



2007/ 2008 BUDGET

Adopted by Council
28 August 2007

This Budget Report has been prepared with reference to The Institute of Chartered Accountants "Victorian City Council Model Budget 2007/08" a best practice guide for reporting local government budgets in Victoria.

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Mayor & Chief Executive Officer summary

The budget has been prepared in accordance with the *Local Government Act 1989*, Regulations and the chartered accountants best practice guide.

Council has prepared a Budget for the 2007/08 financial year which seeks to enable the activities and initiatives and objectives contained in the Council Plan to be achieved.

The Key Strategic Activities, as required by the *Local Government Act 1989*, and their measures are set out in Section 2 of the budget document which, along with the other measures in the Council Plan, will be reported upon to demonstrate the success of the Council in delivering services for 2007/ 2008.

In achieving the activities and initiatives of the Council Plan, an operating budget delivering a surplus of \$1,006,206 for 2007/ 2008 has been budgeted

It is proposed that general rates are calculated on the basis of a 6% increase with an additional \$60,500 generated from growth in the number of rateable properties in the Shire. This will raise total rates of \$10.7 million. The rate increase is in line with Council's Draft Rating Strategy and Strategic Resource Plan.

Grants of an operating and capital nature are an important source of funds for the Council. Financial assistance through tax distribution to local government has declined over the past few years, despite a growing number of services being delivered by councils. Overall the level of non recurrent grants has decreased by \$924,000 compared to 2006/ 2007 due mainly to specific funding for some large capital works being finalised.

Employee costs have been budgeted to increase by 5.27% compared to the previous financial year. The factors effecting the increase are set out in section 4.2.1 of this document.

The budget contains a substantial capital works program that will continue to address the infrastructure gap issue and also contains a significant number of activities that will deliver the objectives contained in the Council Plan.

The capital program (refer Appendix C) totals \$6.5 million and importantly \$2.474 million will be allocated to asset renewal projects, which addresses the infrastructure gap, \$2.590 million to upgrade projects and \$46,500 to the expansion and creation of new assets. The Road and Bridge Strategy along with the IT Strategy, the Plant Replacement Strategy and the Library Collection Development Strategy provide strategic guidance for the capital program.

Major initiatives as set out in the Council Plan are detailed in Section 2 of this budget.

The Council has also continued the practice of previous years and provided an amount of \$67,000 to assist in matching grant opportunities during the coming year.

It is proposed to borrow a further \$500,000 in 2007/ 2008 to partially fund the capital works program. There is a heavy reliance on rates funds to carry out the balance of the capital program.

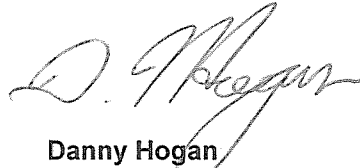
The Budgeted Standard Balance Sheet demonstrates that Council continues to invest in its infrastructure assets in accordance with the strategies that are in place.

The net increase in equity, or net assets, of \$10.9 million results directly from the investment in the capital works program and the increase in assets as a result of revaluations. Ratepayers' equity continues to show a positive trend.

The budgeted cash position details a projected cash balance of \$3.726 million at 30 June 2008 after generating a surplus from operating activities of \$1.468 million. This level of cash is sufficient to meet cash backed reserves, restricted employee provisions and working capital.



Robert Flowers
Mayor



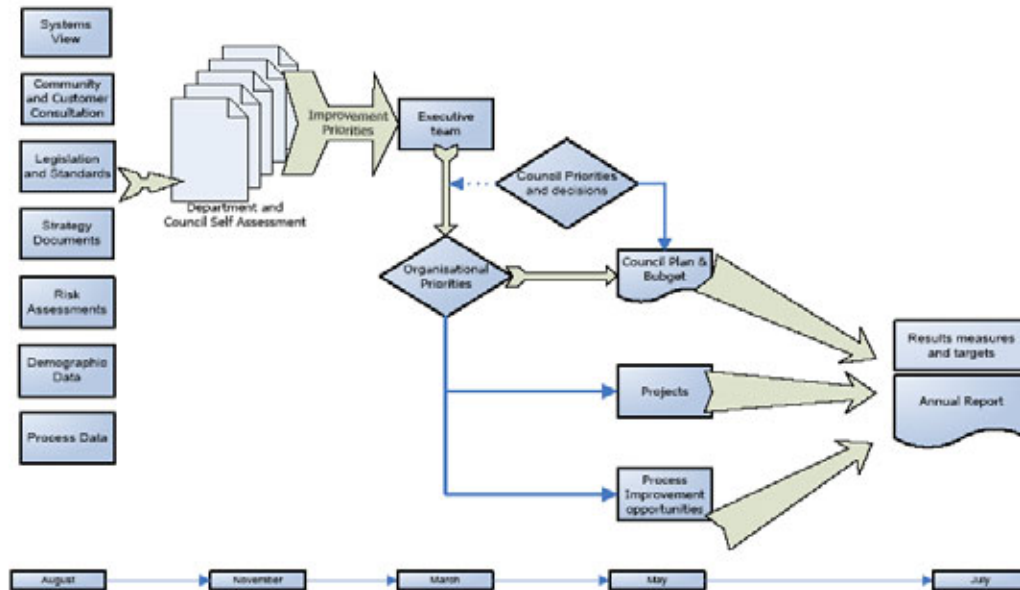
Danny Hogan
Chief Executive Officer

1. Linking the Budget to the Council Plan

1.1 Strategic planning framework

The 2007/ 2008 Budget is based on the *Strategic Resource Plan* contained in the *Council Plan 2006 - 2010 Year 2 review*.

The diagram below depicts the strategic framework of Council and shows the link other processes to the budget.



1.2 Our purpose

The Council Plan sets out the vision, mission and values of the Council.

Our vision

By 2010 the Murrindindi Shire Council will be a progressive, financially strong organisation providing excellent service to motivated communities within a healthy environment.

Our mission

Murrindindi Shire Council will care for, foster and promote the Murrindindi Shire.

Our values

- **Respect** – We will respect other people and their opinions
- **Consistency** - We will be consistent in the application of our principles, policies and processes
- **Integrity** - We will do what we say and say what we mean
- **Accountability** – We will accept responsibility for our actions
- **Innovation** – We will consider new ideas, opportunities and better ways of doing things.

2. Activities, initiatives & key strategic activities

This section provides a description of the operational activities and initiatives to be funded in the Budget for the 2007/ 2008 year and how these will contribute to achieving the objectives specified in the Council Plan. It also includes a number of key strategic activities and performance targets and measures in relation to these. Details of capital projects are set out in Section 6.

2.1 Theme 1: Environment

2.1.1 Objectives

- Ensure that land use is strategically planned
- To protect and enhance our natural environment

Strategies the Council will use during the year to achieve the objectives above are:

- Work within the strategic framework
- Strengthen the Council's role in environmental issues and activities.
- Improve statutory planning processes to deliver timely decisions that are aligned with the strategic framework

Activities set out below are those the Council undertakes to meet the needs of the community on environmental matters.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

2.1.2 Activities

Service Category	Description	Expenditure (Revenue)
		Net Cost \$'000
Planning and Subdivision	This service provides for the implementation of the Murrindindi Planning Scheme and Planning and Environment Act. Decision-making is performed under delegation from the Council. The service provides statutory and strategic planning which facilitate sustainable land use and development	491 <u>(226)</u> 265
Building Inspection and Control	This service provides for the administration and enforcement of building legislation. Services include the processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works	226 <u>(210)</u> 16
Environmental Health	This service is responsible for the regulation of food safety and accommodation standards throughout the Shire. There is also a focus on broader environmental and public health issues including wastewater management, infectious disease, health promotion and complaint investigation.	288 <u>(109)</u> 179
Local Laws	This service aims to achieve a fair standard of "neighbourhood behaviour" within the Shire. The Council has local laws that allow for monitoring and compliance of local situations, including animal management strategies. This service works closely with other agencies. The Service provides a 24 hour response.	359 <u>(151)</u> 208

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
Waste and Environment	This service provides for kerbside waste and recyclable collections to most residential and an increasing number of commercial premises across the Shire. The operation of four (4) transfer stations and landfill site is also a responsibility of this service.	1,847 <u>(1,849)</u> (2)

2.1.3 Initiatives

Service Category	Description
Planning and Subdivisions	Complete the Rural Land Study for consideration and adoption by the Council following clarification of state government directions on new farming zones. This will be undertaken subject to possible grant funding opportunities.
Planning and Subdivisions	Complete the development plans for Lamont Street Industrial land, Alexandra and the Yea Industrial Estate (North Street). The cost of these initiatives will be covered within the net operating budget of the Planning and Subdivision Activity.
Planning and Subdivisions	Progress Stage 2 of the Heritage Study. This study will be undertaken with a grant from Heritage Victoria of \$40,000 and a contribution from Council of \$5,000.
Planning and Subdivisions	Finalise outstanding Planning Scheme Amendments, including C17 (Alexandra and Small Towns UDFs) and implementation of the Yea Flood study. The cost of the amendment process is expected to be \$25,000.
Planning and Subdivisions	Completion of the Local Priority Statement as part of the <i>Department of Sustainability and Environment (DSE) Sustainability Accord</i> . The cost of this initiative will be covered within the net operating budget of the Planning and Subdivision activity.
Planning and Subdivisions	Complete the development of an environmental policy and supporting strategy and resource plan. The cost of this initiative will be covered within the net operating budget of the Planning and Subdivision activity.
Planning and Subdivisions / Assets and Infrastructure.	Clarify Council's role in roadside management and standards. The cost of this initiative will be covered within the net operating budget of the Planning and Subdivision activity.
Planning and Subdivisions	Complete the three (3) year monitoring report on the performance of the <i>Murrindindi Planning Scheme</i> and processes (statutory requirement). The cost of this initiative will be covered within the net operating budget of the Planning and Subdivision activity.
Planning and Subdivisions	Complete and adopt the Waste Water Management Plan for Murrindindi. The cost of this initiative will be covered within the net operating budget of the Planning and Subdivision activity.
Planning and Subdivisions	Continue to work on innovative water and wastewater initiatives through the Kinglake Waste Water Innovation project. The cost of this initiative will be covered within the net operating budget of the Planning and Subdivision activity.
Planning and Subdivisions	Finalise the Weed Mapping Project. This one (1) year project will be completed with a \$30,000 grant from the Department of Primary Industries (DPI) of which \$15,000 will be used in 2007/ 2008 and a contribution from Council in next year of \$5,000.

Service Category	Description
Waste and Environment	The Council is currently considering recommendations from the waste strategy that consider the replacement of street and park litter bins in Alexandra, Yarck, Molesworth and Yea. The Council intends to transfer the cost of replacement from the waste reserve during the 2007/ 2008 year. It is anticipated that the gross cost of the street bin replacement could be up to \$78,000 and the recycling bins up to \$24,000. At this stage the figures for this project have not been considered in this budget document.

2.1.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Replacement of street and parks litter bins in Alexandra and Marysville.	Project completed by due date and within budget	Management reports.	Completion by December 2007.
Town Planning	Community satisfaction rating for town planning	Annual community satisfaction survey.	> 56.

2.2 Theme 2: Community

2.2.1 Objectives

- To promote safe, healthy, active communities

Strategies the Council will use during the year to achieve the above objectives are:

- Support an integrated approach to health and well being.
- Strengthen relationships with other agencies.
- Develop improved processes for response and recovery from emergencies.
- Advocate, facilitate and deliver services for all ages.
- Link our communities and transport hubs.

Activities set out below are those the Council undertakes to meet the needs of the community.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

2.2.2 Activities

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
Children Services	This service provides childcare at the Kinglake Child Care Centre, Maternal and Child Health Services at seven (7) locations, Family Day Care in carers' homes and also implements the strategies outlined in the Early Years Strategy.	940 <u>(670)</u> 270
Aged and Disability Services	This service provides home delivered meals, personal care, respite care, veteran affairs and high need care, dementia care, home maintenance, planned activities and outings, and senior citizens clubs. Case management and the co-ordination of 126 volunteers are also provided under this service.	1,521 <u>(1,319)</u> 202
Community Services Administration	The management of the community services department along with key projects such as the Inclusiveness Planning Project (access for all), Transport Connections and Community Bus are provided through this service,	373 <u>(113)</u> 260
Family and Youth Services	This service provides for FReeZa (Drug and alcohol free) concerts and a contribution to the operations of Berry Street Victoria. The recently adopted Youth Strategy activities will also be addressed as funding allows through this program.	40 <u>(23)</u> 17
Housing Projects	This service provides for maintenance of several low income housing units.	12 <u>(7)</u> 5
Marysville Retirement Village	This service provides for the operation of a Retirement Village comprising eleven (11) units and a village hall.	16 <u>(11)</u> 5
Pre-School and Playgroup Centres	This service provides for a contribution towards the operating cost of pre schools and playgroups.	24 <u>(00)</u> 24
Customer Services	This service provides for the primary point of contact for the public and is provided at Alexandra, Yea and Kinglake.	358 <u>(6)</u> 352

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
Library Services	This service provides programs and lending facilities at three (3) locations and one (1) mobile library. The service at Kinglake and Yea is shared with Customer Service activities.	583 (139) 444
Caravan Parks	Caravan parks at Yea and Marysville that are located on crown land are provided via this service. The parks are self funding and leased to operators.	44 (44) 0
Community Halls and Properties	This service provides for the insurance of and some operating costs at a range of community buildings across the Shire. Hall rental of Council run halls is also included.	33 (12) 21
Parks and Gardens	The maintenance of parks and gardens across the shire including park furniture and pathways is provided for in this service.	919 (0) 919
Leisure Centre	This service provides for the operation of the Alexandra Leisure Centre. The surplus on operations is transferred to a maintenance reserve for future works.	58 (62) (4)
Sporting Pavilions	This service provides for the insurance and some contribution to operating costs at several sporting pavilion and facilities.	40 (0) 40
Swimming Pools	This service provides for the operation for four (4) outdoor swimming pools over the summer period.	306 (75) 231

