



**BUDGET 2013/2014**

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## 1. OVERVIEW

### 1.1 Executive Summary

Under the *Local Government Act 1989* ("the Act"), Council is required to prepare and adopt an annual budget. Council's aim is to adopt the budget by 30 June each year.

A high level Long Term Financial Plan for the years 2013/2014 to 2017/2018 (part of the Strategic Resource Plan) has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's strategic objectives as specified in the Council Plan.

The 2013/2014 budget presented in this report has been developed through a rigorous process of consultation and review with Council and Council officers. It is Council's opinion that the budget is financially responsible and contributes to the achievement of all of the Council Plan strategic objectives and strategies included in the 2013 – 2017 Council Plan. It is also forward looking in that it fits within a longer term framework which seeks to enhance financial sustainability in the long term.

Demand for services has meant Council more than ever is looking to source additional external income. The need to attract investment to the municipality to boost household income and in turn rate income, means Council is very active in the area of economic and community.

The 2013/2014 Operating Budget forecasts an operating surplus of \$3,341,928 (including non-cash items), after raising rates and charges (including municipal and garbage) of \$11.46 million and capital revenue of \$3.892 million. Excluding non-recurrent grants, an operating deficit of \$0.551 million is forecast for 2013/2014. Council has been able to continue to deliver existing service levels in circumstances where cost shifting to local government has continued to put pressure on all of Council's resources.

The Council's financial position will continue to maintain a consistent level of funds available for the ongoing provision of services as demanded by its residents. Council operations are expected to be impacted by inflation, wages growth, government funding, increases in the levy payable upon disposal of waste and payment of Council's defined benefits superannuation call. As such, it will be necessary to achieve future revenue growth whilst containing costs in order to achieve a breakeven point. In order to achieve these objectives whilst maintaining service levels and a robust capital expenditure program, general rates will increase by 5.8% in 2013/2014. The rate increase has been kept in line with the rating strategy adopted by Council in 2010.

The total capital expenditure program will be \$12.057 million. Of the \$12.057 million of capital funding required, \$1.861 million will come from reserve funds, with the balance of \$10.20 million from external grants, contributions and Council's own sourced revenue. The capital expenditure program has been set and prioritised based on a rigorous process that has enabled Council to assess needs and develop sound business cases for each project. Council's capital works program is intentionally large to continue to close the gap between renewal and depreciation of assets. The program reduces over five years.

Whilst the 2013/2014 budget has been prepared on the basis of constraint, it is acknowledged that the Council still needs to fund new projects and maintain existing services. The challenge is to source additional funding to ensure Council meets the needs of its communities into the future.

## **1.2 Budget Overview**

### **1.2.1 Strategic planning framework**

The Annual Budget has been developed within an overall planning framework which guides the Council in identifying community needs and aspirations over the long term, converting these into medium (Council Plan) and short term (Annual Budget) objectives, initiatives and activities.

The Strategic Resource Plan included in the Council Plan summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan.

### **1.2.2 Basis for Budget Preparation**

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 first step in the budget process is for the Officers and Council to prepare the annual budget in accordance with the Act and submit the “proposed” budget to Council for approval “in principle”. Council is then required to give “public notice” that it intends to “adopt” the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year.

The 2013/2014 budget which is included in this report is for the year 1 July 2013 to 30 June 2014 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2014 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. 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 2013/2014 to 2017/2018, Rating Strategy and Borrowing Strategy.

### 1.2.3 Annual Plan and Budget Process

The key dates for the annual plan and budget process are:

1.	Draft Budget submitted to Council for review	April/May
2.	Draft Budget submitted to Council for approval	May
3.	Public notice advertising intention to adopt budget	May
4.	Budget available for public inspection and comment	May/June
5.	Submissions together with budget referred to Council	June
6.	Budget and submissions presented to Council for Adoption	July
7.	Copy of budget submitted to the Minister	August

## 1.3 Budget Influences

### 1.3.1 External Influences

In preparing the 2013/2014 budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Consumer Price Index (CPI) increases on goods and services of around 2.2% per annum (ABS release 23 January 2013).
- The 'Engineering Construction' and 'Non-Residential Building' Indices prepared by Construction Forecasting Council are forecast at 2.4% and 3.8% respectively for 2013/2014
- Decrease in Victorian Grants Commission and additional Grant funding in real terms, and additional cost shifting from State and Federal Governments.
- Increase of \$4.84 per tonne (or 10%) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste disposal costs.
- The carbon price introduced by the Federal Government on 1 July 2012 is forecast to increase by CPI (2.2%) to \$23.50 per tonne. This will continue to impact upon the costs of waste disposal, energy costs and general cost inputs.
- Local economic conditions continue to impact residents thereby reducing household income.
- Prevailing global economic conditions which are expected to remain difficult during the budget period, impacting investment and borrowing interest rates.
- As a result of recommendations by the Victorian Bushfires Royal Commission (VBRC), the Fire Services Property Levy (FSPL) is to be introduced from 1 July 2013. This will apply to all private property owners – including persons and organisations who do not currently pay council rates. A number of Council properties will also be subject to the fire levy. The FSPL will be collected by Council on behalf of the State Government to fund the operations of the MFB and CFA.
- A rise in the Superannuation Guarantee rate to 9.25% in 2013/2014, increasing up to 11% in 2017/2018

### **1.3.2 External Influences (Cont'd)**

- Payment of Council's defined benefits superannuation liability of \$2,489,559 has also impacted upon Council's financial position requiring the drawing upon Council reserves and a new \$1,500,000 loan to fund the expense.

### **1.3.3 Internal Influences**

As well as external influences, there were also a number of internal influences which have had a significant impact on the setting of the budget for 2013/2014. These include:

- Enterprise bargaining increases in salaries and wages.
- Increased costs associated with waste management.
- Large reliance on grant income.

### **1.3.4 Budget principles**

This budget is another step in the achievement of Council's financial goals outlined in the Strategic Resource Plan. Accordingly, the strategy adopted in this budget is to:

- Maintain service levels and other assets at current levels in the most cost effective ways.
- Pursue grant funding in all cases where applicable.
- New initiatives which are not cost neutral to be justified through a business case.
- Reduce overall borrowings.
- Ensure fees and charges where possible are moving towards a user pays principle and increased in line with CPI or market levels.
- Construction and material costs to increase in line with the CPI and the Engineering Construction Index.
- Salaries and wages to be increased in line with Council's Enterprise Bargaining Agreement (EBA)
- Ensure that any new staff positions support the objectives of the Council Plan.
- Real savings in expenditure and increases in revenue identified previously are to be preserved.

## 2. BUDGET ACTIVITIES AND INITIATIVES

### 2.1 THEMES

<p><b><u>Community and Culture</u></b></p> <p><i>Foster community connectedness and social capital, and services which improve people's health and wellbeing.</i></p>	<p><b><u>Economy and Growth</u></b></p> <p><i>Encourage and support economic activity, particularly that which facilitates employment in the community.</i></p>	<p><b><u>Built and Natural</u></b></p> <p><b><u>Environment</u></b></p> <p><i>Value, conserve and enhance the rich built and natural heritage and environment.</i></p>	<p><b><u>Processes and Governance</u></b></p> <p><i>Implement strong, clear and transparent corporate governance, strategies and actions.</i></p>
<ul style="list-style-type: none"> <li>• Community Development/Connectedness               <ul style="list-style-type: none"> <li>- foster community resilience, connectedness and social capital.</li> </ul> </li> <li>• Health and Wellbeing               <ul style="list-style-type: none"> <li>- improve people's health and wellbeing throughout all life stages.</li> </ul> </li> <li>• Community Safety               <ul style="list-style-type: none"> <li>- foster a 'whole of community' approach to community safety.</li> </ul> </li> <li>• Arts, Culture and Heritage               <ul style="list-style-type: none"> <li>- Increase community awareness/appreciation of arts, culture and heritage.</li> </ul> </li> <li>• Recreation and Sport               <ul style="list-style-type: none"> <li>- increase participation in physical activity.</li> </ul> </li> <li>• Education and Learning               <ul style="list-style-type: none"> <li>- increase education and learning participation and opportunities across the Shire.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Economic Activity               <ul style="list-style-type: none"> <li>- Support and facilitate activities which contribute to the municipality's economic prosperity.</li> </ul> </li> <li>• Tourism and Events               <ul style="list-style-type: none"> <li>- maintain and grow visitations and the local events stock.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure, Assets and Facilities               <ul style="list-style-type: none"> <li>- protect and enhance our existing amenities.</li> </ul> </li> <li>• Natural Environment               <ul style="list-style-type: none"> <li>- value, and, value-add to our natural environment.</li> </ul> </li> <li>• Strategic Land Use               <ul style="list-style-type: none"> <li>- achieve outcomes in planning and policy activities to create environments that support public wellbeing and economic success.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Organisational processes and systems               <ul style="list-style-type: none"> <li>- demonstrate good governance and provide quality customer services.</li> </ul> </li> <li>• Leadership and Governance               <ul style="list-style-type: none"> <li>- provide strong leadership in representing the community.</li> </ul> </li> <li>• Financial Sustainability               <ul style="list-style-type: none"> <li>- deliver responsible financial management and business planning to ensure long term sustainability.</li> </ul> </li> </ul>

