



Borough of Queenscliffe

Draft 2012/13 Budget

This Budget Report has been prepared with reference to The Institute of Chartered Accountants "Victorian City Council Model Budget 2012/2013" a best practice guide for reporting local government budgets in Victoria.

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Mayor's introduction

Once again, it gives me pleasure to present the annual Budget to the community of the Borough of Queenscliffe.

The 2012/13 financial year sees the final budget of the current Council's four year term with elections due in October 2012. Council has continued to be challenged with balancing the operational needs of the community and our obligations, with the ongoing requirement to fund the renewal and upgrade of Council assets. The Council Plan commitment to minimise rate increases also continues to be a challenge for the Borough with rates still being the primary source of funding. Government grant funding to the Borough has been boosted with the receipt of both the Local Government Infrastructure Renewal Program (\$813,000) and also the \$1,000,000 per year Country Roads & Bridges funding (every year for four years until 2014/15).

External factors also affecting this budget include the increase in the levy payable to the State Government for the disposal of waste into landfill and the expected impact of proposed government and service charges and the defined benefits superannuation fund's call for top up funding.

Last year's rate increase of 4.5% was amongst the lowest in the State. The rate increase proposed for the 2012/13 financial year is 4.0%. This budgeted increase in rates revenue will generate funds for a number of new initiatives as well as providing a capital works program primarily directed towards the renewal of the Borough's infrastructure.

The proposed budget includes \$205,000 of new initiatives as well as major Capital Works projects totalling \$2,087,500.

Highlights of the 2012/13 New Initiatives and Capital Program include:

- Annual asset renewal program (\$767,500 of which \$100,000 is funded by external grants)
- Country Roads & Bridges Program grant of \$1,000,000 comprising:
 - Roads repair and reconstruction works (\$550,000)
 - Road resealing works (\$100,000)
 - Bay Street reconstruction and associated drainage (\$250,000)
 - Hesse Street roundabout (\$100,000 towards the project which will require major grant contribution)
- Hesse Street revitalisation and Point Lonsdale Road – staged implementation (\$215,000)
- Dog beach car park upgrade (\$45,000)
- Shortlands Bluff tourism development project (\$85,000 grant funded)
- Fish cleaning station (\$10,000 grant funded)
- Celebration of 150th anniversary of the Borough (additional \$50,000)
- plebiscite on future boundary of the Borough (\$30,000)
- roadside E-Waste collection (\$20,000)
- staged introduction of recycled bins in public places (\$20,000)
- funds for heritage architect on key heritage buildings (\$20,000)
- crossing at Flinders & Henry Streets – subject to Vic Roads approval (\$15,000)
- playground equipment at Princess Park (\$15,000)

The Capital Works program of \$2,087,500 is funded by \$1,110,000 from external grants, \$677,500 from Council rate-funded operations, \$260,000 from Reserves (grant funding received in 2011/12 and carried forward funds from 2011/12) and \$40,000 from asset sales (vehicle trade-ins for annual rollover program).

This budget was developed through a process that included reviewing budget submissions and community feedback received in previous years and still to be completed. Council endorses the 2012/13 budget as appropriate given the capacity of the organisation and the needs of the Borough.

Residents and other interested members of the community are welcome to view and make comments and submissions on the budget. Council will also hold information sessions for residents and we encourage interested people to attend.

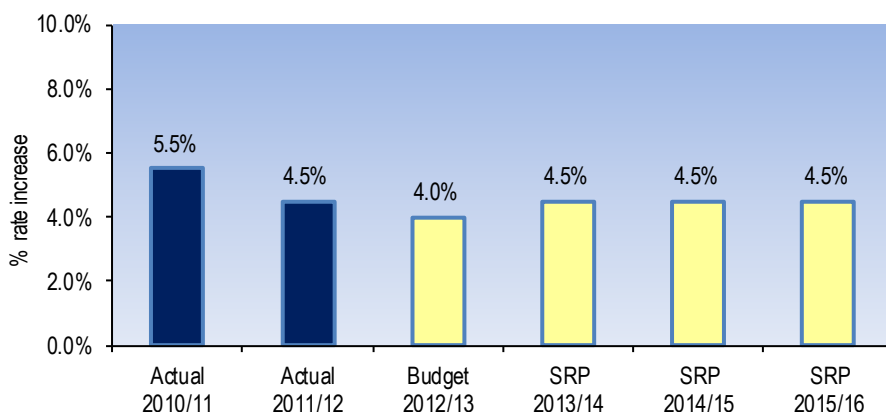
Cr Bob Merriman
Mayor

Chief Executive Officer's summary

Council has prepared a Budget for the 2012/13 financial year which seeks to balance the demand for services and facilities, plus the required infrastructure renewal and upgrade, as well as management of the Borough's natural environment, with the community's capacity to pay. Key budget information is provided below regarding the rate increase, operating result, service provision, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council.

