



Murrindindi
Shire Council

Council Budget

2013 – 2014

Adopted by Council

Xx xx 2013

Draft V.7 – 10 May 2013

This Budget Report has been prepared with reference to The Institute of Chartered Accountants in Australia, *Victorian City Council Model Budget – 2013-14: a best practice guide for reporting local government budgets in Victoria*.

Contents

COUNCILLORS 2013	3
CEO & MAYOR'S INTRODUCTION	4
LINKING THE BUDGET TO THE COUNCIL PLAN	7
ACTIVITIES, INITIATIVES AND KEY STRATEGIC ACTIVITIES	9
BUDGET INFLUENCES	21
MURRINDINDI SHIRE COUNCIL BUDGET PRINCIPLES	24
BUDGET OVERVIEW	24
BUDGET ANALYSIS	26
ANALYSIS OF BUDGETED STANDARD CASH FLOW STATEMENT	34
ANALYSIS OF BUDGETED STANDARD CAPITAL WORKS STATEMENT	37
STRATEGIC RESOURCE PLAN AND KEY FINANCIAL INDICATORS	42
APPENDIX A: BUDGETED STANDARD STATEMENTS	43
APPENDIX B: STATUTORY DISCLOSURES	50
APPENDIX C: CAPITAL WORKS PROGRAM	56
APPENDIX D: FEES AND CHARGES	63

COUNCILLORS 2013



Cr John Walsh
Mayor



Cr Margaret Rae
Deputy Mayor



Cr Christine Challen



Cr John Kennedy



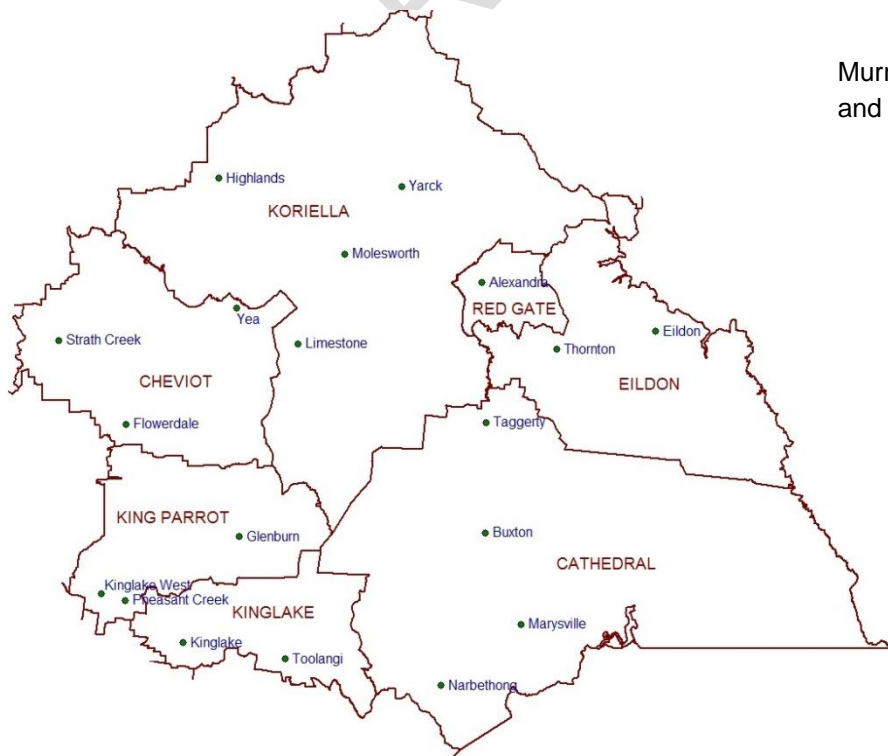
Cr Bernie Magner



Cr Cris Ruhr



Cr Andrew Derwent



Murrindindi wards
and townships

CEO & MAYOR'S INTRODUCTION

The 2013-14 Budget represents a responsible approach to the challenges set before Council that is conservative in terms of overall spending and responsive to the delivery of services to the Murrindindi community.

The Budget arises from the Council Plan 2013-17 capturing the savings and efficiencies of the Murrindindi Services Review and takes into account the impact of recurrent expenditure for the operation, maintenance and depreciation costs of new and enhanced assets. Services Review savings are reflected in the budget for 2013-14 and Council will continue to pursue organisational savings and efficiencies. The higher levels of recurrent expenditure, which includes the **\$1.8 million** of gifted asset costs, implicit within this document, reflect the on-going cost impacts of the 2009 Bushfires and later floods.

Bushfire assistance from the State Government ceased on 30 June 2013. The Shire is grateful for the \$6.0M to help with recovery and reconstruction work and \$3.2M to partly compensate for lost rates revenue that was provided. Continuing cost pressures arise from the reduction in the rate base due to the State Government's buy-back scheme and the potentially new Bushfire Management Overlay that place constraints on development and growth.

The 2013-14 financial year represents the 'new' normality going forward and doesn't include any provision for State Government assistance but does highlight an essential requirement for continued assistance. Council has been advocating that the cost to Council of gifted assets was not something to be borne by ratepayers alone and that there is a need for the State Government to assist in supporting the maintenance of gifted assets into the future. In the past year there has been extensive consultation with Local Government Victoria. An evaluation is now being conducted by the State Government to confirm the level of assistance they will provide. Without State Government assistance there is no ability to establish any financial reserves for unforeseen emergencies or to expand services to the community beyond the current level.

There is also recognition in the 2013-14 Budget, that although much of the Bushfire Reconstruction and Recovery projects are complete, there is still support required for communities in the process of overall recovery.

The full effect of the cost of the Goulburn River High Country Rail Trail has also been included in 2013-14 Budget. Maintenance costs of **\$160,000** have been factored in together with the full cost of depreciation associated with the underpinning assets of the trail. The usage of the Rail Trail has gathered momentum over the past year and communities within the shire are beginning to benefit from the visitation to the trail and patronage of businesses.

Within the 2013-14 Budget, income of **\$31.15 million** includes **\$15.64 million** from rates and charges and **\$11.85 million** from grant funding (recurrent and non recurrent).

The 2013-14 Budget identifies total expenditure of **\$41.37 million** with operating expenditure of **\$31.12 million** and capital works at **\$10.25 million**.

There is a modest operating surplus of **\$39,000**, however, the underlying result, after allowing for deduction of capital grants and contributions is a deficit of **\$4.81 million**. This position has improved from the 2012-13 underlying result of a deficit of **\$7.00 million** reflecting fiscal restraint exercised across the organisation in a period where minimal additional revenue can be derived from rates. The improvement in the underlying result has been achieved despite an increased depreciation cost of **\$374,000** for 2013-14.

The budget also takes into account activities that will support strategies identified in Council's new Council Plan 2013-17 and which underpin the four overarching goals for Our Community, Our Environment, Our Economy and Our Council.

The Council Plan details the activities and the performance measures of the organisation to be the basis for reports to Council each quarter and in Council's Performance Statement in its Annual Report.

One of the measures of Council's financial sustainability is its liquidity ratio (current assets divided by current liabilities). Good financial management seeks to have a liquidity ratio in the order of 1:1.5 or better. The ratio for 2013-14 is projected at 1:2.00 and increases over the life of the Strategic Resource Plan (SRP). This is a favourable indicator, reflecting Council's allocation to reserves of cash earmarked for asset renewal but does not represent any further capacity for new initiatives or to cater for unforeseen costs.

The 2013-14 Budget makes provision for Capital Expenditure of **\$10.25 million** in 2013-14, which is comprised of:

- renewal investment of **\$4.50 million**;
- upgrade of **\$1.15 million**; and
- new assets of **\$4.60 million**. (mostly for completion of projects started in the previous year).

Council's operating incomes and expenses for 2013-14 are **\$31.16 million** and **\$31.12 million** respectively.

Council will borrow **\$500,000** in 2013-14 with a further **\$500,000** per annum thereafter for the life of the Strategic Resource Plan (SRP) to assist funding of long term assets. Council is committed to debt reduction and Council's Long Term Financial Plan (LTFP) shows a significant reduction in total borrowings over the life of the plan of **\$1.5M**.

Council is increasing municipal rates and charges income from all rateable properties by **6 per cent** to **\$15.65 million**. Included within this increase is a **6.3 per cent** rise in total income for waste collection, primarily due to the increase in State Government levies and costs associated with waste management. As part of Council's ongoing commitment to addressing its long term infrastructure renewal obligations, recurrent expenditure of a further **\$249,000** will be earmarked for allocation to the Infrastructure Maintenance Reserve which was established in the 2011-2012 budget.

From 1 July the Victorian Government will introduce the property based levy to fund the Metropolitan Fire and Emergency Services Board and the Country Fire Authority (CFA). The Fire Services Property Levy will replace the existing insurance-based funding model as

recommended by the Victorian Bushfires Royal Commission. Murrindindi Shire Council ratepayers will see an additional charge on their rates notices this year, with Council now the State Government's collection point for the Fire Services Property Levy.

While the Fire Services Property Levy will appear on rates notices – it is not an extra charge imposed by Murrindindi Shire Council.

Within the Long Term Financial Plan, Council will continue to commit to effective asset management that meets the needs of the community and to provide funding of the renewal gap to maintain safe and serviceable assets and to maintain the current range and level of service provision. Council is working towards ensuring that it continues to increase its expenditure towards the renewal of its assets in order to achieve its longer term objective of reducing the infrastructure renewal gap.

In line with Council's ongoing commitment to reduce operational and maintenance costs Council discretionary expenditure has been kept below the MAV Local Government cost index of 3.9%.

The 2013-14 budget was developed in line with the strategic goals set within the new Council Plan 2013-17 and takes into account both the aspirations of the community balanced with the need to be financially responsible and to ensure Council's sustainability into the future.



Cr John Walsh
Mayor



Margaret Abbey
Chief Executive Officer



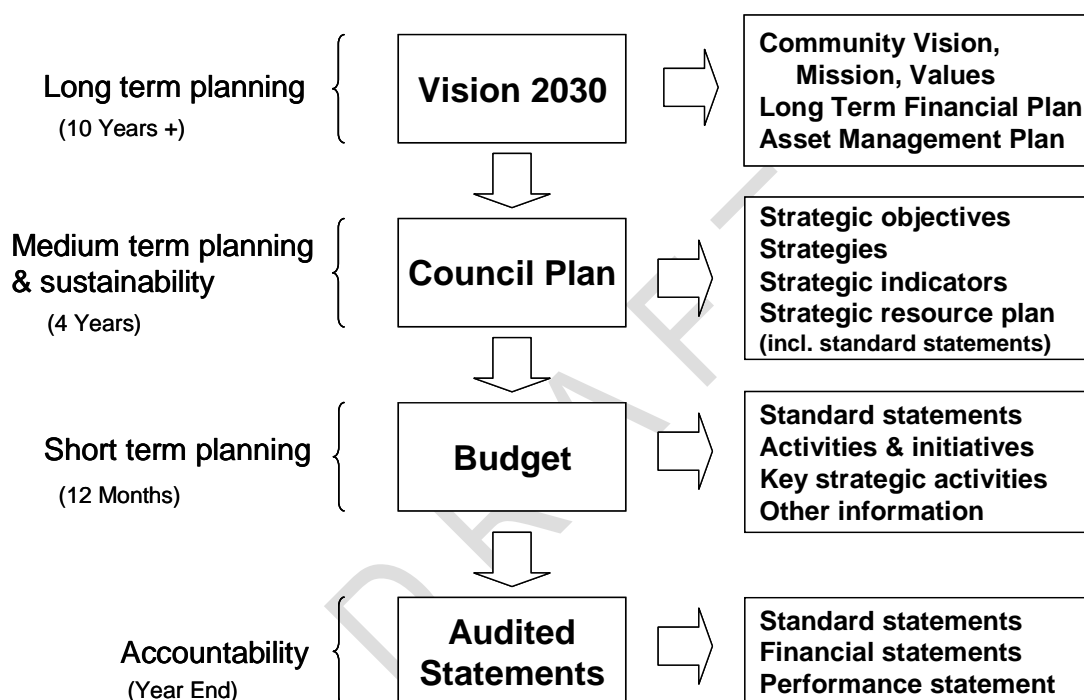
LINKING THE BUDGET TO THE COUNCIL PLAN

STRATEGIC PLANNING FRAMEWORK

The *Strategic Resource Plan* (long term financial plan) included in the *Council Plan 2013 – 2017* summarises the financial and non-financial impacts of the objectives and strategies of the *Council Plan* and determines the sustainability of these objectives and strategies.

The *Annual Budget 2013-14* has been framed within the *Strategic Resource Plan*. Activities and initiatives have been included in the *Annual Budget 2013-14* which contribute to achieving the strategic objectives specified in the *Council Plan*.

The diagram below depicts the strategic planning framework of Council.



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

This budget has been prepared generally in accordance with *Local Government Act 1989* Financial Regulations, accepted accounting practices and the *Best practice guide for reporting local government budgets in Victoria*, which is reviewed and released annually by The Institute of Chartered Accountants in Australia in conjunction with the Municipal Association of Victoria, Finpro and LGPro.

VISION and VALUES

Our Vision

Murrindindi Shire will be vibrant and progressive through connected communities within a healthy and attractive environment.

Our Values

Our Values drive behaviour throughout the Council and are reflected in working relationships between Councillors, the organisation and the external environment including the community. The values underpin the way we work as an organisation and the way we want the community to perceive us as an organisation. Murrindindi's values are:

- **Integrity**

We will be respectful, open and truthful in our dealings. Council will strive to be valued and trusted by the Murrindindi community

- **Accountability**

We will accept responsibility for our actions and be consistent in the application of our principles, policies and processes

- **Innovation**

We will consider new ideas, opportunities and better ways of doing things. Council will constantly seek opportunities to look for new, more efficient and effective ways of providing its services

- **Respect**

We will respect other people and their opinions and do as we say we will

- **Service Excellence**

We will ensure that Council services meet quality, cost and efficiency standards; are responsive to need; accessible to members of the community to whom the service is intended; and demonstrate continuous improvement

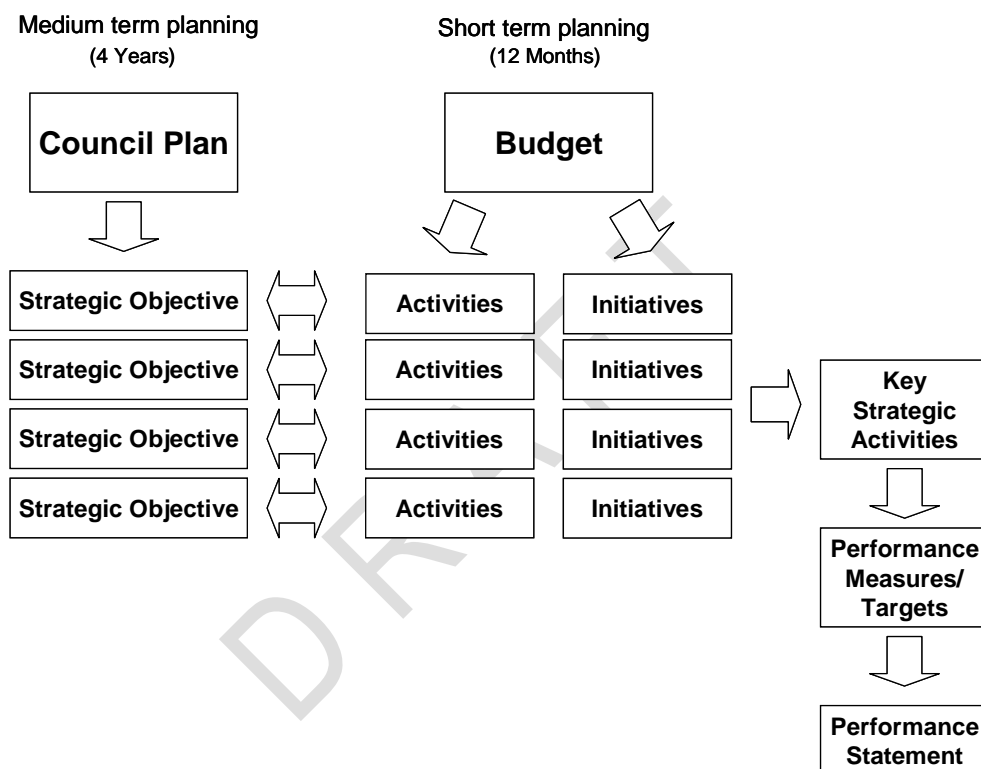
OUR GOALS

Goals	Description
Our Community	We will support and promote health and wellbeing, social connectedness and community involvement.
Our Environment	We will manage our natural and built environment in a responsible manner.
Our Economy	We will support the sustainable growth of Murrindindi's businesses and the local economy.
Our Council	We will provide strategic leadership and effective governance that supports the aspirations of our community.

ACTIVITIES, INITIATIVES AND KEY STRATEGIC ACTIVITIES

This section provides a description of the activities and initiatives to be funded in the *Annual Budget* for the 2013-14 year and how these will contribute to achieving the strategic objectives specified in the *Council Plan*. It also includes a number of key strategic activities and performance targets and measures in relation to these. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The breakdown of income and expenditure within each theme represents operational income and expenditure.

The relationship between these components of the Budget and Council Plan is shown below.



Council allocates budget expenditure against the Goals as identified by the Council Plan, and not Council’s organisational structure. Council’s Goals are listed below detailing each Goal, the strategic objective of each Goal, and how each Goal will be achieved.

GOAL: OUR COMMUNITY

We will support and promote health and well being, social connectedness and community involvement.

Our goal of Council and our community is to create vibrant, interconnected and inclusive communities. Murrindindi Vision 2030 supports a strong sense of pride and belonging across the shire. From arts programs, improved footpaths, on-going support of fire affected communities and new and upgraded recreational facilities; we aim to put the pieces in place for healthy and active community. We will achieve this vision through strong support programs and robust policy decisions.

Health and Wellbeing

Strategic Objectives – What we will do

We will advocate for and support the lifelong needs of our communities at all ages and all stages.

Strategies – How we will do it

- Advocate for and support flexible delivery of early years services
- Promote and deliver effective transition through integrated aged care options
- Support older people to remain active and healthy and connected to their community
- Strengthen partnerships with service providers to meet the demonstrated health needs of our communities
- Actively engage with community health and wellbeing issues through implementation of the Municipal Public Health and Wellbeing Plan
- Work with young people and service providers to identify and respond to youth priorities across their respective communities
- Support participation in a range of sport recreation and leisure activities

Social Connectedness

Strategic Objectives – What we will do

We will encourage inclusive, creative and resilient communities by fostering capacity, pride and a sense of belonging.

Strategies – How we will do it

- Prioritise the activities of Council and engage other stakeholders to improve peoples' access and inclusion
- Ensure access and social connectedness is considered in the planning and development of facilities and infrastructure
- Support participation in a wide range of artistic and cultural pursuits
- Work with communities to build resilience and prepare for future unplanned events
- Support people and groups to work together to strengthen connections and community networks
- Recognise, support and value volunteers
- Advocate for better access to public and social housing options

Community Engagement

Strategic Objectives – What we will do

We will actively engage with our communities to increase participation and community input into Council plans and activities

Strategies – How we will do it

- Trial and evaluate locality-based planning, that involves local communities

ACTIVITIES

The following represent the main activities of this Theme.

Service Category	Description	Income (Expenditure) Net Cost \$'000
Aged & Disability Services	This Unit provides a range of services for the aged and people with disabilities including delivered and group meals, domestic support, personal care, social activities and outings, home maintenance and senior citizens clubs.	1,839 <u>(2051)</u> (212)
Children and Family Services	This Unit provides family orientated support services including Maternal and Child Health, home and centre based childcare and youth support.	566 <u>(1142)</u> (576)
Customer Services	This Unit provides front counter services at Alexandra, Yea and Kinglake offices including reception, telephone, receipting of payments, connecting customers with relevant departments, customer request coordination, hall bookings etc.	0 <u>(481)</u> (481)
Library Services	This Unit provides Libraries in Alexandra, Yea and Kinglake and the mobile library visits Marysville, Buxton, Eildon, Flowerdale and Strath Creek. The service caters for cultural, recreational and educational needs of residents and provides a focal point for the community to meet, relax and enjoy the facilities and services offered.	139 <u>(475)</u> (336)
Recreation Services	This Unit provides strategic planning to inform the development of recreation services and infrastructure and coordinates council services including recreation facilities, swimming pools, the mobile skate ramp, and all recreation responsibilities within the Municipality. The expenditure includes depreciation of \$1.36M.	117 <u>(1938)</u> (1821)

KEY STRATEGIC ACTIVITIES

Key Strategic Activity	Performance measure	Performance Target
Implementation of actions in the Municipal Public Health and Wellness Plan	Completion of all actions in the Municipal Public Health and Wellness Plan	30 June 2014

GOAL: OUR ENVIRONMENT

We will manage our natural and built environment in a responsible manner.

Council will continue to look for ways to protect significant environmental values along with balancing the need to develop and manage our built environment. This will be achieved through leadership and cooperation with other agencies and community networks. Our Council will be recognised for its environmental practices as we look to balance our natural surrounds with our need to grow. We aim to achieve communities that are sustainable in the use of natural resources while developing planning policies that embrace and protect our rural landscapes.

Conservation of resources

Strategic Objectives – What we will do

We will use resources more efficiently and effectively

Strategies – How we will do it.

- Reduce our corporate footprint by using energy, water and materials more responsibly.
- Encourage and recognise environmentally responsible behaviour and practices within Council and across the Murrindindi community
- Strengthen Council's capacity to use resources more sustainably by cooperating with the Goulburn Broken Greenhouse Alliance and community networks
- Finalise the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources

Protection of the natural environment

Strategic Objectives – What we will do

We will protect and enhance the natural environment.

Strategies – How we will do it.

- Ensure Council operations are managed in a way that minimises impact on the natural environment
- Conserve high value sites on Council controlled land and roadside reserves by reducing environmental threats
- Encourage property development across the Shire that protects and enhances

environmental values on their land

- Strengthen Council's capacity to work with key agencies that have responsibility for delivering local, regional, State and Federal environmental policy and programs

Planning for Sensitive Growth

Strategic Objectives – What we will do

We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs.

Strategies – How we will do it

- Improve the planning scheme's capacity to be flexible in responding to growth in a way that balances environmental values and improves the level of safety of our community
- Ensure that Council's emergency management planning responds to community safety needs.
- Improve Council and community capacity to respond to the impacts of extreme weather events and longer term climate change
- Complete a review of the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan
- Promote environmentally sustainable design in future developments to achieve more energy and water efficient outcomes in our built environment

Asset Management

Strategic Objectives – What we will do

We will apply a whole of life approach to the management and maintenance of Council's assets

Strategies – How we will do it

- Manage and renew our existing infrastructure assets in a responsible manner
- Engage with relevant communities on the development of community infrastructure and services
- Develop and deliver services with consideration of the impacts on the natural environment that meet community needs

ACTIVITIES

The following represent the main activities of this Theme.

Service Category	Description	Income
		(Expenditure)
		Net Cost
		\$'000
Environmental Management	Manage the overall impact of council's impact on the environment including roadside biodiversity and weed mapping and pest, plant and animal programs.	52 (261) (209)

Service Category	Description	Income (Expenditure) Net Cost \$'000
Waste Management Services	Provides kerb side rubbish and recycling collection, management of refuse recovery centres at Alexandra, Yea, Eildon Kinglake and Marysville and a landfill in Alexandra. The service also provides educational programs aimed at reducing the generation of waste. Any surplus from these operations is allocated to a reserve for future waste management works.	3,030 <u>(2,887)</u> 143
Building Control	Provides statutory building services to the council and community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	229 <u>(411)</u> (182)
Local Laws	Facilitates a safer community through the provision of school crossing supervision, traffic management, domestic animal management, regulation and enforcement of local laws and community fire prevention.	131 <u>(327)</u> (196)
Development Approvals	Processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing council at the Victorian Civil and Administrative Tribunal where necessary. The service also monitors the Murrindindi Planning Scheme as well as preparing major policy documents shaping the future of the shire. It also prepares and processes amendments to the Murrindindi Planning Scheme.	173 <u>(815)</u> (642)
Environmental Health	Protects the community's health and well being by coordinating food safety support programs and immunization.	123 <u>(169)</u> (46)
Infrastructure Works	Council has a vast network of infrastructure assets including buildings, quarries, roads, bridges, drains, and footpaths. This expenditure provides for ongoing maintenance of Council's infrastructure assets including depreciation of \$5.5M.	7,695 <u>(13,601)</u> (5,906)
Parks & Gardens	Provide planning, development and maintenance to our public open space, road reserves and parks.	0 <u>(986)</u> (986)
Emergency Services	Funding of Councils Emergency Services Obligations	39 <u>(213)</u> (174)

Key Strategic Activity	Performance measure	Performance Target
Our practices show a reduction in waste to Landfill	35% diversion of waste from landfill	30 June 2014
Completion of the Review of the Municipal Strategic Statement (MSS)	Completion of the Review of the Municipal Strategic Statement (MSS)	30 June 2014
Delivery of Capital Works Program	95%	30 June 2014

GOAL: OUR ECONOMY

We will support the sustainable growth of Murrindindi's businesses and the local economy.

A vibrant economy will attract people to our region and in turn open further opportunities for business expansion and investment. This will increase employment prospects, social and cultural benefits and population growth. A key focus of our activities will be the further development and enhancement of educational and training options across the shire. While our attention will continue to be a vibrant tourism and agricultural-based economy, we need to also advocate for improved telecommunications networks that will encourage diverse and entrepreneurial businesses the opportunities to establish.

Workforce Development

Strategic Objectives – What we will do

We will maximise the potential of the local workforce through education, training and employment opportunities

Strategies – How we will do it

- Advocate for and support initiatives to improve post-secondary education opportunities in the Shire, including further development of the Murrindindi Training Institute
- Work closely with the Central Ranges Local Learning and Employment Network (CRLLEN) to improve local workforce development opportunities

Improving Business Infrastructure

Strategic Objectives – What we will do

We will advocate for the provision of infrastructure and services that supports business growth

Strategies – How we will do it

- Support the development and implementation of the Hume ICT (Digital) Strategy and the Hume NBN Business Readiness Plan

- Support further growth and development of the Yea Sale Yards subject to the availability of grant and reserve funds
- Facilitate opportunities to increase utilisation of available industrial land in the Shire
- Advocate to the State Government to broaden the range of business development opportunities in rural settings
- In partnership with Mitchell and Mansfield Shire Councils, support initiatives to maximise the economic benefits of the GRHC rail trail

Investment Attraction

Strategic Objectives – What we will do

We will support local business retention and growth and attract new business and residential investment to the Shire

Strategies – How we will do it

- Implement a business attraction and investment campaign
- Participate in a range of State Government sponsored initiatives that encourage people to Live, Work and Invest in rural and regional Victoria
- Support developers through the regulatory requirements of Council
- Support the creation of strong economic leadership in the Shire through the development of the Murrindindi Business and Tourism Association
- Investigate opportunities to attract investment in residential facilities for retiree and aged sectors
- Continue to engage with businesses and relevant agencies through the Economic Advisory Committee and liaison with key industry associations
- Identify and promote opportunities for growth in housing and business development in and around the Shire's main townships

Tourism Development

Strategic Objectives – What we will do

We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector

Strategies – How we will do it

- Support the initiatives of the GRVT and Marysville and Surrounds Marketing and Events Program to promote visitation to the Shire
- In partnership with GRVT actively encourage investment in, and support development of new tourism product, attractions and accommodation options in the Shire
- Assess the feasibility of extending the GRHC Rail Trail from Alexandra to Eildon
- Support event managers in the establishment and delivery of new tourism events across the Shire
- Support the development of the Y Water Centre at Yea Wetlands as a tourism attraction
- Develop tourism markets that align with the product strengths of the region (e.g., cycle tourism, equine and picnic racing, nature based tourism)

ACTIVITIES

The following represent the main activities of this Theme.

Service Category	Description	Income
		(Expenditure) Net Cost \$'000
Tourism	Provides a framework for shire wide and cross council co-operation in visitor information services and destination marketing to maximize visitor numbers and economic yield.	112 <u>(345)</u> (233)
Economic Development	This Unit assists business investment and growth and facilitates opportunities for local residents to improve their education and skill levels and access local employment. Council's Advancing Country Towns project is included in this category.	214 <u>(684)</u> (470)
Saleyards	This area covers the management and operations of the Yea Saleyards.	310 <u>(188)</u> 122

KEY STRATEGIC ACTIVITIES

Key Strategic Activity	Performance measure	Performance Target
No. of training and/or workforce development initiatives implemented that address needs identified in the Murrindindi Training Needs Analysis 2013	2 new initiatives per annum	30 June 2014
Value of new commercial building developments	3% increase per annum	30 June 2014

GOAL: OUR COUNCIL

We will provide strategic leadership and effective governance that supports the aspirations of our community.

By ensuring our long term financial sustainability, Council's priorities will be directed towards the implementation of the Murrindindi Vision 2030. Achieving the outcomes of this community-driven vision will be our strong advocacy to all levels of government on local needs and issues, the implementation of a master plan to grow the Murrindindi rate base

through sound planning and support for economic development and the effective and efficient operation of the Council. By achieving this Murrindindi Shire will be a place of prosperity and opportunity.

Leadership

Strategic Objectives – What we will do

We will deliver visible leadership and advocacy

Strategies – How we will do it

- Involve community leaders in regular advocacy to State and Federal Governments on local needs and issues
- Actively develop and implement a long term vision for Murrindindi Shire
- Building community relationships and trust through community forums and engagement
- Communicate key Council decisions and strategies to the community in a variety of ways

Customer Service

Strategic Objectives – What we will do

We will deliver quality customer outcomes by continuing to find better ways of doing things

Strategies – How we will do it

- Build on our customer service and communications with the community
- Continue to improve our processes to enhance the efficiency and effectiveness of the organisation

Financial Sustainability

Strategic Objectives – What we will do

We will administer sound financial management practices

Strategies – How we will do it

- Growing our rate base through diligent planning
- Provide value for money through the delivery of long term financial plans
- Practising responsible grants management and how we access grants
- Promoting an equitable rating strategy for all ratepayers

Staff

Strategic Objectives – What we will do

We will have engaged and professional staff

Strategies – How we will do it

- Ensure a healthy and safe workplace for all staff
- Provide staff training and professional development opportunities
- Provide workforce development and succession planning opportunities

ACTIVITIES

The following represent the main activities of this Theme.

Service Category	Description	Income (Expenditure) Net Cost \$'000
Councillors	This includes the cost of council elections, council chambers, Mayor and Councillors expenses and civic events.	0 <u>(343)</u> (343)
Chief Executive and Executive Team	This area includes Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas. Income relates to Victorian Grants Commission Annual Grant.	2,646 <u>(874)</u> 1,772
Communications and publications	Communications and publications include a regular Mayors chair and Councillor Comment to keep residents informed of council activities and what's happening across the shire. Regular radio spots are maintained and newsletters issued as well as annual reports and strategy documents	5 <u>(265)</u> (260)
Community Services Administration	This includes general administration and the administration of Council's Community Properties.	38 <u>(333)</u> (295)
Financial Services	Includes the management of council's finances, payment of salaries, accounts payable & receivable, raising and collection of rates and charges and valuation of properties throughout the municipality.	13,647 <u>(942)</u> 12,705
Corporate Services	Provides statutory and corporate support services to council, including coordination of business papers for meetings of the council and its committees and coordination of procurement. It is responsible for the provision of document and information management support services to Council, including compliance with statutory obligations under Freedom of Information, Public Records, Information Privacy and Local Government Acts.	50 <u>(533)</u> (483)
Organisational Development	Has a focus on management of risk and organisational well being and improving performance through the continuous development, improvement and implementation of our strategies, policies and procedures.	0 <u>(300)</u> (300)

Information Technology	Provides support, and maintains communications and computing systems, facilities and infrastructure to enable staff to deliver services in a smart, productive and efficient way.	0 (552) (552)
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KEY STRATEGIC ACTIVITIES

Key Strategic Activity	Performance measure	Performance Target
Adoption of Murrindindi 2030 Vision	Adoption of Murrindindi 2030 Vision	31 December 2013
Completion of the review of the Rating Strategy	Completion of the review of the Rating Strategy	31 December 2013

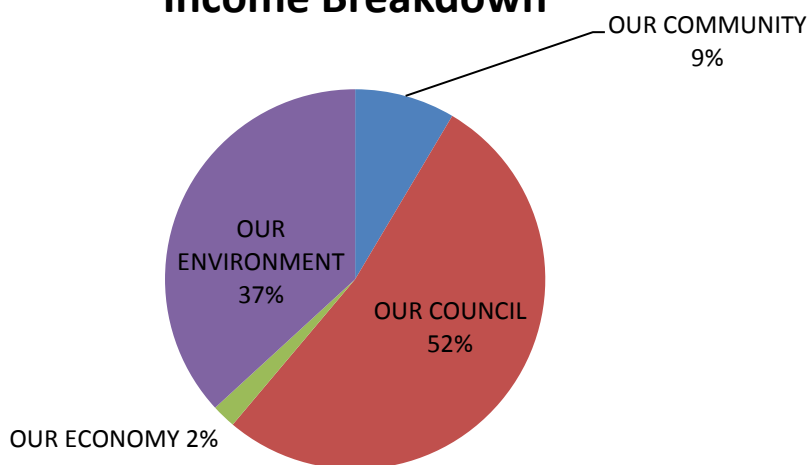
GOAL SUMMARY

Our Goals	Income	Expenditure	Net
Our Community	2,661	(6,087)	(3,426)
Our Council	16,386	(4,142)	12,244
Our Economy	636	(1,217)	581
Our Environment	11,472	(19,670)	(8,198)
TOTAL	31,155	31,116	39

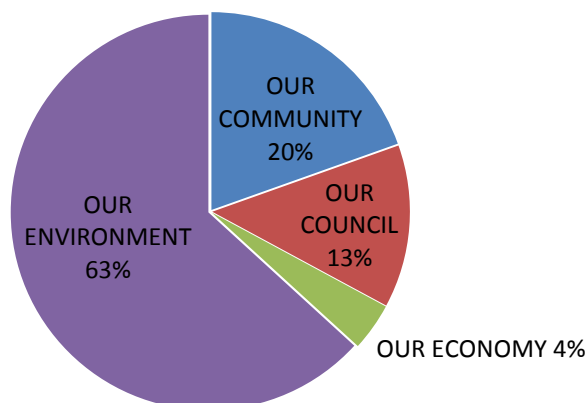
GOAL BREAKDOWN – INCOME AND EXPENDITURE

The following two graphs show the Income and Expenditure by Goal.

Income Breakdown



Expenditure Breakdown



BUDGET INFLUENCES

This section sets out the key influences on the *2013-14 Budget*.

EXTERNAL INFLUENCES

STATE GOVERNMENT 2013-14 BUDGET

The 2013-14 Murrindindi Shire Council Budget provides for a continuation of State Government funded programs. This includes the Country Roads and Bridges program and the Local Government Infrastructure Fund. Additionally the State Government supports the ongoing bushfire and storm recovery effort with government grants via Vic Roads and other agencies allocated on a once off basis in 2013-14 to restore facilities and services to affected communities.

ROADS TO RECOVERY ALLOCATIONS

In March 2009 the Minister for Infrastructure, Transport, Regional Development and Local Government, Anthony Albanese announced individual council allocations for the next five years of the Roads to Recovery Program (2010-11 to 2013-14). This funding has now been extended to 2019. The funding allocations are based on the recommendations of State/Territory Local Government Grants Commissions. Councils can use the funding they receive from the Program to make urgent repairs and upgrades to their local road networks. The funding is untied and can go towards the local priorities identified by local communities.

For Council this means an allocation of \$4,167,501 for the life of the program (2009-10 to 2013-14). The allocation for the year 2013-14 and for next year is an amount of \$833,500.

EPA LEVIES

Increases in the levy payable to the State Government upon disposal of waste into landfill have resulted in additional waste costs being borne by all local government agencies.

FIRE SERVICES PROPERTY LEVY

Murrindindi Shire Council ratepayers will see an additional charge on their rates notices this year, with Council now the State Government's collection point for the Fire Services Property Levy.

While the charge will appear on rates notices – it is not an extra charge imposed by Murrindindi Shire Council.

From 1 July the Victorian Government will introduce the property based levy to fund the Metropolitan Fire and Emergency Services Board and the Country Fire Authority (CFA).

The Fire Services Property Levy will replace the existing insurance-based funding model as recommended by the Victorian Bushfires Royal Commission.

Until now, the fire services have been largely funded by contributions made by the insurance industry and the State Government. The insurance industry passes the cost of its contribution on to Victorian policy holders through a fire services levy on insurance premiums.

The reform of the fire services levy, including abolishing the associated GST and stamp duty costs on the existing insurance based levy, will provide savings of over \$100 million to households and businesses across the state.

The new property-based levy will ensure that all Victorian property owners pay a fair contribution to fire services and are not penalised for adequately insuring their property.

Under the property-based levy as advised by the State Government:

- Murrindindi Shire Council will collect the levy through rates notices
- The levy will be calculated based on the capital improved value of a property
- The levy will consist of a fixed component plus a variable component
- The levy will be calculated as a percentage of capital improved property values
- The fixed component will be \$100 for residential properties and \$200 for non-residential properties
- The levy rate will vary for different property types such as residential, industrial, commercial and primary production
- A concession of \$50 will apply to eligible pensioners and veterans

INTERNAL INFLUENCES

EMPLOYEE BENEFITS

A new Enterprise Agreement (EA) came into effect in January 2012.

New increases include:

- Increments of 4.0 %
- Additional Superannuation from 9.00% to 9.25% (Superannuation Guarantee)
- End of Band increases

A review of Council's EA is scheduled for January, 2015.

OTHER INFLUENCES

VICTORIA GRANTS COMMISSION

The amount included in the 2013-14 Budget has assumed an increase of 2.5% on the 2012-13 grant amount. The estimate for the 2013-14 financial year is \$4,292,203.

BUSHFIRE REBUILDING AND COMMUNITY PROJECTS

The full impact of rebuilt and expanded assets has been included in the operating statements via depreciation of \$0.60 million together with maintenance and operating costs of \$1.20 million for the 2013-14 financial year and successive periods as reflected in the Long Term Financial Plan (LTFP). These assets will remain as a continuing legacy of the Bushfire Recovery.

GOULBURN RIVER HIGH COUNTRY RAIL TRAIL

The construction of the Goulburn River High Country Rail Trail is complete and has become one of the State's premier rail trail attractions, encompassing approximately 80 kilometres in length within the Murrindindi Shire and passing through the Shire's townships of Yea, Molesworth, Alexandra and Yarck. With responsibility for the management of the trail within the Shire, the Council has allocated \$160,000, covering a full year in its 2013-14 budget for trail maintenance.

