$3.43 million), Roads to Recovery projects (\$9.30 million), Residential Road and Street Construction Plan Implementation (\$2.4 million) and the unsealed roads reconstruction annual program (\$1.10 million).

\$2.38 million will be expended on bridges with the most significant project being the Park St Bridge. \$1.20 million will also be expended on footpaths, with the most significant project being the Sale - Glebe Woondella Shared Path Construction (\$765,000). \$290,000 will be expended on Drainage projects.

\$3.30 million will be expended on parks, open space, streetscapes and waste management. The most significant include the continuation of the Sale CBD Streetscape Renewal (York Street) (\$1.50 million), Stratford streetscape renewal (\$700,000), the Sale Botanical Gardens Development (\$200,000) and the annual Playgrounds Renewal Program (\$200,000). \$2.49 million will also be expended on recreational, leisure and community facilities including Gippsland Regional Sporting Complex Stage2A (\$1.70 million) and Cameron Sporting Complex LED lighting upgrade (\$110,000).

\$485,000 will be expended on Aerodromes and \$556,000 on other infrastructure including upgrades to Council managed boating facilities(\$517,000)

### **12.1.4 Plant and equipment (\$2.97 million)**

Plant and equipment includes major plant and equipment, computers and telecommunications, library books and art works.

For the 2016/17 year, \$2.97 million will be expended on plant, equipment and other projects. The most significant projects include ongoing cyclical replacement of plant and vehicle fleet (\$2.54 million) and library material purchases (\$264,000).

### **12.1.5 Intangibles (\$64,000)**

For the 2016/17 year, \$64,000 will be expended on corporate systems and applications.

## 2016/17 Budget - Wellington Shire Council

### 12.1.6 Asset new (\$2.06 million), renewal (\$29.35 million), expansion (\$3.92 million) and upgrade (\$10.29 million)

A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

The major new asset to be built in 2016/17 is the Gippsland Regional Sporting Complex Stage 2A (\$1.7 million)

The majority of renewal expenditure is related to infrastructure spending on roads, bridges, footpaths and drainage (\$15.50 million) and renewal of Council's plant and vehicle fleet (\$2.54 million). Other capital items to be renewed in 2016/17 include buildings (\$6.96 million) and open space projects (\$3.09 million).

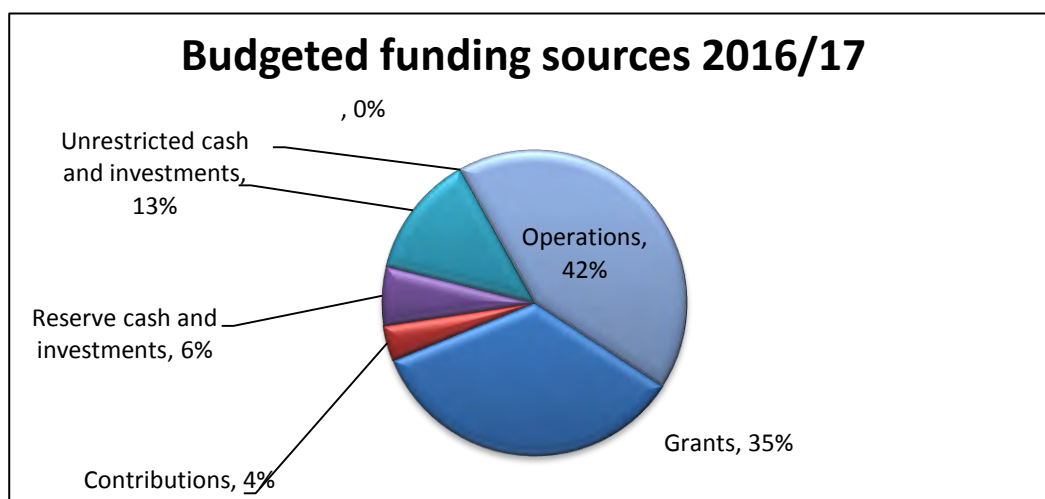
Capital items to be upgraded in 2016/17 include \$2.61 million for the Port of Sale Cultural Hub and Precinct Redevelopment, \$3.60 million in roads, bridges, footpaths and drainage, \$943,000 on the Sale CBD Streetscape Renewal (York Street), \$207,000 on Boating Infrastructure Action Plan Works and \$148,000 on the Stratford Recreation Reserve Additional Netball Courts.

Capital expansion projects in 2016/17 include the Port of Sale Cultural Hub (\$1.98 million) and the Glebe Woondella Shared Path Construction (\$765,000).

### 12.2 Funding sources

Sources of Funding	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<b>Works carried forward</b>				
<b>Current year funding</b>				
Grants		2,605	3,017	412
Contributions		349	-	(349)
Council cash				-
- Unrestricted cash and investments		3,807	5,822	2,015
<b>Total works carried forward</b>	12.2.1	<b>6,761</b>	<b>8,839</b>	<b>2,078</b>
<b>New Works</b>				
<b>Current year funding</b>				
Grants	12.2.2	6,546	12,466	5,920
Contributions		625	1,699	1,073
Council cash				
- Operations	12.2.3	9,393	18,879	9,487
- Proceeds on sale of assets	12.2.4	1,072	968	(104)
- Reserve cash and investments	12.2.5	2,397	2,775	378
<b>Total new works</b>		<b>20,033</b>	<b>36,787</b>	<b>16,753</b>
<b>Total funding sources</b>		<b>26,795</b>	<b>45,626</b>	<b>18,832</b>

## 2016/17 Budget - Wellington Shire Council



### 12.2.1 Carried forward works (\$8.84 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to planning issues, weather delays, extended consultation, natural disasters etc. For the 2015/16 year it is forecast that \$8.84 million of capital works will be incomplete and carried forward into the 2016/17 year. Significant funding includes grants for the Port of Sale Cultural Hub (\$500,000) and the Roads to Recovery Program (\$1.74 million). A contribution was also received in 2015/16 towards the Port of Sale Cultural Hub. The balance of funding for the carried forward works comes from unrestricted cash.

### 12.2.2 Grants (\$12.47 million) and Contributions (\$1.70 million)

Capital grants and contributions include all monies received from State, Federal and community sources for the purposes of funding the capital works program.

Grants are budgeted to be significantly higher for 2016/17 due to an increased allocation of funding received from the Federal Governments Roads to Recovery program (\$9.30 million). Other significant projects budgeted to receive grant funding include the Port of Sale Cultural Hub and Precinct Redevelopment (\$3.3 million), Gippsland Regional Sporting Complex Stage2A (\$650,000), Sale CBD Streetscape Renewal (York Street) will receive \$500,000, Boating Infrastructure Action Plan Works (\$397,000) and the Sale - Glebe Woondella Shared Path Construction (\$300,000).

Contributions are budgeted to be received for projects including the Gippsland Regional Sporting Complex Stage 2A (\$500,000) and the Port of Sale Cultural Hub (\$250,000) in addition there will be a Special Charge Scheme for the Residential Road and Street Construction Plan Implementation (\$874,000).

### 12.2.3 Council cash - operations (\$18.88 million)

During the year Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is budgeted that \$18.88 million will be generated from within operations to fund the 2016/17 capital works program.

### 12.2.4 Council cash - proceeds from sale of assets (\$968,000)

Proceeds from sale of assets includes trade-in of major plant (\$277,000) and motor vehicles (\$691,000) in accordance with Council's fleet and plant renewal policy.

### 12.2.5 Council cash - Reserve cash and investments (\$2.78 million)

Council has adequate cash reserves, which it is currently using to fund its annual capital works program. For 2016/17 \$2.78 million will be used to fund part of the new capital works program including Kilmany Landfill – Cell 2 Construction (\$1.5 million), plant renewal (\$997,000), playgrounds Expansion Program (The Port) (\$110,000), Maffra Landfill – Entry Road Sealing (\$50,000) and other smaller infrastructure projects.

## 2016/17 Budget - Wellington Shire Council

### 13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2015/16 and 2016/17. It also considers a number of key performance indicators.

#### 13.1 Budgeted balance sheet

	Ref	Forecast Actual 2016 \$'000	Budget 2017 \$'000	Variance \$'000
<b>Assets</b>				
<b>Current assets</b>	13.1.1			
Cash and Cash Equivalents		43,359	38,496	(4,863)
Trade and Other receivables		4,321	4,172	(149)
Other Assets		873	341	(532)
<b>Total current assets</b>		<b>48,771</b>	<b>43,009</b>	<b>(5,762)</b>
<b>Non-current assets</b>	13.1.1			
Trade and Other receivables		1,540	2,115	575
Property, Infrastructure, Plant & Equipment		899,007	921,865	22,858
Intangibles		786	1,062	276
<b>Total non-current assets</b>		<b>901,333</b>	<b>925,042</b>	<b>23,709</b>
<b>Total assets</b>		<b>950,104</b>	<b>968,051</b>	<b>17,947</b>
<b>Liabilities</b>				
<b>Current liabilities</b>	13.1.2			
Trade and Other Payables		5,387	6,007	(620)
Interest-Bearing Borrowings		1,481	919	563
Provisions		6,801	7,171	(370)
Trust funds and deposits		900	900	-
<b>Total current liabilities</b>		<b>14,569</b>	<b>14,997</b>	<b>(428)</b>
<b>Non-current liabilities</b>	13.1.2			
Interest-Bearing Borrowings		8,656	9,693	(1,037)
Provisions		1,829	1,843	(14)
<b>Total non-current liabilities</b>		<b>10,485</b>	<b>11,536</b>	<b>(1,051)</b>
<b>Total liabilities</b>		<b>25,054</b>	<b>26,533</b>	<b>(1,479)</b>
<b>Net assets</b>	13.1.3	<b>925,050</b>	<b>941,518</b>	<b>16,468</b>
<b>Equity</b>	13.1.4			
Accumulated surplus		311,895	329,783	17,888
Asset revaluation reserve		606,539	606,539	-
Other reserves		6,616	5,196	(1,420)
<b>Total Equity</b>		<b>925,050</b>	<b>941,518</b>	<b>16,468</b>

Source: Section 3

## 2016/17 Budget - Wellington Shire Council

### 13.1.1 Current Assets (\$5.76 million decrease) and Non-Current Assets (\$23.71 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with terms to maturity of three months or less. These balances are projected to decrease by \$4.46 million mainly to fund carried forward capital works and operating projects.

