

**HOBSONS  
BAY CITY  
COUNCIL**



## **Hobsons Bay City Council Annual Budget Report: 2017-18**

This Budget Report has been prepared with reference to Chartered Accountants ANZ “Victorian City Council Model Budget 2017/2018” a best practice guide for reporting local government budgets in Victoria.



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## Mayor's Introduction

Hobsons Bay City Council is proud to present the 2017-18 Budget to our community for their consideration. We believe this Budget is financially responsible and meets the needs of our community and delivers value for money, while keeping rates as low as possible. As councillors, we are accountable to our community – our job is a privilege and one that we all take seriously for the betterment of our community.

We have conducted a rigorous consultation process, including pre-budget workshops in all wards, to ensure that we are delivering the high quality and appropriate services that our local residents, workforce and visitors expect and deserve. Together with workshops to develop the Hobsons Bay 2030 community vision, we have incorporated many of the ideas we heard and the community led submissions we received into this draft Budget and now look forward to hearing your feedback.

Hobsons Bay City Council continues to have a strong financial position and is predicting an operational surplus of \$14.615 million. Budgeting for a surplus ensures we remain financially viable to fund current and future commitments, including a robust capital works program. While the 2017-18 operational surplus is a strong result, it should be noted that surpluses are expected to decline in future years as a result of rate capping and stagnation in other income streams, such as grants, user charges and fees.

In 2017-18, we will increase rates and charges by 2 per cent. This is in line with the State Government's rate capping policy which has restricted Council rate increases. In addition, waste service charges have also been increased by 2 per cent, which reflects Council's decision to reimburse a further \$220,000 to ratepayers in relation to refund carbon price that was previously collected by Council prior to the repeal of the legislation.

The total Capital Works program will be \$34.323 million. Highlights include:

- roads – (\$6.682 million) – including the road resurfacing program (\$2.3 million) and the road rehabilitation program (\$4.45 million)
- footpaths and cycle ways (\$3.848 million) – including stage 3 of the Kororoit Creek Shared Trail (\$1.78 million), footpath renewal program (\$1.42 million), shared trails renewal program (\$490,000) and work on the Skeleton Creek Trail (\$530,000)
- open space (\$7.749 million) – including parks, foreshore works, open space and streetscapes (\$2.013 million), land improvements (\$2.51 million), off street car parks (\$1.005 million) and recreational, leisure and community facilities (\$2.23 million)
- buildings (\$11.411 million) – including Altona Early Years Centre (\$4.59 million), building renewal program (\$2.515 million), JT Gray Reserve pavilion (\$680,000), greenhouse strategy program (\$430,000), public toilets – Altona boat ramp (\$300,000), public toilet – Ransom Reserve (\$200,000) and Altona Sports Centre extension (\$165,000)
- plant and equipment (\$2.681 million) – including information technology (\$691,000), library materials (\$850,000), library furniture and fit out (\$225,000) and scheduled replacement of Council's vehicle and plant fleets (\$915,000)

As well as the capital works program, Council will continue to fund more than 100 valued services to our community, including five libraries, meals on wheels, aged care services, disability services, children and youth services, immunisation sessions, cultural events and local business development, not to mention waste collections.

We'll continue talking to our community about our budgets, our service levels and expenditure as we do every year through our budget processes. We'll also be in regular conversations with our Local Members, State and Federal Governments, about future funding assistance they can provide to assist us in continuing to deliver the infrastructure and services they share responsibility for and that this community expects.

I would like to thank our Council officers for all of their hard work in developing this Budget and our community for engaging with the process.

Though budgets can be complex documents they tell an important story of planning and accountability. I encourage you to read, ask questions and comment accordingly. I'm sure I speak for all councillors when I say that Hobsons Bay 2030 is the community vision we are working to achieve.

**Cr Sandra Wilson**  
**Mayor**

## Executive summary

Council has prepared a Budget for 2017-18 which is aligned to the vision in the draft Council Plan 2017-21 and Hobsons Bay 2030 Community Vision. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the State Government.

This Budget projects a surplus of \$14.615 million for 2017-18 and an underlying result of \$9.079 million after adjusting for capital grants and contributions (refer Sections 5 and 10.1).

### 1. Key things we are funding

- 1) Ongoing delivery of operational services to the Hobsons Bay community. Operational expenditure of \$118.258 million is funded by operational income \$132.873 million. Council's services are summarised in Section 2.1.
- 2) Continued investment in infrastructure assets (\$17.73 million) primarily for renewal works. This includes roads (\$6.682 million), footpaths and cycleways (\$3.848 million), recreational, leisure and community facilities (\$2.23 million), parks, open space and streetscapes (\$2.013 million) and off street carparks (\$1.005 million).

The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.

### 2. The Rate Rise

- a. The average general rate will rise by 2.0 per cent in line with the order by the Minister for Local Government on 16 December 2016 under the *Fair Go Rates System*.
- b. Key drivers
  - i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
  - ii. To fund renewal of infrastructure and community assets
  - iii. To cope with growth in the population of Hobsons Bay residents
  - iv. To cope with cost shifting from the State Government
- c. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations).
- d. The waste service charges incorporating kerbside collection and recycling have also been increased by 2 per cent, despite being exempt from the rate cap. The service has been budgeted to run at a 'loss' in 2017-18 during the last year of Council refunding carbon price (2017-18: \$220,000, 2016-17: \$550,000, 2015-16: \$650,000) that was previously collected prior to the repeal of the carbon tax.
- e. Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the State and Federal Governments.
- f. Refer Section 7 for further Rates and Charges details.

### 3. Key Statistics

<u>Total Revenue:</u>	\$132.873 million	(2016-17 = \$132.578 million)
<u>Total Expenditure:</u>	\$118.258 million	(2016-17 = \$113.797 million)
<u>Accounting Result:</u>	\$14.615 million surplus	(2016-17 = \$18.781 million surplus)

(Refer Income Statement in Section 3)

(Note: Based on total income of \$132.873 million which includes capital grants and contributions)

Underlying operating result: \$9.079 million surplus (2016-17 = \$12.141 million surplus)

(Refer Analysis of operating Budget in Section 10.1)

(Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital, from being allocated to cover operating expenses)

Cash result: \$2.54 million surplus (2016-17 = \$7.208 million surplus)

(Refer Statement of Cash Flows in Section 3)

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

Total Capital Works Program of \$34.323 million

- \$2.266 million capital income
- \$2.323 million carryovers
- \$3.22 million from reserves

#### **4. Budget Influences**

##### **External Influences**

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

- the Victorian State Government introduced a cap on rate increases from 2016-17. The cap for 2017-18 has been set at 2.0 per cent (2016-17: 2.5 per cent)
- CPI for Victoria is forecast to be 2.0 per cent for the 2017-18 year (Victorian Department of Treasury & Finance, 2016-17 Budget Update)
- the Victorian Wage Price Index is projected to be 2.5 per cent in 2017-18 (Victorian Department of Treasury & Finance, 2016-17 Budget Update)
- the withdrawal of indexation from the Commonwealth Government's financial assistance grants program to local government is expected to finish and indexation to be reapplied for the 2017-18 year
- receipt of capital works funding of \$800,000 for construction of Altona Early Years Hub, continued Roads to Recovery funding (\$667,000) and a further contribution from Toyota in relation to the Kororoit Creek trail (\$600,000)
- estimated increases of 1.57 per cent (or \$0.97 per tonne) in the levy payable to the Victorian Government upon disposal of waste into landfill, resulting in additional waste tipping costs of approximately \$50,000 in 2017-18. The levy has increased from \$9 per tonne in 2008-09 to \$63.00 per tonne in 2017-18 (600 per cent increase in seven years) and has added \$8.2 million to Council's costs over this time
- ongoing cost shifting. This occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases
- councils across Australia raise approximately 3.5 per cent of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30 per cent of all of Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels
- the Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*

## Internal Influences

There are also a number of internal influences that have had a significant impact on the preparation of the 2017-18 Budget. These matters have arisen from events occurring in the 2016-17 year, resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017-18 year. These matters and their financial impact are set out below:

- the efficiency and cost saving program that commenced in 2014-15 continues to combat the financial effects of rate capping. Savings and budget underspends of \$3 million (2014-15) and \$1.3 million (2015-16) were identified. Further reviews will be conducted towards the end of 2016-17 and again in 2017-18, in an effort to determine efficiency and cost savings that could continue on an ongoing basis
- the continued focus on asset renewal within the capital works program has led to another significant spend in relation to capital works expenditure (including carryover from 2016-17) to a total of \$34.323 million
- capital works of \$2.323 million will be carried over and fully funded from the 2016-17 financial year. The carryover figure included in the budget is based on the March forecast. Current actual capital expenditure in 2016-17 indicates that the capital carryover figure is understated. The final carryover figure will be determined after the year end accounts are finalised

## 5. State and Federal Budget wish list

Through the development of Hobsons Bay 2030 Community Vision and Council Plan 2017-21 and consultations with community and stakeholders, a number of key priorities have been identified which are recognised as having particular strategic importance for the future of Hobsons Bay. In line with these strategies and Councils Advocacy Strategy 2014-18 Council will continue to advocate to the State Government around the following priority areas:

- affordable housing both the provision of and changes to policy reform
- integrated transport network with a focus on active and public transport and connecting our community by filling the gaps in our trail networks
- Mental health services for young people
- improved access to health services
- employment and economic development opportunities for those living and working locally
- provision of education and teaching facilities
- managing urban consolidation while maintaining the village feel that exists in our community
- stronger policy development on climate change and environmental sustainability
- undertaking a third pass assessment of Port Phillip Bay to understand the impact of sea level rise on our community
- future proofing the foreshore and our coastline
- reduced cost shifting onto local government

In addition Council will continue to advocate for our community around the West Gate Tunnel Project, the three Level Crossing Removals in Hobsons Bay and any other future state government projects.

At a Federal level, Council will continue to advocate on:

- funding of Aged and Disability Services beyond June 2019
- funding and services to those who are ineligible for the NDIS
- funding of 5 hours of 4 year old kindergarten beyond December 2017
- investment in jobs and economic development
- stronger policy development on climate change and environmental sustainability
- improved mental health services for young people
- improved access to health services
- reduced cost shifting onto local government
- equitable distribution and access to the Roads to Recovery funding

## 6. Cost Shifting

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

### **Type 1: Cost Shifting for Specific Services**

1. Library Services – The net cost to Council to provide this service has risen from \$2.32 million (2009-10) to \$3.53 million (2016-17) due to stagnant grant funding, compared to natural increases in expenditure and an increase in the level of service provided.
2. Maternal and Child Health – The net cost to Council to provide this service is expected to be \$1.327 million in 2016-17, an increase of \$404,000 since 2010-11.
3. School Crossing Supervision – The net cost to Council to provide this service is expected to be \$511,000 in 2016-17. This is an increase of \$217,000 since 2009-10.
4. Administration of the state wide temporary Food registration system 'Stretrader' – at an average additional annual cost of \$27,000 since 2013-14 due to the responsibility being shifted from the State Government to Council.

### **Type 2: Loss of funding in General**

5. A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014-15 Budget a pause on indexation of the total national pool of financial assistance grants to local government for three years (2014-15, 2015-16, 2016-17). The cumulative impact on Hobsons Bay City Council for the three years totals \$352,000 and although the freeze has now been removed this is a permanent loss of compounding revenue.

### **Type 3: Statutory fee that prohibits full cost recovery**

6. After freezing planning fees since 2009 the State Government in October 2016 increased the allowable fee that Council may charge for these services. While this belated action is welcomed the new fees still do not cover the full cost of providing the service, hence rate payers are still forced to subsidise the activities of developers across the city.

### **Type 4: Levies**

7. State Government landfill levy has increased from \$9 per tonne in 2008-09 to a forecast \$63.00 per tonne in 2017-18. The increase from 2016-17 to 2017-18 is approximately 2 per cent.

### **Type 4: Statutory requirements lead to increased costs**

8. Line clearance (cutting back tree branches around power lines) – approximately \$120,000 per year since 2011-12

## 7. Population Growth

### ***How are we travelling against population projections?***

The current Estimated Resident Population (ERP) for Hobsons Bay is 92,761.

Our population forecasts suggest that by 2036, the Hobsons Bay population will increase to 107,243, representing a 16 per cent increase.

The latest 2015 ERP (92,761) data is above the figure predicted by our population forecasts (89,621). This means that our population appears to be growing at a greater rate than predicted by our forecast figures.

## **Budget Reports**

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

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

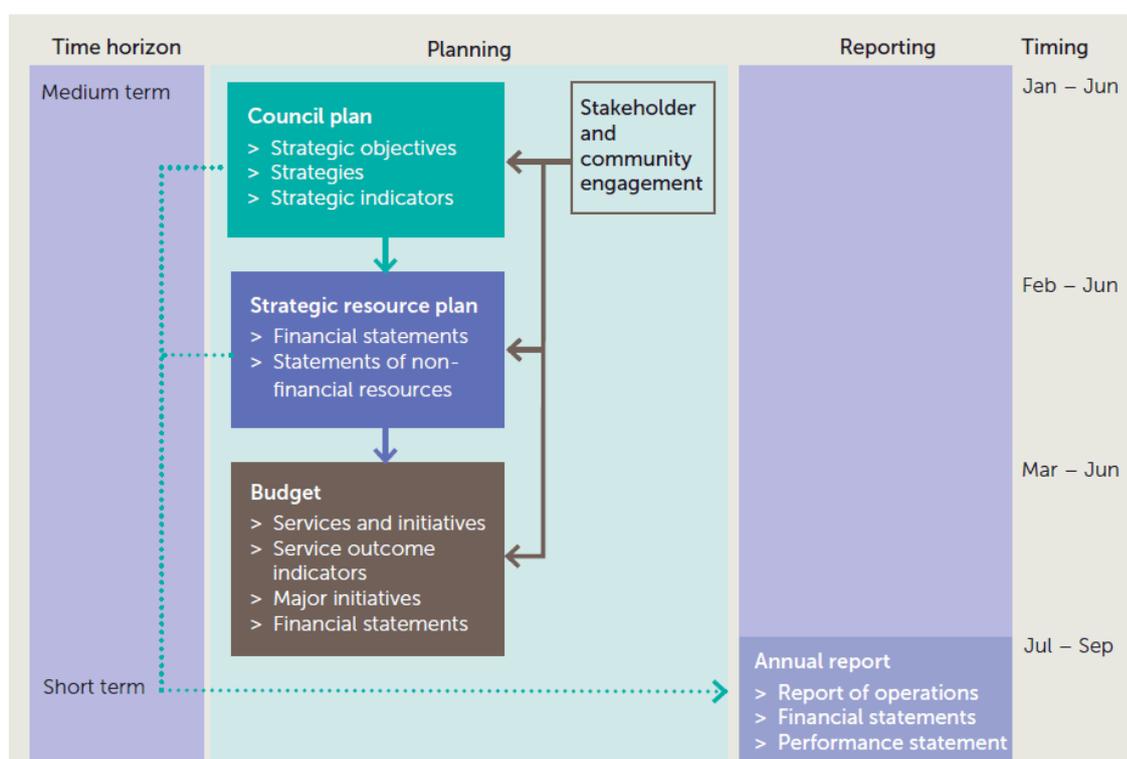
- 1 Links to Council Plan
- 2 Services and service performance indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Other budget information (required by the Regulations)
- 6 Detailed list of capital works
- 7 Rates and charges

## 1. Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. In order to accomplish its responsibilities, Council's strategic framework allows the organisation to identify community needs and aspirations over the long term (via Hobsons Bay 2030), operationalise the required work in the medium term (via the Council Plan), ensure the required resources are available (via the Strategic Resource Plan and annual budgets), whilst being accountable and transparent (via the annual report and audited statements).

### 1.1 Planning and accountability framework

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



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

In addition to the above, the goals of the Council Plan are aligned with the six key priority areas of Hobsons Bay 2030 and were developed based on Councillor's election platforms, community and Council staff feedback; and consist of 20 strategic objectives that are framed around four goal areas. The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

## 1.2 Our purpose

### The Community's Vision - Hobsons Bay 2030

By 2030, embracing our heritage, environment and diversity, we – the community of Hobsons Bay – will be an inclusive, empowered, sustainable and visionary community led and supported by a progressive Council of excellence.

### The Council's Mission

We will listen, engage and work with our community to plan, deliver and advocate for Hobsons Bay to secure a happy, healthy, fair and sustainable future for all.

### Our values

Excellence at Hobsons Bay means that both Councillors and employees are:

**RESPECTFUL:** treating everyone fairly and respecting different views

**COMMUNITY DRIVEN AND FOCUSED:** delivering results which demonstrate that we understand community needs and put people first

**TRUSTED AND RELIABLE:** work hard to be responsive and meet expectations; delivering on what we promise and achieving in the best interest of the community

**EFFICIENT AND RESPONSIBLE:** engaged and taking pride in our work, wanting to continually review and improve in order to provide good value, cost effective services

**BOLD AND INNOVATIVE:** proactive, adaptable, open to change and taking calculated risks, not afraid to try new things and learn from mistakes

**ACCOUNTABLE AND TRANSPARENT:** making well-informed decisions based on best practice and evidence, which take into account what our community tells us

**RECOGNISED:** as working for an employer of choice, with leadership that recognises and values the contributions, skills and the expertise of its workforce and inspires people to develop and do their best

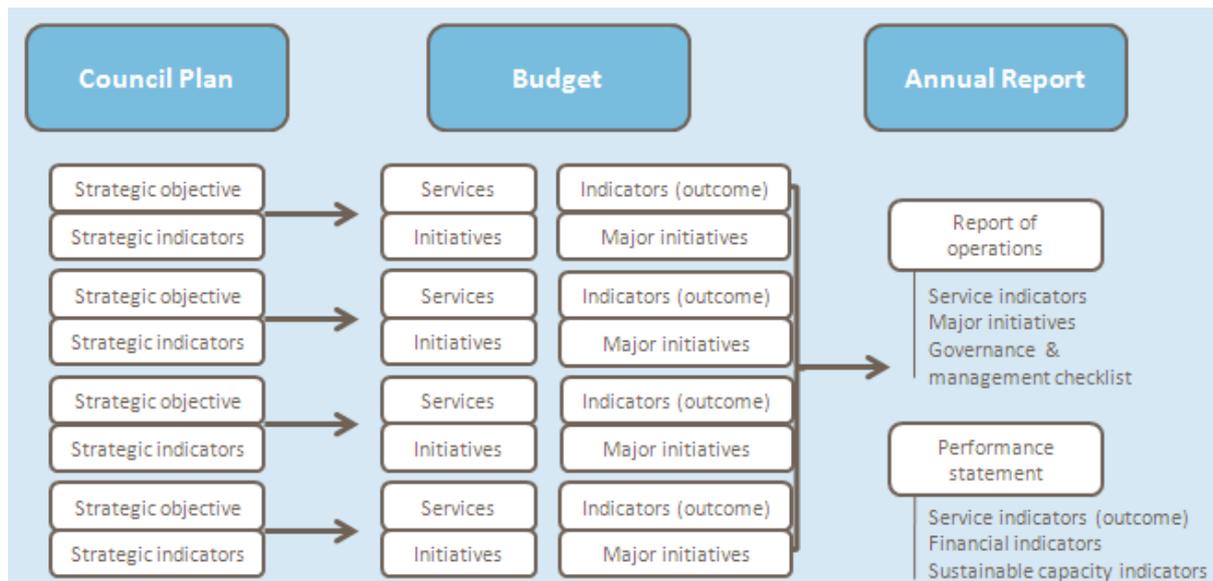
### 1.3 Strategic objectives

Council delivers services and initiatives under 54 major service categories. Each contributes to the achievement of one of the four Strategic Objectives as set out in the draft Council Plan for the years 2017-21. The following table lists the four Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. An Inclusive and Healthy Community	Enhancing the health and quality of life of the community through the equitable provision of quality services and opportunities for greater wellbeing.
2. A Great Place	Ensure Hobsons Bay is a vibrant place to live, work and visit.
3. A Well Designed, Maintained and Environmentally Sustainable Place	Manage future growth and development to ensure it is well designed and accessible whilst protecting our natural and built environments.
4. A Council of Excellence	We will be a leading and skilled council that is responsible innovative and engaging to deliver excellence in all we do.

## 2. Services, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017-18 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



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

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

## 2.1 Strategic Objective 1: An Inclusive and Healthy Community

To achieve our goal of an Inclusive and Healthy Community, we will enhance the health and quality of life of the community through the equitable provision of quality services and opportunities for greater wellbeing.

We will work towards achieving this through the following objectives:

- provide access to high quality services that enhance community health and wellbeing
- deliver, support and facilitate projects and programs that encourage equity and diversity so everyone can reach their full potential
- all community members will have access to quality community, sport and recreation facilities, cultural experiences and open spaces to encourage a healthy and active lifestyle
- work in partnership with stakeholders to advocate to all levels of government for quality education, training, and lifelong learning opportunities for all community members
- understand the current and future needs of our community, and work to ensure those most vulnerable in our community are safe and have equitable and timely access to the support they need

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Active Community Support	Provision of social support and activity options for older residents and respite for carers through centre based activities, recreational and social events and outings.	3,058 <u>(2,355)</u> <b>704</b>
Community Service Delivery	Provision of high quality in home support services and food services to frail older adults, younger people with disabilities and or their carers.	6,371 <u>(4,303)</u> <b>2,068</b>
HACC Intake and Assessment	The Intake and Assessment team undertake broad living at home assessments for older residents and residents with a disability with a view to determining resident eligibility for service provision.	751 <u>(589)</u> <b>162</b>
Home Care Packages Program	Responsible for delivering 202 Level 2 packages across the municipalities of Wyndham, Maribyrnong and Hobsons Bay to assist eligible people to remain living at home.	869 <u>(1,010)</u> <b>(141)</b>
Early Years	Provides access to affordable and high quality children's services for people who live and/or work in Hobsons Bay as well as providing support, mentoring, management and advocacy for local early year's service providers.	1,787 <u>(887)</u> <b>900</b>
Maternal and Child Health	Provides a universal primary health and immunisation service available to all Hobsons Bay families with children from birth to school age	2,262 <u>(827)</u> <b>1,435</b>
Youth Services	Sole generalist support service available for young people in Hobsons Bay providing a range of high quality support, information, referral, educational, social and recreational services for local young people aged 12 to 25 years.	1,410 <u>(216)</u> <b>1,194</b>

Business area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Libraries	Running of 5 library branches which facilitate and guide access to information, lifelong learning, reading and recreation; inspiring, empowering and enriching the community through industry leading programs, collections and service.	4,493 <u>(818)</u> <b>3,675</b>
Community Development	Generates key community projects and builds internal and external capacity to deliver inclusive and responsive services that meet the needs of diverse and disadvantaged communities.	1,753 <u>(50)</u> <b>1,703</b>
Community Centres	Provision of services through two Community Centres - Laverton Community Hub and Seabrook Community Centre	767 <u>(526)</u> <b>240</b>
Social Planning	Stays abreast of policy changes, investigates and expands Council's understanding of the current and future population needs, inequities within and between population groups, develops Council positions to inform high level strategic decisions and whole of government responses, and supports community and stakeholders to undertake collaborate action.	1,019 <u>(128)</u> <b>891</b>
Venues	Management of Council owned venues, coordination of functions and bookings, performing arts program, support to local theatre companies and heritage conservation management	741 <u>(244)</u> <b>497</b>
Arts and Culture	Provision of visual arts, public art, cultural development, heritage. Indigenous culture, cultural collections, festival and events, arts spaces, policy strategy and development	1,230 <u>(26)</u> <b>1,203</b>
Sport and Recreation	To manage and optimise the use of Council's sport, recreation and community facilities and increase participation in sport and recreation.	0 <u>0</u> <b>0</b>
Property, Sport and Recreation Client Office	Identify, plan and scope property, sport and recreation projects within the Capital Works Program.	172 <u>(363)</u> <b>(191)</b>
Facilities Maintenance	Ensure all Council buildings and facilities are maintained, cleaned and secured in accordance with both legislative requirements and residential expectations including sports clubs, community centres, activity halls, public toilets, kindergartens, corporate buildings and the operations centre.	6,817 <u>(4)</u> <b>6,813</b>

## Major Initiatives

1. Develop a policy position on the provision of community aged care and disability services including Home Care Package Pilot (HPCC) and National Disability Insurance Scheme (NDIS) rollout
2. Work towards the opening of the Altona Early Years Hub in 2019
3. Altona Sports Centre Extension - complete business case, commence internal project brief and prepare grants to external bodies
4. Development of an Aquatic Strategy which assesses the future of the Laverton Swim and Fitness Centre and general aquatic provision in Hobsons Bay.

## Initiatives

1. An embedded and adequately resourced community transport program which caters for older residents and those with a disability who are transport disadvantaged
2. Transitioning to Regional Assessment Service and aligning functions with My Aged Care
3. Implementation of a new Library Management System (LMS)
4. Development of Youth Digital Engagement Strategy for Young People
5. The development of a 'one social policy' background paper

## Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in MCH service (Percentage of children enrolled who participate in the MCH service)	$\frac{\text{[Number of children who attend the MCH service at least once (in the year)]}}{\text{Number of children enrolled in the MCH service}} \times 100$
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	$\frac{\text{[Number of Aboriginal children who attend the MCH service at least once (in the year)]}}{\text{Number of Aboriginal children enrolled in the MCH service}} \times 100$
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	$\frac{\text{[Number of active library members]}}{\text{municipal population}} \times 100$
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (The number of visits to pool facilities per head of municipal population)	$\frac{\text{Number of visits to aquatic facilities}}{\text{Municipal population}}$

## 2.2 Strategic Objective 2: A Great Place

To achieve our objective of A Great Place, we will ensure Hobsons Bay is a vibrant place to live, work and visit.