FUTURE FINANCIAL AND SERVICE REVIEWS

Council has also identified a number of initiatives which will influence future budgets enabling further savings in expenditure and increases in non-rate income to be realised.

This includes the effects of the Service Review, implemented from February 2012, which has generated recurrent operating and capital savings for a number of years forward.

Council is in the process of considering the review of its rating strategy commenced in 2012-13 and expects that this work will be completed by 31 December 2013.

The Council Plan, incorporating the Strategic Resource Plan, has also highlighted the impacts and full financial effect of the new and enhanced gifted assets as a result of the

February 2009 bushfires. In 2013-14 Council will continue to advocate strongly to the State Government on the need for government assistance in addressing the financial legacy of these facilities which Council is currently bearing.

MURRINDINDI SHIRE COUNCIL BUDGET PRINCIPLES

Guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets.

The principles included:

- Existing fees and charges to be increased in line with CPI or market levels
- Grants to be based on confirmed funding levels
- New income sources to be identified where possible
- Salaries and wages to be increased in line with Council's *Enterprise Agreement*
- No new initiatives
- One third of the 6% rate revenue increase will be allocated to an infrastructure maintenance reserve
- Maintain allocations previously provided in the 2012-13 budget for gifted assets

LEGISLATIVE REQUIREMENTS

The 2013-14 Budget, which is included in this report, is for the year 1 July 2013 to 30 June 2014 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2014 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. The budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken, and other financial information that Council requires in order to make an informed decision about the adoption of the budget.

BUDGET OVERVIEW

Budgeted Standard Income Statement	Forecast	Budget	Variance
	2012-13	2013-14	
Income Types	\$'000	\$'000	\$'000
Income – Ordinary Activities	22,190	25,490	3,300
Income – Non Cash	16,000	-	(16,000)
Income – Non Recurrent Grants	11,414	5,665	(5,749)
Total Income	49,604	31,155	(18,449)
Operating Expenditure	36,929	31,116	5,813
Surplus/(Deficit)	12,675	39	(12,636)

Budgeted Standard Cashflow Statement	Forecast	Budget	Variance
	2012-13	2013-14	
Cashflows	\$'000	\$'000	\$'000
Operating	9,448	7,936	(1,512)
Investing	(9,222)	(9,903)	(681)
Financing	(776)	(956)	(180)
Net Movement in Cash held	(550)	(2,923)	(2,373)
Cash at beginning of Year	13,616	13,066	(550)
Cash at End of Year	13,066	10,143	(2,923)
Budgeted Standard Balance Sheet	Forecast	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Assets			
Current Assets	17,197	12,826	(4,371)
Non-Current Assets	298,166	300,258	2,092
Total Assets	315,363	313,084	(2,279)
Liabilities			
Current Liabilities	8,318	6,382	1,936
Non-Current Liabilities	4,984	4,602	382
Total Liabilities	13,302	10,984	2,318
NET ASSETS	302,061	302,100	39
Equity	302,061	302,100	39
TOTAL EQUITY	302,061	302,100	39
Budgeted Standard Statement of Capital Works	Forecast	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Renewal	4,645	4,501	(144)
New	4,070	4,588	518
Upgrade	1,844	1,165	(679)
Total	10,559	10,254	(305)

BUDGET ANALYSIS

A major change in the 2013-14 Budget in comparison to the 2012-13 Budget is a reduction in non current grants (primarily associated with bushfire reconstruction projects) and the once of recognition of the value of the Goulburn River High Country Rail Trail.

INCOME FROM ORDINARY ACTIVITIES

Income Types	Forecast	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Rates and charges	14,639	15,646	1,007
Rate Assistance Package	482	-	(482)
Special Charge Scheme	-	108	108
Statutory fees and fines	576	598	22
User fees	2,180	2,056	(124)
Grants – Recurrent	3,802	6,192	2,390
Grants – Non-Recurrent	10,932	5,665	(5,267)
Interest	620	256	(364)
Other income	460	236	(224)
Contributions Cash	95	281	186
Contributions Non Cash	16,000	-	(16,000)
Reimbursements	122	117	(5)
Total operating income	49,908	31,155	(18,753)

RATES AND CHARGES

An increase of 6% in rate income has been budgeted for in 2013-14. A factor of 0.8% has been included for growth of the rate base which is net of the effect of the State Government buy back scheme (1% growth – 0.2% effect of buy back scheme = 0.8% net growth). The growth in the rate base together with waste management charges, contributes to the total rate income of \$15.64 million, as calculated in the statutory information table provided at Appendix B. The percentage increase of the rate in the dollar, combined with the increase in waste management charges, equates to an increase in income of rates and charges on the previous year of 6.88% or \$1.007 million.

RATES ASSISTANCE PACKAGE

Subsequent to the February 2009 Bushfires, the Victorian State Government provided funding to reflect Rates income that Council lost as a result of the decrease in private property Capital Improved Value (CIV). This packaged totalled \$3.20 million over four years, concluding with a final allocation of \$482,000 in the year ending 30 June 2013.

SPECIAL CHARGE SCHEMES

Green Street Alexandra special charge scheme is expected to raise income of \$108,000. While this was originally budgeted to occur in 2009-10, it is anticipated the Special Charge Scheme will come into effect during the Financial Year ending 30 June 2014.

STATUTORY FEES AND FINES

Statutory fees are levied in accordance with legislation and include animal registrations, Health Act registrations, building permits and certificates, septic tank inspections and planning and building inspection fees. Where legislation does not dictate the size of an increase the budget principle was to maximise or at least achieve parity with fees and fines charged with other small rural councils. Adjustments to Fees and Fines arose out of recommendations from the Services Review during the previous financial year and Council's fees and fines have again been considered and adjusted where appropriate for the budget ending 30 June 2014.

Refer Appendix D for complete table of Fees and Charges.

USER FEES

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 and other community facilities, and the provision of human services such as child care, and home and community care services. Other user fees have been subject to recommendations arising out of the Services Review conducted in the previous financial year and increased accordingly in line with these recommendations. Whilst the charges associated with these services have risen by CPI (Consumer Price Index), the fall in revenue of \$124,000 reflects the fact that Council no longer conducts or charges for external works.

GRANTS – OPERATING

Recurrent grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's recurrent services to ratepayers. Contributions from other parties towards property development costs are also included. The increase in Recurrent Grant income of \$2.39 million does not represent an increase in grant funding and relates primarily to the timing of receipt of Grants Commission funding. The budget proposed for 2013-14 assumes the full allocation from the Grants Commission will be received in the 2013-14 financial year. In the last financial year (2012-13), 50% of the Grants Commission allocation (\$2.0M) was received in the prior financial year. An additional potential influence in the reduction of Grant Commission funding (\$235,000) in 2012-13 has been offset with savings found in both operating and capital budgets within the current year and were adjusted accordingly within the 2013-14 budget. Significant movements in grant funding are summarised below:

Grant Funding - Recurrent	Forecast	Budget	
	2012-13	2013-14	Variance
	\$'000	\$'000	\$'000
Grants Commission			
General Allocation	1,163	2,647	1,484
Local Roads Allocation	766	1,645	879
	1,929	4,292	2,363
Community Services			
Children Services	444	471	27
Aged & Disability	1,238	1,235	(3)
	1,682	1,706	24
Planning & Environmental Services			
Immunizations	11	12	1
School Crossing Supervision	15	16	1
Customer Services	4	4	-
Library & Customer Services	123	123	-
State Emergency Services	38	39	1
Total Recurrent Grant Funding	3,802	6,192	2,390

GRANTS – NON-RECURRENT

Non-recurrent grants include all State and Federal sources for one-off capital works or major projects. The reduction of \$5.75 million in Non Recurrent Grant income indicates a return to a more 'normal' level of non recurrent funding. The level of funding for 2013-14 also includes the key budget influence of maintaining non recurrent capital funding for Roads to Recovery and Country Roads and Bridges Infrastructure funding of \$1.83 million.

The variance (reduction of \$5.75M) recognises:

- Cessation of MAP (Murrindindi Assistance Package) and Natural Disaster funding (Operating) of \$(2.77) million in 2012-13.
- Cessation of Natural Disaster funding storm damage (Operating) of \$(2.35) million in 2012-13.
- Cessation of Auspiced Community Recovery projects (Capital) of \$(265,000) in 2012-13. These relate to many Bushfire related type projects (CRF-Community Recovery Funds).
- Winding up of direct projects (Capital) totalling \$(667,000) associated with the Reconstruction and Recovery Unit in 2012-13.
- Additional capital funding for community infrastructure (Buildings) of \$803,000.

The table below lists the non-recurrent grants that will be managed and finalised during the coming year:

Grant Funding - Non Recurrent Operating	Forecast	Budget	
	2012-13	2013-14	Variance
	\$'000	\$'000	\$'000
Non-Recurrent Grants - Operating			
Community Recovery			
Auspice Community Projects	151	17	(134)
Community Recovery Fund	66	-	(66)
Community Services and Recovery			
Children Services	60	6	(54)
Co-ordination Family & Youth Services	125	-	(125)
FreeZA Youth Concerts	24	25	1
Marysville Community Arts	42	-	(42)
Other Services	38	49	11
Swimming Pools	1	1	-
Transport Connection	150	37	(113)
Development and Environmental Services			
Environmental Health	5	5	-
Local Laws	29	-	(29)
Planning	5	-	(5)
Economic Development			
Small Business Support	35	-	(35)
			-
Finance			
Rates & Charges Levied	482	-	(482)
Human Resources & Risk			
Wellbeing	5	-	(5)
Infrastructure Assets			
Community (Public) Land	15	-	(15)
Library Services			
Library	6	6	-
Natural Disasters			
Council Management Support	550	-	(550)
Package Funding	2,011	-	(2,011)
Performance Plans	212	-	(212)
Office of GM Corporate & Community Services			
Other Recreation & Culture	26	-	(26)

Grant Funding - Non Recurrent Operating	Forecast	Budget	
	2012-13	2013-14	Variance
	\$'000	\$'000	\$'000
Reconstruction Unit			
Bushfire	39	-	(39)
Storm Damage	3,100	750	(2,350)
Sustainability & Community Development			
Advancing Country Towns	213	195	(18)
Environmental Programs	71	52	(19)
Total Non-Recurrent Grants - Operating	7,461	1,143	(6,318)

Non Recurrent Grants - Capital	Forecast	Budget	
	2012-13	2013-14	Variance
	\$'000	\$'000	\$'000
Community Recovery			
Auspice Community Projects	265	-	(265)
Corporate Services			
Saleyards	100	-	(100)
Economic Development			
Investment/New Resident Attraction	10	10	-
Program Delivery			
Community (Public) Buildings	447	1,250	803
Community Land (Parks & Gardens)	134	-	(134)
Corporate (Council) Buildings	136	150	14
Country Roads & Bridges Initiative Funding	1,000	1,000	-
Local Govt Infrastructure Program	442	690	248
Other Capital Expenditure	9	588	579
Play Equipment & Skate Parks	30	-	(30)
Roads	(7)	-	7
Roads to Recovery Income	717	834	117
Reconstruction Unit			
Direct Projects	667	-	(667)
Sustainability & Community Development			
Environmental Programs	3	-	(3)
Total Non Recurrent Grants - Capital	3,953	4,522	569

	Forecast	Budget	
	2012-13	2013-14	Variance
	\$'000	\$'000	\$'000
Non-Recurrent Grants - Operating	7,461	1,143	(6,318)
Non Recurrent Grants - Capital	3,953	4,522	569
Total Non Recurrent Grants	11,414	5,665	(5,749)

INTEREST

Interest income is generated from Council investments and outstanding rate arrears. It is anticipated that interest earned during the 2013-14 financial year will decrease compared to the 2012-13 actual result due to lower levels of Grant and Insurance income being available to invest as bushfire recovery efforts are approaching completion. The reduction in earnings is also reflective of the decline with investment rates of around 1% compared to last financial year.

See Appendix A - Budgeted Standard Cash Flow Statement for further detail.

OTHER INCOME

Other income relates to rental income, leases, cost recoupment, and other miscellaneous income items. The reduction of \$224,000 is attributable to the recoupment of plant return on investment which has a corresponding effect on Materials and Supplies. This accounting process is no longer undertaken subsequent to the cessation of external works.

CONTRIBUTIONS

The increase of Contributions Cash of \$186,000 refers to monies paid in accordance with public open space, cost sharing of projects and joint ventures.

CONTRIBUTIONS – NON CASH

Non cash contributions in the form of Rail Trail assets were transferred to Council during the financial year ending 30 June 2013. The decrease in Non Cash Contributions of \$16.00 million recognises this once off transaction of bringing to account underpinning assets associated with the Rail Trail.

There are no assets expected to be transferred to Council during the 2013-14 budget year.

REIMBURSEMENTS

The budget for reimbursements relates to recovery of legal costs associated with rates, reimbursements from Veteran's Affairs for provision of services and sundry small reimbursements.

NET GAIN ON SALE OF ASSETS

This relates to plant and equipment items traded in during the year. Council budgets to recover the net book value of assets disposed.

EXPENSES FROM ORDINARY ACTIVITIES

Expenditure Types	Forecast	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Employee benefits	12,380	11,513	867
Materials & Services	16,518	11,191	5,327
Depreciation and amortisation	7,423	7,797	(374)
Other expenses	271	279	(8)
Interest / Finance costs	337	336	1
Total operating expenditure	36,929	31,116	5,813

See Appendix A for detailed information.

EMPLOYEE BENEFITS

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

Employee costs will decrease in 2013-14 compared to 2012-13 due to the decline in fixed term resources responding to the bushfire recovery, and the net reduction of staff and new appointments resulting from the Services Review.

Other key factors include salary increases in line with Council's Enterprise Agreement (EA), plus increments.

MATERIALS AND SERVICES

Materials and services include the purchase of consumables and payments to contractors for the provision of services. Utility costs are also recorded in this section.

Materials and services are forecast to decrease as a result of grant funded bushfire and storm recovery projects winding down. This is consistent with the Strategic Resource Plan.

The table below summarises the types of expenses reported in Materials and Services.

Materials & Services Expenditure Type	Forecast	Budget	Variance
	2012-13	2013-14	\$
	\$'000	\$'000	\$'000
Utilities	497	497	-
Contractors	11,105	7,480	3,625
Legal Expenses	183	114	69
Insurance	453	526	(73)
Materials	1,234	1,114	120
Contributions	621	701	(80)
Consultancies	2,425	759	1,666
Total Materials & Services	16,518	11,191	5,327

UTILITY COSTS

Utility costs relate to telecommunications, and other services such as water, gas and electricity.

CONTRACTORS

Contractors relate to works or services contracted by the Murrindindi Shire Council. Some of these works and services include the provision of maintenance services, garbage recycling, meal production, software maintenance, valuation services, and systems development.

FINANCE COSTS

Finance costs relate to financial institution charges on borrowed funds.

The increase in borrowing costs results from loans of \$500,000 in 2013-14. Repayments of loan principal are set out in the Budgeted Standard Balance Sheet in Appendix A and the Analysis of Budgeted Cash Position in Section 5 of this document.

DEPRECIATION AND AMORTISATION

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant, equipment and infrastructure assets. Investments in new assets and increasing values of assets will raise the base amount from which the depreciation is calculated, therefore, as Council continues to improve assets and infrastructure this figure will continue to increase. Depreciation charges in the 2013-14 financial year have increased as a result of the \$30 million assets gifted to Council as a result of the February 2009 bushfire recovery projects as well as \$16 million of assets contribution from the Rail Trail.

OTHER EXPENSES

Other expenditure relates to rates and charges waived for charitable and not-for-profit organisations, auditor's remuneration and Councillor's allowances.

UNDERLYING RESULT

The underlying operating result as defined by the Institute of Chartered Accountants (2009) is a measure of the financial sustainability of a Council. Continuous underlying operating deficits lead to a loss in equity, reduction in asset base, drop in service standards over time and a deferral of costs to future generations.

The underlying operating result is the operational result (balanced, surplus or deficit) less gifted assets, developer contributions, asset revaluations, and write offs and impacts of asset sales. Capital income is further deducted on the grounds it represents an "unmatched" income (expenditure is not included) and it is a non-recurring income source.

Murrindindi Shire Council had an underlying operating deficit at 30 June 2013 of \$7.01 million with projections to retain a deficit position for 9 years. The underlying result which excludes capital income from the operating statement indicates a deficit of \$4.81 million.

This is generally reflective of the fiscal restraint, exercised across the organisation and of a period where minimal additional revenue can be derived from rates. The improvement in the underlying result has been achieved despite the increasing depreciation cost of \$374k for 2013-14.

ANALYSIS OF BUDGETED STANDARD CASH FLOW STATEMENT

This section analyses the expected cash flows from the operating, investing and financing activities of council for the 2013-14 year. Budgeted cash flows are a key factor for the Council in setting the level of rates and guiding the level of sustainable capital expenditure.

BUDGETED STANDARD CASH FLOW STATEMENT

	Forecast	Budget	
	2012-13	2013-14	Variance
	\$'000	\$'000	\$'000
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from ratepayers	14,593	15,591	998
Rate Assistance Package	482	-	(482)
Statutory Fees & Fines & User Charges	4,883	3,433	(1,450)
Recurrent & Non-Recurrent Grants	19,683	13,357	(6,326)
Interest	644	276	(368)
	40,285	32,657	(7,628)
<i>Payments</i>			
Payments to suppliers	(18,472)	(13,041)	5,431
Payments to employees	(12,365)	(11,680)	685
	(30,837)	(24,721)	6,116
Net cash provided by operating activities	9,448	7,936	(1,512)
Cash flows from investing activities			
Payment for fixed assets	(10,559)	(10,254)	305
Proceeds from sale of fixed assets	1,337	351	(986)
Net cash used in investing activities	(9,222)	(9,903)	(681)
Cash flows from financing activities			
Trust funds and Deposits	(179)	(323)	(144)
Finance Costs	(278)	(275)	3
Proceeds from Borrowings	500	500	-
Payment of Borrowings	(819)	(858)	(39)
Net cash used in financing activities	(776)	(956)	(180)
Net increase/decrease in cash and cash equivalents	(550)	(2,923)	(2,373)
Cash and cash equivalents at the beginning of the period	13,616	13,066	(550)
Cash and cash equivalents at end of the year	13,066	10,143	(2,923)

See Appendix A for details

CASH FLOWS FROM OPERATING ACTIVITIES

Operating activities refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

CASH FLOWS FROM INVESTING ACTIVITIES

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.

See Appendix C for a summary of the Capital Works Program.

CASH FLOWS FROM FINANCING ACTIVITIES

Financing activities refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and the repayment of the principal component of loan repayments for the year. Financing activities for the 2013-14 budget year include new borrowings of \$500K and debt reduction of \$858K.

CASH AND CASH EQUIVALENTS AT END OF THE YEAR

RESTRICTED AND UNRESTRICTED CASH AND INVESTMENTS

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council operations. The budgeted cash flow statement indicates that at 30 June 2013 Council will have cash and investments of \$6.59 million, which is restricted as shown in the following table:

	Forecast	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Total cash and investments	13,066	10,143	(2,923)
Restricted cash and investments			
Statutory reserves	358	383	25
Discretionary reserves	5,062	5,287	225
Other	1,194	923	(271)
Sub total	6,614	6,593	(21)
Total unrestricted cash and investments	6,452	3,550	(2,902)

See Appendix A for Budgeted Statement of Investment Reserves.

All reserve funds are backed by cash. Council sets the level of cash required when determining the budget to include other non-discretionary funds such as deposits, trust funds, investment funds held as security and provision for employee entitlements (balance of

investment required under *Local Government Long Service Leave Regulations*) and a nominal amount (25 %) of Employee Annual Leave Entitlements. As employees do not all take leave at the same time, experience has demonstrated that holding 25 % of leave entitlements is adequate for any given year.

STATUTORY RESERVES BALANCE

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

DISCRETIONARY RESERVES BALANCE

These funds are available for whatever purpose Council decides is their best use.

LONG SERVICE LEAVE BALANCE

Local Government (Long Service Leave) regulations 2012 removed the requirement for Council to maintain separate investments for Council Long Service Leave obligations. The Defined Benefits Superannuation liability payment of \$1.90 million, that was due in the 2012-13 budget year was drawn from the Long Service Leave (LSL) reserve. The LSL provision currently totals \$2.09 million and that 25% of the Current Liability component (\$1.57 million) be cash backed when determining restricted cash requirements. This would commence in 2013-14 with an allocation of \$98,000 and be achieved over a 4 year period by 2015-16 (\$303,000).

Council continues to recognise employee long service leave entitlements as a liability in accordance with applicable Accounting Standards.

DEFINED BENEFIT UNFUNDED SUPERANNUATION RESERVE

Local Government organisations in Victoria are responsible for funding the Vision Super Defined Benefit Superannuation Fund. Council has previously made payments to the fund where the fund has not been fully funded. Council contributed \$1.9 million towards the unfunded liabilities of the fund in the previous financial year. A reserve has now been created to assist Council in meeting obligations toward unfunded liabilities that may arise in the future. This reserve has been allocated \$300k out of cash in the 2013-14 financial year, emanating from prior year savings. From 2014-15 onwards future allocations to this reserve will be \$300k per annum.

QUARRY BANK GUARANTEES

These funds relate to bank securities in favour of the Minister of Resources for works authorities relating to Drysdale's Quarry and Topsy Gully Quarry. The securities relate to mining licences and are non discretionary in nature.

ANALYSIS OF BUDGETED STANDARD CAPITAL WORKS STATEMENT

This section analyses the planned capital expenditure budget for the 2013-14 year and the sources of funding for the capital budget.

CAPITAL WORKS

Capital Works Areas	Forecast	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Land	-	-	-
Buildings	3,405	4,920	(1,515)
Plant & Machinery	1,537	608	929
Roads & Paths	3,125	2,732	393
Bridges	1,637	863	774
Stormwater Network	252	452	(200)
Cultural	126	-	126
Furniture & Equipment	390	592	(202)
Library Materials	87	87	-
Total new works	10,559	10,254	305
Represented by:			
Renewal	4,645	4,501	144
Upgrade	1,844	1,165	679
New assets	4,070	4,588	(518)
Total capital works	10,559	10,254	305

See Appendix C for a more detailed listing of the capital works program.

LAND

Council has no current plans for purchasing land in the 2013-14 financial year.

BUILDINGS

Buildings include community facilities, municipal offices, sports facilities, and pavilions.

For the 2013-14 year \$4.9 million will be expended on building projects

PLANT AND MACHINERY

Plant and machinery refers to major plant and machinery purchases including passenger vehicles. For the 2013-14 year it is anticipated that \$608K will be expended on the replacement of plant and machinery and vehicles as listed in Appendix C. The significant reduction is predominately due to the cessation of external works being carried out by Council's asset maintenance and works team, the reduction in the number of fixed term

positions associated with the bush fire recovery programs, and the reduction in staff subsequent to the implementation of the Service Review recommendations.

ROADS AND PATHS

During the 2013-14 year \$2.7 million will be expended on capital projects (including local roads, car parks, footpaths, bike paths, declared main roads, traffic devices, street lighting and traffic signals). This program includes a streetscape project at Yarck which has a total project cost of \$80,000 of which the Council contribution is \$20,000 and the balance anticipated to be funded by grants.

BRIDGES

During the 2013-14 year \$863k will be expended on capital projects relating to bridges and represents a reduction in bridge project expenditure from 2012-13 where a significant amount related to storm damage repair. The key projects for 2013-14 include Allandale Road bridge renewal and design work for the Ghin Ghin bridge.

STORMWATER NETWORK

For the 2013-14 year \$452k will be expended on Councils stormwater network. This network includes drains in road reserves, retarding basins and waterways.

CULTURAL ASSETS

Cultural assets include community projects of cultural or historical significance and in 2012-13 included the 1000 hands project in Marysville. There are no such assets earmarked for expenditure in 2013-14.

FURNITURE & EQUIPMENT

Furniture and equipment refers to the purchase of replacement information technology equipment including provision for the development of document management systems, updated aerial photography, essential safety services systems and replacement of minor capital equipment for pools.

LIBRARY MATERIALS

In 2013-14 \$87,000 has been allocated for the purchase of library materials including collection items which is also consistent with recommendations implemented out of the Library Services Review.

CARRIED FORWARD WORKS

At the end of each financial year there are projects that are either incomplete or not commenced due to unexpected factors such as planning issues, weather delays or extended consultation. The amount carried forward from the 2012-13 financial year is an estimated \$4.04M.

CAPITAL WORKS EXPENDITURE TYPE (NEW, RENEWAL AND UPGRADE)

A distinction is made between expenditure on new assets, expenditure on asset renewal and upgrade. Expenditure on asset renewal is expenditure on an existing asset. Expenditure on asset upgrade improves the service potential or the life of the asset. The capacity to which Council can fund asset renewal year by year versus what is required in terms of renewal investment is known as the infrastructure renewal gap

The level of expenditure allocated to the renewal gap seeks to contribute to closing the infrastructure renewal gap. Modelling from the Strategic Resources Plan, within the Long Term Financial Plan on capital expenditure will result in a renewal gap in 2022-23 of approximately \$20.00 million.

Expenditure on new assets does not have any element of upgrade of existing assets. It is important to recognise expenditure on new assets will result in an additional burden for future operation, maintenance and capital renewal.

See Appendix C - Capital Works Program which groups all proposed projects into these three expenditure types.

FUNDING SOURCES

GRANTS - CAPITAL

Capital grants include all monies received from state, Federal and community sources for the purposes of funding capital works or major projects on a one off basis.

See – Non recurrent Grants for a list of significant grants included in the *2013-14 Budget*.

CONTRIBUTIONS

Contributions include monies received from community sources and special charge schemes raised to fund infrastructure works.

LOANS

\$500,000 will be borrowed to support Council's *Capital Works Program* as determined by the plant and fleet replacement strategy and the *Strategic Resource Plan*.

PROCEEDS FROM SALE OF ASSETS

Proceeds from sale of assets includes, Plant/Equipment, Land, Buildings as identified in the Services Review together with motor vehicle and plant sales at the time of replacement as determined by Council's plant replacement strategy and *Strategic Resource Plan*.

RESERVE INVESTMENTS

Reserve cash and investments include monies set aside for specific purposes.

See Appendix A - Statement of Investment Reserves for more detailed information.

COMMITTED CASH BROUGHT FORWARD

In addition to reserve investments, Council also has uncommitted cash and investments which represent working capital and funds preserved from the previous year mainly as a result of grants and contributions being received in advance.

OPERATIONS

Council generates cash from rates and its operating activities which is used as a funding source for the capital works program. It is forecast that \$2.462 million will be generated from operations to fund the 2013-14 capital works program.

ANALYSIS OF BUDGETED STANDARD BALANCE SHEET

This section analyses the movements in assets, liabilities and equity between 2012-13 and 2013-14. It also considers a number of Key Performance Indicators (KPIs).

KEY ASSUMPTIONS

In preparing the budgeted Balance Sheet for the year ended 30 June 2014 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- All rates and charges will be collected in the 2013-14 year
- Employee entitlements to be increased in line with Enterprise Agreement. No increase in the average rates of leave taken is expected
- Repayment of loan principal is to be \$858K
- Total capital expenditure to be \$10.254 million

BUDGETED BALANCE SHEET

Balance Sheet	Forecast	Budget	Variance
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Current assets			
Cash and cash equivalents	13,066	10,143	(2,923)
Trade and other receivables	3,771	2,303	(1,468)
Accrued Income	70	50	(20)
Prepayments	130	170	40
Inventories	160	160	-
Total current assets	17,197	12,826	(4,371)
Non-current assets			
Property, infrastructure, plant and equipment	298,116	300,222	2,106
Trade and other receivables	50	36	(14)
Total non-current assets	298,166	300,258	2,092
Total assets	315,363	313,084	(2,279)
Current liabilities			
Trade and other payables	3,923	2,418	1,505
Trust funds and deposits	808	485	323
Provisions – Employee benefits	2,746	2,581	165
Interest-bearing loans and borrowings	841	898	(57)
Total current liabilities	8,318	6,382	1,936
Non-current liabilities			
Provisions – Employee entitlements	524	494	30
Provisions - Other	1,242	1,306	(64)
Interest-bearing loans and borrowings	3,218	2,802	416
Total non-current liabilities	4,984	4,602	382
Total liabilities	13,302	10,984	2,318
Net assets	302,061	302,100	39
Equity			
Accumulated surplus	124,145	136,571	12,426
Surplus for year	12,676	39	(12,637)
Reserves – Asset Revaluation	159,820	159,820	-
Reserves General	5,420	5,670	250
Total equity	302,061	302,100	39

CURRENT ASSETS AND NON-CURRENT ASSETS

Cash and cash equivalents includes cash held in the bank, petty cash and the value of investments in deposits or other highly liquid investments.

Trade and other receivables are monies owed to council by ratepayers and others.

Other assets includes items such as prepayments for expenses that council has paid in advance of service delivery, inventories or stocks held for sale or consumption in council's services and other incomes due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles and equipment which has been built up by the Council over many years.

CURRENT LIABILITIES AND NON-CURRENT LIABILITIES

Trade and other payables are those to whom Council owes money as at 30 June each year.

Provisions include accrued long service leave, annual leave and rostered days off which are owed to employees. These employee entitlements are expected to increase marginally due to more active management of entitlements.

Interest-bearing loans and borrowings are borrowings of Council.

NET ASSETS

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June each year.

EQUITY

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

- Operating Surplus or deficits generated from operations
- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed

LONG TERM STRATEGIES

STRATEGIC RESOURCE PLAN AND KEY FINANCIAL INDICATORS

Council's Strategic Resource Plan is attached to the Council Plan and is an integral component in the development of Councils budget as presented on Page 7.

APPENDICES

APPENDIX A: BUDGETED STANDARD STATEMENTS

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the 2013-14 Financial year.

Appendix A includes the following information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Investment Reserves
- Budgeted Standard Income Statement – Alternate Format – Underlying Result

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Budgeted Standard Income Statement

For the year ended 30 June 2014

	Forecast 2012/2013	Budget 2013-14	Variance
Income	\$'000	\$'000	\$'000
Rates & Charges	14,639	15,646	1,007
Special Charge	-	108	108
Statutory fees and fines	576	598	22
User fees	2,180	2,056	(124)
Grants - Recurrent	3,802	6,192	2,390
Grants - Non-Recurrent	11,414	5,665	(5,749)
Contributions - Cash	95	281	186
Contributions - Non Cash	16,000	-	(16,000)
Reimbursements	122	117	(5)
Other income	1,080	492	(588)
Total Income	49,908	31,155	(18,753)
Expenses			
Employee Benefits	12,380	11,513	867
Materials and Services	16,518	11,191	5,327
Depreciation and amortisation	7,423	7,797	(374)
Other Expense	271	279	(8)
Finance Costs (Interest)	337	336	1
Total Expenses	36,929	31,116	5,813
Net gain (loss) on disposal of property, infrastructure, plant and equipment	(304)	-	(304)
Surplus (deficit) for the period	12,675	39	(12,636)

Budgeted Standard Balance Sheet

For the year ended 30 June 2014

	Forecast 2012/2013 \$'000	Budget 2013-14 \$'000	Variance \$'000
Assets			
Current assets			
Cash and cash equivalents	13,066	10,143	(2,923)
Trade and other receivables	3,771	2,303	(1,468)
Accrued Income	70	50	(20)
Prepayments	130	170	40
Inventories	160	160	-
Total current assets	17,197	12,826	(4,371)
Noncurrent assets			
Property & Plant & Equipment	298,116	300,222	2,106
Receivables	50	36	(14)
Total non-current assets	298,166	300,258	2,092
Total assets	315,363	313,084	(2,279)
Liabilities			
Current liabilities			
Trade and other payables	3,923	2,418	1,505
Trust funds and deposits	808	485	323
Provisions - Employee Entitlements	2,746	2,581	165
Interest-bearing loans and borrowings	841	898	(57)
Total Current Liabilities	8,318	6,382	1,936
Non-Current Liabilities			
Provisions - Employee Entitlements	524	494	30
Provisions - Other	1,242	1,306	(64)
Interest-bearing loans and borrowings	3,218	2,802	416
Total Non Current Liabilities	4,984	4,602	382
TOTAL LIABILITIES	13,302	10,984	2,318
NET ASSETS	302,061	302,100	39
Equity			
Accumulated Surplus	124,145	136,871	12,426
Surplus for the Year	12,676	39	(12,637)
Asset Revaluation Reserve	159,820	159,820	-
Other Reserves	5,420	5,370	250
TOTAL EQUITY	302,061	302,100	39

Budgeted Standard Cash Flow Statement

For the year ended 30 June 2014

	Forecast 2012/2013 \$'000	Budget 2013-14 \$'000	Variance \$'000
Cash Flow From Operating Activities			
Rates & Charges	14,593	15,591	998
User charges and other fines	4,883	3,433	(1,450)
Grants	20,165	13,357	(6,808)
Interest	644	276	(368)
Net GST Refund/Payment	-	-	-
Payments to suppliers	(18,472)	(13,041)	5,431
Payments to employees	(12,365)	(11,680)	685
Net cash flow provided by operating activities	9,448	7,936	(1,512)
Cash flow from investing activities			
Payment for property, plant and equipment, infrastructure	(10,559)	(10,254)	305
Proceeds from sale of property, plant and equipment, infrastructure	1,337	351	(986)
Net cash used in investing activities	(9,222)	(9,903)	(681)
Cash flows from financing activities			
Trust funds and deposits	(179)	(323)	(144)
Finance costs	(278)	(275)	3
Proceeds from interest bearing loans and borrowings	500	500	-
Repayment of interest bearing loans and borrowings	(819)	(858)	(39)
Net cash provided by (used in) financing activities	(776)	(956)	(180)
Net increase/(decrease) in cash and cash equivalents	(550)	(2,923)	(2,373)
Cash and cash equivalents at the beginning of the financial year	13,616	13,066	(550)
Cash and cash equivalents at the end of the financial year	13,066	10,143	(2,923)

Budgeted Standard Capital Works Statement

For the year ended 30 June 2014

	Forecast 2012/2013 \$'000	Budget 2013-14 \$'000	Variance \$'000
Land	-	-	-
Buildings	3,405	4,920	(1,515)
Plant & Machinery	1,537	608	929
Roads & Paths	3,125	2,732	393
Bridges	1,637	863	774
Stormwater Network	252	452	(200)
Cultural	126	-	126
Furniture & Equipment	390	592	(202)
Library Materials	87	87	-
Total Capital Works	10,559	10,254	305
Represented by:			
Renewal	4,645	4,501	144
Upgrade	1,844	1,165	679
New Assets	4,070	4,588	(518)
Total Capital Works	10,559	10,254	305
Property, Infrastructure, Plant and Equipment movement Reconciliation Worksheet			
Total Capital Works	10,559	10,254	305
Contributed Assets - Rail Trail	16,000	-	16,000
Asset revaluation movement	1,153	-	1,153
Depreciation & amortisation	(7,423)	(7,797)	374
Written down value of assets sold	(1,641)	(351)	(1,290)
Net movement in property, infrastructure, plant and equipment	18,648	2,106	16,542

Council Budget 2013-2014

Murrindindi Shire Council

Budgeted Standard Income Statement (Alternate Format - Underlying Result)

For the year ended 30 June 2014

	Forecast 2012/2013 \$'000	Budget 2013-14 \$'000	Variance \$'000
Income			
Rates & Charges	14,639	15,646	1,007
Statutory fees and fines	576	598	22
User fees	2,180	2,056	(124)
Grants - Recurrent	3,802	6,192	2,390
Grants - Non-Recurrent	7,460	1,144	(6,316)
Contributions - Cash	59	56	(3)
Reimbursements	122	117	(5)
Other income	1,080	492	(588)
Total Income	29,918	26,301	(3,617)
Expenses			
Employee Benefits	12,380	11,513	867
Materials and Services	16,518	11,191	5,327
Depreciation and amortisation	7,423	7,797	(374)
Other Expense	271	279	(8)
Finance Costs (Interest)	337	336	1
Total Expenses	36,929	31,116	5,813
Underlying Surplus (deficit) for the period	(7,011)	(4,815)	2,196
Reconciliation to Income Statement			
<i>Proceeds from Sale of Fixed Assets</i>	1,337	351	(986)
<i>Less Carrying value of assets sold</i>	(1,641)	(351)	1,290
Capital Grants	3,954	4,521	567
Capital Contributions	36	225	189
Contributions - Non Cash	16,000	-	(16,000)
Special Charge Rate for Capital Projects	-	108	108
Operating Result as per Income Statement	12,675	39	(12,636)

Budgeted Reserves

For the year ended 30 June 2014

	Forecast 2012/2013 \$'000	Budget 2013-14 \$'000	Variance \$'000
Restricted Cash & Investments			
Statutory Reserves			
Public Open Space	358	383	25
Total Statutory Reserves	358	383	25
Discretionary Reserves			
Infrastructure Contributions - Parking	65	65	-
Infrastructure Maintenance Reserve	436	685	249
Infrastructure Maintenance Reserve New and Expanded Assets	1,500	1,500	-
Garbage Reserve	2,847	2,470	(377)
Coster Street Units Reserve	28	34	6
Shaw Avenue Redevelopment Reserve	44	44	-
Alexandra Community Leisure Centre	2	-	(2)
Road Maintenance Reserve	16	16	-
Yea Saleyards Reserve	75	80	5
Yea Caravan Park Reserve	14	12	(2)
Marysville Caravan Park Reserve	35	81	46
Defined Benefit Unfunded Superannuation Reserve	-	300	300
Total Discretionary Reserves	5,062	5,287	225
Total Reserves	5,420	5,670	250
Other			
Quarry Security - ANZ Guarantee	113	113	-
Building and Planning Fees received in advance	74	-	(74)
Deposits	562	293	(269)
General Trust Accounts	177	167	(10)
Provision for Employee Entitlements - Annual Leave	268	252	(16)
Provision for Employee Entitlements - LSL	-	98	98
Total Other	1,194	923	(271)
Total Restricted Cash and Investments	6614	6593	(21)
Current Assets - Cash & Cash Equivalents	13,066	10,143	(2,923)
Unrestricted Cash	6,452	3,550	(2,902)

APPENDIX B: STATUTORY DISCLOSURES

Appendix B presents information that the Act and the Regulations require to be disclosed in the Council's annual budget.