Trade and other receivables are monies owed to Council by ratepayers and others. Both short term debtors and long term debtors are not expected to change significantly in the budget.

Other Assets includes items such as prepayments for expenses that Council has paid in advance of service delivery and accrued income.

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 (\$45.63 million of new assets), depreciation of assets (\$21.76 million) and the impact of asset sales (\$968,000).

### 13.1.2 Current Liabilities (\$428,000 increase) and Non-Current Liabilities (\$1.05 million increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to increase from the 2015/16 forecast by \$620,000.

Provisions include accrued employee entitlements (long service leave and annual leave) owing to employees and provision for landfill rehabilitation. The provisions for employee entitlements are expected to increase in accordance with the Enterprise Bargaining Agreement.

Interest-bearing loans are borrowings of Council. New loan borrowings of \$1.96 million are planned for 2016/17. Council will repay loan principal of \$1.48 million during the year.

### 13.1.3 Working Capital (\$6.19 million decrease)

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.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward works for the previous financial year.

	Forecast Actual 2016 \$'000	Budget 2017 \$'000	Variance \$'000
<b>Current assets</b>	48,771	43,009	(5,762)
<b>Current liabilities</b>	(14,569)	(14,997)	(428)
<b>Working capital</b>	34,202	28,012	(6,190)
Restricted cash and investment current assets			
- Statutory reserves	(863)	(934)	(71)
- Cash held to fund carry forward works and programs	(10,477)	(2,620)	7,857
- Trust funds and deposits	(900)	(900)	-
<b>Unrestricted working capital</b>	21,962	23,558	1,596

## 2016/17 Budget - Wellington Shire Council

In addition to the restricted cash shown above, Council is also projected to hold \$4.26 million in discretionary reserves at 30 June 2017. Although not restricted by a statutory purpose, 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.

### 13.1.4 Equity (\$16.47 million increase)

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the accumulated surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. \$17.89 million of the increase results directly from the surplus for the year. An amount of \$1.42 million (net) is budgeted to be transferred from other reserves to fund the capital works program. This is a transfer between equity balances only and does not have an impact on the total balance of equity.

### 13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ended 30 June 2017 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 91.0% of total rates and charges raised will be collected in the 2016/17 year.
- There will be new loan borrowings of \$1.96 million (see Section 5 - Borrowings for more information).
- Sundry debtors and creditors to remain consistent with 2015/16 levels.
- Employee entitlements to be increased by the Enterprise Bargaining outcome.
- Total capital expenditure to be \$45.63 million.
- Repayment of loan principal to be \$1.48 million.
- Proceeds from property sales will be transferred to reserve for funding future capital projects.

## **Long Term Strategies**

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies



## 2016/17 Budget - Wellington Shire Council

### 14. Strategic resource plan

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

#### 14.1 Plan development

The Act requires a SRP to be prepared describing both financial and non-financial resources, (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared an SRP for the four years 2016/17 to 2019/20 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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

- Maintain existing service levels
- Obtain/maintain a breakeven underlying operating result within two years.
- Maintain a level of borrowings of no more than 40% of rate revenue (see Borrowings Strategy Section 16); and
- Improve our capacity to fund the renewal of infrastructure assets according to the Asset Management Plans.

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

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

#### 14.2 Financial resources

The following table summarises the key financial results for the next four years as set out in the SRP projections for years 2016/17 to 2019/20. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

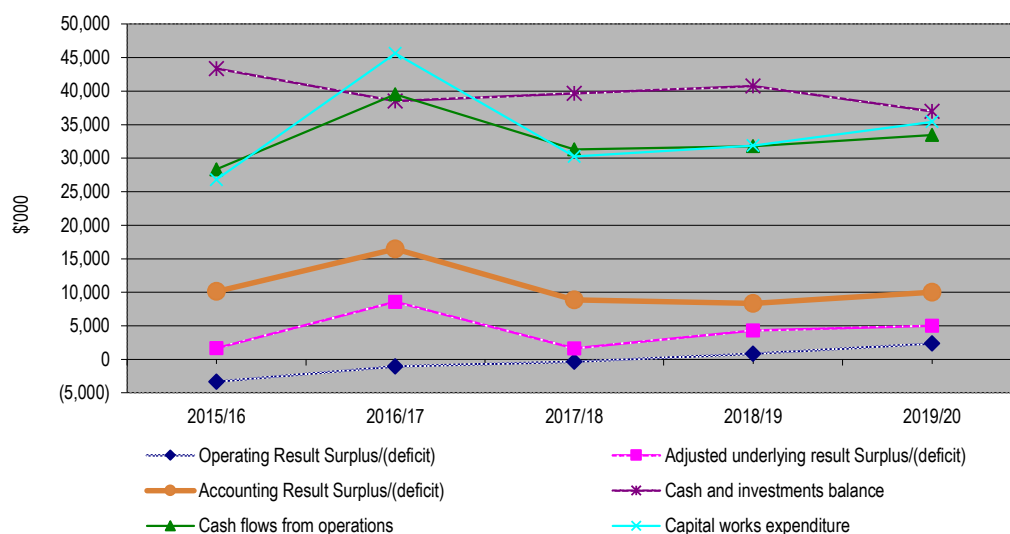
Indicator	Forecast	Budget	Strategic Resource			Trend +/-	
	Actual		Projections				
	2015/16		2016/17	2017/18	2018/19		2019/20
	\$'000		\$'000	\$'000	\$'000		\$'000
Operating Result Surplus/(deficit)	(3,320)	(1,043)	(365)	843	2,355	+	
Adjusted underlying result Surplus/(deficit)	1,655	8,580	1,638	4,287	5,001	+	
Accounting Result Surplus/(deficit)	10,124	16,467	8,876	8,330	10,027	+	
Cash and investments balance	43,359	38,496	39,655	40,748	36,974	-	
Cash flows from operations	28,345	39,514	31,290	31,776	33,451	+	
Capital works expenditure	26,802	45,626	30,248	31,867	35,418	+	

Key to Forecast Trend:

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

## 2016/17 Budget - Wellington Shire Council

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



The key outcomes of the Plan are as follows:

- **Financial sustainability (Section 11)** - Cash and investments is forecast to decrease over the four year period from \$38.50 million to \$36.97 million and then continue increasing for the next four years.
- **Rating information (Section 15)** – Modest increases are forecast over the four years at an average of 2.33%.
- **Borrowing strategy (Section 16)** – Borrowings are forecast to decrease slightly over the four year period, from \$10.62 million to \$9.10 million. This includes \$1.96 million borrowings (including \$1.3 million deferred from 2015/16) in 2016/17, \$825,000 in 2017/18, \$1.25 million in 2018/19 and \$1.48 million in 2019/20.
- **Infrastructure information (Section 17)** - Capital expenditure over the four year period will total \$143.16 million at an average of \$35.79 million per annum.

# 2016/17 Budget - Wellington Shire Council

## 15. Rating Information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

### 15.1 Rating context

In developing the Strategic Resource Plan (SRP- referred to in Section 14.), rates and charges are identified as an important source of revenue, averaging 63.0% of the total revenue received by Council annually. Planning for the impact of minimal rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Wellington Shire community.

State Government have introduced the Fair Go Rates System (FGRS) and maximum general rate increases of 2.5%. Operations have an imperative to budget and manage expenditure within these revenue levels.

### 15.2 Current year rates and charges

#### General Rates

For 2016/17 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges (Wellington Shire do not apply a municipal charge). Council projected forward during the preparation of its last SRP rate rises approximating 2.5% as a result the operations have been streamlined over 2015/16 in readiness for the FGRS cap.

#### Waste Infrastructure Charge

The Waste Infrastructure Charge is applied to all properties, other than those identified as being within the Ninety Mile Beach Restructure Plan Stages 7 - 22, with the exception of those properties with an existing dwelling, where the charge will still apply.

The increasing cost of compliance with Environment Protection Authority (EPA) requirements in the provision of waste infrastructure (landfills and transfer stations) has resulted in the need to increase the Waste Infrastructure Charge from \$35 to \$45, in order to be able to fund the next ten years' capital works.

#### EPA Levy Charge

The cost to Council of EPA levies will increase by an estimated 3.0% (per tonne of waste to landfill) in the coming year, but Council has been able to maintain the charge to ratepayers at \$14.92 per assessment, due to prior year costs being contained and managed to lower levels than estimated.

This separate cost is shown on Rates Notices in the interests of greater transparency. The cost of this levy is influenced by two drivers - one is the volume of waste going into our landfill, and the second is the price per tonne levied by the EPA. While we can do little regarding the price, we can certainly, as a community, make greater efforts to recycle more, and reduce the volume of waste to landfill. Council is committed to progressing this within the community through the delivery of education programs in schools focusing on recycling and resource conservation.

In time this levy will need to be revisited.

#### Boisdale Common Effluent System Charge

In 2014/15, an annual service charge for wastewater availability in the township of Boisdale was implemented, for all properties connected to the Boisdale Common Effluent System. This charge represents a contribution towards the costs of operation and management of the system. The 2016/17 charge will increase to \$388 per property (\$426.80 for commercial properties) in the coming year to incorporate a new pump out charge of \$100 per property.

This is charged on the Annual Rates Notice, and may be paid in the same way as other Rates and Charges, over four instalments.

## 2016/17 Budget - Wellington Shire Council

### 15.3 Future rates increases

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2016.