We will work towards achieving this through the following objectives:

- protect and promote public health and community safety
- celebrate and promote the diversity of our community
- support the growth of our local economy, and encourage business investment that creates and maintains local jobs

- deliver, support and promote arts, cultural, heritage, recreational and sporting events and programs that foster a sense of belonging and contribute to the liveability of the city
- work with the all levels of government and other stakeholders to improve our transport networks and to address gaps and capacity in public transport, our roads, foot paths and cycling routes

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

## Services

<b>Business area</b>	<b>Description of services provided</b>	<b>Expenditure (Revenue) Net Cost \$'000</b>
Emergency Management	Facilitate Council's emergency planning, preparedness, response and recovery In accordance with the Emergency Management Act 1986 and Emergency Management Act 2013 as detailed in the Emergency Management Manual of Victoria.	200 <u>(13)</u> <b>187</b>
Parking and Local Laws	To ensure that parking regulations are enforced, implementation of local laws, provision of an animal control service for residents, assist in the protection of the community from the threat of wild fire and ensure that all school crossings are staffed by school crossing supervisors.	3,764 <u>(3,685)</u> <b>80</b>
Building Control	Issue building permits and carry out mandated responsibilities in accordance with the Building Act 1993 and the Building Regulations 2006.	667 <u>(268)</u> <b>399</b>
Environmental (Public) Health	To ensure the public health of the community by undertaking the responsibilities outlined in the Public Health and Wellbeing Act 1987, Food Act 1984, Tobacco Act 1987 and Environment Protection Act 1970.	990 <u>(522)</u> <b>468</b>
Economic Development	Provision of business development, investment attraction and facilitation, training workshops and programs, support to the business community, industry partnerships, tourism and sister cities	803 <u>(26)</u> <b>777</b>
Events	Provides opportunities for community celebration, encourage visitation and to support and promote economic and tourism development through a diverse and dispersed calendar of events and festivals.	596 <u>(57)</u> <b>539</b>
Visitor Information Centre	Operation of the Visitor Information Centre including management of volunteers, promotion of local activities and events, industry partnerships and support to local traders and familiarisation tours of Hobsons Bay	240 <u>0</u> <b>240</b>

## Major Initiatives

1. Work with Western Business Accelerator and Centre for Excellence (BACE) to explore feasibility of establishing an incubator/hub in Hobsons Bay

## Initiatives

1. Development of a program of regular Essential Safety Measures (ESM) inspections
2. Updating and reviewing the Influenza Pandemic Plan
3. Replacing the Municipal Public Health Emergency Management Sub Plan
4. Update and review the Heat Health Plan
5. Explore feasibility of establishing an economic development advisory committee to ensure economic development activity aligns with stakeholder needs
6. Coordinate the Gold Coast Commonwealth Games Queens Baton Relay and produce associated events taking place in Williamstown in February 2018
7. Development of the Arts and Culture Plan 2018-21
8. Development of the Cultural Collection and Heritage Management Plan
9. Review the Road Management Plan
10. Finalise the Integrated Transport Plan

## Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

## 2.3 Strategic Objective 3: A Well Designed, Maintained and Environmentally Sustainable Place

To achieve our objective of A Well Designed, Maintained and Environmentally Sustainable Place we will manage future growth and development to ensure it is well-designed and accessible whilst protecting our natural and built environments.

We will work towards achieving this through the following objectives:

- work with all levels of government, key stakeholders and the community to ensure urban development is appropriate and considers neighbourhood character and heritage
- deliver and maintain well-designed, accessible and environmentally sustainable community assets
- protect and enhance our coastal environment, biodiversity and natural areas in partnership with major stakeholders and the community
- maintain a clean city and encourage the community, business and industry to reduce, reuse and recycle
- work with the community, businesses and government to actively and innovatively address climate change and promote sustainable living

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Environmental Management	Deliver municipal waste and recycling services to the Hobsons Bay community and develop and deliver waste and litter policy, strategy and programs.	7,554 <u>(554)</u> <b>7,001</b>
Strategic Planning Projects and Policy	Considers planning scheme amendments, works through planning projects and develops policy that directs future land use outcomes within the municipality.	2,022 <u>(225)</u> <b>1,797</b>
Sustainability	Develop policies and strategies (and support their implementation) that mitigate the effects of climate change by reducing greenhouse gas emissions whilst identifying adaptation initiatives for energy, waste and water management. Provide internal and external leadership through the provision of technical expertise and ongoing consultation to embed sustainability.	770 <u>0</u> <b>770</b>
Statutory Planning	Assessment , provision of advice and enforcement in relation to planning approvals under the Hobsons Bay Planning Scheme, the Planning and Environment Act 1987 and the Subdivision Act 1988	3,411 <u>(1,698)</u> <b>1,713</b>
Planning, Building and Health Continuous Improvement and Administrative Support	Oversee the efficient and effective operation of the Planning, Building and Health services department and management of the Statutory Planning administration support team	251 <u>0</u> <b>251</b>

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
City Amenity	Responsible for the ongoing presentation of public and open space areas of the municipality including ensuring litter and waste in the public areas is appropriately captured and disposed of and public facilities such as public toilets, beaches, streets and footpaths are also kept clean and tidy.	4,227 <u>(170)</u> <b>4,057</b>
Trees and Conservation Maintenance and Management	Responsible for the maintenance and establishment of vegetation in the conservation and urban environment and for encouraging and protecting indigenous and native Fauna life within our conservation sites. Also responsible for increasing Canopy cover within the municipality to improve Amenity Value for the area of Hobsons Bay.	3,122 <u>(45)</u> <b>3,077</b>
Works and Operations	Provision of infrastructure maintenance services including fleet maintenance (including passenger and heavy vehicles, plant and equipment across the organisation) city maintenance (ensure street and park furniture and signage is maintained to an appropriate standard) and home maintenance services to residents who qualify for this resource.	111 <u>(3)</u> <b>108</b>
Parks and Horticulture Maintenance	Responsible for the management and maintenance of open space assets including parks and gardens, sporting grounds, playgrounds and irrigation and park infrastructure (furniture and fencing) providing pleasant recreational and relaxation areas for local enjoyment.	6,073 <u>(46)</u> <b>6,027</b>
Road Maintenance	Ensure Councils obligations to provide safe access for pedestrians and road users are met. Additionally this service is responsible for the ongoing operation and maintenance of the drainage network throughout the municipality.	4,869 <u>(994)</u> <b>3,875</b>
Open Space and City Design	Lead the development of key Strategies for Open Space, prepare master plans, develop design guidelines and technical standards for the public realm, design and deliver open space capital works and support and enable the directorate to proactively engage with the community regarding the development and delivery of a range of projects and services.	1,550 <u>0</u> <b>1,550</b>
Civic and Open Space Projects	Project manage and deliver the approved Annual Capital Works Program to the community on behalf of Council on time and budget.	561 <u>0</u> <b>561</b>
Civil Projects	To deliver both capital and operational infrastructure services to the community on including the delivery of capital works, responding to customer enquiries, undertaking statutory planning responsibilities associated with Council's subdivisions and technical civil infrastructure with new builds.	1,016 <u>(55)</u> <b>961</b>

Business area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Traffic and Amenity	Plan, design, and maintain a safe, efficient and sustainable road and transport network which best meets the current and future mobility and access needs of all road users on all modes of transport.	2,600 <u>0</u> <b>2,600</b>
Building Renewal and Capital Programming	Coordinate the planning of the building renewal capital works program. Project manage and deliver the approved Annual Capital Program to the community on behalf of Council on time and budget.	485 <u>0</u> <b>485</b>
Strategic Asset Management	To develop Council's overall and long term (10 years) capital works program; plan and develop long term asset renewal programs for infrastructure assets and facilities; review develop and implement asset management improvement frameworks and the custodian of the road management plan	2,154 <u>0</u> <b>2,154</b>
Asset Systems and Information Services	To develop and maintain asset systems and registers, including asset accounting, valuations, capitalisation and associated reporting and develop and maintain the GIS.	229 <u>0</u> <b>229</b>
Strategic Infrastructure Planning	Lead and support the identification and development of infrastructure strategic planning to address priority gaps ensuring consistency with the Council Plan Objectives and compliance requirements.	575 <u>0</u> <b>575</b>
Strategic Infrastructure Partnerships	Engage with key agencies to promote the interests of the Hobsons Bay community consistent with as it relates to major infrastructure or development and engage with multiple teams and specialists to shape advocacy positions, develop and analyse strategic information to inform outcomes.	0 <u>0</u> <b>0</b>
Property Management	To effectively administer Council's property portfolio and achieve Council's objectives of a sustainable and financially viable portfolio.	937 <u>(1,811)</u> <b>(874)</b>

### Major Initiatives

1. Development of Open Space Developer Contributions Framework
2. Undertake a Statutory Planning Service Review
3. Develop 10 year asset renewal programs including undertaking condition audits for the main asset classes (roads, drains, buildings, bridges, pathways and open space)
4. Develop asset management plans
5. Finalise the Open Space Strategy
6. Development of an ESD policy

## Initiatives

1. Develop long term maintenance plans for the main asset classes
2. Re-tendering of the roads and drainage maintenance contract. Live asset condition systems
3. Formulation of Tree Strategy
4. Develop a new Waste and Litter Management Strategy
5. Finalise the development of the Universal Design Policy Statement

## Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Statutory Planning	Decision making	Council planning decisions upheld at VCAT (percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VACT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100

## 2.4 Strategic Objective 4: A Council of Excellence

To achieve our objective of A Council of Excellence, we will be a leading and skilled council that is responsible, innovative and engaging to deliver excellence in all we do.

We will work towards achieving this through the following objectives:

- collaborate with all levels of government, service providers, not for profit organisations and the private sector to address the concerns of our community
- be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management
- Provide excellent customer service whilst ensuring all our communications are clear and easy to understand
- actively seek the community's views by providing a range of opportunities for the community to contribute to Council's decision making
- support and develop an engaged, skilled and professional workforce who are committed to maintaining a high performing and sustainable organisation

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Customer Service	Provision of a consistent excellent customer experience for every customer contact. The Customer Service department is the interface of Council with the community. It is the face, and first touch-point of Hobsons Bay City Council and it sets the scene for the community customer experience with the organisation.	1,688
		<u>0</u> <b>1,688</b>
Communications	Responsible for all Communications and Community relations advice, policy, protocol and delivery.	915
		<u>0</u> <b>915</b>
Finance	Ensure that the Council meets its financial obligations and legislative requirements, maintenance of the organisations financial controls, including processes, databases or systems within the department and provision of internal financial support services to other departments within the Council	2,599
		<u>(311)</u> <b>2,287</b>
Governance	Responsibility for the provision of a range of governance functions and administrative support to Council and Management, including Council meetings, insurance, legal and statutory responsibilities	481
		<u>(41)</u> <b>440</b>
OHS and Risk Management	Lead, coordinate and facilitate the development and review of Council's Risk Management, Business Continuity Program and Occupational Health	226
		<u>0</u> <b>226</b>
Information and Communications Technology (ICT)	To provide a cost-effective, secure, and robust ICT platform that support Council's business needs, and to provide sound advice and support for ICT projects across the organisation.	2,758
		<u>0</u> <b>2,758</b>

<b>Business area</b>	<b>Description of services provided</b>	<b>Expenditure (Revenue) Net Cost \$'000</b>
Knowledge and Records Management	To provide efficient information and record management services (including the administration of the 'Vault' and corporate mail services), oversee the application of information privacy principles, and the management of privacy related issues.	765 <u>0</u> <b>765</b>
Human Resources	The operational delivery of the full range of human resources, industrial relations, WorkCover and injury management services to management and staff.	1,348 <u>0</u> <b>1,348</b>
Learning and Development	Development and implementation of organisational learning and development programs that are sustainable, relevant and building on the learning organisation concept.	394 <u>0</u> <b>394</b>
Corporate Planning and Performance	Management of Council's corporate planning function including Council Planning, reporting and compliance; business/service planning and review; performance and continuous improvement.	236 <u>0</u> <b>236</b>
Councillor Support and CEO's Office	Provide administration support and advice to the Mayor and Councillors, Chief Executive Officer, and the Corporate Management Team, to enhance the effectiveness of the organisation as a whole	3,246 <u>0</u> <b>3,246</b>

## Major Initiatives

1. Development of a service planning and continuous improvement framework

## Initiatives

1. Implementation of the Records Management Strategy
2. Introduction of an electronic Council Agenda Management system
3. Undertake a tender for Insurance Broking and Risk Management Services
4. As part of the implementation of the Customer Focus Strategy and Action Plan, increase digital customer service with a strong focus on payment portals and integration with systems to ensure payments occur in "real time".
5. As part of the implementation of the Customer Focus Strategy and Action Plan develop an organisation wide change culture program to improve customer satisfaction and performance
6. As part of the implementation of the Customer Focus Strategy and Action Plan, explore innovative opportunities to share costs and look at resource opportunities
7. As part of the implementation of the Customer Focus Strategy and Action Plan, carry out projects to improve the usability of our website and online customer experience
8. Development of Organisation Development Strategy
9. Reward and Recognition program has been developed and implemented

## Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community

## 2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017-18 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

## 2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
An Inclusive and Healthy Community	21,154	33,500	12,345
A Great Place	2,690	7,261	4,570
A Well Designed, Maintained and Environmentally Sustainable Place	36,919	42,519	5,600
A Council of Excellence	14,303	14,656	352
<b>Total services and initiatives</b>	<b>75,066</b>	<b>97,935</b>	<b>22,868</b>
Other non-attributable	14,199		
<b>Deficit before funding sources</b>	<b>89,265</b>		
<b>Funding sources</b>			
Rates and charges	101,614		
Capital grants and capital contributions	2,266		
<b>Total funding sources</b>	<b>103,880</b>		
<b>Surplus for the year</b>	<b>14,615</b>		

### **3. Financial statements**

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2018-19 to 2020-21 has been extracted from the Strategic Resource Plan.

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

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

## Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	98,836	101,214	103,623	105,855	108,132
Statutory fees and fines	4,182	4,312	4,442	4,575	4,712
User fees	6,302	6,354	6,664	6,741	7,063
Grants - Operating	11,601	11,268	11,606	11,954	12,313
Grants - Capital	1,283	1,666	1,467	334	334
Contributions - monetary	5,356	3,870	2,870	3,620	3,620
Contributions - non-monetary assets	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	233	-	-	-	-
Fair value adjustments for investment property	-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures	-	-	-	-	-
Other income	4,785	4,189	4,047	4,138	4,244
<b>Total income</b>	<b>132,578</b>	<b>132,873</b>	<b>134,720</b>	<b>137,217</b>	<b>140,418</b>
<b>Expenses</b>					
Employee costs	52,562	55,470	57,232	59,235	61,309
Materials and services	40,109	42,106	41,764	42,376	45,300
Bad and doubtful debts	193	169	169	169	169
Depreciation and amortisation	18,859	18,402	18,862	19,334	19,640
Borrowing costs	626	626	626	628	627
Other expenses	1,448	1,484	1,521	1,559	1,598
Net loss on disposal of property, infrastructure, plant and equipment	-	-	-	-	-
<b>Total expenses</b>	<b>113,797</b>	<b>118,258</b>	<b>120,175</b>	<b>123,301</b>	<b>128,642</b>
<b>Surplus/(deficit) for the year</b>	<b>18,781</b>	<b>14,615</b>	<b>14,545</b>	<b>13,916</b>	<b>11,776</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment/(decrement)	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-
<b>Total comprehensive result</b>	<b>18,781</b>	<b>14,615</b>	<b>14,545</b>	<b>13,916</b>	<b>11,776</b>

## Balance Sheet

For the four years ending 30 June 2021

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9,489	12,029	13,133	15,035	14,359
Trade and other receivables	8,189	5,663	5,800	5,940	6,085
Other financial assets	42,000	42,000	42,000	42,000	42,000
Inventories	31	31	31	31	31
Non-current assets classified as held for sale	-	-	-	-	-
Other assets	876	876	876	876	876
<b>Total current assets</b>	<b>60,585</b>	<b>60,598</b>	<b>61,840</b>	<b>63,882</b>	<b>63,350</b>
<b>Non-current assets</b>					
Cash and cash equivalents	1,000	1,000	1,000	1,000	1,000
Trade and other receivables	269	238	206	170	127
Investments in associates and joint ventures	230	230	230	230	230
Property, infrastructure, plant & equipment	1,027,628	1,043,180	1,057,460	1,070,345	1,083,700
Investment property	9,005	9,005	9,005	9,005	9,005
<b>Total non-current assets</b>	<b>1,038,132</b>	<b>1,053,652</b>	<b>1,067,901</b>	<b>1,080,750</b>	<b>1,094,063</b>
<b>Total assets</b>	<b>1,098,717</b>	<b>1,114,251</b>	<b>1,129,741</b>	<b>1,144,632</b>	<b>1,157,413</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	12,150	12,454	12,765	13,084	13,411
Trust funds and deposits	5,014	5,139	5,268	5,400	5,535
Provisions	13,005	13,460	13,931	14,419	14,924
Interest-bearing loans and borrowings	-	-	-	-	9,200
<b>Total current liabilities</b>	<b>30,169</b>	<b>31,053</b>	<b>31,964</b>	<b>32,903</b>	<b>43,069</b>
<b>Non-current liabilities</b>					
Provisions	968	1,002	1,037	1,073	1,110
Interest-bearing loans and borrowings	14,200	14,200	14,200	14,200	5,000
<b>Total non-current liabilities</b>	<b>15,168</b>	<b>15,202</b>	<b>15,237</b>	<b>15,273</b>	<b>6,110</b>
<b>Total liabilities</b>	<b>45,337</b>	<b>46,255</b>	<b>47,201</b>	<b>48,176</b>	<b>49,180</b>
<b>Net assets</b>	<b>1,053,380</b>	<b>1,067,996</b>	<b>1,082,540</b>	<b>1,096,457</b>	<b>1,108,233</b>
<b>Equity</b>					
Accumulated surplus	398,722	414,486	429,055	442,221	455,872
Reserves	654,658	653,510	653,485	654,236	652,361
<b>Total equity</b>	<b>1,053,380</b>	<b>1,067,996</b>	<b>1,082,540</b>	<b>1,096,457</b>	<b>1,108,233</b>

**Statement of Changes in Equity**  
For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2017-18</b>				
Balance at beginning of the financial year	1,053,380	398,722	624,047	30,611
Surplus/(deficit) for the year	14,615	14,615	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	10,738	5,943	-	4,795
Transfer from other reserves	(10,738)	(4,795)	-	(5,943)
<b>Balance at end of the financial year</b>	<b>1,067,996</b>	<b>414,486</b>	<b>624,047</b>	<b>29,463</b>
<b>2018-19</b>				
Balance at beginning of the financial year	1,067,996	414,486	624,047	29,463
Surplus/(deficit) for the year	14,545	14,545	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	8,815	4,420	-	4,395
Transfer from other reserves	(8,815)	(4,395)	-	(4,420)
<b>Balance at end of the financial year</b>	<b>1,082,540</b>	<b>429,056</b>	<b>624,047</b>	<b>29,438</b>
<b>2019-20</b>				
Balance at beginning of the financial year	1,082,540	429,056	624,047	29,438
Surplus/(deficit) for the year	13,916	13,916	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	8,039	3,644	-	4,395
Transfer from other reserves	(8,039)	(4,395)	-	(3,644)
<b>Balance at end of the financial year</b>	<b>1,096,457</b>	<b>442,221</b>	<b>624,047</b>	<b>30,189</b>
<b>2020-21</b>				
Balance at beginning of the financial year	1,096,457	442,221	624,047	30,189
Surplus/(deficit) for the year	11,776	11,776	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	10,665	6,270	-	4,395
Transfer from other reserves	(10,665)	(4,395)	-	(6,270)
<b>Balance at end of the financial year</b>	<b>1,108,233</b>	<b>455,872</b>	<b>624,047</b>	<b>28,314</b>

## Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	98,836	101,214	103,623	105,855	108,132
Statutory fees and fines	4,182	4,312	4,442	4,575	4,712
User fees	6,688	9,411	6,908	6,987	7,311
Grants - operating	11,601	11,268	11,606	11,954	12,313
Grants - capital	3,064	2,266	1,467	1,084	1,084
Contributions - monetary	3,575	3,270	2,870	2,870	2,870
Interest received	1,505	1,327	1,264	1,282	1,313
Trust funds and deposits taken	-	-	-	-	-
Other receipts	2,808	2,362	2,433	2,506	2,581
Net GST refund / payment	-	-	-	-	-
Employee costs	(51,963)	(54,981)	(56,726)	(58,711)	(60,766)
Materials and services	(41,557)	(43,161)	(42,845)	(43,484)	(46,435)
Trust funds and deposits repaid	-	-	-	-	-
Other payments	-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>38,739</b>	<b>37,289</b>	<b>35,042</b>	<b>34,919</b>	<b>33,114</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(31,637)	(34,323)	(33,512)	(32,588)	(33,364)
Proceeds from sale of property, infrastructure, plant and equipment	733	200	200	200	200
Payments for investments	(1,000)	-	-	-	-
Payments of loans and advances	-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	<b>(31,904)</b>	<b>(34,123)</b>	<b>(33,312)</b>	<b>(32,388)</b>	<b>(33,164)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(626)	(626)	(626)	(628)	(627)
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(626)</b>	<b>(626)</b>	<b>(626)</b>	<b>(628)</b>	<b>(627)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>6,208</b>	<b>2,540</b>	<b>1,104</b>	<b>1,903</b>	<b>(677)</b>
Cash and cash equivalents at the beginning of the financial year	3,280	9,489	12,029	13,133	15,035
<b>Cash and cash equivalents at the end of the financial year</b>	<b>9,489</b>	<b>12,029</b>	<b>13,133</b>	<b>15,035</b>	<b>14,359</b>

## Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>					
Land	-	-	-	-	-
Land improvements	1,320	2,501	1,600	1,640	1,680
<b>Total land</b>	<b>1,320</b>	<b>2,501</b>	<b>1,600</b>	<b>1,640</b>	<b>1,680</b>
Buildings	7,281	10,811	8,785	7,110	6,550
Heritage buildings	100	600	1,600	2,500	2,400
Building improvements	-	-	-	-	-
Leasehold improvements	-	-	-	-	-
<b>Total buildings</b>	<b>7,381</b>	<b>11,411</b>	<b>10,385</b>	<b>9,610</b>	<b>8,950</b>
<b>Total property</b>	<b>8,701</b>	<b>13,912</b>	<b>11,985</b>	<b>11,250</b>	<b>10,630</b>
<b>Plant and equipment</b>					
Heritage plant and equipment	-	-	-	-	-
Plant, machinery and equipment	925	915	1,025	1,050	1,075
Fixtures, fittings and furniture	23	225	100	100	100
Computers and telecommunications	443	691	536	549	563
Library books	714	850	950	900	900
<b>Total plant and equipment</b>	<b>2,105</b>	<b>2,681</b>	<b>2,611</b>	<b>2,599</b>	<b>2,638</b>
<b>Infrastructure</b>					
Roads	6,224	6,682	7,010	7,280	7,560
Bridges	130	100	270	276	283
Footpaths and cycleways	5,074	3,848	2,730	2,630	2,890
Drainage	1,873	822	2,080	2,130	2,180
Recreational, leisure and community facilities	2,892	2,230	2,333	2,381	2,431
Parks, open space and streetscapes	2,262	2,013	2,355	2,045	2,720
Off street car parks	1,723	1,005	1,025	1,051	1,077
Other infrastructure	655	1,030	1,113	946	955
<b>Total infrastructure</b>	<b>20,832</b>	<b>17,730</b>	<b>18,916</b>	<b>18,739</b>	<b>20,096</b>
<b>Total capital works expenditure</b>	<b>31,637</b>	<b>34,323</b>	<b>33,512</b>	<b>32,588</b>	<b>33,364</b>
<b>Represented by:</b>					
New asset expenditure	8,480	8,120	5,705	750	750
Asset renewal expenditure	20,576	21,474	23,772	24,963	25,414
Asset expansion expenditure	-	-	-	-	-
Asset upgrade expenditure	2,581	4,729	4,035	6,875	7,200
<b>Total capital works expenditure</b>	<b>31,637</b>	<b>34,323</b>	<b>33,512</b>	<b>32,588</b>	<b>33,364</b>

## Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual	2017-18	Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>					
Employee costs - operating	52,562	55,470	57,232	59,235	61,309
Employee costs - capital	-	-	-	-	-
<b>Total staff expenditure</b>	<b>52,562</b>	<b>55,470</b>	<b>57,232</b>	<b>59,235</b>	<b>61,309</b>
	EFT	EFT	EFT	EFT	EFT
<b>Staff numbers</b>					
Employees	524.4	538.9	538.9	538.9	538.9
<b>Total staff numbers</b>	<b>524.4</b>	<b>538.9</b>	<b>538.9</b>	<b>538.9</b>	<b>538.9</b>

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

Directorate	Budget	Comprises	
	2017-18	Permanent Full time	Permanent Part Time
	\$'000	\$'000	\$'000
Chief Executive's Office	1,206	1,053	153
Corporate Services	8,163	6,810	1,353
Strategic Development	9,517	8,439	1,078
Community Wellbeing	18,465	8,249	10,216
Infrastructure & City Services	15,114	14,556	558
<b>Total permanent staff expenditure</b>	<b>52,465</b>	<b>39,107</b>	<b>13,358</b>
Casuals and other expenditure	3,005		
Capitalised Labour costs	-		
<b>Total expenditure</b>	<b>55,470</b>		

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

Department	Budget	Comprises	
	FTE	Permanent Full time	Permanent Part Time
Chief Executive's Office	8.6	7.0	1.6
Corporate Services	76.4	61.4	15.0
Strategic Development	87.9	77.2	10.7
Community Wellbeing	193.3	79.0	114.3
Infrastructure & City Services	154.0	148.1	5.9
<b>Total permanent staff</b>	<b>520.2</b>	<b>372.7</b>	<b>147.5</b>
Casuals and other	18.7		
Capitalised Labour costs	-		
<b>Total staff</b>	<b>538.9</b>		

#### 4. Financial performance indicators

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

Indicator	Measure	Notes	Actual 2015/16	Forecast 2016/17	Budget 2017/18	Strategic Resource Plan Projections			Trend +/-
						2017/18	2019/20	2020/21	
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	5.87%	9.64%	7.13%	7.83%	7.48%	5.73%	-
<b>Liquidity</b>									
Working Capital	Current assets / current liabilities	2	184.22%	200.82%	195.14%	193.47%	194.15%	147.09%	-
Unrestricted cash	Unrestricted cash / current liabilities		71.37%	69.20%	79.11%	80.39%	81.59%	65.11%	-
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	14.88%	14.37%	14.03%	13.70%	13.41%	13.13%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		5.84%	0.63%	0.62%	0.60%	0.59%	0.58%	o
Indebtedness	Non-current liabilities / own source revenue		12.34%	12.04%	11.94%	11.69%	11.46%	4.48%	-
Asset renewal	Asset renewal expenses / Asset depreciation	4	100.81%	109.11%	116.69%	126.03%	129.11%	129.40%	+
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	5	77.83%	78.48%	79.49%	79.48%	79.43%	79.24%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.39%	0.35%	0.36%	0.37%	0.38%	0.39%	o
<b>Efficiency</b>									
Expenditure level	Total expenses/ no. of property assessments		\$2,846	\$2,806	\$2,916	\$2,963	\$3,040	\$3,172	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,697	\$1,771	\$1,803	\$1,835	\$1,869	\$1,903	+

Key to Forecast Trend:

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

## Notes to indicators

**1 Adjusted underlying result** – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. 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 Working Capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to remain quite high in the early years of the strategic resource plan due as cash reserves increase to repay principal on loans in 2021-22. The trend in later years outside of the strategic resource plan is that this ratio will be reduced but within acceptable levels.