2.2.3 Initiatives

Service Category	Description
Community Services	Review, evaluate and update the Murrindindi Public Health Plan (MPHP) in consultation with health service providers to support co-operative planning. A grant of \$6,000 has been received from DHS to undertake this review.
Community Services	Address Pioneer Reserve traffic management issues.
Community Services	Prepare a Positive Ageing Strategy. A grant of \$10,000 from the DVC Office of Senior Victorians will be received in 2007/2008 to assist in preparing this strategy.
Community Services	Commence the Transport Connections Program. A recent successful grant application of \$300,000 provides for the full funding of a transport co-ordinator and operation of a reference group to address transport disadvantage issues over a three (3) year period.
Community Services	Implement year one (1) and two (2) of a four (4) year program for the community building program in Kinglake Ranges. This Initiative has been made possible by a grant from DVC of \$33,000 per annum. The net cost to council in 2007/ 2008 will be \$3,000.
Community Services	Review the <i>Recreation and Culture Grants</i> and <i>Community Loan</i> programs to seed funding pool to match community initiated projects and programs

Service Category	Description
Community Services	Develop a policy for the use of council assets by the community. The cost of this initiative will be covered within the net operating budget of the Civic Activity.
Community Services	Investigate the provision of public toilets. The cost of this initiative will be covered within the net operating budget of the Civic activity.
Community Services	Complete the development of an Arts and Culture Policy.
Community Services	Review the Council's role in supporting committees of management. The cost of this initiative will be covered within the net operating budget of the Civic activity.
Community Services	Ensure that all seasonal users of Council facilities are governed by seasonal use/ tenancy agreements and have a contact point within the Council. The cost of this initiative will be covered within the net operating budget of the Civic activity.
Community Services	Continue to participate in the Walking School Bus Program. This initiative will be undertaken with a grant of \$9,000 over the next two (2) years with the Council contributing \$4,000 per annum.
Community Services	Implement water saving initiatives in the home and community care program to assist frail elderly residents to conserve water following grant funding of \$10,000.
Community Services	Finalise the Inclusiveness Planning Project including access audits of townships. The project commenced in last year (\$15,000) with a further \$18,000 to be expended in 2007/ 2008. The grant received from Local Government Victoria was \$30,650.
Community Services	Continued replacement of playground equipment shire wide. In accordance with the Council's response to the Recreation Strategy of 2003 an amount of \$50,000 will be spent on the replacement of worn or dangerous items of play equipment across the shire on a prioritised basis.
Community Services	Resurface the Kinglake Tennis Court at a total cost of \$75,000. Grant funds have been sourced from the SRV minors program.
Community Services	Alexandra Football/ Netball Club multi purpose facility feasibility study at a total cost \$15,000. This project will be completed with a grant of \$7,500 from SRV Community Facilities Funding Program 2007/ 2008 and community contributions \$7,500 from the Club.
Library Services	Implement the identification tagging system for library book stock to align with Yarra Plenty Regional Library Service at a cost of \$53,000

2.2.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Complete the capital works program.	Completion by 30 June 2008.	Report to Council on a quarterly basis	>80%.

2.3 Theme 3: Infrastructure

2.3.1 Objectives

- To maintain and improve our infrastructure
- To foster civic pride

Strategies the Council will use during the year to achieve the above objectives are:

- Address the infrastructure renewal gap.
- Integrate the organisation's approach to asset management.
- Pursue innovative funding sources and strategies for the renewal and upgrading of infrastructure.
- Comply with insurance recommendations and address risk issues.
- Improve Council facilities.
- Ensure our infrastructure is maintained to the standard adopted by the Council.
- Ensure our systems including staff, plant, equipment and depots are appropriate to deliver the highest possible standards of service.

Activities set out below are those the Council undertakes to meet the needs of the community.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

Large capital and recurrent grants and contributions are received under this Theme. The details of the income are described under the analysis of the Operating Statement.

Capital works projects are set out in Section 6 and Appendix C.

2.3.2 Activities

Service Category	Description	Expenditure (Revenue) Net Cost \$'000
Assets and Infrastructure	Maintenance of bicycle and walking paths	25 <u>(0)</u> 25
Assets and Infrastructure	Maintenance of bridges	213 <u>(0)</u> 213
Assets and Infrastructure	Maintenance of drainage	97 <u>(0)</u> 97
Assets and Infrastructure	Maintenance of footpaths and kerbs	73 <u>(0)</u> 73
Assets and Infrastructure	Maintenance of roads	1,860 <u>(0)</u> 1,860
Assets and Infrastructure	Maintenance of roadsides.	404 <u>(0)</u> 404

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
Assets and Infrastructure	Maintenance of public buildings.	175 (0) 175
Assets and Infrastructure	Maintenance of public conveniences.	217 (0) 217

2.3.3 Initiatives

Service Category	Description
Assets and Infrastructure	Complete the Road Asset Management Plan (RAMP). The cost of this initiative will be covered within the net operating budget of the Assets and Infrastructure activity.
Assets and Infrastructure	Formulate a Special Charge Scheme policy. The cost of this initiative will be covered within the net operating budget of the Assets and Infrastructure activity.
Assets and Infrastructure	Complete and publish the <i>Infrastructure Manual</i> . The cost of this initiative will be covered within the net operating budget of the Assets and Infrastructure activity.
Assets and Infrastructure	Develop and implement a programmed maintenance system for infrastructure maintenance. The cost of this initiative will be covered within the net operating budget of the Assets and Infrastructure and Murrindindi Construction activity.
Assets and Infrastructure	Continue to advocate for an alternative road route through the Black Spur. The cost of this initiative will be covered within the net operating budget of the Assets and Infrastructure activity.
Executive and Civic	Review Murrindindi Construction's focus on private works. The cost of this initiative will be covered within the net operating budget of the General Manager Operations and Murrindindi Construction activities.
Corporate Services	Consider Committees of Management for the Yea and Alexandra Shire halls. The cost of this initiative will be covered within the net operating budget of the Assets and Infrastructure activity.
Assets and Infrastructure	Consider a signage policy, including road signs and town signs. The cost of this initiative will be covered within the net operating budget of the Assets and Infrastructure activity.

2.3.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Reduce the Infrastructure Gap	Infrastructure Gap	Annual Report and Road and Bridge Strategy 2007/08.	< \$1.7 mil.
Reduce the Renewal and Maintenance Gap	Renewal and Maintenance Gap	Annual Report	80%

2.4 Theme 4: Local Economy

2.4.1 Objectives:

- To encourage economic growth

Strategies the Council will use during the year to achieve the above objectives are:

- Strengthen local industries and value add
- Provide support to new and expanding businesses
- Provide opportunities for industrial development
- Attract investment
- Provide event co-ordination
- Manage building development in a planned and sustainable way across the Shire
- Provide sale yard facilities for the farming community
- Pursue a more coordinated approach to visitor information services across the Shire
- Continue to strengthen and develop the tourism industry
- Pursue investment in new tourism product and infrastructure
- Participate in cooperative marketing and public relations initiatives

Activities set out below are those the Council undertakes to meet the needs of the community.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

2.4.2 Activities

Service Category	Description	Expenditure (Revenue) Net Cost \$'000
Business Infrastructure	This service provides for the pursuit of improved services and infrastructure for businesses including improved Broadband services.	3 (0) 3
Business Support	This service provides funding for a range of business support and assistance services and training initiatives, and includes the costs of administering the department.	228 (56) 172
Events Facilitation	This service provides for the co-ordination, development, and promotion of major festivals and events across the Shire which provide economic benefits to the region.	43 (00) 43
Industrial Land	This service provides for the facilitation of future development process in the Yea Industrial area/ Alexandra Industrial area and for the state government industrial land survey response.	10 (00) 10
Industry Development Initiatives	This service supports initiatives designed to strengthen and develop businesses and industries in the Shire, including business forums, training, and awards programs.	21 (00) 21
Private Investment Attraction	This service is about attracting appropriate investment into the Shire and provides for facilitated assistance to key development projects including Lake Eildon Resort development, Kinglake Resort development and establishment of Holmesglen TAFE at Snobs Creek.	27 (5) 22
MRTA Communications	This service provides for improved communications between the Tourism Regional body, Council, local business associations and individual businesses. Production of the Calendar of Events and Murrindindi Business Matters newsletter is also provided.	17 (00) 17

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
MRTA industry Development	This service provides support to assist the MRTA to implement business planning and training initiatives with tourism associations and tourism operators.	16 <u>(00)</u> 16
MRTA Marketing	This service provides for the delivery of collaborative tourism marketing opportunities and involvement in tourism campaigns to the north (NEVTi) and south (YRRM).	40 <u>(00)</u> 40
Tourism Operations	This service provides for the administration cost of the Tourism Unit including the Tourism Industry Officer and Tourism Services Officer.	131 <u>(00)</u> 131
Tourism Product Development	This service provides for identifying and improving the quality and depth of tourism product and attractions available to visitors and improving/ developing touring routes etc.	58 <u>(00)</u> 58
Tourism Strategic Development	This service provides for visitor research to assist in developing longer term plans for tourism development in the Shire Rail Trail, nature based accommodation study, 4 to 5 star accommodation.	10 <u>(00)</u> 10
Visitor Information Services	This service provides for Visitor Information Centre (VIC) structures/buildings, administrative and financial support to local associations operating the VICs, improved signage and access – signage audit and follow up actions and support to businesses applying for signage.	21 <u>(8)</u> 13

2.4.3 Initiatives

Service Category	Description
Economic Development and Tourism	Progress development of the Yea Industrial Estate in accordance with the <i>Yea Industrial Estate Development Plan</i> . The cost of this initiative will be covered within the net operating budget of the Planning and Environment activity.
Building Inspection and Control	Continue the development of an <i>essential services register</i> for commercial buildings with fire safety systems. The cost of this initiative will be covered within the net operating budget of the Planning and Environment activity.
Economic Development and Tourism	Develop and implement a tourism signage strategy. The cost of this initiative will be covered within the net operating budget of the Economic Development and Tourism activity.
Economic Development and Tourism	Report to Council and complete a nature based tourism accommodation feasibility study. A grant of \$15,000 from Tourism Victoria will assist in delivering the study.
Economic Development and Tourism	Conduct the visitor research project to contribute to planning within the tourism industry. The cost of this initiative will be covered within the net operating budget of the Economic Development and Tourism activity.
Economic Development and Tourism	A grant of \$25,000 from Provincial Economic Partnerships will assist in the development of a new Economic Development Strategy for the Shire.

Service Category	Description
Economic Development and Tourism	Continue to invest in regional tourism development and promotion. The cost of this initiative will be covered within the net operating budget of the Economic Development and Tourism activity.
Economic Development and Tourism	Continue to invest in local tourism industry development. The cost of this initiative will be covered within the net operating budget of the Economic Development and Tourism activity.
Economic Development and Tourism	Continue to work with drought affected businesses. The cost of this initiative will be covered within the net operating budget of the Economic Development and Tourism activity.
Civic	Provide a seed funding pool of \$67,000 to take advantage of grant opportunities from other levels of government.

2.4.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Community Satisfaction	Economic Development	State Government annual community survey	> 59

2.5 Theme 5: Governance

2.5.1 Objectives:

- To be consistent, fair and transparent in our decision making
- To improve our performance
- To foster civic pride
- To value our staff
- To be a financially strong organisation

Strategies the Council will use during the year to achieve the above objectives are:

- Act with probity and due diligence
- Continue to improve Council systems, processes and relationships
- Ensure our customers have a positive experience
- Improve service delivery and efficiency
- Improve our image and communication
- Be proactive in reducing organisational risk and improve our risk profile
- Promote the shire
- Foster leadership
- Be an employer of choice
- Strengthen the Council's financial position.

Activities set out below are those the Council undertakes to meet the needs of the community.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

Please note that a significant component of the Council's total revenue is contained in this program and cannot be directly attributed to the activities below. Rate income is an example of this.