Year	General Rate increase (rate in dollar)	Garbage Charge increase	Waste Infrastructure Charge increase	EPA Levy Charge increase	Total Rates & Charges Raised
	%	%	%	%	\$'000
2015/16	3.5	2.90	9.4	0.0	51,694
2016/17	1.97	3.0	0.0	0.0	53,722
2017/18	2.45	3.0	0.0	0.0	55,767
2018/19	2.45	3.0	0.0	0.0	58,198
2019/20	2.45	3.0	0.0	0.0	60,561

### 15.4 Rating structure

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

- Property values, form the central basis of rating under the *Local Government Act 1989*
- User pays component to reflect usage of services provided by Council.

Striking a proper balance between these elements of revenue provides equity in the distribution of the rate burden across residents and service users.

Council has adopted a formal Rating Strategy in March 2015 that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

Having reviewed the various valuation bases options for determining property values, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality, and enables the application of a differential rate to selected property categories. There are currently no plans to change that basis, but Council does review its rating structure every four years.

The existing rating structure comprises two differential rates (General and Farm) and a rate concession for recreational land. These rates are structured in accordance with the requirements of section 161 "Differential Rates" of the *Local Government Act 1989*. The Farm rate is set at 80% of the general rate and the recreational land rate is set for each property according to a set of criteria as allowed by the Act. Council also has a garbage charge, a waste infrastructure charge, an EPA levy charge, and a Boisdale Common Effluent System and Pump out charge as allowed under 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 this Act.

The following table summarises the rates to be levied for the 2016/17. A more detailed analysis of the rates to be raised is contained in Section 7 "Statutory Disclosures".

## 2016/17 Budget - Wellington Shire Council

Rate Type	How applied	2015/16	Draft 2016/17	Total Revenue Raised \$000's	Change
General rates	Cents/\$ CIV	0.005362	0.005329	39,025	-0.6%
Farm rates	Cents/\$ CIV	0.004290	0.004263	9,383	-0.6%
Recreational land rates	Cents/\$ CIV	N/A	N/A	66	N/A
Garbage Charge	\$/property	\$ 176.00	\$ 181.00	3,388	2.8%
EPA Levy Charge	\$/property	\$ 14.92	\$ 14.92	1,371	0.0%
Waste Infrastructure Charge	\$/property	\$ 35.00	\$ 45.00	279	28.6%
Boisdale Common Effluent System Charge	\$/property	\$ 288.00	\$ 388.00	10	34.7%

The garbage charge is levied against all properties where the collection service is available, whether or not the owner or occupier avails themselves of the service. The Boisdale Common Effluent System charge is levied against those properties connected to the system.

### 15.5 Rate Rebate on land with a Deed of Covenant for conservation purposes

Council supports the protection of the biodiversity of lands for the benefit of the broader community, through it's provision of a small rate rebate to landowners with a Deed of Covenant for conservation purposes registered on their property (refer Council Policy Manual, Policy 4.1.12). For 2016/17 the rate rebate is set at \$5 per hectare, with a minimum rebate of \$100 and a maximum equal to the annual general rate on the property. Annually, this rebate applies to between 50 and 60 properties, and in 2016/17 is expected to cost Council \$13,000.

### 15.6 General revaluation of properties

During the 2015/16 year, a revaluation of all properties within the municipality was carried out and will apply from 1 January 2016 for the 2016/17 financial year. The outcome of the general revaluation has been a moderate change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by only 3.04%.

The following table summarises the valuation changes between the 2014 and 2016 general revaluations by property type, together with the rating changes between the 2015/16 and 2016/17 years based on a 2.5% average rate increase (general rate only), and the valuation movements listed. This table shows the variation in valuation changes between commercial and other types of properties.

Property Type	Valuation Change Increase / (Decrease)	Rates Increase / (Decrease)
Commercial / Industrial	96,402,000	464,855
Farm	19,955,000	27,197
General Residential	299,608,693	1,416,894

Council has chosen not to make any changes to the existing rate differential. Therefore, in aggregate, income from total rates coming directly from current ratepayers will increase by \$1.9 million.

## 2016/17 Budget - Wellington Shire Council

### 16. Borrowing Strategy

#### 16.1.1 Current Situation

Council has revised its Long Term Financial Plan, taking into consideration the need to plan carefully for funding the renewal of infrastructure assets, and remain a financially sustainable organisation. From this review the following borrowing strategy principles have been developed.

1. Debt levels to be within permissible ratios of the Local Government Performance Reporting Framework (LGPRF), and be below 40% of annual rate revenue, (based on Council's Rating Strategy), maintaining spare capacity for future major projects and unexpected events.
2. Borrowings will be used for non-recurrent capital works and unexpected major events.
3. Borrowings are a valid mechanism for providing inter-generational equity. i.e. the generation that uses the asset, pays for the asset.

These principles enables Council to utilise borrowings as a logical source of funds for major infrastructure projects, as well as allowing Council to access borrowings if needed unexpectedly (e.g. natural disasters/emergencies) and still remain within the prescribed "obligations" financial reporting indicators .

LGPRF Indicators			
Year	Total Borrowings 30 June \$'000	Loans & Borrowings compared to rates %	Loans & Borrowings repayments compared to rates %
2014/15	13,127	26.6	7.3
2015/16	10,137	19.6	7.0
2016/17	10,612	19.8	3.7
2017/18	10,518	18.9	2.6
2018/19	11,249	19.3	1.8
2019/20	9,102	15.0	6.8
Permissible Range		0% to 50%	0% to 10%

#### 16.1.2 Future Borrowings

The proposed 2016/17 borrowings is \$1.96 million including \$1.3 million contribution towards the Princes Highway/Cobains Rd Intersection upgrade project (\$1.8 million-originally planned for 2015/16). The remaining \$655,000 will fund Residential Street Construction Schemes and will be repaid by participating ratepayers over 5 to 10 years.

After making principal payments of \$1.48 million, Council's total borrowings as at 30 June 2017 will be \$10.61 million.

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

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2015/16	-	2,990	653	10,137
2016/17	1,956	1,481	504	10,612
2017/18	825	919	518	10,518
2018/19	1,248	517	518	11,249
2019/20	1,480	3,627	482	9,102

Future borrowings have been matched to specific capital projects which meet our borrowing strategy

- Residential Street Construction Schemes
- Major Drainage Development Schemes
- Sporting Infrastructure Plan implementation

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

	2015/16 \$'000	2016/17 \$'000
Total amount to be borrowed	-	1,956
Total amount projected to be redeemed	(2,990)	(1,481)
Total amount proposed to be borrowed as at 30 June	10,137	10,612

## 2016/17 Budget - Wellington Shire Council

### 16.2 Infrastructure

#### 16.2.1 Council Objectives

The revised Council Plan 2013-17 makes the following statement with regard to its vision for "Infrastructure":

*Wellington has roads, paths and community and recreation facilities that are sustainable, accessible and valued by our community.*

To achieve this, strategies include:

- undertake service delivery planning to provide community assets in response to identified needs.
- ensure assets are managed, maintained and renewed to meet service needs.
- manage Council community facilities planning to ensure that outputs are based on identified community needs.

This vision underpins the development of a detailed ten year Capital works program as a critical component of the Long Term Financial Plan.

#### 16.2.2 Future capital works

The following table summarises Council's current and projected capital works performance indicators:

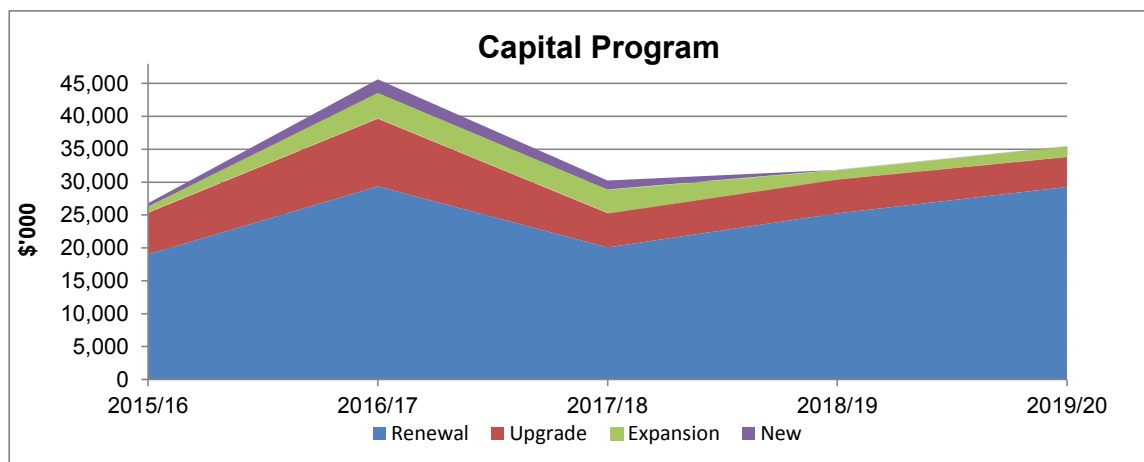
	Forecast Actual 2014/15		Budget 2015/16	Strategic Resource Plan Projections			Trend +/-
				2016/17	2017/18	2018/19	
<b>Capital expenditure</b>							
Capital works	\$'000 \$	26,802	\$ 45,626	\$ 30,248	\$ 31,867	\$ 35,418	+
- New Assets	\$'000 \$	499	\$ 2,063	\$ 1,362	\$ -	\$ -	-
- Asset renewals	\$'000 \$	19,015	\$ 29,352	\$ 20,079	\$ 25,254	\$ 29,265	o
- Asset Expansions	\$'000 \$	954	\$ 3,917	\$ 3,595	\$ 1,443	\$ 4,567	+
- Asset upgrades	\$'000 \$	6,333	\$ 10,294	\$ 5,212	\$ 5,170	\$ 1,586	-
Capital expenditure/ Assessment	\$	709	805	1,370	908	957	+
Capital outlays/Total cash outflows	%	29.7%	33.4%	46.4%	35.3%	36.6%	o
Capital outlays/Rate revenue	%	49.4%	51.8%	84.9%	54.2%	54.8%	-
Asset renewals/Total depreciation *	%	69.4%	91.1%	137.0%	89.2%	109.3%	+