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

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

**5 Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

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

This section presents other budget related information required by the Regulations

This section includes the following statements and reports:

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

### 5.1.1 Grants - operating (\$333,000 decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to decrease by 2.87 per cent or \$333,000 compared to 2016-17. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

Operating Grants	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<b>Recurrent - Commonwealth Government</b>			
Victoria Grants Commission	2,556	2,645	89
Aged Care	4,705	4,693	(12)
<b>Recurrent - State Government</b>			
Family, Youth and Children	727	602	(125)
Aged care	1,535	1,522	(13)
School crossing supervisors	186	186	-
Libraries	610	614	4
Maternal and child health	711	684	(27)
Recreation	16	16	-
Community safety	117	116	(1)
Beach cleaning	137	137	-
Road maintenance	31	33	2
Food services`	17	15	(1)
<b>Total recurrent grants</b>	<b>11,349</b>	<b>11,264</b>	<b>(85)</b>
<i>Non-recurrent - Commonwealth Government</i>	-	-	-
<i>Non-recurrent - State Government</i>	-	-	-
Other	252	4	(248)
<b>Total non-recurrent operating grants</b>	<b>252</b>	<b>4</b>	<b>(248)</b>
<b>Total operating grants</b>	<b>11,601</b>	<b>11,268</b>	<b>(333)</b>

### 5.1.2 Grants - capital (\$383,000 increase)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has increased by \$383,000 compared to 2016-17 due to specific funding for some large capital works projects. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2017-18 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Capital Grants	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to recovery	770	667	(103)
<i>Recurrent - State Government</i>	-	-	-
<b>Total recurrent capital grants</b>	<b>770</b>	<b>667</b>	<b>(103)</b>
<i>Non-recurrent - Commonwealth Government</i>	-	-	-
<i>Non-recurrent - State Government</i>			
Buildings	208	899	691
Footpaths and cycleways	260	-	(260)
Other	45	100	55
<b>Total non-recurrent capital grants</b>	<b>513</b>	<b>999</b>	<b>486</b>
<b>Total capital grants</b>	<b>1,283</b>	<b>1,666</b>	<b>383</b>

### 5.1.3 Statement of Borrowings

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

	2016-17 \$	2017-18 \$
Total amount borrowed as at 30 June of the prior year	14,200,000	14,200,000
Total amount to be borrowed	-	-
Total amount projected to be redeemed	-	-
Total amount proposed to be borrowed as at 30 June	14,200,000	14,200,000

## **6. Detailed list of Capital Works**

This section presents a listing of the capital works projects that will be undertaken for the 2017-18 year.

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

- New works for 2017-18
- Works carried forward from the 2016-17 year.

## Capital works program

For the year ending 30 June 2018

### 6.1 New works

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
<b>Land improvements</b>									
Foreshore renewal – Sand replacement & outfalls. Sarros St. to Apex park	1,400	0	1,400	0	0	0	0	1,400	0
Foreshore renewal program	600	0	600	0	0	0	0	600	0
Williamstown Town Hall forecourt	400	0	0	400	0	0	0	400	0
<b>Total land improvements</b>	<b>2,400</b>	<b>0</b>	<b>2,000</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,400</b>	<b>0</b>
<b>Heritage buildings</b>									
Williamstown Mechanics Institute	600	0	600	0	0	0	0	600	0
<b>Total heritage buildings</b>	<b>600</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>0</b>
<b>Buildings</b>									
Altona Early Years Centre	4,590	4,590	0	0	0	800	0	3,790	0
Building renewal program	2,515	0	2,515	0	0	0	0	2,515	0
J.T. Gray reserve pavilion	680	680	0	0	0	0	0	680	0
Greenhouse strategy program	430	0	430	0	0	0	0	430	0
Public Toilet – Altona boat ramp	300	0	300	0	0	0	0	300	0
Sports pavilion renewal program	250	0	250	0	0	99	0	151	0
Public Toilet – Ransom reserve	200	0	200	0	0	0	0	200	0
Altona Sports Centre extension	165	0	0	165	0	0	0	165	0
<b>Total buildings</b>	<b>9,130</b>	<b>5,270</b>	<b>3,695</b>	<b>165</b>	<b>0</b>	<b>899</b>	<b>0</b>	<b>8,231</b>	<b>0</b>
<b>TOTAL PROPERTY</b>	<b>12,130</b>	<b>5,270</b>	<b>6,295</b>	<b>565</b>	<b>0</b>	<b>899</b>	<b>0</b>	<b>11,231</b>	<b>0</b>

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>PLANT AND EQUIPMENT</b>									
<b>Plant, machinery and equipment</b>									
Vehicle plant replacement program	915	0	915	0	0	0	0	915	0
<b>Total plant, machinery and equipment</b>	<b>915</b>	<b>0</b>	<b>915</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>915</b>	<b>0</b>
<b>Computers and telecommunications</b>									
Information technology software and licensing	520	0	520	0	0	0	0	520	0
<b>Total Computers and telecommunications</b>	<b>520</b>	<b>0</b>	<b>520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>520</b>	<b>0</b>
<b>Fixtures, fittings &amp; furniture</b>									
Library furniture, fit out and minor works program	225	0	225	0	0	0	0	225	0
<b>Total fixtures, fittings and furniture</b>	<b>225</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225</b>	<b>0</b>
<b>Library books</b>									
Books	850	0	850	0	0	0	0	850	0
<b>Total library books</b>	<b>850</b>	<b>0</b>	<b>850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>850</b>	<b>0</b>
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>2,510</b>	<b>0</b>	<b>2,510</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,510</b>	<b>0</b>

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
Resurfacing program	2,300	0	2,300	0	0	0	0	2,300	0
Hudsons Road, Spotswood	770	0	770	0	0	667	0	103	0
Lenore Crescent, Williamstown	675	0	675	0	0	0	0	675	0
Electra Street, Williamstown	630	0	630	0	0	0	0	630	0
Charles Street, Williamstown	600	0	600	0	0	0	0	600	0
Minor works program	455	0	455	0	0	0	0	455	0
South Kingsville/Spotswood/Newport Road priority	450	0	450	0	0	0	0	450	0
Coogee Lane, Williamstown	400	0	400	0	0	0	0	400	0
Hope Street, Spotswood	250	0	250	0	0	0	0	250	0
Altona Road / Pines Scout camp intersection	220	0	220	0	0	0	0	220	0
<b>Total roads</b>	<b>6,750</b>	<b>0</b>	<b>6,750</b>	<b>0</b>	<b>0</b>	<b>667</b>	<b>0</b>	<b>6,083</b>	<b>0</b>
<b>Bridges</b>									
Bridges renewal program	100	0	100	0	0	0	0	100	0
<b>Total bridges</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>Footpaths and cycleways</b>									
Shared Trails Kororoit Creek (Stage 3)	1,780	1,780	0	0	0	0	600	1,180	0
Footpath renewal program	1,150	0	1,150	0	0	0	0	1,150	0
Shared Trails renewal program	490	0	490	0	0	0	0	490	0
Skeleton Creek trail – Labassa Way to Clarendon Street, Seabrook	320	0	0	320	0	0	0	320	0
Skeleton Creek - Seabrook community connections	210	210	0	0	0	0	0	210	0
<b>Total footpaths and cycleways</b>	<b>3,950</b>	<b>1,990</b>	<b>1,640</b>	<b>320</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>3,350</b>	<b>0</b>

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>INFRASTRUCTURE (continued)</b>									
<b>Drainage</b>									
Drainage renewal-Challis Street, Newport Stage 2	500	0	500	0	0	0	0	500	0
Pit upgrade program Industrial and main roads	80	0	0	80	0	0	0	80	0
<b>Total drainage</b>	<b>580</b>	<b>0</b>	<b>500</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>580</b>	<b>0</b>
<b>Recreational, leisure &amp; community Facilities</b>									
Sports ground renewal program	1,025	0	1,025	0	0	0	0	1,025	0
Sports ground floodlighting program	310	0	310	0	0	0	0	310	0
Playground renewal program	290	0	290	0	0	0	0	290	0
Reserve pathway (New) program	200	200	0	0	0	0	0	200	0
Cricket practice nets renewal program	175	0	175	0	0	100	0	75	0
Fencing renewal program	155	0	155	0	0	0	0	155	0
Court renewals (Tennis, Basketball & Netball)	75	0	75	0	0	0	0	75	0
<b>Total recreation, leisure and community facilities</b>	<b>2,230</b>	<b>200</b>	<b>2,030</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>2,130</b>	<b>0</b>
<b>Parks, open space and streetscapes</b>									
Open space upgrades	1,050	0	0	1,050	0	0	0	1,050	0
Vibrant Villages	200	0	0	200	0	0	0	200	0
Brooklyn dog park	170	0	0	170	0	0	0	170	0
Blenheim Road, Newport - open space project	150	0	0	150	0	0	0	150	0
Kororoit Creek fishing village (Williamstown)	80	0	0	80	0	0	0	80	0
Epsom Street project (Laverton)	70	0	0	70	0	0	0	70	0
<b>Total Parks, open space and streetscapes</b>	<b>1,720</b>	<b>0</b>	<b>0</b>	<b>1,720</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,720</b>	<b>0</b>
<b>Off street car parks</b>									
Car park renewal program	1,050	0	1,050	0	0	0	0	1,050	0

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>Total off street car parks</b>	<b>1,050</b>	<b>0</b>	<b>1,050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,050</b>	<b>0</b>

### INFRASTRUCTURE (continued)

#### Other infrastructure

Traffic, Road Safety, Pedestrian Safety program	600	0	0	600	0	0	0	600	0
Traffic calming devices renewal program	330	0	330	0	0	0	0	330	0
Heritage asset and signage	50	0	50	0	0	0	0	50	0
<b>Total other infrastructure</b>	<b>980</b>	<b>0</b>	<b>380</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>980</b>	<b>0</b>
<b>TOTAL INFRASTRUCTURE</b>	<b>17,360</b>	<b>2,190</b>	<b>12,450</b>	<b>2,720</b>	<b>0</b>	<b>767</b>	<b>600</b>	<b>15,993</b>	<b>0</b>
<b>TOTAL NEW CAPITAL WORKS 2017-18</b>	<b>32,000</b>	<b>7,460</b>	<b>21,255</b>	<b>3,285</b>	<b>0</b>	<b>1,666</b>	<b>600</b>	<b>29,734</b>	<b>0</b>

## 6.2 Works carried forward from the 2016-17 year

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
<b>Land improvements</b>									
Foreshore remedial program	101	0	101	0	0	0	0	101	0
<b>Total land improvements</b>	<b>101</b>	<b>0</b>	<b>101</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101</b>	<b>0</b>
<b>Buildings</b>									
J.K. grant pavilion upgrade	811	0	0	811	0	0	0	811	0
Altona Central precinct review	293	0	0	293	0	0	0	293	0
Laverton Swim Centre	150	0	150	0	0	0	0	150	0
Altona Early Years Centre	378	378	0	0	0	0	0	378	0
J.T.Gray reserve pavilion	164	164	0	0	0	0	0	164	0
Building renewal program	(115)	0	(115)	0	0	0	0	(115)	0
<b>Total buildings</b>	<b>1,681</b>	<b>542</b>	<b>35</b>	<b>1,104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,681</b>	<b>0</b>
<b>TOTAL PROPERTY</b>	<b>1,782</b>	<b>542</b>	<b>136</b>	<b>1,104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,782</b>	<b>0</b>
<b>PLANT AND EQUIPMENT</b>									
<b>Computers and Telecommunications</b>									
Information technology software and licensing	171	0	171	0	0	0	0	171	0
<b>Total Computers and Telecommunications</b>	<b>171</b>	<b>0</b>	<b>171</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>171</b>	<b>0</b>
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>171</b>	<b>0</b>	<b>171</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>171</b>	<b>0</b>
<b>INFRASTRUCTURE</b>									
<b>Footpaths and cycleways</b>									
Shared trails – Point Cook Road	175	175	0	0	0	0	0	175	0
Footpath new program	(277)	(277)	0	0	0	0	0	(277)	0
<b>Total footpaths and cycleways</b>	<b>(102)</b>	<b>(102)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(102)</b>	<b>0</b>

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>INFRASTRUCTURE (continued)</b>									
<b>Roads</b>									
Road rehabilitation	(235)	0	(235)	0	0	0	0	(235)	0
Road rehabilitation - Hudsons Road, Spotswood	205	0	205	0	0	0	0	205	0
Laneway upgrades	(280)	0	(280)	0	0	0	0	(280)	0
Road resurfacing program	(98)	0	(98)	0	0	0	0	(98)	0
Lenore Crescent, Williamstown	340	0	340	0	0	0	0	340	0
<b>Total Roads</b>	<b>(68)</b>	<b>0</b>	<b>(68)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(68)</b>	<b>0</b>
<b>Drainage</b>									
Drainage upgrade program	242	242	0	0	0	0	0	242	0
<b>Total drainage</b>	<b>242</b>	<b>242</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>242</b>	<b>0</b>
<b>Off street car parks</b>									
Off street car parks	(45)	0	(45)	0	0	0	0	(45)	0
<b>Total off street car parks</b>	<b>(45)</b>	<b>0</b>	<b>(45)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(45)</b>	<b>0</b>
<b>Parks, open space and streetscapes</b>									
Open space upgrades	(22)	(22)	0	0	0	0	0	(22)	0
Blenheim Road open space project	25	0	25	0	0	0	0	25	0
Vibrant Villages and gateways	290	0	0	290	0	0	0	290	0
<b>Total Parks, open space and streetscapes</b>	<b>293</b>	<b>(22)</b>	<b>25</b>	<b>290</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>293</b>	<b>0</b>
<b>Other infrastructure</b>									
Aviation Road car park review	50	0	0	50	0	0	0	50	0
<b>Total other infrastructure</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>0</b>
<b>TOTAL INFRASTRUCTURE</b>	<b>370</b>	<b>118</b>	<b>(88)</b>	<b>340</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>370</b>	<b>0</b>

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
<b>TOTAL C/FWD CAPITAL WORKS 2016-17</b>	<b>2,323</b>	<b>660</b>	<b>219</b>	<b>1,444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,323</b>	<b>0</b>

### 6.3 Summary

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
PROPERTY	13,912	5,812	6,431	1,669	0	899	0	13,013	0
PLANT AND EQUIPMENT	2,681	0	2,681	0	0	0	0	2,681	0
INFRASTRUCTURE	17,730	2,308	12,362	3,060	0	767	600	16,363	0
<b>TOTAL</b>	<b>34,323</b>	<b>8,120</b>	<b>21,474</b>	<b>4,729</b>	<b>0</b>	<b>1,666</b>	<b>600</b>	<b>32,057</b>	<b>0</b>

## 7. Rates and charges

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

### 7. Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for over 75 per cent of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government introduced the *Fair Go Rates System (FGRS)* which sets out the maximum amount councils may increase rates in a year. For 2017-18 the FGRS cap has been set at 2.0 per cent. The cap applies to both general rates and municipal charges (not applicable to Hobsons Bay) and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Hobsons Bay community.

It is predicted that the 2017-18 operating position will be impacted by natural increases in expenditure and minimal increases in revenue. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve the operating surpluses set out in the Strategic Resource Plan. Operating surpluses are required to fund the capital works program throughout the Strategic Resource Plan and the concern is that these surpluses are expected to reduce over the plan with the trend continuing into the foreseeable future. Unless this trend can be reversed, it will become increasingly difficult to maintain robust capital works programs.

In order to achieve our financial objectives, while maintaining service levels and a strong capital expenditure program, the average general rate will increase by 2.0 per cent in line with the rate cap. Waste service charges are exempt from the rates cap but have also been increased by 2.0 per cent, despite the expected increase in relation to waste associated expenditure being greater than the increase in income. The small increase to waste charges are possible as a result of Council's decision to reimburse a further \$220,000 to ratepayers, due to the abolishment of carbon price.

This will raise total rates and charges for 2017-18 of \$101.214 million, including \$300,000 generated from supplementary rates.

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

Type or class of land	2016-17 cents/\$CIV	2017-18 cents/\$CIV	Change
General rate for rateable residential properties	0.2509	<b>0.2559</b>	2.00%
General rate for rateable residential vacant land properties	0.3764	<b>0.3839</b>	2.00%
General rate for rateable commercial properties	0.6272	<b>0.6397</b>	2.00%
General rate for rateable industrial properties	0.8456	<b>0.8625</b>	2.00%
General rate for rateable petro-chemical properties	1.0036	<b>1.0236</b>	2.00%
Rate concession for rateable cultural & recreational properties	0.1128	<b>0.1151</b>	2.00%

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

Type or class of land	2016-17 \$	2017-18 \$	Change
Residential	59,533,483	<b>61,310,343</b>	2.98%
Residential vacant land	687,713	<b>666,272</b>	(3.12%)
Commercial	7,291,856	<b>7,539,617</b>	3.40%
Industrial	20,361,183	<b>21,194,288</b>	4.09%
Petro-chemical	3,278,914	<b>3,343,886</b>	1.98%
Cultural and recreational	76,639	<b>76,625</b>	(0.02%)
<b>Total amount to be raised by general rates</b>	<b>91,229,788</b>	<b>94,131,030</b>	<b>3.18%</b>

7.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2016-17 Number	2017-18 Number	Change
Residential	37,289	<b>37,688</b>	1.07%
Residential vacant land	303	<b>294</b>	(2.97%)
Commercial	1,292	<b>1,295</b>	0.23%
Industrial	1,590	<b>1,653</b>	3.96%
Petro-chemical	20	<b>20</b>	0.00%
Cultural and recreational	40	<b>38</b>	(5.00%)
<b>Total number of assessments</b>	<b>40,534</b>	<b>40,988</b>	<b>1.12%</b>

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

7.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2016-17 \$,000	2017-18 \$,000	Change
Residential	23,723,671	<b>23,957,026</b>	0.98%
Residential vacant land	182,721	<b>173,541</b>	(5.02%)
Commercial	1,162,518	<b>1,178,537</b>	1.38%
Industrial	2,407,805	<b>2,457,275</b>	2.05%
Petro-chemical	326,656	<b>326,656</b>	0.00%
Cultural and recreational	67,921	<b>66,598</b>	(1.95%)
<b>Total value of land</b>	<b>27,871,292</b>	<b>28,159,632</b>	<b>1.03%</b>

7.6 The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2016-17 \$	Per Rateable Property 2017-18 \$	Change
Municipal		Not applicable	

7.7 The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2016-17 \$	2017-18 \$	Change
Municipal		Not applicable	

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

Type of Charge	Per Rateable Property 2016-17 \$	Per Rateable Property 2017-18 \$	Change
Rubbish & recycling, incl. 240L greenwaste (group A)	177.20	180.75	2.00%
Rubbish & recycling, incl. 120L greenwaste (group B)	175.05	178.55	2.00%
Rubbish recycling, private greenwaste (group C)	166.40	169.70	1.98%
Rubbish & recycling (group D)	166.40	169.70	1.98%
Additional Garbage (group E)	131.65	134.30	2.01%
Additional Recycle (group F)	68.50	69.90	2.04%
Additional Green (group G)	68.50	69.90	2.04%
Additional Private (group H)	57.85	59.00	1.99%

7.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	2016-17 \$	2017-18 \$	Change
Rubbish & recycling, incl. 240L greenwaste (group A)	2,683,162	2,781,020	3.65%
Rubbish & recycling, incl. 120L greenwaste (group B)	861,771	892,929	3.62%
Rubbish recycling, private greenwaste (group C)	870,272	866,997	(0.38%)
Rubbish & recycling (group D)	2,132,582	2,140,256	0.36%
Additional Garbage (group E)	78,332	85,146	8.70%
Additional Recycle (group F)	18,084	19,991	10.55%
Additional Green (group G)	6,850	7,689	12.25%
Additional Private (group H)	116	118	1.72%
<b>Total</b>	<b>6,651,169</b>	<b>6,794,146</b>	<b>2.15%</b>

7.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2016-17 \$	2017-18 \$	Change
General rates	91,229,788	94,131,030	3.18%
Service charge – rubbish & refuse	6,651,169	6,794,146	2.15%
<b>Sub-total</b>	<b>97,880,957</b>	<b>100,925,177</b>	<b>3.11%</b>
Payment in lieu of rates	319,841	332,980	4.11%
Supplementary Rates	300,000	300,000	0.00%
Council rebates	(359,601)	(343,880)	(4.37%)
<b>Total rates and charges</b>	<b>98,141,197</b>	<b>101,214,277</b>	<b>3.13%</b>

7.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges

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 (2017-18: estimated \$300,000 and 2016-17: \$300,000)
- the variation of returned levels of value (e.g. valuation appeals)
- changes in use of land such that rateable land becomes non-rateable land and vice versa
- changes in use of land such that residential land becomes business land and vice versa

## 7.12 Differential rates

### Rates to be levied

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

- a general rate of 0.2559 (0.2559 cents in the dollar of CIV) for all rateable residential properties
- a general rate of 0.3839 (0.3839 cents in the dollar of CIV) for all rateable vacant residential properties
- a general rate of 0.6397 (0.6397 cents in the dollar of CIV) for all rateable commercial properties
- a general rate of 0.8625 (0.8625 cents in the dollar of CIV) for all rateable industrial properties
- a general rate of 1.0236 (1.0236 cents in the dollar of CIV) for all rateable petro chemical properties
- a rate (concession) of 0.1151 (0.1151 cents in the dollar of CIV) for all rateable cultural and recreational properties

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

Council believes 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.

### Commercial land

Commercial land is any land:

- which is used primarily for the sale of goods or services
- which is used primarily for other commercial purposes; or
- on which no building is erected but which, by reason of its locality and zoning under the relevant Planning Scheme, would - if developed - be or be likely to be used primarily for:
  - the sale of goods or services; or
  - other commercial purposes

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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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 differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate, is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2017-18 financial year.

## **Industrial Land**

Industrial land is any land:

- which is not petrochemical land, but is used primarily for industrial purposes; or
- which no building is erected but which, by reason of its locality and zoning under the relevant Planning Scheme, would - if developed - be or be likely to be used primarily for industrial purposes

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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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 differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate, is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2017-18 financial year.

## **Petro Chemical Land**

Petro Chemical land is any land which is used primarily for the:

- manufacture
- production; or
- conveyance of:
  - petroleum or any like substance; or
  - petrochemicals or any like substances

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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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 differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2017-18 financial year.

### **Vacant Residential Land**

Vacant Residential land is any land:

- on which no dwelling is erected but which, by reason or its locality and zoning under the relevant Planning Scheme, would – if developed – be or be likely to be used primarily for residential purposes
- which is not
  - commercial land
  - industrial land; or
  - petrochemical land

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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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 differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2017-18 financial year.

## **Other Land (including Residential Land)**

Other land (including residential land) is any land:

- which is used primarily for residential purposes;
- which is not
  - vacant residential land
  - commercial land
  - industrial land; or
  - petrochemical land

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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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 differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2017-18 financial year.

## **Rate Concession for Rateable Cultural and Recreational Properties**

The Cultural and Recreational Lands Act of 1963 provides for a Council to grant a rating concession to any "recreational lands" which meet the test of being rateable land under the *Local Government Act 1989*.

The definition of recreational lands under the *Cultural and Recreational Lands Act 1963*, Section 2 means lands, which are:

*Vested in or occupied by any body corporate or unincorporated body which exist for the purpose of providing or promoting cultural or sporting recreational or similar facilities or objectives and which applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members: and  
used for outdoor sporting recreational or cultural purposes or similar outdoor activities; or  
Lands which are used primarily as agricultural showgrounds.*

Section 169 of the *Local Government Act 1989*, provides an opportunity for Council to grant a concession for properties described by definition as a sporting club under the *Cultural and Recreational Lands Act 1963*. For the rating year 2017-18 Council provides a concession to 40 properties coded with a description of "sporting club" in Council's rate records. The residential rate is applied to these properties and then a 55 per cent discount on rates is apportioned to each property. It is considered that these clubs provide a benefit to the general community and their activities assist in the proper development of the municipal district.

### 7.13 Fair Go Rates System Compliance

Hobsons Bay City Council is fully compliant with the State Government's Fair Go Rates System.