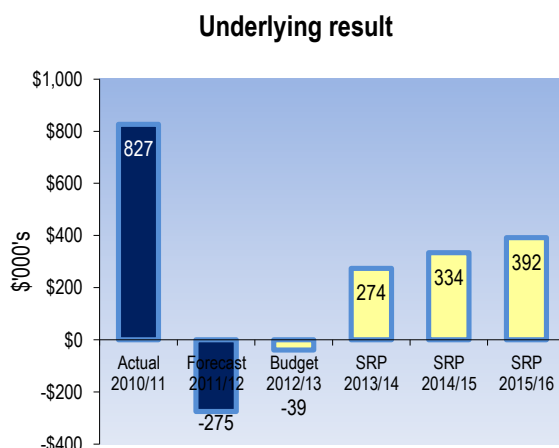
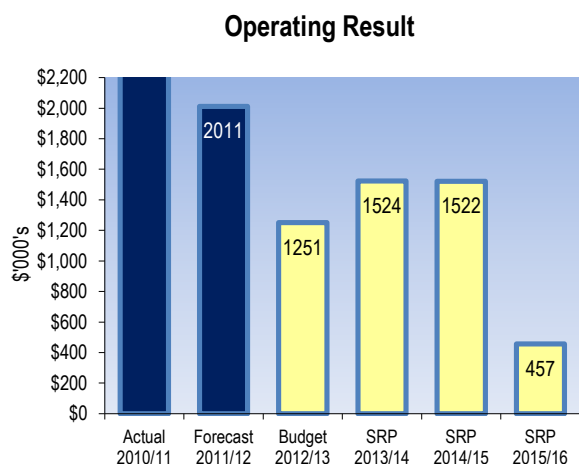
In the following graphs "SRP" denotes strategic resource plan estimates.

1. Rates



It is proposed that rates increase by 4.0% for the 2012/13 year, raising total rate revenue of \$5,578,000, including \$10,000 generated from supplementary rates (additional rates for new or improved properties that occur during the 2012/13 year). The 4.0% increase will enable Council to maintain or increase current service levels and to also provide funding for new initiatives and Capital works for both the refurbishment and upgrade of existing assets as well as funding for a variety of new projects around the Borough.

2. Operating result and underlying result

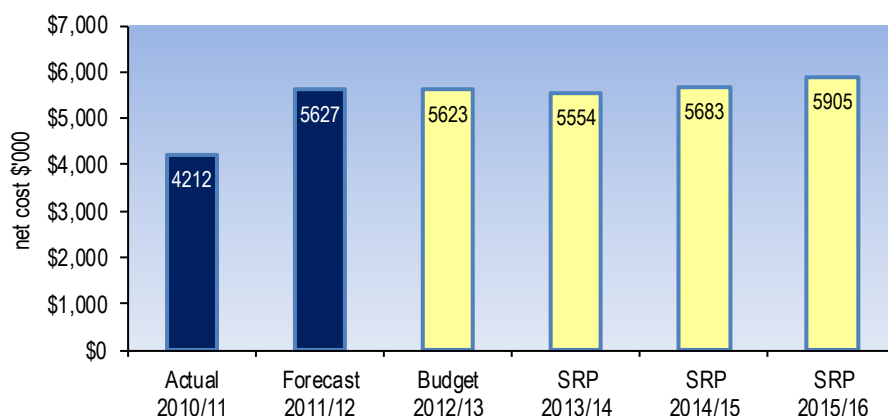


The expected operating result for the 2012/13 year is a surplus of \$1,251,000, which is a decrease of \$760,000 over the 2011/12 forecast result. The operating result is affected by the level of external funding budgeted for 2012/13, mainly a reduction in capital grants (\$721,000).

The underlying result, which excludes items such as capital grants and contributions, is a deficit of \$39,000 in 2012/13. The forecast underlying result for the 2011/12 year is a deficit of \$275,000 (mainly due to the amount of expenditure projected to occur in 2011/12 where funding was actually received in 2010/11).

A high level Strategic Resource Plan for the years 2012/13 to 2015/16 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of any long term financial 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 noticeable decline in the operating result in 2015/16 is again due to the reduction in capital grants primarily the \$1m Country Roads and Bridges program funding which finishes in 2014/15.