#### Key to Forecast Trend:

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

## 2016/17 Budget - Wellington Shire Council

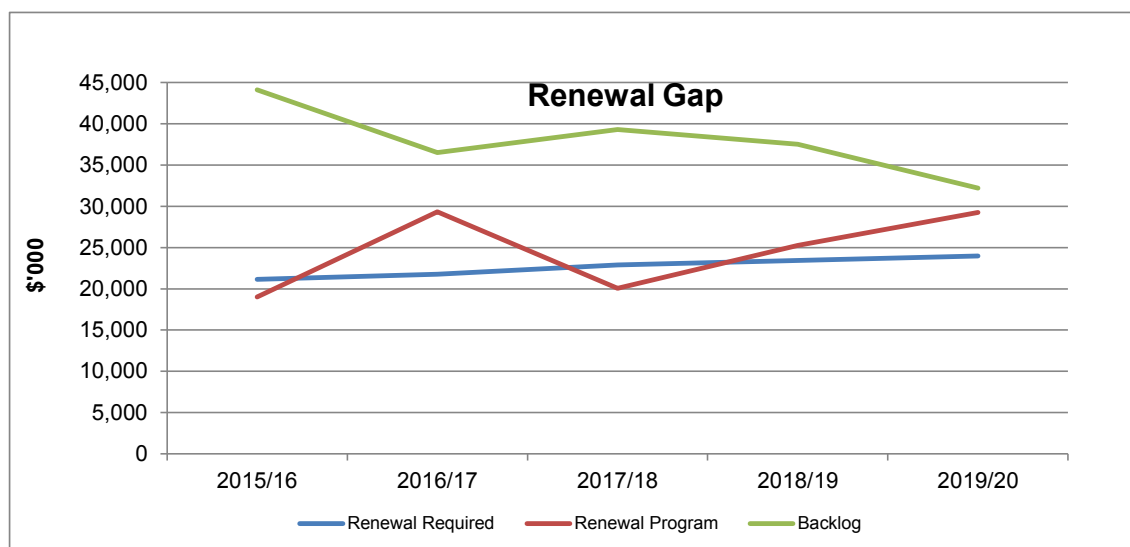
The following graph depicts how the capital works budget will be spent in the next four years. The increase in budgets on renewal projects in 2016/17 is due to the Kilmany New Cell Construction, Park Street Bridge and road renewals for rural and unsealed roads. The Port of Sale Cultural Hub and Precinct Redevelopment project is mostly renewal but have significant components classified as upgrade and expansion as well. The Residential Road and Street Construction Plan Implementation has both renewal and upgrade components, reflected in the increase in budgets in upgrade and renewal projects in 2016/17. The increase in budgets in expansion projects in 2016/17 is also due to the Glebe Woondella Shared Path Construction.



### Capital Renewal Gap

A key objective of the Built Environment Strategy is to maintain or renew Council's existing assets at sustainable condition levels matched to desired service 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 graph below indicates the extent of Council's renewal effort against its renewal requirement. The renewal requirement is based on depreciation that represents the decline in value of its existing capital assets.





## 2016/17 Budget - Wellington Shire Council

At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in long term asset management plans and as a result, some assets have passed their notional useful life which contributes to the predicted backlog. While the Built Environment Strategy endeavours to promote a sufficient level of annual funding to meet ongoing asset renewal needs, the above graph indicates that in the next few years the asset renewal requirement is not being met while the Capital Works program is working hard to reduce the backlog in the four year SRP. Backlog is the renewal works that Council has not been able to fund over the past years and is equivalent to the accumulated asset renewal gap.

A critical component in understanding future renewal requirements is deciding on appropriate service levels for each asset class. Over the coming years, we will be focusing on improving our information on service levels so that we may better predict our future renewal requirements and better understand the backlog. Without this service level planning, we are unable to clearly define the predicted backlog.

The graph above is only as accurate as the data that we currently have, and Council is committed to continually improving information about assets including service levels and condition. The aim is to enable accurate renewal requirements to be determined for each asset class and to ultimately provide a sustainable forward capital works and maintenance program for the renewal of infrastructure.

### 16.2.3 Roads to Recovery funding

In developing the ten year capital works program it has been assumed that Roads to Recovery funding will be available beyond the next program conclusion in 2019. Given the extent of Wellington's road network this funding is essential in order to be able to provide an asset renewal and upgrade program. Roads to Recovery funding underpins and is an essential component of the adopted Residential Road and Street Construction Plan.

Roads to Recovery funding consists of an annualised grants program of approximately \$2.3 million, which will be spent on renewing and upgrading our extensive rural road and residential street network. In 2015/16 and for 2016/17 an additional allocation over and above the normal allocation has or is to be received.

Council will continue to lobby, through our industry bodies, for Roads to Recovery funding to continue and expand beyond the next 5 years as this funding has a positive impact on our future capital works programs and reduces the pressure to fund this work from

### 16.2.4 Waste Infrastructure Charge

The ten year Waste Management Plan, which is reviewed annually, clearly sets out the costs for establishing recycling and transfer stations, rehabilitation of landfills and monitoring of existing and closed landfills. These costs are currently being incurred by our community and should be paid for by this generation and not at the expense of future ratepayers and residents.

The implications of the ten year Waste Management Plan, and the funding required for its implementation, are considered in the Long Term Financial Plan. This has resulted in the continuation of the waste infrastructure charge to provide for the identified costs. Since the introduction of this charge in 2005/06, costs of construction and rehabilitation of landfills have escalated in line with increasing community and government expectations for landfill infrastructure.

Presently Council manages the following waste facilities:

- 2 licensed operational landfill sites (Kilmany and Maffra)
- 1 licensed site not operating (Longford)
- 1 unlicensed operating site (Rosedale)
- 7 transfer stations (Kilmany, Stratford, Dargo, Heyfield, Seaspray, Yarram and Loch Sport)

There are also a further 8 closed landfills under rehabilitation and after care.

In 2016/17 the Council will apply the waste infrastructure charge towards the following projects:

- Commence construction of new Kilmany landfill cell (\$1.5 million)
- Maffra Landfill – Entry Road Sealing (\$50,000)
- Rosedale Landfill - Construct New Waste Cell (\$30,000)
- Kilmany Landfill - Internal Access Road (\$30,000)
- Longford - EPA required monitoring bores (groundwater) x 2 (\$20,000)
- Kilmany transfer station- Carpark final seal (\$10,000)
- 2015/16 carried forward project - Rehabilitation of the Maffra Landfill (\$35,000)
- 2015/16 carried forward project - Rehabilitation of the Kilmany Landfill (\$1,200,000)

## **2016/17 Budget - Wellington Shire Council**

### **Appendix A**

#### **Fees and charges schedule**

The appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2016/17 year.

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>ART GALLERY</b>					
Art Gallery Life Drawing Classes (6 week course)	C	10	150.00	150.00	01-Jul-16
<b>Art Gallery Education – Subscriptions</b>					
Primary Schools under 150	C	10	97.00	100.00	01-Jan-17
Primary Schools over 150	C	10	197.00	203.00	01-Jan-17
Secondary Schools	C	10	210.00	217.00	01-Jan-17
Specialist Schools	C	10	97.00	100.00	01-Jan-17
Kindergartens	C	10	97.00	100.00	01-Jan-17
Tertiary Institutions	C	10	328.00	338.00	01-Jan-17
Gecko Junior Memberships – First Child	C	10	13.00	14.00	01-Jan-17
Gecko Junior Memberships – Each Additional Child	C	10	9.00	9.00	01-Jan-17
<b>ESSO BHP BILLITON WELLINGTON ENTERTAINMENT CENTRE</b>					
<b>Main Stage Hire Rates</b>					
Commercial Rate per day (Max 14 hours)	C	10	1,288.00	1,375.00	01-Jul-16
Commercial - second performance on the same day	C	10	N/A	595.00	01-Jul-16
Community Rate per day (Max 14 hours)	C	10	770.00	795.00	01-Jul-16
Community - second performance on the same day	C	10	N/A	295.00	01-Jul-16
Commercial per Week	C	10	5,200.00	5,375.00	01-Jul-16
Community per Week	C	10	3,400.00	3,545.00	01-Jul-16
Commercial Rate - Short hire (max 4 hours)	C	10	835.00	895.00	01-Jul-16
Community Rate - Short hire (max 4 hours)	C	10	490.00	505.00	01-Jul-16
Rehearsal Room & Meeting Room & Foyer Rate per day (Max 8 hours)	C	10	275.00	285.00	01-Jul-16
Rehearsal Room & Meeting Room - Short hire (Max 4 hours)	C	10	145.00	150.00	01-Jul-16
<b>Ticket Fees</b>					
Ticket fees per ticket - Commercial	C	10	4.05	4.05	01-Jul-14
Ticket fees average per ticket - Community	C	10	2.45	2.75	01-Jul-16
Complimentary Ticket Fee	C	10	0.55	0.75	01-Jul-16
Credit Card fee - 4% of transaction value charged to the hirer.	C	10	4%	4%	01-Jul-14
<b>Tech Labour</b>					
Tech Labour Charge Out per hour - Commercial	C	10	47.00	49.00	01-Jul-16
Tech Labour Charge Out per hour - Community	C	10	45.00	45.00	01-Jul-14
<b>Labour Front of House</b>					
FOH Labour Charge out per hour - Commercial	C	10	42.50	45.00	01-Jul-16
FOH Labour Charge out per hour - Community	C	10	42.50	43.00	01-Jul-16
<b>Equipment</b>					
Use of Grand Piano - Commercial	C	10	156.00	255.00	01-Jul-16
Use of Grand Piano - Community	C	10	N/A	155.00	01-Jul-16
Piano Tune	C	10	Cost Price	250.00	01-Jul-16
Consumables (charged at cost +15%)	C	10	Cost price + 15%	Cost price + 15%	01-Jul-14
<b>LIBRARY</b>					
Printing/Photocopies B&W A4 per page	C	10	0.20	0.20	01-Nov-01
Printing/Photocopies B&W A3 per page	C	10	0.50	0.50	01-Nov-01
Printing/Photocopies Colour A4 per page	C	10	1.00	1.00	01-Jul-10
Printing/Photocopies Colour A3 per page	C	10	2.00	2.00	01-Jul-10
Microfilm Printing A4 per page	C	10	0.20	0.20	01-Jul-10
Interlibrary loans- Search fee per book	C	10	4.00	4.00	01-Jul-10
Interlibrary loans- Books per transfer	C	10	18.50	18.50	01-Jul-13
Overdues per day after grace period expires	C	10	0.15	0.15	01-Jul-10
National facsimile fees (1st page)	C	10	4.00	4.00	01-Jul-13
National facsimile fees Additional Pages per page	C	10	1.00	1.00	01-Jul-13
Overseas facsimile fees (1st page)	C	10	8.00	8.00	01-Jul-13
Overseas facsimile fees Additional Pages per page	C	10	2.00	2.00	01-Jul-13
Library Receiving Faxes per page	C	10	1.00	1.00	01-Jul-13
Mini-earphones	C	10	2.00	5.00	01-Jul-15
Library Laminating A4 size	C	10	4.00	4.00	01-Jul-14
Library Book Covering	C	10	10.00	10.00	01-Jul-14
Library Binding Repairs (thin book approx 10 mins)	C	10	10.00	10.00	01-Jul-14
Library Binding Repairs (thick book approx 15 mins)	C	10	15.00	15.00	01-Jul-14
Replacement membership cards	C	10	5.80	5.80	01-Jul-12
Replacement CD for Talking Book set	C	10	16.00	16.00	01-Jul-15
Lost Book, Magazine or Audio-Visual item	C	10	RRP	RRP	01-Jul-13