In adopting 'Actions' to support or give effect to these Themes, Council acknowledges that many such Actions are in fact the development and/or implementation of a Strategy or Plan which in turn will include various activities. In these instances, such Strategies or Plans will include an implementation approach.

## 2.2 COMMUNITY & CULTURE

### Theme - *Foster community connectedness and social capital, and services which improve people's health and wellbeing*

	<b>Actions</b>	<b>Indicator 2013/2014</b>
1.1 Community Development/Connectedness <ul style="list-style-type: none"> <li>foster community resilience, connectedness and social capital.</li> </ul>	Implement Go Goldfields Great Outcomes program.	Programs delivered as per Activity Schedule.
1.2 Health and Wellbeing <ul style="list-style-type: none"> <li>improve people's health and wellbeing throughout all life stage.</li> </ul>	Ensure Council policies, plans and strategies are considered against an agreed Health and Wellbeing impact statement	Health and Wellbeing impact statement adopted by Council.
1.3 Community Safety <ul style="list-style-type: none"> <li>foster a 'whole of community' approach to community safety.</li> </ul>	Develop Family Violence Strategy for Shire.	Strategy received by Council.
1.4 Arts, Culture and Heritage <ul style="list-style-type: none"> <li>increase community awareness/appreciation of and participation in arts, culture and heritage.</li> </ul>	Increase community participation in arts and cultural activities.	Provide two community exhibitions/activities.
1.5 Recreation and Sport <ul style="list-style-type: none"> <li>increase participation in physical activity.</li> </ul>	Provide a range of facilities and programs across the municipality	Provision for 2 activities/facilities, within Budget.
1.6 Education and Learning <ul style="list-style-type: none"> <li>increase education and learning participation and opportunities across the Shire.</li> </ul>	Development of an Early Years Childhood Services delivery model, consistent with the Go Goldfields program.	Early years model documented and received by Council.



## 2.3 ECONOMY AND GROWTH

Theme - *Encourage and support economic activity, particularly that which facilitates employment in the community*

	<b>Actions</b>	<b>Indicator 2013/2014</b>
2.1 Economic Activity <ul style="list-style-type: none"> <li>• support and facilitate activities which contribute to the municipality's economic prosperity.</li> </ul>	Support measures to address unemployment rates – including job creation, training, work ready programs.	Development of a Shire Workforce Plan as part of an Employment Strategy within the Go Goldfields program.
2.2 Tourism and Events maintain and grow the local events stock.	Develop a Central Goldfields Events Strategy.	Central Goldfields Events Strategy adopted by Council and one new event instigated.

## 2.4 BUILT AND NATURAL ENVIRONMENT

Theme - *Value, conserve and enhance the rich built and natural heritage and environment*

	<b>Actions</b>	<b>Indicator 2013/2014</b>
3.1 Infrastructure, Assets and Facilities <ul style="list-style-type: none"> <li>protect and enhance our existing amenities.</li> </ul>	Undertake township enhancements in accordance with Urban Design Framework.	Annual budget allocation and 1 specific project.
3.2 Natural Environment and Sustainability <ul style="list-style-type: none"> <li>value, add, value-add to our natural environment and sustainability.</li> </ul>	Support initiatives for a more sustainable community and alternate energy usage (such as through Sustainable Regional Australia).	Adoption of a Shire Sustainability Plan. Make application through the Lighting the Regions project to reduce energy requirements in street lights.
3.3 Strategic Land Use <ul style="list-style-type: none"> <li>achieve outcomes in planning and policy activities to create environments that support public wellbeing and economic success.</li> </ul>	Undertake Residential Settlement Strategy study for Maryborough.	Study completed.

## 2.5 PROCESSES AND GOVERNANCE

**Theme - *Implement strong, clear and transparent corporate governance, strategies and actions***

	<b>Actions</b>	<b>Indicator 2013/2014</b>
4.1 Organisational processes and systems <ul style="list-style-type: none"> <li>demonstrate good governance and provide quality customer services.</li> </ul>	Review of Council's communications strategy.	Strategy review completed.
4.2 Leadership and Governance <ul style="list-style-type: none"> <li>provide strong leadership in representing the community.</li> </ul>	Utilise opportunities to promote/showcase the organisation.	Showcase 1 piece of work on a national stage. Participation in Regional Living Expo. Produce quarterly newsletter to community. Publish weekly information column (1/2 page) in local newspaper.
4.3 Financial Sustainability	Undertake Rating Strategy Review.	Review completed.

### 3. BUDGET ANALYSIS

#### 3.1 Analysis of Budgeted Income Statement

The budgeted Standard Income Statement forecasts a surplus of \$3,341,928 (including non-cash items) for the year ending 30 June 2014.

#### BUDGETED STANDARD INCOME STATEMENT

For the year ending 30 June 2014

	Forecast	Budget
	12/13	13/14
	\$	\$
<b>Revenues from Ordinary Activities</b>		
Rates	8,703,450	9,338,067
Operating Grants	6,584,762	7,951,572
Capital Grants	16,839,589	3,892,750
Interest	325,000	237,000
User Charges	5,200,700	6,927,238
Statutory Fees	233,368	269,890
Reimbursements	47,000	225,000
Proceeds from Sale of Assets	2,261,875	565,750
<b>Total Revenues</b>	<b>40,195,744</b>	<b>29,407,268</b>
<b>Expenses from Ordinary Activities</b>		
Employee Costs	11,030,016	10,960,903
Materials and Servicables	2,738,147	2,485,765
Contract Providers	9,151,388	7,146,457
Bad Debts	27,800	27,300
Depreciation	4,571,431	4,571,431
Written Down Value of Assets Sold	3,303,752	594,038
Borrowing Costs	345,889	279,445
<b>Total Expenses</b>	<b>31,168,423</b>	<b>26,065,339</b>
<b>Net Surplus(Deficit) from Operations</b>	<b>9,027,321</b>	<b>3,341,928</b>
<b>Movements in Equity</b>		
Net increase(Decrease) in Asset		
Revaluation Reserves	-	-
<b>Total Changes in Equity</b>	<b>9,027,321</b>	<b>3,341,928</b>

### **3.1.2 Rates and Charges**

It is proposed that rates and municipal charge income be increased to \$9,338,067. Page 24, section 4.3 includes the Rating Strategy which provides a more detailed analysis of rates and charges to be levied for 2013/2014.

### **3.1.3 Operating Grants**

Government grants received from State and Federal sources will increase by \$1,366,810. This occurs as a result of the receipt of 50% of Council's 2012/2013 Grants Commission allocation during June 2012, resulting in a reduction in Grants Commission funding received during 2012/2013. Council has budgeted for a full year allocation during 2013/2014.

### **3.1.3 Capital Grants**

Capital grants are expected to reduce by \$12,946,839 in 2013/2014. This decrease occurs as a result of the winding up of Federal funding for the Natural Disaster experienced during January 2011, with \$10,300,000 forecast to be received in 2012/2013.

### **3.1.4 Interest Revenue**

Interest revenue includes interest on investments and rate arrears. Interest on investments is expected to be lower in 2013/2014 due a reduction in interest rates offered by the investment market. In addition Council is projecting to hold reduced levels of cash as a result of flood recovery expenditure.