2.5.2 Activities

Service Category	Description	Expenditure (Revenue) Net Cost \$'000
Executive and Organisational Development	This service provides for the cost of the CEO and two (2) General Managers as well as the Organisational Development and Risk Management functions. Costs in this service cannot be readily attributed to other activities across the organisation.	875 (66) 809
Communications and Public Relations	This service is responsible for the management and provision of advice on external and internal communication and publications and advertising.	172 (00) 172
Corporate Services	This service provides all financial, Information Technology and administrative functions of the organisation.	1,528 (252) 1,276
Council	This service provides for the elected Councillors and democratic functions of the Shire.	349 (00) 349
Engineering Services	This service undertakes design, tendering, contract management and supervision of various works within the capital works program and subdivisions. Service levels for asset maintenance are also set and monitored by this service.	529 (52) 477

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
Rates and Valuations	This service administers the rating and valuation systems of the Council. The bi annual revaluation costs of \$110,000 are also included.	301 <u>(66)</u> 235
Saleyards	This service provides for the operation of the Alexandra and Yea saleyards. The surplus on operations is allocated to the saleyards reserve for future works.	82 <u>(170)</u> (88)

2.5.3 Initiatives

Service Category	Description
Civic Services	Self assess and prioritise governance processes for improvement. This initiative will be undertaken by Councillors.
Corporate Services	Implement the prioritised annual improvement program. The cost of this initiative will be covered within the net operating budget of the managers involved.
Corporate Services	Establish the intranet site. The cost of this initiative will be covered within the net operating budget of the Corporate Services activity.
Executive and Civic Services	Review the Council's operations to identify areas that may be considered as non-core business. The cost of this initiative will be covered within the net operating budget of the Executive Management and Civic activities.
Communications and Public Relations	Complete the <i>Communications Strategy</i> . This \$6,000 initiative will provide for community newsletters and other promotional material to keep the community informed.
Executive and Civic Services	Develop risk assessment processes relating to the management of major projects. The cost of this initiative will be covered within the net operating budget of the Executive Management and Civic activities.
Communications and Public Relations	Consider, adopt and implement the priority actions contained in the <i>Branding Strategy</i> as opportunities and funding allow. This \$38,000 initiative will specifically address the replacement of boundary entry signage in the Shire.
Organisational Development	Investigate and commence a workforce development plan. The cost of this initiative will be covered within the net operating budget of the Organisational activity.
Organisational Development	Commence the development of a skills register across the Shire. The cost of this initiative will be covered within the net operating budget of the Organisational activity.
Executive and Civic Services	Develop a policy about seeking grants. The cost of this initiative will be covered within the net operating budget of the Executive Management and Civic activities.
Executive and Civic Services	Develop a policy about using consultants. The cost of this initiative will be covered within the net operating budget of the Executive Management and Civic activities.

Service Category	Description
Executive and Civic Services	Develop a policy about acquiring and owning public buildings. The cost of this initiative will be covered within the net operating budget of the Executive Management and Civic activities.
Executive and Civic Services	Develop a policy about community requests for funding. The cost of this initiative will be covered within the net operating budget of the Executive Management and Civic activities.
Organisational Development	Consolidate staff training initiatives across the organisation to provide a source of funds for targeted training and development. The cost of this initiative will be covered within the net operating budget of the Civic activity.
Executive and Civic Services	Model demographic data following the 2006 Census. The extent of the modelling will be limited to a budget of \$5,000 for this initiative.
Corporate Services	Complete the two (2) yearly revaluations of properties in the Shire. The cost of this initiative will be \$110,000.
Executive and Civic Services	Undertake a review of the riding boundaries within the shire as required by the State Government at a cost of \$32,000. In addition to the direct service costs additional resources will be provided from the Civic activity.

2.5.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues.	Local Government Victoria Annual Community Satisfaction Survey	>64
Community Engagement	Council's satisfaction rating for engagement in decision making on key local issues	Local Government Victoria Annual Community Satisfaction Survey	>60
Business Excellence/ Best Value program	Completion of Business Excellence / Best Value requirements.	Annual Report	100%

3. Budget influences

This section sets out the key budget influences.

3.1 External influences

In preparing the 2007/ 2008 budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

3.1.1 *State Government 2007/ 2008 budget*

Items of note in the State Budget which may have an influence on coming financial years include:

- Strong economic outlook for the state economy if the drought breaks
- Historically low unemployment levels
- Continued pressure on wages growth beyond CPI and population growth. This will place pressure on the real value of general purpose grants and specific purpose payments.
- Funding for councils to identify ways to cut red tape and improve local government procurement practices
- Funding for children's hubs
- Funding for the refurbishment of kindergartens
- Funding for kindergarten cluster management
- Funding for kindergarten programs in child care centres
- Funding for councils to carry out strategic planning work including the implementation of rural zones
- Additional HACC funding
- Funding for stormwater and urban water recycling
- Continued reductions in WorkCover premiums
- Funding to upgrade regional showgrounds
- Funding for men's sheds
- Expansion of the volunteer small grants and community bus program
- Technology funding for Neighbourhood houses

More detail on the State Government Budget can be found at www.mav.asn.au

3.1.2 *Federal Government 2007/ 2008 Budget*

Items of note in the Federal Budget which may have an influence on coming financial years include:

- Extension of the Roads to Recovery program until 2013/ 2014
- Extension of the Blackspot funding program
- Increase in the Child Care Benefit
- Funding to support child care in regional and remote areas
- Funding for rural counselling services
- Continuation of exceptional circumstances drought assistance and further funds for small business in drought affected areas
- Additional funding for aged care services
- Funding for subsidised broadband access
- Establishment of a centre for climate change
- Extension of the Community Water Grants Scheme
- Continued funding for the reduction of regulatory burden on business

More detail on the Federal Government Budget can be found at www.mav.asn.au

3.2 Other influences

The Municipal Association of Victoria (MAV) 2007 updated rates fact sheets provides information that details issues which may influence coming financial years. A extract from of those issues are listed below:

Local government cost pressures

1. **Cost shifting**

Cost shifting is the transfer of responsibility for delivering commonwealth and state government programs and services to local government, with no or insufficient funding. These services influenced by this process include:

- Maternal and child health
- Kindergarten infrastructure
- Immunisation programs
- Home and community care
- Public libraries

2. **Ageing infrastructure**

Funding for the maintenance of ageing infrastructure is recognised as a major cost pressure for councils. To address the infrastructure renewal gap and prevent it from widening further, councils need to significantly increase spending on asset renewal and capital works programs.

3. **Local Government cost index**

The local government cost index, developed by MAC, is a CPI comparison that calculates any change in costs to deliver goods and services provided by Victorian councils. To deliver the same level and range of services as in 2006 it will cost local government 5 percent more in 2007 due to growth in construction, material and wage costs.

4. **Declining government grants**

Core financial assistance through commonwealth tax distribution to local government has declined in 2007/ 2008, despite a growing number of services delivered by councils.

3.3 Budget principles

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

- Existing fees and charges to be increased in line with CPI or market levels
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained at 2006/ 2007 levels with an aim to use less resources with an emphasis on innovation and efficiency
- Contract labour to be minimised
- New initiatives or new employee proposals which are not cost neutral to be justified through a business case
- Real savings in expenditure and increases in revenue identified in 2006/ 2007 to be preserved
- Operating revenues and expenses arising from completed 2006/ 2007 capital projects to be included.

3.4 Legislative requirements

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

The 2007/ 2008 budget, which is included in this report, is for the year 1 July 2007 to 30 June 2008 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 2008 in accordance with *Australian Accounting Standards including AAS27, "Financial Reporting by Local Governments"*, and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works

program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2007/ 2008 to 2010/ 2011 (section 9), Rating Strategy (section 10) and Other Long Term Strategies (section 11) including borrowings, infrastructure and service delivery.

4. Analysis of operating budget

This section analyses the expected revenues and expenses of the Council for the 2007/ 2008 year.

4.1 Operating revenue

	Ref	Forecast		Variance
		Actual 2006/07 \$'000	Budget 2007/08 \$'000	
Operating Revenue				
Rates	4.1.1	10,021	10,707	686
User Charges	4.1.2	2,973	3,936	963
Fees & Fines	4.1.3	507	564	57
Grants	4.1.4	7,552	6,745	(807)
Interest	4.1.5	343	328	(15)
Proceeds from Sale of Fixed Assets	4.1.6	347	268	(79)
Other	4.1.7	624	633	9
Total Operating Revenue		22,367	23,182	814

Source: Appendix A

4.1.1 Rates (\$686,000 increase)

Rates are calculated on the basis of 6% increase (or \$686,000 over 2006/ 2007) to \$10,707,000. It is estimated there will be a growth in the number of properties in the Shire during 2007/ 2008 and this will deliver an additional 1% increase, which forms part of the total Rates revenue figures. Appendix B includes a more detailed analysis of the rates and charges to be levied for 2007/ 2008

4.1.2 User Charges (\$963,000 increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate rating schemes for infrastructure works, use of leisure and other community facilities and the provision of human services such as family day care and home help services.

User charges are projected to increase by 32.3% or \$963,253 over 2006/ 2007. The main areas contributing to the change in user charges are the introduction of capital works for Taylor Bay Left Arm (\$900,000) and Green Street (\$75,000).

Other minor influences include reduced revenue from sale yards attributed to drought conditions and the reduction in demand for family day care service.

On alternate years Council receives revenue from the State Revenue Office for sale of data generated by bi annual land valuations. In the 2007/ 2008 financial years the valuations are conducted at a cost to Council. However, the payment for purchase of this information will be generated in the 2008/ 2009 financial year. This bi annual transaction generates variances between the operating figures in each financial year.

4.1.3 Statutory Fees and Fines (\$56,806 increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Health Act registrations, building permits and certificates, septic tank inspections and planning building inspection fees. Increases in statutory fees are made in accordance with legislative requirements.

4.1.4 Grants

Operating Grants (\$129,924 increase)

Operating grants include all monies received from State and Federal sources for the purpose of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is anticipated to increase by 2.59% or \$120,000 compared to 2006/ 2007 forecast.

Details of the operating grants received by the Council is as set out in the table below:

	Forecast		Variance
	2006/07	2007/08	
Grants Operating - recurrent	\$'000	\$'000	\$'000
Operating Income - Family Day Care	57	38	(19)
Yea Median Strip-Parks & Gardens	6	0	(6)
Volunteer Co-ordination	11	10	(1)
Rural Transaction Centre Kinglake	4	4	-
School Crossing Supervision	5	6	1
State Emergency Service Income	15	15	-
Health Care & Support Delivered Meals	18	19	1
M & C Health Service	109	109	-
Property Maintenance	24	25	1
Social Support Core	55	56	1
Respite Home and Community	34	35	1
Personal Care	35	35	-
Immunizations	7	8	1
Service System Resourcing	41	42	1
Planned Activity Group High	105	106	1
Assessment and Care Management	61	63	2
Community Care Packages	32	35	3
Operating Income - Kinglake Child Care Centre	203	207	4
Respite Care	70	77	7
Home Care	290	297	7
Murrindindi Library Service Income	104	101	(3)
Provision of Service - Family Day Care	155	165	10
Local Roads - Grants Commission	1,259	1,305	46
Grants Commission	1,921	1,983	62
Senior Citizens week	2	2	-
Children services funding	1	1	-
Total	4,624	4,743	120

Non Recurrent Grants (\$924,000 decrease)

Non recurrent grants include all monies received from state and federal sources for the purpose of funding capital works or major projects on a one off basis. Overall, the level of non recurrent grants has decreased by \$924,000 compared to 2006/ 2007 forecast due mainly to specific funding for some large capital works being finalised. Section 6 "Analysis of Capital Budget" includes a more detailed analysis of the capital grants and contributions expected to be received during the 2007/ 2008 year. The table below lists the non recurrent grants that will be managed and finalised during the 2007/ 2008 financial year:

	Note	Forecast		Variance
		2006/07 \$'000	2007/08 \$'000	\$'000
Grants (non-recurrent)				
Statewide Blackspot - Local Roads		469	157	(312)
Roads to Recovery Program	1	894	776	(118)
Walking School Bus		37	9	(28)
Infrastructure - Storm Damage		58	35	(23)
Inclusiveness Planning Project		23	7	(16)
Murrindindi Library Service Income		27	20	(7)
Buy Local Campaign Grant funding		9	3	(6)
Promoting Local Attractions YBTA			8	8
Preventing Graffiti Community Grant		7	1	(6)
Provincial Victoria Campaign		10	5	(5)
Home Care		14	10	(4)
Other Health Income		5	3	(2)
HomeFirst funding		53	0	(53)
Youth Concerts - Income		19	19	-
Weed mapping funding		15	15	-
Upgrade Acheron Hall		9	9	-
Yea Railway project - Stage 2		16	16	-
Yea Wetlands - Stage 2		33	33	-
Yea Racecourse Re-development		41	41	-
Fire Protection Works Income		39	40	1
Alexandra Swimming Pool - Diving			6	6
Community Resilience & Preparedness			6	6
Multi Purpose Community Centre Feasibility study - Alexandra			8	8
Gallipoli Park Hall Disabled Access			5	5
Drought Infrastructure Business Continuity			0	-
Community Facility funding Kinglake			10	10
Provincial Economic Partnership Traineeship program		13	25	12
Yea Netball Courts Funding			14	14
Yea Hall Clock Project			20	20
Emergency Disaster Funds - Fires		6	35	29
Kinglake Ranges Community Building		33	66	33
Thornton Playground funding			40	40
Planning General		0	67	67
Thornton Netball Courts Funding			55	55
Yea Community Services Centre Upgrade		0	66	66
Kinglake community Pavillion			100	100
Kinglake football Netball Club Funding			20	20
Murrindindi Transport Connections			105	105
Positive Ageing Project Funding			10	10
Eildon Town Entrance Revitalisation			140	140
Sub Total - To be implemented in 2007/08		1,830	2,005	175

Note 1: Roads to Recovery

The forecast in 2006/ 2007 is inflated for amount unclaimed in 2005/ 2006. There has not been a reduction in the amount of grant and the full amount of \$776,000 will be claimed in 2007/ 2008.