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>GIPPSLAND REGIONAL SPORTS COMPLEX</b>					
<b>Indoor Courts</b>					
Court Hire (peak) per hour	C	10	45.60	47.00	01-Jul-16
Court Hire (off peak) per hour*	C	10	33.60	34.70	01-Jul-16
* capped at 8 hours when all 4 courts are booked					
Training/Casual Use - adult / entry fee	C	10	5.70	5.90	01-Jul-16
Training/Casual Use - concession / entry fee	C	10	2.90	3.00	01-Jul-16
<b>Outdoor Courts</b>					
Outdoor Court with Lights - per hour (Capped at 6 Courts)	C	10	9.60	9.90	01-Jul-16
Outdoor Court no Lights - per hour (Capped at 6 Courts)	C	10	4.55	4.70	01-Jul-16
School Use	C	10	3.00	3.10	01-Jul-16
<b>Meeting/Club Rooms</b>					
Meeting Room - per hour	C	10	4.10	4.30	01-Jul-16
Club Room (half) - per hour	C	10	12.25	12.70	01-Jul-16
Club Room (full) - per hour	C	10	24.50	25.40	01-Jul-16
<b>Club Administration Office</b>					
Office Annual Hire Fee	C	10	295.00	305.00	01-Jul-16
<b>Team Match Fees - Competition run by W.S.C.</b>					
Indoor Soccer - per team	C	10	58.00	60.00	01-Oct-16
Indoor Netball - per team	C	10	58.00	60.00	01-Oct-16
Outdoor Netball - per team	C	10	36.00	38.00	01-Oct-16
<b>Training Session Passes</b>					
Training Casual Adult 10 Session Pass	C	10	51.30	53.10	01-Jul-16
Training Casual Concession 10 Session Pass	C	10	26.10	27.00	01-Jul-16
<b>AQUA ENERGY</b>					
<b>Aquatics Casual Entry</b>					
Swim Adult	C	10	6.00	6.20	01-Jul-16
Swim Concession	C	10	4.80	5.00	01-Jul-16
Swim Child (4-15)	C	10	4.00	4.10	01-Jul-16
Swim Family (Medicare card)	C	10	16.00	16.50	01-Jul-16
Swim, Sauna - Adult	C	10	8.40	8.50	01-Jul-16
Swim, Sauna - Concession	C	10	6.70	6.80	01-Jul-16
Swim School Group - per Student	C	10	3.20	3.30	01-Jan-17
Swim School Group - Cost of Instructor	C	10	40.50	41.70	01-Jan-17
<b>Group Fitness &amp; Gym Casual Entry</b>					
Group Fitness Adult	C	10	13.40	13.80	01-Jul-16
Group Fitness Concession	C	10	10.80	11.00	01-Jul-16
Group Fitness Schools - per student	C	10	7.20	7.40	01-Jan-17
Gym Adult	C	10	14.90	15.40	01-Jul-16
Gym Concession	C	10	12.00	12.30	01-Jul-16
Gym Teen (classes or gym)	C	10	6.70	6.90	01-Jul-16
Gym School Group - per student	C	10	8.00	8.20	01-Jan-17
Living Longer Living Stronger sessions (gym/fitness classes)	C	10	7.00	7.00	01-Jan-14
<b>Multi Visit Passes</b>					
10 visit Swim - Adult	C	10	54.00	55.80	01-Jul-16
10 visit Swim - Child	C	10	36.00	36.90	01-Jul-16
10 visit Swim - Concession	C	10	43.20	45.00	01-Jul-16
10 visit Swim - Family	C	10	144.00	148.50	01-Jul-16
10 visit Swim, Sauna - Adult	C	10	75.60	76.50	01-Jul-16
10 visit Swim, Sauna - Concession	C	10	60.30	61.20	01-Jul-16
10 visit Gym - Adult	C	10	134.10	138.60	01-Jul-16
10 visit Gym - Concession	C	10	108.00	110.70	01-Jul-16
10 visit Group Fitness - Adult	C	10	120.60	124.20	01-Jul-16
10 visit Group Fitness - Concession	C	10	97.20	99.90	01-Jul-16
10 visit Creche - Member	C	10	66.60	69.30	01-Jul-16
10 visit Creche - Non-Member	C	10	133.20	137.70	01-Jul-16
<b>Other</b>					
Creche - Non members per child per session	C	10	14.80	15.30	01-Jul-16
Creche - Gold & Aquatic members per child per session	C	10	7.40	7.70	01-Jul-16
Fitness Room Hire - Full Day	C	10	50.00	51.50	01-Jul-16
Fitness Room Hire - Half Day	C	10	25.00	25.80	01-Jul-16

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>AQUA ENERGY cont</b>					
<b>Pool Hire</b>					
Swimming Pool Hire - whole pool per hour	C	10	136.00	140.10	01-Jul-16
Swimming Pool Hire - lane per hour	C	10	41.40	42.70	01-Jul-16
Pool Inflatable Hire - per hour	C	10	90.00	92.70	01-Jul-16
Additional Lifeguard - per hour	C	10	40.50	41.80	01-Jul-16
<b>Learn to Swim Lessons</b>					
Swim lessons - 30mins - Member	C		12.10	12.50	01-Jul-16
Swim lessons - 30mins - Non-Member	C		16.10	16.60	01-Jul-16
Swim lessons - 45mins - Member	C		13.10	13.50	01-Jul-16
Swim lessons - 45mins - Non-Member	C		17.10	17.60	01-Jul-16
Swim lessons - 1hour - Member	C		14.40	14.80	01-Jul-16
Swim lessons - 1hour - Non-Member	C		18.40	18.90	01-Jul-16
Private 1:1 - Half Hour - Member	C		38.30	39.50	01-Jul-16
Private 1:1 - Half Hour - Non-Member	C		42.20	43.60	01-Jul-16
Holiday Swim Program - Member	C		60.50	62.50	01-Jul-16
Holiday Swim Program - Non-Member	C		80.50	83.00	01-Jul-16
Disability - Achiever Program 1:1	C		26.00	26.80	01-Jul-16
Swim lesson - 30mins - Member Direct Debit - per lesson	C		9.70	10.00	01-Jul-16
Swim lesson - 30mins - Non-Member Direct Debit - per lesson	C		12.90	13.30	01-Jul-16
Swim lesson - 45mins - Member Direct Debit - per lesson	C		10.50	10.80	01-Jul-16
Swim lesson - 45mins - Non-Member Direct Debit - per lesson	C		13.70	14.10	01-Jul-16
Swim lesson - 1hour - Member Direct Debit - per lesson	C		11.60	11.90	01-Jul-16
Swim lesson - 1hour - Non-Member Direct Debit - per lesson	C		14.80	15.20	01-Jul-16
<b>Admin</b>					
Joining Fee (Direct Debit Membership)	C	10	68.00	70.00	01-Jul-16
Membership card replacement fee	C	10	8.30	8.60	01-Jul-16
<b>Term Memberships</b>					
Base Adult 12mth Membership - Aquatic	C	10	344.00	354.00	01-Jul-16
Aquatic 12mth - Adult	C	10	412.00	424.00	01-Jul-16
Aquatic 12mth - Concession	C	10	344.00	354.00	01-Jul-16
Aquatic 12mth - Child	C	10	298.00	306.00	01-Jul-16
Aquatic 12mth - Family	C	10	642.00	660.00	01-Jul-16
Aquatic 6mth - Adult	C	10	240.00	247.00	01-Jul-16
Aquatic 6mth - Concession	C	10	206.00	212.00	01-Jul-16
Aquatic 6mth - Child	C	10	187.00	188.00	01-Jul-16
Aquatic 6mth - Family	C	10	355.00	365.00	01-Jul-16
Aquatic 3mth - Adult	C	10	165.00	165.00	01-Jul-16
Aquatic 3mth - Concession	C	10	145.00	145.00	01-Jul-16
Aquatic 3mth - Child	C	10	136.00	136.00	01-Jul-16
Aquatic 3mth - Family	C	10	215.00	218.00	01-Jul-16
Base Adult 12mth Membership - Gold	C	10	927.00	955.00	01-Jul-16
Gold 12mth - Adult	C	10	995.00	1025.00	01-Jul-16
Gold 12mth - Concession	C	10	810.00	834.00	01-Jul-16
Gold 12mth - Family	C	10	1613.00	1662.00	01-Jul-16
Gold 6mth - Adult	C	10	532.00	548.00	01-Jul-16
Gold 6mth - Concession	C	10	439.00	452.00	01-Jul-16
Gold 6mth - Family	C	10	841.00	866.00	01-Jul-16
Gold 3mth - Adult	C	10	300.00	309.00	01-Jul-16
Gold 3mth - Concession	C	10	263.00	263.00	01-Jul-16
Gold 3mth - Family	C	10	455.00	468.00	01-Jul-16
Base LLLS	C	10	718.00	740.00	01-Jul-16
Living Longer Living Stronger - 12 month	C	10	786.00	810.00	01-Jul-16
<b>Corporate</b>					
Corporate 12mth - Adult 5+	C	10	903.00	930.00	01-Jul-16
Corporate 12mth - Family 5+	C	10	1459.00	1503.00	01-Jul-16
<b>Direct Debit Memberships - Fortnightly</b>					
Aquatic Direct Debit - Adult	C	10	14.40	14.40	01-Jul-16
Aquatic Direct Debit - Concession	C	10	10.80	10.90	01-Jul-16
Aquatic Direct Debit - Child	C	10	9.80	9.80	01-Jul-16
Aquatic Direct Debit - Family	C	10	23.70	23.70	01-Jul-16