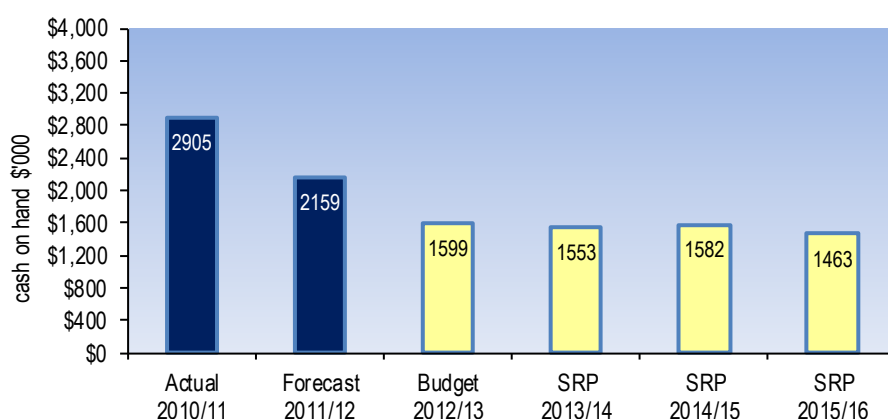
3. Services



The net cost of services delivered to the community for the 2012/13 year is expected to be \$5,623,000 which is a reduction of \$4,000 over 2011/12. This net reduction is due to one-off projects (non-recurrent) in the 2011/12 year (increases in some areas and reductions in other, resulting in a net decrease of \$4,000). The SRP forecast indicates the recurrent costs for future years. Whilst most programs continue at much the same service levels, the forward forecasts provide a contingency where levels of service fluctuate and are difficult to predict (personal and respite care for the aged, also road maintenance reactive works).

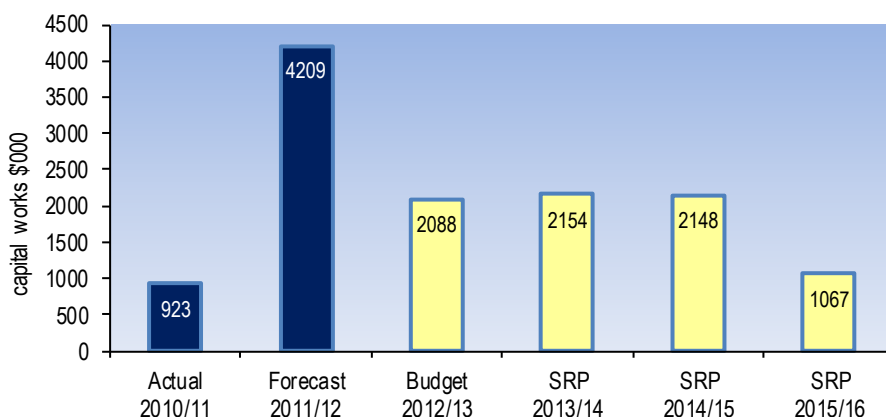
Cost increases include external factors such as the increase in the landfill levy affecting waste disposal costs, as well as allowances for the introduction of the carbon tax and the additional funding required by the defined benefit superannuation fund shortfall.

4. Cash and investments



Cash and investments are expected to decrease by \$560,000 during the year to \$1,599,000 as at 30 June 2013. Reserved funds are to be withdrawn for the Hesse Street revitalisation & Point Lonsdale Main Street (\$215,000) and Dog Beach car park upgrade (\$45,000). (Cash and investments are forecast to be \$2,159,000 as at 30 June 2012).

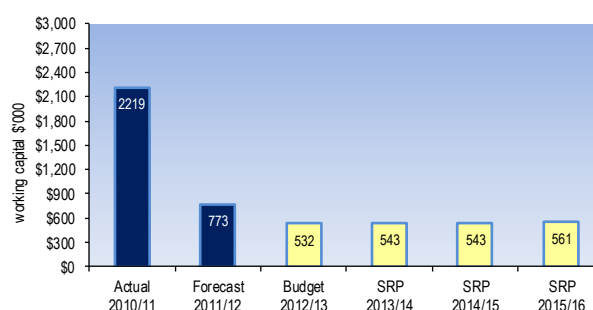
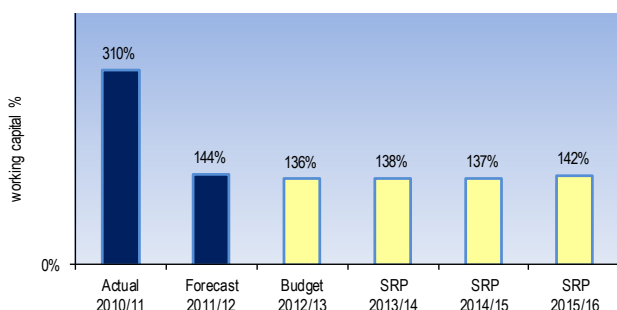
5. Capital works



The capital works program for the 2012/13 year is expected to be \$2,087,500 of which \$1,110,000 is funded from external grants, \$677,500 from Council operations, \$260,000 from Reserves (grant funding received in 2011/12 and carried forward funds from 2011/12) and \$40,000 from asset sales (vehicle trade-ins for annual rollover program).

This year's program includes \$1,000,000 for road works externally funded from the Country Roads & Bridges Program, \$767,500 for the annual asset renewal program, a number of other projects including the Hesse Street revitalisation & Point Lonsdale Road works, the dog beach car park upgrade, a fish cleaning station to be fully grant funded, the staged introduction of recycled bins, crossing at Flinders & Henry Streets and playground equipment.