The Appendix includes the following budgeted information:

Rates and Charges Statutory Information**Statutory disclosures**

1. Borrowings
2. Rates and charges
3. Differential rates

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Murrindindi Shire Council
Rates and Charges Statutory Information

ITEMS	Rate in the \$/cost per assessment		Variance		Amount raised		Variance	
	2012/2013	2013/2014	\$	%	\$		\$	%
					2012/2013	2013/2014		
					Forecast	Budget		
General	\$0.003100	\$0.003286	\$0.000186	6.00%	\$4,667,487	\$4,946,160	\$278,673	5.97%
Commercial	\$0.003100	\$0.003286	\$0.000186	6.00%	\$484,970	\$513,858	\$28,888	5.96%
Rural 1	\$0.002325	\$0.002464	\$0.000139	5.98%	\$2,657,194	\$2,813,745	\$156,551	5.89%
Rural 2	\$0.003100	\$0.003286	\$0.000186	6.00%	\$2,256,250	\$2,390,246	\$133,996	5.94%
Municipal Charge	\$258.00	\$274.00	\$16.00	6.20%	\$2,366,653	\$2,514,498	\$147,845	6.25%
Agreement in Lieu of Rates					\$56,721	\$58,139	\$1,418	2.50%
Supplementary Valuation - (pro-rata within year)					\$0	\$124,325	\$124,325	0.00%
SUB TOTAL					\$12,489,275	\$13,360,971	\$871,696	6.98%
Garbage	\$289.00	\$306.00	\$17.00	5.88%	\$1,730,729	\$1,840,590	\$109,861	6.35%
Recycling	\$71.00	\$75.00	\$4.00	5.63%	\$418,983	\$444,825	\$25,842	6.17%
TOTAL General Rates & Charges					\$14,638,987	\$15,646,386	\$1,007,399	6.88%
Other - Special Charge Projects								
Green Street	n/a	n/a	n/a	n/a	\$108,150	\$108,150	\$0	0.00%
TOTAL - Special Charge Projects					\$108,150	\$108,150	\$0	0.00%
TOTAL ALL RATES & CHARGES					\$14,747,137	\$15,754,536	\$1,007,399	6.83%

ITEMS	Number of assessment		Variance		Valuation Base \$		Variance	
	2012/2013	2013/2014	No.	%	CIV		\$	%
					2012/2013	2013/2014		
General	5976	5993	17	0.28%	\$1,476,593,000	\$1,505,076,000	\$28,483,000	1.93%
Commercial	476	475	-1	-0.21%	\$154,426,000	\$156,378,000	\$1,952,000	1.26%
Rural 1	1283	1287	4	0.31%	\$1,092,545,000	\$1,141,942,000	\$49,397,000	4.52%
Rural 2	1735	1740	5	0.29%	\$699,471,000	\$727,403,000	\$27,932,000	3.99%
TOTAL	9470	9495	25	0.26%	\$3,423,035,000	\$3,530,799,000	\$107,764,000	3.15%

BORROWINGS

ITEMS	2013/2014
Total amount borrowed by Council as at 30th June 2013	\$4,058,301
Add proposed borrowings for the year	\$500,000
Deduct amount proposed to be redeemed	(\$858,260)
Projected closing balance as at 30th June 2014	\$3,700,041

STATUTORY DISCLOSURES

BORROWINGS

	2012-13	2013-14
	\$	\$
New borrowings (other than refinancing)	500,000	500,000
Debt redemption	819,066	858,260

THE PROPOSED RATE IN THE DOLLAR FOR EACH TYPE OF RATE TO BE LEVIED

Type of Property	2012-13 cents/\$CIV	2013-14 cents/\$CIV
General rate for rateable residential properties	0.3100	0.3286
General rate for rateable business properties	0.3100	0.3286
Differential rate for rateable Rural 1 properties	0.2325	0.2464
General rate for rateable Rural 2 properties	0.3100	0.3286

THE ESTIMATED AMOUNT TO BE RAISED BY EACH TYPE OF RATE TO BE LEVIED

Type of Property	2012-13 \$	2013-14 \$
Residential	4,667,487	4,946,160
Commercial	484,970	513,858
Rural 1	2,657,194	2,813,745
Rural 2	2,256,250	2,390,246
Agreement in Lieu of Rates (Power Station)	56,721	58,139
Total rates to be raised	10,122,622	10,722,148

THE PROPOSED PERCENTAGE CHANGE IN THE RATE IN THE DOLLAR FOR EACH TYPE OF RATE TO BE LEVIED, COMPARED TO THAT OF THE PREVIOUS FINANCIAL YEAR

Type of Property	2012-13 Change %	2013-14 Change %
Residential	0.71	6
Commercial	0.71	6
Rural 1	0.69	6
Rural 2	0.71	6

THE NUMBER OF ASSESSMENTS FOR EACH TYPE OF RATE TO BE LEVIED, COMPARED TO THE PREVIOUS YEAR

Type of Property	2012-13	2013-14
Residential	5,976	5,993
Commercial	476	475
Rural 1	1,283	1,287
Rural 2	1,735	1,740
Total number of assessments	9,470	9,495

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

THE ESTIMATED TOTAL VALUE OF LAND IN RESPECT OF WHICH EACH TYPE OF RATE IS TO BE LEVIED, COMPARED WITH THE PREVIOUS YEAR

Type of Property	2012-13 \$	2013-14 \$
Residential	1,476,593,000	1,505,076,000
Commercial	154,426,000	156,378,000
Rural 1	1,092,545,000	1,141,942,000
Rural 2	699,471,000	727,403,000
Total	3,423,035,000	3,530,799,000

THE PROPOSED UNIT AMOUNT TO BE LEVIED FOR EACH TYPE OF CHARGE UNDER SECTION 162 OF THE ACT

Type of Charge	Per Rateable Property 2012-13 \$	Per Rateable Property 2013-14 \$
Municipal	258.00	274.00
Garbage - Kerbside collection	289.00	306.00
Recycling	71.00	75.00
Total	618.00	655.00

THE ESTIMATED AMOUNTS TO BE RAISED FOR EACH TYPE OF CHARGE TO BE LEVIED, COMPARED TO THE PREVIOUS YEAR

Type of Charge	2012-13 \$	2013-14 \$
Municipal	2,366,653	2,514,498
Garbage - Kerbside collection	1,730,729	1,840,590
Recycling	418,983	444,825
Total	4,516,365	4,799,913

THE ESTIMATED TOTAL AMOUNT TO BE RAISED BY RATES AND CHARGES

	2012-13	2013-14
	\$	\$
Rates and charges	14,526,949	15,522,061
Supplementary rates (pro-rata within year)	112,038	124,325
Total	14,638,987	15,646,386

CHANGES WHICH MAY AFFECT ESTIMATED AMOUNTS RAISED BY RATES AND CHARGES

There are no known significant changes predicted. However, the total amount to be raised by rates and charges may be affected by:

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

DIFFERENTIAL RATES

RATES TO BE LEVIED

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

- A general rate of 0.3286 % (0.3286 cents in the dollar of CIV) for all rateable residential properties, commercial properties and Rural 2 properties
- A differential rate of 0.2464 % (0.2464 cents in the dollar of CIV) for all rateable Rural 1 properties (75 % of general rate)

The differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above. Murrindindi Shire Council believes the differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

RURAL 1 LAND

Rural 1 land is any rateable land which is not less than 40 hectares in area and shall include non-contiguous assessments within the Shire operated as a single farm enterprise.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services
- Provision of general support services
- Recognition of the capital intensive nature of farming within the Shire and limited access to some services

The types and classes of rateable land within this differential rate are those having the characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries. The use of the land within this differential rate, in the case of improved land, is any use of land.

RURAL 2 LAND

There is no rating differential for land classified as Rural 2 land. Rural 2 land is any rural land that does not meet the criteria for Rural 1 land and is between 4 and 40 hectares in size.

APPENDIX C: CAPITAL WORKS PROGRAM

Appendix C presents a listing of the capital works projects that are scheduled to be undertaken during the 2013-14 financial year.

The capital works projects include works carried forward from the 2012-13 year and new works for 2013-14.

The capital works projects are grouped as follows:

1. Renewal
2. Upgrade
3. New works for 2013-14

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Capital Works Program 2013-14									
PROJECT DETAILS	2013-14 Proposed Budget	C/fwd	Total Grants	Contributions	Reserve	Loan	Asset Sales	Insurance	Operations
RENEWAL PROJECTS									
Buildings									
003075 - Council Offices Remodelling (A15321)	53,000								53,000
003136 - Yea Shire Hall (A15006)	13,000								13,000
003139 - Various Buildings Access Compliance	44,689								44,689
003142 - Kinglake Memorial Park - Renewal	14,000								14,000
003147 -Halls Project	392,000		314,000						78,000
003152 - Alexandra Senior Citizens Blinds - Renewal	6,000								6,000
003153 - CJ Dennis Hall - Renewal	16,000								16,000
003156 - Alexandra Senior Citizens Floor - Renewal	8,000								8,000
003158 - Eildon Township Projects	392,000		392,000						
003167 - Kinglake Services Centre - Renewal	10,261								10,261
003168 - Yea Grandstand - Renewal	10,000								10,000
003591 - Scout Hall Alexandra (A15003)	60,000	60,000							
003625 - Yea Swimming Pool	540,000		540,000						
003736 - Alexandra Swimming Pool	16,482	16,482							
003738 - Public Conveniences - Renewal	40,000								40,000
003442 - Eildon Transfer Station-New	31,400								31,400
Bridges									
006099 - Bridge / Component Renewal	863,283	238,283	625,000						

Capital Works Program 2013-14									
PROJECT DETAILS	2013-14 Proposed Budget	C/fwd	Total Grants	Contributions	Reserve	Loan	Asset Sales	Insurance	Operations
RENEWAL PROJECTS									
Roads & Paths									
003137 - Township Street Bins	79,000								79,000
(1) 006577 Yarck Streetscape Council Contribution	20,000								20,000
004521 - Gravel Roads - Resheeting	833,500		833,500						
004533 - Shoulder Resheeting Program	25,000		25,000						
004534 - Vegetation Projects	71,000								71,000
004539 - Sealed Road - Renewal & Major Patching	215,000		215,000						
004540 - Sealed Roads - Reseals	627,977								627,977
006299 - Footpath Renewal	62,500								62,500
006308 - Kerb Renewal	57,385		50,000						7,385
TOTAL RENEWAL PROJECTS	4,501,477	314,765	2,994,500						1,192,212

(1) Total project cost of \$80,000 of which the Council contribution is \$20,000 and the balance anticipated to be funded by grants

Capital Works Program 2013-14									
PROJECT DETAILS	2013-14 Proposed Budget	C/fwd	Grant	Contributions	Reserve	Loan	Asset Sales	Insurance	Operations
NEW PROJECTS									
Buildings									
000531 - MCC Stage 2	253,268	253,268							
002445 - Landfill Capital Cell Construction	500,000	500,000							
002448 - Evaporation Pan	155,767	155,767							
003790 - Y Water Centre PI (993)	1,525,866	1,525,866							
003797 - RV Dump Sites	26,250								26,250
Drainage									
000149 - Yea Drainage Study Initiatives	250,000								250,000
006219 - Drainage - Network Expansion	117,000	100,000							17,000
Furniture and Equipment									
000252 - Document Management	200,000								200,000
000253 - Aerial Photography	60,000								60,000
000370 - Furniture & Equipment Purchases	76,371								76,371
000371 - Essential Safety Services System	100,000	100,000							
002447 - Installation of Weighbridge	116,000								116,000
003648 - Pools Capital Equipment Replacement	39,700								39,700
Library Materials									
003600 - Library Bookstock - Adult	62,956								62,956
003610 - Library Bookstock - Junior	24,044								24,044

Capital Works Program 2013-14									
PROJECT DETAILS	2013-14 Proposed Budget	C/fwd	Grant	Contributions	Reserve	Loan	Asset Sales	Insurance	Operations
NEW PROJECTS									
Plant & Equipment									
003783 - Purchase Major Plant & Machinery	198,378					142,248	56,130		
003784 - Purchase of Passenger Vehicles	409,625					357,752	51,873		
Roads & Paths									
006243 - Bus Shelter Construction	19,800								19,800
006377 - Footpaths - Missing Links	302,969	167,669							135,300
006566 - Road Safety	150,000		100,000						50,000
TOTAL NEW PROJECTS	4,587,994	2,802,570	100,000			500,000	108,003		1,077,421

Capital Works Program 2013-14									
PROJECT DETAILS	2013-14 Proposed Budget	C/fwd	Grant	Contributions	Reserve	Loan	Asset Sales	Insurance	Operations
UPGRADE PROJECTS									
Buildings									
000552 - Strath Creek Community Hall	11,994	11,994							
002449 - Landfill Design	50,000	50,000							
003052 - Yea Saleyards Development	42,000				42,000				
003074 - Yea Shire Hall - Upgrade	525,630	525,630							
003146 - UGFM Building - Upgrade	4,000								4,000
003155 - Kinglake Comm Centre - Upgrade	9,000								9,000
003402 - Eildon Transfer Station- Upgrade	21,000								21,000
003403 - Yea Transfer Station - Upgrade	21,000								21,000
003412 - Kinglake Transfer Station - Upgrade	10,500								10,500
003583 - Alexandra Leisure Centre	75,000	75,000							
003409 - Transfer Station Yea - New	15,700								15,700
003441 - Kinglake Transfer Station- New	26,200								26,200
Drainage									
006417 - Drainage Upgrade- trouble spots	10,000								10,000
006575 - Stormwater Quality Improvements	25,000								25,000
006576 - Flood Levee Buxton	50,000								50,000
Roads & Paths									
006121 - Urban Access Improvements - Inclusiveness Project	56,583	56,583							

Council Budget 2013-2014

Murrindindi Shire Council

Capital Works Program 2013-14									
PROJECT DETAILS	2013-14 Proposed Budget	C/fwd	Grant	Contributions	Reserve	Loan	Asset Sales	Insurance	Operations
UPGRADE PROJECTS									
<i>006297 - Green Street</i>	211,151	211,151							
TOTAL UPGRADE PROJECTS	1,164,758	930,358			42,000				192,400
TOTAL CAPITAL WORKS	10,254,229	4,047,693	3,094,500		42,000	500,000	108,003		2,462,033

Capital Exp.- Budget - 2012/13	10,239,815	999,625	4,036,232	308,150	850,000	500,000	288,588		3,257,220
Capital Exp.- Budget - 2011/12	11,838,538	1,352,503	3,769,653	308,150	635,658	900,000	284,556	1,764,329	2,823,689
Capital Exp.- Budget - 2010/11	17,807,386	3,451,670	5,065,552	266,650	566,532	900,000	360,625	4,417,133	2,779,224
Capital Exp.- Budget - 2009/10	17,624,970	1,709,439	5,231,027	144,500	506,682	500,000	315,589	5,912,400	3,305,333
Capital Exp.- Budget - 2008/09	6,528,458	505,540	1,061,444	1,002,380	234,252	750,000	316,643		2,658,199

APPENDIX D: FEES AND CHARGES

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Administration Charges			
Photocopy Charges - A4 Black & White	Per copy	0.80	0.30
Photocopy Charges - A4 Black & White - double sided	Per double sided copy	-	0.60
Photocopy Charges - A4 Colour	Per copy	1.00	0.60
Photocopy Charges - A4 Colour - double sided	Per double sided copy	-	1.20
Photocopy - A3 Black & White	Per copy	0.90	0.60
Photocopy - A3 Black & White - double sided	Per double sided copy	-	1.20
Photocopy - A3 Colour	Per copy	-	1.20
Photocopy - A3 Colour - double sided	Per double sided copy	-	2.40
Photocopy - AO B&W Photocopies	Per copy	7.00	7.70
Photocopy - A1 B&W Photocopies	Per copy	6.00	6.60
Photocopy - A2 B&W Photocopies	Per copy	4.90	5.40
Photocopy Charges - Planning Photo A3	Per copy	1.00	1.00
Photocopy – Planning – A4 colour	Per copy	-	1.20
Photocopy – Planning – A3 colour	Per copy	-	2.40
Freedom of Information Request - Statutory (photocopying additional)	Per application	25.10	25.10
Freedom of Information requests - labour	\$5.00 per qtr hour	22.00	\$5 per qtr hour
Freedom of Information requests - B & W photocopy (A4)	Per copy	0.80	0.30
Fee for dishonoured direct debits and cheques	Per transaction	-	32.00
Sale of Yea History Book	Per book	31.00	31.00
General - Rates etc.			
Land Information Certificate Receipt	Per certificate	20.00	20.00
Fee for street number changes	Per application	-	\$9.50 per qtr hour
Fee for re-issue of rate notice request	Per notice issued	-	10.50
Streets & Open Space			
A frame sign	Per sign for 2 years	53.00	54.50
Assets & Development			

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Works Permit (Easement Drain Stormwater Connection)	Per permit	40.00	41.00
Drainage Point of Discharge information (BCA Scheduled fee)	Per information certificate	58.15	59.70
Works Maintenance Bonds (Refundable)		5% of Cost of works	5% of Cost of works
Checking Engineering Plans	Per application	0.75% of value of works	0.75% of value of works
Supervision Fees of Works	Per application	2.5% of value of works	2.5% of value of works
Municipal Roads <50kph			
Major Works (A)	Per application	250.60	258.00
Major Works (B)	Per application	62.70	65.00
Minor Works (A)	Per application	144.10	148.00
Minor Works (B)	Per application	62.70	65.00
Municipal Roads >50kph			
Major Works (A)	Per application	563.90	581.00
Major Works (B)	Per application	313.30	323.00
Minor Works (A)	Per application	144.10	148.00
Minor Works (B)	Per application	62.70	65.00
(A) On Roadway, shoulder or pathway			
(B) Not on Roadway, shoulder or pathway			
Driveway crossings and service connections are generally considered as minor works			
Building			
<u>Domestic Building Applications:</u>			
Dwellings additions / alterations			
Up to \$40,000	Per permit	419.00	430.00
Up to \$120,000 in value (4 inspections)	Per permit	-	-
Up to \$136,000 in value (4 inspections)	Per permit	748.00	766.70
Over \$120,000 in value (4 inspections)	Per permit	-	-
Over \$136,000 in value (4 inspections)	Per permit	\$cost / 200 + gst	\$cost / 200 + gst
New Dwellings			
Up to \$200,000	Per permit	-	-
Up to \$226,000	Per permit	1246.00	1274.00
Over \$200,000	Per permit	-	-
Over \$226,000	Per permit	\$cost/200 +	\$cost/200 +

Fees & Charges - 2013-14	Ref	2012-13	2013-14
		gst	gst
e.g. cost of works new dwelling \$250,000 / 200 = \$1,250 + gst + \$30 Lodgement fee + government levy			
Shed / Carport / Verandas	Per permit	419.00	429.50
Sheds over 50m ²	Per permit	566.00	580.00
Swimming Pools	Per permit	566.00	580.00
Re-stumping	Per permit	283.00	290.00
Underpinning	Per permit	283.00	290.00
Demolition Permits			
- Dwellings	Per permit	292.00	300.00
- Commercial / Industrial up to 200m ²	Per permit	566.00	580.00
Fences	Per permit	227.00	232.50
Commercial Building Applications:			
as per AIBS Guidelines 4 (\$cost / 2000 + V cost)			
e.g. cost of works \$250,000 / 2000 = \$125, V\$250,000 = \$500, \$125 + \$500 = \$625 x 4 = \$2,500 + GST + \$30 Lodgement fee + govt. levy		as per AIBS Guidelines 4(\$cost/2000 + Sqrt\$cost)	as per AIBS Guidelines 4(\$cost/2000 + Sqrt\$cost)
Construction value \$100,000	Per application	1611.39	1611.39
Construction value \$250,000	Per application	2760.00	2760.00
Building Commission's Operations Levy			
Domestic Building Permits - where value of works is greater than \$10,000	Levy per permit	0.128 % of \$	0.128% of \$
Commercial Building Permits - where value of works is greater than \$10,000	Levy per permit	0.128 % of \$	0.128% of \$
Extension of Time	Per application	187.00	190.00
Amendment to Permit	Per application	62.00 to 249.00	63.00 to 255.00
Inspection of dwelling - relocation (plus deposit \$50.00)	Per application	396.00	405.00
Inspection Fees - expired permits - final certificate required	Per application	187.00	190.00
Copy of Plans- (Dwellings)	Per set	49.00	50.00
Copy of Plans- (Commercial/Industrial)	Per set	75.00	76.80
Building Permit Search Fee	Per search	68.00	70.00
Modification to sitting requirements	Per application	230.00	235.00
Application to build over easement	Per application	187.00	190.00
Building Information Certificate	Per certificate	46.45	47.50
Solicitor's Inquiries	Per inquiry	46.45	47.50
Complex Property Inquiry - Commercial/Industrial	Per inquiry	74.80	76.50
Building Control Lodgement Fees (Domestic & Commercial)	Per lodgement	46.45	47.50

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Health			
Septic Tank Fees domestic	Per permit	450.00	461.00
Septic Tank Alteration	Per permit	250.00	255.50
Septic Tank Fees commercial	Per permit	450.00	461.00
Food Premises Registration (New categories)			
Category 3	Per registration	147.00	151.00
Category 2	Per registration	261.00	268.00
Category 1	Per registration	329.00	337.00
Prescribed Accommodation Registration			
Level 1 - up to 25 beds	Per registration	124.00	127.00
Level 2 - 26 to 50 beds	Per registration	170.00	174.00
Level 3 - 51 to 74 beds	Per registration	227.00	233.00
Level 4 - 75 to 100 beds	Per registration	283.00	290.00
Level 5 - 101 to 125 beds	Per registration	340.00	349.00
Hair Dressers Registration	Per registration	147.00	151.00
Skin Penetration Registration	Per registration	147.00	151.00
Caravan Parks Registration - per site	Per site registration	2.50	2.60
Transfers - Health	Per transfer	130.00	133.00
Inspections - Health	Per inspection	130.00	133.00
Flu shots to external organisations	Per shot	17.00	17.50
Local Laws			
Disabled Parking Permits	Per permit	5.50	5.60
Animal Impoundment Fees (Daily)			
Dog	Per dog	68.00	70.00
Dog (Pensioner owner)	Per dog	41.00	42.00
Cattle - first	Per head	74.00	76.00
Goats & Pigs	Per head	40.00	41.00
Horses	Per head	74.00	76.00
Sheep Pound	Per head	20.00	20.50
Each additional animal	Per head	3.00	3.10
Sustenance	Per head	17.00	17.40
All other animals (birds & poultry)	Per head	1.50	1.60
- sustenance	Per head	1.20	1.20
Animal Registrations			

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Dog Tag Replacement Fee	Per tag	3.30	3.40
Cat Tag Replacement Fee	Per tag	3.30	3.40
Dog/cat registration - not de sexed	Per dog/cat	106.00	108.00
Dog/cat registration - not de sexed (pensioner)	Per dog/cat	53.00	54.00
Dog/cat Registration - De sexed	Per dog/cat	35.00	36.00
Dog/cat Registration - De sexed (pensioner)	Per dog/cat	18.00	18.00
Guide dog registration & re-registration	Per dog	No charge	No charge
Restricted breeds/Declared Animals	Per animal	198.00	203.00
Planning Charges			
Advertising fee			
Public notice in paper (to be inserted by Council)	Per notice	119.00	122.00
Public notice on site (when erected for applicant)	Per notice	73.00	75.00
Admin. Charge	Per notice	36.00	37.00
Satisfaction Matters			
Satisfaction matters - As prescribed in regulation			
Assessing a Plantation Development Notice	Per assessment	125.00	128.50
Assessing a Timber Harvesting Plan	Per assessment	125.00	128.50
Subdivision Certification Fees			
Public Open Space Contributions		5% of land value	5% of land value
Preparation of Engineering Plans By Council	Per set	3.5% of works value	3.5% of works value
Planning Certificates			
Planning Certificates - As prescribed in regulation	Per certificate	18.20	18.20
Fast Tracking of Planning Certificates	Per certificate	36.40	36.40
Planning Fees			
Shed, tree removal	Per application	102.00	102.00
House \$10,000 - \$100,000	Per application	239.00	239.00
House > \$100,000	Per application	490.00	490.00
Building works \$10,001 - \$250,000	Per application	604.00	604.00
Building works >\$250,001 - \$500,000	Per application	707.00	707.00
Building works >\$500,001	Per application	815.00	815.00
2 lot subdivision	Per application	386.00	386.00

Fees & Charges - 2013-14	Ref	2012-13	2013-14
other subdivision	Per application	781.00	781.00
change in use	Per application	502.00	502.00
creation of easement	Per application	404.00	404.00
Section 173 Agreements			
Administrative fee	Per agreement	118.50	121.50
Applicant must also pay the full cost of assessment of a Section 173 agreement by council's solicitors			
Planning Permit / Consent Fees			
Planning Consents	Per application	102.00	102.00
Extension of time for Planning Permit & Consents	Per application	126.50	130.00
Approval of Endorsed Plan/s	Per approval	126.50	130.00
Amendment of Endorsed Plan/s	Per amendment	126.50	130.00
Planning Permit / Consent archive search fee	Per item	68.00	70.00
Planning Scheme Amendments			
Amendments - As prescribed in regulations			
When an independent panel report is required, the proponent must pay full panel charges for the hearing and panel report			
Planning Enforcement			
Planning enforcement - As prescribed in regulation			

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Community Services			
Children's Services			
Family Day care - \$5 paid to carers, \$0.60 retained by Council	Per child per hour	\$6.00-\$9.00	\$6.50-\$10.00
Baby Capsule Loan Receipt - fee	Per item	30.00	30.00
Baby Capsule Loan Receipt - deposit	Per item	20.00	20.00
Community Bus rental per day			
- Not for Profit	Half day	64.00	66.50
- Not for Profit	Full day	108.00	112.00
- Business	Half day	108.00	-
- Business	Full day	217.00	-
Refundable Bond		50.00	50.00
HACC charges			
Cheviot Planned Activity Group			
- Low Income	Per service	8.60	7.10
- Medium Income	Per service	8.60	7.10
- High Income (Core)	Per service	11.40	12.60
- High Income (High Care)	Per service	16.05	17.70
Allied Health Support			
- Low Income	Per consultation	8.80	9.30
- Medium Income	Per consultation	13.50	14.20
- High Income (Core)	Per hour	89.65	93.80
Food Services (Meals)			
- Low Income	Per meal	8.60	8.50
- Medium Income	Per meal	8.60	8.50
- High Income	Per meal	14.85	15.50
Home Care			
- Low Income	Per hour	6.05	5.70
- Medium Income	Per hour	13.90	14.20
- High Income	Per hour	30.40	30.90
Property Maintenance			
- Low Income	Per hour	11.25	11.40
- Medium Income	Per hour	16.75	17.00
- High Income	Per hour	44.25	44.90
Personal Care			
- Low Income	Per hour	4.25	4.30
- Medium Income	Per hour	8.25	8.50
- High Income	Per hour	32.75	35.30
Respite Care			
- Low Income	Per hour	3.00	2.80
- Medium Income	Per hour	4.05	4.20
- High Income	Per hour	29.75	31.30

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Respite Care in home overnight			
- Low Income	Per 10 hours	15.60	15.90
- Medium Income	Per 10 hours	19.85	20.25
- High Income	Per 10 hours	138.75	141.60
Nursing			
- Low Income	Per visit	3.35	3.50
- Medium Income	Per visit	29.00	30.60
- High Income	Per visit	78.70	85.90
Cheviot Program - Social Support		8.50	8.70
PRIVATE CLIENTS - AGED AND DISABILITY SERVICES			
Home Care, Personal Care and Respite Care			
Mon - Fri - 6am - 6pm	Per hour	42.20	43.05
Mon - Fri - outside above hours - and Saturday (first 2 hours)	Per hour	50.30	51.35
Mon - Fri - outside above hours - and Saturday (hours thereafter)	Per hour	59.30	60.50
Sunday all day	Per hour	66.05	67.40
Public Holidays	Per hour	69.20	70.60
Travel rate	Per hour	42.20	43.05
Travel cost	Per kilometre	1.30	1.33
Home Maintenance			
Mon - Fri 6am - 6pm	Per hour	56.05	57.20
Mon - Fri (outside above hours)	Per hour	60.95	62.20
Travel rate	Per hour	41.80	42.65
Travel cost	Per kilometre	1.39	1.42
Food Services (Meals)	Per meal	14.90	15.20
Cheviot Social Support			
- High	Per hour	21.70	22.15
- Core Meal	Per meal	14.90	15.20
Case Management	Per case	102.45	104.55

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Swimming Pools			
Admissions			
Adults	Per adult	5.50	5.50
Children	Per child	4.50	4.50
Family	2 Adults + 1 or more children	10.30	11.00
Seasons Tickets *			
Senior	Per person	75.00	75.00
Junior / Concession	Per person	50.00	52.00
1 Adult and 1 Dependent Child		75.00	78.00
1 Adult and 2 or more Dependent Children		120.00	125.00
2 Adults with 1 or more Dependent Children		145.00	150.00
* Season Tickets for Public Hours Only			
Multi Pass- Adult	Per adult - 10 visits	35.00	36.00
Multi Pass- Child	Per child - 10 visits	28.00	29.00
School Fees			
Schools/all private hirers	Per hour	29.90	35.00
Public Hire Facilities			
Yea Shire Hall Hire (New Charging system)			
Commercial	Per 1/2 day	111.00	\$113.00
Commercial	Per Full day	225.00	\$226.00
Bond	Per rental period	225.00	\$226.00
Non commercial	1/2 day	56.00	\$57.00
Non commercial	Full day	111.00	\$114.00
Bond	Per rental period	111.00	\$114.00
Public Liability Insurance	Per hire	30.00	\$30.00
Yea Chambers (New Charging system)			
Commercial	Per 1/2 day	56.00	\$57.00
Commercial	Per Full day	111.00	\$114.00
Bond	Per rental period	111.00	\$114.00
Non commercial	Per 1/2 day	27.00	\$28.00
Non commercial	Per Full day	56.00	\$56.00
Bond	Per rental period	56.00	\$56.00
Public Liability Insurance	Per hire	30.00	\$30.00

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Alexandra Shire Hall Charges			
Commercial	1/2 day	111.00	\$113.00
Commercial	Full day	225.00	\$226.00
Bond	Per rental period	225.00	\$226.00
Non commercial	1/2 day	56.00	\$57.00
Non commercial	Full day	111.00	\$114.00
Bond	Per rental period	111.00	\$114.00
Piano Hire Fee	Per hire	111.00	\$114.00
Public Liability Insurance - per session of Hire	Per hire	30.00	\$30.00
Gallipoli Park Precinct - Marysville Community Centre			
<i>* Denotes rate for Murrindindi Shire Council Community Groups and Residents</i>			
Community Room 3 (Room Only)	Per Half Day	\$200 / \$100*	\$200 / \$100*
Community Room 3 (Room Only)	Per Whole Day	\$300 / \$150*	\$300 / \$150*
Community Room 3 (Room Only)	Extra Week Day	\$200 / \$100*	\$200 / \$100*
Community Room 3 (Room Only)	Weekend	\$500 / \$250*	\$500 / \$250*
Community Room 3 + Kitchen	Half Day	\$250 / \$125*	\$250 / \$125*
Community Room 3 + Kitchen	Whole Day	\$350 / \$175*	\$350 / \$175*
Community Room 3 + Kitchen	Extra Week Day	\$250 / \$125*	\$250 / \$125*
Community Room 3 + Kitchen	Weekend	\$600 / \$300*	\$600 / \$300*
Hard Court - Sport	Half Day	\$250 / \$125*	\$250 / \$125*
Hard Court - Sport	Whole Day	\$350 / \$175*	\$350 / \$175*
Hard Court - Sport	Extra Week Day	\$250 / \$125*	\$250 / \$125*
Hard Court - Sport	Weekend	\$600 / \$300*	\$600 / \$300*
Hard Court - Other (includes installation of carpet flooring)	Half Day	\$850/\$425*	\$850/\$425*
Hard Court - Other (includes installation of carpet flooring)	Whole Day	\$950 / \$475*	\$950 / \$475*
Hard Court - Other (includes installation of carpet flooring)	Extra Week Day	\$250 / \$125*	\$250 / \$125*
Hard Court - Other (includes installation of carpet flooring)	Weekend	\$1200 / \$600*	\$1200 / \$600*
Hard Court - Sport - + Kitchen	Half Day	\$300 / \$150*	\$300 / \$150*

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Hard Court - Sport - + Kitchen	Whole Day	\$400 / \$200*	\$400 / \$200*
Hard Court - Sport - + Kitchen	Extra Week Day	\$300 / \$150*	\$300 / \$150*
Hard Court - Sport - + Kitchen	Weekend	\$700 / \$350*	\$700 / \$350*
Hard Court - Other - + Kitchen	Half Day	\$900 / \$450*	\$900 / \$450*
Hard Court - Other - + Kitchen	Whole Day	\$400/\$200*	\$400/\$200*
Hard Court - Other - + Kitchen	Extra Week Day	\$300 / \$150*	\$300 / \$150*
Hard Court - Other - + Kitchen	Weekend	\$700/\$350*	\$700/\$350*
Change Rooms	Half Day	\$50 / \$25*	\$50 / \$25*
Change Rooms	Whole Day	\$100 / \$50*	\$100 / \$50*
Change Rooms	Extra Week Day	\$50 / \$25*	\$50 / \$25*
Change Rooms	Weekend	\$150 / \$75*	\$150 / \$75*
Community Room 1 + Kitchen	Half Day	\$350 / \$175*	\$350 / \$175*
Community Room 1 + Kitchen	Whole Day	\$450 / \$225*	\$450 / \$225*
Community Room 1 + Kitchen	Extra Week Day	\$350 / \$175*	\$350 / \$175*
Community Room 1 + Kitchen	Weekend	\$800 / \$400*	\$800 / \$400*
Community Room 2 + Kitchen + Deck	Half Day	\$500 / \$250*	\$500 / \$250*
Community Room 2 + Kitchen + Deck	Whole Day	\$600 / \$300*	\$600 / \$300*
Community Room 2 + Kitchen + Deck	Extra Week Day	\$500 / \$250*	\$500 / \$250*
Community Room 2 + Kitchen + Deck	Weekend	\$1100 / \$550*	\$1100 / \$550*
Community Room 1 + 2 + Kitchen + Deck	Half Day	\$700 / \$350*	\$700 / \$350*
Community Room 1 + 2 + Kitchen + Deck	Whole Day	\$800 / \$400*	\$800 / \$400*
Community Room 1 + 2 + Kitchen + Deck	Extra Week Day	\$700 / \$350*	\$700 / \$350*
Community Room 1 + 2 + Kitchen + Deck	Weekend	\$1500 / \$750*	\$1500 / \$750*
Weddings - Community Room 1 + 2 + Kitchen	Per hire	1500.00	1500.00
Key Bond	Per key	100.00	100.00
Booking Fee / Bond	Per booking	\$100 / \$1000	\$100 / \$1000
Additional Cleaning charge	Per hire as	\$50 an hour	\$50 an hour

Fees & Charges - 2013-14	Ref	2012-13	2013-14
	required		
Rubbish Charge	Per hire as required	\$15 a bin	\$15 a bin
Library Charges			
Murrindindi Library - Photocopy Charges - A4 Black & White	Per copy	0.80	0.30
Murrindindi Library - Photocopy Charges - A4 Black & White - double sided	Per double sided copy	-	0.60
Murrindindi Library - Photocopy Charges - A4 Colour	Per copy	1.00	0.60
Murrindindi Library - Photocopy Charges - A4 Colour - double sided	Per double sided copy	-	1.20
Murrindindi Library - Photocopy - A3 Black & White	Per copy	-	0.60
Murrindindi Library - Photocopy - A3 Black & White - double sided	Per double sided copy	-	1.20
Murrindindi Library - Photocopy - A3 Colour	Per copy	-	1.20
Murrindindi Library - Photocopy - A3 Colour - double sided	Per double sided copy	-	2.40
Murrindindi Library - Inter Library Loan Fees (Non Academic Library)	Per item	20.00	10.00
Murrindindi Library - Academic Library Loan Fees	(\$10 + \$16.50) Per item	-	26.50
Murrindindi Library Overdue Fees	Per day per item	0.30	0.25
Murrindindi Library Reimbursement Lost Item	Per Item	\$5 plus book cost	Item cost
Murrindindi Library Internet Printing - A4 Black & white	Per page	1.00	0.30
Murrindindi Library Internet Printing - A4 colour	Per page	-	0.60
Murrindindi Library Internet Printing - A3 Black & white	Per page	-	0.60
Murrindindi Library Internet Printing - A3 Colour	Per page	-	1.20
Saleyards			

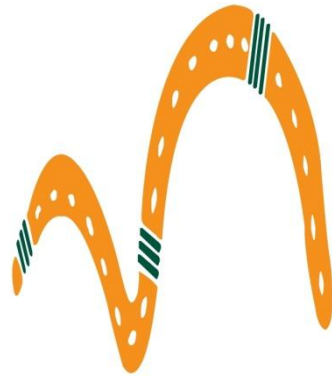
Fees & Charges - 2013-14	Ref	2012-13	2013-14
Yea Saleyard Agent Fees	Per head	0.35	0.45
Yea Saleyard Fees - Cow & Calf	Per head	7.70	8.20
Yea Saleyard Fees - Cattle	Per head	6.60	7.40
Yea Saleyard Fees - Bulls	Per head	8.30	9.00
Yea Saleyard Fees - Scanning	Per head	2.00	2.00
Yea Post Breeder Tags	Per head	11.00	30.00
Yea Non-Sale Day Fee (Private)	Per head	1.00	1.00
Yea Non-Sale Day Fee (Agent)	Per annum	150.00	250.00
WASTE			
Transfer Station & Tipping Fees			
Commercial			
Commercial/Business Waste (including compacted waste)	per cubic metre	52.00	84.00
Shire Residents and Ratepayers			
Municipal/Residential Waste – all kinds	per cubic metre	29.00	33.00
Loose Garbage Bags	per bag	5.00	5.00
Asbestos cement sheet (direct to landfill) - wrapped - max 10m2 per day, no commercial disposal	per square meter		10.00
Car Tyre	per cubic metre	7.00	8.00
Motor Cycle Tyre	each	4.00	4.00
4wd / Light truck tyre	each	9.00	10.00
Truck Tyre	each	23.00	25.00
Tractor Tyre	each	68.00	80.00
Earthmover Tyre	each	119.00	160.00
Tyre dirty	each	-	add \$4.00 per tyre
Tyre with rim	each	-	add \$4.00 per tyre
Greenwaste Cuttings	per cubic metre	12.00	13.00
Natural timber >25cm diameter	per metre	-	2.00
Comingled Recyclables (Commercial)	per cubic metre	9.00	10.00
Comingled Recyclables (Residential)	per cubic metre	0.00	0.00
Recycle Cardboard paper - commercial	per cubic metre	9.00	10.00
Recyclable Cardboard paper - Residential	per cubic metre	0.00	free

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Cars - tyres removed	per vehicle	34.00	35.00
Waste Motor Oil	per litre	0.00	0.00
Domestic Gas Bottle - small	per bottle	6.00	6.00
Domestic Gas Bottle - medium	per bottle	8.00	8.00
Domestic Gas Bottle - large	per bottle	14.00	15.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable or unclean) - less than 20 litres.	Per container	5.00	6.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable or unclean) - more than 20 litres.	Per container	7.00	8.00
Mattress - any size	per item	-	25.00
Couch - 1 seat	per item	-	25.00
Couch - 2/3 seat	per item	-	35.00
White Goods	per item	No charge	No Charge
Car Batteries	per item	No charge	No Charge
Scrap Steel	per item	No charge	No Charge
TV's, computers, peripherals	per item	No charge	No Charge
Non-Shire Residents and Ratepayers			
Construction/Demolition material (Residential)	per cubic metre	70.00	65.00
Municipal/Residential Waste	per cubic metre	57.00	65.00
Loose Garbage Bags	per bag	10.00	10.00
General garbage - 0.25m ³ - e.g. 240 lt bin	per cubic metre	14.00	17.00
General garbage - 0.5m ³ - e.g. car boot	per cubic metre	29.00	33.00
General garbage - 2m ³ - e.g. tandem trailer at water level	per cubic metre	114.00	130.00
Asbestos cement sheet (direct to landfill) - wrapped - max 10m ² per day, no commercial disposal	per square meter	-	30.00
Car Tyre	per cubic metre	10.00	11.00
Motor Cycle Tyre	each	7.00	7.00
4wd/ Light Truck Tyre	each	14.00	16.00
Truck Tyre	each	45.00	45.00
Tractor Tyre	each	102.00	102.00
Earthmover Tyre	each	182.00	182.00
Tyre dirty	each	-	add \$4.00 per tyre
Tyre with rim	each	-	add \$4.00 per tyre

Fees & Charges - 2013-14	Ref	2012-13	2013-14
Greenwaste	per cubic metre	23.00	25.00
Natural timber >25cm diameter	per metre	-	4.00
Recyclables (Commercial)	per cubic metre	13.00	14.00
Recyclables (Residential)	per cubic metre	13.00	13.00
Recycle Cardboard paper (residential)	per cubic metre	18.00	19.00
Recycle Cardboard paper (commercial)	per cubic metre	18.00	19.00
Car body	per vehicle	68.00	70.00
Waste Motor Oil	per litre	0.00	1.00
Domestic Gas Bottle - small	per bottle	8.00	10.00
Domestic Gas Bottle - medium	per bottle	12.00	15.00
Domestic Gas Bottle - large	per bottle	18.00	22.00
Plastic Chemical Containers - not eligible for "DrumMuster" (either unsuitable or unclean).	Per container	10.00	10.00
Plastic Chemical Containers - not eligible for "DrumMuster" (either unsuitable or unclean).	Per container	14.00	15.00
Mattress - any size	per item	-	50.00
Couch - 1 seat	per item	-	50.00
Couch - 2-3 seat	per item	-	70.00
White Goods	per item	No charge	No Charge
Car Batteries	per item	No charge	No Charge
Scrap Steel	per item	No charge	No Charge
TV's, computers, peripherals	per item	No charge	No Charge

End of Murrindindi Shire Council Budget Report

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Murrindindi
Shire Council

COUNCIL PLAN

2013 – 2017

May 2013

Foreward

Mayor and CEO Message

Our Council Plan is a road map that has set goals and aspirations for the next four years. In presenting the 2013-17 Council Plan, we thank the community for its guidance and input into what is our key strategic document outlining how we, as a Council, will deliver for our community.