### **3.1.5 Reimbursements**

Reimbursement income is expected to be \$225,000 in 2013/2014; this includes \$47,000 in Debt Collection Recovery and a \$164,000 contribution towards Putting Locals First projects.

### **3.1.6 Employee Costs**

Employee costs include all labour related expenses such as wages and salaries and oncosts such as superannuation and workcover. Employee costs are expected to decrease by 1% or \$69,113 compared to 2012/2013. This decrease is primarily due to the winding down of flood recovery efforts offset by a number of new positions within the Healthy Communities, Preventive Health, Arts Central and Neighborhood Renewal programs.

### **3.1.7 Contract Providers**

There is expected to be a slight decrease in the services provided by contractors as a result of the planned wind down of flood recovery activities.

### **3.1 Analysis of Budgeted Income Statement (Cont'd)**

#### **3.1.2 Depreciation**

Depreciation relates to the usage of Council's property, plant and equipment including infrastructure.

#### **3.1.3 WDV of Assets Sold**

The 2012/2013 forecast includes anticipated sales in relation to the Goldfields Export Cluster sales.

### 3.2 Analysis of Budgeted Cash Position

#### BUDGETED STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2014

	Forecast 12/13 \$	Budget 13/14 \$	Variance \$
<b>Cash flows from operating activities</b>			
Receipts from customers	37,933,869	28,841,516	9,092,353
Payments to suppliers	(22,617,719)	(20,899,870)	(1,717,849)
<b>Net cash inflow (outflow) from operating activities</b>	<b>15,316,150</b>	<b>7,941,646</b>	<b>7,374,504</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	2,261,875	565,750	1,696,125
Payments for property, plant and equipment	(19,939,063)	(12,057,565)	(7,881,498)
Other			
<b>Net cash inflow (outflow) from investing activities</b>	<b>(17,677,188)</b>	<b>(11,491,815)</b>	<b>(6,185,373)</b>
<b>Cashflows from financing activities</b>			
Proceeds from borrowings/financing	0	1,500,000	(1,500,000)
Repayment of borrowings	(723,527)	(240,672)	(482,855)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(723,527)</b>	<b>1,259,328</b>	<b>(1,982,855)</b>
<b>Net increase (decrease) in cash held</b>	<b>(3,084,565)</b>	<b>(2,290,841)</b>	<b>(793,724)</b>
Cash at the beginning of the year	9,594,573	6,510,008	3,084,565
<b>Cash at the end of the year</b>	<b>6,510,008</b>	<b>4,219,167</b>	<b>2,290,842</b>

### **3.3 Analysis of Budgeted Cash Position (Cont'd)**

This section of the budget report analyses the expected cash flows for the 2013/2014 year. The analysis is based on three main categories of cash flows. In summary these are:

- Operating activities - these activities refer to the cash generated or used in the normal service delivery functions of Council
- Investing activities - these 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.
- Financing activities - these activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions and include repayment of borrowings.

The significance of budgeting cash flows for Council is that it is a key factor in setting the level of rates each year.

The budgeted cash flow statement shows a net decrease in cash resources of \$2,290,841 for the year ending 30 June 2014. The forecast for cash assets is \$4.219 million as at 30 June 2014.

#### **3.3.1 Operating Activities**

Net cash inflows from operating activities will be \$7.94 million in 2013/2014 the decrease is a result of the winding down of flood recovery activities, therefore grant funding.

#### **3.3.2 Investing Activities**

The 2012/2013 forecast includes the anticipated sale of Goldfields Export Cluster land. In addition 2012/13 payments for property, plant and equipment includes a higher level of flood recovery capital projects, with works projected to be finished by 30 June 2013.

#### **3.3.3 Financing Activities**

The net cash outflow in 2013/2014 of \$1,259,328 reflects the draw down of \$1,500,000 to help fund Councils unfunded superannuation liability paid during 2012/2013, and the repayment of fixed term loans.



### 3.4 Analysis of Budgeted Capital Expenditure

The 2013/2014 Budgeted Statement of Capital Works forecasts new capital works of \$12,057,565.

#### 3.4.1 Capital Expenditure

The capital works program invests substantial funds in infrastructure assets of \$6,359,000; \$4,454,100 will be invested into Land & Building assets (including \$824,000 at the Child Care centre and \$570,000 at the Maryborough Caravan Park) and Plant and equipment assets will have an additional \$1,157,465 invested in them.

#### **BUDGETED STANDARD CAPITAL WORKS STATEMENT For the year ending 30 June 2014**

	<b>Original Budget 12/13 \$</b>	<b>Forecast 12/13 \$</b>	<b>Budget 13/14 \$</b>
<b>Capital Works Areas</b>			
Land & Buildings	6,014,447	4,705,002	4,454,100
Plant & Equipment	1,087,020	1,006,750	1,157,465
Furniture & Fittings	88,000	125,350	87,000
Infrastructure	7,797,200	14,101,961	6,359,000
	<b>14,986,667</b>	<b>19,939,063</b>	<b>12,057,565</b>
<b>Types of Capital Works</b>			
Renewal	9,899,847	14,138,654	6,386,500
Upgrade	408,000	879,873	2,325,600
New	4,678,820	4,920,536	3,345,465
<b>Total Capital Works</b>	<b>14,986,667</b>	<b>19,939,063</b>	<b>12,057,565</b>

The spending proposed in the 2013/2014 Budget/Capital Works program is covered in more detail in appendix D of this document.

### 3.4.2 Funding Sources

Sources of Funding	2012/2013 Forecast	2013/2014 Budget
Grants	10,169,088	3,892,750
Reserve Funds	1,478,475	1,861,013
Other	8,291,500	6,303,802
<b>Total Funding Sources</b>	<b>19,939,063</b>	<b>12,057,565</b>

Other funds includes Council's own sourced revenue, and also includes grant funding which may have been received in advance (ie. paid to Council during previous financial years).

### 3.4.3 Grants

Significant grants budgeted for in 2013/2014 are Country Roads and Bridges Initiative Grant \$1,000,000, a grant of \$600,000 towards the Child Care Centre Upgrade, and Roads to Recovery funding of \$560,000.

### 3.4.4 Reserve Funds

This includes the transfer of funds from the proceeds of the sale of plant and equipment, gravel reserve and waste management reserve allocations.

### 3.4.5 Capital Works

For 2013/2014 \$6,359,000 or 53% of all capital works will be spent on Infrastructure, including roads and bridges (\$14,101,961 in 2012/2013).

Land and Buildings will have \$4,454,100 (37% of total capital works) spent on them including \$824,000 on the Child Care Centre Upgrade, \$400,000 on the Station Domain Shade Structure, \$666,000 on various Putting Locals First Projects and \$570,000 on the Maryborough Caravan Park Amenities Block .

Plant and Equipment will have \$1,157,465 invested in it during 2013/2014. This increases from 2012/2013 forecast by an amount of \$150,715 due to the purchase of a new water tanker (estimated \$200,000).

### 3.5 Analysis of Budgeted Financial Position

This section of the budget shows the impact of the 2013/2014 budget on Council's assets, liabilities and equity between 2012/2013 and 2013/2014. The Budgeted Standard Balance Sheet shows net assets of \$304,265,528 as at 30 June 2014 which is an increase of \$4,341,928 over 2012/2013.