6. Working capital ratio (adjusted for long service leave current provision)

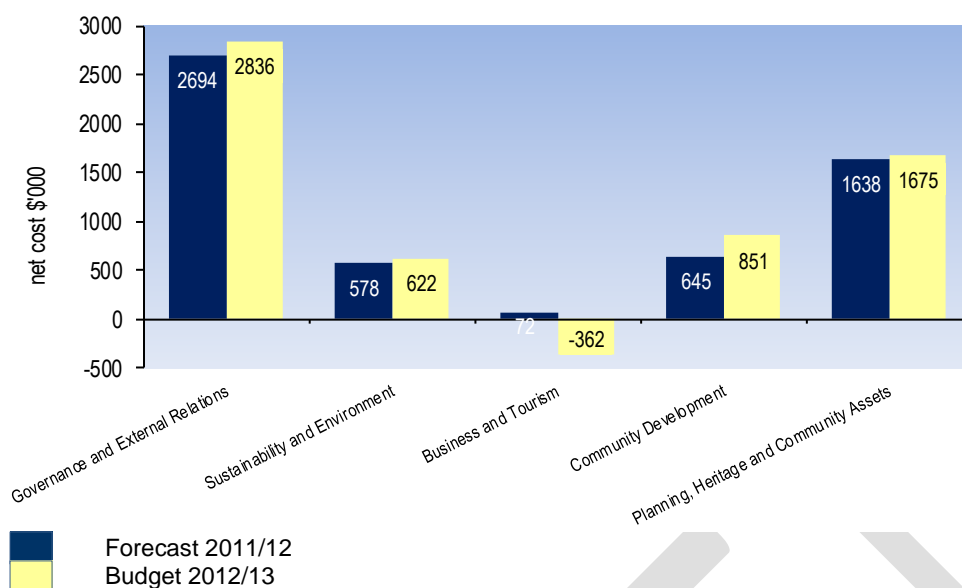


Current assets less current liabilities (working capital position) will reduce slightly as cash reserves are used to complete projects during 2012/13.

The Working Capital ratio depicted above has been adjusted by removing the Long Service Leave (LSL) provision from current liabilities. This calculation more accurately indicates the liquidity position of Council on the basis that full LSL payout is not likely to be required within the next 12 months (Note the treatment of LSL provision as a current rather than a non-current liability is the result of changes to Accounting Standards in recent years. It should also be noted that the Auditor-General requires this adjusted ratio to be reported in Annual Reports). A target of 100% ensures sufficient assets to cover short term liabilities.

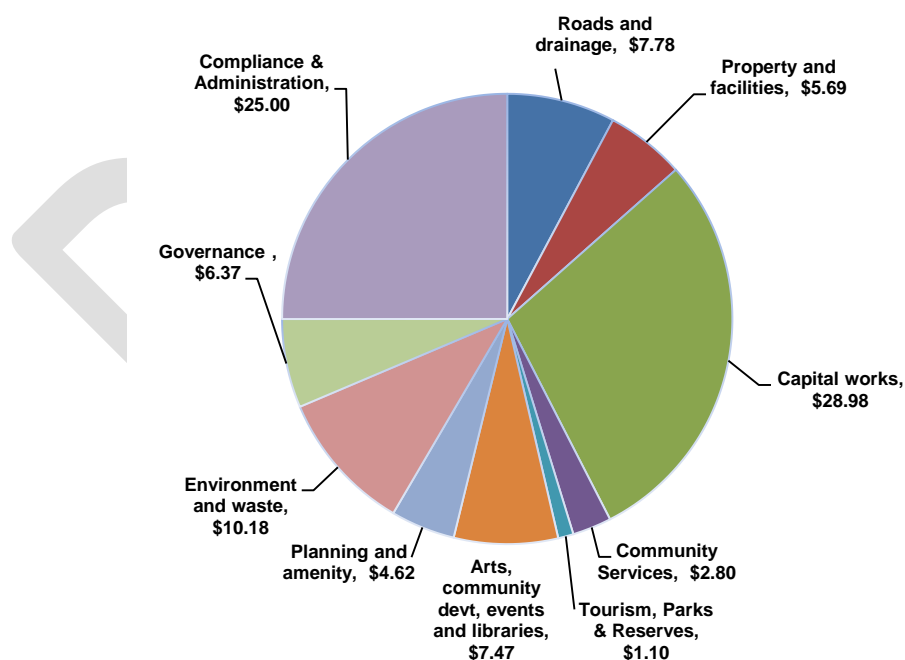
Whilst the cash balance and the working capital position is in excess of the 100% minimum target, it should be noted that an amount of accumulated cash has been reserved for specific purposes (eg: asset replacement reserve) and therefore not available for general operations.

7. Strategic objectives



The Annual Budget includes a range of activities 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 2012/13 year. Note the movement in the Business and Tourism portfolio which shows negative cost (i.e. surplus) is due to the increase in revenue at the caravan/cabin parks.

8. Where rates are spent



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.

More detailed budget information is available throughout this document.