We have an eclectic Shire – it is one of the great qualities of why people want to make this region their home.

One of our significant challenges, and one this Council will embrace, will be developing a Murrindindi Shire Culture: A single voice, a whole of Shire approach. Our aim is building trust between the community and the Council.

That is why this plan reflects many of the goals and aspirations the community has put forward as part of the shire-wide visioning exercise.

We have set challenging, but achievable goals.

We will face some hurdles on this four year journey, but as a Council we are committed to delivering our services and projects in a professional and dedicated manner.

The key to our success will be working relationships – working with our community, significant stakeholders and importantly the State Government.

We will build on our successes – the most important being the rejuvenation of our Shire.

We are also mindful of the legacy of our rebuilding success. We now have fantastic community infrastructure, but the challenge remains in meeting the on-going costs of our gifted and novated assets.

We have been robust and diligent in our financial costing and this has been supported through independent auditors KPMG which have undertaken a forensic examination of our finances and operations.

To that end, we do have limited capacity to deliver on significant projects, and this is reflected in our Four Year Plan where we have targeted modest, yet achievable outcomes.

Our four themes - Our Community, Our Economy, Our Environment and Our Council – align our organisation with the community's expectations that we deliver leadership, advocacy and financial sustainability. Our plan encourages ongoing partnerships with the community, business and other levels of government to meet our strategic goals.

We want to see our Shire grow and prosper.

The Council Plan is the community's plan. It is a collaborative approach to building on what makes Murrindindi Shire great. By working together we can achieve great outcomes.

Introduction

After Council elections held every four years, Council establishes a new Council Plan. The Council Plan sets out a four year roadmap of strategic objectives and strategies to work toward the community vision for Murrindindi into the future. Each year, Council presents to the community an updated set of strategies for implementing the four year Council Plan.

The Council Plan plays a vital role in articulating Council's vision and shaping the future for Murrindindi over the four year period. It sets out local and regional challenges and opportunities for our community within the framework of the community's long term vision.

The annual review of the strategies in this Plan ensures that Council takes a comprehensive look at the way it conducts its business, encouraging continuous improvement and cost effectiveness. It ensures that all Council planning, strategies, policies and processes take their lead from the directions within this plan.

Council has identified four goals on which it will focus over the 2013-2017 four year period. These are:

- Our Community
- Our Environment
- Our Economy
- Our Council

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Council Values

Our Values drive behaviour throughout the Council and are reflected in working relationships between Councillors, the organisation and the external environment including the community. The values underpin the way we work as an organisation and the way we want the community to perceive us as an organisation. Murrindindi's values are:

Integrity

We will be respectful, open and truthful in our dealings. Council will strive to be valued and trusted by the Murrindindi community.

Accountability

We will accept responsibility for our actions and be consistent in the application of our principles, policies and processes.

Innovation

We will consider new ideas, opportunities and better ways of doing things. Council will constantly seek opportunities to look for new, more efficient and effective ways of providing its services.

Respect

We will respect other people and their opinions and do as we say we will.

Service Excellence

We will ensure that Council services meet quality, cost and efficiency standards; are responsive to need; accessible to members of the community for whom the service is intended; and demonstrate continuous improvement.

Council Vision

Murrindindi Shire will be vibrant and progressive through strong connected communities within a healthy and attractive environment.

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The Council / Councillors

Murrindindi Shire Council is made up of seven wards with one Councillor representative per ward. Councillors are elected for a 4 year-term. The Councillors elected on 27 October 2012 were:

Cr John Walsh



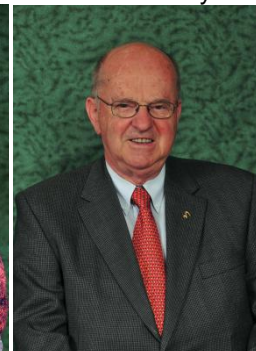
Cr Margaret Rae



Cr Christine Challen



Cr John Kennedy



Cr Bernie Magner



Cr Cris Ruhr



Cr Andrew Derwent



- Cr John Walsh (Mayor) represents the Koriella Ward.
- Cr Margaret Rae (Deputy Mayor) represents the Redgate Ward and holds the Land Use and Planning portfolio.
- Cr Christine Challen represents the Cathedral Ward and holds the Economic Development portfolio.
- Cr John Kennedy represents the Cheviot Ward and holds the Natural Environment and Climate Change portfolio.
- Cr Bernie Magner represents Eildon Ward and holds the Infrastructure and Waste Management portfolio.
- Cr Cris Ruhr represents King Parrot Ward and holds the Corporate and Customer Services portfolio.
- Cr Andrew Derwent represents Kinglake Ward and holds the Community Services portfolio.

Organisational Structure

Murrindindi's Executive Management Team

To support the Council in its role, the Chief Executive Officer is appointed to manage staff and the day-to-day operational activities of Council. Council staff provide advice and expertise to the Council to assist with policy development and decision making.

The Chief Executive Officer is responsible for overseeing the implementation of Council's decisions. Murrindindi Shire Council operates under a corporate management model, headed by the Chief Executive Officer, Margaret Abbey.



Margaret Abbey – Chief Executive Officer



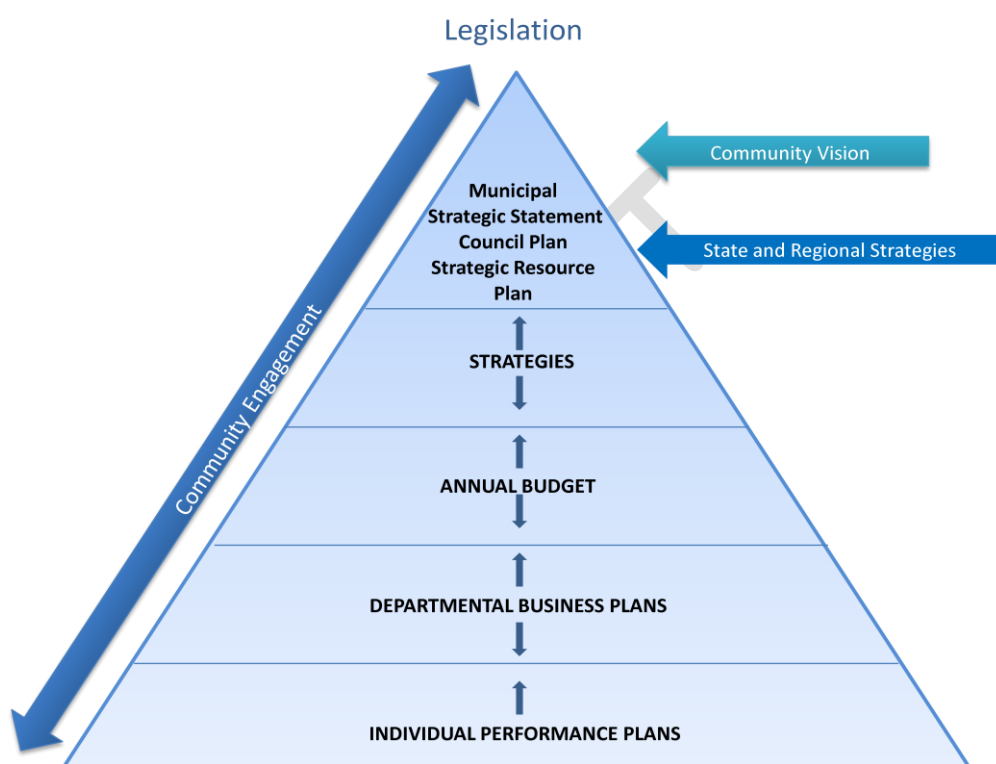
The Chief Executive Officer reports directly to Council and is supported by three General Managers, pictured left to right above:

- Michael Chesworth – General Manager Sustainability
- Tamara Johnson – General Manager Infrastructure Services
- Robert Cherry – General Manager Corporate and Community Services

Planning framework

Council’s Planning Framework recognises the importance of the Council Plan as the overarching document that will articulate Council’s priorities. It is informed by a community vision that is a priority for development by Council, along with State and Regional strategies. The Council Plan brings together a range of Strategies that have been developed by Council over recent years. The Strategies, for example the Economic Development Strategy or the Youth Strategy, outline the actions that Council will undertake to achieve its overall objectives.

Council’s Corporate Planning Framework



Best Value

Best Value is a commitment by Council to provide the best value for the resources we use and the best possible service for our community.

Councils are required by the *Local Government Act 1989* to consider Best Value principles in service planning and delivery to ensure that services:

- meet their agreed quality and cost
- are responsive to the needs of our community
- are accessible to those members of the community for whom the service is intended
- achieve continuous improvement in the provision of services for the community
- include consultation with its community in relation to the services it provides
- are regularly reported to the community on Council's performance.

Murrindindi Shire Council will apply these principles to ensure continuous improvement in service planning and delivery. This ongoing commitment to improvement will assist Council to provide the resources required to deliver high quality, cost effective services within the framework of the Murrindindi Services Review.

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Managing Risks

Murrindindi Shire Council continues to build on its commitment to managing its risks as an integral part of its corporate governance and operations. The Murrindindi Risk Management Strategy 2011 provides the framework for this to be achieved.

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Snapshot of Murrindindi

Where we live:

Our shire is 60 to 90 minutes north east of Melbourne. Our amazing landscape boasts beautiful National Parks and State Forests, fertile farming land, the pristine Goulburn River and Lake Eildon.

Removed from the fast pace of big city living yet easily accessible from Melbourne and regional hubs, the shire promotes quality of life and a laidback lifestyle. The area has five key service centres in Alexandra, Eildon, Kinglake, Marysville and Yea that boast a range of businesses and facilities, educational hubs, medical services and a range of accommodation for visitors and residents.

These service centres are complemented by a number of diverse townships including: Acheron • Buxton • Cathkin • Castella • Flowerdale • Glenburn • Gobur • Highlands • Homewood • Kanumbra • Kinglake West • Koriella • Limestone • Molesworth • Murrindindi • Narbethong • Rubicon • Strath Creek • Taggerty • Terip Terip • Thornton • Toolangi • Woodbourne • Yarck.

Our history

The Wurundjeri tribe and the Taungurung language speakers are the traditional owners of the land known as the Murrindindi Shire.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold. The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

On 7 February 2009, the Victorian bushfires claimed 95 lives in our shire and burned more than 1500 square kilometres (40 per cent of the shire). Our shire has shown amazing resilience to come back from this natural disaster and we have a community that continues to grow and prosper today.

Who we are:

We have a small population in a large and diverse Shire. More than 80 per cent of our 13,058 population was born in Australia. Other common countries of birth include England 4.2 per cent, New Zealand 1.1 per cent, Germany 0.7 per cent, Scotland 0.6 per cent and Netherlands 0.6 per cent.

Our landscape, clean air and beautiful countryside are major attractors to our region. Our highest proportion of the population (31.6 per cent) is aged between 45 and 64 and we are getting older. The percentage of those aged over 65 is expected to rise from 18.6 per cent in 2010 to 23.6 per cent in 2021, compared to the Victorian anticipated increase from 13.7 per cent to 20.2 per cent.

We have a strong workforce with around 54 per cent employed full time, 34 per cent employed part-time and 4.8 per cent unemployed which is below the state average for unemployment.

Our major employment sectors include management at 18 per cent, technicians and trades workers at 17 per cent, professionals at 15 per cent, labourers at 12 per cent and community and personal service workers at 12 per cent.

Those who have made the choice to live in Murrindindi Shire have at close hand, all that a world class city has to offer while living in a special part of the world.

What we do:

Our community has a strong affinity to the land. This is a strong attraction for people to come to our area to enjoy the natural beauty.

Agriculture, viticulture, horticulture and aquaculture are significant drivers of our economy as is our hospitality and tourism industry.

Our region supplies most of Australia's strawberry runner stock and 80 per cent of Australian trout stock. Our favourable climate conditions allow for the growing of stone fruits, berries and turf production. We also have a vibrant beef, sheep and grain industry.

Education also provides employment opportunities as does medical services and Local Government.

With over a million visitors each year, our tourism sector is a key economic driver that provides eco-tourism opportunities through to luxury holiday stays. We truly offer a diverse range of opportunities across our shire.

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Council Goals, Strategic Objectives and Strategies

During 2012, Murrindindi Shire Council embarked upon the development of a community vision for the municipality in 2030. The initial work that has been completed to date has been inspired by a Community Workshop held on 12 August 2012 and a community survey that was completed in late 2012 by almost 300 residents.

Whilst it is acknowledged that there is further work to be undertaken, and Council is intending to complete the Community Vision in 2013, a number of key themes emerged from the feedback that Council received. These themes have helped shape the priorities of the Council Plan and will continue to be a benchmark against which the implementation of the Strategies within the Council Plan will be assessed. All strategies will be implemented in a manner which assists Council and the community in achieving their 2030 vision for Murrindindi.

The five themes arising from the community workshop were:

- Physical and Transport
- Leisure and Lifestyle
- Cultural and Social
- Environment
- Economy

Thus far, the community has told us that they look forward to Murrindindi in 2030 being:

.... the place – Murrindindi is a place of rural landscapes and beauty.

.....the people – Murrindindi people are welcoming and caring people.

.....the communities – Murrindindi communities are vibrant, involved and inter-connected.

.....the opportunity – Murrindindi is a place of prosperity and opportunity.

Whilst the Council Plan 2013-2017 is based upon what the community has told us they are looking forward to in 2030, this Council Plan and its strategic objectives are strongly influenced by the recognition that the February 2009 bushfires have had a major impact upon Council and the community.

Whilst much of the public reconstruction has been completed, there is ongoing effort directed to support the affected communities and to enable individual property owners to rebuild. Despite this, Murrindindi Shire has experienced a drop in its population numbers and rateable assessments. Furthermore, the impact of the operation, maintenance, insurance and depreciation costs of the new and enhanced assets received from the Victorian Bushfire Reconstruction and Recovery Authority that were funded through the Victorian Bushfire Appeal Fund have had a significant impact upon Council's long term financial sustainability. This means that, without State Government financial assistance, the Council Plan strategies over the next four years will be very modest and no new initiatives or activities will be undertaken. It also means that Council's priorities over the next four years will be primarily directed towards growing our rate base through diligent planning especially in and around the Shire's main towns and in supporting economic development.

Goal - Our Community

We will support and promote health and well being, social connectedness and community involvement.

Our goal of Council and our community is to create vibrant, interconnected and inclusive communities. Murrindindi Vision 2030 supports a strong sense of pride and belonging across the shire. From arts programs, improved footpaths, on-going support of fire affected communities and new and upgraded recreational facilities; we aim to put the pieces in place for healthy and active community. We will achieve this vision through strong support programs and robust policy decisions.

Health and Wellbeing

Strategic Objectives – What we will do

We will advocate for and support the lifelong needs of our communities at all ages and all stages.

Strategies – How we will do it

- Advocate for and support flexible delivery of early years services
- Promote and deliver effective transition through integrated aged care options
- Support older people to remain active and healthy and connected to their community
- Strengthen partnerships with service providers to meet the demonstrated health needs of our communities
- Actively engage with community health and wellbeing issues through implementation of the Municipal Public Health and Wellbeing Plan
- Work with young people and service providers to identify and respond to youth priorities across their respective communities
- Support participation in a range of sport recreation and leisure activities

Social Connectedness

Strategic Objectives – What we will do

We will encourage inclusive, creative and resilient communities.

Strategies – How we will do it

- Prioritise the activities of Council and engage other stakeholders to improve peoples' access and inclusion
- Ensure access and social connectedness is considered in the planning and development of facilities and infrastructure
- Support participation in a wide range of artistic and cultural pursuits
- Work with communities to build resilience and prepare for future unplanned events
- Support people and groups to work together to strengthen connections and community networks
- Recognise, support and value volunteers
- Advocate for better access to public and social housing options.

Community Engagement

Strategic Objectives – What we will do

We will actively engage with our communities to increase participation and community input.

Strategies – How we will do it

- Trial and evaluate locality-based planning, that involves local communities

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Goal - Our Environment

We will manage our natural and built environment in a responsible manner.

Council will continue to look for ways to protect significant environmental values along with balancing the need to develop and manage our built environment. This will be achieved through leadership and cooperation with other agencies and community networks. Our Council will be recognised for its environmental practices as we look to balance our natural surrounds with our need to grow. We aim to achieve communities that are sustainable in the use of natural resources while developing planning policies that embrace and protect our rural landscapes.

Conservation of Resources

Strategic Objectives – What we will do

We will use resources more efficiently and effectively

Strategies – How we will do it

- Reduce our corporate footprint by using energy, water and materials more responsibly
- Encourage and recognise environmentally responsible behaviour and practices within Council and across the Murrindindi community
- Strengthen Council's capacity to use resources more sustainably by cooperating with the Goulburn Broken Greenhouse Alliance (GBGA) and community networks
- Finalise the Waste Management Strategy that seeks to promote waste minimisation strategies and increase opportunities for recycling and reuse of resources

Protection of the Natural Environment

Strategic Objectives – What we will do

We will protect and enhance the natural environment

Strategies – How we will do it

- Ensure Council operations are managed in a way that minimises impact on the natural environment
- Conserve high value sites on Council controlled land and roadside reserves by reducing environmental threats
- Encourage property development across the Shire that protects and enhances environmental values
- Strengthen Council's capacity to work with key agencies that have responsibility for delivering local, regional, state and federal environmental policy and programs

Planning for Future Growth

Strategic Objectives – What we will do

We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs

Strategies – How we will do it

- Improve the planning scheme's capacity to be flexible in responding to growth in a way that balances environmental values and improves the level of safety of our community
- Ensure that Council's emergency management planning responds to community safety needs.
- Improve Council and community capacity to respond to the impacts of extreme weather events and longer term climate change
- Complete a review of the Municipal Strategic Statement (MSS) to establish future directions that align to the Council Plan
- Promote environmentally sustainable design in future developments to achieve more energy and water efficient outcomes in our built environment
- Review and progress Council's implementation of its Urban Design Frameworks for settlements within the Shire

Asset Management

Strategic Objectives – What we will do

We will apply a whole of life approach to the management and maintenance of Council's assets

Strategies – How we will do it

- Manage and renew our existing infrastructure assets in a responsible manner
- Engage with relevant communities on the development of community infrastructure and services
- Develop and deliver services with consideration of the impacts on the natural environment that meet community needs

Goal - Our Economy

We will support the sustainable growth of Murrindindi's businesses and the local economy.

A vibrant economy will attract people to our region and in turn opens further opportunities for business expansion and investment. This will increase employment prospects, social and cultural benefits and population growth. A key focus of our activities will be the further development and enhancement of educational and training options across the shire. While our attention will continue to be a vibrant tourism and agricultural-based economy, we need to also advocate for improved telecommunications networks that will encourage diverse and entrepreneurial businesses the opportunities to establish.

Workforce Development

Strategic Objectives – What we will do

We will maximise the potential of the local workforce through education, training and employment opportunities

Strategies – How we will do it

- Advocate for and support initiatives to improve post-secondary education opportunities in the Shire, including further development of the Murrindindi Training Institute
- Work closely with the Central Ranges Local Learning and Employment Network (CRLLEN) to improve local workforce development opportunities

Improving Business Infrastructure

Strategic Objectives – What we will do

We will advocate for the provision of infrastructure and services that supports business growth

Strategies – How we will do it

- Support the development and implementation of the Hume ICT (Digital) Strategy and the Hume NBN Business Readiness Plan
- Support further growth and development of the Yea Sale Yards subject to the availability of grant and reserve funds
- Facilitate opportunities to increase utilisation of available industrial land in the Shire
- Advocate to the State Government to broaden the range of business development opportunities in rural settings
- In partnership with Mitchell and Mansfield Shire Councils, support initiatives to maximise the economic benefits of the GRHC rail trail

Investment Attraction

Strategic Objectives – What we will do

We will support local business retention and growth and attract new business and residential investment to the Shire

Strategies – How we will do it

- Implement a business attraction and investment campaign
- Participate in a range of State Government sponsored initiatives that encourage people to Live, Work and Invest in rural and regional Victoria
- Support developers through the regulatory requirements of Council
- Support the creation of strong economic leadership in the Shire through the development of the Murrindindi Business and Tourism Association
- Investigate opportunities to attract investment in residential facilities for retiree and aged sectors
- Continue to engage with businesses and relevant agencies through the Economic Advisory Committee and liaison with key industry associations
- Identify and promote opportunities for growth in housing and business development in and around the Shire's main townships

Tourism Development*Strategic Objectives – What we will do*

We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector

Strategies – How we will do it

- Support the initiatives of the GRVT and Marysville and Surrounds Marketing and Events Program to promote visitation to the Shire
- In partnership with GRVT actively encourage investment in, and support development of new tourism product, attractions and accommodation options in the Shire
- Assess the feasibility of extending the GRHC Rail Trail from Alexandra to Eildon
- Support event managers in the establishment and delivery of new tourism events across the Shire
- Support the development of the Y Water Centre at Yea Wetlands as a tourism attraction
- Develop tourism markets that align with the product strengths of the region (eg, cycle tourism, equine and picnic racing, nature based tourism)

Goal - Our Council

We will provide strategic leadership and effective governance that supports the aspirations of our community.

By ensuring our long term financial sustainability, Council's priorities will be directed towards the implementation of the Murrindindi Vision 2030. Achieving the outcomes of this community-driven vision will be our strong advocacy to all levels of government on local needs and issues, the implementation of a master plan to grow the Murrindindi rate base through sound planning and support for economic development and the effective and efficient operation of the Council. By achieving this Murrindindi Shire will be a place of prosperity and opportunity.

Leadership

Strategic Objectives – What we will do

We will deliver visible leadership and advocacy

Strategies – How we will do it

- Involve community leaders in regular advocacy to State and Federal Governments on local needs and issues
- Actively develop and implement a long term vision for Murrindindi Shire
- Building community relationships and trust through community forums and engagement
- Communicate key Council decisions and strategies to the community in a variety of ways

Customer Service

Strategic Objectives – What we will do

We will deliver quality customer outcomes by continuing to find better ways of doing things

Strategies – How we will do it

- Build on our customer service and communications with the community
- Continue to improve our processes to enhance the efficiency and effectiveness of the organisation

Financial Sustainability

Strategic Objectives – What we will do

We will administer sound financial management practices

Strategies – How we will do it

- Growing our rate base through diligent planning

- Provide value for money through the delivery of long term financial plans
- Practising responsible grants management and how we access grants
- Promoting an equitable rating strategy for all ratepayers

Staff

Strategic Objectives – What we will do

We will have engaged and professional staff

Strategies – How we will do it

- Ensure a healthy and safe workplace for all staff
- Provide staff training and professional development opportunities
- Provide workforce development and succession planning opportunities

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Council Priorities

Council has identified its priority actions for implementing the Council Plan 2013-2017. Its Year 1 actions (2013-2014) to achieve these priorities are outlined below along with the Strategic Indicators of how we will measure our progress.

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Goal - Our Community

Health and Wellbeing

Strategic Objectives – What we will do

We will advocate for and support the lifelong needs of our communities at all ages and all stages.

Strategic Indicators

Strategic Indicator	What our targets are	Source
Implementation of actions in the MPHW Plan	Annual completion of actions in Implementation plan	Council quarterly report
Implement Positive Ageing Plan	Annual completion of actions in Implementation plan	Council quarterly report
Implementation of actions from Early Years Plan	Annual completion of actions in Implementation plan	Council quarterly report
Maintenance of accreditation through Community Care Common Standards	Complete by December 2015	Council quarterly report
Development of a Council Recreation and Play Strategy	Complete by December 2015	Council quarterly report

Year 1 Actions

- Undertake a feasibility study for integrated early years services
- Undertake a communications strategy for the Municipal Public Health and Wellbeing Plan
- Implement initiatives of the Municipal Public Health and Wellbeing Plan in partnership with key stakeholders and service providers
- Advocate for increased flexibility in funding to improve and strengthen older peoples access to social activities in the community
- Implement initiatives of the Positive Ageing Plan
- Develop and coordinate a Health consortium of services across Murrindindi Shire to support joint planning and coordinated service provision
- Implement the initiatives of the Murrindindi Youth Strategy
- Promote and support the Community Grants program and other funding sources to strengthen recreation and leisure activities
- Support community groups and sporting clubs to maintain a strong sustainable presence in the community

Social Connectedness

Strategic Objectives – What we will do

We will encourage inclusive, creative and resilient communities.

Strategic Indicators

Strategic Indicator	What our targets are	Source
Facilitate an increase in multi-community participation in artistic and cultural events.	Measured participation is more than or equal to the Victorian average.	Community Indicators Victoria
	Support of a minimum of four events per annum	Council quarterly report
Progress the Urban Access Program (pathways and related infrastructure, total identified projects – 101)	50% identified projects completed by 2017	Council quarterly report
Update and progress on the Missing Links program (total projects identified – 29)	5 projects per annum	Council quarterly report
Audit of disability access issues regarding pathways and missing links.	Audit of disability access issues complete by June 2015	Council quarterly report
Number of community network building activities initiated by Council	2 events per annum	Council quarterly report
Promote and acknowledge volunteers	Minimum of: <ul style="list-style-type: none"> • 1 Council initiated event per annum • 1 Community event initiative in partnership with Council per annum 	Council quarterly report
Feasibility study and advocacy plan to governments to improve public and social housing options	Study and Advocacy Plan completed and recommendations implemented	Council quarterly report
Community consultation and	Feasibility study presented to	Council quarterly report

feasibility study on capacity to establish a new migrant/refugee settlement program	Council subject to community comment.	
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Year 1 Actions

- Develop the Access and Inclusion Action Plan in consultation with the Community and key service providers
- Progress priorities of the Urban Access Initiative
- Progress priorities of the Missing Links program
- Implement initiatives of the Municipal Public Health and Wellbeing Plan
- Enable community groups to coordinate and participate in arts and cultural events through the Community Grants program and other initiatives.
- Maintain a leadership and coordination role in emergency response and recovery planning
- Work in partnership with community and service providers to implement initiatives that strengthen neighbourhoods
- Explore flexible community transport options
- Work in partnership with key partners to support the coordination of volunteer recruitment and training
- Explore the community need for additional public and social housing options in Murrindindi Shire and develop an advocacy plan to communicate this need to state and federal government

Community Engagement

Strategic Objectives – What we will do

We will actively engage with our communities to increase participation and community input.

Strategic Indicators

Strategic Indicator	What our targets are	Source
Locality based planning process trialed	One locality by December 2014	Council quarterly report
Community perceptions of performance for health and human services	The Community Satisfaction Survey achieves a score in this category that is more than or equal to the indexed mean of 77	Community Satisfaction Survey

Year 1 Actions

- Explore and implement processes that will support cross departmental and community involvement in locality based planning

Goal – Our Environment

Conservation of Resources

Strategic Objectives – What we will do

We will use resources more efficiently and effectively.

Strategic Indicators

Strategic Indicator	What our targets are	Source
Our practices show a reduction in the use of energy, waste, paper and water resources	35% diversion of waste from landfill Reduction in paper, paper consumption Reduction in energy and water use	Council quarterly report
Completion of the Waste Management Strategy	Completed by January 2014	Council quarterly report
Implementation of Environment Strategy actions	Implement annual plans for existing actions	Council quarterly report

Year 1 Actions

- Set up a system that will identify a baseline for corporate resource consumption and enable the organisation to set targets to reduce this baseline into the future
- Design and identify strategies to fund a pilot program for energy improvements in a selection of Council buildings
- Work closely with the Goulburn Broken Greenhouse Alliance to deliver regionally funded projects that Council can lead, support and/or coordinate across Murrindindi Shire
- Liaise with and support community groups leading initiatives aimed at promoting sustainable resource use in households and businesses
- Leverage support from the Goulburn Valley Regional Waste Management Group to improve the way waste is managed across the Murrindindi Shire

Protection of the Natural Environment

Strategic Objectives – What we will do

We will protect and enhance the natural environment

Strategic Indicators

Strategic Indicator	What our targets are	Source
Plans, policies and processes to protect the environmental values on Council owned land are developed and continually refined	Annual action plans for managing the environment on Council owned land are implemented	Council quarterly report
Partnerships developed that deliver regionally funded projects across the Murrindindi Shire	Number of partnerships with other organisations developed	Council quarterly report
Number of communication materials planned and delivered with and/or to agencies, households and business groups	At least one environmental communication activity is held with each group	Council quarterly report

Year 1 Actions

- Develop a policy and process for managing native vegetation in Council's infrastructure works
- Develop a roadside management plan and code of practice for managing environmental values in Council roadside reserves
- Develop and deliver an environmental communications strategy that sets out how the Council will communicate with households, businesses and agencies
- Implement Council's Roadside Weeds and Pest Animal Control Program
- Continue collaborating with key local Landcare networks, as well as regional, state and federal agencies to identify and deliver environmental projects in Murrindindi

Planning for Future Growth*Strategic Objectives – What we will do*

We will plan for future growth that is sensitive to the constraints of our natural environment whilst considering development needs.

Strategic Indicators

Strategic Indicator	What our targets are	Source
Adoption of environmentally sustainable design principles	Increase in the capacity to implement environmentally sustainable principles into the planning scheme	Council quarterly report

Regular review of municipal emergency management plan.	Statutory review conducted by 2015	Council quarterly report
Implementation of ongoing changes to the Murrindindi Planning Scheme (MPS)	Implementation of year one actions	Murrindindi Planning Scheme
Completion of the Review of the MSS	Completed by June 2014	Murrindindi Planning Scheme
Advocacy to the State Government regarding the adoption and implementation of the Kinglake, Flowerdale and Toolangi (KFT) Plan and Design Framework	Plan ready for adoption in 2013/2014	Council quarterly report
Strategic and settlement planning adequately addresses bushfire risk and strengthens community resilience	Implementation of Bushfire protection measures	Murrindindi Planning Scheme

Year 1 Actions

- Complete a review of the Municipal Strategic Statement to establish directions that align to the Council Plan
- Implement ongoing changes and improvements to the Murrindindi Planning Scheme (MPS)
- Complete bushfire protection measures within the Murrindindi Planning Scheme (Policy and BMO Schedule)
- Commence implementation of the Kinglake Ranges, Flowerdale and Toolangi Plan and Design Framework

Asset Management

Strategic Objectives – What we will do

We will apply a whole of life approach to the management and maintenance of Council's assets.

Strategic Indicators

Strategic Indicator	What our targets are	Source
Reduction in the infrastructure renewal gap	Reduced annual increase in infrastructure renewal gap	Council Quarterly Report

Delivery of the capital works program	95% of annual Capital Works Program delivered	Council Quarterly Report
Defined levels of service for maintenance activities	Draft levels of service are implemented December 2013	Council Quarterly Report

Year 1 Actions

- Develop a policy and process for the transfer of savings from the capital works projects to the infrastructure reserve
- Complete the Waste Management Strategy
- Continue the implementation of the improvement actions from the adopted Asset Management Plans
- Develop and implement levels of service for all Roads and Drainage Maintenance and Parks and Gardens activities
- Seek infrastructure funding grants to support future capital works programs to assist in reducing the infrastructure renewal gap

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Goal – Our Economy

Workforce Development

Strategic Objectives – What we will do

We will maximise the potential of the local workforce through education, training and employment opportunities

Strategic Indicators

Strategic Indicator	What our targets are	Source
Shire unemployment Rate	Equal to or lower than the State average	Small Labour Markets Quarterly Publication - DEEWR
Number of training and/or workforce development initiatives implemented that address needs identified in the Murrindindi Training Needs Analysis 2013	2 new initiatives per annum.	Council quarterly report

Year 1 Actions

- Work with MTI to establish a local employer and educator network to integrate local training provision with employment needs
- Support CRLLEN in the development of a strategic plan for workforce development, based on the recommendations of the Murrindindi Training Needs Analysis Report 2013

Improving Business Infrastructure

Strategic Objectives – What we will do

We will advocate for the provision of infrastructure and services that supports business growth

Strategic Indicators

Strategic Indicator	What our targets are	Source
Number of actions implemented from the Council's Economic Development Strategy	4 initiatives implemented per annum	Council quarterly report
No. of initiatives to improve business infrastructure and service	2 initiatives per annum	Council quarterly report

Year 1 Actions

- Work with Mansfield and Mitchell Council's to finalise, and commence implementation of, the rail trail Integrated Identity, Interpretative and Wayfinding Strategy
- Promote the NBN Small Business Readiness Tool as part of the implementation of the Hume NBN Business Readiness plan
- Develop a business case for the potential lease of additional land to support further enhancement of facilities at the Yea Saleyards for Council's consideration.
- Subject to the outcomes of the State review of Farming Zones, promote business development opportunities that align with agriculture in rural areas

Investment Attraction

Strategic Objectives – What we will do

We will support local business retention and growth and attract new business and residential investment to the Shire

Strategic Indicators

Strategic Indicator	What our targets are	Source
Value of new commercial building developments	3% increase per annum	Building Unit Permit approvals – Authority Database
Number of investment attraction events/initiatives delivered	2 per annum	Council quarterly report

Year 1 Actions

- Support the finalisation of the bushfire recovery funded Murrindindi Business Prospectus and commence implementation of a business investment and attraction campaign
- Participate in the 2014 Regional Living Expo and associated promotional activities
- Facilitate the formal establishment of the Murrindindi Business and Tourism Association
- Investigate the capacity to expand residential and business investment in and around the Shire's major townships

Tourism Development

Strategic Objectives – What we will do

We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector

Strategic Indicators

Strategic Indicator	What our targets are	Source
Tourism visitation to the Shire (GRVT)	5% per annum increase in day trips	GRVT Quarterly Visitors Survey (2 year rolling average)

Year 1 Actions

- Complete a feasibility assessment of a trail link between Alexandra and Eildon
- Support the establishment of the accredited Visitor Information Centre as part of the Y Water Centre at Yea Wetlands
- Promote access to tourism event funding through the Marysville and Surrounds Marketing and Events Program
- Promote visitation to the Shire through development and distribution of marketing materials and attendance at promotional expos in partnership with GRVT

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Our Council

Leadership

Strategic Objectives – What we will do

We will deliver visible leadership and advocacy

Strategic Indicators

Strategic Indicator	What our targets are	Source
Community participation in forums: Number of forums held	Delivering a minimum three community forums a year that actively encourage community participation.	Council quarterly report
Advocacy to the State and Federal Governments	Advocate on behalf of the community on a minimum of 10 issues a year	Council quarterly report
Adoption of the Murrindindi 2030 Vision	Adopting the Murrindindi 2030 Vision by 31 December 2013	Council quarterly report

Year 1 Actions

- Complete the Murrindindi 2030 Vision
- Develop a long term plan for the implementation of the Murrindindi 2030 Vision
- Advocate on behalf of the community on a minimum of 10 issues
- Deliver a minimum of three community forums

Customer Service

Strategic Objectives – What we will do

We will deliver quality customer outcomes by continuing to find better ways of doing things

Strategic Indicators

Strategic Indicator	What our targets are	Source
Community perception of performance for customer service	A score of 66 or more in the annual community satisfaction survey	Community Satisfaction survey
Number of business processes implemented	Improving a minimum of five business processes a year	Council quarterly report

Year 1 Actions

- Implement business process improvements related to:
 - Governance
 - Procurement roadmap
 - Electronic document management system
 - Finance systems
 - Murrindindi Services Review
- Establish an electronic customer service request system

Financial Sustainability*Strategic Objectives – What we will do*

We will administer sound financial management practices

Strategic Indicators

Strategic Indicator	What our targets are	Source
Rate base increased by: <ul style="list-style-type: none"> • Overall Capital Improved Value 	Increasing the shire's Capital Improved Value by 1.5 % each year	Council rates data base
<ul style="list-style-type: none"> • New and quality developable lots 	Increasing the number of developable lots across the shire	Council planning applications
VAGO (Victorian Auditor-General's Office) overall financial sustainability risk assessment indicator	Ensuring that VAGO (Victorian Auditor-General's Office) overall financial sustainability risk assessment indicator remain in the Low category	VAGO annual report
Completion of the review of the Rating Strategy	Completing the review of the Rating Strategy by 31 December 2013	Council quarterly report

Year 1 Actions

- Develop and coordinate a master plan for growing the rates base
- Complete and implement the review of the Rating Strategy
- Increase capacity to attract grants

Staff*Strategic Objectives – What we will do*

We will have engaged and professional staff

Strategic Indicators

Strategic Indicator	What our targets are	Source
Staff Satisfaction	Internal staff satisfaction results to improve year on year	Staff Satisfaction survey
	Staff sick leave days reduced by 1% per annum	Council quarterly report
Number of staff training days	Staff training days increased by 1% per annum	Council quarterly report
Number of health and safety programs conducted	Providing a minimum of four health and safety programs each year	Council quarterly report

Year 1 Actions

- Develop and implement a training register
- Provide staff training and professional development opportunities

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Supporting Strategic Plans

The Murrindindi Council Plan 2013-2017 provides a four year plan that outlines how we, as a Council, will deliver for our community. It is supported by a range of Strategic Plans that have been developed over recent years and provide the foundation for much of the Council Plan.