Base Average Rates (2016-17)	\$2,251.52
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017-18)	\$2,296.55
Maximum General Rates and Municipal Charges Revenue	\$94,131,030
Budgeted General Rates and Municipal Charges Revenue	\$94,131,030

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## **Budget Analysis**

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

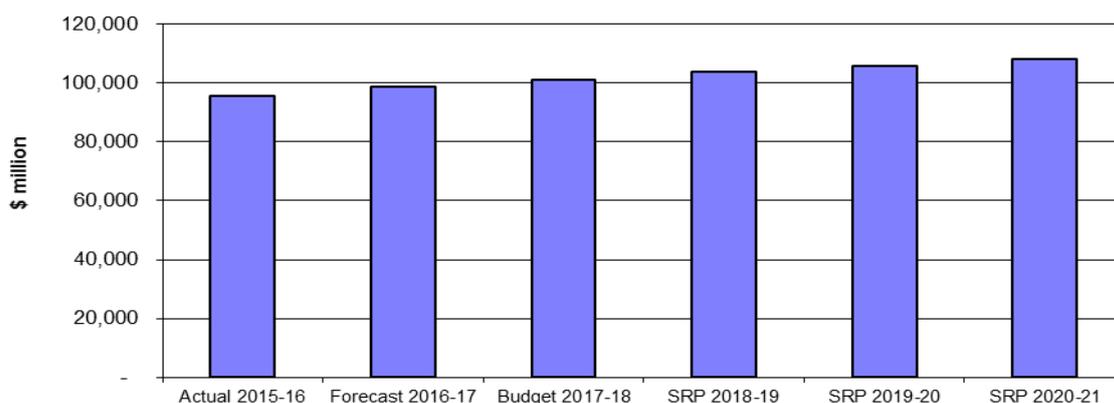
This section includes the following analysis and information:

- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

## 8. Summary of financial position

Council has prepared a Budget for the 2017-18 financial year, which seeks to balance the demand for services and infrastructure with the community's capacity to pay and *The Fair Go Rates System*. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

### 8.1 Total rates and charges

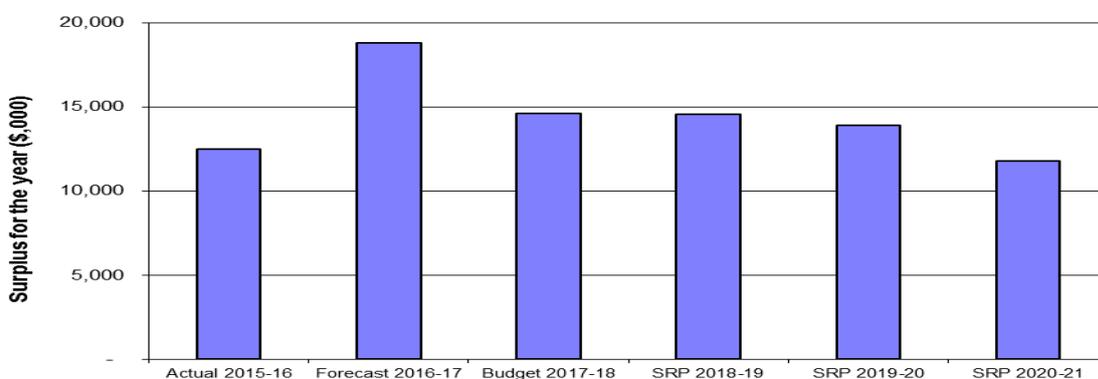


It is proposed to increase the average general rate by 2.0 per cent for the 2017-18 year, in line with the rate cap set by the Minister for Local Government. (2016-17: 2.5 per cent). Waste service charges (which are not subject to the rate cap) have also been increased by 2.0 per cent, despite waste associated expenditure increasing at a higher percentage. The limited increase to the waste service charge takes into account a refund of \$220,000 (2016-17: \$500,000) of previously collected carbon price. Council has also included \$300,000 expected to be generated from supplementary rates, resulting in total rates of \$101.214 million, an increase in total revenue from rates and waste service charges of 2.41 per cent.

The increase will go toward generally maintaining service levels, meeting the cost of a number of external influences affecting the operating budget and towards capital works to address the asset renewal needs of the City.

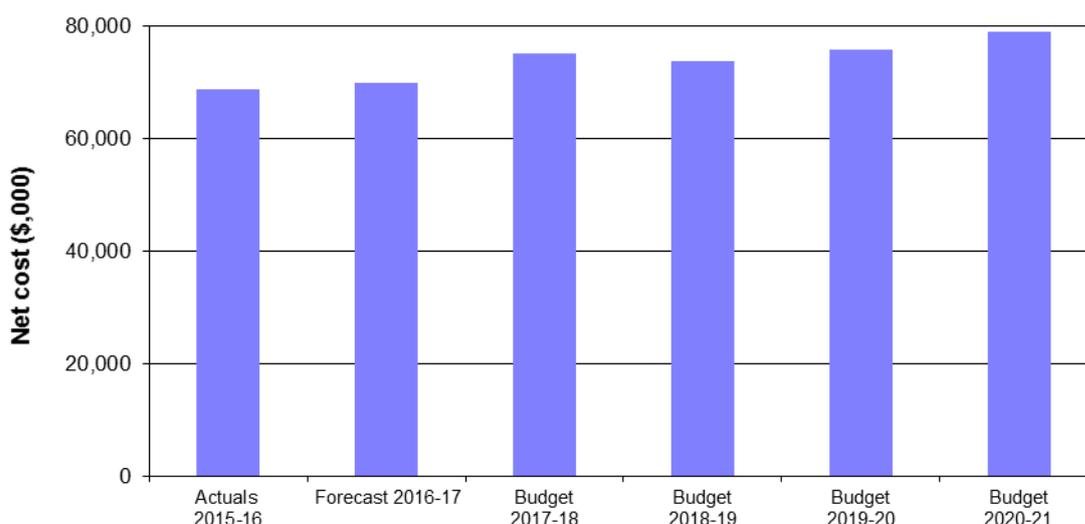
Refer also Sections 7 and 10 for more information.

### 8.2 Operating result



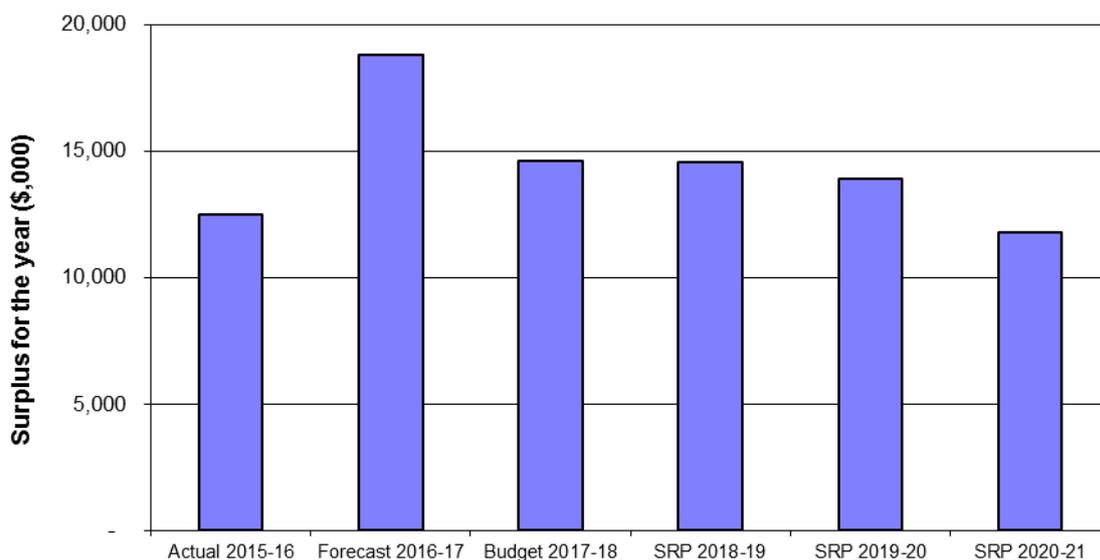
The expected operating result for the 2017-18 year is a surplus of \$14.615 million, a decrease of \$4.165 million compared to 2016-17. The reduced operating result is mainly due to restricted income levels as a result of rate capping, stagnant funding streams such as contributions and operating grants, as well as little movement in user charges and fees.

### 8.3 Services



The net cost of services delivered to the community for the 2017-18 year is expected to be \$75.066 million which is an increase of \$5.086 million over 2016-17. A key influencing factor in the development of the 2017-18 budget has been the recently released results of the community satisfaction survey conducted by Council. The survey results show that while there is a relatively high level of satisfaction with most services provided by Council, there are some areas where ratepayers want improved service levels. For the 2017-18 year, service levels have generally been maintained and a minor number of initiatives proposed. (The forecast net cost for the 2016-17 year is \$69.98 million). Refer Section 2 for a list of services.

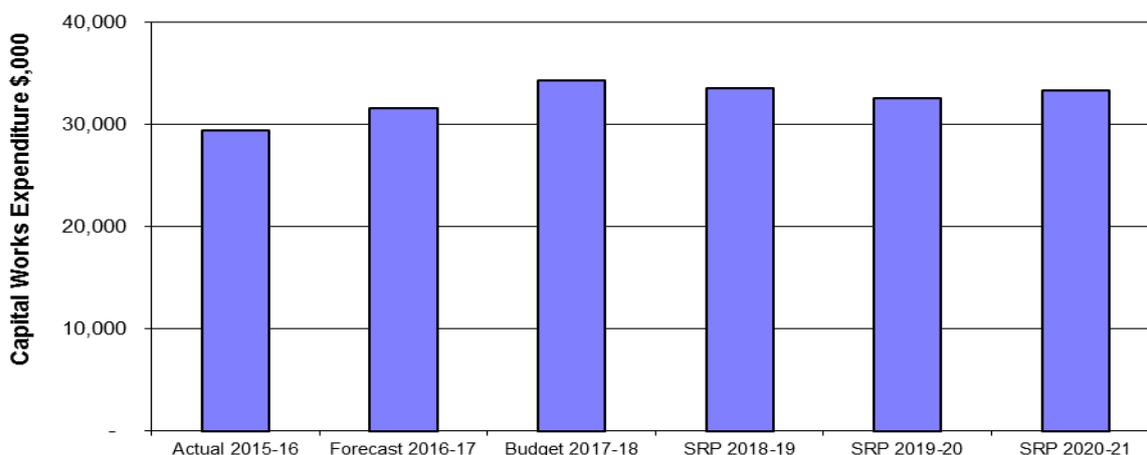
### 8.4 Cash and investments



Cash and investments are expected to increase by \$1.54 million during the year to \$54.029 million as at 30 June 2018. Cash is required to fund future commitments in particular funds are being set aside for amounts included in the waste management and loan repayment reserves. Cash and investments are forecast to be \$52.489 million as at 30 June 2017.

Refer also Section 3 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

## 8.5 Capital works

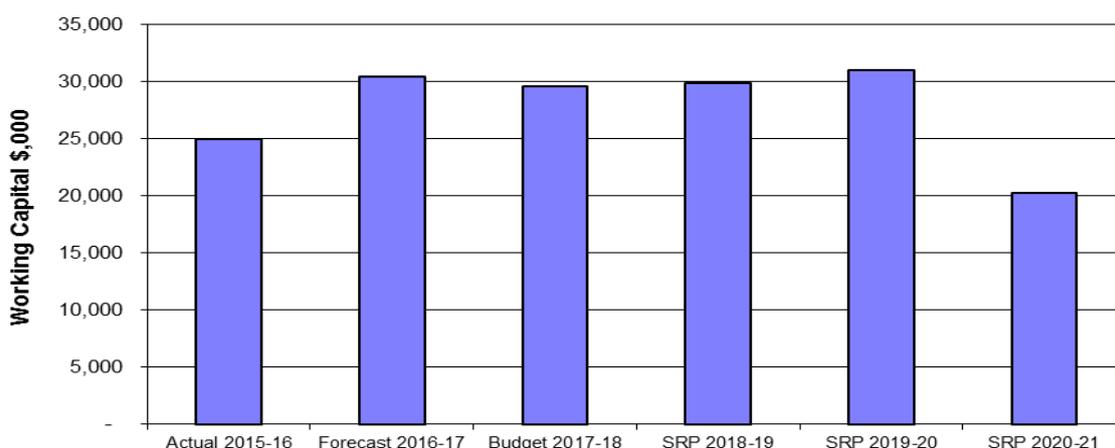


The capital works program for the 2017-18 year is expected to be \$34.323 million, of which \$2.323 million relates to projects which will be carried over from the 2016-17 year. The carried forward component is fully funded from the 2016-17 budget. The carryover figure is based on the March forecast. Current actual capital expenditure in 2016-17 indicates that the figure is understated. The final carryover figure will be determined after the year end accounts are finalised. Of the \$32.03 million of capital funding required, \$2.266 million will come from external grants and contributions, \$3.22 million from reserves and the balance from Council unrestricted cash. The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. (Capital works is forecast to be \$31.637 million for 2016-17).

The asset renewal program has been increased to \$21.474 million in 2017-18 in a continued effort to reduce the asset renewal backlog.

Refer also to Section 3 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

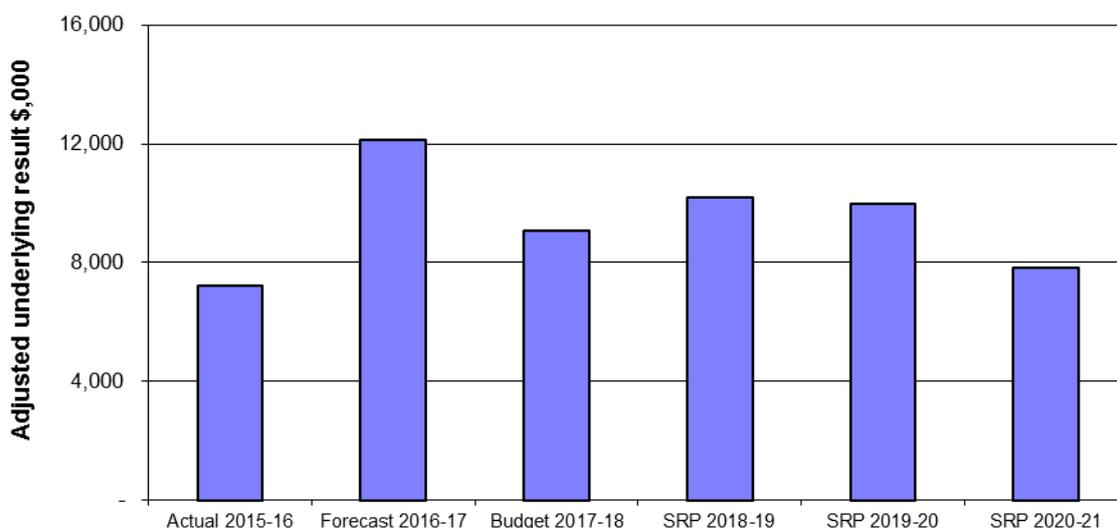
## 8.6 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$14.616 million to \$1,067.996 million and net current assets (working capital) expected to decrease by \$871,000 to \$29.545 million as at 30 June 2018. (Net assets is forecast to be \$1,053.38 million as at 30 June 2017).

Refer also Section 3 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

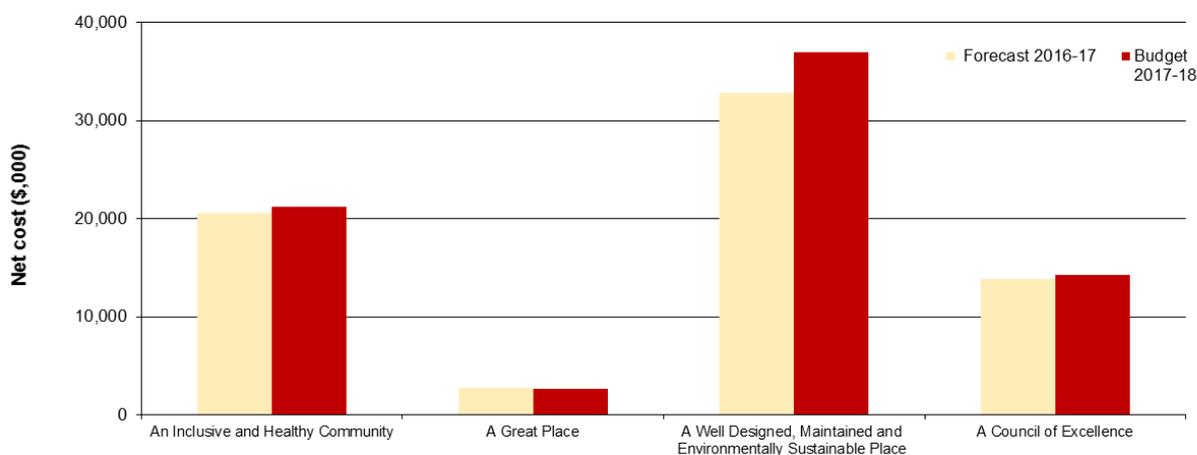
## 8.7 Financial sustainability



A high level Strategic Resource Plan for the years 2017-18 to 2020-21 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, whilst strong in 2017-18, shows a decreasing deficit over the four year period.

Refer Section 14 for more information on the Strategic Resource Plan.

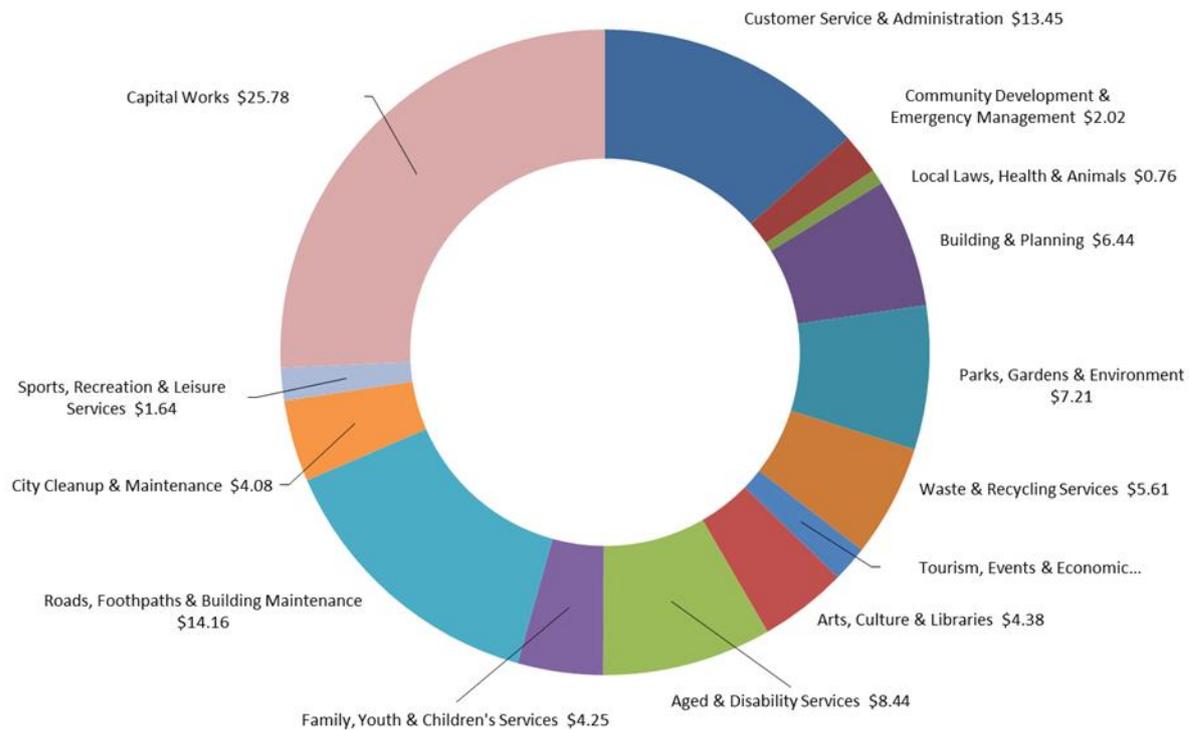
## 8.8 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2017-18 year.

The services that contribute to these objectives are set out in Section 2.

## 8.9 Council expenditure allocations



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

## 9. Budget influences

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

### 9.1 Snapshot of Hobsons Bay City Council

The Yalukit Wilum clan were the first people to occupy the area now known as Hobsons Bay. A number of sites of significance to the Aboriginal community are located throughout the municipality, particularly along the coastal trail.

Today, Hobsons Bay covers an area of 64 kilometres and it is home to the suburbs of Altona, Altona Meadows, Altona North, Brooklyn, Laverton, Newport, Seabrook, Seaholme, South Kingsville, Spotswood, Williamstown and Williamstown North.

Each neighbourhood in Hobsons Bay has its own unique character, from the historic seaport of Williamstown (one of the oldest settlements in Victoria), to the more recently developed residential areas of Altona Meadows and Seabrook.

Hobsons Bay's rich natural environment is one of its greatest assets. Open space contributes significantly to the quality of life in Hobsons Bay, occupying 24 per cent of the municipality's land area.

Hobsons Bay also has more than 20 kilometres of beaches and foreshore areas and is home to significant coastal wetlands, five creek systems, remnant native grasslands and important flora and fauna habitats.

Hobsons Bay residents identify strongly with their neighbourhood and Hobsons Bay as a place, with many recognising the municipality as close to their ideal place to live.

Above all else, the community values the coastal location of the municipality, along with its many quality parks and open spaces. The community would like Council to continue to protect these environmentally and recreationally significant areas for future generations to enjoy.

### Population

In 2015, Hobsons Bay had an estimated resident population of 92,761 people, which was an increase of just under two per cent since 2014 and close to six per cent since 2011.

By 2030, the Hobsons Bay population is forecast to increase by 10 per cent (or 10,770 people) at an average of 0.74 per cent per year (or 770 people). This is considered relatively average growth for an inner metropolitan Melbourne municipality.

Currently, Altona Meadows has the highest share of the city's population (22%), while Brooklyn has the lowest share (3%). However, the main population growth to 2030 and beyond will be in Altona North, Spotswood and South Kingsville due to the rezoning of former industrial land to residential land.

Thirty one per cent of Hobsons Bay residents were born overseas; 23 per cent born in non-English speaking countries, with over 100 languages spoken across the municipality.

Hobsons Bay has an ageing population, with increases in most age groups 50 years and over. Almost 22 per cent of the Hobsons Bay population is aged between 50 and 69 years of age.

The number of school aged children has decreased over the past five years. However, regeneration will occur with the number of young children and adults in the 25 to 34 years age bracket increasing due to new development in our city.

## **Environmental sustainability**

Hobsons Bay faces significant risks from climate change, such as an increasing number of hot days, flooding from sea level rise and storm surges. These risks also have a disproportionate impact on vulnerable communities.

Issues such as reducing water consumption, supporting changes in transport and industrial practices to enhance air quality, conservation of our unique flora and fauna, reducing energy use through renewable and low carbon energy sources and reducing waste in households and industry are all challenges facing Council and the community.

## **Access to infrastructure**

Council has a role to play in planning healthy communities, not only through its land use and social planning functions, but also through the provision and maintenance of community infrastructure such as kindergartens, maternal and child health centres, community meeting spaces / halls, community centres, recreation and sporting facilities and seniors centres, as well as other infrastructure including roads, footpaths, bicycle tracks and walking trails.

Access to public transport is a major concern for the Hobsons Bay community, particularly in areas where options are limited and residents primarily use their cars as their main mode of transportation.

## **Population growth and urban development**

Hobsons Bay's proximity to Melbourne's CBD is a key value for the community, however it also brings with it increasing housing prices and density.

Residents told us that they value the sense of community and the 'village feel' in Hobsons Bay, including its history and heritage. Residents are concerned about losing these qualities to population growth and overdevelopment. They are also concerned about the effects that population growth will have on the municipality's infrastructure.

Council, therefore, has an important role in planning to balance heritage, neighbourhood character, environmental needs and population growth, ensuring development is appropriate and accessible for all.

## **Health and wellbeing**

The health and wellbeing of our residents is determined by much more than genes and lifestyle decisions. The circumstances in which we are born, grow, live, work and age are responsible for the differences that occur in populations.

Hobsons Bay is the ninth most disadvantaged local government area in Melbourne, which means there are a number of people living within the municipality who are vulnerable to a range of health and wellbeing factors.

In particular, the impact of mental illness (such as depression) is more significant for people in Hobsons Bay than for the average Victorian community when considering the time lost to the effects of the illness. More young people in Hobsons Bay experience psychological distress and psychiatric hospitalisations, when compared to Melbourne's Western Metropolitan Region or Victoria.

In Hobsons Bay, a significant percentage of males are overweight, and a significant number of residents do not engage in adequate physical activity. These are all indicators that there are proportions of the Hobsons Bay population who are at risk of chronic disease.

Many of the health issues experienced by Hobsons Bay residents are preventable through access to the right services and infrastructure that supports healthy living.

## **Education and employment**

The city has recognised strengths in a number of industries including petrochemicals, logistics, and tourism and retail, which provide our community with a sense of identity, as well as providing attractions for our visitors.

Given the decline of motor vehicle manufacturing and other industries within the municipality, residents would like Council to assist in attracting and maintaining local jobs.

Young people in Hobsons Bay have higher levels of disengagement from employment and education, which increases the risk of future economic insecurity.

Securing local job creation and education/training opportunities are therefore important both now and into the future.

## **Budget implications**

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

- cultural and linguistic diversity means that Council needs to use a variety of media in languages other than English for mass communication with citizens, and use interpreting services for interpersonal communication with citizens. Council also draws on the abilities of its bilingual staff
- The small area of Hobsons Bay reduces transport costs when compared to rural Shires. Services can be centralised as most citizens are able to reach Council facilities without extensive travel.
- over 15 per cent of ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community. Council has hardship provisions in place which could impact on cash balances if large volumes of ratepayers were involved. In addition.
- Hobsons Bay is substantially developed and while it is experiencing a small increase in property numbers, these mainly arise from higher density developments. The budget implications arise in Council having to cope with replacement of infrastructure such as drains which cannot cope with the higher density. While Council has implemented an open space contribution scheme and an infrastructure development contribution plan, the income from these schemes do not fully fund the significant infrastructure costs and rates funding is required to be allocated to these works.

Hobsons Bay also faces many challenges with increasing local government cost pressures from areas such as cost shifting, superannuation shortfalls, changes in service levels, declining government grants, state levies, state and federal regulations, and reporting obligations. Creating sustainable change will require partnerships and local, regional and state collaborations (MAV, 2013). In addition, future planning needs to align with changing communities, increasing ageing population and changing local employment opportunities.

Through the development of the draft Council Plan 2017-21 and Hobsons Bay 2030 Community Vision, and consultations with community and stakeholders, a number of key priorities have been identified which are recognised as having particular strategic importance for the future of Hobsons Bay. These include:

1. Affordable housing;
2. Integrated transport;
3. Health services;
4. Mental health services for young people;
5. Employment and economic development;
6. Provision of education and teaching facilities;
7. Managing urban consolidation;
8. Climate change and environmental sustainability;
9. Major Hazard Facility planning;
10. Landfill, waste and resource recovery;
11. Integrated water management;
12. A third pass assessment of Port Phillip Bay; and
13. Sustainable design provisions in planning schemes.