The table below lists those grants that were managed and finalised during the 2006/ 2007 financial year. At the time of developing this budget document it was not expected that any of these grants would be made available again in the 2007/ 2008 financial year. The information is provided as an indication of reduction in non-recurrent revenue between the two (2) years. The 2006/ 2007 grants program included some large capital projects as indicated below:

	Forecast		Variance
	2006/07 \$'000	2007/08 \$'000	\$'000
Completed and withdrawn			
Local works Infrastructure Program	300		(300)
Marysville Streetscape Stage 2	175		(175)
Thornton Hall Refurbishment	161		(161)
Bushfire Recovery - Strategic Bus	70		(70)
Playground Major Works Strategy	50		(50)
Drought Relief Water Supplies funding	47		(47)
Bollygum - Community Water Grant	45		(45)
Bushfire Preparedness Community	31		(31)
Fossils signage Project	30		(30)
Yea Rail Trail Upgrade	25		(25)
Bushfire Recovery - Co-operative	20		(20)
Eco Recycle Grant	15		(15)
Kinglake Ranges Festival - Bushfire recovery	15		(15)
Business Week Forums and Workshop	14		(14)
Alex Traders Revitalisation Project	10		(10)
MRTA Tourism Packaging Workshop	10		(10)
Drought Forums - fish circuses	9		(9)
Regional Investment Initiative - Bollygum marketing	9		(9)
CBI Community Opportunity Workshop	8		(8)
Yea Autumn Colours	8		(8)
Alexandra Truck Show - Bushfire recovery	8		(8)
Recreation Reserve Planning	8		(8)
Community Services Support	6		(6)
Prov Eco Partnership Alexandra	5		(5)
Wirreanda Business Breakfast	5		(5)
Rural Addressing Access Point Cap	4		(4)
Weed Control Funding DPI	3		(3)
Planned activity group	3		(3)
Autumn In the Ranges Bushfire Recovery	2		(2)
Murrindindi Business Week	2		(2)
Operating Income - Kinglake Child Care Centre	1		(1)
Sub Total - completed in 2006/07	1,099	0	(1,099)
Total all Non recurrent Grants	2,929	2,005	(924)
Total Operating Grants	4,624	4,743	120
Net effect of Grants	7,553	6,748	(804)

4.1.5 Interest (\$15,419 decrease)

Interest earned is forecast to decline by 4% or \$15,419 compared to 2006/ 2007 forecast.

It should be noted that the forecast for 2006/ 2007 is in fact a favourable variance from the original budget of \$298,478. The forecast is \$44,741 above the budgeted figure. This increase in revenue is as a result of having funds available to put on deposit for longer periods than anticipated at the time of setting the budget.

4.1.6 Proceeds from Sale of Fixed Assets (\$78,580 decrease)

Proceeds from the sale of Fixed Assets is the amount received when disposing of an asset, whether it be by way of sale or trade in. Proceeds from the sale of Council assets is forecast to be \$268,271 for 2007/ 2008 and relates mainly to the planned cyclical replacement of part of the plant and vehicle fleet.

This reduction also reflects that there is less money being spent on replacing plant and fleet items during the 2007/ 2008 financial year as compared to the prior year. In section 6.2 the Schedule of Capital Works demonstrates a reduction in expenditure on Plant & Machinery of \$74,000 when compared to the 2006/ 2007 forecast.

The written down value of assets sold is forecast to be \$267,000.

4.1.7 Other revenue (\$8,304 increase)

Other revenue relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes contributions and donations.

Other revenue is forecast to increase by 1% or \$8,304 compared to 2006/ 2007 forecast amount of \$624,749.

It should be noted that the original 2006/ 2007 budget for other revenue was \$531,875. If the 2007/ 2008 budget is compared to the original 2006/ 2007 it demonstrates there is actually an expectation that the revenue from this source will increase by \$83,178. The increase is attributed to contributions in relation to the Downey Street drainage project being received in 2007/ 2008. Other minor contributions relate to the Rotary Park upgrade and Thornton and Yea netball courts as listed in the capital works program in Appendix C of this document.

4.2 Operating expenditure

Expenditure Types	Ref	Forecast	Budget	Variance
		Actual 2006/07 \$'000	2007/08 \$'000	\$'000
Employee Costs	4.2.1	8,590	9,104	(514)
Contractors & Materials	4.2.2	7,917	7,931	(14)
Interest	4.2.3	382	407	(25)
Depreciation	4.2.4	4,145	4,313	(168)
Carrying Amount of Fixed Assets Sold	4.2.5	349	267	82
Other	4.2.6	148	155	(7)
Total operating expenditure		21,529	22,177	(661)

Source: Appendix A

4.2.1 Employee Costs (\$513,810 increase)

Employee costs include all labour related expenditure, including wages and salaries and on-costs such as allowances, leave entitlements and employer superannuation. Employee costs do not include any motor vehicle costs associated with or attributed to the employment of staff.

Employee costs are forecast to increase by 5.27% compared to 2006/ 2007.

The Council commits to reviewing employee costs in conjunction with a review about core and non core Council services.

This increase relates to:

- 4.5% increase in line with Council's Enterprise Bargaining Agreement (EBA)
- Increase in WorkCover premium of \$30,000
- Increase in staff numbers resulting from Council's decision to commence in house management of transfer stations in 2006/ 2007 which is offset by a reduction in the cost of contractors
- Increase in staff numbers resulting from WorkCover claim backfill (0.5 EFT fixed term)
- Increase in staff numbers for grant funded projects (1.8 EFT fixed term)

In summary, after allowing for fixed term grant funded employees and transfer station operation, the only increase in EFT staffing relates to the WorkCover backfill position.

4.2.2 Contractors and Materials (\$14,153 increase)

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

Contractors and materials are forecast to increase by \$14,153 compared to 2006/ 2007 forecast. The table below summarises the types of expenses reported in Materials and Contractors:

	Forecast		
	Actual	Budget	Variance
	2006/07	2007/08	
Materials and Contractors	\$'000	\$'000	\$'000
Utilities	361	363	(2)
Contractors	5,569	5,572	(3)
Legal Expenses	100	81	19
Insurance	371	341	30
Materials	1,018	1,041	(23)
Contributions	353	289	64
Consultants	145	244	(99)
Total	7,917	7,931	(14)

Utility costs relate to telecommunications, including usage of telephones and other utilities such as water, gas and electricity. Utility costs are forecast to increase by 1% or \$8,000 compared to 2006/ 2007. Murrindindi Shire Council is currently developing an environmental policy which, in time, should address the use of utilities and result in a reduction in costs.

Contractors relate to works or services that may be considered to be contracted to the Shire of Murrindindi. Some of these works and services include the provision of maintenance services, garbage recycling, transfer station attendants, meal production, software maintenance, valuation services, and systems development.

The budget for legal expenses in the 2007/ 2008 financial year reflects a reduction of \$19,000 from the 2006/ 2007 forecast. This reduction is as a result of unforeseen expenses being incurred in the 2006/ 2007 financial year which has inflated the comparative figure.

Insurance refers to all insurance covers required to be held by Council. In the 2007/ 2008 financial year Council will receive a reduction in premium contributions of \$25,000 as a result of industry savings in fewer public liability and fidelity claims.

4.2.3 Interest (\$25,000 increase)

Interest relates to borrowing costs charged by financial institutions on funds borrowed.

4.2.4 Depreciation (\$168,605 increase)

Depreciation is an accounting function which attempts to measure the useful life of Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase is attributed to large grant funded projects as further explained in section 4 combined with the cyclical revaluation of assets. Refer to section 6. "Analysis of Capital Budget" for a more detailed analysis of Council's capital works program for the 2007/ 2008 year.

4.2.5 Carrying Amount of Fixed Assets Sold (\$82,000 decrease)

The reduction in carrying amount of fixed assets sold has a direct relationship to assets sales. In 2007/ 2008 the changeover of passenger vehicles (and sales) will be significantly reduced compared to the 2006/ 2007 as reflected in 4.1.6 Proceeds from Sale of Fixed Assets.

4.2.6 Other expenditure (\$6,505 increase)

Other expenditure relates to rates and charges not raised for charitable and not-for-profit organisations, auditors' remuneration and Councillor's allowances. The increase is due to an increase in auditor remuneration of \$4,000, and rates forecast of \$2,505 not raised for charitable and not-for-profit organisations.

5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2007/ 2008 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

Cash amounts in this statement will not directly relate to the amounts stated in the Income Statement. By way of example, if invoices are raised to the value of \$100,000 it might be that 90% of these invoices have been receipted at the end of the reporting period. In this scenario the cash flow statement will reflect cash received of \$90,000 and the Balance Sheet will reflect the difference of \$10,000 in Receivables.

5.1 Budgeted cash flow statement

		Forecast Actual 2006/07 \$'000	budget 2007/08 \$'000	Variance (Outflow) \$'000
Cash Flow From Operating Activities	Ref			
Receipts from Ratepayers		10,015	10,707	692
Government Grants		8,085	6,745	(1,340)
Interest Received		354	328	(26)
User Charges and Reimbursements		4,351	5,151	800
Net GST refund				
Payments to Employees		(8,318)	(8,813)	(495)
Payments to Suppliers		(8,019)	(8,085)	(66)
Interest Expense		(336)	(363)	(27)
Net Cash Flow Provided by Operating Activities	5.1.1	6,132	5,670	(462)
Cash Flow From Investing Activities				
Proceeds from Sale of Fixed Assets		347	268	(79)
Payment for Fixed Assets		(6,277)	(6,543)	(266)
Net Cash Flow Used In Investing Activities	5.1.2	(5,930)	(6,274)	(344)
Cash Flow From Financing Activities				
Proceeds from Borrowings		950	500	(450)
Payment of Borrowings		(808)	(949)	(141)
Trust Funds and Deposits		(217)	(50)	167
Net Cash Flow (Used in) Provided by Financing Activities	5.1.3	(75)	(498)	(423)
Increase/(Decrease) in Cash Held		127	(1,102)	(1,229)
Cash at Beginning of Reporting Period		4,701	4,828	127
Cash at End of Reporting Period	5.1.4	4,828	3,726	(1,102)

Source: Appendix A

5.1.1 Operating activities (\$461,945 decrease)

Operating activities refer to the cash generated or used in the normal service delivery functions of Council.

The decrease in cash inflows from operating activities is due mainly to a decrease in revenues outlined in the analysis of operating budget in section 4 and includes Government grants of \$807,000 and the increase in payments to employees of \$514,000.

The increase in user charges is influenced by the proposed special charge schemes as set out in the Capital Works Program in Appendix C and further explained in section 4.1.1.

Revenue from rates is expected to increase by \$692,415, which includes rate increases as outlined in section 4.1 – Operating revenue.

An increase in payments to suppliers is as a result of the increase in service delivery costs and those projects that form part of the 2007/ 2008 budget.

5.1.2 Investing activities (\$344,186 increase)

Investing activities refer 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, equipment etc. The cash from investing activities is a result of a reduction in revenue from sale of fixed assets of \$78,580 and an increase in Payments for Fixed Assets of \$265,606, which is summarised in the Capital Works Program in Appendix C of this document.

5.1.3 Financing activities (\$423,111 increase)

Financing activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions and loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year. The decrease reflects a reduction from \$950,000 borrowing in 2006/ 2007 compared to \$500,000 borrowing in the 2007/ 2008 year. There is also an increase in loan repayments of \$140,559 from 2006/ 2007. Trust funds and deposits are reduced by \$167,448 from 2006/ 2007.

5.1.4 Cash at end of reporting period (\$1,102,317 decrease)

Overall, total cash and investments is forecast to decrease by \$1,102,317 as at June 30 2008 by using excess cash and investments to enhance existing and create new infrastructure as demonstrated above with an increase of \$344,186 used in investing activities and an increase of \$423,111 in Financing activities.

5.2 Restricted funds and working capital

The cash flow statement above indicates that Council is estimating at 30 June 2008 it will have cash and investments of \$3,726,000 as listed in the Budgeted Statement of Investment Reserves in Appendix A of this document:

All reserve funds have been backed by cash. In addition, Council also 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.

Council's Working Capital Ratio (Current Assets to Current Liabilities) is also used as a reference to ensure Council has cash available for operational purposes and that Council would be able to meet all current commitments. Council's forecast working capital ratio in 2006/ 2007 was 136.64% compared to a budgeted working capital ratio in 2007/ 2008 of 104.68%.

5.3 Reconciliation of cash and operating results

	Forecast Actual 2006/07	Budget 2007/08	Variance
	\$'000	\$'000	\$'000
Reconciliation of cash and operating result			
Surplus (deficit) for the year	838	1,006	168
Depreciation	4,145	4,313	168
Loss (gain) on sale of assets	2	(1)	(3)
Net movement in current assets and liabilities	1,147	352	(795)
Cash flows available from operating activities	6,132	5,670	(462)
Proceeds from sale of assets	347	268	(79)
Repayment of borrowings	(808)	(949)	(141)
Loan Funds New borrowings	950	500	(450)
Net movement in deposits and advances	(217)	(50)	167
Cash flows available for capital works	6,404	5,439	(965)
Capital expenditure	(6,277)	(6,543)	(266)
Net cash outflows	127	(1,104)	(1,231)
Cash and cash equivalents at the beginning of the year	4,701	4,828	127
Cash and cash equivalents at the end of the year	4,828	3,725	(1,103)

Cash flows available for capital works is expected to decrease by \$965,000 to \$5,439,000 during the 2007/ 2008 year due mainly to the decrease in borrowing of \$450,000 as compared to the 2006/ 2007 financial year. Total net cash out flows is expected to increase by \$1,104,000 for the 2007/ 2008 year. Cash and cash equivalents at the end of the year and over the term of the Strategic Resource Plan is sufficient to cover reserves.

6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2007/ 2008 year and the sources of funding for the capital budget.