These Strategic Plans include:

	Community Our	Environment Our	Economy Our	Council Our
Early Years Strategy Plan 2006 – 2009	•			
Health and Wellbeing Plan 2009-2013	•	▽	▽	▽
Healthy and Active in the Third Age – Positive Ageing Strategy 2008-2012	•			
Linking Murrindindi – Accessibility and Liveability Strategic Plan 2011-2013	•	▽		
Murrindindi Youth Strategy 2012-2015	•		▽	▽
Recreation, Reserves and Play Strategy 2003	•			
Recreation Reserves: Overall Plans of Development	•	▽		
Municipal Recovery Plan (2012)	•	▽		
Economic Development Strategy 2011-2016	▽	▽	•	
Asset Management Strategy		•		
Asset Management Policy 2011		•		
Asset Management Plans (Roads, Bridges, Paths, Kerb & Channel, Buildings etc.)		•		
Alexandra Landfill Environmental Improvement Plan		•		
Alexandra Township Drainage Network Analysis (2012)		•		
Yea Township Drainage Network Analysis (2012)		•		
Murrindindi Shire & Lake Mountain Municipal Fire Management Plan	▽	•		
Road Management Plan 2010		•		
Municipal Emergency Management Plan (2012)	▽	•		
Urban Design Framework Alexandra	•	•	•	
Urban Design Framework Eildon	•	•	•	
Urban Design Framework Small Towns	•	•	•	
Urban Design Framework Marysville	•	•	•	
Urban Design Framework Yea	•	•	•	
Murrindindi Shire Council Environment Strategy 2011-2015		•		
Municipal Strategic Statement	▽	•	▽	
Murrindindi Shire Heritage Study		•		
Industrial Land Demand Study		•	▽	
Murrindindi Shire Land Capability Assessment		•		
Management of Significant Landscapes in Murrindindi and Baw Baw		•		
Rural Residential Study		•		
Domestic Animals Management Plan		•		
IT Strategic Plan 2008-2012				•
Community Engagement Guidelines 2012 - 2015				•

	Our Community	Our Environment	Our Economy	Our Council
Community Vision 2030	•	•	•	•
Rating Strategy 2009			▽	•
Risk Management Strategy 2011				•

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**STRATEGIC
RESOURCE PLAN
2013 TO 2017**

Version 11

CONTENTS

1. INTRODUCTION	6
1.1 Purpose of SRP	6
1.2 SRP Objectives	7
1.3 Strategic Financial Direction.....	8
1.4 Key Strategic Directions.....	9
2. LINK BETWEEN STRATEGIC RESOURCE PLAN AND COUNCIL PLAN... 11	
2.1 Integrated Planning Framework.....	11
3. MURRINDINDI SHIRE COUNCIL FINANCIAL SUSTAINABILITY	12
3.1 Introduction.....	12
3.2 Benchmarking.....	12
3.3 Analysis of Council's Financial Sustainability.....	13
3.3.1 Financial Sustainability	13
3.3.2 Victoria Auditor General	14
3.4 Operating Surplus Exclusive of Capital Income and Abnormal Items	16
3.4.1 Strategic Direction	16
4. SERVICE PROVISION AND PLANNING	17
4.1 Introduction.....	17
4.1.1 Departmental Business/Operation Plans	17
4.1.2 Murrindindi Shire Council Budget	17
4.1.3 Benchmarking Murrindindi Shire Council Financial Performance.....	17
4.2 Conclusion	17
5. CAPITAL WORKS PROGRAM	18
5.1 Introduction.....	18
5.2 Level and Nature of Capital Works	18
5.3 2013/14 Capital Investment Levels	19
5.4 Capital Funding Sources.....	19
5.5 Conclusion	20
5.5.1 Strategic Direction	20
6. ASSET MANAGEMENT	20
6.1 Introduction.....	20
6.2 Background to Council's Total Asset Portfolio at 30 June 2013	20
6.3 Summary of Fixed Assets	21
6.4 Sustainability Index	22
6.5 Condition Assessment	22
6.5.1 Projected Service Levels - Key Asset Classes	25
6.6 Strategic Asset Management	25

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

7.	LONG-TERM BORROWING STRATEGIES.....	26
7.1	Measuring which level of Debt is Appropriate	26
7.2	Borrowing Assessment Policy.....	28
7.3	What do the Financial Indicators Mean?	29
7.3.1	Liquidity.....	29
7.3.2	Debt Exposure	30
7.3.3	Debt Management.....	31
7.3.4	Debt Servicing.....	31
7.4	What is a Prudent Level of Debt?	32
7.5	Future Loan Program.....	34
7.5.1	Strategic Direction	34
8.	RESTRICTED ASSETS	35
8.1	Introduction.....	35
8.2	Nature and Purpose of Restricted Assets	35
8.2.1	Long Service leave.....	35
8.2.2	Developer Contributions.....	35
8.2.3	Waste Reserve.....	35
8.2.4	Notional Reserves, Amounts held in Trust.....	35
8.2.5	Strategic Direction	36
9.	RATING AND OTHER REVENUE STRATEGIES	36
9.1	Introduction.....	36
9.2	Valuations.....	37
9.2.1	Definitions of valuations	37
9.2.2	Supplementary valuations	37
9.2.3	Components of Council's Rating Base	38
9.2.4	Assessment of Current Rating Levels.....	38
9.2.5	Background to the Present Rating System	39
9.2.6	Rates Affordability	40
9.2.7	Rating Strategy	41
9.2.8	Rates and Charges Budget – 2013/14.....	42
9.2.9	Waste Service Charges.....	42
9.2.10	Grant Revenue.....	43
9.2.11	Victoria Grants Commission	44
9.2.12	Fees and Charges Revenue.....	44
9.2.13	Strategic Direction	44
10.	HUMAN RESOURCES	46
10.1	Human Resources	46
10.2	Strategic Direction	48
11.	STRATEGIC FINANCIAL PLAN.....	48
11.1	Introduction.....	48
11.2	Modelling Methodology	48
11.3	Financial Assumptions.....	49
11.3.1	Labour and on-costs.....	49
11.3.2	Depreciation	49
11.3.3	Materials and Services	49

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

11.3.4	Special projects/consultancies	49
11.3.5	Debt servicing and redemption	49
11.3.6	Written-down values of assets sold	49
11.3.7	Rate revenue.....	50
11.3.8	Service charges	50
11.3.9	Grant revenue	50
11.3.10	Fees and charges	50
11.3.11	Statutory Fees and Fines	50
11.3.12	Interest on investments	50
11.3.13	Proceeds from sale of assets	50
11.3.14	Capital grants	50
11.3.15	Granted assets.....	51
11.3.16	Capital expenditure	51
11.4	Conclusion	51
11.4.1	Strategic Direction	51
12.	APPENDIX A PRINCIPLES FOR RATING, VICTORIAN LOCAL GOVERNMENT CONTEXT	52
13.	APPENDIX B GLOSSARY OF TERMS – DEFINITIONS	54
14.	APPENDIX C - STANDARD FINANCIAL STATEMENTS.....	56
	Standard income statement	57
	Standard balance sheet.....	59
	Standard statement of cash flows	61
	Standard statement of capital works.....	63

LIST OF TABLES

Table 1: Key Strategies– 2013/14	10
Table 2: Number of Councils in each Category– 2011/12	12
Table 3: Murrindindi Shire Council VAGO Indicators of Council Viability	15
Table 4: Capital Works Summary – 2013/14	19
Table 5: Fixed Assets and Land Held for Resale – 2012/13.....	21
Table 6: Sustainability Index - Definitions – 2013/14	22
Table 7: Asset Condition Intervention Levels– 2012/13.....	24
Table 8: Asset Management Plan Objectives & Document Content	26
Table 9: Council Comparison Debt Levels within Small Rural Council Group – 2011/12	27
Table 10: Council’s Interest Bearing Liabilities	28
Table 11: State Government Prudential Guidelines– 2011/12 to 2013/14	29
Table 12: Debt, Borrowings and Loan Repayments Summary – 2012/13 to 2022/23.....	34
Table 13: Restricted Assets – 2012/13.....	36
Table 14: Rates and Charges Annualised - 2012/13	39
Table 15: Individual Rates Annualised 2013/14.....	40
Table 16: Projected Garbage Charges 2013/14	43
Table 17: Labour and On-Costs	49
Table 18: Glossary of Terms / Definitions.....	54

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

LIST OF CHARTS

Chart 1: Rates Affordability Small Rural – 2011/12	14
Chart 2: Adjusted Surplus / Deficit – 2011/12.....	16
Chart 3: Capital Expenditure per Capital Works Statement – 2011/12	18
Chart 4: Depreciation on Infrastructure/Infrastructure Assets – 2011/12.....	22
Chart 5: Proposed / Predicted Renewal Expenditure Chart – 2022/23	24
Chart 6: Predictive Modelling - Buildings, Roads, Footpaths and Bridges	25
Chart 7: Comparison of Total Debt Levels within Small Rural Group.....	28
Chart 8: Current Assets / Current Liabilities – 2011/12.....	30
Chart 9: Debt Exposure – Total Liabilities / Total Realisable Assets – 2011/12.....	30
Chart 10: Total Debt as a Percentage of Rate Revenue – 2011/12.....	31
Chart 11: Debt Servicing Ratio (Interest/Total Revenue) – 2011/12	32
Chart 12: Debt Commitment (per assessment) – 2011/12.....	33
Chart 13: Total and Current Interest bearing Liabilities - 2009/10 – 2022/23	34
Chart 14: Rates as % of Total Revenue– 2011/12	38
Chart 15: Rates Per Capita – 2011/12	39
Chart 16: Rates Affordability Small Rural – 2011/12	41
Chart 17: Recurrent Grants – 2011/12	43
Chart 18: Fees & Charges/Total Revenue – 2011/12.....	44
Chart 19: Current Staff Numbers: Actual and EFT	46
Chart 20: Corporate and Community Services (incorporates Executive)	47
Chart 21: Infrastructure Services.....	47
Chart 22: Sustainability	48

LIST OF FIGURES

Figure 1: Strategic Resource Plan – Key Strategic Areas	7
Figure 2: Integrated Planning Framework	11
Figure 3: Standard Income Statement 2012/13.....	58
Figure 4: Standard Balance Sheet 2012/13.....	60
Figure 5: Standard Statement of Cash Flows 2012/13	62
Figure 6: Standard Statement of Capital Works 2012/13.....	63

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

1. INTRODUCTION

Council is required under the Local Government Act (1989), to prepare a Strategic Resource Plan (SRP).

The SRP outlines the resources required to achieve Council's strategic objectives expressed in the Council Plan. The SRP must include:

- Details of financial resources (Standard Statements), and
- Details of non-financial resources, including human resources
- Council must adopt its SRP by 30 June each year. The SRP is intended to have a 10-year time frame to enable a longer term perspective to be analysed
- Significant changes to this revised Strategic Resource Plan 2013/2017 are:
 - Council will increase municipal rates and municipal charge collections by 6.00 percent in the 2013/14 financial year. This level allows Council to maintain existing service levels and continue to allocate additional funds to renew the municipality's infrastructure
 - Capital Expenditure is \$10.25 million in 2013/14, and
 - New borrowings of \$500,000 in 2013/14
- Purpose of the SRP
- Objectives of the SRP
- Financial strategic direction
- Key strategic directions

1.1 Purpose of SRP

Council is required to prepare a SRP under Section 126 of the *Local Government Act (1989)*.

The purpose of the SRP is to:

- Establish a financial framework over the next 4 years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved.
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan (non-financial resources are assumed to include human resources and Council's asset base, which are all referred to in various parts of the SRP).
- Establish a basis to measure Council's adherence to its policies and strategies, and
- Assist Council to comply with sound financial management principles, in accordance with the Local Government Act (1989) and to plan for the long-term financial sustainability of the municipality.

While compliance with the legislation can be achieved with the development of long-term (four-year) financial statements, the 10-year approach undertaken by Council is more comprehensive.

A 10-year timeframe more fully supports strategic asset management as many of Council's assets have long lives.

The diagram below details the key strategic areas covered by the SRP and the integration required between Council's financial strategies.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017



Figure 1: Strategic Resource Plan – Key Strategic Areas

1.2 SRP Objectives

The 2013-2017 SRP is based upon the following assumptions in the 10 – year timeframe:

- Rate increases are limited to 6% plus 1% growth in each year (less the impact of State Government buy back of 0.2%); a third of the increase (2% points of the 6%) for each year (around \$249,000) is allocated to an Infrastructure Reserve.
- The organisational establishment will remain static with exception of the addition of a Grants officer position and an Online Communications Officer as identified by Council as important additions to the permanent organisational structure.
- The State Government Buy Back scheme involves some 84 properties within the Shire with an impact of \$87K in reduced rate revenue. Mitigation of this influence in future years will occur with the increase in the valuation base and therefore will not produce a significant effect on rate revenue in future years.
- No new Initiatives or programs other than those that have been included in the 10 year capital improvement plan.
- Operating and Capital-Savings from the Murrindindi Services Review have been factored in over successive years.
- Maintenance and operating costs of \$1.2M and \$ 0.6M depreciation costs are factored in for new and gifted assets arising from the February 2009 reconstruction and rebuilding program.
- Capital works will occur in accordance with the Ten Year Capital Improvement program.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

- Provision each year has been made to expense \$300,000 as a contingency for future defined benefits superannuation calls and to quarantine this until such time as call is made on Council.
- Recognition of the reduction in Grant Commission funding within 2012-13 and adjustments made accordingly within the SRP.
- Rebuilding of the Long Service Leave reserve with 25% of the current liability component (\$1.59M) being cash backed. This would commence in 2013-14 and be achieved over a 4 year period by 2015-16 (\$303k).

1.3 Strategic Financial Direction

Councils are required to provide services and facilities for their local communities that are equitable and accessible. They must also promote the economic viability and sustainability of the municipal district and in doing so have regard to the long term financial viability of their Council.

Whilst much of the public reconstruction has been completed, there is ongoing effort directed to support the affected communities and to enable individual property owners to rebuild. Despite this, Murrindindi Shire has experienced a drop in its population numbers and rateable assessments. Furthermore, the impact of the operation, maintenance, insurance and depreciation costs of the new and enhanced assets received from the Victorian Bushfire Reconstruction and Recovery Authority that were funded through the Victorian Bushfire Appeal Fund have had a significant impact upon Councils long term financial sustainability. This means that, without State Government financial assistance, the Council Plan strategies over the next four years will be very modest and no new initiatives or activities will be undertaken.

A number of strategic challenges remain ahead including renewing existing assets, continuing to provide an appropriate range and level of services to a community where there is limited growth, maintaining a sound financial position and addressing the need for capital renewal.

The other related issues are the risks and liabilities that Council and the community face if Council does not invest in asset renewal at an adequate rate.

The SRP, within the Long Term Financial Plan (LTFP), establishes the strategic financial direction for Council to meet the funding and investment challenges that lie ahead in the next 10 years. The SRP is prepared in conjunction with the Council Plan to ensure the affordability of activities included in the Council Plan.

It is clear from the 10 year outlook in the Long Term Financial Plan, included within this document, that with inclusion of the costs associated with gifted assets namely the \$1.20 million for maintenance and operating costs and the \$0.60 million for depreciation, that Council is unable to cover its Infrastructure Renewal Gap, or has capacity to generate cash to cover unforeseen expenditure or to operate beyond its current level of service delivery. The impact of costs associated with the gifted assets is for recurrent operating deficits through to 2020 and with underlying results reflecting deficits for the life of the plan. This means that Council is not able to generate cash beyond the operation of core activities and is \$6.10 million short of being able to meet Infrastructure Renewal Gap requirements by 2023.

Whilst Council's liquidity position may appear favourable at more than 1:1.50 for the longer term over ten years, there is a growing cash deficiency when taking into account the amount of cash required to meet statutory obligations, other restricted cash requirements and the Infrastructure Renewal Gap in 2023. It is apparent that without State Government assistance, for which it has identified a need of \$14.1 million, Council's financial position is not sustainable in the years beyond 2013-14 without further reductions in expenditure or increases in revenue.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

1.4 Key Strategic Directions

The following table highlights the key strategies of this SRP. Each section includes detailed analysis to support the strategies. The key strategies provide direction for the preparation of the 2013/14 Budget.

Section	Strategic Direction
Section 3: Murrindindi Shire Financial Indicators	<ol style="list-style-type: none"> 1. That Murrindindi Shire Council continues to benchmark with other Victorian councils and those within the Council category. 2. That Murrindindi Shire Council applies the outcomes of this SRP to the 2013/14 Budget. 3. That in order to reduce ongoing underlying operating deficits, Council will require State Government assistance beyond 2013/14.
Section 4: Service Provision and Planning	<ol style="list-style-type: none"> 1. That Murrindindi Shire Council annually determines the range and level of service provision via the strategic service planning framework incorporating annual budget, departmental operational plans, capital works evaluation and long term financial plan leading to a rigorous analysis of organizational and financial capability.
Section 5: Capital Works	<ol style="list-style-type: none"> 1. That Murrindindi Shire Council initially focuses capital works on maintaining a critical renewal level based on maintaining a minimum service level at levels indicated in Table 8 (Section 6.6 Condition Assessment), with the next priority on upgrade and expansion.
Section 7: Long-term Borrowing Strategies	<ol style="list-style-type: none"> 1. That Murrindindi Shire Council based on compliance with the State Government Prudential Guidelines, borrows funds for plant and vehicle replacements that provide intergenerational equity; and 2. That Murrindindi Shire Council retains its debt servicing and redemption costs at or below 8.0 cents in the rate revenue dollar, towards interest and principal, over the life of this SRP.
Section 8: Restricted Assets	<ol style="list-style-type: none"> 1. That Murrindindi Shire Council builds into its 10 year financial plan the estimated movements in restricted assets and provides for a working capital ratio of at least 1.5 to meet day to day needs. 2. That to ensure sufficient funds are available to meet operational needs, Murrindindi Shire Council retains a cash position of at least \$1.0 million to \$2.0 million after deducting restricted assets, i.e. cash received but not spent or cash to be spent for specific purposes such as developer contributions (infrastructure), waste facility development, employee long service leave payments, security deposits etc.
Section 9: Rating and Other Revenue Strategies	<p>That Murrindindi Shire Council:</p> <ol style="list-style-type: none"> 1. has retained the capital improved value (CIV) as its valuation base; 2. provides a municipal charge that approaches 20 percent of rate revenue plus a municipal charge that ensures an equitable contribution towards the unavoidable fixed costs of Murrindindi Shire Council. 3. has considered future increases based on EPA, regulatory and safety requirements and the need to sustain the Council's long term waste operations strategy. 4. in 2013/14, has adopted a 6.00 % increase in total revenue for general rates and municipal charges and an 6.00 percent increase

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Section	Strategic Direction
	<p>in total revenue for waste collection including funding the cost of disposal of domestic waste, recycling collection and the environment levy.</p> <p>5. is pursuing recurrent grant funding and strategic capital funding aligned with Council Plan objectives, including benchmarking of results with other Councils.</p> <p>6. is seeking State Government support of around \$14 million, which will confirm its commitment to supporting assets gifted to MSC.</p>
Section 10: Human Resources	<p>1. That Murrindindi Shire Council plans, manages and delivers activities that support the goals of the Council Plan within the capacity of the current 10organizational structure and workforce profile.</p>
Section 11: Strategic Financial Plan	<p>1. The SRP represents the short to medium term of 4 years within the Long Term Financial Plan which presents a financial perspective of the organisation over 10 years. In the medium and long term it is apparent that Council's ongoing sustainability will depend on receiving assistance from the State Government.</p> <p>State Government assistance has been sought to offset the impact of gifted Bushfire assets which has an average effect on the bottom line of \$1.80 million per year for the life of the plan. The \$1.80 million represents \$1.60 million for the maintenance and operation of those assets together with \$0.6 million worth of annual depreciation charges. The effect of the cost of these gifted assets is to absorb cash that would otherwise be spent on renewal investment or other priority Council projects or programs. The reduction of cash impacts on Council's ability to fund key capital purchases and must then look at borrowings to bolster cash flow at critical times. Borrowings in turn generate interest payments that also contribute to ongoing operating deficits through to 2020 and with underlying results reflecting deficits for the life of the plan.</p> <p>This means that Council is not able to generate cash beyond the operation of core activities and is \$6.10 million short of being able to meet the Infrastructure Renewal Gap requirements by 2023.</p> <p>Council will continue to ensure it practices prudent financial management, however without such assistance, its capacity to manage programs and activities will be severely limited. Hence the 2013/17 Council Plan contains a modest range of activities whilst its priorities will be focused is growing its rate base.</p>

Table 1: Key Strategies– 2013/14

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

2. LINK BETWEEN STRATEGIC RESOURCE PLAN AND COUNCIL PLAN

2.1 Integrated Planning Framework

Murrindindi Shire Council has developed a corporate planning framework which identifies the relationship between the Council Plan, its various strategies and the individual departmental business plans and staff performance plans.

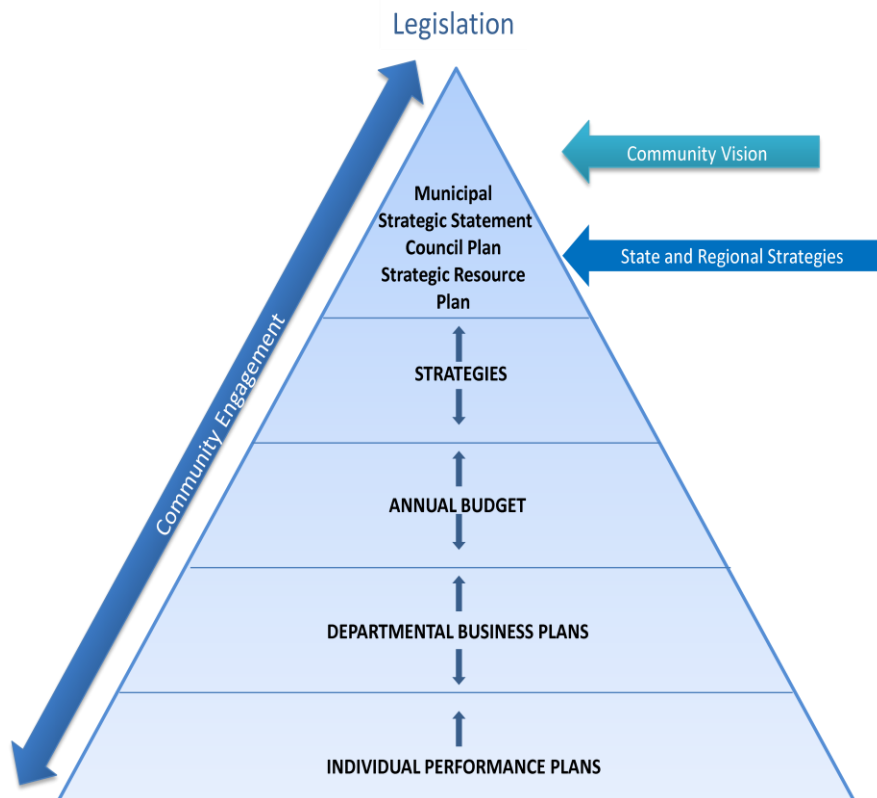


Figure 2: Integrated Planning Framework

The planning framework provides for the Council plan strategies to be linked to the implementation of adopted strategies that are funded and resourced through the Annual Budget.

The Council then measures and monitors its performance and reports both internally and to its community as required.

Council receives formal reports on a quarterly basis detailing progress against the Council Plan, the Annual Budget and the Capital Works program.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

3. MURRINDINDI SHIRE COUNCIL FINANCIAL SUSTAINABILITY

3.1 Introduction

In considering Council's financial sustainability, a number of reports and investigations have been undertaken.

Firstly Council has participated in a project sponsored by small rural municipalities which has led to the Local Government Financial Sustainability Review. This report has highlighted the challenges faced by small and medium sized rural municipalities in achieving long term financial sustainability. This is due to these Councils having small populations, low density and for the most part, very high dispersion and remoteness. All of these indicators are relevant to the Murrindindi Shire.

A second piece of work undertaken by Murrindindi Shire Council related specifically to the new and gifted assets arising from the February 2009 bushfires. This report by KPMG highlighted both the value of the new assets as well as the costs of their operation, maintenance, insurance and renewal. As a result, Council has presented this report to the Victorian Government which identifies the preferred approach being the provision of \$14.1 million which will ensure that:

- Council will have flexibility to invest the upfront payment and earn a return to assist in meeting future recurrent obligations.
- It will reduce the amount of external funding required over the timeframe of the analysis.
- It provides funding certainty for Council and does not require an additional increase in rates over and above the assumed 'business as usual' rate increase of 6%, which is already incorporated in Council's Strategic Resource Plan.

3.2 Benchmarking

The benchmarking program in this SRP is derived from financial data contained in annual reports from other councils. This benchmarking ensures data is comparable under the current regulations.

The State Government measures councils' performance by benchmarking between councils and establishes a number of Key Performance Indicators (KPIs) for each council to use. The KPIs have been derived from Councils' Annual Reports.

The number of councils in each category is shown in the table below.

Category Description	Councils within Category
Inner Melbourne	16
Outer Melbourne	15
Regional Cities	11
Large Shires	16
Small Shires	21
Total	79

Table 2: Number of Councils in each Category– 2011/12

These key performance indicators are detailed within the relevant chapters of the SRP, and assist Council to compare its position to other small rural councils.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

3.3 Analysis of Council's Financial Sustainability

3.3.1 Financial Sustainability

The concepts most people use in their personal and business lives are basically the same as those that should be applied to local government; however, those concepts need some modification.

Councils are perpetual corporations that manage intergenerational community services and assets. Councils provide the legal framework by which communities own infrastructure and assets collectively.

The Australian Local Government Association's (ALGA's) definition of financial sustainability is worth noting:

"A Council's long-term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."

It is against this definition then that the sustainability of Murrindindi Shire Council can be assessed.

Underlying Operating Position (Surplus/Deficit)

The underlying operating result as defined by the Institute of Chartered Accountants (2009) is a measure of the financial sustainability of a Council. Continuous underlying operating deficits lead to a loss in equity, reduction in asset base, drop in service standards over time and a deferral of costs to future generations.

The underlying operating result is the operational result (balanced, surplus or deficit) less gifted assets, developer contributions, asset revaluations, and write offs and impacts of asset sales. Capital income is further deducted on the grounds it represents an "unmatched" income (expenditure is not included) and it is a non-recurring income source.

Murrindindi Shire Council had an underlying operating deficit at 30 June 2013 of \$7.01 million with projections to retain a deficit position for 9 years. This means that Council is unable to cover its Infrastructure Renewal Gap, generate cash to cover unforeseen expenditure or to operate beyond its current level of service delivery from 2013-14 onwards.

Liquidity

The MAV assessment asserts a working capital ratio of 100 percent is generally considered desirable. The analysis considers that Councils with working capital above 150 percent over the life of the plan is not a favourable indicator when considering the cash restrictions of \$8.01 at 2023 together with the Infrastructure Renewal Gap shortfall of \$6.01 million.

Rate effort

The ability to increase rate revenue is a significant factor in determining whether Council is potentially at risk. Council's rating effort has been satisfactory although when benchmarked was below the average effort of the small rural council group.

Cost and efficiency

Council's employee cost as a percentage of total adjusted expenditure for 2012/13 is 33.5 percent, compared to small rural council average of 38.53 percent.

Capital expenditure measured as a percentage of adjusted total expenditure for 2012/13 is 26.4 percent compared to the small rural council average of 30.12 percent.

Rates affordability

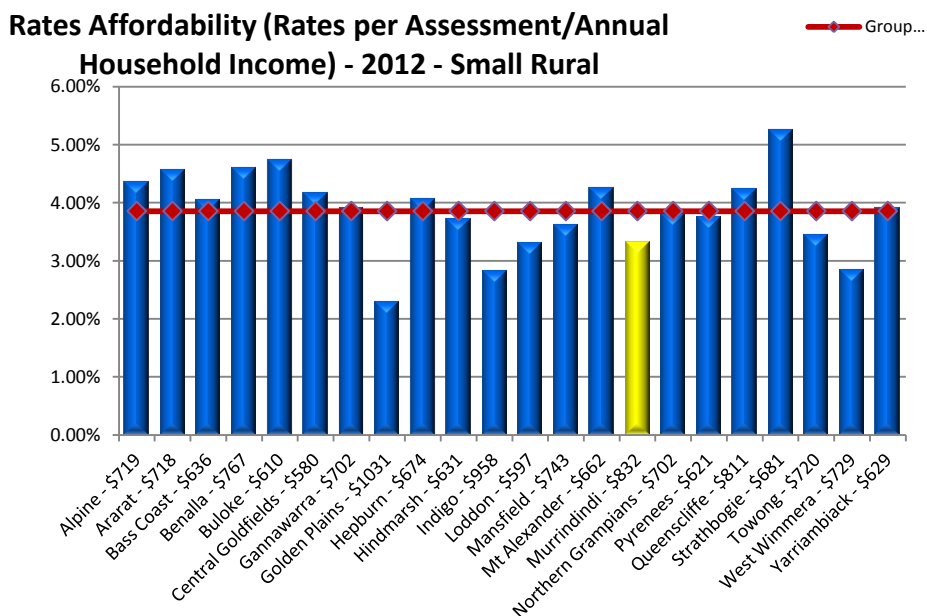
Australian Taxation Office (ATO) income data for wage and salary earners (PAYE) can be used to give some indication of rates affordability.

The Australian Bureau of Statistics (ABS) produces a set of social and economic indices known as SEIFA.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

These indices arising from 2011 are not yet available. However, recent work undertaken for Council has compared Murrindindi to other small rural Councils.

This work noted that Murrindindi's capacity to raise revenue from rates and charges is moderately low relative to other like Councils.



Population growth

Population changes have a direct impact on Council costs. For example, population declines can result in higher unit costs of service delivery because of the fixed nature of some costs. There is a direct correlation to population and Council's comparatively low rate base. From 13,672 in 2006 to 13,058 in 2011 the overall population of the Shire declined by some 4.4% and the 2009 Bushfires contributed to this overall decline. Another contributor to Council's reduced rate base is the effect of the State Government Buy Back scheme which has also diminished Council's revenue from rates by some 0.2%.

3.3.2 Victoria Auditor General

The Victoria Auditor General's Office (VAGO) in late 2007 prepared a report on Local Government which outlines for the first time a detailed analysis on the financial sustainability of Councils and Regional Library Corporations.

The 2011/12 Result compared to the five (5) year average for VAGO's indicators of Council viability are:

Risk Ledger

- High risk of short-term and immediate sustainability concerns
- Medium risk of long-term sustainability concerns
- Low risk of sustainability concerns

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017







Indicator	Calculation	Description	Results 2011/12	Five (5) Year Ave	Actual Trend
Underlying result	Adjusted net surplus / total underlying revenue	<p>A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long-term.</p> <p>Underlying revenue does not take into account non-cash developer contributions and other one-off (non-recurring) adjustment</p>	23.73%	5.08%	
Liquidity	Current Assets / Current Liabilities	<p>This measures the ability to pay existing liabilities in the next 12 months.</p> <p>A ratio one or more means there is more cash and liquid assets than short-term liabilities.</p>	2.34	2.54	
Indebtedness	Non-current liabilities/own sourced revenue	<p>Comparison of non-current liabilities (mainly comprising of borrowings) to own-sourced revenue. The higher the percentage, the less able to cover non-current liabilities from the revenues they generate themselves.</p> <p>Own-sourced revenue is used (rather than total revenue) because it does not include capital grants, which are usually tied to specific projects.</p>	27.25%	20.34%	
Self-financing	Net Operating cash flow/ underlying revenue.	<p>Measures the ability to replace assets using cash generated by their operations.</p> <p>The higher the percentage, the more effectively this can be done.</p>	29.20%	19.64%	
Investment Gap	Capital Spend: Depreciation	<p>Comparison of the rate of spending on infrastructure with its depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciating rate.</p> <p>This is a long-term indicator, as capital expenditure can be deferred in the short-term if there are insufficient funds available from operations, and borrowing is not an option</p>	3.58	8.0	
Renewal gap	Renewal and upgrade expenditure / Depreciation	<p>Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1:1 indicate that spending on existing assets is greater than the depreciation rate.</p> <p>Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option</p>	1.61	1.63	

Table 3: Murrindindi Shire Council VAGO Indicators of Council Viability

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Whilst Council's liquidity ratio in 2011/12 is 1:2.34 and is projected as favourable in 2013/14, when taking into account the cash required for restricted purposes and the investment required to meet the renewal gap, cash is not being generated at sufficient levels. This is exacerbated by the incidence of recurrent deficits and reflects the impact of costs associated with maintaining gifted assets.

3.4 Operating Surplus Exclusive of Capital Income and Abnormal Items

One of Murrindindi Shire Council's long-term financial goals is to achieve an operational surplus without the inclusion of any capital income (against which there is no matching expenditure in the operating statement) and abnormal items such as granted assets.

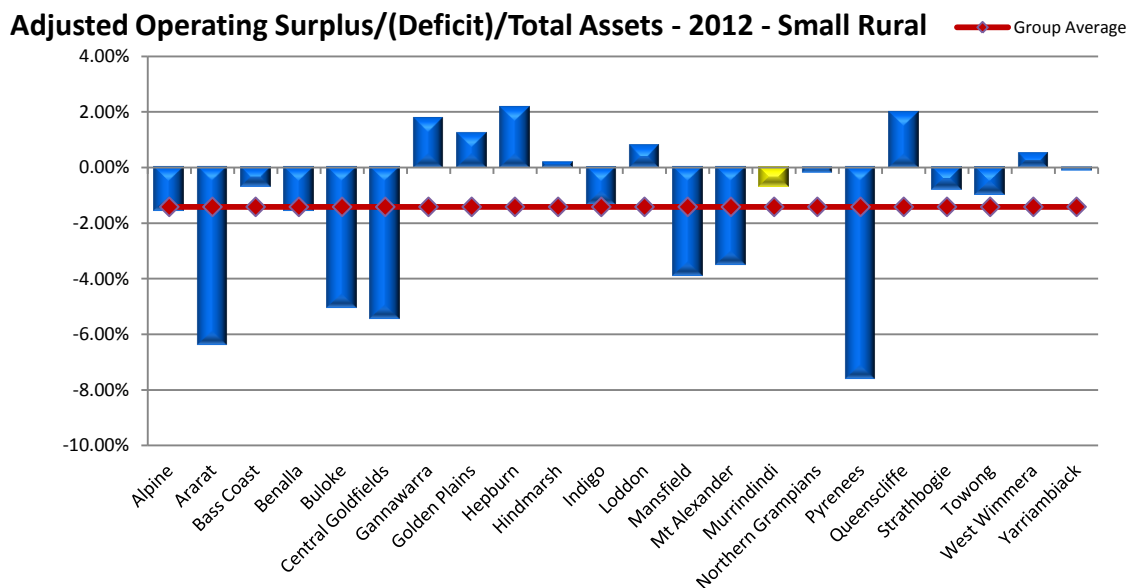


Chart 2: Adjusted Surplus / Deficit – 2011/12

Council's 2011/12 position compares favourably within the small rural council category at \$2.14 million for underlying operating deficit. However Council's underlying position for 2012/13 and 2013/14 is a \$7.01 million deficit and a \$4.82 million deficit respectively. It is clear that with ongoing underlying operating deficits over the next ten years that assistance from the State Government is crucial for Council's long term sustainability.

3.4.1 Strategic Direction

1. That Murrindindi Shire Council continues to benchmark with other Victorian councils and those within the small rural council category.
2. Council has applied the outcomes of this SRP to the 2013/14 Budget.
3. That in order to reduce ongoing underlying operating deficits, Council will require State Government assistance beyond 2013/14.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

4. SERVICE PROVISION AND PLANNING

4.1 Introduction

The range and level of services that Council can provide was considered as part of the development of the Murrindindi Services Review 2012.

This review recognised that as a result of the new and gifted assets arising from the February 2009 bushfires, Council must reconsider the level of services that can be provided. The Services Review actions, in relation to specific service levels, was completed in 2012-13, however, opportunities for further efficiency gains and income from asset sales will be continued through the life of this SRP.

In addition, as part of the work being undertaken as part of Council's Asset Management Planning processes, service levels will also be considered.

4.1.1 Departmental Business/Operation Plans

Council has instituted a process whereby departmental business plans define concise actions/plans and outline a department's commitment for the next financial year.