Lenny Jenner
Chief Executive Officer

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 (Finance and Reporting) Regulations 2004 (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 2012/13 budget, which is included in this report, is for the year 1 July 2012 to 30 June 2013 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flow statement and Capital Works statement. These statements have been prepared for the year ended 30 June 2013 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Accounting Standards. The budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, officers firstly review and update Council's long term financial projections. The preparation of the budget, within this longer term context, begins with officers preparing the operating and capital components of the annual budget during November and December. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings and workshops during the period January through March. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in late March 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 website. 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.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process in the form of public meetings. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

Budget process	Timing
1. Officers review current years budget and the effects on long term financial projections	December
2. Officers develop assumptions that will underpin the operating and capital budgets	December
3. Council considers draft budgets at informal briefings	January – March
4. Proposed budget submitted to Council for approval ("in principle")	March
5. Public notice advising intention to adopt budget	March
6. Budget available for public inspection and comment	April/May
7. Community engagement / public meetings take place	April
8. Submissions period closes (28 days)	May
9. Submissions considered by Council	May
10. Budget and submissions presented to Council for adoption	June
11. Copy of adopted budget submitted to the Minister	June

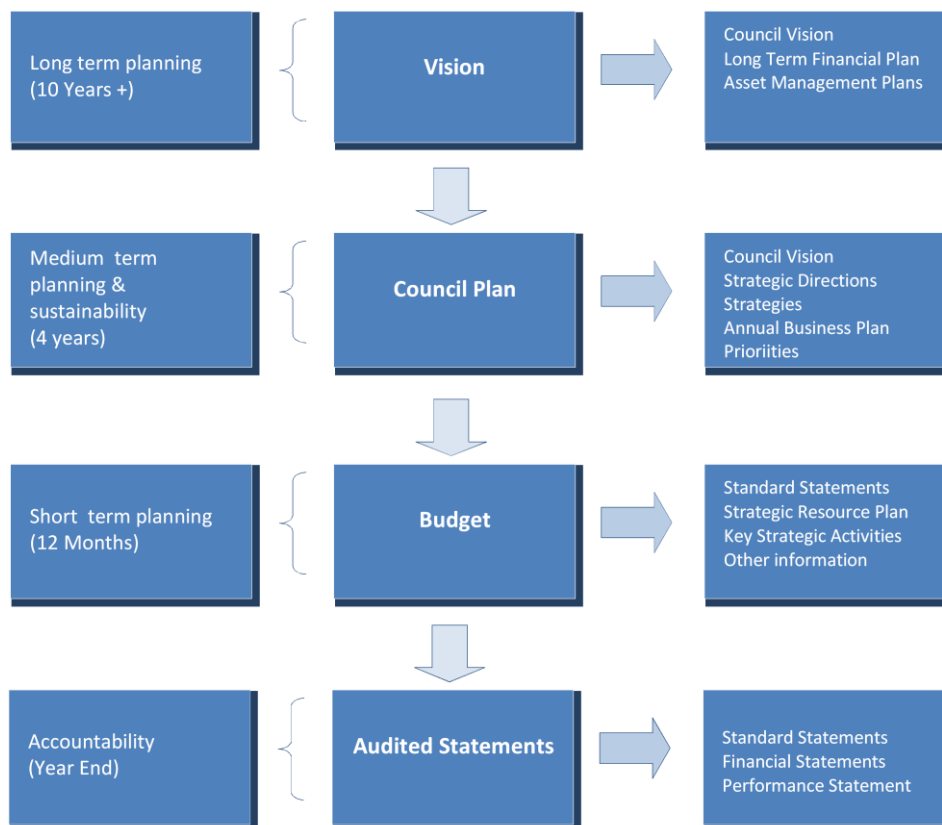
Overview

1. Linkage to the Council Plan

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

1.1 Strategic planning framework

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



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

1.2 Our purpose

Council's vision

The making of a place in which people live, work and visit with a mutual respect for the environment and for others with whom we share our Borough.