#### BUDGETED STANDARD BALANCE SHEET As at 30 June 2014

	30 June 2013	30 June 2014
<b>Current Assets</b>		
Cash	6,510,008	4,219,167
Receivables	2,647,607	1,647,607
Other	788,769	788,769
Non-current assets classified as held for sale	550,767	550,767
<b>Total Current Assets</b>	<b>10,497,151</b>	<b>7,206,310</b>
<b>Current Liabilities</b>		
Payables	3,348,174	1,348,174
Interest Bearing Liabilities	240,672	554,984
Provisions	3,599,496	3,599,496
<b>Total Current Liabilities</b>	<b>7,188,342</b>	<b>5,502,654</b>
<b>Net Current Assets</b>	<b>3,308,809</b>	<b>1,703,657</b>
<b>Non-Current Assets</b>		
Fixed Assets	300,628,053	307,520,151
Library Bookstock	289,958	289,958
<b>Total Non-Current Assets</b>	<b>300,918,011</b>	<b>307,810,109</b>
<b>Non-Current Liabilities</b>		
Interest Bearing Liabilities	3,994,909	4,939,926
Provisions	308,310	308,310
<b>Total Non-Current Liabilities</b>	<b>4,303,219</b>	<b>5,248,236</b>
<b>NET ASSETS</b>	<b>299,923,600</b>	<b>304,265,528</b>
<b>Equity</b>		
Accumulated Surplus	116,048,358	120,765,184
Reserves	183,875,242	183,500,344
<b>TOTAL EQUITY</b>	<b>299,923,600</b>	<b>304,265,528</b>

### **3.5 Analysis of Budgeted Financial Position (Cont'd)**

#### **3.5.1 Current Assets**

The \$3,290,841 decrease in current assets is due to a decrease in cash as a result of capital works, in particular flood recovery activities. In future years the rate and other debtor balances are not expected to change significantly and will remain at acceptable levels, given the projected increase in rates annually.

#### **3.5.2 Current Liabilities**

The decrease in current liabilities (that is, obligations council must pay within the next year) is due to the ceasing of Council's flood recovery activities which in previous years resulted in a high level of payables.

#### **3.5.3 Non Current Assets**

The increase in non-current assets is as a result of expenditure on the capital works program less the annual depreciation charge and WDV of asset disposals.

#### **3.5.4 Non Current Liabilities**

The increase in non current liabilities (that is, obligations council must pay beyond the next year) results from the drawing down of a new \$1,500,000 loan for the purpose of partially funding Council's unfunded superannuation liability paid during 2012/2013.

#### **3.5.5 Equity**

The equity (or net assets) figures at 30 June 2014 is consistent with the equity level at 30 June 2013.

### 3.6 Impact of Current Year on 2013/2014

This section outlines the forecast result for 2012/2013 compared to the 2013/2014 budget to assess any impacts on the 2013/2014 Budget.

#### 3.6.1 Operating Performance

The forecast operating performance for the year ending 30 June 2013 is a surplus of \$9,027,321 compared to a budgeted surplus of \$3,341,929 for the year ending 30 June 2014.

<b>Operating</b>	<b>2012/2013 Forecast</b>	<b>2013/2014 Budget</b>
Total Income	40,195,744	29,407,268
Total Expenditure	31,168,423	26,065,339
<b>Operating Surplus(Deficit)</b>	<b>9,027,321</b>	<b>3,341,929</b>

The forecast operating surplus is significantly higher than the budgeted surplus for 2013/2014 as a result of the impacts of flood recovery activities (higher income and expenditure levels)

#### 3.6.2 Cash Performance

The forecast cash result for 2012/2013 is expected to produce a variance to the original budget of \$2,771,687 (Original Budget 2012/2013 \$3,738,320, Budget Forecast 2012/2013 \$6,510,007).

<b>Cash Flows</b>	<b>2012/2013 Forecast</b>	<b>2013/2014 Budget</b>
Operating Activities	15,316,150	7,941,646
Investing Activities	(17,677,188)	(11,491,815)
Financing Activities	(723,527)	1,259,328
<b>Net Increase/(Decrease) In Cash Held</b>	<b>(3,084,565)</b>	<b>(2,290,841)</b>

The forecast net decrease in cash held is consistent with the budgeted net decrease in cash held for 2013/2014.

#### 3.6.3 Capital Works

Total Capital Works for 2012/2013 are expected to be \$19,939,063 compared to an original budget of \$14,986,677, includes an allocation for \$10,367,000 in flood recovery works.

## 4. STRATEGIC RESOURCE PLAN

### 4.1 Long Term Financial Plan

Council has prepared a Long Term Financial Plan for the five years 2013/2014 to 2017/2018 as part of Council's ongoing financial planning to assist Council in adopting a budget within a longer term framework. The Plan takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next five years. The key objective, which underlines the development of the Plan, is financial sustainability in the medium to long term, whilst still achieving Council's strategic objectives as specified in the Council Plan.

The Plan is updated annually through a rigorous process analysis to achieve these key financial objectives.

The following table summaries the key financial indicators for the next five years as set out in the Long Term Financial Plan for years 2013/2014 to 2017/2018.

Indicator	Budget				
	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
Operating surplus/(deficit)	3,342	3,895	1,635	2,301	3,454
Cash from operations	7,942	8,487	6,226	6,896	8,050
Cash increase/(decrease)	(2,291)	547	1,450	(356)	250
Cash and investments	4,219	4,766	6,216	5,860	6,111
Borrowings outstanding	5,495	4,940	4,554	2,542	27
Depreciation	4,571	4,571	4,571	4,571	4,571
Capital expenditure	12,058	7,797	4,780	5,713	5,769
Working capital	1,704	2,420	2,243	1,385	4,123
Net worth	304,266	308,160	309,796	312,097	315,551

#### 4.1.1 Key Assumptions

The key assumptions of the Long Term Financial Plan are as follows:

- **Service Delivery** – Service levels to be maintained throughout the five year period.
- **Rating Strategy** - Rates will increase by an average of 5.8% p.a through to 2017/2018.
- **Borrowing Strategy** – Borrowings to reduce to \$26,717 (representing the balance of a loan from Low Carbon Australia for Solar Panels) by 30 June 2018.
- **Infrastructure Strategy** – An average \$7.223 million per year will be spent to 2017/2018.
- **Financial Sustainability** – Cash and investments will remain fairly stable during the five year period, increasing in 2017/2018.

## 4.2 Non Financial Resources

The range of services undertaken by Council generally involves the efforts of approximately 230 staff, of which 130 work part time, casual and on contract. Additional staffs have been employed during 2012/2013 to assist with flood recovery efforts, and to run initiatives such as Go Goldfields, Healthy Communities, Preventive Health and Arts Central.

The skill base of Council's workforce is very diverse with staff holding qualifications in specialised areas such as aged care, engineering, accounting, local government, health care, planning, building, public administration, and other fields.

The Local Authorities Award and the Central Goldfields Shire Enterprise Bargaining Agreement No.4 (Extension Variation) govern the employment of Council staff.

Indicator	Budget	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/2018 \$'000
	2013/14 \$'000				
Employee costs	10,961	10,445	10,044	10,338	10,550
Employee numbers	230	225	220	220	220

### 4.3 Rating Strategy

#### 4.3.1 Strategy Development

The Rating Strategy considered by Council in 2010 and reviewed in 2013 will form the basis for raising rates in the 2013/2014 financial year. It is prefaced on Council's aim to encourage economic development activity and to reflect the cost of infrastructure in achieving employment and commercial opportunities within the shire.

Rates will be raised by the application of differential rates. It is considered that each differential will contribute to the equitable and efficient carrying out of Council's functions. The functions include:

- The construction and maintenance of public infrastructure
- The development and provision of health and community services
- The provision of general support services

In accordance with Councils' Rating Strategy, a municipal charge will be levied for the purpose of covering part of the administrative or "baseline" costs of Council's operations. A municipal charge applies equally to all rateable properties and is found to be an equitable method of distributing a portion of the administrative costs

A service charge will be levied for the purpose of covering the cost of collection, removal and disposal of refuse and rubbish. The charge reflects the volume of rubbish collected, that is a standard (80 litre urban & 140 litre rural) bin service, a 140 litre (urban) bin service or a 240 litre (rural) bin service will be offered to residents. Charges have been set to encourage waste minimization practices.

#### 4.3.2 Current Year Rate Increase

The 2013/2014 operating position is predicted to be impacted by wages growth and reductions in government funding. It will therefore be necessary to achieve future revenue growth whilst containing costs in order to achieve a breakeven position in the long term.

In achieving these objectives whilst maintaining service levels and a robust capital expenditure program, general rates will increase by 5.8% in 2013/2014 raising a total rate of \$9.338 million. The following table sets out future proposed rate increases and total rates to be raised, based on the forecast financial position of Council as at 30 June 2013.