These issues are further explored within the Hobsons Bay Advocacy Strategy.

[http://www.hobsonsbay.vic.gov.au/Council/Policies\\_strategies\\_plans/Social\\_Policies\\_and\\_Plans/Advocacy\\_strategy](http://www.hobsonsbay.vic.gov.au/Council/Policies_strategies_plans/Social_Policies_and_Plans/Advocacy_strategy)

## 9.2 External influences

- consumer price index (CPI) increases on goods and services of 1.4 per cent through the year to the September quarter 2016 (ABS release 25 October 2016). State-wide CPI is forecast to be 2.0 per cent for the 2017-18 year (Victorian Budget Papers 2016-17)
- Australian average weekly earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2015 was 3.4 per cent (ABS release 18 August 2016). The wages price index in Victoria is projected to be 2.5 per cent per annum in 2017-18, increasing to 3.0 per cent and 3.5 per cent in the subsequent two years (Victorian Budget Papers 2016-17)
- the 2016-17 financial year is expected to be the last of a three year freeze that was placed on the indexation of the Victoria Grants Commission funding
- minimal capital works funding is factored into the 2017-18 budget and future years of the strategic resource plan
- estimated increases of 1.57 per cent (or \$0.97 per tonne) in the levy payable to the Victorian Government upon disposal of waste into landfill, resulting in additional waste tipping costs of approximately \$50,000 in 2017-18. The levy has increased from \$9 per tonne in 2008-09 to \$63.00 per tonne in 2017-18 (600 per cent increase in seven years) and has added \$8.2 million to Council's costs over this time
- cost shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to cost shifting include school crossing supervision, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community
- councils across Australia raise approximately 3.5 per cent of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30 per cent of all of the Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels
- the Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*

### 9.3 Internal influences

There are also a number of internal influences expected to have a significant impact on the preparation of the 2017-18 Budget. These matters have arisen from events occurring in the 2016-17 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017-18 year. These matters and their financial impact are set out below:

- the efficiency and cost saving program that commenced in 2014-15 continues to combat the financial effects of rate capping. Savings and budget underspends of \$3 million (2014-15) and \$1.3 million (2015-16) were identified. Further reviews are being conducted towards the end of 2016-17 and again in 2017-18, in an effort to determine efficiency and cost savings that could continue on an ongoing basis
- the continued focus on asset renewal within the capital works program has led to another significant spend in relation to capital works expenditure (including carryover from 2016-17) to a total of \$34.323 million
- capital works of \$2.323 million will be carried over and fully funded from the 2016-17 financial year
- reserves are also being further utilised with \$3.22 million funding being used towards capital works
- existing loans of \$14.2 million have been drawn down as part of the MAV Local Government Funding Vehicle and are currently included as interest only repayments. Transfers to a loan repayment reserve are being used to ensure that funds will be available to repay principal when the loans mature
- the impact of the decision by Council to outsource the provision of long day care and education has resulted in ongoing reductions to income and expenditure, providing a significant financial saving throughout the strategic resource plan

The following new initiative has been included in the 2017-18 budget:

- a provision of \$250,000 has been made to support the further development of an integrated service planning approach

### 9.4 Budget principles

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

- existing fees and charges to be increased in line with CPI or market levels, where possible
- grants to be based on confirmed funding levels
- new revenue sources to be identified where possible
- service levels to generally be maintained at 2016-17 levels with the aim to use less resources with an emphasis on innovation and efficiency
- salaries and wages to be increased in line with Council enterprise agreement
- contract labour to be minimised
- construction and material costs to increase in line with the Engineering Construction Index (refer 'Rawlinsons Australian Construction Handbook')
- new initiatives or employee proposals to be justified through a business case
- real savings in expenditure and increases in revenue identified in 2016-17 to be preserved
- operating revenues and expenses arising from completed 2016-17 capital projects to be included

### 9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2016-17 to 2020-21 (Section 14.), Rating Information (Section 15.) and Other Long Term Strategies (Section 16.) including borrowings, infrastructure and service delivery.

## 10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2017-18 year.

### 10.1 Budgeted income statement

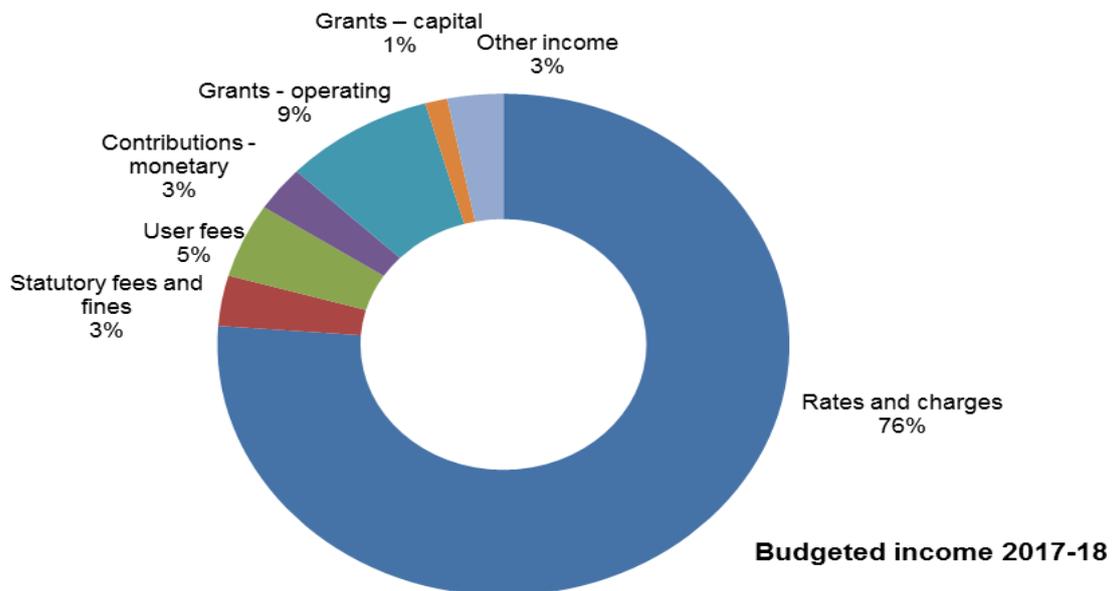
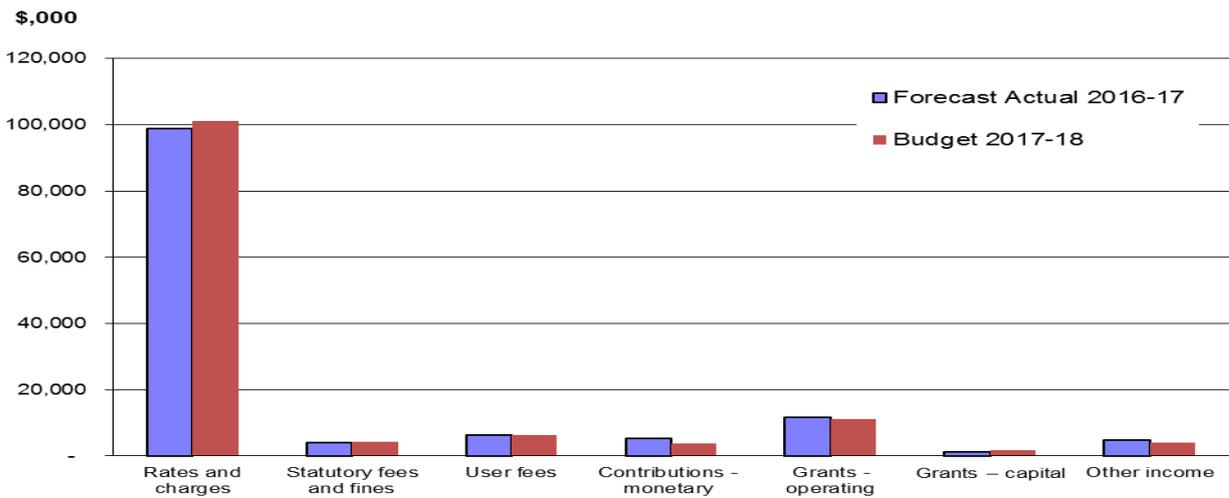
	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Total income	10.2	132,578	132,873	296
Total expenses	10.3	(113,797)	(118,258)	(4,461)
<b>Surplus (deficit) for the year</b>		<b>18,781</b>	<b>14,615</b>	<b>(4,165)</b>
Grants – capital non-recurrent	10.2.6	(1,283)	(1,666)	(383)
Contributions - non-monetary assets				
Capital contributions - other sources	10.2.4	(5,356)	(3,870)	1,486
<b>Adjusted underlying surplus (deficit)</b>	10.1.1	<b>12,141</b>	<b>9,079</b>	<b>(3,062)</b>

#### 10.1.1 Adjusted underlying surplus (\$3.062 million decrease)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017-18 year is a surplus of \$9.079 million, which is a decrease of \$3.062 million from the 2016-17 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

### 10.2 Income

Income Types	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Rates and charges	10.2.1	98,836	101,214	2,379
Statutory fees and fines	10.2.2	4,182	4,312	131
User fees	10.2.3	6,302	6,354	52
Contributions - monetary	10.2.4	5,356	3,870	(1,486)
Grants - operating	5.1.1	11,601	11,268	(333)
Grants – capital	5.1.2	1,283	1,666	383
Net gain on disposal of property, infrastructure, plant and equipment	10.2.5	233	-	(233)
Other income	10.2.6	4,785	4,189	(596)
<b>Total income</b>		<b>132,578</b>	<b>132,873</b>	<b>295</b>



### 10.2.1 Rates and charges (\$2.379 million increase)

Rates and charges are expected to increase by \$2.379 million to \$101.214 million.

It is proposed to increase general rates by 2.0 per cent for the 2017-18 year, in line with the rate cap set by the Minister for Local Government. (2016-17: 2.5 per cent). Waste service charges (which are not subject to the rate cap) have also been increased by 2.0 per cent, despite waste associated expenditure increasing at a higher percentage. The limited increase to the waste service charge takes into account a refund of \$220,000 (2016-17: \$500,000) of previously collected carbon price. Council has also included \$300,000 (2016-17: \$500,000) expected to be generated from supplementary rates, resulting in total rates of \$101.214 million, an increase in total revenue from rates and waste service charges of 2.41 per cent.

Council will again provide an additional \$50 waiver of rates to approved pension card holders and \$70 for holders of a Gold Card from the Department of Veteran Affairs. In addition, the Council confirms its position in relation to its Hardship Policy, providing relief for ratepayers suffering financial hardship. Section 7 – Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017-18 and the rates and charges information specifically required by the Regulations.

### **10.2.2 Statutory fees and fines (\$131,000 increase)**

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

Statutory fees are forecast to increase by \$131,000 compared to 2016-17. The main contributing factors are the application of the Road Management Act 2004 for the consents for works on road reserves fees (\$160,000), and the anticipated full year effect of the State Government increases in relation to planning and subdivision fees (\$82,000). Reductions are expected in relation to a decline in parking fines (\$102,000) and local government failure to vote election fines (\$30,000).

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

### **10.2.3 User fees (\$52,000 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, use of leisure, entertainment 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 \$52,000 over 2016-17. The main increases are projected in relation to planning panel hearing fees including infill developments (\$160,000), full year effect of the Newport Community Hub (\$101,000), reallocation from rental income of annual boat launch fees, Newport Parks Athletics Facilities and reserve hire out of property rental (\$285,000) and daily boat launch fees (\$107,000).

The main areas expecting decreases are the one off collection in 2016-17 of prior year HCPP program income (\$260,000), the biannual revaluation data not being sold to the State Revenue Office in a non-revaluation year (\$120,000), the reallocation of road open/reinstatement fees to statutory fees under the *Road Management Act 2004* (\$104,000), tree and conservation management (\$42,000), private subdivisions (\$40,000).

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

### **10.2.4 Contributions - monetary (\$1.486 million decrease)**

Contributions relate to monies paid by developers in regard to public resort and recreation, drainage and car parking, in accordance with planning permits issued for property development.

Contributions are projected to decrease by \$1.486 million (27.74 per cent) mainly due to the capital contributions received by Toyota in relation to the Kororoit Creek development (2017-18: \$600,000, 2016-17: \$1.6 million) and a decrease in open space contributions (\$700,000). This is somewhat offset by increases expected in relation to the commencement of Port Phillips Woollen Mills developer contributions (\$400,000).

### **10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$233,000 decrease)**

Council is not expecting to make a gain or loss on the proceeds from the disposal plant and equipment in 2017-18. During 2016-17 Council made a gain due to a land sale.

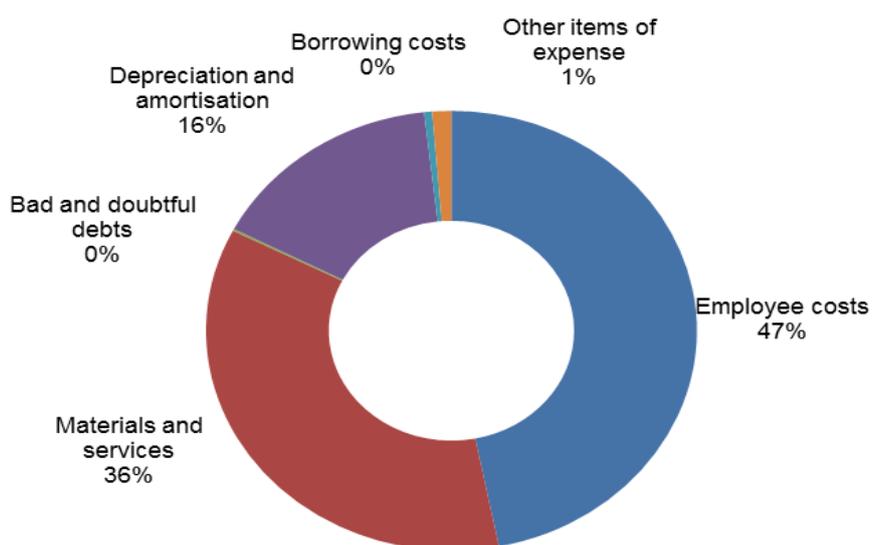
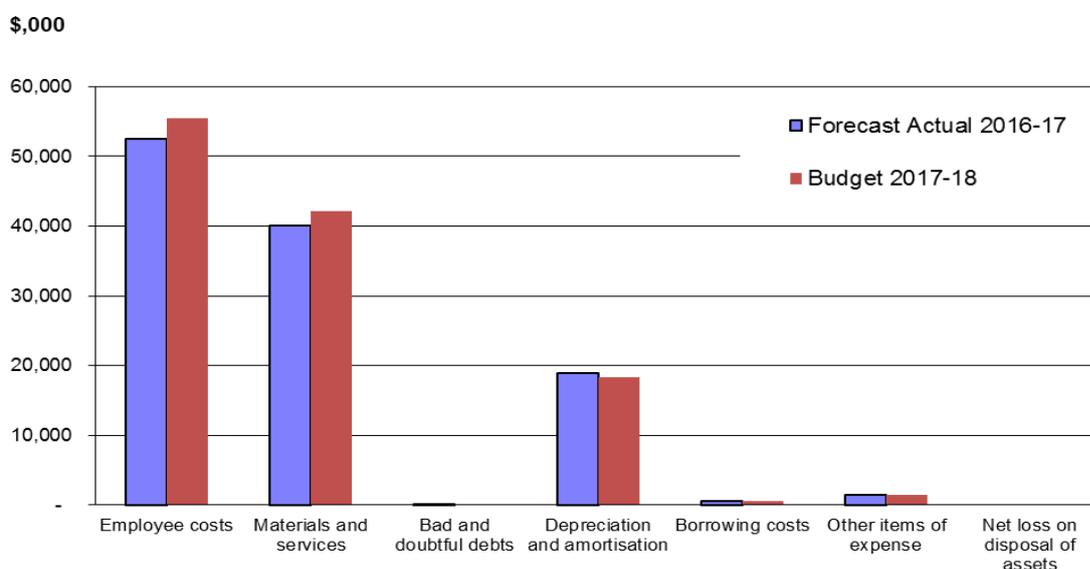
### **10.2.6 Other income (\$596,000 decrease)**

Other income is forecast to decrease by \$596,000 (12.46 per cent) compared to 2016-17. This amount is inflated due to the reallocation to user charges of annual boat launch fees, Newport Parks Athletics Facilities and reserve hire out of property rental - mentioned above (\$285,000). Other decreases related to property services, particularly in relation to a number of vacant leases (\$121,000) and interest on investments (\$223,000).

Some increases are expected in relation to interest on rates (\$50,000) and recycling income (\$28,000).

### 10.3 Expense

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016-17 \$'000	2017-18 \$'000	\$'000
Employee costs	10.3.1	52,562	55,470	(2,908)
Materials and services	10.3.2	40,109	42,106	(1,998)
Bad and doubtful debts		193	169	24
Depreciation and amortisation	10.3.3	18,859	18,402	457
Borrowing costs	10.3.4	626	626	-
Other items of expense	10.3.5	1,448	1,484	(36)
Net loss on disposal of property, infrastructure, plant and equipment		-	-	-
<b>Total expenses</b>		<b>113,797</b>	<b>118,258</b>	<b>(4,461)</b>



**Budgeted expenses 2017-18**

### 10.3.1 Employee costs (\$2.908 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc. Employee costs are forecast to increase by \$2.908 million (5.53 per cent) compared to 2016-17.

Increases in relation to Council's enterprise agreement accounts for \$1.054 million (2 per cent) of the increase. Other significant increases include:

- capital works project officers previously being accounted for in the capital budget (\$800,000)
- vacancies (2016-17) to existing positions that have been budgeted to return to full compliment in 2017-18 in property sport and recreation (\$250,000), city services (\$173,000) and cultural and economic development (\$88,000)
- the full year effect for 2017-18 of additional positions created in 2016-17 in relation to town planning (\$115,000) and Newport Hub administration (\$60,000)

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

Directorate	Budget 2017-18 \$'000	Comprises	
		Permanent Full time \$'000	Permanent Part Time \$'000
Chief Executive's Office	1,206	1,053	153
Corporate Services	8,163	6,809	1,353
Strategic Development	9,517	8,439	1,078
Community Wellbeing	18,465	8,249	10,216
Infrastructure & City Services	15,114	14,556	558
<b>Total permanent staff expenditure</b>	<b>52,465</b>	<b>39,107</b>	<b>13,358</b>
Casuals and other expenditure	3,005		
Capitalised Labour costs	-		
<b>Total expenditure</b>	<b>55,470</b>		

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

Directorate	Budget FTE	Comprises	
		Permanent Full time	Permanent Part Time
Chief Executive's Office	8.6	7.0	1.6
Corporate Services	76.4	61.4	15.0
Strategic Development	87.9	77.2	10.7
Community Wellbeing	193.3	79.0	114.3
Infrastructure & City Services	154.0	148.1	5.9
<b>Total permanent staff</b>	<b>520.2</b>	<b>372.7</b>	<b>147.5</b>
Casuals and other	18.7		
Capitalised Labour costs	-		
<b>Total staff</b>	<b>538.9</b>		

The changes to organisational structure are summarised below:

Directorate	Forecast	Budget	Variance
	Actual 2016-17 \$'000	2017-18 \$'000	\$'000
Chief Executive's Office	1,244	1,206	37
Corporate Services	8,283	9,143	(860)
Strategic Development	9,077	9,927	(850)
Community Wellbeing	18,985	19,219	(234)
Infrastructure & City Services	14,973	15,975	(1,002)
<b>Total</b>	<b>52,562</b>	<b>55,470</b>	<b>(2,908)</b>

### 10.3.2 Materials and services (\$1.998 million increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to increase by \$1.998 million (4.98 per cent) compared to 2016-17.

Consumables are forecast to increase by \$89,000 compared to 2016-17 and relate mainly to increases in items included within the capital works program that do not require capitalisation (\$289,000), inclusion of costs associated with an integrated service planning approach (\$250,000), arts and culture services (\$120,000) and additional training costs (110,000). Reductions are expected in relation to security services moved to contracts (\$242,000), external services for the HCPP program (\$145,000), parking and local laws (\$106,000), youth services (\$75,000) and social planning and development (\$56,000).

External contracts are forecast to increase by \$1.756 million compared to 2016-17. The increase mainly relates to assets audits for drainage and other infrastructure assets (\$1.1 million). Other increases relate to facilities maintenance services (\$554,000), waste collection (\$208,000), planning scheme amendments (\$269,000) and road maintenance services (\$184,000). Reductions are expected in relation to costs associated with the local government election – held during 2016-17 (\$400,000) and contract savings in parking and local laws (\$208,000).

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 \$152,000 compared to 2016-17. Increases are expected in relation to street lighting costs (\$64,000), water (\$39,000) and electricity (\$31,000).

### 10.3.3 Depreciation and amortisation (\$457,000 decrease)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment, including infrastructure assets such as roads and drains. The anticipated decrease of \$457,000 for 2017-18 is due mainly assets reaching the end of their depreciable life and does not take into account asset purchases during 2016-17 or revaluations that may occur towards the end of the current financial year.

### 10.3.4 Borrowing costs (no change)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. Borrowing costs are a result of Council's participation in the Local Government Funding Vehicle. They remain constant with 2016-17 and relate to fixed interest on existing \$14.2 million loans. No proceeds from borrowings or principal repayments are expected in 2017-18.

### 10.3.5 Other items of expense (\$36,000 increase)

Other items of expense relate to a range of unclassified items including leases, rentals and audit fees. Other expenses are forecast to increase by \$36,000 compared to 2016-17 due mainly due to plant operating leases (\$50,000). A reduction is expected to occur by youth services moving out of rental accommodation into the newly built Newport shared facility (\$25,000) during 2016-17.

## 11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017-18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

### 11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	11.1.1			
<i>Receipts</i>				
Rates and charges		98,836	101,214	2,379
User fees and fines		14,445	16,994	2,549
Grants - operating		11,601	11,268	(333)
Grants - capital		3,064	2,266	(798)
Interest		1,505	1,327	(178)
Trust funds and deposits taken				
Other receipts		2,808	2,362	(446)
		<b>132,258</b>	<b>135,431</b>	<b>3,173</b>
<i>Payments</i>				
Employee costs		(51,963)	(54,981)	(3,018)
Other payments		(41,557)	(43,161)	(1,604)
		<b>(93,519)</b>	<b>(98,142)</b>	<b>(4,623)</b>
<b>Net cash provided by operating activities</b>		<b>38,739</b>	<b>37,289</b>	<b>(1,450)</b>
<b>Cash flows from investing activities</b>	11.1.2			
Proceeds from sales of property, infrastructure, plant and equipment		733	200	(533)
Repayment of loans and advances				
Payments for investments		(1,000)	-	1,000
Payments for property, infrastructure, plant and equipment		(31,637)	(34,323)	(2,685)
<b>Net cash used in investing activities</b>		<b>(31,904)</b>	<b>(34,123)</b>	<b>(2,219)</b>
<b>Cash flows from financing activities</b>	11.1.3			
Finance costs		(626)	(626)	-
Proceeds from borrowings		-	-	-
Repayment of borrowings		-	-	-
<b>Net cash used in financing activities</b>		<b>(626)</b>	<b>(626)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,208</b>	<b>2,540</b>	<b>(3,668)</b>
Cash and cash equivalents at the beginning of the year		3,280	9,489	6,208
<b>Cash and cash equivalents at end of the year</b>	11.1.4	<b>9,489</b>	<b>12,029</b>	<b>2,540</b>

### 11.1.1 Operating activities (\$1.45 million decrease)

The increase in cash outflows from operating activities is due to the increase in operating payments being higher than the operating receipts. The increases to employee costs (\$3.018 million) and other payments – generally materials and services (\$1.604 million) are partly offset by the increases in rates and charges (\$2.379 million) and user fees and fines (\$2.549 million).

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>18,781</b>	<b>14,615</b>	<b>(4,165)</b>
Depreciation	18,859	18,402	(457)
Loss (gain) on disposal of property, infrastructure, plant and equipment	(233)	-	233
Net movement in current assets and liabilities	1,332	4,271	2,939
<b>Cash flows available from operating activities</b>	<b>38,739</b>	<b>37,289</b>	<b>(1,450)</b>

### 11.1.2 Investing activities (\$2.219 million increase)

The increase in payments for investing activities represents the planned increase in capital works expenditure disclosed in Section 10 of this budget report. Proceeds from sale of assets only include plant sales in 2017-18.

### 11.1.3 Financing activities (no change)

No loan borrowings or principal repayments are projected in 2017-18 and finance charges are projected to be \$626,000. This is consistent with 2016-17 as finance costs relate to fixed interest on existing \$14.2 million loans.

### 11.1.4 Cash and cash equivalents at end of the year (\$2.54 million increase)

Overall, total cash and investments is forecast to increase by \$2.54 million by 30 June 2018, reflecting Council's strategy of increasing its cash reserves and setting aside funds for future commitments including increasing employee benefits, future principal loan repayments and waste projects.

## 11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating that it will have cash and cash equivalents of \$12.029 million at 30 June 2018. In addition, Council is estimating that it will have a further \$42 million of investments listed as other financial assets, within current assets and a further \$1 million within non-current assets on its Balance Sheet. This equates to \$55.029 million at 30 June 2018, which has been restricted as shown in the following table:

		Forecast		
	Ref	Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>52,489</b>	<b>55,029</b>	<b>2,540</b>
Restricted cash and investments				
- Statutory reserves	11.2.1	(6,276)	(7,419)	(1,144)
- Cash held to fund carry forward capital works	11.2.2	(2,293)	-	2,293
- Trust funds and deposits		(5,014)	(5,139)	(125)
<b>Unrestricted cash and investments</b>	<b>11.2.3</b>	<b>38,906</b>	<b>42,470</b>	<b>3,564</b>
- Discretionary reserves	11.2.4	(22,013)	(22,044)	(31)
- Long service leave		(9,281)	(9,605)	(325)
<b>Unrestricted cash adjusted for discretionary reserves</b>	<b>11.2.5</b>	<b>7,613</b>	<b>10,821</b>	<b>3,208</b>

### 11.2.1 Statutory reserves (\$7.419 million)

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

### 11.2.2 Cash held to fund carry forward capital works

There is no amount shown as cash held to fund carry forward works at 30 June 2018, as it is expected that the capital works budget in the 2017-18 financial year will be fully expended. An amount of \$2.293 million is forecast to be held at 30 June 2017 to fund capital works budgeted but not completed in the financial year. The carryover figure included in the budget is based on the March forecast. Current actual capital expenditure in 2016-17 indicates that the capital carryover figure is understated. The final carryover figure will be determined after the year end accounts are finalised. Section 6.2 contains further details on capital works funding.