1.3 Strategic objectives

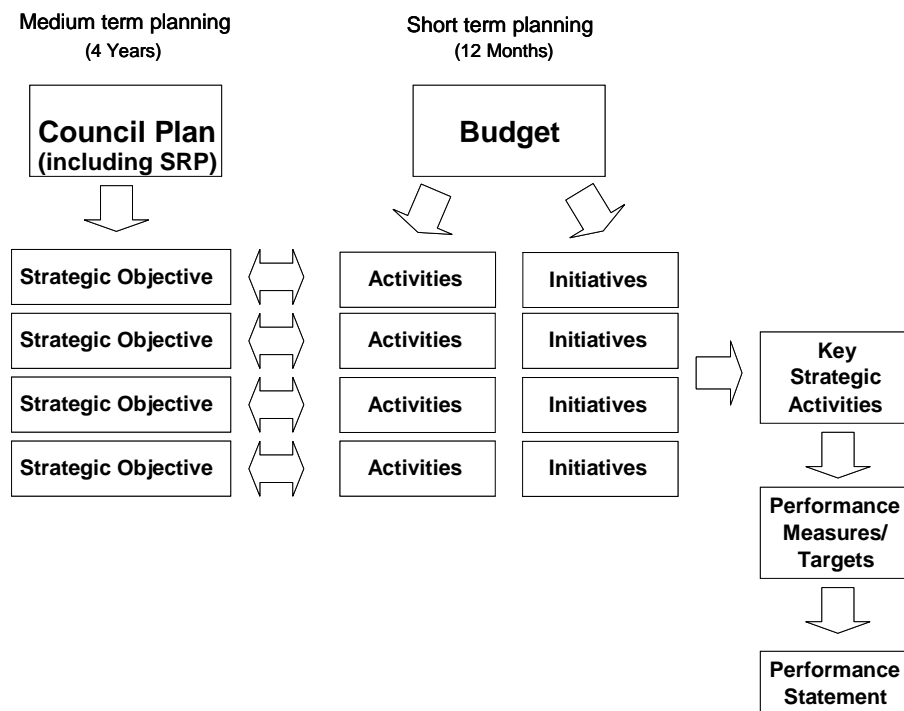
Council delivers activities and initiatives under 27 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the years 2010-2014.

The following table lists the five Strategic Objectives as described in the Council Plan.

	Strategic Objective	Description
1	Governance, Finance and External Relations	Providing accountable governance and long term sustainable financial management
2	Sustainability and Local Environment	Living sustainably and protecting and restoring our diverse environment
3	Business and Tourism	Supporting local businesses and tourism by providing an environment in which they can both flourish
4	Community Development	Work in partnership with the community to build a strong, safe, inclusive and connected community
5	Planning, Heritage and Community Assets	Striving to ensure development sustains and enhances the character of the natural and built environment

2. Activities, initiatives and key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget for the 2012/13 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of key strategic activities and performance targets and measures in relation to these. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan is shown below.



2.1 Strategic Objective 1 - Governance, Finance and Internal Relations

Strategic direction

Providing accountable governance and long term sustainable financial management.

Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Governance	This relates predominantly to the Mayor and Councillors, also governance items such as the community satisfaction survey and membership of various organisations including the MAV and the G21 alliance.	259 0 259
Administration	This area includes the Chief Executive Officer, Executive Management Team and associated support which cannot be easily attributed to direct service provision areas. Also included here are customer and civic services, providing a range of governance, statutory and corporate support services, and acting as the main customer interface with the community. Services include the coordination of council and committee meetings, records and information management and office support services. Legislative requirements under Privacy and Freedom of Information Acts are also administered here.	1,473 (187) 1,286
Finance, risk and audit	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, fleet management, insurance and risk management. Depreciation expense for all Council assets is included in this program area. Audit services include those provided by external and internal auditors, insurance auditors and Council's Audit Committee.	1,269 (134) 1,135
Rates and information technology	This service is responsible for the raising and collection of rates and charges, and the maintenance of property information for both Council and Land Victoria databases. Expenditure related to external provision of both valuation and information technology services is also included.	179 (23) 156
TOTAL	Expenditure (Revenue) Net Cost	3,180 (344) 2,836

Strategies

- Achieve financial strength and maximise external funding opportunities
- Responsibly manage financial, human and physical resources and take a proactive approach to risk management
- Promote strong community engagement and active participation and advocate on issues of importance to the community
- Foster partnerships with community organisations, business, our municipal neighbours and all levels of government
- Ensure the integrity of planning on and around the municipal boundary
- Work towards consolidating the remainder of Point Lonsdale into the Borough of Queenscliffe
- Ensure the continuing independence of the Borough

Key strategic activities

Performance Indicator	2012-2013 Target
Successful achievement of Business Plan priority actions.	100%
Increase opportunities for community participation in Council decision making.	Conduct at least four public meetings each year
Maintain working capital ratio greater than 100%.	Greater than 100%
Improve the risk rating for each of Council's insurance audits	Improve by 5% each year
Prepare and adopt annual Budget and Strategic Resource Plan in accordance with the Local Government Act 1989.	Adopt by 31 August 2012
Review the long term Strategic Financial Plan.	30 April 2013
Prepare and lodge annual financial statements and standard statements in accordance with the Local Government Act 1989.	Lodge by 30 September 2012
Annual Local Government Community Satisfaction Survey rating for overall performance generally of the Council.	At least 70% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's advocacy and community representation on key local issues.	At least 70% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's engagement in decision making on key local issues.	At least 60% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's interaction and responsiveness in customer contact.	At least 75% of respondents say Council performance was excellent, good or adequate

2.2 Strategic Objective 2 – Sustainability and Local Environment

Strategic direction

Living sustainably and protecting and restoring our diverse environment.

Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Sustainability and environment	This program area has carriage of the sustainability policy and facilitates community projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority, as is dealing with Climate Change.	127 0 127
Waste disposal	This service includes regular bin based collection of garbage and recycling as well as a cyclic hard rubbish collection and e-waste. Council also works with the Barwon Region Waste Management Group to increase community awareness and promote behaviours that minimise waste and increase recycling.	507 (12) 495
TOTAL	Expenditure (Revenue) Net Cost	634 (12) 622

Strategies

- Work in partnership with the community and other organisations to protect and restore the local environment and promote sustainable practices
- Protect, restore and rehabilitate the natural ecosystems of the foreshore, coastal and marine environments and increase ecosystem connectivity
- Initiate actions related to climate change
- Work towards being a carbon neutral Council and community
- Promote sustainable energy, waste and water management practices
- Increase the amenity and usefulness of paths and trails in the Borough and surrounds without any detrimental impact on the significant environmental values
- Protect and restore landscapes and heritage plantings in the Borough

Key strategic activities

Performance Indicator	2012-2013 Target
Successful achievement of Business Plan priority actions.	100%
Achieve net increase in street trees across the municipality.	Net increase
Annual Local Government Community Satisfaction Survey rating for council's overall performance in Waste Management.	At least 80% of respondents say Council performance was excellent, good or adequate

2.3 Strategic Objective 3 – Business and Tourism

Strategic direction

Supporting local businesses and tourism by providing an environment in which they can both flourish.

Activities

Program / Activity	Description	Expenditure (Revenue) (Net Income) \$'000
Caravan parks and boat ramp	This service provides approximately 400 camping sites and associated facilities, which provide the revenue to fund the bulk of Council's foreshore activities. The boat ramp service provides a two lane sheltered access to the region's fishing grounds.	761 (1,628) (867)
Visitor information centre	This service provides a state accredited tourist information service year round. Professional and friendly advice from paid and volunteer staff ensure that visitors have a positive experience in the seaside townships of Queenscliff and Point Lonsdale.	177 (15) 162
Coastal and environment	This service implements State government coastal management policy and plans and implements environmental projects and works with other services to improve Council's management of Coastal Crown Land.	323 (84) 239
Tourism promotion	This service is integrated with the activities of Geelong Otway Tourism, Bellarine Peninsula Tourism and the local Queenscliff Lonsdale Business and Tourism Association. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and visitors who choose to stay in the Borough.	105 (1) 104
TOTAL	Expenditure (Revenue) (Net Income)	1,366 (1,728) (362)

Strategies

- Work in partnership with businesses and the community to promote and support business and tourism opportunities, sensitive to the social and environmental amenity of the community
- Promote seasonal and adventure tourism opportunities
- Promote the unique natural and heritage attributes of the Borough which will lead to increased local work opportunities
- Work with businesses and other organisations to provide a greater variety of tourism accommodation in the Borough
- Work with Geelong Otway Tourism and Bellarine Tourism to implement the 'Classic' branding for the Borough of Queenscliffe

Key strategic activities

Performance Indicator	2012-2013 Target
Successful achievement of Business Plan priority actions.	100%
Increase number of people accessing Queenscliffe Visitor Information Centre.	Total number of people accessing the VIC in person, and via the phone, email and website increases each year
Maintain level of sponsorship and in-kind support provided to major tourism events.	Value of support maintained for regular tourism events
Number of food safety audit visits.	At least one visit per premise per annum.
Annual Local Government Community Satisfaction Survey rating for Council's overall performance in Economic Development.	At least 70% of respondents say Council performance was excellent, good or adequate

2.4 Strategic Objective 4 – Community Development

Strategic direction

Work in partnership with the community to build a strong, safe, inclusive and connected community.

Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Aged and Disabled Services	This service provides a range of services for the aged and disabled including home care, personal care and respite care, home maintenance and senior citizens centre.	634 (447) 187
Library	A public library service is provided in Queenscliff, operated by the Geelong Regional Library Corporation, for which Council contributes to the cost of the service.	226 0 226
Arts, Recreation and Culture	This service provides a varied ongoing program of arts and cultural events.	73 (1) 72
Community Development	Council's role in Community Development is to assist the different Borough Communities to join together to enhance social health and wellbeing of all the communities within the Borough. In particular, the Community Development program area is responsible for leading the development and implementation of policies and projects that support social inclusion, access and equity within the Borough.	177 (5) 172
Events	Council works with local community organisations and clubs to plan and implement events that contribute to the health and wellbeing and build on the social fabric of the Borough community. Council's role in events can cover: leading, facilitating, supporting or permit administration, depending on the nature of the event and the level of community responsibility for the specific event.	68 0 68
Maternal and Child Health	Maternal and child health services are externally provided by Bellarine Health Care and funded by Council grant income.	60 (45) 15
Environmental Health	This service protects the community's health and wellbeing by coordinating food safety support programs, Tobacco Act activities and smoke free dining venues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	142 (31) 111
TOTAL	Expenditure (Revenue) Net Cost	1,380 (529) 851