Year	Rate Income Increase	Total Rates Raised
2013/2014	5.8%	9,338,067
2014/2015	5.8%	9,978,472
2015/2016	5.8%	10,662,795
2016/2017	5.8%	11,394,050
2017/2018	5.8%	12,175,454



### 4.3.3 Rates and Revaluations

Central Goldfields Shire Council has recently revalued properties in the Shire as required by State Government legislation. The purpose of the revaluation is to allocate rates and measure how much each property is worth. The revaluation is dated 1 January, 2012. The revaluation does not generate extra revenue for Council, it redistributes the existing rate revenue across the Shire based on property values. General rates will raise 32% of all revenue from all sources for 2013/2014.

Council uses the Capital Improved Value (CIV) as its basis for calculating general rates. CIV is the value of the land plus buildings and other improvements, and is based on the sales of similar properties. In some cases properties may be valued higher if significant improvements have recently been completed. Business property valuations are based on how much rent a property can be let for, based on similar properties in the precinct.

Rate type	2013/2014	2012/2013
Maryborough Residential - cents in \$ of CIV	0.4686	0.4429
Residential Other – cents in \$ of CIV	0.3726	0.3522
Commercial Maryborough – cents in \$ of CIV	0.7511	0.7099
Commercial Other – cents in \$ of CIV	0.5062	0.4784
Industrial – cents in \$ of CIV	0.4900	0.4631
Farm – cents in \$ of CIV	0.3855	0.3644
Vacant Land – cents in \$ of CIV	0.8348	0.7890
Recreational Land - cents in \$ of CIV	0.5066	0.4788
Municipal Charge - \$ per property	\$219.50	\$207.50
Standard Garbage - \$ per property	\$304.00	\$285.50
140 Litre Urban, 240 Litre Rural - \$ per property	\$390.30	\$366.50
Waste Management Fee - \$ per property	\$99.80	\$93.70
Recycling Charge - \$ per property	\$82.80	\$77.80

## 4.4 Borrowing Strategy

### 4.4.1 Strategy Development

In developing the Long Term Financial Plan, borrowings was identified as an important funding source for capital works programs. In the past, Council borrowed to finance large infrastructure projects and since this time has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With Council reserves now forecast to be in a deficit of \$891,772 at 30 June 2014 it may be necessary in future years for Council to reconsider the issue of additional borrowings.

#### 4.4 Borrowing Strategy (Cont'd)

##### 4.4.2 Current Year Borrowings

For the 2013/2014 year, Council intends to take out a new \$1,500,000 loan to partially fund its unfunded superannuation liability of \$2,489,559 paid during 2012/2013. After making interest bearing liability repayments of \$240,672 Council will reduce its total interest bearing liabilities to \$5,494,909 as at 30 June 2014. Council intends to make considerable interest bearing liability payments over the Long Term Financial Plan with the intention of reducing its total interest bearing liabilities to \$26,717 as at 30 June 2018 with this balance relating to a loan scheme via Low Carbon Australia for the installation of Solar Panels at the Visitor Information Centre.

##### 4.4.3 Loan Position

The following table sets out the status of Council's interest bearing liability over the coming 2013/2014 to 2017/2018 financial years.

Year	Interest Bearing Liability Paid	Debt Interest Paid	Balance 30 June
2013/2014	240,672	279,445	5,494,909
2014/2015	554,984	336,944	4,939,925
2015/2016	385,676	298,700	4,554,249
2016/2017	2,012,583	278,871	2,541,666
2017/2018	2,514,950	167,815	26,717

#### 4.5 Infrastructure Strategy

The Council has developed an Infrastructure Strategy which sets out the capital expenditure requirements of the Council for the next 5 years by class of asset and project and is a key input to the long term financial plan. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The Strategy has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Long Term Financial Plan and Annual Budget processes;
- Listing of all known capital projects, prioritised within classes on the basis of evaluation criteria;
- Transparent process for evaluating and prioritising capital projects;

The capital planning process is undertaken annually and used to ensure that Infrastructure Strategy represents the current capital expenditure requirements of the Council.

#### 4.5 Infrastructure Strategy (Cont'd)

A key objective of the Infrastructure Strategy is to maintain or preserve Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset preservation then Council's investment in those assets will reduce, along with the capacity to deliver services to the community. A measure of Council's performance in respect to infrastructure management is the proportion of the total asset value consumed (equivalent to the annual depreciation charge), compared to the amount spent in preserving the asset (expenditure aimed at ensuring the asset reaches its intended useful life) on an annual basis. The Statement of Capital Works shows that Council needs to consider additional sources of income so that it can sustain the current service levels required. Part of the planning process also involves annually reviewing asset condition, useful life and current modern equivalent.

#### Key Influences for 2013/2014

The following influences have a significant impact on the Infrastructure Strategy for the 2013/2014 year:

- Government funding in real terms for the upgrade of roads and bridges.
- Requirements for landfill operation and rehabilitation.
- Reduced cash and investment reserves to fund future capital expenditure.

#### Future Capital Works

The following table summarises Council projected capital expenditure program:

#### BUDGETED STANDARD CAPITAL WORKS STATEMENT For the year ending 30 June 2014-2018

	Budget 13/14 \$	Budget 14/15 \$	Budget 15/16 \$	Budget 16/17 \$	Budget 17/18 \$
<b>Capital Works Areas</b>					
Land & Buildings	4,454,100	760,000	519,000	624,000	539,000
Plant & Equipment	1,157,465	945,000	1,077,500	1,339,000	1,393,000
Furniture & Fittings	87,000	63,000	38,000	39,000	39,500
Infrastructure	6,359,000	6,029,000	3,145,500	3,711,000	3,797,500
	<b>12,057,565</b>	<b>7,797,000</b>	<b>4,780,000</b>	<b>5,713,000</b>	<b>5,769,000</b>
<b>Types of Capital Works</b>					
Renewal	6,386,500	3,681,000	2,997,500	3,475,000	3,650,000
Upgrade	2,325,600	2,818,000	389,000	436,000	313,000
New	3,345,465	1,298,000	1,393,500	1,802,000	1,806,000
<b>Total Capital Works</b>	<b>12,057,565</b>	<b>7,797,000</b>	<b>4,780,000</b>	<b>5,713,000</b>	<b>5,769,000</b>

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## APPENDIX A BUDGETED STATEMENTS

### BUDGETED STANDARD INCOME STATEMENT

For the year ending 30 June 2014

	Forecast	Budget
	12/13	13/14
	\$	\$
<b>Revenues from Ordinary Activities</b>		
Rates	8,703,450	9,338,067
Operating Grants	6,584,762	7,951,572
Capital Grants	16,839,589	3,892,750
Interest	325,000	237,000
User Charges	5,200,700	6,927,238
Statutory Fees	233,368	269,890
Reimbursements	47,000	225,000
Proceeds from Sale of Assets	<u>2,261,875</u>	<u>565,750</u>
<b>Total Revenues</b>	<b><u>40,195,744</u></b>	<b><u>29,407,268</u></b>
<b>Expenses from Ordinary Activities</b>		
Employee Costs	11,030,016	10,960,903
Materials and Servicables	2,738,147	2,485,765
Contract Providers	9,151,388	7,146,457
Bad Debts	27,800	27,300
Depreciation	4,571,431	4,571,431
Written Down Value of Assets Sold	3,303,752	594,038
Borrowing Costs	<u>345,889</u>	<u>279,445</u>
<b>Total Expenses</b>	<b><u>31,168,423</u></b>	<b><u>26,065,339</u></b>
Net Surplus(Deficit) from Operations	<b><u>9,027,321</u></b>	<b><u>3,341,928</u></b>
<b>Movements in Equity</b>		
Net increase(Decrease) in Asset		
Revaluation Reserves	-	-
<b>Total Changes in Equity</b>	<b><u>9,027,321</u></b>	<b><u>3,341,928</u></b>