### 11.2.3 Unrestricted cash and investments (\$42.47 million)

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

### 11.2.4 Discretionary reserves (\$22.044 million)

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

### 11.2.5 Unrestricted cash adjusted for discretionary reserves (\$10.821 million)

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

## 12. Analysis of capital budget

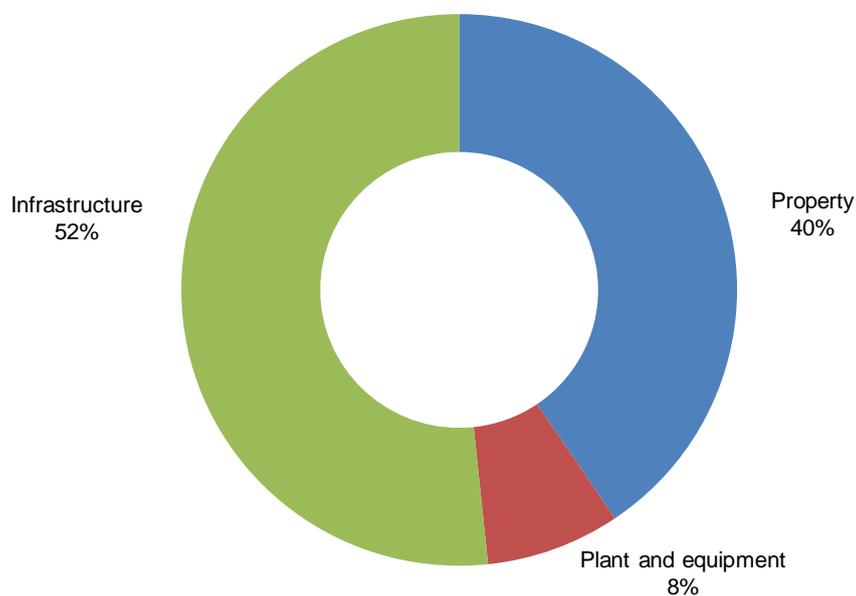
This section analyses the planned capital works expenditure budget for the 2017-18 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

### 12.1 Capital works expenditure

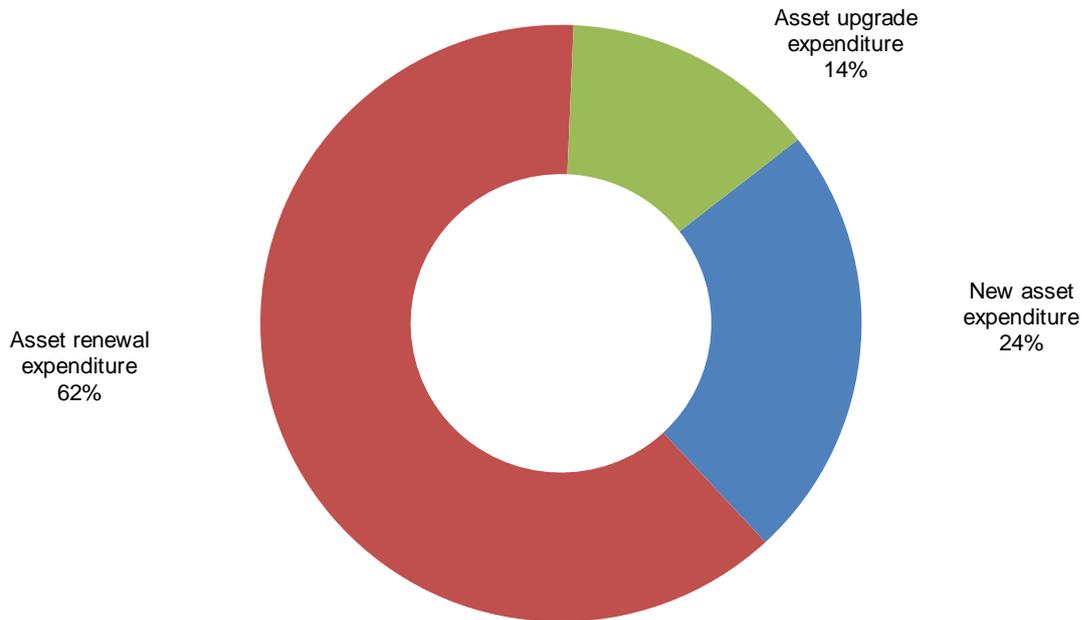
Capital Works Areas	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<b>Works carried forward</b>	12.1.1			
<b>Property</b>				
Land improvements		14	101	87
<b>Total land</b>		<b>14</b>	<b>101</b>	<b>87</b>
Buildings		908	1,681	773
<b>Total buildings</b>		<b>908</b>	<b>1,681</b>	<b>773</b>
<b>Total property</b>		<b>922</b>	<b>1,782</b>	<b>860</b>
<b>Plant and equipment</b>				
Library books		(28)	-	28
Computers and telecommunications		104	171	67
<b>Total plant and equipment</b>		<b>76</b>	<b>171</b>	<b>95</b>
<b>Infrastructure</b>				
Roads		(500)	(68)	432
Footpaths and cycleways		413	(102)	(515)
Drainage		388	242	(146)
Rec, leisure and community facilities		28	-	(28)
Parks, open space and streetscapes		332	293	(39)
Off street car parks		-	(45)	(45)
Other infrastructure		-	50	50
<b>Total infrastructure</b>		<b>661</b>	<b>370</b>	<b>(291)</b>
<b>Total works carried forward</b>		<b>1,659</b>	<b>2,323</b>	<b>664</b>
<b>New works</b>				
<b>Property</b>	12.1.2			
Land		-	-	-
Land improvements		1,306	2,400	1,094
<b>Total land</b>		<b>1,306</b>	<b>2,400</b>	<b>1,094</b>
Buildings		6,373	9,130	2,757
Heritage buildings		100	600	500
<b>Total buildings</b>		<b>6,473</b>	<b>9,730</b>	<b>3,257</b>
<b>Total property</b>		<b>7,779</b>	<b>12,130</b>	<b>4,351</b>
<b>Plant and equipment</b>	12.1.3			
Plant, machinery and equipment		925	915	(10)
Computers and telecommunications		339	520	181
Fixtures, fittings and furniture		23	225	202
Library books		742	850	108
<b>Total plant and equipment</b>		<b>2,029</b>	<b>2,510</b>	<b>481</b>

Capital Works Areas	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<b>Infrastructure</b>	12.1.4			
Roads		6,724	6,750	26
Bridges		130	100	(30)
Footpaths and cycleways		4,661	3,950	(711)
Drainage		1,485	580	(905)
Rec, leisure and community facilities		2,864	2,230	(634)
Parks, open space and streetscapes		1,930	1,720	(210)
Off street car parks		1,723	1,050	(673)
Other infrastructure		655	980	325
<b>Total infrastructure</b>		<b>20,171</b>	<b>17,360</b>	<b>(2,811)</b>
<b>Total new works</b>		<b>29,978</b>	<b>32,000</b>	<b>2,022</b>
<b>Total capital works expenditure</b>		<b>31,637</b>	<b>34,323</b>	<b>2,686</b>
<b>Represented by:</b>				
New asset expenditure	12.1.5	8,480	8,120	(360)
Asset renewal expenditure	12.1.5	20,576	21,474	898
Asset upgrade expenditure	12.1.5	2,581	4,729	2,148
<b>Total capital works expenditure</b>		<b>31,637</b>	<b>34,323</b>	<b>2,686</b>

Budgeted capital works 2017-18



### Budgeted capital works 2017-18



Source: Section 3. A more detailed listing of the capital works program is included in Section 6.

#### 12.1.1 Carried forward works (\$2.323 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016-17 year it is forecast that \$2.323 million of capital works will be incomplete and be carried forward into the 2017-18 year. The carryover figure included in the budget is based on the March forecast. Current actual capital expenditure in 2016-17 indicates that the capital carryover figure is understated. The final carryover figure will be determined after the year end accounts are finalised. The more significant projects include the J.K. Grant pavilion upgrade (\$811,000), Altona Early years centre (\$378,000), Road rehabilitation – Lenore Crescent Williamstown (\$340,000), Altona Central precinct building review (\$293,000) and Vibrant Villages and Gateways (\$290,000).

#### 12.1.2 Property (\$12.13 million)

Property includes land improvements, buildings, building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2017-18 year, \$12.13 million will be expended on building and building improvement projects. The more significant projects include the Altona Early Years Centre (\$4.59 million), building renewal program (\$2.515 million), foreshore renewal including sand replacement and outfalls from Sarros Street to Apex Park (\$1.4 million), J.T. Gray reserve pavilion (\$680,000), Williamstown Mechanics Institute renewal (\$600,000), further foreshore renewal (\$600,000), greenhouse strategy program (\$430,000) and Williamstown Town Hall forecourt (\$400,000).

#### 12.1.3 Plant and equipment (\$2.51 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, fixtures, fittings, furniture and library books.

For the 2017-18 year, \$2.51 million will be expended on plant, equipment and other projects. The more significant projects include cyclical replacement of the plant and vehicle fleet (\$915,000), library materials (\$850,000), upgrade and replacement of information technology (\$520,000) and library furniture and fit out (\$225,000).

#### **12.1.4 Infrastructure (\$17.36 million)**

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

For the 2017-18 year, \$6.75 million will be expended on road projects. The more significant projects include local road resurfacing (\$2.3 million), Hudsons Road Spotswood (\$770,000), Lenore Crescent Williamstown (\$675,000), Electra Street Williamstown (\$630,000), Charles Street Williamstown (\$600,000), Minor works (\$455,000) and South Kingsville/Spotswood/Newport road priority (\$450,000).

Footpaths and cycleways expenditure of \$3.95 million includes stage 3 of the Kororoit Creek shared trail (\$1.78 million), footpath renewal (\$1.15 million), shared trail renewal program (\$490,000), Skeleton Creek trail (\$320,000) and Seabrook Community connections (\$210,000).

It is expected that \$580,000 will be expended on drainage projects in relation to the drainage renewal program at Challis Street Newport (\$500,000) and the pit upgrade program (\$80,000).

It is expected that \$1.72 million will be expended on parks, open space and streetscapes including open space upgrades (\$1.05 million), Vibrant Villages program (\$200,000) and the Brooklyn dog park (\$170,000).

It is expected that \$2.23 million will be spent on recreational, leisure and community facilities, including sports ground development (\$1.025 million), flood lighting (\$310,000) and playground renewal (\$290,000).

Council will spend \$1.05 million on off street car parks including the traffic, road safety, pedestrian safety and lighting program (\$660,000) and renewal of traffic calming devices (\$330,000).

#### **12.1.5 Asset renewal (\$21.474 million), new assets (\$8.12 million) and upgrade (\$4.729 million)**

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

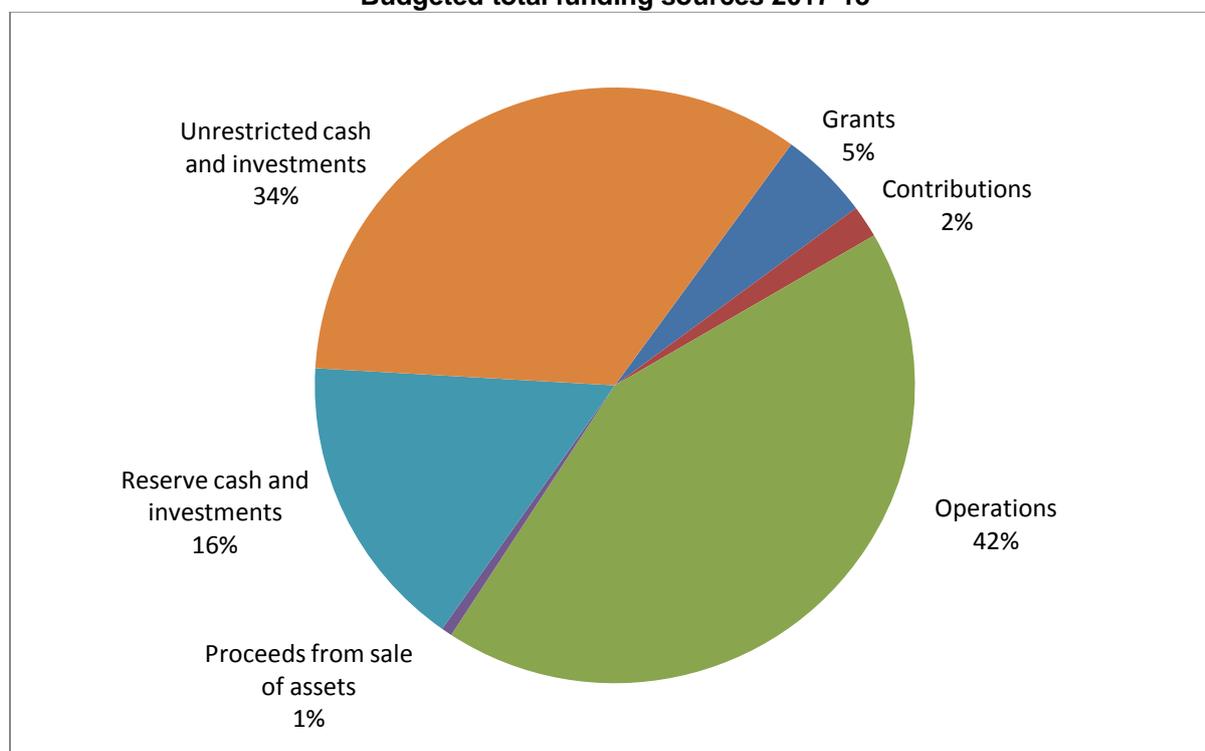
The major projects included in expenditure on new assets, including carried forward works, are the Altona Early Years Centre (\$4.81 million), Kororoit Creek shared trail (\$1.78 million) and J.T. Gray reserve pavilion (\$780,000).

The remaining capital expenditure represents the renewal and upgrade of existing assets.

## 12.2 Funding sources

Sources of Funding	Ref	Forecast Actual 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<b>Works carried forward</b>				
<b>Current year funding</b>				
Grants		-	-	-
Contributions		-	-	-
Borrowings		-	-	-
Council cash				
- operations		-	-	-
- proceeds on sale of assets		-	-	-
- reserve cash and investments		1,659	2,323	664
- unrestricted cash and investments		-	-	-
<b>Total works carried forward</b>	<b>12.2.1</b>	<b>1,659</b>	<b>2,323</b>	<b>664</b>
<b>New works</b>				
<b>Current year funding</b>				
Grants	12.2.2	1,283	1,666	383
Contributions	12.2.2	1,781	600	(1,181)
Borrowings		-	-	-
Council cash				
- operations	12.2.3	18,781	14,615	(4,165)
- proceeds from sale of assets	12.2.4	733	200	(533)
- reserve cash and investments	12.2.5	4,000	3,220	(780)
- unrestricted cash and investments	12.2.6	3,400	11,698	8,298
<b>Total new works</b>		<b>29,978</b>	<b>32,000</b>	<b>2,022</b>
<b>Total funding sources</b>		<b>31,637</b>	<b>34,323</b>	<b>2,685</b>

Budgeted total funding sources 2017-18



Source: Section 6

### **12.2.1 Carried forward works (\$2.323 million)**

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation periods. For the 2016-17 year it is forecast that \$2.323 million of capital works will be incomplete and carried forward into the 2017-18 year.

### **12.2.2 Grants and contributions (\$2.266 million)**

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Altona Early Years Centre (\$800,000) and Roads to Recovery projects (\$667,000).

A contribution is also expected from Toyota in relation to the Kororoit Creek trail (\$600,000).

### **12.2.3 Council cash - operations (\$14.615 million)**

Council generates cash from its operating activities, which are used as a funding source for the capital works program. It is forecast that \$14.615 million will be generated from operations to fund the 2017-18 capital works program. This amount equates to the cash generated from the operating result.

### **12.2.4 Council cash - proceeds from sale of assets (\$200,000)**

Proceeds from sale of assets include sales of plant, equipment and motor vehicles (\$200,000).

### **12.2.5 Council cash - reserve cash and investments (\$3.22 million)**

Council has cash reserves, which are currently used to fund its annual capital works program. For 2017-18 \$3.22 million of reserve cash and investments will be used to fund part of the capital works program. The reserves include monies set aside in the Recreation reserve (\$2 million), Infrastructure reserve (\$1.094 million) and Street tree reserve (\$126,000).

### **12.2.6 Council cash - unrestricted cash and investments (\$11.698 million)**

In addition to reserve investments, Council has uncommitted cash and investments which represent unrestricted cash and investments and funds preserved from previous years.

## 13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016-17 and 2017-18. It also considers a number of key financial performance indicators.

### 13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Current assets</b>	13.1.1			
Cash and cash equivalents		9,489	12,029	2,540
Trade and other receivables		8,189	5,663	(2,526)
Financial assets		42,000	42,000	-
Other assets		907	907	-
<b>Total current assets</b>		<b>60,585</b>	<b>60,598</b>	<b>14</b>
<b>Non-current assets</b>	13.1.1			
Cash and cash equivalents		1,000	1,000	-
Trade and other receivables		269	238	(31)
Financial assets		230	230	-
Property, infrastructure, plant and equipment		1,036,633	1,052,185	15,551
<b>Total non-current assets</b>		<b>1,038,132</b>	<b>1,053,652</b>	<b>15,520</b>
<b>Total assets</b>		<b>1,098,717</b>	<b>1,114,251</b>	<b>15,534</b>
<b>Current liabilities</b>	13.1.2			
Trade and other payables		17,164	17,593	(429)
Interest-bearing loans and borrowings		-	-	-
Provisions		13,005	13,460	(455)
<b>Total current liabilities</b>		<b>30,169</b>	<b>31,053</b>	<b>(884)</b>
<b>Non-current liabilities</b>	13.1.2			
Interest-bearing loans and borrowings		14,200	14,200	-
Provisions		968	1,002	(34)
<b>Total non-current liabilities</b>		<b>15,168</b>	<b>15,202</b>	<b>(34)</b>
<b>Total liabilities</b>		<b>45,337</b>	<b>46,255</b>	<b>(918)</b>
<b>Net assets</b>		<b>1,053,380</b>	<b>1,067,996</b>	<b>14,615</b>
<b>Equity</b>	13.1.4			
Accumulated surplus		398,722	414,486	15,764
Asset revaluation reserve		624,047	624,047	-
Other reserves		30,611	29,463	(1,148)
<b>Total equity</b>		<b>1,053,380</b>	<b>1,067,996</b>	<b>14,615</b>

Source: Section 3

#### 13.1.1 Current Assets (\$14,000 increase) and Non-Current Assets (\$15.52 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. Financial assets include investments that have maturities greater than three months. Cash is projected to increase by \$2.54 million during the year as Council looks to set aside funds that will be required for future payments in relation to loan principal repayments and waste projects.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are expected to be reduced in the budget as a number of large debts are due to be repaid. Long term debtors (non-current) relate to a loans to the Laverton Community Centre and is in accordance with agreed repayment terms.

Other assets include items such as accrued income, inventory and prepayments for expenses that the Council has paid in advance of service delivery. These are not expected to change significantly in 2017-18.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The \$15.551 million increase is largely attributable to the net result of the capital works program (\$34.323 million), depreciation of assets (\$18.402 million) and the sale of property, plant and equipment (\$200,000).

### 13.1.2 Current Liabilities (\$884,000 increase) and Non-Current Liabilities (\$34,000 increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to increase slightly over 2016-17 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are only expected to increase marginally due to more active management of entitlements despite factoring in an increase for Collective Agreement outcomes.

There is not expected to be any changes to interest-bearing loans and borrowings as no additional borrowings or principal repayments are projected in 2017-18.

### 13.1.3 Working Capital (\$871,000 decrease)

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

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

	Forecast		
	Actual 2017	Budget 2018	Variance
	\$'000	\$'000	\$'000
Current assets	60,585	60,598	14
Current liabilities	30,169	31,053	(884)
<b>Working capital</b>	<b>30,416</b>	<b>29,545</b>	<b>(871)</b>
Restricted cash and investment current assets			
- Statutory reserves	(6,276)	(7,419)	(1,144)
- Cash held to fund carry forward capital works	(2,323)	0	2,323
- Trust funds and deposits	(5,014)	(5,139)	(125)
<b>Unrestricted working capital</b>	<b>16,803</b>	<b>16,986</b>	<b>183</b>

In addition to the restricted cash shown above, Council is also projected to hold \$22.044 million in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

#### **13.1.4 Equity (\$14.615 million increase)**

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

- asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- accumulated surplus which is the value of all net assets less reserves that have accumulated over time

#### **13.2 Key assumptions**

In preparing the Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- trade creditors and other receivables are expected to increase by 2.5 per cent, apart from receivables with defined repayment schedules
- property, infrastructure, plant and equipment valuation rates have not changed. The total value has increased due to the identification of purchases, less disposals and depreciation
- trade and other payables are expected to increase by 2.5 per cent, apart from payables with defined repayment schedules
- employee provisions are increasing to take into account projected pay increases and growth of 1.5 per cent
- interest bearing liabilities are included as per defined repayment schedules. All loans are drawn down as part of the MAV Local Government Funding Vehicle and are currently included as interest only repayments. Transfers to a loan repayment reserve are being used to ensure that funds will be available to repay principal when the loans mature

## Long Term Strategies

This section includes the following analysis and information

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

## 14. Strategic resource plan

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

### 14.1 Plan development

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

Council has prepared a SRP for the four years 2017-18 to 2020-21 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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

- generally maintaining existing service levels
- achieve operational surpluses each year
- maintain a robust capital works program with a focus on asset renewal
- achieve a balanced financial (rate determination) result
- increases are required to cash reserves to take into account increasing future commitments

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

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

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

### 14.2 Financial resources

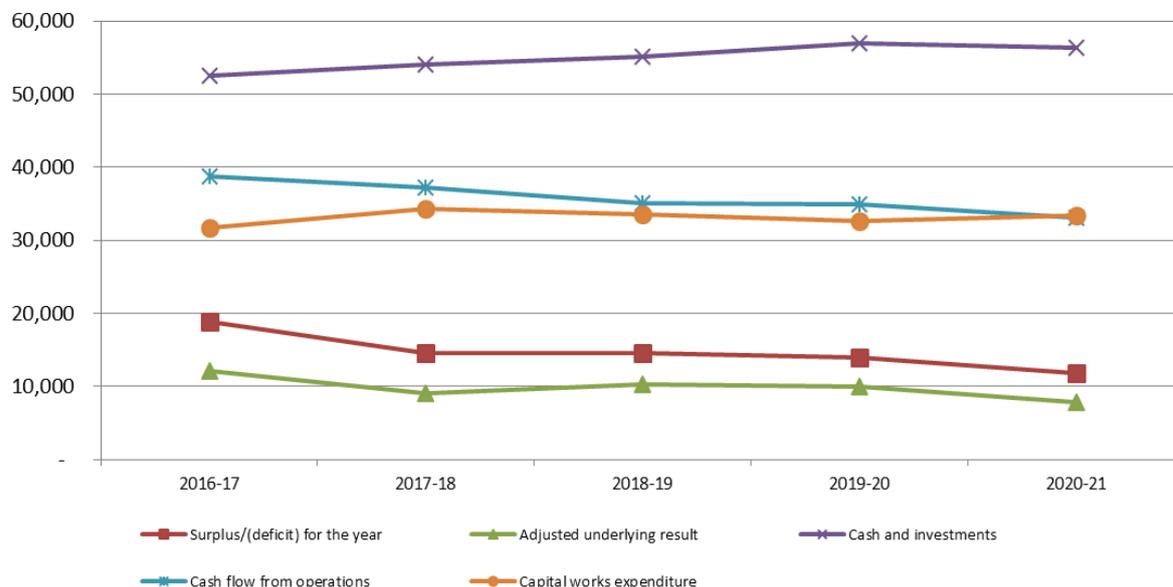
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017-18 to 2020-21. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast		Strategic Resource Plan			Trend +/-
	Actual	Budget	Projections			
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	
Surplus/(deficit) for the year	18,781	14,615	14,545	13,916	11,776	-
Adjusted underlying result	12,141	9,079	10,208	9,962	7,822	-
Cash and investments balance	52,489	55,029	56,133	58,035	57,359	+
Cash flow from operations	38,739	37,289	35,042	34,919	33,114	-
Capital works expenditure	31,637	34,323	33,512	32,588	33,364	o

Key to Forecast Trend:

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

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



The key outcomes of the SRP are as follows:

- **financial sustainability (Section 11)** - cash and investments is forecast to increase over the four year period from \$52.489 million to \$57.359 million, which is required to take into account increasing future commitments
- **rating levels (Section 15)** – modest rate increases of 2.0 per cent, as per the current rate cap, are forecast over the four years
- **service delivery strategy (Section 16)** – service levels have generally been maintained throughout the four year period. Despite this, operating surpluses are forecast in all years, although they are starting to decline over the four year period. The adjusted underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result
- **borrowing strategy (Section 16)** – borrowings are forecast to be maintained at \$14.2 million over the four year period. No new borrowing are included within the SRP and loan principal repayments are not due to commence until 2021-22
- **infrastructure strategy (Section 16)** - capital expenditure over the four year period is projected to total \$133.787 million at an average of \$33.447 million

## 15. Rating information

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

### 15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for over 75 per cent of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to the State Government rate capping legislation, Council's other sources of income and the planned expenditure on services and works to be undertaken for the Hobsons Bay community.