6.1 Funding sources

Sources of Funding	Ref	Original		Budget 2007/08 \$'000	Variance \$'000
		Budget 2006/07 \$'000	Forecast 2006/07 \$'000		
External					
Grants - Capital	6.1.1	2,139	1,812	1,419	(393)
Contributions	6.1.2	87	39	1,178	1,139
Loans	6.1.3	950	950	500	(450)
Proceeds on sale of assets	6.1.4	336	346	267	(79)
		3,512	3,147	3,364	217
Internal					
Reserve cash and investments	6.1.5	156	208	81	(127)
Surplus b/forward	6.1.6	680	600	758	158
Operations	6.1.7	2,083	2,322	2,340	18
		2,919	3,130	3,179	49
Total funding sources		6,431	6,277	6,543	266

Source: Appendix A

6.1.1 Grants - Capital (\$1,419,000)

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. Significant grants budgeted to be received for 2007/ 2008 is included in section 4.1.4 of this document. The above table indicates there is an expectancy that Council will receive \$393,000 less in capital grants in the 2007/ 2008 financial year as compared to the 2006/ 2007 budgeted figure

6.1.2 Contributions (\$1,178,000)

Contributions include monies received from community sources and special charge schemes for the purpose of funding infrastructure works. In the 2007/ 2008 financial year it is anticipated contributions will be received for capital works at Downey Street, Alexandra – drainage (\$30,000), Taylor Bay Left Arm – road construction (\$900,000), Green Street – road construction (\$75,000). Thornton netball courts (\$16,000), Yea netball courts (\$6,816), Rotary Park Pavilion upgrade (\$20,000), Marks and Pratts Road – road construction (\$93,335), Yea Railway project- Stage 2 (\$14,112), Yea clock project (\$18,000), Kinglake community pavilion (\$3,000) and pools capital equipment replacement (\$2,000).

6.1.3 Loans (\$500,000)

A total of \$500,000 is to be borrowed for funding the replacement of plant and machinery as determined by Council's plant replacement strategy, Council's Draft Borrowing Strategy and in accordance with the Strategic Resource Plan. It is noted that Council has not adopted the Borrowing and Plant Replacement Strategies.

6.1.4 Proceeds from sale of assets (\$267,000)

Proceeds from sale of assets includes motor vehicle and plant sales at the time of replacement as determined by Council's plant replacement strategy, fleet management company and Strategic Resource Plan

6.1.5 Reserve investments (\$81,000)

The reserve includes monies set aside for specific purposes. For 2007/ 2008 \$81,000 will be used to fund part of the capital works program including \$18,000 on Alexandra saleyards, \$25,000 for Yea saleyards, \$20,000 on Rotary Park upgrade and \$18,000 for Yea Playground shade sails. It is

possible that the saleyard figures may vary depending on saleyard committee deliberations. A more detailed analysis is included in Appendix A "Statement of Investment Reserves".

6.1.6 Surplus brought forward (\$758,000)

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. It is forecast that \$758,000 will be available from the 2006/ 2007 year to fund the 2007/ 2008 capital works program which is to be applied to Bollygum sewerage & water treatment (\$45,300 – partly grant funded), Yea office/ library furniture & shelving (\$23,642), Eildon swimming pool (\$5,524), Rotary Park upgrade (\$9,000), local works infrastructure program – irrigation (\$77,000, fully grant funded) and Eildon town entrance (\$30,000), part grant funded).

A more complete list of carried forward projects is listed in Capital Works Program, Appendix C of this document.

6.1.7 Operations (\$2,340,000)

Council generates cash from its operating activities that is used as a funding source for the capital works program. It is forecast that \$2,340,000 will be generated from operations to fund the 2007/ 2008 capital works program. Refer section 5 "Budgeted Cash Position" for more information on funds from operations.

In the 2007/ 2008 financial year it is intended that the following allocations will be made to the capital program

Buildings	\$ 229,483
Plant & Machinery	\$ 30,581
Roads Streets & Bridges	\$ 1,768,239
Drainage	\$ 141,410
Historical Assets	\$ 4,500
Furniture & Equipment (Including IT)	\$ 104,710
Library book stock	\$ 71,456

A more detailed report of these allocations can be found in Appendix C – Capital Works Program.

6.2 Capital works

		Forecast Actual 2006/07 \$'000	Budget 2007/08 \$'000	Variance \$'000
Capital Works Areas	Ref			
Works carried forward from 2006/07	6.2.1	680	758	78
New works for 2007/08				
Land	6.2.2	43	0	(43)
Buildings	6.2.3	796	708	(88)
Plant & Machinery	6.2.4	871	797	(74)
Roads, Streets & Bridges	6.2.5	3580	3909	329
Drainage	6.2.6	30	171	141
Historical Assets	6.2.7	3	5	2
Furniture & Equipment	6.2.8	175	112	(63)
Library Bookstock	6.2.9	99	81	(18)
Total new works		5597	5783	186
Total capital works		6277	6542	264
Represented by:				
Renewal	6.10	2568	2474	(94)
Upgrade		2114	2591	477
Expansion		321	46	(275)
New Assets		1274	1431	157
Total capital works		6277	6542	265

Source: Appendix A

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

6.2.1 Carried forward works (\$758,000)

At the end of each financial year there are projects that are either incomplete or not commenced due to planning issues, weather delays, extended consultation etc. For the 2006/ 2007 year it is forecast that \$758,000 of capital works will be incomplete and be carried forward into the 2007/ 2008 year. Details of the carried forward works are as listed below:

	C/forward 2006/07 \$'000	Budget 2007/08 \$'000	Variance \$'000
Capital Works carried forward			
Alexandra Shire Hall	85	110	25
Yea Office Library furniture & shelving	23	23	0
Eildon Swimming Pool	6	12	6
Rotary Park upgrade project	9	49	40
Yea Median Irrigation/ Sprinklers	77	77	0
Local Works Infrastructure program - UT Creek Bridge	35	35	0
Eildon Town Entrance Revitalisation	30	170	140
Goat Track intersection	100	100	0
Pendlebury Street - subdivision contribution	30	30	0
Riverside Drive - subdivision contribution	15	15	0
Minor Capital Works - Urban Design Frameworks (UDF)	44	44	0
Bollygum Park - Sewerage & Waste treatment	45	45	0
Roads to Recovery - supplementary (<i>see note</i>)	259	259	0
Total carry forward projects	758	969	211

Note: Added to the above is the roads to recovery supplementary amount of \$259,000, which brings the total carried forward to \$758,000 and the 2007/ 2008 budget to a total of \$969,000.

6.2.2 Land

Council has no plans to purchase any new parcels of land during the budget period

6.2.3 Buildings (\$853,064)

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

For the 2007/ 2008 year \$853,064 will be expended on building projects that are listed in the table below:

Buildings	Budget 2007/08 \$'000
Alexandra Shire Hall	110
C.J. Dennis Hall Toolangi - kitchen	15
Apex Park Yea - BBQ pavilion replacement	10
Yea Services Centre upgrade - completion	50
Yea Railway Project - Stage 2	30
Bollygum Park - Water Treatment	45
Yea Community House DDA Access	6
Kinglake Community Pavillion	103
Eildon Swimming pool	12
Rotary Park upgrade	49
Thornton Netball Courts	79
Yea Netball Courts	21
Thornton Playground	60
Alexandra Transfer Station	5
Eildon Transfer Station	10
Kinglake Transfer Station	2
Marysville Transfer Station	5
Yea Transfer Station	2
Landfill Cell Construction	60
Alexandra Saleyards	18
Yea Saleyards	25
Alexandra Senior Citizens airconditioning	10
Gallipoli Park Hall disabled access	7
Yea Hall clock project	39
Yea playground shade sail	30
Kinglake Football Netball Club	50
Total	853

6.2.4 Plant, equipment and other (\$797,000)

Plant and equipment refers to major plant and machinery and motor vehicles. For the 2007/ 2008 year it is anticipated that \$468,118 will be expended on the replacement of major plant and equipment as listed in Appendix C and \$329,234 on vehicle replacement. It is intended that the vehicle fleet will be decreased by one vehicle during the 2007/ 2008 financial year.

6.2.5 Roads, Streets & Bridges (\$4,254,578)

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

For the 2007/ 2008 year \$4,254,578 will be expended on capital projects in this category of which \$95,000 will be applied to expansion or new projects, \$2,066,000 on infrastructure upgrade and \$2,093,578 on renewal.

A more detailed list of these allocations can be found in Appendix C – Capital Works Program.

6.2.6 Drains (\$171,000)

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

For the 2007/ 2008 year \$171,410 will be expended on drainage projects.

A detailed list of these allocations can be found in Appendix C – Capital Works Program.

6.2.7 Historical Assets (\$4,500)

Historic assets refer to expenditure relating to purchases of local artwork. In the 2007/ 2008 financial year \$1,500 has been allocated for the Yea Rotary Art Show, Marysville Art Show \$1,000 and Alexandra Rotary Art Show \$2,000.

6.2.8 Furniture & Equipment (\$213,000)

Furniture and equipment refers to the purchase replacement computers and other Information Technology equipment.

6.2.9 Library Book Stock (\$82,000)

In 2007/ 2008 \$82,000 has been allocated for the purchase of library book stock that is partly supported by grant funds of \$20,000.

Further information is provided in appendix C – Capital Works Program section 6.

6.2.10 Capital Works Expenditure Type (Renewal, Upgrade, Expansion & New)

A distinction is made between expenditure on new assets and expenditure on asset renewal. Expenditure on asset renewal is expenditure on an existing asset, which returns the service potential of the life of the asset up to that which it had originally. Expenditure on new assets does not have any element of expansion or upgrade or existing assets but may result in an additional burden for future operation, maintenance and capital renewal.

7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2006/ 2007 and 2007/ 2008. It also considers a number of key performance indicators.

7.1 Budgeted balance sheet

		Forecast Actual 2006/07 \$'000	Budget 2007/08 \$'000	Variance \$'000
Analysis of Balance Sheet	Ref			
Current Assets	7.1.1			
Cash Assets		4,828	3,725	(1,103)
Receivables		1,331	1,321	(10)
Inventories		207	207	-
Other		340	340	-
Total Current Assets		6,706	5,593	(1,113)
Non Current Assets	7.1.3			
Property,Plant and Equipment		175,528	187,440	11,912
Receivables		54	46	(8)
				-
Total Non Current Assets		175,581	187,486	11,905
TOTAL ASSETS		182,287	193,079	10,792
LIABILITIES				
Current Liabilities	7.1.2			
Payables		1,595	1,605	10
Provision for Employee Entitlements		1,643	1,896	253
Interest Bearing Liabilities - Borrowings		931	1,030	99
Other		739	689	(50)
Total Current Liabilities		4,907	5,220	313
Non Current Liabilities	7.1.4			
Provision for Employee Entitlements		303	326	23
Interest Bearing Liabilities - Borrowings		4,657	4,109	(548)
Provisions		917	964	47
Other		50	50	-
Total Non Current Liabilities		5,926	5,449	(477)
TOTAL LIABILITIES		10,833	10,669	(164)
NET ASSETS	7.1.5	171,453	182,409	10,956
Represented by:				
Accumulated Surplus		81,066	82,022	956
Asset Revaluation Reserve		89,159	99,109	9,950
Other Reserves		1,227	1,278	50
RATEPAYERS EQUITY		171,453	182,409	10,956

Source: Appendix A

7.1.1 Current Assets (\$1,113,000 decrease)

The decrease in current assets is primarily due to applying cash reserves to capital. Rate and other debtor balances are not expected to change significantly. A more detailed analysis of this change is included in section 5. "Analysis of budgeted cash position".

7.1.2 Current Liabilities (\$312,000 increase)

The increase in current liabilities (that is, obligations Council must pay within the next year) is mainly due to an increase in annual leave entitlements for staff of \$253,000. Interest on borrowings reflects an increase of \$99,000 as a result of increasing loans by \$950,000 to fund capital projects in 2006/07 and \$500,000 in the 2007/ 2008 year. Amounts owed to suppliers are not expected to significantly alter.

7.1.3 Non current assets (\$11,905,000 increase)

The increase in non current assets is as a result of Council's investment in the capital works program (\$6,542,516), asset revaluation movement (\$9,950,000), the depreciation of non-current assets (\$4,313,404) and the disposal through sale of property, plant and equipment (\$266,771)

7.1.4 Non current liabilities (\$477,000 decrease)

The reduction in non-current liabilities (that is, obligations Council must pay beyond the next year) results mainly from repayment of the balance on borrowings.

7.1.5 Net Assets (\$10,956,206 increase)

The net increase in assets (equity) due to the investment in the capital works program and the increasing value of non current assets by \$11,912,331 plus the reduction in interest bearing liabilities (loans) of \$547,898.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ended 30 June 2008 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 2007/ 2008 year (2006/ 2007 100% forecast actual)
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle 30 days.
- Other debtors and creditors to remain consistent with 2006/ 2007 levels
- Employee entitlements to be increased in line with Enterprise Bargaining Agreement. No increase in the average rates of leave taken is expected
- Repayment of loan principle is to be \$931,062
- Total capital expenditure to be \$6,542,516
- A total of \$63,000 is to be transferred from reserves to accumulated surplus, representing funding of the capital works program for the 2007/ 2008 year. These funds were held for this specific purpose.
- No provision has been made for emergency response. In the event of a disaster Council is required to meet the first \$35,000.

8. Strategic resource plan & key financial indicators

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

8.1 Plan development

The strategic resource plan puts forward the principles, which will guide the budgeting process to ensure Council is able to maintain cash levels and to continue to provide current levels of service for the next four (4) years.

The Standard Statements provided with this report support the principles of the Strategic Resource Plan in demonstrating financial sustainability over the planning period.