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>AQUA ENERGY cont</b>					
Gold Direct Debit - Adult	C	10	35.70	36.80	01-Jul-16
Gold Direct Debit - Concession	C	10	28.60	29.40	01-Jul-16
Gold Direct Debit - Family	C	10	59.50	61.30	01-Jul-16
Living Longer Living Stronger Direct Debit	C	10	27.60	28.50	01-Jul-16
Corporate Adult 5+ Direct Debit	C	10	32.20	33.10	01-Jul-16
Corporate Family 5+ Direct Debit	C	10	53.50	55.20	01-Jul-16
<b>Personal Training</b>					
Personal Training 1 Hour Session	C	10	55.60	57.30	01-Jul-16
Personal Training 1/2 Hour Session	C	10	36.10	37.20	01-Jul-16
Personal Training 1 Hour Session 1:2	C	10	67.00	69.00	01-Jul-16
Personal Training 1/2 Hour Session 1:2	C	10	46.40	47.80	01-Jul-16
Personal Training 1 Hour Session 1:3	C	10	n/a	82.80	01-Jul-16
Personal Training 1 Hour Session 1:4	C	10	n/a	99.40	01-Jul-16
<b>OUTDOOR POOLS</b>					
<b>Single Admission (All Pools)</b>					
Adult	C	10	6.00	6.20	01-Jul-16
Concession	C	10	4.80	5.00	01-Jul-16
Child (4-15)	C	10	4.00	4.10	01-Jul-16
Family	C	10	16.00	16.50	01-Jul-16
<b>Memberships/Season Passes (Sale, Maffra &amp; Yarram) 18 Weeks</b>					
Adult	C	10	119.10	122.60	01-Jul-16
Concession	C	10	95.60	98.30	01-Jul-16
Child (4-15)	C	10	79.70	81.70	01-Jul-16
Family	C	10	198.70	204.30	01-Jul-16
<b>Memberships/Season Passes (Stratford, Heyfield, Rosedale) 15 Weeks</b>					
Adult	C	10	99.30	102.20	01-Jul-16
Concession	C	10	79.70	82.00	01-Jul-16
Child (4-15)	C	10	66.40	68.10	01-Jul-16
Family	C	10	165.60	170.20	01-Jul-16
<b>LOCAL LAWS</b>					
Alfresco Dining Permit Annual Fee	C		165.00	170.00	01-Jul-16
Roadside Trading Permit <b>(Weekly fee)</b>	C		58.00	60.00	01-Jul-16
Local Laws permit - 1 year	C		60.00	65.00	01-Jul-16
Local Law permit - 3 years	C		152.00	157.00	01-Jul-16
Impounded Vehicle release fee	C		\$255.00 + towing fee	\$300.00 + towing fee	01-Jul-16
Shopping trolley impoundment release fee	C		130.00	135.00	01-Jul-16
Local Law Fines	L		100.00 = one penalty unit	100.00 = one penalty unit	01-Jul-16
VicRoads - Emergency works callout up to 3hrs	C	10	570.00	580.00	01-Jul-16
<b>ANIMALS</b>					
<b>Domestic Animals</b>					
<b>Dog-Registrations</b>					
Standard Fee	C		115.00	120.00	11-Apr-17
Dangerous, Menacing, Guard Dog or Restricted Breed	C		NA	200.00	11-Apr-17
Reduced Fee (Sterilised, over 10 years old, kept for breeding at a licensed premises, owner a member of approved association, kept for working stock, obedience trained with an approved organisation) not applicable to dangerous, menacing, guard dog or restricted breeds	C		38.00	40.00	11-Apr-17
Pension Concession on above of 50%	C		50% of appropriate fee	50% of appropriate fee	11-Apr-17
<b>Cat-Registrations</b>					
Standard Fee	C		115.00	120.00	11-Apr-17
Reduced Fee (Sterilised, over 10 years old, kept for breeding at a licensed premises, owner a member of approved association)	C		38.00	40.00	11-Apr-17
Pension Concession on above of 50%	C		50% of appropriate fee	50% of appropriate fee	
Tag Replacement Dog	C		6.00	6.00	11-Apr-17
Tag Replacement Cat	C		6.00	6.00	11-Apr-17
Animal Cage Deposits (Refundable)	C		65.00	65.00	11-Apr-17
Domestic Animal Business Registration	C		\$250.00 + Veterinarian fee if applicable	\$255.00 + Veterinarian fee if applicable	11-Apr-17
Domestic Animal Business Registration - <b>Breeders</b>	C		\$2500.00 flat fee + \$15.00 per breeding bitch + Veterinarian Fee if applicable	\$2500.00 flat fee + \$15.00 per breeding bitch + Veterinarian Fee if applicable	01-Jul-15

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>ANIMALS cont</b>					
<b>Impound Penalties</b>					
Release Penalty Dogs & Cats Registered	C		150.00	155.00	01-Jul-16
Release Penalty Unregistered Dogs & Cats, or subsequent impound of Registered animal	C		180.00	185.00	01-Jul-16
Release Penalty Small Livestock - includes Sheep, Goats and Pigs	C		\$70.00 for 1st animal, \$20.00 per subsequent animal + invoiced transportation costs	\$75 for 1st animal, \$40 per subsequent animal + invoiced transportation costs	01-Jul-16
Release Penalty Large Livestock - includes Cattle and Horses	C		\$120.00 for 1st animal, \$20.00 per subsequent animal + invoiced transportation costs	\$125.00 for 1st animal, \$40 per subsequent animal + invoiced transportation costs	11-Jul-16
<b>Sustenance fee, per day per animal - fee may be increased dependent on seasonal availability.</b>					
Small Livestock - includes Sheep, Goats and Pigs	C		12.00	14.00	01-Jul-16
Large Livestock - includes Cattle and Horses	C		15.00	18.00	01-Jul-16
<b>BUILDING</b>					
Building Permits Inspections – Minimum Rate	C	10	160.00	164.00	01-Jul-17
Building Report and Consents	L		244.00	250.00	01-Jul-17
Building Plan Copy	C	10	85.00	87.00	01-Jul-17
Building Plan Search Fee	C	10	60.00	62.00	01-Jul-17
Building Levy	L		0.13	0.20	01-Jul-17
Building Information Certificates	L		49.00	50.00	01-Jul-17
Building Information Certificates with inspections	L		393.00	402.00	01-Jul-17
Copy of Occupancy Permit or Certificate of Final Inspection	L		38.50	40.00	01-Jul-17
Heritage/Demolition Response	L		60.90	62.00	01-Jul-17
Hoarding Permits	L		244.00	250.00	01-Jul-17
Lodgement Fees –Domestic	L		36.40	37.00	01-Jul-17
Lodgement Fees – Commercial	L		36.40	38.00	01-Jul-17
Stormwater Discharge Point	L		60.90	62.00	01-Jul-17
Swimming Pool Inspections	C	10	140.00	143.00	01-Jul-17
Places of Public Entertainment (POPES)	C	10	310.00	320.00	01-Jul-17
<b>HEALTH</b>					
Requested premises Inspection Fee	C		260.00	270.00	01-Jul-16
Registration - Food Premises- class 1*	C		440.00	460.00	01-Jul-16
Registration - Food Premises- class 2*	C		440.00	460.00	01-Jul-16
Registration – Food Premises – class 2 (Low volume)*	C		250.00	262.00	01-Jul-16
Registration - Food Premises- class 3 *	C		250.00	262.00	01-Jul-16
Registration - Food Premises- class 3 (Low risk)*	C		105.00	110.00	01-Jul-16
Additional Registration Fee - per each additional staff over 5 EFT	C		16.00	18.00	01-Jul-16
Water Transport Vehicle	C		340.00	350.00	01-Jul-16
Hairdressers Lifetime Registration one off	C		130.00	240.00	01-Jul-16
Registrations – Hair/Beauty/Skin Penetration	C		130.00	135.00	01-Jul-16
Registrations - Prescribed Accommodation* (Rooming Houses)	C		190.00	198.00	01-Jul-16
Registrations – Caravan Parks per site	L		As per the Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010, No.49, Schedule 2.	As per the Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010, No.49 Schedule 2	
Caravan Park - Application for Rigid Annexe	C		240.00	246.00	01-Jul-16
<b>* Pro rata registration applies for new registrations</b>					
Transfer of Registration	C		50% of Annual Registration Fee	50% of Annual Registration Fee	01-Jul-13
Transfer of Registration Caravan Parks	L		5 x fee units	5 x fee units	
Registration Late fee additional 50%	C		additional 50%	additional 50%	01-Jul-10
Additional Food Act Inspection Fee - used when premises does not comply with first or second inspection requirements	C		88.00	160.00	01-Jul-16
Penalties - refer to relevant legislation.	L				
Penalty amounts are determined as per the Monetary Unit Act					
Vaccines	C		cost price + Administration Fee	cost price + Administration Fee	01-Jul-16