They illustrate core functions, service improvements and assist with forward planning and resource allocation and demonstrate relationships and expectations, both from within and external to the organisation.

4.1.2 Murrindindi Shire Council Budget

Council's operation includes provision of building, planning, economic development services, community services, infrastructure planning, operations and corporate support services including finance, information technology, asset management and organisation development.

The LTFP Model generated the key results and reports which were transferred to the Murrindindi Shire Council Budget 2013/14.

Council's operating costs and revenues for 2013/14 are \$31.12 million and \$31.15 million respectively with forecasts for the next 10 years contained in Appendix C. The Capital Works Program is explained in more detail in Section 5.

4.1.3 Benchmarking Murrindindi Shire Council Financial Performance

When benchmarked to other small rural councils, Murrindindi Shire Council is characterised by:

- underlying deficit.
- Medium level overall operational costs (including employee costs) in comparison to Councils in the category.
- High rating effort.
- Acceptable to low debt ratios, and
- Inadequate capital works program for asset renewal causing widening of the infrastructure renewal gap.

4.2 Conclusion

Managing its financial sustainability and the range and level of services provided will remain an ongoing challenge for Council. This work continues in the context of improving financial sustainability, linking infrastructure planning to service planning and resource constraints as well as Council's advocacy for State Government assistance.

Council has demonstrated clear decision making in allocating scarce resources as part of the implementation of the Murrindindi Services Review. However, this SRP demonstrates that even with

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

prudent financial management cash is not generated to sufficient levels.

5. CAPITAL WORKS PROGRAM

5.1 Introduction

The previous section discusses the long-term issues with respect to *Service Planning*.

It should be noted that 56 per cent of the capital expenditure is on renewal and upgrade type projects in the capital works program for 2013/14.

The total capital program of \$10.25 million is composed of \$4.50 million in new assets and \$5.75million in renewal and upgrade.

This section includes:

- Level and nature of capital works.
- Capital funding sources.

Capital expenditure represents 65.54 percent of rate revenue in 2013/14. The benchmark for 2011/12 capital expenditure levels by small rural councils is illustrated below:

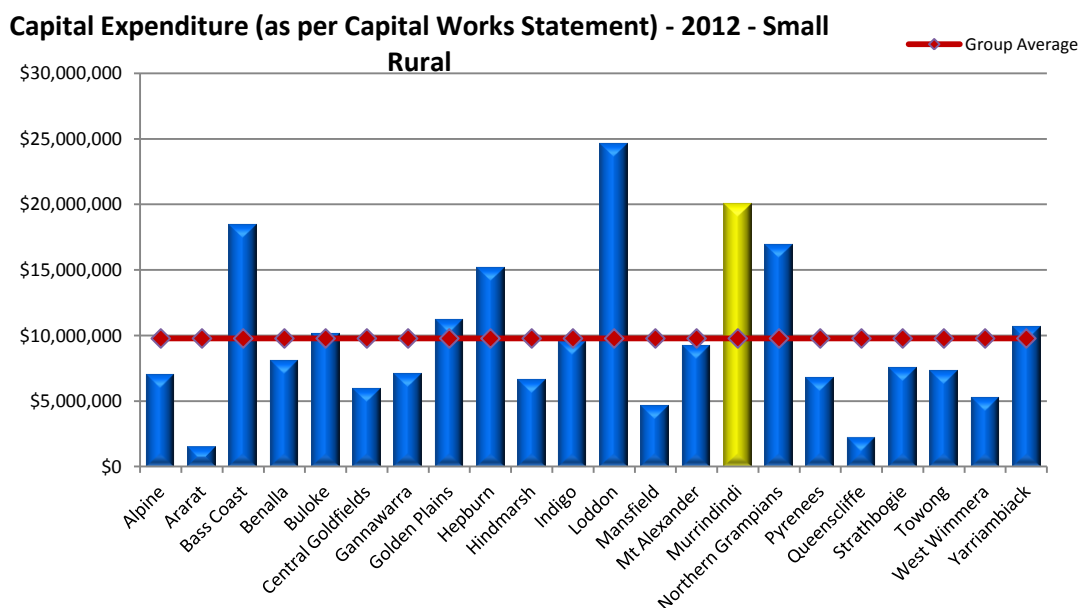


Chart 3: Capital Expenditure per Capital Works Statement – 2011/12

Capital expenditure is \$19.98 million in 2011/12 being higher than the average of \$10.00 million. Capital expenditure per assessment in 2011/12 is \$698 per assessment compared to \$1,265.15 for the average Small Rural's. The level of capital expenditure in that period represented an abnormal amount of expenditure attributable to Bushfire and Natural Disaster funded works in that year. The focus from 2013/14 onwards is on renewal works as opposed to new and upgrade works in order to address the Infrastructure Renewal Gap and will return to 'normal' levels of expenditure.

5.2 Level and Nature of Capital Works

The following are the key objectives around which the 2013/14 capital works program has been developed:

- Show proposed total available capital funding across the life of the program,

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

- Gradually shift capital expenditure away from new and upgrade to renewal.
- Demonstrate the effect of generating an infrastructure reserve,
- Set the parameters that facilitate the development of a more detailed capital works plan, and
- Identify funding sources for capital funding.

In terms of the longer term program to 2022/23 the following parameters/assumptions apply:

- Large one-off projects flagged in subsequent years require accurate costing to be undertaken and their timing and priority finalised.
- Priority will continued on renewal, followed by upgrade with expansion the most discretionary.
- Expenditure growth is required to a level of sustainable renewal to meet the community's service level requirements (based on current Asset Management Plans) by 2020/21.
- Income assumptions are to remain conservative given they are less predictable, and
- Roads to Recovery income is assumed to continue at current level spread across relevant projects within the Roads Program.
- Investment on reducing the renewal gap has been factored in for the life of the Long Term Financial Plan.
- Whilst Council's focus is to invest in renewal projects through to 2023, there is insufficient generation of cash to close the unfunded Infrastructure renewal gap over the next 10 years. The overarching concern is that without State Government assistance, the Infrastructure Renewal Gap will continue to accumulate for the life of the Long Term Financial Plan and beyond.

5.3 2013/14 Capital Investment Levels

The 2013/14 capital works program by expenditure type is detailed hereunder:

Table 4: Capital Works Summary – 2013/14

Capital Expenditure Type	2013/14 \$	2013/14 %
Renewal	4,501,000	44.0%
Upgrade	1,165,000	11.0%
New	4,588,000	45.0%
TOTAL	10,254,000	100.0%

5.4 Capital Funding Sources

The development of a 10-year capital improvement program has enabled a cash flow budget to be developed.

External capital funding sources primarily include capital grants.

Internal capital funding sources include land sales, asset sales, special charge schemes and general rates. The SRP forecasts capital funding sources conservatively.

Over the longer term there is insufficient cash to close the Infrastructure Renewal Gap which accumulates by approximately \$1.50 million per annum. There is little capacity in terms of cash to consider the expansion of new and upgrade capital works projects.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

5.5 Conclusion

Council's capital works program underpins the needs and priorities as determined by Council's 10 year capital improvement plan.

Council has met the challenge of preparing Asset Management Plans to achieve NAMA core competency and is now progressing the implementation of the Improvement Actions from these Plans.

Their input into the annual review of the capital works program will ensure that Council's objective of addressing its renewal gap.

Council's 10 year capital improvement program is modest in scope and is underpinned by limited financial capacity.

5.5.1 Strategic Direction

That Murrindindi Shire Council initially focuses capital works on renewal investment based on current service level and maintaining the majority of assets above desired intervention levels indicated in Table 7 (Section 6.6 Condition Assessment), with the next priority on upgrade and expansion.

6. ASSET MANAGEMENT

6.1 Introduction

Linking asset management to Council's strategic financial direction is fundamental to achieving the goal of long-term financial sustainability.

This section includes:

- Background to Council's total asset portfolio at 30 June 2013.
- Summary of fixed assets.
- Key questions to determine service level/investment.
- Sustainability index.
- Condition assessments.
- Strategic asset management, and
- Future asset management.

6.2 Background to Council's Total Asset Portfolio at 30 June 2013

Accounting for an asset requires the recognition of all costs associated with asset ownership including creation/acquisition, operations, maintenance, rehabilitation, renewal, depreciation and disposal.

This "life cycle" approach needs to be recorded at an individual asset level to enable all costs of owning and operating assets are known and understood.

For accounting purposes assets are grouped into current and non-current assets. Current assets are cash or those assets that are considered to be readily convertible to cash. This asset grouping includes cash at bank, investment funds, stock on hand, debtors and land held for resale. The projected balance of current assets held by Murrindindi Shire Council at 30 June 2013 is projected to be \$17.20 million.

Non-current assets consist of Council's debtor accounts not expected to be collected in the coming 12 months and Council's fixed assets. Fixed assets consist of land, buildings, plants, furniture, roads, drains, playgrounds and other similar infrastructure assets. The projected total value of fixed assets at 30 June 2013 is \$298.12 million. The balance of this section will focus on the fixed assets and the management strategies that Council is pursuing.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

6.3 Summary of Fixed Assets

Councils all over Australia are facing the problem of ageing assets in need of renewal. Many of these assets were not initially funded by councils, but came by State and Federal government grants, developer contributions, or from a shift of responsibilities for State owned assets to Local Government.

In December 1998, the then Department of Infrastructure (DOI) undertook a Victorian Local Government Infrastructure Study – “Facing the Renewal Challenge”.

Council has subsequently increased its investment in renewal and maintenance to the present level.

Council’s projected fixed assets at 30 June 2013 are detailed below:

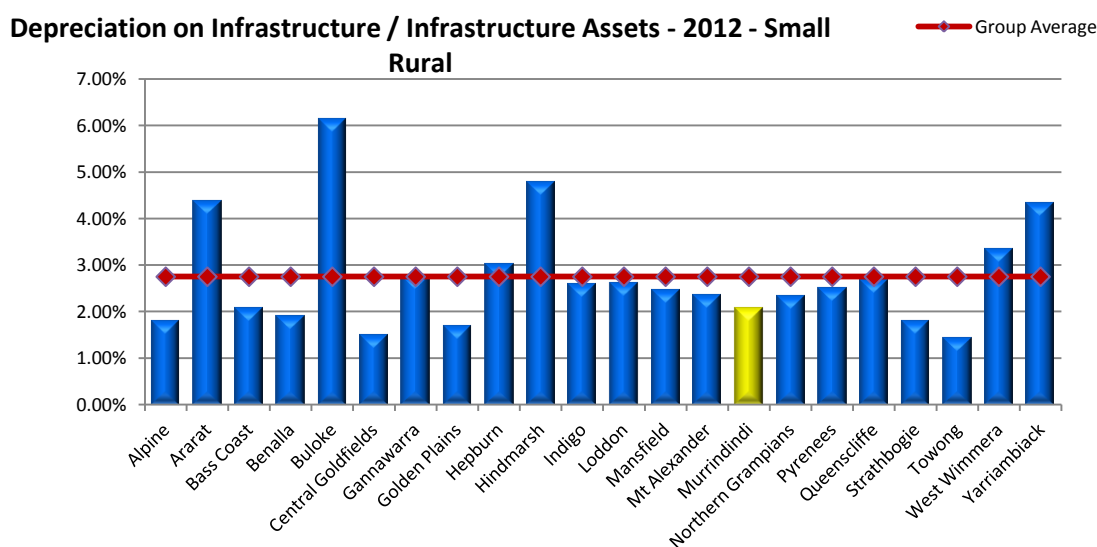
Fixed Assets	WDV 30 June 2013 \$000’s
Property Plant and Equipment	29,533
Infrastructure Assets	268,583
TOTAL	298,116

Table 5: Fixed Assets and Land Held for Resale – 2012/13

Depreciation charges, that is, the useful life and the rate at which the economic benefits are consumed, is reassessed following asset condition assessments and when general valuations are undertaken.

All changes to depreciation charges have been passed by Council’s external auditor and reported to Council’s Audit Committee prior to being adopted by Council. The increase of depreciation charges in 2013/14 is also reflective of Rail Trail and gifted assets being brought to account. The increase in depreciation charges going forward has the effect or requirement to set aside additional cash for renewal of new and gifted assets.

Council’s depreciation charges as a percentage of its total assets are benchmarked and depicted in the following graph:



Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Chart 4: Depreciation on Infrastructure/Infrastructure Assets – 2011/12

6.4 Sustainability Index

The Department of Infrastructure's (DOI's) "infrastructure study" calculated a sustainability index for each Victorian council. The sustainability index indicates the extent of the gap between a council's current investment in asset renewal and the required level of investment to ensure the asset remains serviceable for its useful life. This is determined largely by historical factors and the long term sustainable level of costs for the existing assets. The index measures future management requirements of each council.

Type of Expenditure	Definition	Purpose/Example
Maintenance	Expenditure on an asset that maintains the asset in use, but does not increase its service potential or life.	Life extension: Extending asset lives by repair, reducing average annual consumption costs and renewal rates, eg. Repairing a single pipe in a drainage network or a pothole.
Capital Renewal	Expenditure on an existing asset or a portion of an infrastructure network which returns the service potential, or extends the life of the asset, to its original potential.	Retains an existing service level, e.g. Re-sheeting a road reseals, resurfacing an oval.
Capital Upgrade	Expenditure on upgrading the standard of an existing asset to provide a higher level of service, or to extend the life of the asset beyond its original standard.	Increases the quality of service provided to ratepayers or provides new services, eg. Widening the pavement of a sealed area of an existing road.
Capital Expansion	Expenditure on extending an infrastructure network at the same standard enjoyed by existing residents to a new group of users.	Extends services to newly developing areas of the Shire where there are new ratepayers, eg. Extending a road or drainage network, new pre-school.
*The average annual asset consumption is a measure of the asset consumption costs being incurred today. To the extent that they are not funded by today's ratepayers, the annuity becomes one for future generations		

Table 6: Sustainability Index – Definitions – 2013/14

The sustainability index is an accounting measure based on the difference, expressed as a percentage, between Council's annual depreciation charge and renewal annuity.

Murrindindi Shire Council's Sustainability Index projected at 30 June 2014 is 65.00%. The sustainability Index (renewal) indicates the extent to which current ratepayers are contributing to the assets they are now consuming.

As identified in Section 1.3 Council has also participated in the Local Government Financial Sustainability Review. This has highlighted the challenges facing small rural municipalities in maintaining their long term financial sustainability.

6.5 Condition Assessment

Monitoring asset condition and performance relates to the ability of the asset to meet targeted levels of service.

Asset condition reflects the physical state of the asset and the functional level of service it is capable

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

of providing.

Monitoring asset condition and performance throughout the asset life cycle is important in order to identify underperforming assets or those which are about to fail – that is, assets at the critical renewal level where if reinvestment is not funded the cost of future renewal will exponentially increase along with the risk of the asset being below accepted service levels .

Murrindindi Shire Council has developed its Asset Management System to to readily monitor asset condition and performance and to:

- Identify those assets which are under performing.
- Predict asset failure in order to determine when intervention will be required.
- Ascertain the reasons for performance deficiencies, and
- Determine what corrective action is required and when (maintenance, rehabilitation, renewal).

The Asset Management System records asset condition and asset defects/inspection details; it is also capable of providing financial management and year-end accounting and valuation data.

Priority is on funding the annual renewal annuity based on predetermined service levels which are shown in the table below.

MURRINDINDI COUNCIL – ASSET CONDITION INTERVENTION LEVELS	
ASSET SET	IL LEVEL
Pavement (High Traffic) Urban	8.0
Pavement (Low Traffic) Urban	8.0
Pavement (High Traffic) Unsealed	8.0
Pavement (Low Traffic) Unsealed	8.0
Spray Seal (High Traffic) Urban	6.0
Spray Seal (Low Traffic) Urban	6.0
All Kerbs	8.0
Pavement (High Traffic) Rural	8.0
Pavement (Low Traffic) Rural	8.0
Spray Seals (High Traffic) Rural	6.0
Spray Seals (Low Traffic) Rural	6.0
Carpark Pavements	8.0
Carpark Seal	6.0
Concrete Pathways & areas	9.0
Brick Paved Pathways & areas	8.0
Sealed Pathways	8.0
All other Pathways	9.0
Long Life Bridges	8.0
Short Life Bridges	7.5
Pits	9.0
Pipes	9.0
Community Build Structure Long Life	8.0
Community Build Structure Short Life	8.0
Community Build Roof Structure	8.0

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

MURRINDINDI COUNCIL – ASSET CONDITION INTERVENTION LEVELS	
ASSET SET	IL LEVEL
Community Build Mechanical Services	8.0
Community Build Building Fit Out	8.0
Playground Equipment	7.0
Corporate Build Structure Long-Life	8.0
Corporate Build Structure Short-Life	8.0
Corporate Build Roof-Structure	8.0
Corporate Build Mechanical-Services	8.0
Corporate Build Building Fit-Out	8.0

Table 7: Asset Condition Intervention Levels– 2012/13

Council has recent condition data for the majority of its major asset categories and has completed Asset Management Plans.

The benefits of knowing the current condition and performance (level of service) an asset provides are:

- Ability to plan for and manage the delivery of the required level of service.
- Avoid premature asset failure, leaving open the option of cost-effective renewal.
- Manage risk associated with asset failures.
- Accurate prediction of future expenditure requirements, and
- Refinement of maintenance and rehabilitation strategies.

Council, as asset manager, assess the relative merits of rehabilitation, renewal or replacement as options and identifies the optimum long-term solution. The following graph depicts the predicted level of renewal expenditure required across all asset categories for Murrindindi Shire Council from 2013-2023.

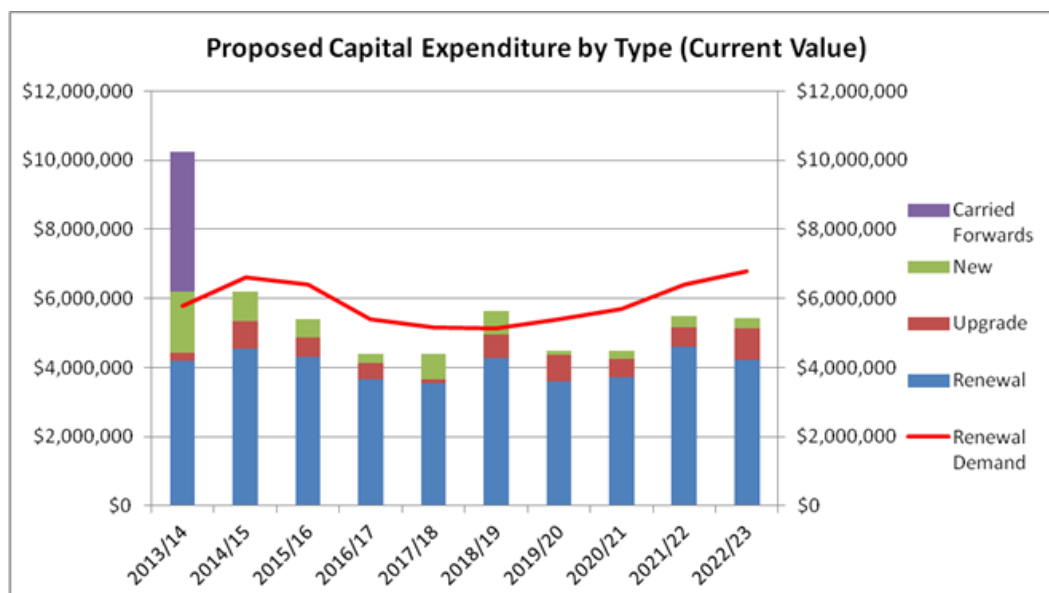


Chart 5: Proposed / Predicted Renewal Expenditure Chart – 2022/23

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

6.5.1 Projected Service Levels – Key Asset Classes

Murrindindi Shire Council’s sustained level of growth and the significant levels of new and gifted assets coming onto the asset data base mean that the costs to renew the assets in future years will increase significantly. Current results derived from the Murrindindi Shire Council Long Term Financial Plan are summarised in the following Charts showing the majority of expenditure allocated to renewal. The charts also indicate the ratio of renewal expenditure to renewal demand expressed as a percentage.

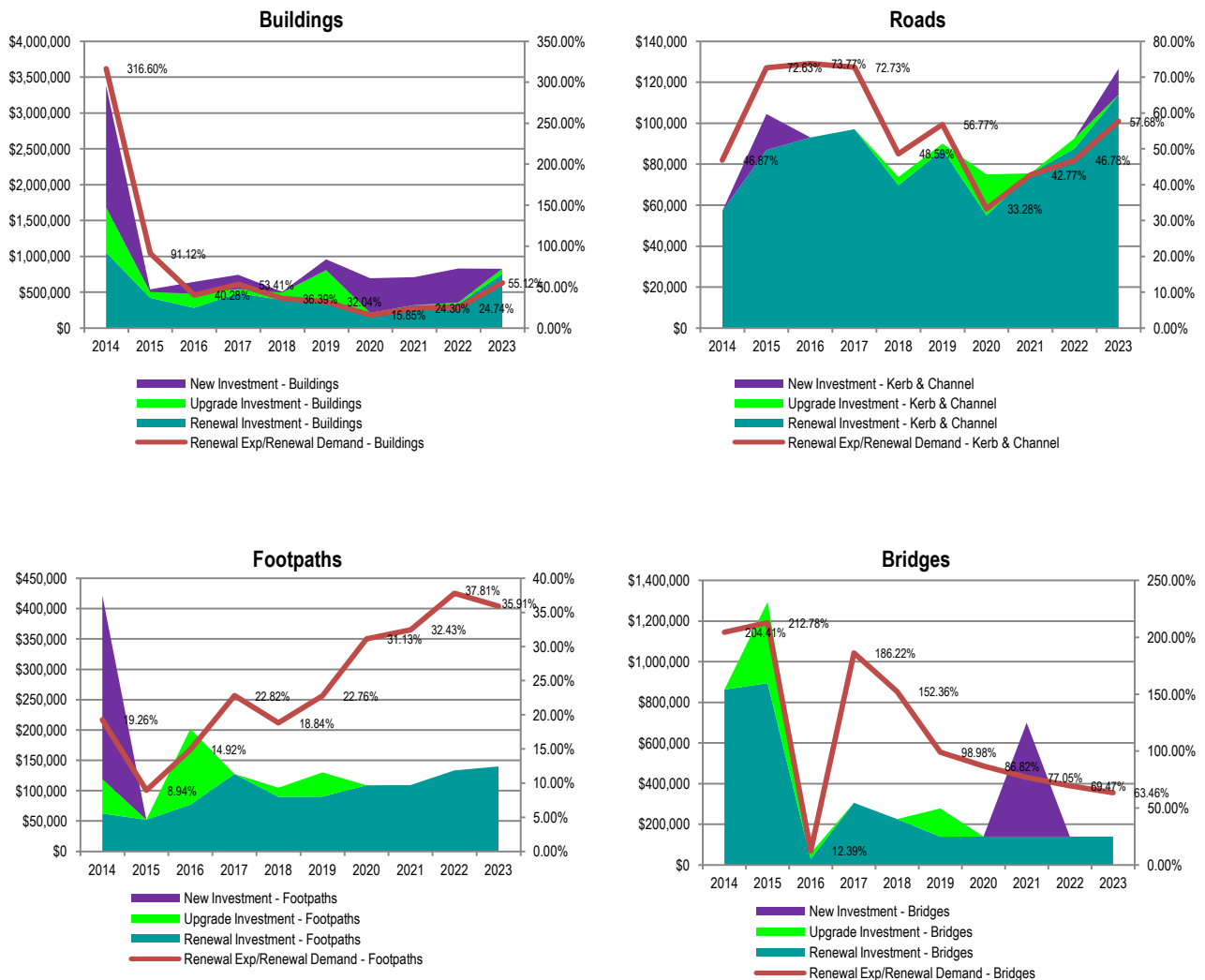


Chart 6: Predictive Modelling – Buildings, Roads, Footpaths and Bridges

6.6 Strategic Asset Management

Council reviews its Asset Management Policy reviewed on a triennial basis.

Other major elements are the Asset Management Strategy which details specific actions to be undertaken by Council to improve asset management capability and achieve specific strategic objectives.

Asset Management Plans are subsequent components where long-term plans (10-years and beyond) outline renewal requirements for each asset category.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

The table below explains the purpose and typical contents of these documents:

Asset Management Strategy	Asset Management Plans
Specific actions to be undertaken by Council in order to improve or enhance asset management capability and achieve specific strategic objectives.	Long-term plans (usually 20 years or more for infrastructure assets) that outline the asset activities for each service area.
<i>Develops a structured set of actions aimed at enabling improved asset management by Council.</i>	<i>Outlines actions and resources to provide a defined level of service in the most cost effective way.</i>
<ul style="list-style-type: none"> • A description of the current status of asset management practices (processes, asset data and information systems). • Organisation's future vision of asset management. • A description of the required status of asset management practices to achieve the future vision. • Identification of the gap between the current status and the future vision (a "gap analysis"). • Identification of strategies and actions required to close the gaps, including resource requirements and timeframes. 	<ul style="list-style-type: none"> • A summary of Council's strategic goals and key asset management policies. • Definition of levels of service and performance standards. • Demand forecasts and management techniques. • Description of the asset portfolio. • A broad description of the lifecycle management activities for operating, maintaining, renewing, developing and disposing of assets. • A cash-flow forecast. • Key asset management improvement actions including resources/ timeframes.

Table 8: Asset Management Plan Objectives & Document Content

Council has identified the asset renewal demand, however planned renewal expenditure is insufficient to avoid an accumulating renewal gap over the next 10 years.

7. LONG-TERM BORROWING STRATEGIES

This section includes:

- Measuring what level of debt is appropriate.
- Loan borrowings policy.
- Financial indicators.
- Prudent debt level, and
- Council's current and projected debt portfolio.

7.1 Measuring which level of Debt is Appropriate

Deciding on a prudent debt level is a difficult task.

Each Council is different and the level of debt that is appropriate for Council may not be acceptable for another Council.

The following factors are important issues for Council:

- level of debt servicing as a proportion of rate revenue.
- ability to raise revenue in addition to rates.
- level of realisable assets to support the indebtedness.
- achieving the right mix of capital works and debt commitments.
- growth rate of municipality.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

- community needs, and
- demographics

The table below highlights the relative debt levels of Councils within the Small Rural Council grouping at 30 June 2012. Council's relative debt level is also shown.

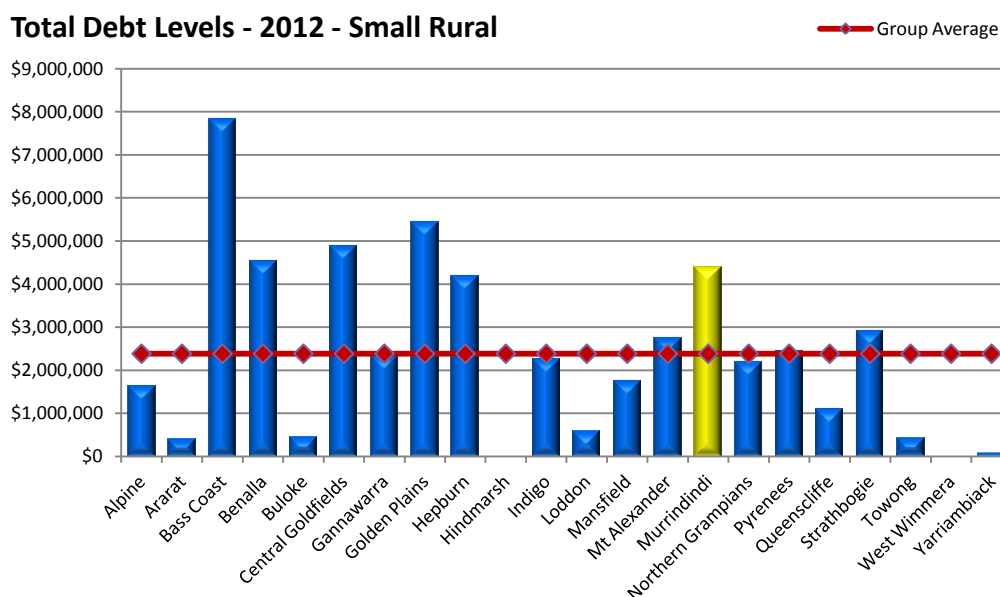
Council	Debt Servicing / Adj. Total Revenue	Debt Commitment / Rates	Total Liabilities / Realisable Assets	Debt Commitment / Own Source Revenue	Total Debt / Own Source Revenue	Total Debt / Rate Revenue
Alpine	0.41%	2.51%	2.38%	2.01%	9.64%	12.04%
Ararat	0.06%	0.53%	0.64%	0.45%	2.82%	3.33%
Benalla	1.49%	9.19%	5.87%	7.58%	27.95%	33.88%
Buloke	0.44%	1.51%	1.15%	1.27%	4.02%	4.77%
Central Goldfields	1.56%	5.39%	6.34%	4.10%	37.11%	48.79%
Gannawarra	0.79%	5.15%	3.47%	3.72%	17.60%	24.37%
Golden Plains	1.24%	16.60%	7.99%	8.85%	23.59%	44.27%
Hepburn	0.85%	5.15%	4.58%	2.92%	16.21%	28.58%
Hindmarsh	0.11%	0.31%	0.00%	0.22%	0.00%	0.00%
Indigo	0.52%	5.16%	2.56%	3.39%	12.94%	19.70%
Loddon	0.15%	2.17%	0.76%	1.18%	4.08%	7.49%
Mansfield	0.98%	5.68%	4.96%	3.09%	9.65%	17.70%
Mt Alexander	0.73%	3.61%	4.01%	3.14%	15.18%	17.47%
Murrindindi	1.24%	7.25%	4.07%	5.07%	22.62%	32.33%
Northern Grampians	0.67%	5.69%	2.43%	5.02%	15.13%	17.16%
Pyrenees	1.14%	6.50%	3.91%	5.02%	27.40%	35.42%
Queenscliffe	0.98%	8.14%	1.91%	5.77%	14.36%	20.25%
Strathbogie	0.83%	4.80%	4.03%	4.10%	19.24%	22.54%

Table 9: Council Comparison Debt Levels within Small Rural Council Group – 2011/12

In terms of total debt levels, Murrindindi Shire Council is generally higher than the Small Rural Council grouping, refer to the chart below. However, over the life of the Long Term Financial Plan, Council's debt level diminishes from \$3.70 million in 2013/14 to \$2.17 million in 2022/23.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Chart 7: Comparison of Total Debt Levels within Small Rural Group



In order to track the trend in Council debt position, the table below confirms that debt levels will decrease by \$0.425 million from 30 June 2011 to 30 June 2014, the end of the first year's budget developed as part of the SRP.

Despite the increase in loan liability, relative debt ratios for the Council will remain well within State Government Prudential Guidelines throughout the life of the SRP and become more favourable as the level of debt reduces over the life of the Long term Financial Plan.

Table 10: Council's Interest Bearing Liabilities

Debt Type	Term	Matures	Position at 30 June 2011 \$'000s	Forecast at 30 June 2012 \$'000s	Forecast Position at 30 June 2013 \$'000s	Budget 30 June 2014 \$'000s
Loans			4,125	4,377	4,059	3,700

7.2 Borrowing Assessment Policy

Murrindindi Shire Council assessed its capacity to borrow against the Victorian State Government's Prudential Guidelines.

The administration of the Local Government sector's borrowing involves:

- The collation of the sector's borrowing requirements through an annual survey.
- The assessment of individual Murrindindi Shire Council's borrowings, and
- Recommendation to the Department of Treasury and Finance (DTF) of the aggregate net new borrowing requirement of the sector.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

All borrowings by individual Councils are assessed under a borrowings assessment policy adopted by the Local Government Division.

The policy identifies key areas of financial management with certain thresholds that are required to be met.

Detailed below is Murrindindi Shire Council's current and projected performance on a number of the financial indicators which are necessary for borrowing approval by State Government.

Table 11: State Government Prudential Guidelines– 2011/12 to 2013/14

Area	Financial Indicator	Threshold (Prudential Guidelines)	Position 2011/12	Forecast 2012/13	Budget 2013/14
Liquidity	Current Assets to Current Liabilities	1.5	2.3	2.1	2.0
Debt Exposure	Total liabilities over total realisable assets	50%	4.1%	8.7%	8.7%
Debt Servicing	Debt Servicing Costs as a % of Total Revenue	5%	1.0%	0.9%	1.0%

7.3 What do the Financial Indicators Mean?

Murrindindi Shire Council is well within the State Government Prudential Guidelines as at 30 June 2014.

The graphs below detail the previously mentioned financial indicators and present the council's position graphically.

The threshold detailed against each indicator is the minimum level council must meet in order to achieve approval to borrow from the State Government.

To encourage longer term planning by councils, the framework also includes an assessment of reasons for the new borrowings. This rationale is explained in the council's policy, which is to fund long term intergenerational assets from loan funds to ensure intergenerational equity.

Murrindindi Shire Council's forecast is within the State Government prudential guidelines at 30 June 2012 for most indicators and continue to trend on a favourable basis through to 2022/23. However, whilst these indicators may seem favourable, Council's liquidity, as expressed in the Liquidity Ratio and in terms of being able to meet an accumulated unfunded Infrastructure Renewal Gap is insufficient.

7.3.1 Liquidity

How measured Current assets over current liabilities

Threshold 110 percent or higher

Description This indicator reflects the short-term liquidity position. That is, the council's ability to repay current commitments from cash or near cash assets.

Councils with a ratio of 110 % and below or with a deteriorating trend may be Financially at risk of not being able to meet creditors'. Whilst the Liquidity ratio trends above 110 for the life of the SRP and Long Term Financial Plan, it is not sufficient to cover the cash requirement needs to address an accumulating Infrastructure Renewal Gap.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

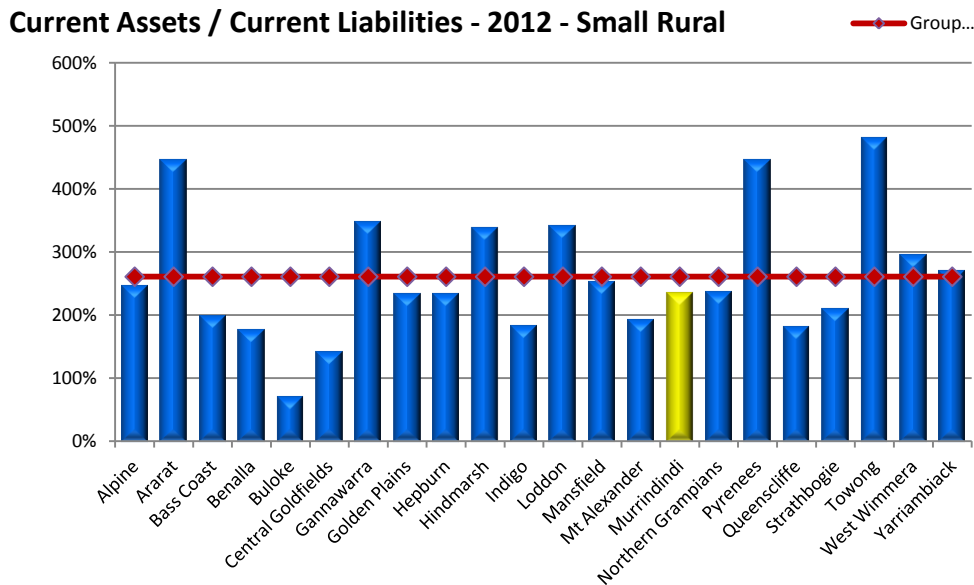


Chart 8: Current Assets / Current Liabilities – 2011/12

Murrindindi Shire Council's working capital ratio as at June 30, 2012 was 230 percent (that is, current assets over current liabilities), which is well in excess of the 110 percent benchmark, which would be the minimum acceptable level. In the longer term it can be seen that Council's overall debt level is declining, servicing debt at a higher level than the level of new borrowings.

7.3.2 Debt Exposure

How measured Total liabilities over total realisable assets

Threshold 50 percent or below

Description This indicator reflects the ability to acquit liabilities with the proceeds from the disposal of its realisable assets. Ideally, total liabilities should be less than 50 percent of realisable assets.

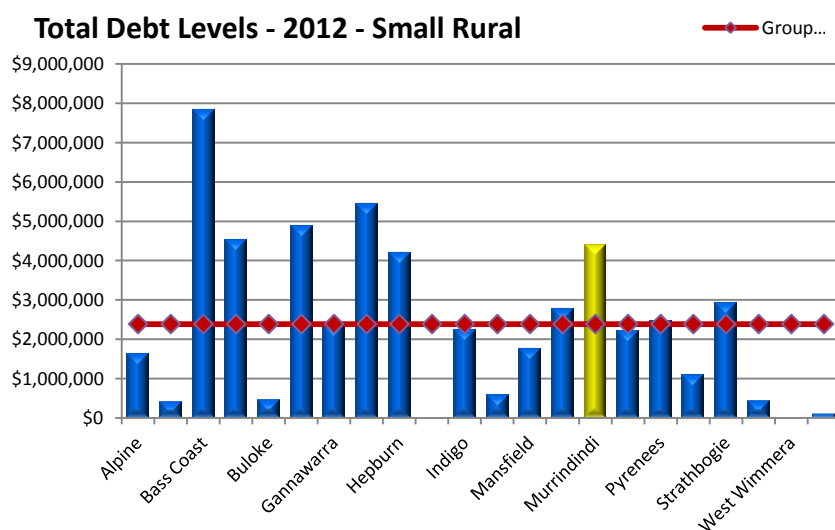


Chart 9: Debt Exposure – Total Liabilities / Total Realisable Assets – 2011/12

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Murrindindi Shire Council's exposure of 4.1 percent as at June 30, 2012 is below both the state and Small Rural's average and the 50 % benchmark. This indicator improves as debt levels diminish over the next 10 years from 8.7% in 2013/14 to 4.1% in 2022/23.

7.3.3 Debt Management

How measured Total debt as a percentage of rate revenue

Threshold 80 percent or below

Description The Local Government Act 1989 requires that all loans are secured against the revenue stream from rates. A council with total debt in excess of the revenue from rates would be unable to meet all debt commitments from rate revenue should they be required to be paid at one time. A threshold of 80 percent has been set.