**BUDGETED STANDARD BALANCE SHEET  
As at 30 June 2014**

	<b>30 June 2013</b>	<b>30 June 2014</b>
<b>Current Assets</b>		
Cash	6,510,008	4,219,167
Receivables	2,647,607	1,647,607
Other	788,769	788,769
Non-current assets classified as held for sale	550,767	550,767
<b>Total Current Assets</b>	<b>10,497,151</b>	<b>7,206,310</b>
<b>Current Liabilities</b>		
Payables	3,348,174	1,348,174
Interest Bearing Liabilities	240,672	554,984
Provisions	3,599,496	3,599,496
<b>Total Current Liabilities</b>	<b>7,188,342</b>	<b>5,502,654</b>
<b>Net Current Assets</b>	<b>3,308,809</b>	<b>1,703,657</b>
<b>Non-Current Assets</b>		
Fixed Assets	300,628,053	307,520,151
Library Bookstock	289,958	289,958
<b>Total Non-Current Assets</b>	<b>300,918,011</b>	<b>307,810,109</b>
<b>Non-Current Liabilities</b>		
Interest Bearing Liabilities	3,994,909	4,939,926
Provisions	308,310	308,310
<b>Total Non-Current Liabilities</b>	<b>4,303,219</b>	<b>5,248,236</b>
<b>NET ASSETS</b>	<b>299,923,600</b>	<b>304,265,528</b>
<b>Equity</b>		
Accumulated Surplus	116,048,358	120,765,184
Reserves	183,875,242	183,500,344
<b>TOTAL EQUITY</b>	<b>299,923,600</b>	<b>304,265,528</b>

**BUDGETED STANDARD CASH FLOW STATEMENT**

**For the year ending 30 June 2014**

	<b>Budget</b>
	<b>13/14</b>
	<b>\$</b>
<b>Cash flows from operating activities</b>	
Receipts from customers	28,841,516
Payments to suppliers	<u>(20,899,870)</u>
<b>Net cash inflow (outflow) from operating activities</b>	<b><u>7,941,646</u></b>
<b>Cash flows from investing activities</b>	
Proceeds from sale of property, plant and equipment	565,750
Payments for property, plant and equipment	(12,057,565)
Other	
<b>Net cash inflow (outflow) from investing activities</b>	<b><u>(11,491,815)</u></b>
<b>Cashflows from financing activities</b>	
Proceeds from borrowings/financing	1,500,000
Repayment of borrowings	<u>(240,672)</u>
<b>Net cash inflow (outflow) from financing activities</b>	<b><u>1,259,328</u></b>
<b>Net increase (decrease) in cash held</b>	<b>(2,290,841)</b>
Cash at the beginning of the year	<u>6,510,008</u>
<b>Cash at the end of the year</b>	<b><u>4,219,167</u></b>

## APPENDIX B STATUTORY DISCLOSURES

### Section 127 of the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004

The information set out below is required to be disclosed in Council's annual budget.

#### 1 Borrowings

\$

The total amount proposed to be borrowed for the 2013/14 year is	1,500,000
The total amount of debt redemption for the 2013/2014 year is	240,672
The total amount of debt servicing cost for the 2013/2014 year is	279,445

#### 2 Rates and Charges

Council is required to declare rates and charges pursuant to Section 158 of the Local Government Act 1989. The general rates are to be raised by application of differential rates provided in Section 161. A differential rate be declared for that rateable land having the characteristics specified below which characteristics will form the criteria for this differential rate so declared;

##### 2.1 Rates to be levied

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

- Maryborough Residential rate of 0.4686% (0.004686 cents in the dollar of CIV) for all rateable residential properties situated within the Maryborough District boundary;
- Other Residential rate of 0.3726% (0.003726 cents in the dollar of CIV) for all rateable residential properties situated outside the Maryborough District boundary;
- Maryborough Commercial rate of 0.7511% (0.007511 cents in the dollar of CIV) for all rateable commercial properties situated within the Maryborough District boundary; and
- Other Commercial rate of 0.5062% (0.005062 cents in the dollar of CIV) for all rateable commercial properties situated outside the Maryborough District boundary;
- Farm Land rate of 0.3855% (0.003855 cents in the dollar of CIV) for all rateable farm properties;
- Vacant Land rate of 0.8348% (0.008348 cents in the dollar of CIV) for all rateable vacant land properties;
- Industrial rate of 0.4900% (0.004900 cents in the dollar of CIV) for all rateable industrial properties; and
- Recreation Land rate of 0.5066% (0.005066 cents in the dollar of CIV) for all rateable recreation properties.

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



## **2.1 Rates to be levied (Cont'd)**

It is considered that each differential rate will contribute to the equitable and efficient carrying out of Council's functions in that it is likely to achieve an equitable financial contribution to the cost of carrying out the functions of Council, including:

- The construction and maintenance of public infrastructure;
- The development and provision of health and community services;
- The provision of general support services.

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.

## **2.2 Maryborough Residential**

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land by proximity to the major service centre.

## **2.3 Other Residential**

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land where the infrastructure cost and service provision has been affected by reason of its distance from the major service centre - Maryborough.

## **2.4 Maryborough Commercial**

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties. As well as the use and services available to the land.

## **2.5 Other Commercial**

To ensure an equitable contribution towards the total rate income, which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties where the cost of infrastructure and commercial opportunity differ from Maryborough Commercial. As well as the use and services available to the land.

## **2.6 Farmland**

To ensure an equitable contribution towards the total rate income commensurate with the nature of the land the capital improved value of which has been affected by reason of its abnormally large area and the use to which it is put in comparison to the general land size of the majority of rateable properties within the municipal district.

## **2.7 Vacant Land**

To ensure an equitable contribution towards the total rate income and encourage the development of vacant land.

**2.1 Rates to be levied (Cont'd)**

**2.8 Industrial**

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties, reflects the cost of infrastructure and encourages development.

**2.9 Recreational**

To recognise the contribution this land makes towards the social, cultural and physical well being of the community.

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

Type of Property	2013/14 \$
Residential - Maryborough	3,375,073
Residential - Other	1,578,600
Vacant Land	426,175
Commercial -Maryborough	755,752
Commercial - Other	117,774
Industrial	122,178
Farm	1,233,769
Recreational	17,386
<b>Total Rates</b>	<b>7,626,707</b>
Municipal Charge	1,666,444
<b>Rates &amp; Municipal Charge</b>	<b>9,293,151</b>
Anticipated Supplementary Rates	44,916
<b>Total Rates &amp; Municipal Charge</b>	<b>9,338,067</b>

Additional rating information required under Regulation 8 (c) is provided on page 35.

## RATING INFORMATION PURSUANT TO REGULATION 8 OF THE LOCAL GOVERNMENT ACT

Category	Number of Properties			CIV			Rate in the \$			Revenue Raised		
	2013/2014	2012/2013	% Change	2013/2014	2012/2013	% Change	on C.I.V.	on C.I.V.	% Change	2013/2014 \$	2012/2013 \$	
<b>General Rate</b>												
Residential - Maryborough	3,704	3,623	2.24%	720,246,000	689,145,000	4.51%	0.004686	0.004429	5.80%	3,375,073	3,052,300	
Residential - Other	2,172	2,144	1.31%	423,690,500	413,060,000	2.57%	0.003726	0.003522	5.80%	1,578,600	1,454,624	
Vacant land	786	815	-3.56%	51,053,500	55,783,000	-8.48%	0.008348	0.007890	5.80%	426,175	440,128	
<b>Commercial</b>												
Maryborough	242	250	-3.20%	100,623,000	98,061,000	2.61%	0.007511	0.007099	5.80%	755,752	696,134	
Commercial Other	110	109	0.92%	23,268,000	22,624,000	2.85%	0.005062	0.004784	5.80%	117,774	108,237	
<b>Industrial</b>												
All Industrial	87	88	-1.14%	24,936,000	25,058,000	-0.49%	0.004900	0.004631	5.80%	122,178	116,045	
<b>Farm</b>												
Farm	1,022	998	2.40%	320,047,500	310,158,000	3.19%	0.003855	0.003644	5.80%	1,233,769	1,130,100	
<b>Other</b>												
Recreational Land	13	15	-13.33%	3,432,000	3,420,000	0.35%	0.005066	0.004788	5.80%	17,386	16,375	
<b>Total</b>	<b>8,136</b>	<b>8,042</b>	<b>1.17%</b>	<b>1,667,296,500</b>	<b>1,617,309,000</b>	<b>3.09%</b>				<b>7,626,707</b>	<b>7,013,943</b>	
<b>Municipal Charge</b>												
	Number of Properties						Charge for Year					
	2013/2014	2012/2013	% Change				2013/2014	2012/2013	% Change			
Charge Per Property	7,592	7,505	1.16%				\$ 219.50	\$ 207.50	5.78%	1,666,444	1,557,288	
	<u>7,592</u>	<u>7,505</u>	<u>1.16%</u>							<u>1,666,444</u>	<u>1,557,288</u>	
<b>Garbage Charge</b>												
	Number of Properties						Charge for Year					
	2013/2014	2012/2013	% Change				2013/2014	2012/2013	% Change			
Standard	5,495	5,410	1.57%				\$ 121.40	\$ 114.00	6.49%	667,093	616,740	
140 Litre Urban, 240 Litre Rural	737	722	2.08%				\$ 207.70	\$ 195.00	6.51%	153,075	140,790	
	<u>6,232</u>	<u>6,132</u>	<u>1.63%</u>							<u>820,168</u>	<u>757,530</u>	
<b>Waste Management Fee</b>												
Waste Management Fee	7,678	7,615	0.83%				\$ 99.80	\$ 93.70	6.51%	766,264	713,526	
	<u>7,678</u>	<u>7,615</u>	<u>0.83%</u>							<u>766,264</u>	<u>713,526</u>	
<b>Recycling Charge</b>												
Recycling Charge	6,215	6,115	1.64%				\$ 82.80	\$ 77.80	6.43%	514,602	475,747	
	<u>6,215</u>	<u>6,115</u>	<u>1.64%</u>							<u>514,602</u>	<u>475,747</u>	
										<b>Total</b>	<b>11,394,185</b>	<b>10,518,033</b>