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>SEPTIC TANK FEES</b>					
Minor alteration	C		195.00	201.00	01-Jul-16
Major alteration	C		390.00	402.00	01-Jul-16
New Septic Tank	C		470.00	485.00	01-Jul-16
Additional inspections	C		104.00	107.00	01-Jul-16
Reissue of Permits	C		60.00	63.00	01-Jul-16
Report and Consent Request - unsewered areas	C		50.00	52.00	01-Jul-16
<b>PLANNING</b>					
Development Advice Request Fee	C	10	90.00	90.00	01-Jul-15
Development Advice Request Fee (Complex)	C	10	\$90.00 minimum plus \$50.00 per hour	\$90.00 minimum plus \$50.00 per hour	01-Jul-15
Strategic planning written advice	C	10	New fee	90.00	01-Jul-16
Valuation for public open space contribution	C	10	New fee	Cost of valuation	01-Jul-16
Preparation/review of section 173 agreements	C	10	200.00	200.00	01-Jul-15
Application to amend/end a section 173 agreement	C	10	502.00	502.00	01-Jul-15
Planning Permit Search and Copy Fee	C	10	100.00	100.00	01-Jul-15
Planning Permit and Endorsed Plans Search and Copy Fee	C	10	130.00	130.00	01-Jul-15
Planning Permit Extension of Time	C	10	200.00	200.00	01-Jul-15
Planning Permit Amended after notice has been given	L		102.00	102.00	17-Oct-14
<b>Dwelling</b>					
To develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application is:					
>\$10,000 .....\$100,000	L		239.00	239.00	17-Oct-14
>100,001	L		490.00	490.00	17-Oct-14
<b>Dwelling – Amendment to Permit</b>					
To develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application is:					
>\$10,000 .....\$100,000	L		239.00	239.00	17-Oct-14
>100,001	L		490.00	490.00	17-Oct-14
To develop land...if the estimated cost of the development is.( including advertising signs )					
> \$0 .....\$ 10,000	L		102.00	102.00	17-Oct-14
> \$10, 000 .....\$250, 000	L		604.00	604.00	17-Oct-14
> \$250, 001 .....\$500, 000	L		707.00	707.00	17-Oct-14
> \$500, 001 .....\$1, 000, 000	L		815.00	815.00	17-Oct-14
> \$1, 000, 001 .....\$7, 000, 000	L		1153.00	1153.00	17-Oct-14
> \$7, 000, 001 .....\$10, 000,000	L		4837.00	4837.00	17-Oct-14
> \$10, 000, 001 .....\$50, 000, 000	L		8064.00	8064.00	17-Oct-14
> \$50,000, 001	L		16130.00	16130.00	17-Oct-14
To develop land (amendment to permit)...if the estimated cost of the development is.( including advertising signs )					
> \$0 .....\$ 10,000	L		102.00	102.00	17-Oct-14
> \$10, 000 .....\$250, 000	L		604.00	604.00	17-Oct-14
> \$250, 001 .....\$500, 000	L		707.00	707.00	17-Oct-14
> \$500, 001	L		815.00	815.00	17-Oct-14
Amend permit (to change the statement of what the permit allows or to change any or all of the conditions)	L		502.00	502.00	17-Oct-14
Use Only (plus development fee if applicable) Amendment to Permit	L		502.00	502.00	17-Oct-14
<b>Subdivision</b>					
To Subdivide an existing building.	L		386.00	386.00	17-Oct-14
To Subdivide an existing building – Amendment to Permit	L		386.00	386.00	17-Oct-14
To Subdivide land into two lots.	L		386.00	386.00	17-Oct-14
To Subdivide land into two lots – Amendment to Permit	L		386.00	386.00	17-Oct-14
To effect a realignment of a common boundary between lots or to consolidate two or more lots.	L		386.00	386.00	17-Oct-14
To effect a realignment of a common boundary between lots or to consolidate two or more lots – Amendment to Permit	L		386.00	386.00	17-Oct-14
To Subdivide land.	L		781.00	781.00	17-Oct-14
To Subdivide land – Amendment to Permit	L		502.00	502.00	17-Oct-14
To remove a restriction (within the meaning of the Subdivision Act 1988) over the land if the land has been used or developed for more than 2 years before the date of the applications in manner which would have been lawful under the Planning and Environment Act 1987 but for the existence of the restriction	L		249.00	249.00	17-Oct-14



**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>PLANNING cont</b>					
To create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or To create or remove a right of way.	L		541.00	541.00	17-Oct-14
To create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or To create or remove a right of way – Application to Amend	L		502.00	502.00	17-Oct-14
To create, vary or remove an easement other than a right of way; or	L		404.00	404.00	17-Oct-14
To create, vary or remove an easement other than a right of way – Application to Amend	L		502.00	502.00	17-Oct-14
To vary or remove a condition in the nature of an easement other than a right of way in Crown grant	L		404.00	404.00	17-Oct-14
To vary or remove a condition in the nature of an easement other than a right of way in Crown grant – Application to Amend	L		502.00	502.00	17-Oct-14
Subdivision Certification Fees					
Subdivision Certification fee	L		\$100 + \$20.00 per lot	\$100 + \$20.00 per lot	17-Oct-14
Consolidation & other Certification fee	L		100.00	100.00	17-Oct-14
Re-certification of subdivision plan (except where requested by a referral authority)	L		100.00	100.00	17-Oct-14
Combined Permit Application					
The fee for an application for any combination of the classes of application outlined above is the sum arrived at by adding the highest of the fees which would have applied if separate applications had been made plus 50% of each of the other fees which would have applied if separate applications had been made	L				17-Oct-14
Satisfaction Matters					
Fee for determining a matter where a planning scheme specifies that the matter be done to the satisfaction of a responsible authority or a referral authority	L		102.00	102.00	17-Oct-14
Heritage – where a permit is required for minor works such as repainting	C		NO FEE	NO FEE	01-Jul-13
Native Vegetation Removal					
Less than 10 hectares	L		102.00	102.00	17-Oct-14
More than 10 hectares	L		604.00	604.00	17-Oct-14
Liquor License Only	L		102.00	102.00	17-Oct-14
Planning Scheme Amendments					
Consider a request	L		798.00	798.00	17-Oct-14
Consider Submissions	L		798.00	798.00	17-Oct-14
Consider Abandonment	L		798.00	798.00	17-Oct-14
Additional Fee for Council to Adopt a Planning Scheme	L		524.00	524.00	17-Oct-14
Approve an amendment	L		798.00	798.00	17-Oct-14
<b>FACILITY HIRE</b>					
<b>Gwen Webb Centre- Hire Charges</b>					
Gwen Webb Centre Hire- Full Day*	C	10	51.00	53.00	01-Jul-16
Regular Hire (6 hours or less)	C	10	30.00	31.00	01-Jul-16
<b>Stephenson Park - Main Oval Hire Charges (Level 2)</b>					
Part or full day hire - (community groups)	C	10	106.00	110.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10			01-Jul-16
Regular School Use - per season/per ground	C	10	210.00	217.00	01-Jul-16
Commercial/Private- Full Day*	C	10	353.00	364.00	01-Jul-16
<b>Stephenson Park - Rotary Oval Hire Charges (Level 4)</b>					
Part or full day hire - (community groups)	C	10	54.00	56.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10			01-Jul-16
Regular School Use - per season/per ground	C	10	106.00	110.00	01-Jul-16
Commercial/Private- Full Day*	C	10	118.00	122.00	01-Jul-16
<b>Stephenson Park - Baseball Oval Hire Charges (Level 4) (Excludes Baseball Pitch)</b>					
Part or full day hire - (Community groups)	C	10	54.00	56.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10			01-Jul-16
Regular School Use - per season/per ground	C	10	106.00	110.00	01-Jul-16
Commercial/Private- Full Day*	C	10	118.00	122.00	01-Jul-16
<b>Stephenson Park - Baseball Pitch Hire Charges (Level 2) (Includes Baseball Oval)</b>					
	C	10	106.00	110.00	01-Jul-16
<b>Stephenson Park Upstairs Function Room</b>					
Seasonal user group subsidised rate- Full Day*	C	10	51.00	53.00	01-Jul-16
Non seasonal user Community Group - Full Day*	C	10	210.00	217.00	01-Jul-16
Commercial/Private- Full Day*	C	10	342.00	353.00	01-Jul-16