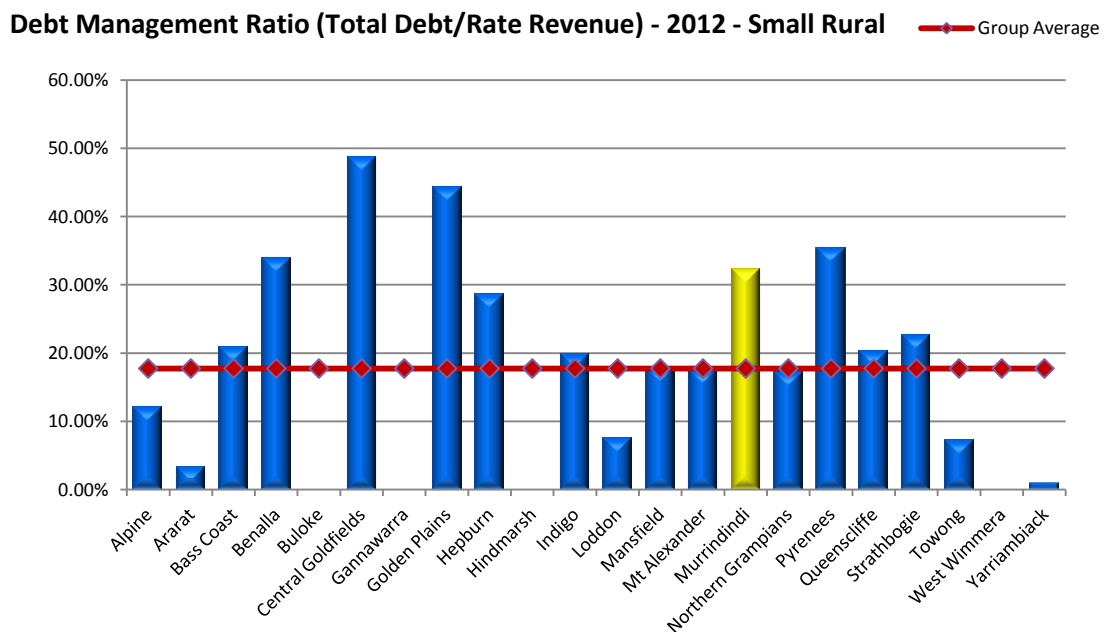


Chart 10: Total Debt as a Percentage of Rate Revenue – 2011/12

Murrindindi Shire Council's debt as a percentage of rate revenue as at June 30, 2012 was 32.7 percent, which is well below the 80 percent benchmark and both the state and Small Rural's average.

This is expected to reduce 23.6% in 2013/14 to 8.2% in 2022/23.

7.3.4 Debt Servicing

How measured Debt servicing costs as a percentage of adjusted total revenue

Threshold 5 percent or below

Description This indicator reflects the proportion of total revenue that is used to service debt (interest on outstanding debt and any loan administration charges) and which cannot be used directly for service delivery. A threshold of 5 percent has been set.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

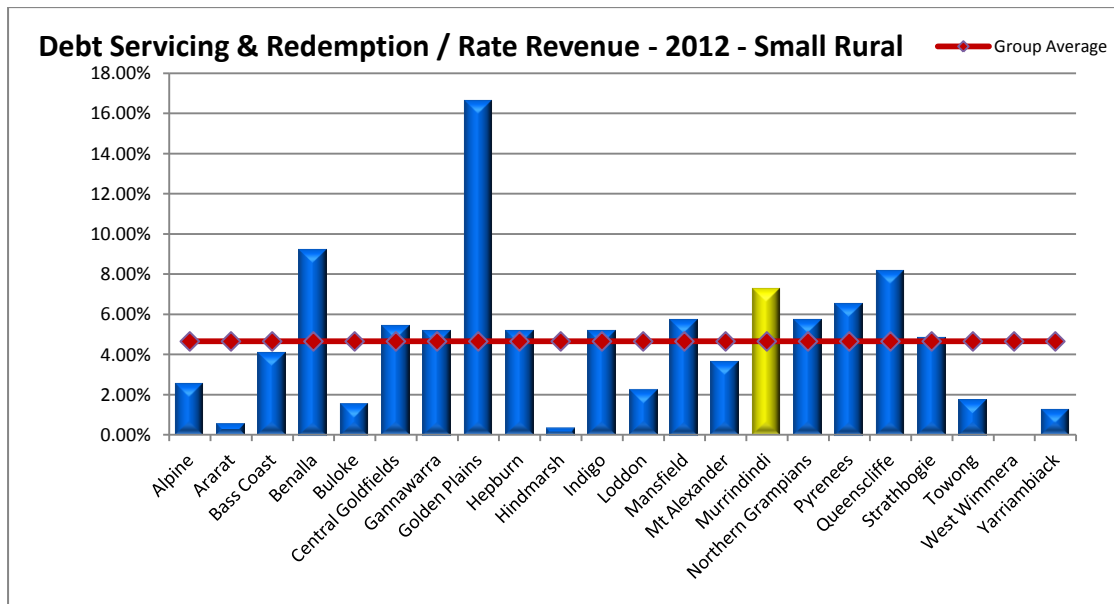


Chart 11: Debt Servicing Ratio (Interest/Total Revenue) – 2011/12

The Murrindindi Shire Council's projected ratio is 0.9 percent at 30 June 2013, has been part of Council's strategy of taking loans over a longer period of time that allows an allocation over each generation of ratepayers and equitable share of the longer term cost of community assets. The Debt Servicing Ratio is below both the State and Small Rural's average and the 5 percent benchmark.

7.4 What is a Prudent Level of Debt?

The following graph introduces an additional financial ratio namely debt commitment costs as a percentage of rates. Debt commitment costs include principal and interest repayments in a year.

The ratio details how much of the Council's rate dollar is being spent to repay debt and interest as an overall percentage of the Council's rate revenue.

This ratio is the most important ratio as it provides the best indicator of the affordability of debt for a community and Council.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

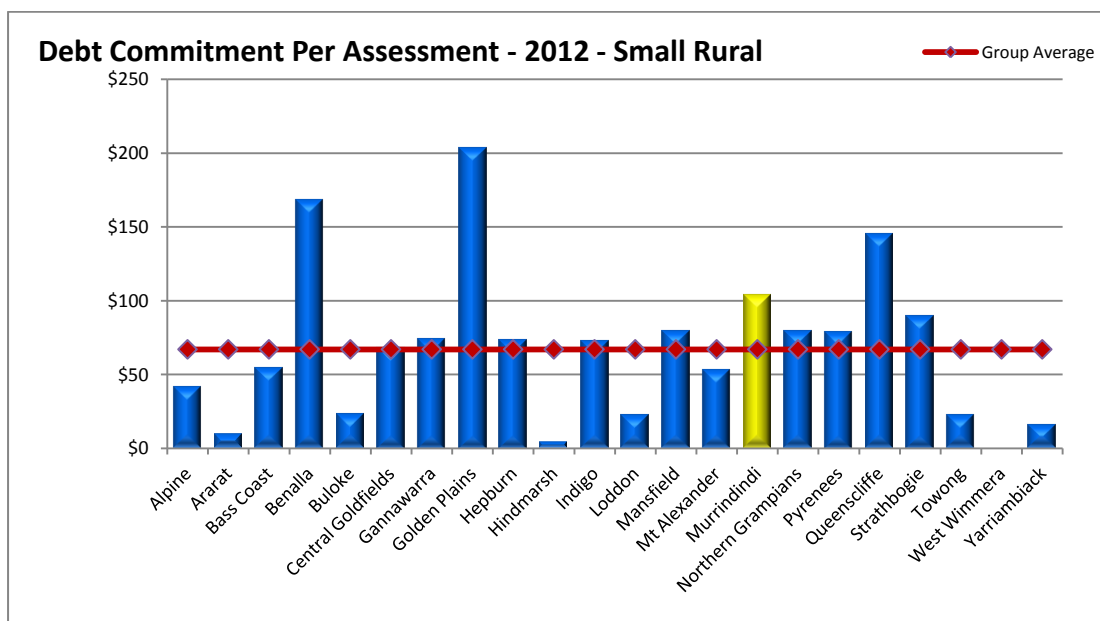


Chart 12: Debt Commitment (per assessment) – 2011/12

Council has determined that a prudent level of debt will not exceed \$500,000 in new borrowings per annum over the next 10 years. On that basis, Council’s overall debt level is projected to diminish.

In 2012/13 7.5 cents in the rate dollar received serviced debt – both principal and interest payments. This is an affordable level and reflects the benefit of taking out loans over a longer period.

In 2013/14 it is proposed that this figure will decrease to 7.2 cents in the rate dollar received.

Debt is generally used to fund capital expansion projects and for 2013-14 these projects have been earmarked as plant and fleet replacement (i.e. It should not be used for renewal or maintenance) when the asset life is greater than one generation (i.e. often described as intergenerational equity).

The intergenerational equity theory is based on the premise that successive generations and new residents should contribute to infrastructure or facilities that they will enjoy and benefit from.

By borrowing, the Council ensures today’s ratepayers are not fully funding these facilities.

There are limits on borrowings due to the costs of interest payments. If the council was to borrow too heavily it would result in an inability to invest in capital works due to funds being consumed in debt repayment. Therefore a balance is important.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

7.5 Future Loan Program

The table and chart below highlight the forecast borrowings. Borrowings are decreasing over time with the extinguishing of pre 2013/14 loans by 2018. The Chart below includes the split between current (payable within 12 months) and the total interest bearing facilities

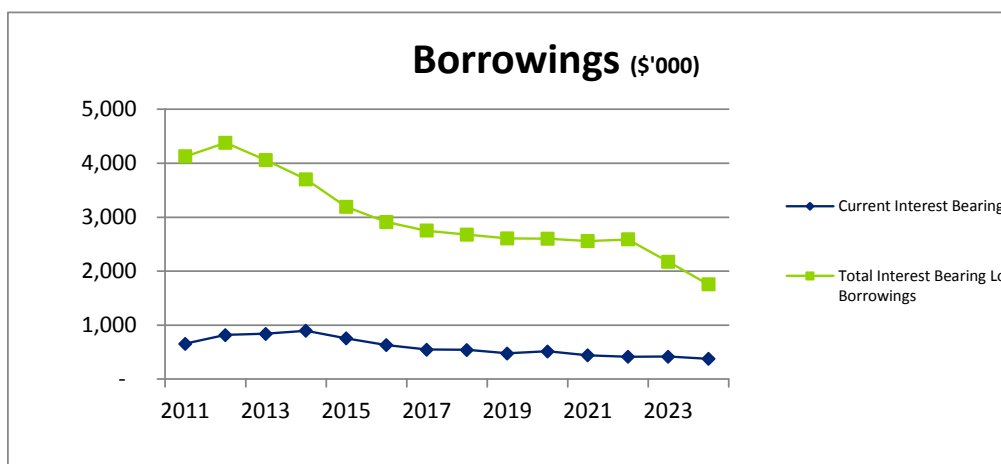


Chart 13: Total and Current Interest bearing Liabilities – 2009/10 – 2022/23

Table 12: Debt, Borrowings and Loan Repayments Summary – 2012/13 to 2022/23

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Total Current Interest Bearing Liabilities	\$'000	841	898	756	632	548	543	479	516	443	416	418
Total Non Current Interest Bearing Loans and Borrowings	\$'000	3218	2802	2436	2277	2202	2133	2128	2085	2116	2173	1755
Total Principal Repayments	\$'000	819	858	1009	782	659	574	570	505	542	470	416
Total Interest Expense	\$'000	337	336	257	232	215	206	199	195	192	190	167
Proceeds from Interest Bearing Loans and Borrowings	\$'000	500	500	500	500	500	500	500	500	500	500	500

7.5.1 Strategic Direction

1. That Murrindindi Shire Council based on compliance with the State Government Prudential Guidelines, borrows funds for plant and vehicle replacements that provide intergenerational equity, and
2. That Murrindindi Shire Council retains its debt servicing and redemption costs at or below 8.0 cents in the rate revenue dollar, towards interest and principal, over the life of this SRP.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

8. RESTRICTED ASSETS

8.1 Introduction

Victorian Councils have traditionally operated with reserve funds that are allocated for specific purposes.

These funds do not have bank accounts of their own but are a theoretical split-up of Council's equity. Discretionary reserves are used only as an indicator of funds for specific purposes and represent what those functions have earned.

8.2 Nature and Purpose of Restricted Assets

Murrindindi Shire Council allocates expenditure for known outlays and revenues, directly to the financial year where the expenditure will be incurred, rather than to specific reserve funds. The traditional transfer to and from reserves is generally no longer undertaken as it is contrary to the requirements of the accounting standards and regulated standard reporting that now applies under the Local Government (Financial and Reporting) Regulations 2004.

The 2013/17 Strategic Resource Plan is framed around having sufficient cash reserves to cover restricted assets which are primarily developer open space contributions, long service entitlements and grant funding.

Murrindindi Shire Council also generally provides for a working capital ratio of 1.5 to meet day to day needs, however, the level of cash is insufficient from 2013-14 onwards with an accumulating Infrastructure Renewal Gap. This is a reflection of ongoing recurrent deficits due to the inclusion predominantly of the cost of gifted assets.

8.2.1 Long Service leave

The *Local Government (Long Service Leave) Regulations 2012* were enacted on 7 February 2012. The changes to the regulations removed the requirement to have a fully funded cash provision based on previous LSL taken. As a consequence of relaxing of this requirement, Council utilised this reserve to offset the call of \$1.9 million from the Defined Benefits Superannuation fund in 2012/13. In recognition that Council needs to fund Long Service Leave calls into the future, Council will provide allocations over the next four years aggregating to 25% of the current Long Service Leave liability when determining its restricted cash requirements. Council continues to recognise employee long service leave entitlements as a liability in accordance with applicable Accounting Standards.

8.2.2 Developer Contributions

Development contribution receipts are payments or in-kind works, facilities or services provided by developers towards the supply of infrastructure (generally by the Murrindindi Shire Council) required to meet the future needs of a particular community, of which the development forms part. This type of contribution is not a stream of revenue that Council can rely on or have discretion over in terms of allocation to a purpose.

8.2.3 Waste Reserve

All income and expenditure relating to waste services is transferred in and out of the Waste Reserve, including capital and operating expenditure. The Waste reserve is effectively a pool of funds reserved for landfill operations, long term rehabilitation of landfills, the operation of kerbside garbage and recycling collection together with the cost of State Government levy increases

8.2.4 Notional Reserves, Amounts held in Trust

It is a requirement of Council to separately identify trust funds or refundable deposits as "restricted assets". While the council is able to access these funds in its day to day treasury management, the financial statements must recognise that a component of its cash balances relates to deposits that may be refundable in the future. Council is required to quarantine cash or accumulate restricted cash to meet these requirements.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Restricted Assets	Estimate 30 June 2013 \$000's
Reserves	5,420
Amounts held in Trust	
- Refundable Building Deposits	70
- Refundable Contract Deposits	272
- Refundable Landscaping Deposits	0
- Refundable Civic Facilities Deposits	0
- Refundable Road Crossing Deposits	0
- Refundable Security Deposits	220
- Other Refundable Deposits	246
Total	808

Table 13: Restricted Assets – 2012/13

8.2.5 Strategic Direction

1. That Murrindindi Shire Council builds into its 10 year financial plan the estimated movements in restricted assets and provides for at least \$6 million to \$8 million in working capital to meet day to day needs.
2. That to ensure sufficient funds are available to meet operational needs, Murrindindi Shire Council retains a cash position of at least \$1 million to \$2 million after deducting restricted assets, i.e. cash received but not spent or cash to be spent for specific purposes such as developer contributions (infrastructure), waste facility development, employee long service leave payments, security deposits etc.

9. RATING AND OTHER REVENUE STRATEGIES**9.1 Introduction**

This section includes:

- Valuations.
- Components of Murrindindi Shire Council's rating base.
- Background to present rating system.
- Rates Affordability.
- Rating Strategy.
- Rates and Charges Budget 2012/13.
- Waste services.
- Grant revenue.
- Victoria Grants Commission, and
- Fees and charges revenue.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

9.2 Valuations

Valuations are conducted under the provisions of the *Valuation of Land Act (1960)* with each separate occupancy on rateable land computed at its net annual value (NAV), capital improved value (CIV), and site value (SV).

Valuations are carried out using *Valuation Best Practice Principles* as set down by the State Government Valuer General. In Murrindindi Shire Council the Valuer is appointed via a competitive process on a two year cycle as general valuations are required every two years to ensure a common date is used for all valuations. Data on every property is recorded and used by the appointed valuer, along with sales, rentals and other information to determine the valuations.

A general valuation (revaluation) establishes the value of a property relative to all other properties, that is, its market relativity. Valuations form the basis of Murrindindi Shire Council's rating system; therefore, their accuracy is of paramount importance.

The 2012 revaluation was undertaken based on property values at 1 January 2012.

The revaluation does not in itself raise the total rate income for Murrindindi Shire Council, as the rates are distributed based on the property value of all properties across the municipality. As a result of the revaluation, some property owners may pay more in rates and others less, depending on their new property valuation, relative to others.

9.2.1 Definitions of valuations

Murrindindi Shire Council uses the capital improved method of valuation (CIV), which is the market value of a property including land, buildings and improvements. CIV has the following long-term advantages relative to other valuation bases:

- flexibility to apply an unlimited range of strategic differentials.
- does not prejudice the industrial, commercial and retail sectors in terms of the rate burden, and
- is easier for people to understand.
-

The other valuation bases the Valuer is required to return are:

- Site value (SV) which is the market value of land excluding improvements, and
- Net annual value (NAV) which represents the reasonable annual rental of a property, minus specified outgoings. In most cases this is five percent of the CIV.

9.2.2 Supplementary valuations

Supplementary valuations are made during the financial year when a significant change to the valuation occurs. The most common causes for supplementary valuations are:

- construction of a new dwelling or building.
- subdivision of a property, or
- consolidation of properties.
- Murrindindi Shire Council presently undertakes this task on a quarterly basis.

As a result of a supplementary valuation, a rate notice is issued to reflect any change in rates. Supplementary rate valuations effectively provide Council with a small amount of growth to its rate base. In 2013-14 and successive years this has been factored in as 0.8% which is also net of the effect of the State Government Buy Back scheme. Supplementary valuations are reported in the Long Term Financial Plan as Rate and Charge Revenue and are not listed separately.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

9.2.3 Components of Council's Rating Base

Murrindindi Shire Council levies differential rates, annual service charges and a municipal charge, to raise its annual rates and charges revenue.

The legislative basis of how they apply to Murrindindi Shire Council are available upon request:

- Differential Rates – Legislation.
- Municipal Charges.
- Special Rates and Charges.
- Service Rates and Charges, and
- Rebates and Concessions.

9.2.4 Assessment of Current Rating Levels

Comparing the relativity of rating levels between Councils can be a difficult exercise due to debate over the most appropriate methods to use and the inability to take into account the intricacies of rating structures in different councils.

Each local government sets rates based on an assessment of the desires, wants and needs of its community and as each community is different, direct comparisons can be difficult.

For example, cash holdings of municipalities vary and councils have significantly different infrastructure needs and geographic sizes.

The Rates as a percentage of Total Revenue is lower in 2011/12 due to the higher level of abnormal grant funding received that was associated with Bushfire and Natural Disaster projects.

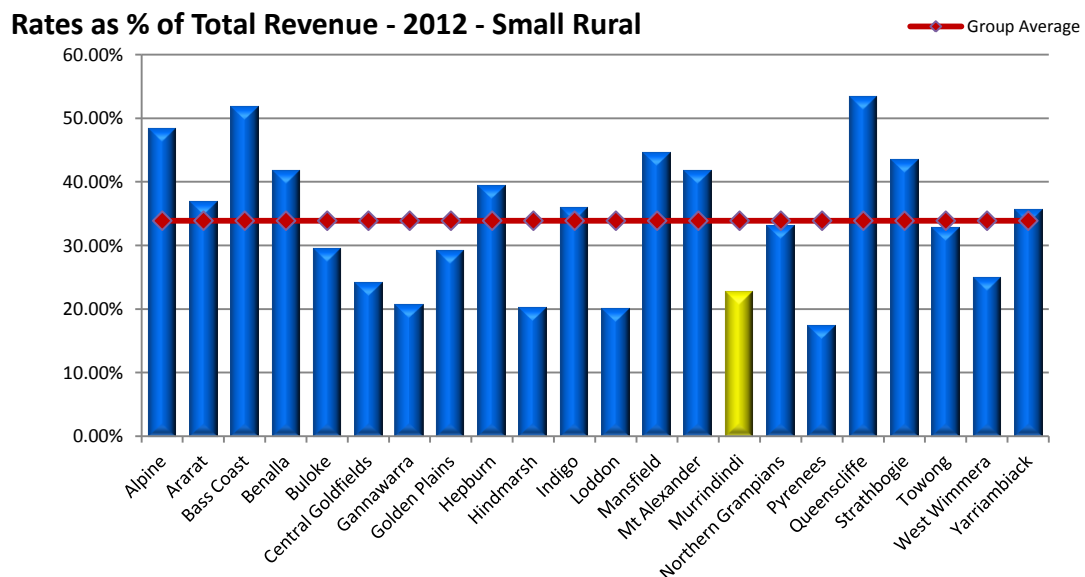


Chart 14: Rates as % of Total Revenue– 2011/12

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

On a rates per capita basis in the 2011/12 financial year, Murrindindi Shire Council was at an average level for the Small Rural Council group.

Rates Per Capita - 2012 - Small Rural

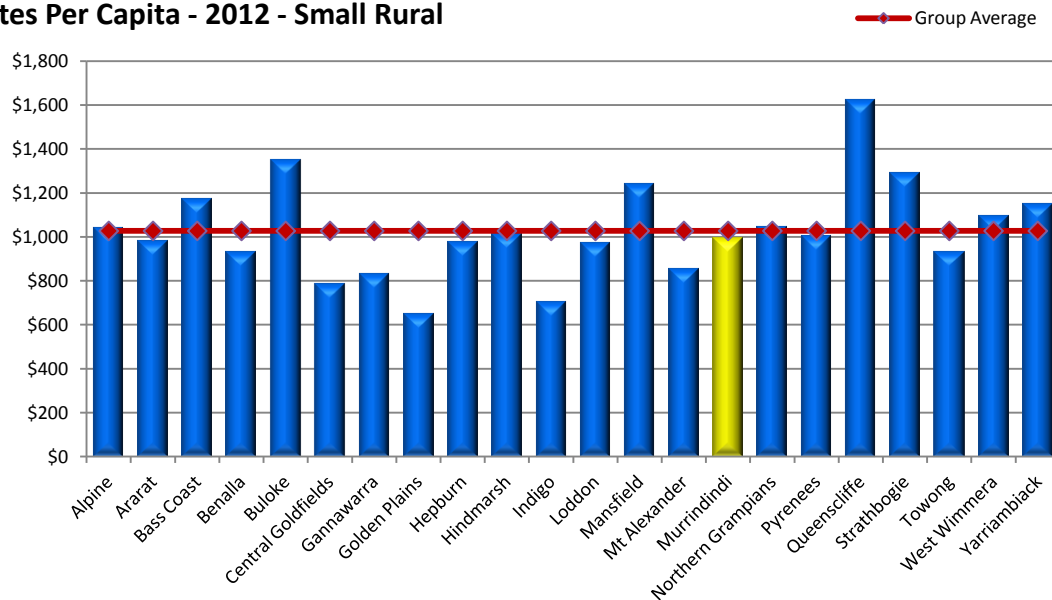


Chart 15: Rates Per Capita – 2011/12

Council has maintained its commitment to not raise rates by any more than 6% for the financial year 2013/14 and is a key budget principle. This same rate has been utilised in determining rate revenue in successive years within the Long Term Financial Plan through to 2022/23.

9.2.5 Background to the Present Rating System

Prior to dealing with the rating strategy, it is important to have a broad knowledge of the present rating structure and trends.

The following tables summarises the rates in the dollar proposed for the 2013/14 year including a comparison with 2012/13. The effect going forward within the SRP and Long Term Financial Plan is for an increase in rates to be no more than 6%.

Differential Rate Type	Rate in the \$/cost per		%
	2012/2013	2013/2014	
General	\$0.003100	\$0.003286	6.00%
Commercial	\$0.003100	\$0.003286	6.00%
Rural 1	\$0.002325	\$0.002464	5.98%
Rural 2	\$0.003100	\$0.003286	6.00%
Municipal Charge	\$258.00	\$274.00	6.20%

Table 14: Rates and Charges Annualised – 2012/13

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

The table below outlines the individual annualised rates for 2013/14:

Rate Type	Amount Raised
	2013/2014
	Budget
General	\$4,946,160
Commercial	\$513,858
Rural 1	\$2,813,745
Rural 2	\$2,390,246
Municipal Charge	\$2,514,498
Agreement in Lieu of Rates	\$58,139
Supplementary Valuation – (pro-rata within year)	\$124,325
Waste Services	\$2,285,415
Other - Special Charge Projects	
Green Street	\$108,150
TOTAL ALL RATES & CHARGES	\$15,754,536

Table 155: Individual Rates Annualised 2013/14

9.2.6 Rates Affordability

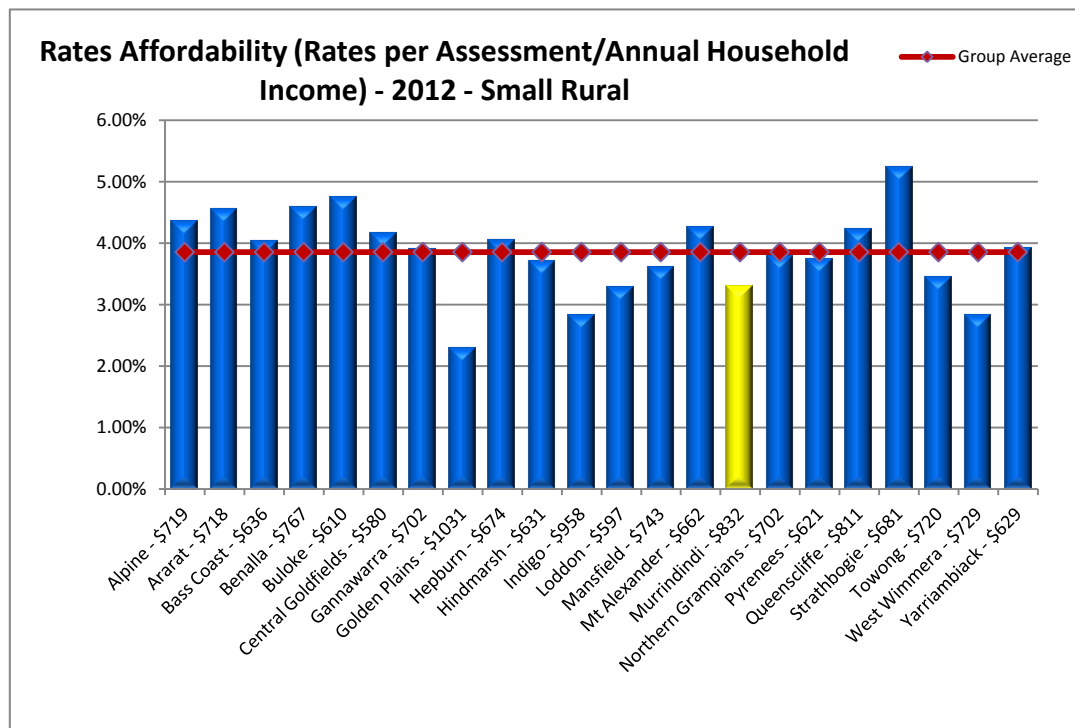
The ability to increase rate revenue is a significant factor in determining whether a Council is potentially at risk. Murrindindi Shire Council's rating effort has been satisfactory and when benchmarked was above the average effort of the Small Rural Council group.

Australian Taxation Office (ATO) income data for wage and salary earners (PAYE) can be used to give some indication of rates affordability.

Work undertaken as part of the Local Government Financial Sustainability Review highlighted that Murrindindi's use of total capacity to raise own source revenue was low relative to other like Councils.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Chart 16: Rates Affordability Small Rural – 2011/12



9.2.7 Rating Strategy

Murrindindi Shire Council's rating establishes a framework by which rates and charges will be shared by the community. In developing a long-term financial plan, rates and charges are an important source of revenue.

The rating system determines how Murrindindi Shire Council will raise money from properties within the municipality. It does not influence the total amount of money to be raised, only the share of revenue contributed by each property.

The total money to be raised is taken from the Long Term Financial Plan.

Use was also made of long-established principles in the public finance and economics literature, as well as some of the principles outlined in recent Financial Sustainability reports around the nation.

The proposed principles are as follows are further explained in Appendix A:

- Sustainable financial management.
- Evaluating and setting priorities.
- Core functions.
- Identifying cost of service delivery.
- Prudent borrowings for infrastructure.
- Rate setting and pricing for services.
- Openness and transparency, and
- Providing services on behalf of other tiers of government.

The wider and more rigorous application of the principles offers Murrindindi Shire Council a way to determine more effectively which services local communities really want or value and how much they are prepared to pay for them.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

9.2.8 Rates and Charges Budget – 2013/14

The SRP reflects a Rates and Charges budget that is geared to no more than a 6% increase in rates in successive years through to 2022/23.

The outcome of a 6.0 percent increase in rates and charges in 2013/14 is an additional \$1.01 million over the 2012/13 financial year.

A Municipal Charge is a fixed charge per property or assessment regardless of the valuation of that property. It operates in combination with the charge based on Capital Improved Value, and any rates collected by the municipal charge reduce the remaining rates revenue collected by the Capital Improved Value basis.

The municipal charge for 2013/14 is \$274 which is set at 18.66 percent of the total revenue from rates and municipal charges. The maximum revenue allowable for the municipal charge is 20.00 percent of total revenue from rates and municipal charges per Section 159 of the Local Government Act. The municipal charge ensures all properties pay an equitable contribution towards Murrindindi Shire Council's unavoidable fixed costs. Over the life of the SRP it is also assumed to be the same percentage total as for 2013/14.

9.2.9 Waste Service Charges

Murrindindi Shire Council is empowered under Section 162(1) (b) of the *Local Government Act (1989)* to levy a service charge for the collection and disposal of refuse.

The purpose of this charge is to meet the costs of waste disposal and recycling activities throughout the Murrindindi Shire area, including development and rehabilitation of Landfill sites and the operating costs of Tips and Transfer Stations. The reserve is projected to be maintained and used progressively in order to meet the demand for landfill and waste requirements over the life of the Long Term Financial Plan.

Murrindindi Shire Council has typically used this option through the raising of garbage and recycling charges on the annual rate assessment.

Murrindindi Shire Council's Waste Services include¹:

- Weekly kerbside waste collection service.
- Fortnightly kerbside recycling and green organics collection service.
- Public recycling and waste disposal facilities at Alexandra, Eildon, Ghin Ghin, Marysville and Kinglake transfer stations.
- Street litter and public place recycling bins, and
- Forward planning and for capital budget requirements.

Murrindindi Shire Council's garbage proposed charges are as described below (** denotes ex GST). A total income of \$2.29 million will be received for garbage and recycling services in 2013/14 to support recurrent operating expenditure).

¹The waste collection service is compulsory in urban areas and optional in rural areas

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Service Charges	Charge per Service		\$Change	%
	2012/2013	2013/2014		
Garbage	\$289.00	\$306.00	\$17.00	5.88%
Recycling	\$71.00	\$75.00	\$4.00	5.63%

Table 16: Projected Garbage Charges –2013/14

9.2.10 Grant Revenue

As at 30 June 2012 Murrindindi Shire Council was below average in terms of receiving government grant revenue, compared to its like Council grouping as outlined in the graph below. This was because there was a higher level of Bushfire and Natural Disaster related grant funding at that time. As a benchmark Murrindindi Shire Council receives 27.5 percent of its revenue (as a percentage of total revenue) from operating grants compared to the average of Small Rural Councils at 36.2 percent.

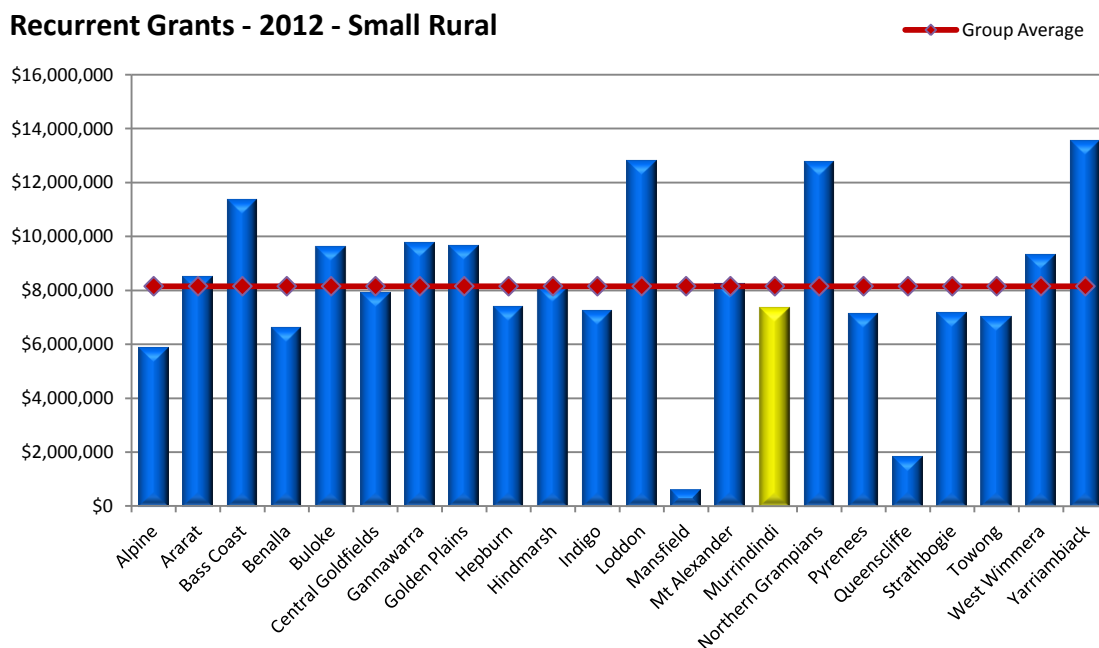


Chart 17: Recurrent Grants – 2011/12

Murrindindi Shire Council will continue its strong focus on securing grant revenue, particularly for capital works. Operating grants as at 30 June 2012 totalled \$7.3 million. With a longer term capital works program in place Council will be able to target and focus on grants that align with the 10 year capital improvement plan.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

9.2.11 Victoria Grants Commission

Murrindindi Shire Council receives approximately 13.77 percent of its revenue from the Victoria Grants Commission. This revenue is projected at \$3.86 million in 2012/13 and budgeted at \$4.29 million in 2013/14 in the life of the SRP.

9.2.12 Fees and Charges Revenue

Murrindindi Shire Council's fees and charges revenue as a percentage of its total revenue is above average for Small Rural Councils as outlined in the graph below. However, this is a potentially narrow group and does not represent the potential for further revenue given that on balance Council's fees and charges were lower than most other like Councils benchmarked in the Services Review or were in some cases lower than the Local Government average for all Councils.

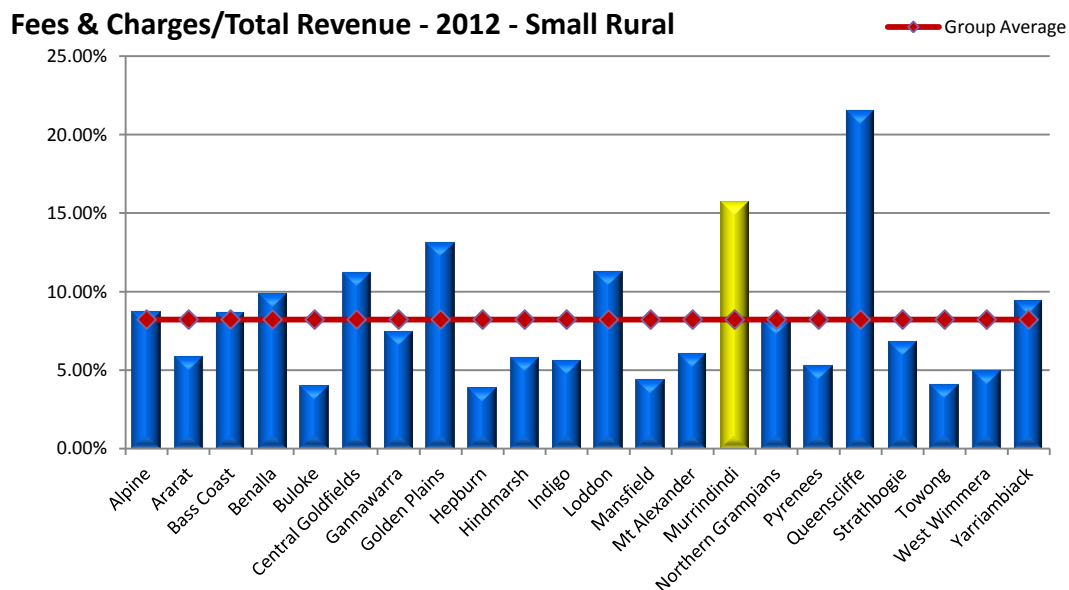


Chart 18: Fees & Charges/Total Revenue – 2011/12

9.2.13 Strategic Direction

That Murrindindi Shire Council:

1. has retained the capital improved value (CIV) as its valuation base.
2. provides a municipal charge that approaches 20 percent of rate revenue plus a municipal charge that ensures an equitable contribution towards the unavoidable fixed costs of Murrindindi Shire Council.
3. has considered future increases based on EPA, regulatory and safety requirements and the need to sustain the Council's long term waste operations strategy.
4. in 2013/14, has adopted a 6.00 % increase in total revenue for general rates and municipal charges and an 6.00 percent increase in total revenue for waste collection including funding the cost of disposal of domestic waste, recycling collection and the environment levy.
5. is pursuing recurrent grant funding and strategic capital funding aligned with the Council Plan objectives, including benchmarking of results with other Councils.
6. is seeking State Government support of around \$14 million, which will confirm recognition of the impact of the gifted and novated assets upon the long term financial sustainability of the Murrindindi Shire Council.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

10. HUMAN RESOURCES

10.1 Human Resources

Council employees enable Council to work with and for our communities, to plan, manage and deliver the many activities to achieve the goals of the Council Plan. The Chief Executive Officer is ultimately accountable for ensuring the organisational structure and workforce profile is able to effectively manage the operations in accordance with the Council Plan.

Staff numbers are reported by actual numbers and equivalent full time (EFT) staff numbers. Council employs a workforce profile that is a mix of full time, part time and fixed term, contract or casual positions. Fixed term staff and contractors are usually employed for either seasonal positions such as pool staff, or for projects and services that are largely grant funded for specific purposes.

Over the past four years, Murrindindi Shire Council has employed a significant number of additional fixed term staff funded through municipal assistance and disaster recovery packages. These staff have worked with permanent staff to deliver a number of reconstruction and recovery projects and programs and to restore operations following the 2009 bushfires and a number of serious flood events.