The following has been extracted from the Strategic Resource Plan 2007 - 2011:

1. Rates are calculated on the basis of a 6% increase in rates. Additionally the Council estimates there will be a growth in the number of properties in the Shire during 2007/ 2008 and this will deliver a further 1% in rate revenue. A 7% increase in rates plus 1% growth factor has been applied to the 2008/ 2009 financial period to support required cash balances. A 6% rate increase plus 1% growth factor has been applied to future years.
2. A 3% revenue increase has been applied to User Charges and Fees and Fines in all instances where legislation does not dictate the charges.
3. A 3% revenue increase has been applied to recurrent grant income. An estimate of \$500,000 over and above already identified non-recurrent grant revenue has been included. This amount is based on historic data and is offset by expenditure to the same value. It is anticipated there will be a reduction in non recurrent grant revenue in the 2007/ 2008 financial year of around \$365,000
4. A consideration of 1% of general rates revenue has been applied to seed funding to provide opportunities for Council to accept future grants that will require council contribution. In the 2007/ 2008 financial year a total of \$50,000 has been allocated. In future years this allocation should provide funding of approximately \$91,000 based on a 6% rate increase.
5. Revenue from interest for money on deposit has been estimated at 6% of cash balances.
6. Employee costs are to be calculated using increases that apply to Council's Enterprise Bargaining Agreement and any fluctuation in work cover premiums that may occur. The EBA provides for increments in wages of 4.57% in 2007/ 2008 and 4.5% in future years. The number of equivalent full time employees will not increase from the number recorded in the 2006/ 2007 financial period.
7. Expenditure for contractors and materials has included an estimate of a 3% per annum increase over the planning period.
8. Interest on debt expenses has been calculated using a 7% interest rate.
9. All other expenditure has been calculated using a 3% increase over the planning period.

The Plan provides for a positive increase in net assets at the end of each reporting period and the Standard Statement of Cash Flows indicates an ability to maintain required cash levels.

The Standard Statement of Capital Works provides a breakdown of the types of capital works that will be undertaken over the planning period. In the 2007/ 2008 financial year planned capital works funded by Council equate to approximately 22% of rates revenue.

The Strategic Resource Plan demonstrates Council's commitment to reducing the infrastructure gap while continuing to increase ratepayer equity.

8.2 Financial resources

The *Strategic Resource Plan* that forms part of the *Council Plan 2006 - 2010 Year 2 Review* is available for further information on request.

8.3 Key financial indicators

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

Key Financial Indicators	Notes	Forecast	Budget
		Actual 2006/07	2007/08
Financial performance			
Underlying result/ Underlying revenue	1	-5.01%	-7.841%
Operating expenses/ Assessment		\$2,321	\$2,387
Rate revenue/ Underlying revenue	2	49.68%	52.70%
Rate revenue/ Assessment		\$1,098	\$1,166
Debt servicing/ Total revenue		1.73%	1.77%
Grants/ Total revenue		34.29%	29.44%
Fees & Charges/ Total Revenue		15.80%	19.64%
Financial position			
Indebtedness/ Rate revenue	3	55.77%	48.00%
Underlying result/ total assets		-0.55%	-0.82%
Net realisable assets/ Assessment		\$5,114	\$5,179
Current assets/ Current liabilities		136.64%	107.14%
Total liabilities/ Assessment		\$1,187	\$1,162
Capital Expenditure			
Capital works		\$6,276,910	\$6,542,216
> Capital renewals		\$2,568,431	\$2,474,025
> New assets		\$1,273,922	\$1,431,176
Cash operating activities/ Net Capital Outlays	4	195.97%	178.46%
Capital works/ Rate revenue		62.64%	61.10%
Capital renewals/ Total Depreciation	5	61.97%	57.36%

Key to Forecast Trend:

Forecast improvement in Council's financial performance/financial position indicator

Forecast that Council's financial performance/financial position indicator will be steady

Forecast deterioration in Council's financial performance/financial position indicator

Notes to indicators

1 Underlying operating result - Improvement in financial performance expected over the period although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

2 Rate revenue/ Underlying revenue - Reflects the extent of reliance on rate revenues to fund all Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

3 Indebtedness/ Rate revenue - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

4 Cash Operating Activities/ Net Capital outlays - Except for the 2007/ 2008 year budget, the trend indicates Council expect to be able to service its capital works expenses from cash generated from operating activities rather than relying on its existing cash reserves or further borrowings.

5 Capital renewals/ Total depreciation - This percentage indicates the extent of Council's renewals against its depreciation charge (representing the decline in value of its existing capital assets). A percentage (%) greater than 100 indicates Council is renewing or maintaining its existing assets, whilst a percentage (%) less than 100 means its assets are deteriorating faster than being renewed and will require future capital expenditure to renew assets back to their existing condition.

8.4 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also allocate human resources. The following table summaries the non-financial resources for the next four (4) years.

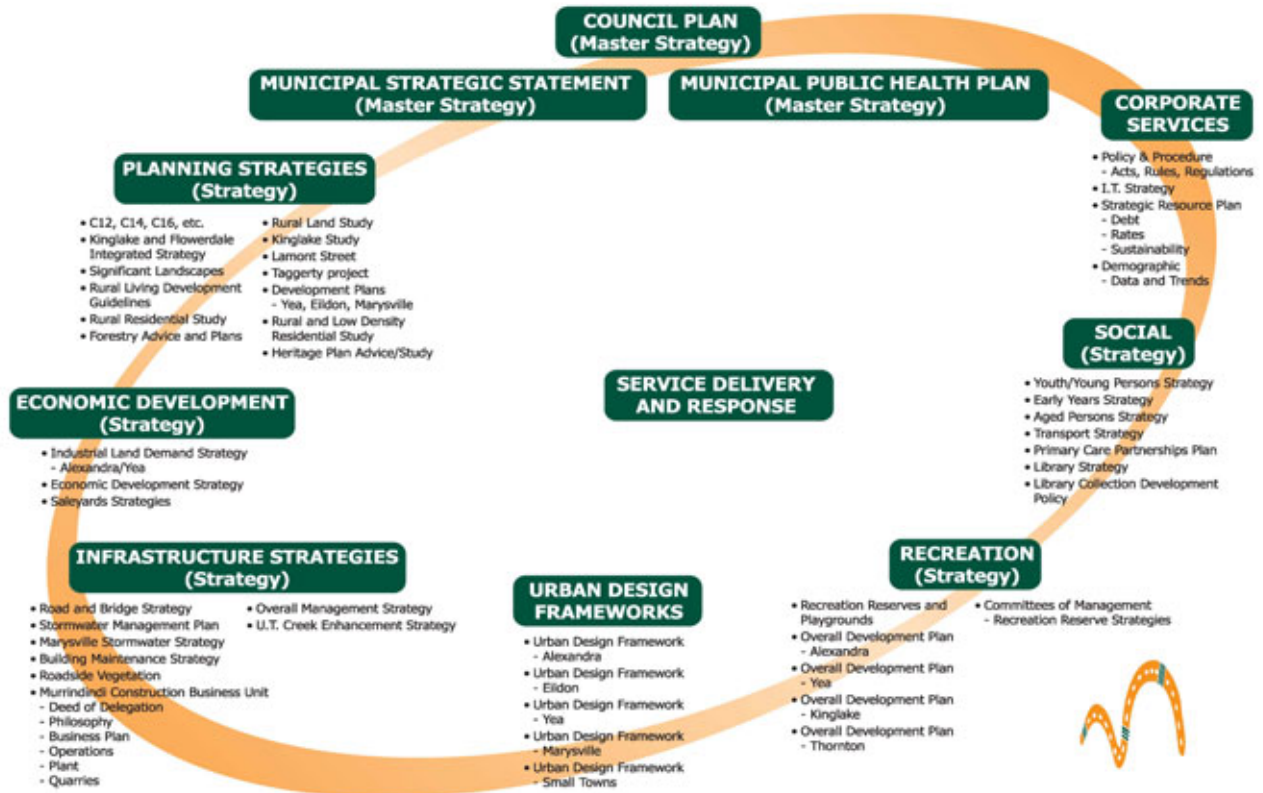
Indicator	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee costs	8,590	9,189	9,547	9,977	10,360
Employee numbers	144.3	144.3	144.3	144.3	144.3

Employee costs have been forecast to increase at 5.27% in 2007/ 2008. This increase is influenced by the Enterprise Bargaining Agreement No. 5 (EBA) increase of 4.5% and increases in WorkCover premiums. Future years are increased by the EBA at 4.5%.

Employee numbers are anticipated to remain at 144.3 across the term of the plan.

9. Other strategies

This budget is influenced by a range of strategies that were considered by Council in the 2006/ 2007 and prior financial years and it is noted that Council referred the financial implications of these strategies to the 2007/ 2008 budget process for further consideration.



Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 11 of this report.

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

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted standard statements	49
B	Statutory disclosures	55
C	Capital works program	60
D	Activities and Initiatives not funded	65

Appendix A

Budgeted standard statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2007/ 2008 to 2010/ 2011 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

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

Budgeted Standard Income Statement

For the four years ending 30 June 2011

	Strategic Resource Plan Projections				
	Forecast	Budget	2008/09	2009/10	2020/11
	Actual 2006/07 \$'000	2007/08 \$'000	2008/09 \$'000	2009/10 \$'000	2020/11 \$'000
Revenues from ordinary activities					
Rates	10,021	10,707	11,561	12,367	13,230
User charges	2,973	3,936	3,066	3,082	3,243
Fees & fines	507	564	581	598	616
Grants - Operating	4,623	4,743	4,890	5,032	5,178
Grants - Capital	2,929	2,005	2,148	1,894	2,041
Interest	343	328	282	280	280
Proceeds from Sale of Fixed Assets	347	268	333	356	388
Other	624	633	582	582	582
Recognition of Assets					
Total Revenues	22,367	23,182	23,443	24,191	25,558
Expenses from ordinary activities					
Employee Costs	8,590	9,104	9,499	9,927	10,307
Contactors & Materials	7,917	7,931	8,046	8,287	8,536
Interest	382	407	391	362	339
Depreciation	4,145	4,313	4,521	4,526	4,536
Carrying Amount of Fixed Assets Sold	347	267	334	355	387
Loss on Revaluation of Asset					
Landfill Rehabilitation expense					
Other	148	155	159	163	168
Total Operating Expenses	21,529	22,176	22,950	23,620	24,273
Surplus (deficit) for the year	838	1,006	493	571	1,285

Budgeted Standard Balance Sheet

For the four years ending 30 June 2011

	Strategic Resource Plan Projections				
	Forecast	Budget	2008/09	2009/10	2010/11
	Actual 2006/07 \$'000	2007/08 \$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash Assets	4,828	3,725	3,656	3,578	4,774
Receivables	1,331	1,321	1,321	1,321	1,321
Inventories	207	207	207	207	207
Other	340	340	340	340	340
Total Current Assets	6,706	5,593	5,524	5,446	6,642
Non Current Assets					
Property, Plant and equipment	175,528	187,440	188,244	188,379	188,533
Receivables	54	46	46	46	46
Total Non Current Assets	175,582	187,486	188,290	188,425	188,579
TOTAL ASSETS	182,288	193,079	193,814	193,871	195,221
LIABILITIES					
Current Liabilities					
Payables	1,595	1,605	1,605	1,605	1,605
Provision for Employee entitlements	1,643	1,896	1,981	2,070	2,164
Interest Bearing Liabilities - Borrowings	931	1,030	1,155	582	656
Other	739	689	689	689	689
Total Current Liabilities	4,908	5,220	5,430	4,946	5,114
Non current Liabilities					
Provision for Employee Entitlements	303	326	341	356	372
Interest bearing Liabilities - Borrowings	4,657	4,109	3,678	3,579	3,405
Provisions	917	965	1,014	1,067	1,123
Other	50	50	50	50	50
Total Non current Liabilities	5,927	5,450	5,083	5,052	4,950
TOTAL LIABILITIES	10,835	10,670	10,513	9,998	10,064
NET ASSETS	171,453	182,409	183,301	183,873	185,157
Represented by:					
Accumulated Surplus	81,066	82,022	83,043	83,614	84,898
Asset Revaluation Reserve	89,159	99,109	99,109	99,109	99,109
Other Reserves	1,227	1,278	1,149	1,149	1,149
RATEPAYERS EQUITY	171,452	182,409	183,301	183,872	185,156

Budgeted Standard Cash Flow Statement

For the four years ending 30 June 2011

	Strategic Resource Plan Projections				
	Forecast	Budget			
	Actual 2006/07 \$'000	2007/08 \$'000	2008/09 \$'000	2009/10 \$'000	2010/11 \$'000
Cash Flow From Operating Activities					
Receipts from Ratepayers	9,867	10,707	11,561	12,367	13,230
Grants - Operating	8,085	6,746	7,038	6,926	7,218
Grants - Capital					
Interest Received	354	328	282	280	280
User Charges and Reimbursements	4,351	5,151	4,229	4,263	4,441
Net GST refund					
Payments to Employees	(8,318)	(8,813)	(9,399)	(9,822)	(10,198)
Payments to Suppliers	(7,871)	(8,085)	(8,205)	(8,450)	(8,703)
Interest Expense	(336)	(363)	(341)	(309)	(283)
Net Cash Flow Provided by Operating Activities	6,132	5,670	5,164	5,255	5,986
Cash Flow from Investing Activities					
Proceeds from Sale of Fixed Assets	347	268	333	356	388
Payment for Fixed Assets	(6,277)	(6,543)	(5,130)	(5,017)	(5,079)
Net Cash Flow Used in Investing Activities	(5,930)	(6,274)	(4,797)	(4,661)	(4,692)
Cash Flow From Financing Activities					
Proceeds from Borrowings	950	500	750	500	500
Payment of Borrowings	(808)	(949)	(1,057)	(1,172)	(599)
Payment of Superannuation Liability					
Trust funds and Deposits	(217)	(50)			
Net Cash Flow (Used in) Provided by Financing Activities	(75)	(498)	(307)	(672)	(99)
Increase/(Decrease) in Cash Held	127	(1,102)	59	(78)	1,196
Cash at Beginning of Reporting Period	4,701	4,828	3,727	3,785	3,707
Cash at End of Reporting Period	4,828	3,726	3,785	3,707	4,903