### 15.2 Future rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2017.

Year	General Rate Increase %	Municipal Charge Increase %	Rubbish and Recycling Charge Increase %	Total Rates Raised \$'000
2016-17	2.50	N/A	0.00	98,836
2017-18	2.00	N/A	2.00	101,214
2018-19	2.00	N/A	0.00	103,623
2019-20	2.00	N/A	0.00	105,855
2020-21	2.00	N/A	0.00	108,132

### 15.3 Rating structure

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

- property values, which form the central basis of rating under the *Local Government Act 1989*
- a 'user pays' component to reflect usage of certain services provided by Council

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

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential or commercial purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates, taking into account the benefits those commercial properties derive from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every year.

The existing rating structure comprises five differential rates (residential, residential vacant land, commercial, industrial and petro-chemical), and a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the *Cultural and Recreational Lands Act 1963*, provision is made for a Council to levy the rate for recreational lands at "such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands". The rate concession for recreational land is set at 45 per cent of the residential rate. Council also levies a rubbish refuse charge as allowed under the Act.

The following table summarises the rates to be determined for the 2017-18 year. A more detailed analysis of the rates to be raised is contained in Section 7 'Statutory Disclosures'.

Rate type	How applied	2016-17	2017-18	Change
Residential rates	Cents in \$ of CIV	0.2509	0.2559	2.00%
Residential vacant land rates	Cents in \$ of CIV	0.3764	0.3839	2.00%
Commercial rates	Cents in \$ of CIV	0.6272	0.6397	2.00%
Industrial rates	Cents in \$ of CIV	0.8456	0.8625	2.00%
Petro-chemical rates	Cents in \$ of CIV	1.0036	1.0237	2.00%
Cultural and Recreational rate concession	Cents in \$ of CIV	0.1128	0.1151	2.00%
		See Section 7		
Rubbish and refuse charge	\$ per property	Statutory Disclosures		2.00%

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

## 16. Summary of other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

### 16.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 14), borrowings can be used as an important funding source for capital works programs. In the past, Council has focused on a debt reduction strategy, only borrowing to fund defined benefit superannuation shortfalls. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as a funding source for capital works programs. With a focus on asset renewal from 2014-15 and beyond, Council reconsidered the issue of borrowings.

The SRP includes the results of an analysis of Council's debt position against both State averages and large council averages over a number of different indicators. It also shows the results of the 'obligations' indicators that are part of the prescribed financial reporting indicators. Despite the outcome of the analysis highlighting that a debt of \$14.2 million could be comfortably accommodated, as a result of rate capping further financial planning is required to enable Council to fully fund its capital works program, over the longer term of its long term financial plan (ten year plan). Further borrowings should only be included after other options are considered and when Council can be assured that it has the ability to fund repayments, whilst ensuring financial sustainability.

Council has decided not to take out any new borrowings to fund the capital works program in 2017-18 or any other year contained in the SRP. Due to Council's involvement in the Local Government Funding Vehicle and the issuance of interest only bonds, no principal repayments are included within the SRP. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016-17	0	0	626	14,200
2017-18	0	0	626	14,200
2018-19	0	0	626	14,200
2019-20	0	0	628	14,200
2020-21	0	0	627	14,200

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

	2016-17 \$	2017-18 \$
Total amount borrowed as at 30 June of the prior year	14,200,000	14,200,000
Total amount to be borrowed	-	-
Total amount projected to be redeemed	-	-
Total amount proposed to be borrowed as at 30 June	14,200,000	14,200,000

## 16.2 Infrastructure

Council has developed an Infrastructure Strategy based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. 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, Strategic Resource Plan and Annual Budget processes
- identification of capital projects through the preparation of asset management plans
- prioritisation of capital projects within classes on the basis of evaluation criteria
- methodology for allocating annual funding to classes of capital projects
- business case template for officers to document capital project submissions

A key objective of the Infrastructure Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in the Infrastructure Strategy.

The Council revisited the issue of asset renewal during 2014-15 and increased its focus on endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, before funding new assets. Council was forced to borrow during 2014-15 to ensure it addressed the required asset renewal. This will avoid increasing the asset renewal gap and reduce the level of backlog. Backlog is the renewal works that Council has not been able to fund over the past years and is equivalent to the accumulated asset renewal gap.

In updating the Infrastructure Strategy for the 2017-18 year, the following influences have had a significant impact:

- reductions in the amount of rate income predicted in 2016-17, 2017-18 and future years as a result of the State Government rate cap legislation. This has resulted in significantly less available cash and investment reserves to fund future capital expenditure programs within the SRP and LTFF
- capital works of \$2.323 million will be carried over and fully funded from the 2016-17 financial year. The carryover figure included in the budget is based on the March forecast. Current actual capital expenditure in 2016-17 indicates that the capital carryover figure is understated. The final carryover figure will be determined after the year end accounts are finalised
- total capital expenditure of \$34.323 million with a continued focus on asset renewal within the capital works program
- unavailability of significant funding for capital works
- the enactment of the *Road Management Act 2004* removing the defence of non-feasance on major assets such as roads
- new building regulations requiring all Child Care Centres to immediately upgrade to ensure compliance

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

Year	Summary of funding sources				
	Total Capital Program	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000
2016-17	31,637	1,283	1,781	28,573	-
2017-18	34,323	1,666	600	32,057	-
2018-19	33,512	1,467	-	32,045	-
2019-20	32,588	334	750	31,504	-
2020-21	33,364	334	750	32,280	-

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

### 16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to generally maintain existing service levels and to achieve strong operating results throughout the SRP, which can be used towards funding the capital works program. The Rating Information (see Section 15.) also refers to modest rate increases into the future and has been significantly impacted as a result of the State Government's rate cap legislation. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

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

	2017/2018	2018/2019	2019/2020	2020/2021
	%	%	%	%
Consumer Price Index	2.00	2.25	2.25	2.50
Average Weekly Earnings	3.66	3.75	3.75	3.75
Engineering Construction Index	0.47	2.00	2.00	2.00
Non-Residential Building Index	0.15	2.00	2.00	2.00
Rate increases	2.0	2.0	2.0	2.0
Property growth	0.3	0.3	0.3	0.3
Wages growth	2.0	2.0	2.0	2.0
Government funding	3.0	3.0	3.0	3.0
Statutory fees	3.0	3.0	3.0	3.0
Investment return	1.6	1.6	1.6	1.6

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

<b>Year</b>	<b>Surplus (Deficit) for the year \$'000</b>	<b>Adjusted Underlying Surplus (Deficit) \$'000</b>	<b>Net Service (Cost) \$'000</b>
2016/17	18,781	12,141	(69,980)
2017/18	14,615	9,079	(75,066)
2018/19	14,545	10,208	(73,859)
2019/20	13,916	9,962	(75,780)
2020/21	11,776	7,822	(79,062)

Service levels have generally been maintained throughout the four year period with operating surpluses and adjusting underlying results forecast in each year, although they are reducing.

The net cost of the services provided to the community increases from \$69.98 million to \$79.062 million over the four year period.

## Appendices

### Appendix A: Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2017-18 year.

#### 1. Financial year from 1 July 2017 to 30 June 2018

Information Management	GST	\$
<b><u>Freedom of Information</u></b>		
FOI applications	N	Statutory
* Note Fees set by statutory regulations		
<hr/>		
Property Ownership Information & Regulatory Services	GST	\$
<b><u>Property Ownership Information</u></b>		
Rate Notice reproduction	N	24.00
Land Information Certificate	N	25.39
Land Information Certificate (Additional Urgent Fee)	N	40.00
Dishonoured Payment Fee	N	20.00
<b><u>Property Clearance</u></b>		
Fire Hazard land clearance	N	582.00
Admin charge relating to Fire Hazard Clearance	N	84.00
Unightly land clearance	N	600.00
Clearance of overhanging bushes	N	500.00
Admin charge relating to Unightly Land and Overhanging Bushes	N	100.00
<b><u>Local Law Permit Fees</u></b>		
<b><u>Tables, Chairs And Footpath Furniture</u></b>		
"A" Boards	N	190.00
Display of goods	N	305.00
Heaters	N	38.00
Late Application Fees for Local Law Permits	N	50.00
per bench seat	N	110.00
per chair	N	57.00
per table	N	38.00
Planter boxes on footpath	N	80.00
Real Estate Auction/Open for Inspection signs per agency	N	705.00
Screens	N	240.00
<b><u>Other</u></b>		
Registration of Domestic Animal Business	N	300.00
Replacement of Lost/Missing Visitors Permit	N	90.00
Truck permit on residential Land	N	160.00
<b><u>Impounded Vehicles &amp; Other Items</u></b>		
Release Fee for impounded Signs (per Sq meter)	N	55.00
Shopping Trolley Release Fees	N	110.00
Trail Bikes Impound Fee	N	300.00
Impound release fee	N	400.00
plus towing fees and administration fee @ cost	Y	125.00

**Property Ownership Information & Regulatory Services**

	<b>GST</b>	<b>\$</b>
<b><u>Parking Ticket Machine Fees</u></b>		
In designated areas (per day)	Y	14.00
Per hour equivalent to ones stay in designated areas (per hour)	Y	4.00
Restaurant Precinct - Per hour equivalent to ones stay in designated areas (per hour)	Y	3.50

**Animal Registration & Control**

	<b>GST</b>	<b>\$</b>
<b><u>Cat Registration</u></b>		
Cat	N	111.00
Cats for breeding purposes	N	37.00
Cats over 10 years	N	37.00
Cats permanently identified (microchip)	N	37.00
Cats registered with Feline Control Council	N	37.00
Sterilised Cat	N	37.00
Cat - Pensioner's Concession	N	55.50
Cats for breeding purposes - Pensioner's Concession	N	18.50
Cats over 10 years - Pensioner's Concession	N	18.50
Cats permanently identified (microchip) - Pensioner's Concession	N	18.50
Cats registered with Feline Control Council - Pensioner's Concession	N	18.50
Sterilised Cat - Pensioner's Concession	N	18.50
<b><u>Dog Registration</u></b>		
Declared Dangerous Dog - No Pensioner Concession	N	155.00
Declared Menacing Dog - No Pensioner Concession	N	155.00
Declared Restricted Breed Dog - No Pensioner Concession	N	155.00
Dog	N	150.00
Dogs for breeding purposes	N	50.00
Dogs obedience trained	N	50.00
Dogs over 10 years	N	50.00
Dogs permanently identified (microchip)	N	50.00
Dogs registered with Victorian Canine Ass.	N	50.00
Sterilised Dog	N	50.00
Working Animals	N	50.00
Dog – Pensioner's Concession	N	75.00
Dogs for breeding purposes – Pensioner's Concession	N	25.00
Dogs obedience trained – Pensioner's Concession	N	25.00
Dogs over 10 years – Pensioner's Concession	N	25.00
Dogs permanently identified (microchip) – Pensioner's Concession	N	25.00
Dogs registered with Victorian Canine Ass. – Pensioner's Concession	N	25.00
Sterilised Dog – Pensioner's Concession	N	25.00
Working Animals – Pensioner's Concession	N	25.00

**Animal Registration & Control**

	GST	\$
<b><u>Impounded Animals</u></b>		
Return of registered animal	N	75.00
Impound Cat and/or Kitten Fee - not set by Council	N	250.00
Impound Dog Fee - not set by Council	N	180.00
Stock Pound Release fee	N	75.00
plus pound fee (per day) - not set by Council	N	19.00
Pound release Fee - not set by Council	N	65.00
<b><u>Other Animals Fees</u></b>		
Replacement Dog & Cat Registration Tag	N	5.00
Permit to Exercise Horses on Beach	N	326.00

**Public Health – Food Act**

	GST	\$
<b>CLASS CLASSIFICATION</b>		
“Class 1”, “Class 2”, “Class 3” and “Class 4” Food Premises” means the food premises declared under section 19C of the Food Act 1984 to be Class 1, Class 2, Class 3 and Class 4 Food Premises respectively.		
<b><u>Class 1</u></b>		
Premises where potentially hazardous food is predominantly handled and served to vulnerable groups		
<b><u>Class 2</u></b>		
Premises where any unpackaged potentially hazardous food is handled, other than Class 1, 3 or 4 premises.		
<b><u>Renewal of Registrations</u></b>		
<b><u>Class 1 Premises</u></b>		
* Additional units may apply depending on the size or nature of a premises	N	150.00
Child Care Centres	N	485.00
Hospitals	N	920.00
Manufacturer *	N	630.00
Nursing Homes and Hostels	N	920.00
<b><u>Class 2 Premises</u></b>		
* Additional units may apply depending on the size or nature of a premises	N	150.00
Bakery *	N	630.00
Bar	N	485.00
Cafe/Restaurant/Take-Away *	N	630.00
Catering Kitchen	N	630.00
Community Centre	N	485.00
Community Groups – annual registration	N	120.00
Delicatessen *	N	630.00
Food Vehicle	N	485.00
Food Vehicle – additional class 2 vehicles	N	POA
Function Centre *	N	630.00
Home Kitchen	N	375.00
Hotel *	N	630.00
Manufacturer *	N	630.00
Non community Groups - annual registration	N	195.00
Not For Profit Organisation	N	330.00
Retail Food Sales *	N	630.00
School Canteen (caterer) *	N	485.00
School Canteen (in house)	N	315.00

<b>Public Health – Food Act</b>		
	<b>GST</b>	<b>\$</b>
Social Club	N	485.00
Sporting Club	N	485.00
Sporting Club (seasonal)	N	330.00
Supermarket *	N	630.00
<b><u>Class 3 Premises</u></b>		
* Additional units may apply depending on the size or nature of a premises		150.00
Bakery *	N	485.00
Bar	N	270.00
Community Groups – annual registration	N	60.00
Distribution / Storage Warehouse *	N	485.00
Food Vehicle	N	330.00
Food Vehicle – additional class 3 vehicles	N	POA
Home Kitchen	N	200.00
Hotel *	N	485.00
Manufacturer *	N	485.00
Non community Groups - annual registration	N	160.00
Not For Profit Organisation	N	330.00
Retail Food Sales *	N	485.00
School Canteen (caterer) *	N	340.00
School Canteen (in house)	N	185.00
Social Club	N	340.00
Sporting Club - 12 months	N	340.00
Sporting Club - 6 months	N	195.00
Supermarket	N	485.00
<b><u>Late Fee</u></b>		
Renewal of registration applications lodged after the due date	N	130.00
<b><u>Transfer Registration</u></b>		
50% of the annual renewal fee (Max \$500)		
<b><u>Other</u></b>		
2nd and every subsequent follow-up assessment/inspection/visit in registration year	N	150.00
Follow-up food samples reimbursed at cost	N	
<b><u>Inspection And Provision Of Report</u></b>		
Inspection (minimum 7 days notice) & administration	N	430.00

**Public Health – Public Health and Wellbeing Act / Residential Tenancies Act**

**GST                      \$**

**Renewal of Registrations**

Late payment of annual registration renewal fee                      N                      123.00

**Health Premises**

Accommodation                      N                      368.00

Beauty Therapy                      N                      214.00

Colonic Irrigation                      N                      214.00

Other                      N                      214.00

Skin Penetration                      N                      291.00

Tattooing                      N                      291.00

**Caravan Park**

Per site - Refer Monetary Units Act 2004

**New Registrations**

**Health Premises**

Accommodation                      N                      732.00

Beauty Therapy                      N                      315.00

Colonic Irrigation                      N                      315.00

Hairdresser                      N                      315.00

Other                      N                      315.00

Skin Penetration                      N                      315.00

Tattooing                      N                      315.00

**Caravan Park**

Per site - Refer Monetary Units Act 2004

**Public Health – Other**

**GST                      \$**

**Other**

Additional complaint investigation or other miscellaneous site visit                      N                      140.00

**Inspection And Provision Of Report**

Inspection within 7 days & administration (Other)                      N                      140.00

Inspection within 7 days & administration (Tattooing & Accommodation)                      N                      408.00

**Waste Water Disposal (Septic Tanks )**

Inspection                      N                      345.00

Permit                      N                      113.00

**Library**

**GST                      \$**

**Book Group Hire**

Annual Advance Payment                      Y                      265.00

Per 4 Week Loan                      Y                      36.00

**Inter-Library Loans**

From non-charging institutions                      Y                      Free

Interlibrary Loan - Concession (Reservation)                      Y                      1.90

Interlibrary Loan - Local (Reservation)                      Y                      3.10

Inter-library Loan plus institution fee                      Y                      20.00

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Lego Mindstorm - Concession Rate                      Y                      10.00

Library	GST	\$
<b><u>Personal Computer</u></b>		
Purchase USB	Y	15.00
Internet Classes	Y	10.00
Internet Classes - Concession classes	Y	7.50
<b><u>Fines Overdue Items</u></b>		
Adult materials (per item, per day to max. of \$6)	N	0.30
Borrowing rights suspended when \$5 owed (minimum payment)	N	1.00
Junior materials and magazines (per item, per day to max. of \$2.50)	N	0.30
<b><u>Photocopying</u></b>		
Copy Card 2 \$10	Y	10.00
A3	Y	0.50
A4	Y	0.30
Colour A3	Y	1.20
Colour A4	Y	0.60
Bulk Copying (over 100 copies)	Y	50.00
<b><u>Printing</u></b>		
Copy Card 1 \$5	Y	5.00
3D (conditions apply)	Y	10.00
<b><u>Personal Computer For Word Processing</u></b>		
A3	Y	0.50
A4	Y	0.30
Colour A3	Y	1.20
Colour A4	Y	0.60
<b><u>Facsimile</u></b>		
Receive	Y	1.50
<b><u>Send Local Melbourne</u></b>		
First page	Y	2.60
First page - concession	Y	1.60
Additional pages	Y	1.30
Additional pages - concession	Y	0.75
<b><u>Send Australia</u></b>		
First page	Y	3.75
First page - concession	Y	2.20
Additional pages	Y	1.30
Additional pages - concession	Y	0.75
<b><u>Send Overseas</u></b>		
Additional pages	Y	1.50
Additional pages - concession	Y	0.75
First page	Y	6.00
First page - concession	Y	3.50
<b><u>Items For Sale</u></b>		
Yakulit Willam - The first people of Hobsons Bay	Y	5.00
Ada Cambridge short story collection (Previous and current years)	Y	10.00
Altona Star CD Rom	Y	16.00
At the edge of the Centre (leather bound)	Y	55.00
Mysteries of Williamstown	Y	16.00
Seagulls Poetry Prize (previous and current years)	Y	10.00

Library	GST	\$
<b><u>Miscellaneous</u></b>		
Damaged and Lost Items (listed price of item plus)	N	At cost
Damaged and Lost Items - admin costs	N	8.25
Damaged and Lost magazines (listed price of item plus)	N	At cost
Damaged and Lost magazines - admin costs	N	3.75
Repair (Cost recovery to repair)	N	At cost
Headphones	Y	3.00
Library Bags	Y	2.00
Internet Membership (card cost recovery)	Y	2.80
Replacement of Lost Card	Y	2.80
<b><u>Altona Library Meeting Room</u></b>		
Damage and /or extra cleaning	Y	125.00
Per Hour - Standard	Y	26.00
Per hour - Concession	Y	19.00
<b><u>Altona Mead. Library &amp; Learning Centre</u></b>		
Damage and /or extra cleaning	Y	125.00
<b><u>Interview Room</u></b>		
Per hour - Concession	Y	12.50
Per Hour - Standard	Y	25.00
<b><u>Meeting Room 1</u></b>		
Per hour - Concession	Y	19.00
Per Hour - Standard	Y	32.00
<b><u>Meeting Room 2</u></b>		
Per hour - Concession	Y	32.00
Per Hour - Standard	Y	52.00
<b><u>Technology Training Room</u></b>		
Per hour - Concession	Y	25.00
Per Hour - Standard	Y	50.00
<b><u>Altona North Community Library</u></b>		
Damage and /or extra cleaning	Y	125.00
<b><u>Meeting Room 1</u></b>		
Per hour - Concession	Y	19.00
Per Hour - Standard	Y	26.00
<b><u>Meeting Room 2</u></b>		
Per hour - Concession	Y	19.00
Per Hour - Standard	Y	26.00
<b><u>Technology Training Room</u></b>		
Per hour - Concession	Y	25.00
Per Hour - Standard	Y	50.00
<b><u>Williamstown Community Library</u></b>		
Damage or extra cleaning	Y	125.00
<b><u>Friends Meeting Room - Williamstown Library</u></b>		
Per Hour - Concession	Y	12.50
Per Hour - Standard	Y	25.00
<b><u>Gallery - Williamstown Library</u></b>		
Per Hour - Concession	Y	75.00
Per Hour - Standard	Y	130.00
Per four hour block - Concession	Y	225.00
Per four hour block - Standard	Y	330.00
<b><u>Meeting Room - Williamstown Library</u></b>		
Per Hour - Concession	Y	12.50
Per Hour - Standard	Y	25.00

<b>Library</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Community Bus Hire</u></b>		
Damage and /or extra cleaning	Y	125.00
Per Day	Y	90.00

<b>Family, Youth &amp; Children</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Kindergarten</u></b>		
Enrolment Fee	N	18.00
<b><u>Family Day Care</u></b>		
Activity Fees (per session)	N	2.00
Activity Fees (per term)	N	12.00
Parent Administration Levy	N	1.65
<b><u>Child Care Centre - Occasional Care (Altona Meadows)</u></b>		
Session - 4hrs	N	32.50
Session - 4hrs (Health Care Card Holders)	N	29.50
Two or more Children (same family)	N	29.50
<b><u>Youth - Holiday Program &amp; Excursions</u></b>		
Minimum Charge	Y	4.08
Maximum Charge	Y	24.00
<b><u>Youth - Camps</u></b>		
Minimum Charge	Y	30.00
Maximum Charge	Y	94.00
Additional fees may be charged for more expensive activities.	Y	At cost
<b><u>Youth - Battle of the Bands</u></b>		
Minimum Charge	Y	5.00

<b>Community Care</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Meals</u></b>		
Per Meal - Category 1 (Low Income)	N	8.30
Per Meal - Category 2 (medium income)	N	11.00
Per Meal - Category 3 (high income)	N	18.50
Per CDC Meal	N	21.60
Full cost meal	Y	23.76
<b><u>Home Support</u></b>		
Per Hour - Category 1 (low income)	N	7.20
Per Hour - Category 2 (medium income)	N	17.50
Per Hour - Category 3 (high income)	N	30.00
<b><u>Personal Care</u></b>		
Per Hour - Category 1 (low income)	N	5.70
Per Hour - Category 2 (medium income)	N	8.50
Per Hour - Category 3 (high income)	N	15.00

<b>Community Care</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Respite</u></b>		
Per Hour - Category 1 (low income)	N	4.70
Per Hour - Category 2 (medium income)	N	8.50
Per Hour - Category 3 (high income)	N	15.00
<b><u>Community transport</u></b>		
Per Trip - (one way)	N	1.60
<b><u>Planned Activity Group</u></b>		
Category 1 (low income)	N	9.00
Category 2 (medium income)	N	15.00
Category 3 (high income)	N	22.00
Cost of meal - Category 1 - (low income)	N	8.00
Cost of meal - Category 2 (medium income)	N	10.69
Cost of meal - Category 3 - (high income)	N	18.00
<b><u>Planned Activity Group - Private Business</u></b>		
Core	N	96.00
Core - Weekend	N	141.00
High	N	138.00
High - Weekend	N	208.00
<b><u>Home Maintenance</u></b>		
Per Hour - Category 1 (low income)	N	14.50
Per Hour - Category 2 (medium income)	N	21.60
Per Hour - Category 3 (high income)	N	57.70
Minimum One Hour Per Job		
<b><u>Home Maintenance - Garden</u></b>		
Per Hour - Garden Maintenance	N	16.50
Minimum One Hour Per Job - Per Person -		
<b><u>HCPP - Home Care Package Program</u></b>		
Daily Care	N	2.77
Delivered Meals - Home Care Packages Program	N	21.60
<b><u>Private Business</u></b>		
Delivered Meals	Y	23.10
Home Support	Y	64.00
Home Support (time and a half)	Y	96.00
Home Support (double time)	Y	128.00
Personal Care	Y	64.00
Personal Care (time & a half)	Y	96.00
Personal Care (double time)	Y	128.00
Respite Care	Y	64.00
Respite Care (time & a half)	Y	96.00
Respite Care (double time)	Y	128.00

Recreation		
	GST	\$
<b><u>Sporting Reserves &amp; Parks</u></b>		
Bond - Casual Hire Buildings	N	500.00
Building Cleaning	Y	95.00
<b><u>Casual Hire</u></b>		
Cricket Finals - Hard Wickets	Y	110.00
Cricket Finals - Turf Wickets	Y	265.00
Amusements on reserves	N	220.00
Reserve Hire - Commercial Promotions Event	Y	435.00
Reserve Hire - with power	Y	96.00
Reserve Hire and Marquee/Tent	Y	150.00
<b><u>Altona Beach Pavilion</u></b>		
Commercial Hire (per hour)	Y	30.00
Community Hire (per hour)	Y	65.00
<b><u>Keys</u></b>		
Bond - Reserve Keys	Y	Various
Extra Keys Cut	Y	45.00
<b><u>Newport Park Athletics Facility</u></b>		
<b><u>Meeting Rooms</u></b>		
Commercial Hire (Minimum 3 hour daytime access)	Y	180.00
Commercial Hire (Minimum 4 hour evening access)	Y	410.00
Commercial Hire (6 hour daytime access)	Y	360.00
Commercial Hire (Additional fee to access both rooms)	Y	80.00
School Hire (Minimum 3 hour daytime access)	Y	105.00
School Hire (Minimum 4 hour evening access)	Y	275.00
School Hire (6 hour daytime access)	Y	310.00
School Hire (Additional fee to access both rooms)	Y	55.00
<b><u>Track</u></b>		
Casual Access via Newport Recreation Centre	Y	3.00
Club / School Training	Y	85.00
Event	Y	480.00
Schools not within municipality	Y	415.00
Schools within municipality	Y	295.00
Tertiary Institutions	Y	140.00
<b><u>Boat Launch Fees</u></b>		
Daily Launch Fee	N	20.00
Annual Launch Fee - Launch Fee - Local Residents	N	98.00
Annual Launch Fee - Local Resident Pensioners	N	78.00
Annual Launch Fee - Non-Residents	N	305.00
Annual Launch Fee - Non Resident Pensioners	N	140.00
<b><u>Active Hall - Laverton</u></b>		
Community (per hour)	Y	20.00
Commercial (per hour)	Y	42.00