## APPENDIX C LONG TERM FINANCIAL PLAN

### BUDGETED STANDARD INCOME STATEMENT For years ending 30 June 2014-2018

	Budget 13/14 \$	Budget 14/15 \$	Budget 15/16 \$	Budget 16/17 \$	Budget 17/18 \$
<b>Revenues from Ordinary Activities</b>					
Rates and charges	9,338,067	9,978,472	10,662,795	11,394,050	12,175,454
Recurrent grants	7,951,572	7,595,705	6,034,185	6,234,170	6,512,308
Non-recurrent grants	3,892,750	3,718,533	2,954,079	3,051,983	3,188,148
Interest	237,000	258,000	259,000	250,000	241,000
User fees	6,927,238	6,617,214	5,256,852	5,431,074	5,673,382
Statutory fees and fines	269,890	257,811	204,811	211,598	221,039
Reimbursements	225,000	49,000	51,000	53,000	55,000
<b>Total Revenues</b>	<b>28,841,517</b>	<b>28,474,735</b>	<b>25,422,723</b>	<b>26,625,876</b>	<b>28,066,331</b>
<b>Expenses from Ordinary Activities</b>					
Employee benefits	10,960,903	10,444,964	10,043,901	10,337,740	10,549,609
Materials and services	2,485,765	2,368,758	2,277,803	2,344,441	2,392,490
Contract providers	7,146,457	6,810,067	6,548,576	6,740,158	6,878,296
Depreciation and amortisation	4,571,431	4,571,431	4,571,431	4,571,431	4,571,431
Bad debts	27,300	27,300	27,300	28,300	28,300
Finance costs	279,445	336,944	298,700	278,871	167,815
<b>Total Expenses</b>	<b>25,471,301</b>	<b>24,559,464</b>	<b>23,767,710</b>	<b>24,300,941</b>	<b>24,587,940</b>
Asset revaluations and other adjustments	-	-	-	-	-
Net gain (loss) on disposal of assets	(28,288)	(20,600)	(19,463)	(23,675)	(24,225)
<b>Surplus (Deficit) for the period</b>	<b>3,341,928</b>	<b>3,894,670</b>	<b>1,635,550</b>	<b>2,301,260</b>	<b>3,454,166</b>

**BUDGETED STANDARD BALANCE SHEET**  
As at 30 June 2014-2018

	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018
<b>Current Assets</b>					
Cash	4,219,167	4,765,885	6,215,902	5,860,186	6,110,558
Receivables	1,647,607	1,647,607	1,647,607	1,647,607	1,647,607
Other	788,769	788,769	788,769	788,769	788,769
Non-current assets classified as held for sale	550,767	550,767	550,767	550,767	550,767
<b>Total Current Assets</b>	<b>7,206,310</b>	<b>7,753,028</b>	<b>9,203,045</b>	<b>8,847,329</b>	<b>9,097,701</b>
<b>Current Liabilities</b>					
Payables	1,348,174	1,348,174	1,348,174	1,348,174	1,348,174
Interest Bearing Liabilities	554,984	385,676	2,012,583	2,514,950	26,717
Provisions	3,599,496	3,599,496	3,599,496	3,599,496	3,599,496
<b>Total Current Liabilities</b>	<b>5,502,654</b>	<b>5,333,346</b>	<b>6,960,253</b>	<b>7,462,620</b>	<b>4,974,387</b>
<b>Net Current Assets</b>	<b>1,703,657</b>	<b>2,419,682</b>	<b>2,242,792</b>	<b>1,384,709</b>	<b>4,123,314</b>
<b>Non-Current Assets</b>					
Fixed Assets	307,520,151	310,313,120	310,112,976	310,757,370	311,446,213
Library Bookstock	289,958	289,958	289,958	289,958	289,958
<b>Total Non-Current Assets</b>	<b>307,810,109</b>	<b>310,603,078</b>	<b>310,402,934</b>	<b>311,047,328</b>	<b>311,736,171</b>
<b>Non-Current Liabilities</b>					
Interest Bearing Liabilities	4,939,926	4,554,250	2,541,667	26,717	(0)
Provisions	308,310	308,310	308,310	308,310	308,310
<b>Total Non-Current Liabilities</b>	<b>5,248,236</b>	<b>4,862,560</b>	<b>2,849,977</b>	<b>335,027</b>	<b>308,310</b>
<b>NET ASSETS</b>	<b>304,265,528</b>	<b>308,160,199</b>	<b>309,795,748</b>	<b>312,097,009</b>	<b>315,551,174</b>
<b>Equity</b>					
Accumulated Surplus	120,765,184	124,216,472	125,515,569	127,616,892	130,860,848
Reserves	183,500,344	183,943,727	184,280,180	184,480,117	184,690,326
<b>TOTAL EQUITY</b>	<b>304,265,528</b>	<b>308,160,199</b>	<b>309,795,748</b>	<b>312,097,009</b>	<b>315,551,174</b>

**BUDGETED STANDARD CASH FLOW STATEMENT**

For the years ending 30 June 2014-2018

	Budget 13/14 \$	Budget 14/15 \$	Budget 15/16 \$	Budget 16/17 \$	Budget 17/18
<b>Cash flows from operating activities</b>					
Receipts from customers	28,841,517	28,474,735	25,422,722	26,625,877	28,066,331
Payments to suppliers	(20,899,870)	(19,988,033)	(19,196,280)	(19,729,509)	(20,016,509)
<b>Net cash inflow (outflow) from operating activities</b>	<b>7,941,647</b>	<b>8,486,702</b>	<b>6,226,442</b>	<b>6,896,368</b>	<b>8,049,822</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	565,750	412,000	389,250	473,500	484,500
Payments for property, plant and equipment	(12,057,565)	(7,797,000)	(4,780,000)	(5,713,000)	(5,769,000)
Other					
<b>Net cash inflow (outflow) from investing activities</b>	<b>(11,491,815)</b>	<b>(7,385,000)</b>	<b>(4,390,750)</b>	<b>(5,239,500)</b>	<b>(5,284,500)</b>
<b>Cashflows from financing activities</b>					
Proceeds from borrowings/financing	1,500,000	0	0	0	0
Repayment of borrowings	(240,672)	(554,984)	(385,676)	(2,012,583)	(2,514,950)
<b>Net cash inflow (outflow) from financing activities</b>	<b>1,259,328</b>	<b>(554,984)</b>	<b>(385,676)</b>	<b>(2,012,583)</b>	<b>(2,514,950)</b>
<b>Net increase (decrease) in cash held</b>	<b>(2,290,840)</b>	<b>546,718</b>	<b>1,450,016</b>	<b>(355,715)</b>	<b>250,372</b>
Cash at the beginning of the year	6,510,007	4,219,167	4,765,885	6,215,902	5,860,186
<b>Cash at the end of the year</b>	<b>4,219,167</b>	<b>4,765,885</b>	<b>6,215,902</b>	<b>5,860,186</b>	<b>6,110,558</b>