Budgeted Standard Capital Works Statement

For the four years ending 30 June 2011

	Strategic Resource Plan Projections				
	Forecast	Budget	2008/09	2009/10	2010/11
	Actual 2006/07 \$'000	2007/08 \$'000	\$'000	\$'000	\$'000
Capital Works Areas					
Land	43	-			
Buildings	1,217	853	170	170	170
Plant & Machinery	871	797	824	979	943
Roads Streets & Bridges	3,839	4,421	3,869	3,626	3,715
Drainage	30	171	50	60	67
Historical Assets	3	5	4	4	4
Furniture & Equipment	175	213	110	72	74
Library Bookstock	99	81	102	105	105
Total Capital Works	6,277	6,542	5,130	5,017	5,079
Represented by:					
Renewal	2,568	2,474			
Upgrade	2,114	2,591			
Expansion	321	47			
New Assets	1,274	1,431			
Total Capital Works	6,277	6,543	-	-	-

Reconciliation of net movement in property, plant and equipment

	Strategic Resource Plan Projections				
	Forecast	Budget	2008/09	2009/10	2010/11
	Actual 2006/07 \$'000	2007/08 \$'000	\$'000	\$'000	\$'000
Total Capital Works	6,277	6,543	5,130	5,017	5,079
Asset revaluation movement	10,472	9,950			
Depreciation and amortisation	4,145	4,313	4,521	4,526	4,536
Written down value of assets sold	349	267	333	356	388
Net movement in Property, Infrastructure, Plant and Equipment	12,255	11,912	276	135	154

Budgeted Statement of Investment Reserves

For the four years ending 30 June 2011

	Forecast 2006/07 \$'000	Budget 2007/08 \$'000
Reserves		
Public Open Space Reserve	(298,027)	(231,027)
Infrastructure Contributions - Parking	(30,680)	(30,680)
Plant Replacement Reserve	-	-
Garbage Reserve	(617,668)	(685,187)
Marysville Retirement Village Reserve	-	-
Coster Street Units Reserve	(13,328)	(14,158)
Shaw Avenue Redevelopment Reserve	(44,632)	(44,632)
Alexandra Community Leisure Centre	(8,225)	(12,036)
Road Maintenance Reserve	(16,044)	(16,044)
Yea Saleyards Reserve	(162,527)	(216,388)
Alexandra Saleyards Reserve	(18,077)	(9,327)
Information Technology Reserve	-	-
Yea Caravan Park Reserve	(7,495)	(7,495)
Marysville Caravan Park Reserve	(10,630)	(10,630)
Total	(1,227,333)	(1,277,604)
Liabilities		
Deposits	(485,528)	(474,692)
Provision for Employee Entitlements - A/L 25%	(155,458)	(167,895)
Provision for Employee Entitlements - A/L		
General Trust Accounts	(161,511)	(161,511)
Primary Care Partnerships - Income	(38,709)	
Investments 9110 Long Service Leave		
Provision for Employee Entitlements - LSL	(1,075,209)	(1,272,235)
Quarry Security ANZ	(112,500)	(112,500)
Roads to Recovery	(517,081)	(258,540)
Total	(2,545,996)	(2,447,373)
As per Budget	(3,773,329)	(3,724,977)

Appendix B

Statutory disclosures

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

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates.

Statutory disclosures tables

Rates and Charges Statutory information	Rate in the \$/cost per assessment		Variance		Amount raised		Variance	
	2006/2007	2007/2008			2006/2007 Forecast	2007/2008 Budget		
	\$	\$	\$	%	\$	\$	\$	%
General	0.002537	0.002689	0.000152	5.99	3,209,579	3,439,849	230,270	7.17
Commercial	0.002537	0.002689	0.000152	5.99	398,059	422,448	24,389	6.13
Rural 1	0.001903	0.002017	0.000114	5.99	1,710,293	1,806,175	95,882	5.61
Rural 2	0.002537	0.002689	0.000152	5.99	1,527,455	1,652,766	125,311	8.20
Municipal charge	180.00	191.00	11.00	6.11	1,581,840	1,688,822	106,982	2.50
Agreement in lieu of rates					48,157	49,361	1,204	2.50
Supplementary Valuation (pro-rata within a year)					47,198	60,500	13,302	0.00
SUB TOTAL					8,522,581	9,119,921	597,340	7.01
Garbage	193.00	202.50	9.50	4.92	1,162,864	1,232,618	69,754	6.00
Recycling	57.00	60.00	3.00	5.26	335,371	354,720	19,349	5.77
TOTAL General rates & charges					10,020,816	10,707,259	686,443	6.85
Other-Special charge projects								
Marks & Pratts Road	n/a	n/a	n/a	n/a	0	93,335	93,335	0.00
Greens Street	n/a	n/a	n/a	n/a	0	75,000	(75,000)	0.00
Taylor Bay Left Arm	n/a	n/a	n/a	n/a	0	900,000	(900,000)	0.00
TOTAL Special charge projects					0	1,068,335	1,068,335	0.00
TOTAL ALL RATES & CHARGES					10,020,816	11,775,594	1,754,778	17.51

ITEMS	Number of assessments		Variance		Valuation Base \$		Variance	
	2006/2007	2007/2008	No.	%	CIV 2006/2007 Budget	CIV 2007/2008	\$	%
General	5749	5794	45	0.78	1,265,107,900	1,279,229,900	14,122,000	1.12
Commercial	439	439	0	0.00	156,901,400	157,102,200	200,800	0.13
Rural 1	1251	1238	(13)	-1.04	898,735,000	895,476,000	(3,259,000)	-0.36
Rural 2	1685	1708	23	1.36	602,071,400	614,639,700	12,568,300	2.09
TOTAL	9124	9179	55	0.60	2,922,815,700	2,946,447,800	23,632,100	0.81

Borrowings	2007/2008 \$
Total amount borrowed by Council as at 30 June 2007	5,588,337
Add proposed borrowings for the year	500,000
Deduct amount proposed to be redeemed	(948,742)
Projected closing balance as at 30 June 2008	5,139,595
Cost of debt servicing	358,937

1. Borrowings

	2006/07	2007/08
	\$	\$
New borrowings (other than refinancing)	950,000	500,000
Debt redemption	808,183	948,742

2. Rates and charges

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

Type of Property	2006/07 cents/\$CIV	2007/08 cents/\$CIV
General rate for rateable residential properties	.2537	.2689
General rate for rateable commercial properties	.2537	.2689
Differential Rate for rateable Rural 1 properties	.1903	.2017
General rate for rateable Rural 2 properties	.2537	.2689

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

Type of Property	2006/07 \$	2007/08 \$
Residential	3,209,579	3,439,849
Commercial	398,059	422,448
Rural 1	1,710,293	1,806,175
Rural 2	1,527,455	1,652,766
Agreement in Lieu of Rates (Power Station)	48,157	49,361
Supplementary Valuations (pro rata within year)	47,198	60,500

2.3 The estimated total amount to be raised by rates

	2006/07 \$	2007/08 \$
Total rates to be raised	6,940,741	7,431,099

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

Type of Property	2006/07 Change %	2007/08 Change %
Residential	(12.00)	6.00
Commercial	(12.00)	6.00
Rural 1	(12.00)	6.00
Rural 2	(12.00)	6.00

Note: With the increase in property values in 2006/ 2007 the rate in the dollar was reduced significantly (by 12%) to limit the overall increase in rate revenue.

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

Type of Property	2006/07	2007/08
Residential	5,749	5,794
Commercial	439	439
Rural 1	1,251	1,238
Rural 2	1,685	1,708
Total number of assessments	9,124	9,179

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

2.7 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	2006/07 \$	2007/08 \$
Residential	1,265,107,900	1,279,229,900
Commercial	156,901,400	157,102,200
Rural 1	898,735,000	895,476,000
Rural 2	602,071,400	614,639,700
Total	2,922,815,700	2,946,447,800

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

Type of Charge	Per Rateable Property 2006/07 \$	Per Rateable Property 2007/08 \$
Municipal	180.00	191.00
Garbage – Kerbside collection	193.00	202.50
Recycling	57.00	60.00
Total	430.00	453.50

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

Type of Charge	2006/07 \$	2007/08 \$
Municipal	1,581,840	1,688,822
Garbage – Kerbside collection	1,162,864	1,232,618
Recycling	335,371	354,720
Total	3,080,075	3,276,160

2.10 The estimated total amount to be raised by rates and charges:

	2006/07 \$	2007/08 \$
Rates and charges	9,973,618	10,646,759
Supplementary rates	47,198	60,500
Total	10,020,816	10,707,259

Note: Supplementary rates are those rates that which will be collected should the Shire experience a growth in new housing of 1%.

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

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

3. Differential rates

3.1 Rates to be levied

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

- A general rate of 0.2689% (0.2689 cents in the dollar of CIV) for all rateable residential properties
- A differential rate of 0.2017% (0.2017 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 each rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the 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.

3.2 Rural 1 land

Rural 1 land is any land having the following characteristics

- 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 farming 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
- To recognise 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 relevant 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 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.

The characteristics of planning scheme zoning is applicable to the determination of vacant land which will be subject to the rate applicable to business land. The vacant land affected by this rate is that which is zoned commercial and/or industrial under the Murrindindi Shire Planning Scheme. The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2007/08 financial year.

Appendix C

Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2007/ 2008 year.

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

- New works for 2007/ 2008
- Works carried forward from the 2006/ 2007 year.

Capital works program
For the year ending 30 June 2008

Capital Works Areas	Carried Forward 2006/07 \$'000	Externally Funded 2007/08 \$'000 (contributions, grants, loans, asset sales)	Internally Funded 2007/08 \$'000 (Reserve, surplus, operating)	Total Project Cost \$'000	Comment
1. Expansion and New					
Bridges					
UT Creek Bridge	35			35	
Drainage					
Proposed Capital Work			30	30	
Smith Street Yea			15	15	
Footpaths					
Myrtle Street Alexandra			20	20	
Footpaths - missing links					
			40	40	
Other					
Eildon Retaining Wall at Pondage			4	4	
Bus Shelters			10	10	
Public Conveniences					
Bollygum -Sewerage & Water Treat	45			45	
Total Expansion and New	80	0	119	199	Roads S & B Drains Other Build
2. Upgrade					
Capital Infrastructure Upgrade					
Bridges					
Load Capacity Upgrade			40	40	
Drainage					
Range Road Yea			15	15	
Downey Street, Alexandra		30	40	70	External Contribution
Other					
Eildon Town Entrance Revitalisation	30	140		170	Grant funded
Marysville Streetscape Stage 2			5	5	
Urban Access Improvements			20	20	
Roads					
Spring Valley Road - Sealing					
Goat Track Intersection	100			100	
Pendlebury Street	30			30	
Riverside Drive	15			15	
Minor Capital Works - UDF	44			44	
Eucalyptus Road (Kinglake Glenburn)			160	160	
Whanregarwen Road			180	180	
Spring Creek Road			0	0	
Lyell Street Drainage			34	34	
Perkins Street Intersection			6	6	

Capital Works Areas	Carried Forward 2006/07 \$'000	Externally Funded 2007/08 \$'000 (contributions, grants, loans, asset sales)	Internally Funded 2007/08 \$'000 (Reserve, surplus, operating)	Total Project Cost \$'000	Comment
Special Charge Schemes					
Marks & Pratts Road		93	94	187	
Taylor Bay Left Arm		900		900	
Green Street		75	75	150	
TiTree, Rosalie & Vivien Investigation			12	12	
Vic roads Funding - Council Assets					
Dyes Lane		32	5	37	
TIRES Projects		125	21	146	
Council Buildings - Upgrade					
Yea Community Services Centre		50		50	
Alexandra Senior Citizens - Aircon			10	10	
Yea Railway Project - Stage 2		30		30	
Yea Community House			6	6	Roads S & B
Gallipoli Park Hall Disabled Access		5	2	7	Drains
Yea Hall clock project		38	1	39	Other
Kinglake Community Pavilion (Memorial Reserve)		103		103	Build
Total Upgrade	219	1,621	751	2,591	
3. New Plant & Equipment					
Purchase major Plant & Machinery					
Purchase Roller		45		45	
Purchase out front deck mower		34		34	
Purchase slasher		8		8	
Upgrade Paveline			9	9	
Skid Tanks			15	15	
Purchase Brooms		21		21	
Purchase Tandem tipper		158		158	
Purchase Patrol Truck		65		65	
Purchase Prime Mover		63		63	
Purchase Grade Meters		5		5	
Roller Trailer		9		9	
Tilt Trailers (4 No)		27		27	
Leaf Suction Unit		7		7	
4001 Fuel tank		2		2	
Total Major Plant & Machinery	0	444	24	468	
Purchase of Passenger Vehicles		323	6	329	
Total New Plant & Equipment	0	767	30	797	