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>FACILITY HIRE CONT</b>					
<b>Sale Main Oval - Hire Charges (Level 2)</b>					
Part or full day hire - (Community groups)	C	10	106.00	110.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10	FREE	FREE	01-Jul-16
Regular School Use - per season/per ground	C	10	210.00	217.00	01-Jul-16
Commercial/Private- Full Day*	C	10	353.00	364.00	01-Jul-16
<b>Sale Velodrome - Hire Charges (Level 2)</b>					
Part or full day hire - (Community groups)	C	10	106.00	110.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10	FREE	FREE	01-Jul-16
Regular School Use - per season/per ground	C	10	210.00	217.00	01-Jul-16
Commercial/Private- Full Day*	C	10	342.00	353.00	01-Jul-16
<b>Sale Lions Park (Little Aths) - Hire Charges (Level 2)</b>					
Part or full day hire - (Community groups)	C	10	106.00	110.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10	FREE	FREE	01-Jul-16
Regular School Use - per season/per ground	C	10	210.00	217.00	01-Jul-16
Commercial/Private- Full Day*	C	10	342.00	353.00	01-Jul-16
<b>Stead Street Oval - Hire Charges (Level 4)</b> (available Winter only)					
Part or full day hire - (Community groups)	C	10	54.00	56.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10	FREE	FREE	01-Jul-16
Regular School Use - per season/per ground	C	10	106.00	110.00	01-Jul-16
Commercial/Private- Full Day*	C	10	118.00	122.00	01-Jul-16
<b>Wurruk Oval - Hire Charges (Level 3)</b>					
Part or full day hire - (Community groups)	C	10	80.00	83.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10	FREE	FREE	01-Jul-16
Regular School Use - per season/per ground	C	10	158.00	163.00	01-Jul-16
Commercial/Private- Full Day*	C	10	234.00	242.00	01-Jul-16
<b>Stratford Pine Lodge Hire Charges (Level 4)</b> (Inc Oval in Winter only, Exc Tennis Courts)					
Part or full day hire - (Community groups)	C	10	54.00	56.00	01-Jul-16
Part or full day hire - (schools casual hire)	C	10	FREE	FREE	01-Jul-16
Regular School Use - per season/per ground	C	10	106.00	110.00	01-Jul-16
Commercial/Private- Full Day*	C	10	118.00	122.00	01-Jul-16
<b>Light Usage Fee (rate per hour)</b> (includes plug-in portable lighting)	C	10	10.00	12.00	01-Jul-16
Toilet cleaning charges to be added to Casual hire if applicable	C	10	29.00	30.00	01-Jul-16
<b>Notes</b>					
*Half day hire = 50% of scheduled full day fee					
*Half day = 6 hours or less					
Seasonal Hire includes use of toilets and rubbish disposal					
<b>Yarram Meeting Rooms</b>					
Meeting Room 1 or 2 (max 25 people) per day Community Rate	C	10	49.00	51.00	01-Jul-16
Both Meeting Rooms 1 & 2 (max 50 people) per day Community Rate	C	10	98.00	102.00	01-Jul-16
Both Meeting Rooms 1 & 2 (max 50 people) per day Commercial Rate	C	10	200.00	208.00	01-Jul-16
Consulting Room 1 & 2 per hour	C	10	4.10	4.30	01-Jul-16
Consulting Room 1 & 2 per day	C	10	33.00	35.00	01-Jul-16
<b>Lakeside Entertainment &amp; Arts Facility (LEAF)</b>					
Weddings and Commercial Organisations	C	10	160.00	180.00	01-Jul-16
Not for profit/community organisations	C	10	FREE	FREE	01-Jul-16
Use of Concertina Doors	C	10	110.00	125.00	01-Jul-16
Use of Concertina Doors Community Groups	C	10	55.00	60.00	01-Jul-16
<b>Circus</b>					
Recreation Reserve Fees (Circus) Daily Fees	C	10	600.00	800.00	01-Jul-16
Swing Bridge Special Openings (minimum of 7 days notification)	C	10	455.00	469.00	01-Jul-16
<b>Port of Sale</b>					
Mooring Fees - Annual	C	10	910.00	1,000.00	01-Jul-16
Mooring - Temporary Per Week - Min 2 weeks (\$116.00). Max 12 weeks.	C	10	52.50	58.00	01-Jul-16

**WELLINGTON SHIRE COUNCIL**  
**SCHEDULE OF FEES AND CHARGES AS AT 1 JULY 2016**  
**GST INCLUSIVE**

**C=COUNCIL SET L=LEGISLATION**

Service	C/L	GST %	Fee 15/16 including Tax \$	Proposed Fee 16/17 including Tax \$	Effective Date
<b>FACILITY HIRE CONT</b>					
<b>West Sale Airport</b>					
West Sale Airport Service Charge – Terminal Access – Per day for charter/commercial flights Rate capped to 100 days p.a.	C	10	95.00	110.00	01-Jul-16
West Sale Airport Service Charge – Use of Airside Apron Areas – per m2/p.a. Aircraft parking or equipment storage. User agreement to be established for periods in excess of 28 continuous days Minimum charge \$275.00 (based on 100m2 for 1 month).	C	10	33.00	33.00	01-Jul-16
West Sale Airport / Yarram Aerodrome Service Charge – Annual User Licence Agreement – Recreational Use.	C	10	NA	140.00	01-Jul-16
West Sale Airport / Yarram Aerodrome Service Charge – Annual User Licence Agreement – Light Commercial Use.	C	10	NA	650.00	01-Jul-16
West Sale Airport / Yarram Aerodrome Service Charge – Annual User Licence Agreement – Commercial Use.	C	10	NA	1300.00	01-Jul-16
West Sale Airport - Landing Fees Fee applied per aircraft landing (landing and takeoff) no charge for touch and goes. Military and other Aircraft with WSA and Yarram licence agreement exempt. RA Aus registered aircraft exempt. GA registered aircraft <5,700kg \$10. GA registered aircraft >5,700kg or rotary and all others \$25.	C	10	NA	10.00 to 25.00	01-Jul-16
Yarram Aerodrome - Landing Fees Fee applied per aircraft landing (landing and takeoff) no charge for touch and goes. Military and other Aircraft with Yarram and WSA licence agreement exempt. RA Aus registered aircraft exempt. GA registered aircraft <5,700kg \$5. GA registered aircraft >5,700kg or rotary and all others \$5.	C	10	NA	5.00	01-Jul-16
<b>MAP SALES</b>					
Hardcopy - Standard Map (Dekho, Internet, VicRoads) A3 Colour	C	10	11.75	12.00	01-Jul-16
Hardcopy - Standard Map (Dekho, Internet, VicRoads) A2 Colour	C	10	17.50	18.00	01-Jul-16
Hardcopy - Standard Map (Dekho, Internet, VicRoads) A1 Colour	C	10	29.00	30.00	01-Jul-16
Hardcopy - Aerial Photo Plot A4	C	10	11.75	12.00	01-Jul-16
Hardcopy - Aerial Photo Plot A3	C	10	17.50	18.00	01-Jul-16
Hardcopy - Aerial Photo Plot A2	C	10	29.00	30.00	01-Jul-16
Hardcopy - Aerial Photo Plot A1	C	10	40.00	41.00	01-Jul-16
<b>TIPPING FEES</b>					
Commercial Tonne	C	10	149.00	155.00	01-Jul-16
Compacted Commercial	C	10	161.00	167.00	01-Jul-16
Commercial m3	C	10	60.00	63.00	01-Jul-16
Domestic m3	C	10	30.00	31.00	01-Jul-16
Greenwaste m3	C	10	14.00	14.00	01-Jul-16
Clean Concrete Tonne	C	10	28.00	29.00	01-Jul-16
Clean Concrete m3	C	10	42.00	43.00	01-Jul-16
Separated Recyclables m3	C	10	FREE	FREE	01-Jul-16
Asbestos per tonne	C	10	100.00	100.00	01-Jul-16
Single Mattress	C	10	10.00	10.00	01-Jul-16
Double Mattress	C	10	15.00	15.00	01-Jul-16
<b>OTHER</b>					
Rechargeable works	C	10	By Quote	By Quote	01-Jul-15
Consent for Works Within Road Reserve	L		N/A	\$81.60 - \$586.00	01-Jul-16
Recovery cost for Fire Hazard Removal Contractor plus an administration fee	C	10	Admin Cost \$105.00 + contractor cost	Admin Cost \$105.00 + contractor cost	01-Jul-15
Dishonoured Direct Debit Fees	C		25.00	30.00	01-Jul-16
Dishonoured Cheque Fees	C		35.00	35.00	01-Jul-09
Land Information Certificates	L		24.80	24.80	29-Oct-15
Land Information Certificate – Urgent Fee	C	10	75.00	75.00	01-Jul-14
Duplicate Rate Notice	C	10	9.50	10.00	01-Jul-16
Rate Related Archive Search per hour	C	10	50.00	50.00	01-Jul-14
Freedom of Information Request	L		27.20	27.90	01-Jul-16
Freedom of Information Search Charges per hour or part of an hour (except if on a	L		19.90	20.49	01-Jul-16
Freedom of Information Supervision Charges Per Quarter hour	L		5.00	5.00	01-Jul-16
Freedom of Information Photocopies-A4	L		0.20	0.20	01-Jul-16

## 2016/17 Budget - Wellington Shire Council

### Appendix B Budget processes

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

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

The 2016/17 budget, which is included in this report, is for the year 1 July 2016 to 30 June 2017 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2017 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

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

**With the introduction of the State Government Rate Capping legislation in 2015, Councils are now unable to determine the level of rate increase and instead must use a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year.**

If a Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Ministers maximum rate increase and the Council's required rate increase. Wellington Shire Council has not moved to apply for a higher rate cap for 2016/17 as it has planned at the level gazetted 12 months earlier.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

	Budget process	Timing
1	Minister of Local Government announces maximum rate increase	Dec
2	Officers update Council's long term financial projections	Dec/Jan
3	Council to advise ESC if it intends to make a rate variation submission	Jan/Feb
4	Council submits formal rate variation submission to ESC	Dec-Mar
5	Proposed budget (s) submitted to Council for approval	Apr
5	Public notice advising intention to adopt budget	Apr
6	Budget available for public inspection & comment	Apr/May
7	Submissions period closes (28 days)	May
8	Submissions considered by Council	Jun
9	Budget and submissions presented to Council for adoption	Jun
10	Copy of adopted budget submitted to the Minister	Jun
11	Revised budget where a material change has arisen	