**BUDGETED STANDARD CAPITAL WORKS STATEMENT**  
For the year ending 30 June 2014-2018

	Budget 13/14 \$	Budget 14/15 \$	Budget 15/16 \$	Budget 16/17 \$	Budget 17/18 \$
<b>Capital Works Areas</b>					
Land & Buildings	4,454,100	760,000	519,000	624,000	539,000
Plant & Equipment	1,157,465	945,000	1,077,500	1,339,000	1,393,000
Furniture & Fittings	87,000	63,000	38,000	39,000	39,500
Infrastructure	6,359,000	6,029,000	3,145,500	3,711,000	3,797,500
	<b>12,057,565</b>	<b>7,797,000</b>	<b>4,780,000</b>	<b>5,713,000</b>	<b>5,769,000</b>
<b>Types of Capital Works</b>					
Renewal	6,386,500	3,681,000	2,997,500	3,475,000	3,650,000
Upgrade	2,325,600	2,818,000	389,000	436,000	313,000
New	3,345,465	1,298,000	1,393,500	1,802,000	1,806,000
	<b>12,057,565</b>	<b>7,797,000</b>	<b>4,780,000</b>	<b>5,713,000</b>	<b>5,769,000</b>

**Fixed Asset Reconciliation**

The movement between the previous year and the current year in Fixed Assets and Non-Current Assets Held for Sale as shown in the Statement of Financial Position links to the following items:

Total Capital Works	12,057,565	7,797,000	4,780,000	5,713,000	5,769,000
Depreciation	(4,571,431)	(4,571,431)	(4,571,431)	(4,571,431)	(4,571,431)
Written Down Value of Assets Sold	(594,038)	(432,600)	(408,713)	(497,175)	(508,725)
<b>Net Movement in Fixed Assets</b>	<b>6,892,097</b>	<b>2,792,969</b>	<b>(200,144)</b>	<b>644,394</b>	<b>688,844</b>

**APPENDIX D BUDGETED STATEMENT OF CAPITAL WORKS**

<b>Budgetary Area</b>	<b>Budget 13/14</b>	<b>Budget 14/15</b>	<b>Budget 15/16</b>	<b>Budget 16/17</b>	<b>Budget 17/18</b>
Community	733,500	0	0	0	0
Health & Human Services	50,000	1,000	1,000	1,000	1,000
Economic Development Total	2,480,500	8,000	8,000	8,000	8,000
Culture & Heritage	666,000	400,000	400,000	400,000	400,000
Recreation & Leisure	308,600	201,000	211,500	207,000	224,500
Transport	7,181,965	6,775,000	3,862,500	4,779,000	4,927,000
Waste & Environment	600,000	350,000	260,000	280,000	170,000
Administration	37,000	62,000	37,000	38,000	38,500
<b>Total Capital Works</b>	<b>12,057,565</b>	<b>7,797,000</b>	<b>4,780,000</b>	<b>5,713,000</b>	<b>5,769,000</b>



## APPENDIX E STANDARD STATEMENTS

Section 127 of the Act requires that the Budget contain the Budgeted Standard Statements in the form and containing the matters required by the regulations. The Budgeted Standard Statements include an Income statement, Balance Sheet, Cash Flow Statement and Statement of Capital Works.

### BUDGETED STANDARD INCOME STATEMENT

For the year ending 30 June 2014

	<b>Budget</b>
	<b>13/14</b>
	<b>\$</b>
<b>Revenues from Ordinary Activities</b>	
Rates	9,338,067
Operating Grants	7,951,572
Capital Grants	3,892,750
Interest	237,000
User Charges	6,927,238
Statutory Fees	269,890
Reimbursements	225,000
Proceeds from Sale of Assets	565,750
<b>Total Revenues</b>	<b><u>29,407,268</u></b>
<b>Expenses from Ordinary Activities</b>	
Employee Costs	10,960,903
Materials and Servicables	2,485,765
Contract Providers	7,146,457
Bad Debts	27,300
Depreciation	4,571,431
Written Down Value of Assets Sold	594,038
Borrowing Costs	279,445
<b>Total Expenses</b>	<b><u>26,065,339</u></b>
Net Surplus(Deficit) from Operations	<b><u>3,341,928</u></b>
<b>Movements in Equity</b>	
Net increase(Decrease) in Asset	
Revaluation Reserves	-
<b>Total Changes in Equity</b>	<b><u>3,341,928</u></b>

**BUDGETED STANDARD BALANCE SHEET**  
**As at 30 June 2014**

	<b>30 June 2014</b>
<b>Current Assets</b>	
Cash	4,219,167
Receivables	1,647,607
Other	788,769
Non-current assets classified as held for sale	550,767
<b>Total Current Assets</b>	<b><u>7,206,310</u></b>
<b>Current Liabilities</b>	
Payables	1,348,174
Interest Bearing Liabilities	554,984
Provisions	3,599,496
<b>Total Current Liabilities</b>	<b><u>5,502,654</u></b>
<b>Net Current Assets</b>	<b>1,703,657</b>
<b>Non-Current Assets</b>	
Fixed Assets	307,520,151
Library Bookstock	289,958
<b>Total Non-Current Assets</b>	<b><u>307,810,109</u></b>
<b>Non-Current Liabilities</b>	
Interest Bearing Liabilities	4,939,926
Provisions	308,310
<b>Total Non-Current Liabilities</b>	<b><u>5,248,236</u></b>
<b>NET ASSETS</b>	<b><u>304,265,528</u></b>
<b>Equity</b>	
Accumulated Surplus	120,765,184
Reserves	183,500,344
<b>TOTAL EQUITY</b>	<b><u>304,265,528</u></b>

**BUDGETED STANDARD CASH FLOW STATEMENT**

**For the year ending 30 June 2014**

	<b>Budget</b>
	<b>13/14</b>
	<b>\$</b>
<b>Cash flows from operating activities</b>	
Receipts from customers	28,841,516
Payments to suppliers	<u>(20,899,870)</u>
<b>Net cash inflow (outflow) from operating activities</b>	<b><u>7,941,646</u></b>
<b>Cash flows from investing activities</b>	
Proceeds from sale of property, plant and equipment	565,750
Payments for property, plant and equipment	(12,057,565)
Other	
<b>Net cash inflow (outflow) from investing activities</b>	<b><u>(11,491,815)</u></b>
<b>Cashflows from financing activities</b>	
Proceeds from borrowings/financing	1,500,000
Repayment of borrowings	<u>(240,672)</u>
<b>Net cash inflow (outflow) from financing activities</b>	<b><u>1,259,328</u></b>
<b>Net increase (decrease) in cash held</b>	<b>(2,290,841)</b>
Cash at the beginning of the year	<u>6,510,008</u>
<b>Cash at the end of the year</b>	<b><u>4,219,167</u></b>

**BUDGETED STANDARD CAPITAL WORKS STATEMENT**  
For the year ending 30 June 2014

	<b>Budget 13/14 \$</b>
<b>Capital Works Areas</b>	
Land & Buildings	4,454,100
Plant & Equipment	1,157,465
Furniture & Fittings	87,000
Infrastructure	6,359,000
	<b><u>12,057,565</u></b>
<b>Types of Capital Works</b>	
Renewal	6,386,500
Upgrade	2,325,600
New	3,345,465
	<b><u>12,057,565</u></b>
<b>Total Capital Works</b>	<b><u>12,057,565</u></b>
<b>Fixed Asset Reconciliation</b>	
<p>The movement between the previous year and the current year in Fixed Assets and Non-Current Assets Held for Sale as shown in the Statement of Financial Position links to the following items:</p>	
Total Capital Works	12,057,565
Asset Revaluation Movement	-
Depreciation	(4,571,431)
Written Down Value of Assets Sold	(594,038)
<b>Net Movement in Fixed Assets</b>	<b><u>6,892,097</u></b>