Capital Works Areas	Carried Forward 2006/07 \$'000	Externally Funded 2007/08 \$'000 (contributions, grants, loans, asset sales)	Internally Funded 2007/08 \$'000 (Reserve, surplus, operating)	Total Project Cost \$'000	Comment
4. Renewal - Roads & Bridges					
Bridges					
Bridges component renewal			256	256	
Drainage					
Replacement pipes and pits			41	41	
Footpaths					
Footpath Renewal			31	31	
Kerb					
Kerb Renewal			60	60	
Roads					
Gravel Roads - Resheeting		775	44	819	R2R -Normal
Sealed roads - Reseals	258		504	762	R2R -Supplementary
Sealed roads - pavement renewal			124	124	
Total Renewal - Roads & Bridges	258	775	1,060	2,093	
5. Renewal - Buildings					
Halls & Community Buildings					
Alexandra Shire Hall - Heritage	85		25	110	
CJ Dennis Hall Toolangi - Kitchen			15	15	
Parks & Gardens					
Apex Park Yea - BBQ replacement			10	10	
Public Conveniences					
Yarck Public convenience Refurbish			10	10	
Total Renewal Buildings	85	0	60	145	
6. Capital Expenditure					
Furniture & equipment purchase					
Personal computers			46	46	
Server equipment - IT			48	48	
Alexandra Saleyards					
Ramp works			18	18	
Yea Saleyards					
Re-development works			5	5	
Ramp works			20	20	
Expenditure					
Art Show Prizes			5	5	
Alexandra Transfer Station			5	5	
Eildon Transfer Station			10	10	
Kinglake Transfer Station			2	2	
Marysville Transfer Station			5	5	
Yea Transfer Station Works			2	2	
Landfill Cell constuction			60	60	
Installation of weighbridge					
Yea Office Library Furniture & shelving	24			24	
Library bookstock - Adult		20	38	58	
Library bookstock - Junior			24	24	
Eildon Swimming Pool	6		6	12	
Pools Capital Equipment Replacement		8	1	9	
Rotary Park upgrade project	9	20	20	49	

Capital Works Areas	Carried Forward 2006/07 \$'000	Externally Funded 2007/08 \$'000 (contributions, grants, loans, asset sales)	Internally Funded 2007/08 \$'000 (Reserve, surplus, operating)	Total Project Cost \$'000	Comment
LWIP - Irrigation /sprinklers	77			77	
Thornton Netball Courts		71	8	79	
Yea Netball Courts		20	0	20	
Thornton Playground		40	20	60	
Yea playground - shade sail			30	30	
Kinglake Football Netball Club		20	30	50	
Total Other Capital Expenditure	116	199	403	718	
Expansion & New Upgrade	80	-	119	199	
New Plant & Equipment	219	1,621	751	2,591	
Renewal - Roads & Bridges	-	767	30	797	
Renewal - Buildings	258	775	1,060	2,093	
Other Capital Expenditure	85	-	60	145	
TOTAL CAPITAL EXPENDITURE	116	199	403	718	
	758	3,362	2,423	6,543	

Appendix D

Activities and Initiatives not funded

This appendix presents a number of activities and initiatives not funded in the 2007/ 2008 budget.

The appendix includes the following budgeted information:

- Activities and initiatives not funded as part of the 2007/ 2008 budget
- External requests not funded as part of the 2007/ 2008 budget
- Activities and initiatives funded as part of the 2007/ 2008 budget

Initiatives/Activities not Funded as part of 2007/ 08 Budget	Amount \$
Yea Library Shelving	19,000
Library bookstock	20,000
Webster Street Alexandra	30,000
Eildon Reserve Public Convenience	60,000
Alexandra - Public Toilets (\$10,000 provided for study)	90,000
Yarck - Public toilets (\$10,000 provided for maintenance)	90,000
Yea Showground Public Convenience	90,000
Pioneer Reserve - Traffic & Capital (\$15,000 provided for study)	275,000
Community Notice Boards	10,000
Building Maintenance Program	10,000
Furniture & Equipment	10,000
Bailey Street Seal	25,000
Reduce Fleet - one vehicle	28,718
Youth Development Officer	75,000
Yea Office Additional Service Hours	47,597
Office Trainee	27,000
Communications Support Officer	19,084
IT Support Staff	10,000
Corporate Support - backfill for leave	4,800
Performance Reporting System	22,500
Committee of Management Maintenance	10,000
Swimming pools - Upgrade Signage	8,000
Next G Phones	25,400
Postage	5,000
Printing & Stationery	5,000
Telephones	5,000
Photocopiers	10,000
Election costs	3,000
Training	10,000
Communication Advertising	7,000
Public relations	26,000
C-Team Development	4,000
Planning Activities	10,000
PIP Project - MAV	1,500
Yea Swimming pool	42,000
Marysville Swimming Pool	10,000
Best Value Review - Swimming Pool	3,500
Urban Tree Strategy	25,000
Tree Risk Management	25,000
Drought Impact on Parks & Gardens	15,000
Water Wise Initiatives Study	15,000
Energy Efficiency Study	15,000
Tree Removal Priority Works	60,000
Consultancy for Arts & Culture Study	40,000
Pool Refurbishment Feasibility Study	30,000
Swimming Pools Asset Condition Assessment	20,000

Initiatives/Activities not Funded as part of 2007/ 08 Budget	Amount \$
Asbestos Report for Selected Buildings	14,000
Risk Issues - Committees of Management	10,000
Demographics Modelling	7,000
Seed funding	41,199
Council Grants	5,000
Tree Replacement	10,000
Pioneer Reserve - Masterplan	32,000
Financial assistance for scholarships	1,500
TOTAL	1,514,798

DATE RECEIVED	SOURCE and /or account	PROJECT	FUND SOURCE	COMMENTS	NOT INCLUDED
04/05/07	Councillor Pleash - by email to CEO	Masterplan for Glenburn's civic precinct (as per small towns UDF)	Rates		\$20,000
04/05/07	Councillor Pleash - by email to CEO	Masterplan for traffic/pedestrian area behind Yea Civic precinct	Rates		\$32,000
04/05/07	Councillor Pleash - by email to CEO	Yea Discover-E Centre (in case business plan approved by Council)	Grants - Say \$2 million		
04/05/07	Councillor Pleash - by email to CEO	Working with Vic Roads to implement roundabout at Whatton Place and Goulburn Valley Highway, Yea (as per Yea UDF), especially if Yea Discover-E Centre plan approved. Traffic Mgt needs to be in place before the Centre is operational; the roundabout will enable traffic to get across to the building easily	Grant with contributions - Scope \$20,000 & Capital \$300,000		\$320,000
04/05/07	Councillor Pleash - by email to CEO	Implementation of Stage 1 of Rail Trail (in case advisory committee recommend and Council approves)	Grants		\$240,000
04/05/07	Councillor Pleash - by email to CEO	CBI projects (need Council guidance as to whether we quarantine funds for these projects and how to prioritise them)			
04/05/07	Councillor Pleash - by email to CEO	Installation of clocks on Yea Shire Hall	Trust Account \$19,000 and Grant funds \$21,000. Council funds \$1,000 plus in kind. Will be a budget adjustment if grant funding received		\$40,000
04/05/07	Councillor Pleash - by email to CEO	Shade sails over the playground at Yea Railway	Council		\$30,000
04/05/07	Councillor Pleash - by email to CEO	Possible sealing of Dairy Creek Rd & Saleyard St, Yea (may only be a partial contribution)			\$1,000,000
04/05/07	Councillor Pleash - by email to CEO	Officer dedicated to securing grants (as per recognised strategies and approved projects, as I think we will always want to do more than our rates/borrowings allow. I'd rather borrowings provide the matching dollars that lets us multiply the outcome/benefit.			\$80,000
04/05/07	Colin Southey - be email to CEO	Eildon boat ramp - funding to extend (approx 1 Kilometre)	Possible part grant		\$30,000
18/04/07	Bruce Stephens - Internal Memo	Station Car Park Yea - construction and sealing of the carpark in consultation with Friends of the Railway Group	Rates		\$68,207
19/04/07	Suzanne Hyde , Secretary Bollygum Park by email to CEO	Resubmitted application for funds towards the development of Bollygum Park Adventure Playground	Rates and/or possible contribution from Public Open Space Funds		\$50,000
11/04/07	Kinglake Ranges Neighbourhood House - project brief to CEO	Replacement of Community Bus vehicle. Recommendation to take over operations, financial management, maintenance and provide for future replacement vehicles	Rates		\$55,000

DATE RECEIVED	SOURCE and /or account	PROJECT	FUND SOURCE	COMMENTS	NOT INCLUDED
24/04/07	Eildon Action Ltr from S. Bahlen	Replacement of tiles in village precinct (full replacement) - re the development of shopping precinct UDF		minor project lodged as works request	
24/04/07	Eildon Action Ltr from S. Bahlen	Bus shelter in Main Street at Billabong Café		to be considered as part of bus shelter budget	\$1,500
24/04/07	Eildon Action Ltr from S. Bahlen	Control speed on all unmade streets on area of greater Eildon including speed limit signs to minimise dust (this is No. 1 priority on Council current plan - see appendix) - Signs only		Traffic counters being installed to validate the concerns (this is No. 1 priority on Council current plan - see appendix) - Signs only	\$5,000
24/04/07	Eildon Action Ltr from S. Bahlen	A system of road marking/ signage at corner of Golden Trout Hotel and Riverside Drive		incorporated in line marking program	\$500
24/04/07	Eildon Action Ltr from S. Bahlen	White line dividing carriageways in High St between roundabout and Hillside Avenue		incorporated in line marking program	\$500
24/04/07	Eildon Action Ltr from S. Bahlen	Footpath from Darlingford Nursing Home to Third St to allow access for wheelchairs from Darlingford to shopping centre.			\$30,000
24/04/07	Eildon Action Ltr from S. Bahlen	Construct street drainage along South Crescent and High St to meet the existing drainage near Centre Avenue and High St roundabout.	NOT SCOPED		
24/04/07	Eildon Action Ltr from S. Bahlen	Construct a footpath on populated side of South Crescent.	NOT SCOPED		\$50,000
24/04/07	Eildon Action Ltr from S. Bahlen	Seal Riverside Drive to Back Eildon Road and Park Avenue to South Crescent.			\$200,000
24/04/07	Eildon Action Ltr from S. Bahlen	Rotunda in Moore Park.			\$75,000
24/04/07	Eildon Action Ltr from S. Bahlen	Lighting along path in park by swimming pool.	NOT SCOPED		
24/04/07	Eildon Action Ltr from S. Bahlen	Construct random parking close to pondage boundaries and BBQs to preserve grass.			\$10,000
24/04/07	Eildon Action Ltr from S. Bahlen	Bench seat outside swimming pool, this is the pick up point for the Eildon/ Alexandra bus.		Works request to address this	\$1,000
24/04/07	Eildon Action Ltr from S. Bahlen	More seating under cover in shopping centre		Works request to address this	\$2,000
24/04/07	Eildon Action Ltr from S. Bahlen	Construct drainage at Girdwood Parade, in front of Police house and back of Post Office.	Strategy for All Year Drainage \$20,000 and scoped drainage \$40,000		\$60,000
24/04/07	Eildon Action Ltr from S. Bahlen	Clear scrub, weeds, blackberries etc in the bush between Park Avenue and Park Avenue North, boundaries of Primary School and retirement units, down to Riverside Drive and back to intersection of Twenty-first Street and Park Avenue and the nearest back corner of Boulevard caravan park.	Not related to Council area of responsibility		
24/04/07	Eildon Action Ltr from S. Bahlen	Solar heating for swimming pool.			\$50,000
24/04/07	Eildon Action Ltr from S. Bahlen	More shading at swimming pool.			\$50,000

DATE RECEIVED	SOURCE and /or account	PROJECT	FUND SOURCE	COMMENTS	NOT INCLUDED
10/04/07	Tamara Fox - President Yark Community Inc by email	Bridge one is the single land bridge (expand to double lane) @ Colin McDonalds-Gobur Rd- (Godfreys Ck) the site of a tragic death of a local girl several years ago.	No plans to upgrade		
10/04/07	Tamara Fox - President Yark Community Inc by email	Bridge two (replacement) is on Shaw's Rd (Un-named Ck) and has been noted to me by Charles Lane and Dane & Ingrid Martin (Farm managers -"Kaloomah") to be affecting the farm business due to the poor condition and low weight limit - access for large stock trucks and possibly the Shire trucks themselves??. Note Shaw's Rd has several other residents also	Has been addressed		
10/04/07	Tamara Fox - President Yark Community Inc by email	Bridge Three (replacement) is on Free's Rd Gobur (Godfreys Ck) this bridge has several functions, fire truck access, through Rd access and is a low weight & poor wooden structure in need of replacement.	12 tonne limit. Will be addressed through bridge strategy		
10/04/07	Tamara Fox - President Yark Community Inc by email	Conclusion. Thus in conclusion could the noted bridges be placed on the Shire Infrastructure maintenance list in descending order as placed	refer above		
15/05/07	Lions Club of Eildon by corro	Request for bus shelter in Main Street, Eildon		dealt with bus shelter budget	
	Cr Gilmore	Improved drainage in Marysville		being addressed by engineering capital works	
	Cr Gilmore	Falls Road footpath		possibly costed/ discussed by engineering?	
	Cr Gilmore	Improved tree planting in the Buxton area.			\$5,000

End of Murrindindi Shire Council Budget Report