Staffing peaked at 279 staff (200 EFT) in January 2011. In April 2013 Council staffing is at 206 staff (145 EFT). Moving into the 2013-14 new financial year, Council will shed all of the remaining recovery positions and from a financial perspective this will be complete as 30 June 2013.

Within the life of the SRP there is no provision of the growth in staffing numbers.

Chart 19 below indicates the number of staff and the equivalent EFT in each of Council's 3 divisions.

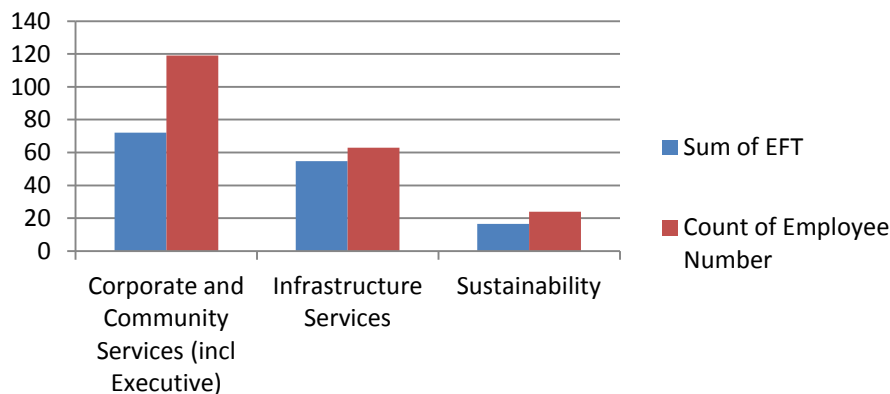


Chart 19: Current Staff Numbers: Actual and EFT

In preparation for managing operations into the future, Council has undertaken a workforce transition plan and service reviews of all its operations resulting in some restructuring of staffing to ensure the right profile into the future. This will enable Council to manage and maintain new assets, programs and services that have emerged in recent years as well as retaining and improving pre-existing ones that are the identified priorities of our communities.

In addition to workforce planning, other key human resources strategies to ensure that Council is able to engage and retain the right staff with the right skills in the right roles include:

- Learning and development programs
- Performance coaching

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

- Health and well-being
- Transparent and open policy and systems

Our current employment profile by Division is as follows:

Charts 20 – 22 indicate the distribution of EFT between each of Council's three divisions.

Chart 20: Corporate and Community Services (incorporates Executive)

119 staff (73 EFT)

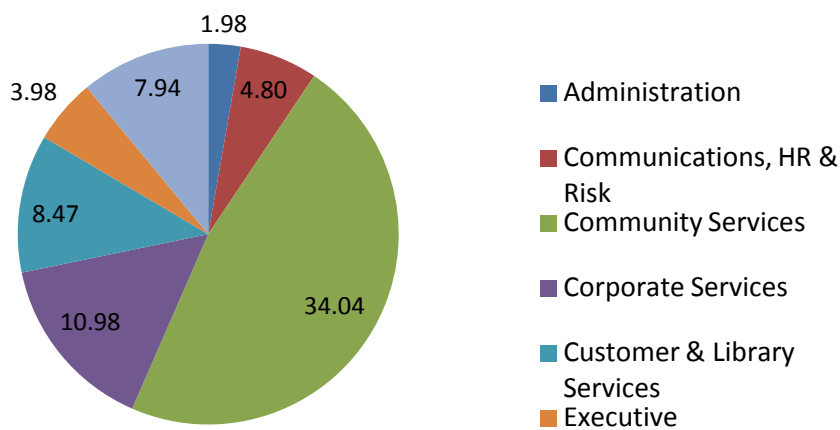
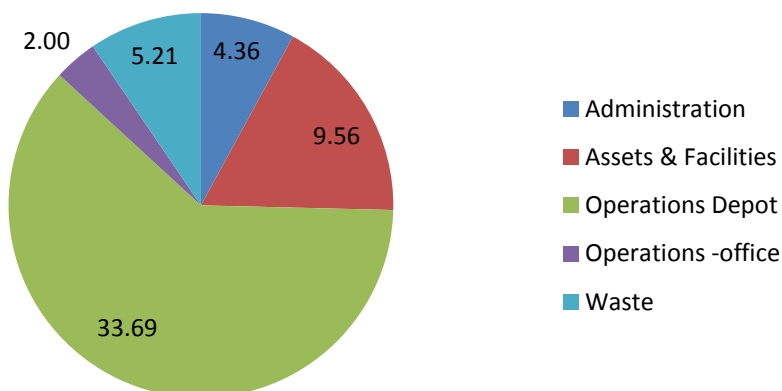


Chart 21: Infrastructure Services

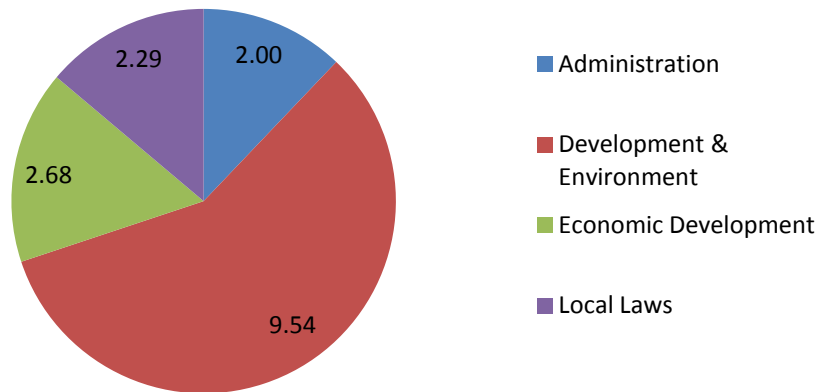
63 staff (55 EFT)



Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Chart 22: Sustainability

24 (17 EFT)



10.2 Strategic Direction

Murrindindi Shire Council plans, manages and delivers activities that support the goals of the Council Plan within the capacity of the current organisational structure and workforce profile.

11. STRATEGIC FINANCIAL PLAN

11.1 Introduction

There are a number of dynamic variables that may influence the outcomes expressed in this SRP. They include:

- Rating levels and supplementary rate income.
- Government grant revenue (both recurrent and capital).
- Granted asset amounts.
- Asset revaluations (major impact on fixed asset value and depreciation).
- Asset sales.
- Mix of funding between capital works/special projects (new initiatives), and
- Level of growth factor applied to expenditure items / rate of expenditure/activity level.

This section includes:

- Modelling methodology.
- Financial assumptions.
- Adopted financial strategy, and
- Conclusion

11.2 Modelling Methodology

The SRP establishes a framework for Council to benchmark its performance and an industry developed long term financial software model has been utilised to verify the data. The base point used for financial modelling has been the Council budget for 30 June 2013.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

The Standard Statements (financial statements) are the result of the modelling and are reproduced from the long term financial software model, refer *Appendix C*.

11.3 Financial Assumptions

The following information explains the major financial assumptions applicable to the financial option considered by Council prior to community input.

11.3.1 Labour and on-costs

Increases in labour and on-costs are composed of two elements. The elements are enterprise agreement increments and superannuation and on-cost movements. The table below highlights these assumptions.

Year	2011/12	2012/13	2013/14	2014/15
	%	%	%	%
EBA Banding Increase/Other	4.0	4.0	4.0	4.0
Superannuation and other on-costs	0.5	0.5	0.5	0.5
Total	4.5	4.5	4.5	4.5

Table 17: Labour and On-Costs

11.3.2 Depreciation

Depreciation estimates are based on the projected capital spending contained within each assumption. Depreciation estimates are influenced by future asset revaluations and depreciation charges are assessed following condition assessments. The overall depreciation charge is also impacted by the amount of granted and gifted assets to the municipality.

11.3.3 Materials and Services

These works are essentially one-off expenditures that do not constitute the creation of an asset and have decreased below 2012/13 levels as a result of the winding down of Bushfire and Natural Disaster projects.

The broad assumption in materials and contracts is for an increase matching CPI. Outside of the broad parameters are one off expenses such as election expenses, valuation contract amounts and insurances. A subsidiary record of one off items and how they are factored into the model is recommended instead of a series of individual adjustments within the model.

11.3.4 Special projects/consultancies

These works are essentially one-off expenditures that do not constitute the creation of an asset and have decreased below 2012/13 levels also as a result of the winding down of Bushfire and Natural Disaster projects.

11.3.5 Debt servicing and redemption

Debt redemption is calculated according to the restructured loan schedules. Council borrowings are dealt with in detail in Section 9.

11.3.6 Written-down values of assets sold

All Written-down values relate to plant and land sold as part of the 10-year program. These are based on information from Council's Asset Registers.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

11.3.7 Rate revenue

The 2013/14 Budget is based on an increase of 6.00 % for rates and municipal charges collected. Council's Rating Strategy is dealt with in detail in Section 9.2.7.

The mechanism to estimate supplementary revenue is based on historical historical dollar returns and net of the impact of the State Government Buy Back scheme. This assumption has been factored in successive years of the SRP and the Long Term Financial Plan.

11.3.8 Service charges

The 2013/14 Budget is based on a service charge and waste management charge which experienced a 6.00 percent increase and this effect has been maintained throughout the life of the SRP and Long term Financial Plan.

Funds raised are ultimately deployed to waste management (operating and capital) activities. This is discussed in Section 9.2.8 in more detail.

11.3.9 Grant revenue

An allowance of \$7.33 million has been made for operating grant revenue for services and projects in 2013/14. In broad terms, a 2.50 percent per annum increase over successive years has been allowed for operating grants reflecting the nature of this revenue type, which has seldom increased by CPI across the board. Reimbursements from the *State Revenue Office* for land valuations have also been included in the appropriate years. An allowance of a 3.00 per cent increase has been allowed for the Victoria Grants Commission Grant.

11.3.10 Fees and charges

Fees and charges that Council has discretion over are generally expected to increase by 3.0 percent per annum in future years. Fees and charges of \$1.40 million have been provided for in 2013/14. It has been assumed that these charges will increment by 3% in successive years.

11.3.11 Statutory Fees and Fines

Council has no control over a large amount of statutory fees prescribed by the State Government. Fines include town planning, local laws and the animal pound. Fees and fines are included in the above.

11.3.12 Interest on investments

Interest on investments has been estimated based on current investment rates.

11.3.13 Proceeds from sale of assets

Proceeds from sale of assets are those relating to vehicle/plant changeover and land sales. No proceeds are indicated in the years inclusive of and following 2013/14 as assets have been deemed to be disposed of at their written down value (WDV).

11.3.14 Capital grants

Capital grant revenue is \$4.5 million in 2013/14, with revenue from future years estimated to fund future capital works.

Capital grants have been forecast conservatively. Funds raised above or below the forecast amount will directly impact on the level of capital expenditure achievable. While conservative amounts have been included, it should be noted that Council does not pursue part-funded capital works that do not fit with its strategic direction.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

11.3.15 *Granted assets*

Granted assets are those handed over to Council following the completion of a subdivision. These include roads, footpaths, kerb, channel, drainage etc.

The level of granted assets is forecast to continue at low-levels based on predicted levels of property development. However, estimates beyond 2013/14 are not based on any reliable data at this point. While granted assets add to Council's overall asset base, they also add to the future obligations to maintain and replace these assets at the end of their useful lives.

11.3.16 *Capital expenditure*

Capital expenditure amounts for renewed, new and upgraded assets, have been directly budgeted for during the life of the SRP (next 4 years) and for the remaining years of the Long Term Financial Plan (through to 2022/23). Capital works expenditure over the ensuing 10 years from 2013-14 has been drawn from Council's 10 Year Capital improvement program.

11.4 **Conclusion**

The SRP continues to provide a financial framework for Council, enabling an assessment of Council resources and assisting Council to plan and fund capital infrastructure and meet future community aspirations. The *Standard Statements* (financial statements) are detailed in *Appendix C*.

11.4.1 *Strategic Direction*

The SRP represents the short to medium term of 4 years within the Long Term Financial Plan which presents a financial perspective of the organisation over 10 years. In the medium and long term it is apparent that Council's ongoing sustainability will depend on receiving assistance from the State Government.

State Government assistance has been sought to offset the impact of gifted Bushfire assets which has an average effect on the bottom line of \$1.80 million per year for the life of the plan. The \$1.80 million represents \$1.60 million for the maintenance and operation of those assets together with \$0.6 million worth of annual depreciation charges. The effect of the cost of these gifted assets is to absorb cash that would otherwise be spent on renewal investment or other priority Council projects or programs. The reduction of cash impacts on Council's ability to fund key capital purchases and must then look at borrowings to bolster cash flow at critical times. Borrowings in turn generate interest payments that also contribute to ongoing operating deficits through to 2020 and with underlying results reflecting deficits for the life of the plan.

This means that Council is not able to generate cash beyond the operation of core activities and is \$6.10 million short of being able to meet the Infrastructure Renewal Gap requirements by 2023.

Council will continue to ensure it practices prudent financial management, however without such assistance, its capacity to manage programs and activities will be severely limited. Hence the 2013/17 Council Plan contains a modest range of activities whilst its priorities will be focused is growing its rate base.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017**12. APPENDIX A PRINCIPLES FOR RATING, VICTORIAN LOCAL GOVERNMENT CONTEXT****(a) Sustainable financial management**

The aggregate revenue raised by Council plus that received from grants needs to be sufficient to cover the aggregate long-run cost of delivering the services provided measured on an accrual-accounting basis. Sustainable financial management requires the application of multi-year framework to financial management, asset management, planning, spending and revenue decisions.

(b) Evaluating and setting priorities

Council is aware of and will have regard to the views of its communities with respect to the priority areas for Council services. Council will heighten the communities awareness of the short and long-term financial implications of potential service priorities and key decisions, including trade-offs between service priorities.

(c) Core Functions

Council will continue to provide a full range of municipal goods and services in accordance with its statutory and community service obligations.

Where Council engages in the provision of services, that resemble those of private sector markets, the application of competitive neutrality principles requires Council to aim to recover the full costs of a significant business activity, including the direct costs of providing goods and services, rate and tax equivalent payments and a commercial rate of return on investment.

(d) Identifying the cost of service delivery

Council will understand the cost of delivering its services as an acknowledgement that this information is useful in determining the range of services, and the level of service provision, and the corresponding structure for rates and charges.

(e) Prudent borrowings for infrastructure

Borrowings when undertaken prudently are an appropriate means for local government to finance long lived infrastructure assets as the cost of servicing of debt through rates or user charges enables the cost of the asset to be matched with the benefits from consumption of the services over the life of the asset, thereby promoting intergenerational equity.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

(f) Rate setting and pricing of services

The appropriate setting of rates and prices for goods and services is essential for the efficient recovery of the costs of providing council services and Council recognises that by choosing the appropriate instrument (rates, fees, user charges) it can achieve a better indication of the willingness of the community to pay for services and minimize the economic distortions that may arise when an inappropriate instrument is used.

Council will recover costs for services directly from the users of those services if a service benefits identifiable individuals or groups. If the benefit directly cannot be identified and/or if those that benefit directly cannot be excluded from using the service the costs should be allocated to the community.

Where infrastructure costs are directly attributable to individual property owners, Council will recover those costs through the application of special charge schemes, developer charges or contributions.

Fees and charges should be applied as far as practicable to raise revenue for the provision of services that are not pure public services, with efficient pricing, to ensure that services provided by local government are supplied to those who are willing to pay the opportunity cost of supply.

Council will also take consideration of the community's ability to pay as well as the benefits derived from the provision of services.

(g) Openness and transparency

Council is accountable and responsible for the policy decisions with respect to the range of services provided, the expenditure and delivery of the services and the way services are funded and paid for by the community. Open and transparent processes for decision making of Council include the making of information openly available to people in the local community and seeking active participation by the community with respect to choices regarding the range and level of services provided and how they are funded.

(h) Providing services on behalf of other tiers of government

Effective interaction between Council and other tiers of government is important to ensure delivery of some essential services to the community. Where Council enters into the delivery of services on behalf of other tiers of government, the supply of these services should be delivered on commercial terms based on the incremental cost to Council. In situations where Council determines to provide subsidies for the delivery of these services Council will make the costs transparent and inform the community about the purpose and amount of the subsidy and how it is to be funded.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

13. APPENDIX B GLOSSARY OF TERMS – DEFINITIONS

Table 16: Glossary of Terms / Definitions

TERM	DEFINITION
Adjusted operating surplus/deficit	Operating surplus/deficit less revenue from capital (non-recurrent) grants, developer contributions (i.e. assets contributed), asset revaluations, sale of assets plus expenditure from asset revaluations, WDV of assets sold and unfunded superannuation expense.
Adjusted total operating expenses	Total operating expenses as per the "Statement of financial performance" – net of asset revaluations, unfunded superannuation expense and WDV of asset sold.
Adjusted total revenue	Total revenue from "Statement of financial performance" – net of asset sales, asset contributions in kind. Capital grant funding and revaluation adjustments.
Capital grants (non-recurrent)	Capital or non-recurrent grants as disclosed in notes.
Current assets	Total current assets from "Statement of financial position".
Current liabilities	Total current liabilities from "Statement of financial position"
Debt redemption	Debt principal's repayments.
Debt servicing costs (interest)	Total borrowing costs or interest expense as per the "Statement of financial performance" or as disclosed in note in some councils' statements.
Fees and charges revenue	Total fees and charges revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements (includes fines).
Grant income and reimbursements	Total grants revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements (includes Vic Roads sometimes shown as "reimbursements" by some councils).
Granted assets	Total value of assets received from developers (in kind) as per the "Statement of financial performance" or as disclosed in note in some councils' statements.
Interest earnings	Total interest received as per the "Statement of financial performance" or as disclosed in note in some councils' statements.
No. of rateable properties	Number of rateable properties in municipality.
Non-current liabilities	Total non-current liabilities from "Statement of financial position".
Proceeds from sale of non-current assets	Total proceeds from asset sales as per the "Statement of financial performance" or as disclosed in note in some council's statements, (gross received not Written-down value).

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

TERM	DEFINITION
Rate revenue	Total rate revenue as per the "Statement of financial performance" or as disclosed in note in some councils' statements.
Rates outstanding at end of year	Rate debtor amount as disclosed in "Receivables" note.
Total assets	Total assets from "Statement of financial position".
Total capital asset outlays	Payments for capital purchases per the "Cash flow statement".
Total cash inflows from operations, finance and Investment Act	Total inflows per the "Cash flow statement".
Total cash outflows from operations, finance and Investment Act	Total outflows per the "Cash flow statement".
Total depreciation	Total depreciation expense as per the "Statement of financial performance" or as disclosed in note in some councils' statements.
Total depreciation on infrastructure assets	Total depreciation on infrastructure assets as disclosed in "Depreciation expense" note.
Total debt	Total interest bearing liabilities (current and non-current) from "Statement of financial position".
Total indebtedness	Total liabilities (current and non-current) from "Statement of financial position".
Total infrastructure assets	Total infrastructure assets from "Statement of financial position" or as disclosed in note (Written-down value). Infrastructure includes roads, bridges, drains, road structures, other structures, playground equipment, and other like categories. Heritage assets have been deemed to be building assets. Work in progress, where not separately split, has been included as infrastructure.
Total net realisable assets	Total assets less total infrastructure assets.
Total operating expenses	Total operating expenses as per the "Statement of financial performance".
Total revenue	Total revenue from "Statement of financial performance"
Written-down value of assets sold	Written-down value of assets sold as per the "Statement of financial performance" or as disclosed in note in some councils' statements.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017**14. APPENDIX C - STANDARD FINANCIAL STATEMENTS**

The Standard Statements present a full 10 year perspective (The Long term Financial Plan) of Council's financial operations and position and includes the short to medium term perspective of the SRP (2013-2017).

The Standard Statements include the:

- Standard income statement.
- Standard balance sheet.
- Standard statement of cash flows.
- Standard statement of capital works, and
- Financial indicators.

These statements are required under Part 2 Section 5 of the Local Government (Finance and Reporting) Regulations 2004. The Regulations commenced on 20 April 2004.

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Standard income statement

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Revenue from Operating Activities												
Rate and Charge Revenue	\$'000	14,639	15,646	16,585	17,580	18,635	19,753	20,938	22,194	23,526	24,938	26,434
Supplementary Rates	\$'000	-	-	-	-	-	-	-	-	-	-	-
Special Charges	\$'000	-	108	-	-	-	-	-	-	-	-	-
Rate Assistance Package	\$'000	-	-	-	-	-	-	-	-	-	-	-
Grants - Operating (Recurrent)	\$'000	3,802	6,192	6,369	6,552	6,739	6,932	7,131	7,335	7,546	7,762	7,985
Grants - Operating (Non-recurrent)	\$'000	7,460	1,143	-	-	-	-	-	-	-	-	-
Grants - Capital (Recurrent)	\$'000	1,717	1,835	1,881	1,928	1,976	2,025	2,076	2,128	2,181	2,236	2,292
Grants - Capital (Non-recurrent)	\$'000	2,237	2,689	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Contributions (Assets)	\$'000	16,035	224	224	224	224	224	224	224	224	224	224
Contributions (Cash)	\$'000	-	-	-	-	-	-	-	-	-	-	-
Reimbursements and Subsidies	\$'000	122	116	116	116	116	116	116	116	116	116	116
User Charges	\$'000	1,650	1,436	1,479	1,523	1,569	1,616	1,665	1,715	1,766	1,819	1,874
Statutory Fees and Fines	\$'000	577	598	615	632	650	668	687	706	726	746	767
Waste Charges	\$'000	420	590	649	714	785	864	950	1,045	1,150	1,265	1,391
Rates & Valuations recoup	\$'000	90	10	90	10	90	10	90	10	90	10	90
Economic Development Contributions - YRRM	\$'000	20	20	-	-	-	-	-	-	-	-	-
Contributions cash - Operating	\$'000	60	56	56	56	56	56	56	56	56	56	56
Total Revenue from Operating Activities	\$'000	48,829	30,663	29,464	30,735	32,240	33,665	35,333	36,930	38,780	40,571	42,628
Revenue from Outside of Operating Activities												
Interest Revenue	\$'000	620	256	256	256	256	256	256	256	256	256	256
Other Revenue Outside of Operating Activities	\$'000	460	236	234	241	248	255	263	271	279	287	296
Total Revenue from Outside Operating Activities	\$'000	1,080	492	490	497	504	511	519	527	535	543	552
Total Revenue	\$'000	49,909	31,155	29,954	31,232	32,744	34,176	35,852	37,456	39,315	41,114	43,180
Operating Expenses from Ordinary Activities												
Employee Benefits	\$'000	(12,380)	(11,513)	(12,031)	(12,572)	(13,138)	(13,729)	(14,347)	(14,993)	(15,668)	(16,373)	(17,109)
Employee Benefits Provisioned	\$'000	-	-	-	-	-	-	-	-	-	-	-
Materials & Consumables	\$'000	(16,518)	(9,241)	(9,541)	(9,851)	(10,172)	(10,502)	(10,843)	(11,196)	(11,560)	(11,935)	(12,323)
Utilities	\$'000	-	-	-	-	-	-	-	-	-	-	-

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Bad and Doubtful Debts	\$'000	-	-	-	-	-	-	-	-	-	-	-
Depreciation	\$'000	(7,423)	(7,797)	(7,953)	(8,112)	(8,274)	(8,440)	(8,609)	(8,781)	(8,956)	(9,135)	(9,318)
Other Operating Expenses	\$'000	(271)	(279)	(287)	(935)	(1,000)	(1,056)	(1,101)	(1,227)	(1,309)	(1,387)	(1,477)
Other Expenses	\$'000	-	-	-	-	-	-	-	-	-	-	-
Contributions	\$'000	-	-	-	-	-	-	-	-	-	-	-
Interest on Borrowings (Finance Costs)	\$'000	(337)	(336)	(257)	(232)	(215)	(206)	(199)	(195)	(192)	(190)	(167)
Interest on Unwinding of Discount on Provisions	\$'000	-	-	-	-	-	-	-	-	-	-	-
Regulatory Valuation Expenses	\$'000	-	-	(15)	(145)	(15)	(145)	(15)	(145)	(15)	(145)	(15)
Election Related Expenses	\$'000	-	-	-	-	(85)	-	-	-	(85)	-	-
Maintenance on Gifted Assets	\$'000	-	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Natural Disaster Fund - Non Capital - refundable	\$'000	-	(750)	-	-	-	-	-	-	-	-	-
Interest on Borrowings (Finance Costs) - adjust	\$'000	-	-	-	-	-	-	-	-	-	-	-
[Blank Expense Line Item 2]	\$'000	-	-	-	-	-	-	-	-	-	-	-
Superannuation Call	\$'000	-	-	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Total Operating Expenses	\$'000	(36,929)	(31,116)	(31,585)	(33,347)	(34,399)	(35,579)	(36,615)	(38,037)	(39,285)	(40,666)	(41,911)
Net Surplus/(Deficit) from Operations	\$'000	12,980	39	(1,632)	(2,116)	(1,655)	(1,403)	(763)	(581)	30	448	1,269
Adjustments												
Net Gain/(Loss) on Disposal of Property Plant & Equipment	\$'000	(304)	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Assets Held for Resale	\$'000	-	-	-	-	-	-	-	-	-	-	-
Share of Net Profit/(Loss) of Associated Entity	\$'000	-	-	-	-	-	-	-	-	-	-	-
Unrealised Gain/(Loss) on investment in Associates	\$'000	-	-	-	-	-	-	-	-	-	-	-
Net Gain/(Loss) on Infrastructure Replaced	\$'000	-	-	-	-	-	-	-	-	-	-	-
Total Adjustments	\$'000	(304)	-	-	-	-	-	-	-	-	-	-
Adjusted Operating Surplus/(Deficit)	\$'000	12,676	39	(1,632)	(2,116)	(1,655)	(1,403)	(763)	(581)	30	448	1,269
Underlying Position	\$'000	(7,009)	(4,817)	(5,137)	(5,668)	(5,255)	(5,052)	(4,463)	(4,333)	(3,775)	(3,412)	(2,647)

Figure 3: Standard Income Statement 2012/13

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Standard balance sheet

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Current Assets												
Cash and Cash Equivalents	\$'000	13,066	10,143	7,522	7,404	9,013	11,052	12,257	15,178	18,705	21,205	24,452
Receivables	\$'000	3,771	2,303	3,756	4,076	4,280	4,483	4,703	4,917	5,146	5,398	5,670
Inventory	\$'000	160	160	160	160	160	160	160	160	160	160	160
Accrued Income	\$'000	70	50	50	50	50	50	50	50	50	50	50
Prepayments	\$'000	130	170	170	170	170	170	170	170	170	170	170
Financial Assets	\$'000	-	-	-	-	-	-	-	-	-	-	-
Assets held for resale	\$'000	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	\$'000	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	\$'000	17,197	12,826	11,658	11,861	13,673	15,915	17,341	20,475	24,232	26,983	30,502
Non Current Assets												
Land Under Roads	\$'000	-	-	-	-	-	-	-	-	-	-	-
Property Plant and Equipment	\$'000	29,533	29,533	28,292	28,303	26,836	26,236	25,522	25,383	23,899	23,792	21,894
Infrastructure Assets	\$'000	268,583	270,689	269,812	271,035	268,918	269,637	268,139	268,378	266,146	267,764	267,052
Investment in Associates	\$'000	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables (Long Term)	\$'000	50	36	36	36	36	36	36	36	36	36	36
Other Financial Assets	\$'000	-	-	-	-	-	-	-	-	-	-	-
Total Non Current Assets	\$'000	298,166	300,258	298,140	299,374	295,791	295,910	293,697	293,797	290,081	291,592	288,982
Total Assets	\$'000	315,363	313,084	309,798	311,235	309,463	311,825	311,038	314,273	314,312	318,575	319,484
Current Liabilities												
Payables	\$'000	3,922	2,418	1,272	1,296	1,338	1,394	1,440	1,504	1,556	1,622	1,679
Trust Funds	\$'000	808	485	485	485	485	485	485	485	485	485	485
Current Provisions	\$'000	-	-	-	-	-	-	-	-	-	-	-
Current Employee Benefits	\$'000	2,746	2,582	2,582	2,582	2,582	2,582	2,582	2,582	2,582	2,582	2,582
Current Interest Bearing Liabilities	\$'000	841	898	756	632	548	543	479	516	443	416	418
Total Current Liabilities	\$'000	8,317	6,383	5,095	4,995	4,953	5,004	4,986	5,087	5,066	5,105	5,165
Non Current Liabilities												
Non Current Employee benefits	\$'000	525	494	494	494	494	494	494	494	494	494	494
Non Current Provisions	\$'000	1,242	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Non Current Interest Bearing Loans and Borrowings	\$'000	3,218	2,802	2,436	2,277	2,202	2,133	2,128	2,085	2,116	2,173	1,755
Total Non Current Liabilities	\$'000	4,985	4,602	4,236	4,077	4,002	3,933	3,928	3,885	3,916	3,973	3,555
Total Liabilities	\$'000	13,302	10,985	9,330	9,072	8,955	8,937	8,913	8,972	8,982	9,078	8,719
Net Assets	\$'000	302,061	302,099	300,467	302,163	300,508	302,888	302,124	305,300	305,331	309,496	310,765
Equity												
Accumulated Surplus	\$'000	136,822	135,703	134,012	132,558	130,548	128,744	128,810	127,726	127,218	128,091	128,747
Reserve Land Under Roads	\$'000	-	-	-	-	-	-	-	-	-	-	-
Public Open Space	\$'000	359	384	384	384	384	384	384	384	384	384	384
Infrastructure Contributions - Parking	\$'000	65	65	65	65	65	65	65	65	65	65	65
Infrastructure Reserve - Rates Contribution (2%)(Capital)	\$'000	435	684	965	262	580	914	268	644	1,042	464	911
	\$'000	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Maintenance- Gifted & Novated Assets (2013/14)	\$'000	-	920	920	920	920	920	920	920	920	920	920
Waste Reserve	\$'000	2,847	2,456	2,234	2,276	2,313	2,380	2,197	2,325	2,465	2,618	2,784
Coster Street Units	\$'000	28	34	34	34	34	34	34	34	34	34	34
Shaw Avenue Redevelopment	\$'000	44	44	44	44	44	44	44	44	44	44	44
Alexandra community Leisure Centre	\$'000	2	-	-	-	-	-	-	-	-	-	-
Road Maintenance Reserve	\$'000	16	16	16	16	16	16	16	16	16	16	16
Yea Saleyards Reserve	\$'000	75	80	80	80	80	80	80	80	80	80	80
Alexandra Saleyards Reserve	\$'000	-	-	-	-	-	-	-	-	-	-	-
Yea Caravan park Reserve	\$'000	14	12	12	12	12	12	12	12	12	12	12
Marysville Caravan Park Reserve	\$'000	35	81	81	81	81	81	81	81	81	81	81
Unfunded Superannuation - Defined Benefits	\$'000	-	300	300	300	300	300	300	300	300	300	300
Infrastructure Maintenance - New & Expanded (\$1.2 Council)	\$'000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Asset Revaluation Reserve	\$'000	159,819	159,820	159,820	163,632	163,632	167,413	167,413	171,170	171,170	174,887	174,887
Total Equity	\$'000	302,061	302,099	300,467	302,163	300,508	302,888	302,124	305,300	305,331	309,496	310,765

Figure 4: Standard Balance Sheet 2012/13

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Standard statement of cash flows

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Cash flows from Operating Activities												
Rates and Charges Received	\$'000	14,592	15,591	15,774	17,398	18,518	19,635	20,809	22,067	23,388	24,784	26,267
Grants - Operational Received	\$'000	11,261	8,835	6,058	6,484	6,697	6,891	7,087	7,293	7,501	7,714	7,934
Grants - Capital Received	\$'000	8,904	4,521	3,121	3,294	3,355	3,405	3,455	3,508	3,560	3,613	3,668
Interest Received	\$'000	644	276	243	253	254	254	254	255	255	254	254
User Fees Received	\$'000	4,883	3,433	1,407	1,508	1,559	1,607	1,654	1,705	1,756	1,808	1,862
Statutory Fees and Fines Received	\$'000	-	-	585	625	646	664	682	702	721	741	762
Other Revenue Received	\$'000	-	-	1,089	1,125	1,287	1,293	1,466	1,489	1,681	1,723	1,937
Employee Benefits Paid	\$'000	(12,365)	(13,040)	(12,621)	(12,561)	(13,117)	(13,701)	(14,324)	(14,960)	(15,641)	(16,338)	(17,079)
Materials and Consumables Paid	\$'000	(18,471)	(11,680)	(10,009)	(9,842)	10,155	(10,480)	10,826	(11,171)	(11,540)	(11,910)	(12,302)
External Contracts Paid	\$'000	-	-	(16)	(145)	(15)	(145)	(15)	(145)	(15)	(145)	(15)
Utilities Paid	\$'000	-	-	-	-	-	-	-	-	-	-	-
Other Expenses Paid	\$'000	-	-	(1,875)	(2,432)	(2,581)	(2,551)	(2,597)	(2,721)	(2,889)	(2,881)	(2,972)
Net Cash flows from Operating Activities	\$'000	9,448	7,936	3,756	5,707	6,449	6,872	7,646	8,021	8,778	9,364	10,315
Cash flows from Investing Activities												
Payment for Property Plant and Equipment and Infrastructure	\$'000	(10,559)	(10,254)	(6,455)	(5,803)	(4,855)	(4,967)	(6,571)	(5,354)	(5,501)	(6,913)	(7,047)
Proceeds from Property Plant and Equipment and Infrastructure	\$'000	1,337	351	844	492	389	414	399	454	485	208	562
Proceeds from/(to) Investments	\$'000	-	-	-	-	-	-	-	-	-	-	-
Net Cash flows from Investing Activities	\$'000	(9,222)	(9,903)	(5,611)	(5,311)	(4,466)	(4,553)	(6,172)	(4,900)	(5,016)	(6,705)	(6,485)
Cash flows from Financing Activities												
Trust Funds and Deposits	\$'000	(179)	(323)	-	-	-	-	-	-	-	-	-
Proceeds/(Payments) from/for Financial Assets	\$'000	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Interest Bearing Loans and Borrowings	\$'000	500	500	500	500	500	500	500	500	500	500	-
Repayments of Interest Bearing Loans and Borrowings	\$'000	(819)	(858)	(1,009)	(782)	(659)	(574)	(570)	(505)	(542)	(470)	(416)
Finance Costs	\$'000	(278)	(275)	(257)	(232)	(215)	(206)	(199)	(195)	(192)	(190)	(167)
Net Cash flows from Financing Activities	\$'000	(776)	(956)	(766)	(514)	(374)	(280)	(269)	(201)	(235)	(160)	(583)
Net Change in Cash Held	\$'000	(550)	(2,923)	(2,621)	(118)	1,609	2,039	1,206	2,921	3,527	2,499	3,247
Cash at Beginning of the Financial Year	\$'000	13,616	13,066	10,143	7,522	7,404	9,013	11,052	12,257	15,178	18,705	21,205
Cash at End of the Financial Year	\$'000	13,066	10,143	7,522	7,404	9,013	11,052	12,257	15,178	18,705	21,205	24,452
Cash and Cash Equivalents												
Unrestricted Cash	\$'000	7,646	3,567	887	1,430	2,684	4,322	6,356	8,773	11,762	14,687	17,321
Restricted Cash (due to reserves)	\$'000	5,420	6,576	6,635	5,974	6,329	6,730	5,901	6,405	6,943	6,518	7,131

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Cash and Cash Equivalents	\$'000	13,066	10,143	7,522	7,404	9,013	11,052	12,257	15,178	18,705	21,205	24,452

Figure 5: Standard Statement of Cash Flows 2012/13

Murrindindi Shire Council Strategic Resource Plan 2013 / 2017

Standard statement of capital works

Period start		1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Period end		30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
Land	\$'000	-	-	4	-	-	-	117	-	-	-	48
Buildings	\$'000	3,405	2,327	123	391	284	130	673	595	481	630	93
Roads	\$'000	3,125	614	53	120	111	614	41	204	41	254	128
Footpaths	\$'000	-	360	-	135	-	17	47	-	-	-	-
Bridges	\$'000	1,636	-	420	32	-	-	163	-	-	-	-
Drainage	\$'000	252	478	309	108	232	28	29	30	173	32	254
Works in Progress	\$'000	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets	\$'000	-	-	-	-	-	-	-	-	-	-	-
Furniture & Equipment	\$'000	390	436	-	-	-	-	-	-	-	-	-
Plant & Machinery	\$'000	1,537	608	-	-	70	-	-	-	-	-	714
Environment	\$'000	-	800	315	-	6	-	351	-	-	-	-
Recreation	\$'000	-	-	391	75	28	53	29	36	110	30	124
Commerce	\$'000	-	-	-	-	-	-	-	-	-	-	-
Other	\$'000	126	4,502	4,722	4,614	4,021	3,989	4,983	4,297	4,548	5,783	5,474
Kerb and Channel	\$'000	-	-	18	-	-	5	4	24	-	6	17
Road Safety	\$'000	-	-	31	43	55	57	58	90	93	95	117
Other Community Facilities	\$'000	-	-	16	16	17	17	18	18	19	19	26
Library bookstock	\$'000	88	87	-	-	-	-	-	-	-	-	-
Saleyards	\$'000	-	42	52	269	32	57	58	60	37	63	52
Additional Renewal to Close Gap	\$'000	-	-	-	-	-	-	-	-	-	-	-
Total Capital Works	\$'000	10,559	10,254	6,455	5,803	4,855	4,967	6,571	5,354	5,501	6,913	7,047
Represented by:												
Renewal Investment	\$'000	4,645	4,501	4,722	4,614	4,021	3,989	4,983	4,297	4,548	5,783	5,474
Upgrade Investment	\$'000	1,844	1,165	897	597	321	818	815	145	290	388	381
Expansion/New Investment	\$'000	4,070	4,588	835	592	513	160	773	912	663	742	1,192
Total Capital Works	\$'000	10,559	10,254	6,455	5,803	4,855	4,967	6,571	5,354	5,501	6,913	7,047
Renewal Demand	\$'000	4,127	6,113	7,170	7,142	6,175	6,068	6,221	6,719	7,279	8,391	9,164
Renewal Gap = Not Funded	\$'000	(518)	1,612	2,447	2,528	2,154	2,079	1,238	2,422	2,731	2,608	3,690
Accumulated Renewal Gap	\$'000	(992)	620	3,067	5,595	7,749	9,828	11,066	13,489	16,220	18,828	22,517

Figure 6: Standard Statement of Capital Works 2012/13

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