<b>Parks</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Reserves &amp; Parks - Weddings</u></b>		
<b><u>Newport Lakes</u></b>		
Photos	Y	205.00
Wedding Ceremony - resident rate	Y	235.00
Wedding Ceremony - non-resident rate	Y	310.00
<b><u>Williamstown Botanic Garden &amp; Commonwealth Reserve</u></b>		
Photos	Y	215.00
Wedding Ceremony - resident rate	Y	260.00
Wedding Ceremony - non-resident rate	Y	390.00

<b>Capital Works &amp; Assets</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Subdivision (Fees) Regulation 2016</u></b>		
Plan checking - Engineering Plan Checking fee for private developer works = 0.75% cost to the construction works	N	POA
Supervision - Engineering Supervision fee for private developer works = 2.5% cost of the construction works	N	POA
<b><u>Flood Level</u></b>		
Minor Residential	N	62.00
Medium size residential, multi-unit sites and major developments	N	100.00
<b><u>Legal Point of Discharge</u></b>		
Single lots and dual occupancy	N	62.00
Larger lots, multi-unit residential developments, major residential	N	100.00
<b><u>Traffic Count Information</u></b>		
Information	N	67.00

<b>Capital Works &amp; Assets Permit Fees Associates with Road Management Act 2004</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Consent for Works on Road Reserve</u></b>		
Reinstatement bond (Service Authorities exempt) - Other road opening	N	6,200.00
Reinstatement bond (Service Authorities exempt) - Vehicle crossing	N	620.00
Works area under 8.5sqm, not on roadway, pathway	N	83.64
Works area over 8.5sqm, speed under than 50km/h, not on roadway, pathway	N	83.64
Works area over 8.5sqm, speed more than 50km/h, not on roadway, pathway	N	327.59
Works area under 8.5sqm, on roadway, pathway	N	129.64
Works area over 8.5sqm, speed under than 50km/h, on roadway, pathway	N	327.59
Works area over 8.5sqm, speed more than 50km/h, on roadway, pathway	N	600.81

**Permit Fees Associates with Local Law No.2**

	<b>GST</b>	<b>\$</b>
<u>Footpath Crossing - Initial Inspection Fee</u>		
Bond	N	Various
Brick and brick veneer additions	N	140.00
Brick front fence - Corner block	N	140.00
Brick front fence - Standard block	N	140.00
Brick garages	N	140.00
Commercial/Industrial - or as determined by City Services	N	140.00
Concrete in-ground swimming pool	N	140.00
Corner block	N	140.00
Standard block	N	140.00
Timber additions with concrete floor slab or stumps	N	140.00
Timber additions with timber stumps	N	140.00
Timber fence	N	140.00
 <u>Road Occupation</u>		
Permit fee	N	140.00
Road Occupation - additional charge (per sq meter, per week)	N	3.50
 Rock Blasting		
 <u>Bin/Skip Permits</u>		
Commercial (including building works) - per week	N	140.00
plus per day thereafter	N	70.00
Residential (household and garden bulk rubbish) - 3 days	N	70.00
plus per day thereafter	N	35.00

**Town Planning Department**
**GST**
**\$**
**Town Planning Applications Fees**

Class 1: Change of Use Only	N	1,265.60
Class 2: \$0 - \$10,000	N	191.95
Class 3: \$10,000 - \$100,000	N	604.35
Class 4: \$100 000 - \$500,000	N	1,237.15
Class 5: \$500 000 - \$1,000,000	N	1,336.70
Class 6: \$1,000 000 - \$2,000,000	N	1,436.20
Class 7: \$0-\$10,000	N	191.95
Class 8: \$10,000 or more	N	412.40
Class 9: To subdivide or consolidate land	N	191.95
Class 10: \$0 - \$10,000	N	1,102.05
Class11: \$100,000-\$1,000,000	N	1,486.00
Class 12: \$1,000,000-\$5,000,000	N	3,277.70
Class 13: \$5,000,000-\$15,000,000	N	8,354.25
Class 14: \$10,000,000-\$50,000,000	N	24,636.15
Class 15: \$50,000,000 or more	N	55,372.70
Class 9: VicSmart: To subdivide or consolidate land	N	191.95
Class 16: Subdivide existing building	N	1,265.60
Class 17 Subdivide land into two lots (other than VicSmart)	N	1,265.60
Class 18: Realignment of common boundary between lots or consolidate lots	N	1,265.60
Class 19: Subdivide land (per 100 lots created)	N	1,265.60
Class 20: a) Create, vary or remove restriction within the meaning of the Subdivision Act 1988; or	N	1,265.60
Class 20: b) create or remove a right of way: or	N	1,265.60
Class 20: c) create, vary, or remove an easement other than a right of way; or	N	1,265.60
Class 20: d) vary, remove condition in nature of an easement (other than a right of way) in Crown grant.	N	1,265.60
Class 21: A permit not otherwise provided for in the regulation	N	1,265.60
Certification of Subdivision	N	167.80
Alteration of a Plan	N	106.65
Amendment of Certified Plan	N	135.10

**Amended Plans And Permits**

Class 1. Amendment to a permit to change the use of land by the permit or allow a new use of land.	N	1,265.60
Class 2. Amend a permit (other than a permit to develop land for a single dwelling per lot or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot) to change the statement of what the permit allows or to change any or all of the conditions which apply to the permit	N	1,265.60
Class 3. \$0 - \$10,000	N	191.95
Class 4. \$10,000 - \$100,000	N	604.35
Class 5. \$100,000 - \$500,000	N	1,237.15
Class 6. \$500,000 - \$2,000,000	N	1,336.70
Class 7. \$0 - \$10,000	N	191.95
Class 8. \$10,000 or more	N	412.40
Class 9. To subdivide or consolidate land	N	191.95
Class 10. \$0 - \$100,000	N	1,102.05
Class 11. \$100,000 - \$1,000,000	N	1,486.00
Class 12. \$1,000,000 or more	N	3,277.70
Class 9. VicSmart: to subdivide or consolidate land	N	191.95
Class 13 - 15. Subdivision of land of two lots, an existing building, or boundary realignment or consolidation (other than Vic Smart)	N	1,265.60
Class 16. Subdivide land into more than two lots (per 100 lots created)	N	1,265.60

Town Planning Department	GST	\$
Class 17. To a) Create, vary or remove restriction within the meaning of the Subdivision Act 1988; or	N	1,265.60
Class 17: b) create or remove a right of way: or	N	1,265.60
Class 17: c) create, vary, or remove an easement other than a right of way; or	N	1,265.60
Class 17: d) vary, remove condition in nature of an easement (other than a right of way) in Crown grant.	N	1,265.60
Class 18. A permit not otherwise provided in the regulation	N	1,265.60
<b><u>Planning Scheme Amendments</u></b>		
Stage 1 considering a request	N	2,929.30
Stage 2 considering submissions and referral to a panel - up to 10 submissions	N	14,518.60
Stage 2 considering submissions and referral to a panel - 11 to 20 submissions	N	29,008.80
Stage 2 considering submissions and referral to a panel - exceeding 20 submissions	N	38,777.95
Stage 3 adopting an amendment	N	462.15
Stage 4 Consider a request to approve by Minister (paid to Minister)	N	462.15
Request to amend a planning scheme - other fees (panel costs and exhibition of amendments)	N	Various
<b><u>General Enquiry Letters</u></b>		
Residential	N	120.00
Commercial	N	150.00
Residential (Preliminary assessment of proposed unit applications)	N	240.00
<b><u>Advertising</u></b>		
Initial Fee for Notice of Application Service	N	80.00
Residential/Commercial (covering notification of 10 properties)	N	80.00
Sign on site	N	168.00
Additional sign on site	N	33.00
Additional charge to cover more extensive advertising (per address)	N	7.00
Advertising (public notice)	N	570.00
Plan Approval	N	130.00
<b><u>Additional Tasks</u></b>		
Extension of time - First request	N	240.00
Extension of time - Second request	N	360.00
Extension of time - Third and subsequent requests	N	480.00
Secondary Consent Request	N	312.85
<b><u>Other Charges and Income</u></b>		
Planning Infringement Notice	N	Various
S173 Payments	N	Various
Cash in Lieu of Car parking	N	Various
Landscaping Bond	N	Various
Engineering Bonds	N	Various
Open Space Contributions	N	Various
Developer Contribution Under Scheme	N	Various

**Building Department**

	<b>GST</b>	<b>\$</b>
<b><u>Domestic – Building Permits</u></b>		
Dwelling additions / alterations up to \$50,000 - \$value / 150 (minimum \$900)	Y	POA
One dwelling - \$value / 150 (minimum \$1,250)	Y	POA
Two dwellings - \$value / 150 + 820 (minimum \$2,100)	Y	POA
Three dwellings or more - MBS to Quote	Y	POA
Bungalows - \$Value / 150 (minimum. \$1,050)	Y	POA
Shed, garage, carport, veranda, pergola, deck – (2 inspections)	Y	627.00
Shed, garage, carport, veranda, pergola, deck – two or more structures on one permit (3 inspections)	Y	1,027.00
Brick shed/garage (3 inspections)	Y	757.00
In ground swimming pools (including barrier) (3 inspections)	Y	927.00
Above ground swimming pools (including barrier) (2 inspections)	Y	627.00
Swimming pool/spa safety barrier (2 inspections)	Y	400.00
Fences timber, steel, brick (2 inspections)	Y	400.00
Signs, pole, aerial (2 inspections)	Y	627.00
Underpinning/restumping (2 inspections)	Y	627.00
Demolition – outbuildings (1 inspections)	Y	627.00
Demolition – dwelling (2 inspections)	Y	900.00
Demolition – if protection works/hoarding required	Y	400.00
<b><u>Industrial and Commercial – Building Permits</u></b>		
Shopfronts, fit outs (2 inspections)	Y	1,200.00
For building works up to \$50,000 in value	Y	1,200.00
For building works more than \$50,000 in value - MBS to Quote	Y	POA
Demolition - MBS to Quote	Y	POA
<b><u>Other Fees</u></b>		
Building permit variations - Domestic		
Building permit variations - Commercial	Y	140.00
Additional Building Inspection (Mon to Fri)	Y	130.00
Building Inspection – Saturday morning	Y	320.00
Extension of time to building permit – Domestic (max 12 months)	Y	140.00
Extension of time to building permit – Commercial (max 12 months)	Y	300.00
Lodgement fee - (cost of \$5,000 or more)	N	POA
State Government Levy (0.128% of construction cost) - Industrial/Commercial	N	
State Government Levy, (0.16% of construction cost) - domestic Building	N	
Building permit levy (when cost of work is greater than \$10,000)	N	POA
Council report and consent (set by State Treasurer)	N	POA
Legal agreement to build over easement	N	400.00
Property information	N	POA
Place of public entertainment – Occupancy Permit	N	660.00
Siting of temporary structures	Y	260.00
Siting of protection works over street alignment (set by State Treasurer)	N	POA
Hoarding Permits - Minimum charge	N	250.60
Copies of plans/documents - Domestic	N	103.00
Copies of plans/documents – Commercial (minimum \$215)	N	POA
Mandatory inspections in excess of 4 (incur an additional fee per inspection)	N	140.00

**Photocopying (Town Planning and Building)****GST****\$****Photocopying**

This fee relates to the provision of information stored on council's database or in council's records. GST will be added to the fee if it is related to a customer copying his or her own information / documents they bring in for the purposes of copying

A0	N	12.00
A1	N	8.50
A2	N	6.50
A3	N	6.00
A4	N	1.80
Advertising Signs	N	22.00
Planning Permit	N	20.00

**Planning Register**

Per month	N	85.00
Per year	N	720.00

**Town Planning**

Industrial Land Management Guidelines	N	21.00
Municipal Strategic Statement	N	16.00
ResCode	N	16.00
Advertising Guidelines	N	Free
Altona/Altona Meadows Dual Occupancy Policy	N	Free
Built Form Guidelines	N	Free
Landscape Guidelines	N	Free
Planning Permit Information	N	Free
Subdivision Information	N	Free
Waterfront Guidelines	N	Free
Williamstown Junction Guidelines	N	Free

**Other Brochures & Plans**

Heritage Walk (Coloured)	N	5.50
Business Register (available for viewing on the HBCC Web Site)	N	At cost
Community Service Strategy (Cost of photo)	N	At cost
Economic Development (Cost of photo)	N	At cost
Environment Strategy (Cost of photo)	N	At cost
Hobsons Bay Community Profile (Cost of photo)	N	At cost
Hobsons Bay Strategy (Cost of photo)	N	At cost
Infrastructure Study (Cost of photo)	N	At cost
Leisure Culture Strategy (Cost of photo)	N	At cost
Local Planning Policy Framework (Cost of photo)	N	At cost
Transport and Mobility Strategy (Cost of photo)	N	At cost

**Photocopying (Town Planning and Building)**

	<b>GST</b>	<b>\$</b>
<b><u>Strategic Planning</u></b>		
Burns Road Structure Plan	N	15.00
Development Contribution Plan (May 2001)	N	8.00
Heritage Study Alt, Laverton & N'port Districts - Stage 2 Vol.2 Enviro History	N	13.00
Heritage Study Altona, Laverton & Newport Districts - Stage 2 Vol.1	N	77.00
Hobsons Bay Community Profile	N	15.00
Industrial Land Management Strategy	N	20.00
Infrastructure Study	N	20.00
Neighbourhood Character Study	N	95.00
Newport Structure Plan	N	15.00
Pier St, Altona Shopping Centre Outline Development - Plan 1999	N	15.00
Population and Housing Strategy	N	15.00
Spotswood Land Use Review and Outline Development Plan	N	20.00
The Hobsons Bay Heritage Study (Williamstown and Newport) 2003	N	73.00
Williamstown Carparking Strategy	N	7.00
Williamstown Conservation Study	N	14.00
Williamstown: A Vision For the Commercial Centre - (March 2000)	N	15.00

**Arts and Events**

	<b>GST</b>	<b>\$</b>
<b><u>Location Filming</u></b>		
Parking only on Council land - per vehicle	N	30.00
<b><u>Feature Films &amp; Advertising Commercials</u></b>		
Daily - First day	N	811.00
Daily - subsequent days	N	478.00
Half Day (up to 5 hours) - first day	N	478.00
Half Day (up to 5 hours) - subsequent days	N	292.00
<b><u>Television Productions, Low &amp; Medium Budget</u></b>		
Daily - First day (films, telemovies)	N	642.00
Daily - subsequent days (films, telemovies)	N	320.00
Half Day (up to 5 hours) - first day	N	320.00
Half Day (up to 5 hours) - subsequent days (films, telemovies)	N	164.00
<b><u>Commercial Stills Photography</u></b>		
Daily	N	388.00
Half Day (up to 5 hours)	N	253.00
<b><u>Events</u></b>		
Community Signboards	N	40.00
Event Permit - Level 1	N	150.00
Event Permit - Level 2	N	284.00
Event Permit - Level 3	N	548.00
<b><u>Markets</u></b>		
Craft Market & Farmers Market	N	572.00
<b><u>Circus</u></b>		
Circus and Carnival Bond	N	3,000.00
Per non performance day	N	235.00
Per performance day	N	312.00

Laverton Community Hub		
	GST	\$
<b><u>Classroom 1</u></b>		
Per hour - Commercial	Y	30.00
Per hour - Community	Y	20.00
Per hour - Community Access	Y	6.00
<b><u>Classroom 2</u></b>		
Per hour - Commercial	Y	30.00
Per hour - Community	Y	20.00
Per hour - Community Access	Y	6.00
<b><u>Classroom 3</u></b>		
Per hour - Commercial	Y	21.00
Per hour - Community	Y	14.00
Per hour - Community Access	Y	5.00
<b><u>Classroom 4</u></b>		
Per hour - Commercial	Y	21.00
Per hour - Community	Y	14.00
Per hour - Community Access	Y	6.00
<b><u>Computer Room</u></b>		
Per hour - Commercial	Y	30.00
Per hour - Community	Y	20.00
Per hour - Community Access	Y	6.00
<b><u>Creative Room</u></b>		
Per hour - Community Access	Y	6.00
<b><u>Function Room</u></b>		
Per hour - Commercial	Y	158.00
Per hour - Community	Y	105.00
Per hour - Community Access	Y	26.00
<b><u>Multipurpose Room 1</u></b>		
Per hour - Commercial	Y	40.00
Per hour - Community	Y	28.00
Per hour - Community Access	Y	7.50
<b><u>Multipurpose Room 1 and 2</u></b>		
Per hour - Commercial	Y	72.00
Per hour - Community	Y	50.00
Per hour - Community Access	Y	12.50
<b><u>Multipurpose Room 2</u></b>		
Per hour - Commercial	Y	40.00
Per hour - Community	Y	28.00
Per hour - Community Access	Y	7.50
<b><u>Office 6</u></b>		
Per hour - Commercial	Y	10.50
Per hour - Community	Y	7.50
Per hour - Community Access	Y	3.00

<b>Laverton Community Hub</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Office 7</u></b>		
Per hour - Commercial	Y	10.50
Per hour - Community	Y	7.50
Per hour - Community Access	Y	3.00
<b><u>Recreation Room</u></b>		
Per hour - Commercial	Y	47.50
Per hour - Community	Y	32.50
Per hour - Community Access	Y	8.50
<b><u>Training Kitchen (with function room hire)</u></b>		
Per hour - Commercial	Y	19.50
Per hour - Community	Y	15.00
Per hour - Community Access	Y	3.50
Per hour - Commercial	Y	62.50
Per hour - Community	Y	32.00

<b>Newport Community Hub</b>		
	<b>GST</b>	<b>\$</b>
Bond	N	500.00
<b><u>Other</u></b>		
Insurance	Y	33.00
Fire Brigade Call Out - As billed by MFB	N	At cost
Additional Staffing - If required	Y	50.00
Cleaning Charge - If required	Y	125.00
Lost Swipe Card	Y	50.00
Rubbish Removal - Left Behind	Y	60.00
Rubbish Removal - Pre-arranged	Y	25.00
Security Call Out	Y	125.00
<b><u>Community Kitchen</u></b>		
Per hour - Commercial	Y	30.00
Per hour - Not for profit	Y	20.00
<b><u>Control Room / Editing Suite</u></b>		
Per hour - Commercial	Y	21.00
Per hour - Not for profit	Y	14.00
Per hour - Youth / Community Access	Y	6.00
<b><u>Courtyard and BBQ</u></b>		
Per hour - Commercial	Y	30.00
Per hour - Not for profit	Y	20.00
<b><u>Equipment Hire</u></b>		
Per hour - Commercial	Y	21.00
Per hour - Not for profit	Y	14.00
Per hour - Youth / Community Access	Y	6.00
<b><u>Function Room</u></b>		
Per hour - Commercial	Y	72.00
Per hour - Community Access	Y	12.50
Per hour - Not for profit	Y	50.00

<b>Newport Community Hub</b>		
	<b>GST</b>	<b>\$</b>
<b><u>Multipurpose Room 1</u></b>		
Per hour - Commercial	Y	47.50
Per hour - Community Access	Y	8.50
Per hour - Not for profit	Y	32.50
<b><u>Multipurpose Room 1 and 2</u></b>		
Per hour - Commercial	Y	95.00
Per hour - Community Access	Y	18.00
Per hour - Not for profit	Y	62.50
<b><u>Multipurpose Room 2</u></b>		
Per hour - Commercial	Y	47.50
Per hour - Community Access	Y	8.50
Per hour - Not for profit	Y	32.50
<b><u>Multipurpose Room 3</u></b>		
Per hour - Commercial	Y	30.00
Per hour - Community Access	Y	6.00
Per hour - Not for profit	Y	20.00
<b><u>Multipurpose Room 4</u></b>		
Per hour - Commercial	Y	40.00
Per hour - Community Access	Y	7.50
Per hour - Not for profit	Y	28.00
<b><u>Office 1</u></b>		
Per hour - Commercial	Y	21.00
Per hour - Not for profit	Y	14.00
<b><u>Office 2</u></b>		
Per hour - Commercial	Y	21.00
Per hour - Not for profit	Y	14.00
<b><u>Office 3</u></b>		
Per hour - Commercial	Y	21.00
Per hour - Not for profit	Y	14.00
<b><u>Recording Studio</u></b>		
Per hour - Commercial	Y	30.00
Per hour - Not for profit	Y	20.00
Per hour - Youth / Community Access	Y	7.50
<b><u>Recording Suite (studio &amp; editing suite)</u></b>		
Per hour - Commercial	Y	47.50
Per hour - Community Access	Y	8.50
Per hour - Not for profit	Y	32.50

## 2. Calendar year from 1 January 2018 to 31 December 2018

<b>Altona Theatre Hire</b>		
	<b>GST</b>	<b>\$</b>
Bond	N	500.00
<b><u>Rehearsal / Bump In - Monday to Friday</u></b>		
Commercial / Professional - Hourly rate	Y	115.00
Community Rate (located within HBCC) - Hourly rate	Y	75.00
Community Rate (outside HBCC) - Hourly rate	Y	86.00
<b><u>Rehearsal / Bump In - Saturday, Sunday and Public Holidays</u></b>		
Commercial / Professional - Hourly rate	Y	130.00
Community Rate (located within HBCC) - Hourly rate	Y	85.00
Community Rate (outside HBCC) - Hourly rate	Y	98.00
<b><u>Performance - Monday to Friday</u></b>		
Commercial / Professional - Hourly rate	Y	335.00
Community Rate (located within HBCC) - Hourly rate	Y	218.00
Community Rate (outside HBCC) - Hourly rate	Y	251.00
<b><u>Performance - Saturday, Sunday and Public Holidays</u></b>		
Commercial / Professional - Hourly rate	Y	445.00
Community Rate (located within HBCC) - Hourly rate	Y	290.00
Community Rate (outside HBCC) - Hourly rate	Y	334.00
<hr/>		
<b>Old Laverton School Hire</b>		
	<b>GST</b>	<b>\$</b>
Bond (includes key)	N	300.00
Commercial/Professional - Per hour rate	Y	60.00
Community Rate (located outside HBCC) - Per hour rate	Y	45.00
Community rate (located within HBCC) - Per hour rate	Y	40.00

**Williamstown Mechanics Institute Hire**

	<b>GST</b>	<b>\$</b>
Bond	N	500.00
<b><u>Rehearsal / Bump In</u></b>		
Commercial / Professional - Hourly rate	Y	140.00
Community Rate (located within HBCC) - Hourly rate	Y	90.00
Community Rate (outside HBCC) - Hourly rate	Y	105.00
<b><u>Performance</u></b>		
Commercial / Professional - Hourly rate	Y	245.00
Community Rate (located within HBCC) - Hourly rate	Y	160.00
Community Rate (outside HBCC) - Hourly rate	Y	184.00
<b><u>Theatre - Monday - Friday</u></b>		
Restore Rig	Y	488.00
Technical Supervisor - Hourly rate	Y	70.00
<b><u>Theatre - Saturday, Sunday and Public Holidays</u></b>		
Restore Rig	Y	585.00
Technical Supervisor	Y	80.00
<b><u>Reading Room - Monday - Friday</u></b>		
Commercial / Professional - Hourly rate	Y	65.00
Community Rate (located within HBCC) - Hourly rate	Y	42.00
Community Rate (outside HBCC) - Hourly rate	Y	49.00
<b><u>Reading Room - Saturday, Sunday and Public Holidays</u></b>		
Commercial / Professional - Hourly rate	Y	75.00
Community Rate (located within HBCC) - Hourly rate	Y	49.00
Community Rate (outside HBCC) - Hourly rate	Y	57.00

**Williamstown Town Hall Hire**

	<b>GST</b>	<b>\$</b>
Bond	N	500.00
<b><u>Main Ballroom (Includes Supper Room) - Monday - Friday</u></b>		
Commercial/Private - 12 hours	Y	2,830.00
Community Rate (located within HBCC) 12 hours	Y	1,840.00
Community Rate (located outside HBCC) - 12 hours	Y	2,123.00
<b><u>Main Ballroom (Includes Supper Room) - Saturday Sunday and Public Holidays</u></b>		
Commercial/Private - 12 hours	Y	3,150.00
Community Rate (located outside HBCC) - 12 hours	Y	2,363.00
Community Rate (located within HBCC) - 12 hours	Y	2,048.00
<b><u>Main Ballroom (Includes Supper Room) - Additional Charges</u></b>		
Commercial Kitchen	Y	330.00
Balcony	Y	250.00
<b><u>Supper Room Only - Monday - Friday</u></b>		
Commercial/Private - 12 hours	Y	2,070.00
Community Rate (located within HBCC) - 12 hours	Y	1,346.00
Community Rate (located outside HBCC) - 12 hours	Y	1,553.00
<b><u>Supper Room Only - Saturday, Sunday and Public Holidays</u></b>		
Commercial/Private - 12 hours	Y	2,252.00
Community Rate (located within HBCC) - 12 hours	Y	1,464.00
Community Rate (located outside HBCC) - 12 hours	Y	1,689.00
<b><u>Former Council Chamber - Monday - Friday</u></b>		
Flagfall	Y	140.00
Community Rate (located outside HBCC)	Y	66.00
Community Rate (located within HBCC)	Y	57.00
Commercial/private	Y	88.00
<b><u>Former Council Chamber - Saturday, Sunday and Public Holidays</u></b>		
Flagfall	Y	140.00
Commercial/Private - 3 hours	Y	310.00
Community Rate (located outside HBCC) - 3 hours	Y	233.00
Community Rate (located within HBCC) - 3 hours	Y	202.00
<b><u>Meeting Rooms - Monday - Friday</u></b>		
Flagfall	Y	70.00
Commercial/Private	Y	68.00
Community Rate (located within HBCC)	Y	44.00
Community Rate (located outside HBCC)	Y	51.00
<b><u>Meeting Rooms - Saturday, Sunday and Public Holidays</u></b>		
Flagfall	Y	70.00
Commercial/Private	Y	250.00
Community Rate (located within HBCC) - 3 hours	Y	163.00
Community Rate (located outside HBCC)	Y	188.00

## Appendix B: Budget processes

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

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

The 2017-18 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2018 in accordance with the Act and Regulations and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required and other financial information Council requires in order to make an informed decision about the adoption of the budget.

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

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

If a Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Ministers maximum rate increase and the Council's required rate increase.

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

The key dates for the budget process are summarised below:

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