Strategies

- Promote the health and wellbeing of the Borough community and continue to provide and support high quality health, learning and aged care services
- Facilitate opportunities in sport, recreation, arts, cultural and civic activities
- Advocate for improved public and community transport
- Promote safe walking and cycling activity
- Support and encourage community projects
- Foster safety in the community
- Support and recognise volunteerism
- Promote reconciliation

Key strategic activities

Performance Indicator	2012-2013 Target
Successful achievement of Business Plan priority actions.	100%
Level of financial support to community initiatives and not-for-profit community groups and organisations.	Maintain value of grants
Recognise and celebrate volunteer contributions in the Borough of Queenscliffe.	Conduct at least 2 events per annum
Annual Local Government Community Satisfaction Survey rating for Council's overall performance in health and human services.	At least 90% of respondents say Council performance was excellent, good or adequate
Annual Local Government Community Satisfaction Survey rating for council's overall performance in recreational facilities.	At least 80% of respondents say Council performance was excellent, good or adequate

2.5 Strategic Objective 5 - Planning, Heritage and Community Assets

Strategic direction

Striving to ensure development sustains and enhances the character of the natural and built environment.

Activities

Program / Activity	Description	Expenditure (Revenue) Net Cost \$'000
Road Maintenance and Works	Provided by an external contractor, this service includes maintenance of local roads, kerb and channel, footpaths and shared use trails, drainage, street cleaning and sweeping, parks and gardens and sports ovals.	987 (54) 933
Engineering	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. The service also approves and supervises private development activities such as build over easement, legal point of discharge, vehicle point of access and infrastructure associated with unit developments.	172 0 172
Planning and Development Control	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors Council's Planning Scheme as well as preparing major policy documents shaping the future of the Borough. It also processes amendments to the Council Planning Scheme and carries out research on demographic, economic and social issues affecting Council.	176 (59) 117
Local Law Enforcement	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment in Council by providing services including a dog and cat collection service, a lost and found notification service, a registration and administration service, an after hours service and an emergency service. This service also facilitates the smooth flow of traffic and parking throughout the municipality through the provision of safe, orderly and equitable parking enforcement and education. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	210 (74) 136
Public Conveniences	Maintenance, cleaning and renewal of 13 public conveniences is required to maintain a level of service acceptable to the general community as well as tourists.	110 0 110
Street Lighting	Operation, maintenance and renewal plus energy costs associated with the Borough's street lights.	51 0 51
Powerline Clearance	This is to maintain the legislative clear zones around powerlines to ensure safety and prevention of fire.	42 0 42

Building Maintenance	This service prepares long term maintenance management programs for Council's buildings in an integrated and prioritised manner in order to optimise their strategic value and service potential.	35 0 35
Heritage Assets	Advice is provided via an external contractor regarding Council's heritage assets, in order to maintain the Borough's heritage values.	66 (15) 51
Building Control	This service provides statutory building services to the Council community including processing of siting variation consent, emergency management responsibilities, building safety inspections/audits and investigations of complaints and illegal works. Provided by way of a part time external contractor.	46 (18) 28
TOTAL	Expenditure (Revenue) Net Cost	1,895 (220) 1,675

Strategies

- Protect, conserve and add value to the unique natural, built and heritage values of the Borough of Queenscliffe, drawing on an understanding of the limitations of the natural environment and the municipality's historical background
- Develop appropriate planning policies to improve the amenity of the Borough as a place where people live, work and visit
- Work in partnership with the community and stakeholders to achieve responsive and high quality planning outcomes in a consistent manner
- Improve the development of infrastructure and maintain community assets
- Enhance traffic management

Key strategic activities

Performance Indicator	2012 - 13 Target
Successful achievement of Business Plan priority actions.	100%
Complete review of Queenscliffe Planning Scheme and draft Planning Scheme Amendment.	Council endorsement of final report by 30 June 2013
Number of planning applications processed within 60 statutory days.	70%
Annual Local Government Community Satisfaction Survey rating for council's overall performance in appearance of public areas.	At least 80% of respondents say Council performance was excellent, good or adequate.
Annual Local Government Community Satisfaction Survey rating for council's overall performance in traffic management and parking.	At least 70% of respondents say Council performance was excellent, good or adequate.
Annual Local Government Community Satisfaction Survey rating for council's overall performance in town planning policy and approvals.	At least 50% of respondents say Council performance was excellent, good or adequate.

2.6 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Governance, finance and external relations	\$2,836	\$3,180	\$344
Sustainability and local environment	\$622	\$634	\$12
Business and tourism	(\$362)	\$1,366	\$1,728
Community development	\$851	\$1,380	\$529
Planning, heritage and community assets	\$1,675	\$1,895	\$220
Total activities and initiatives	\$5,622	\$8,455	\$2,833
Other non-attributable	\$0		
Deficit before funding sources	\$5,622		
Funding sources			
Rates and charges	\$5,578		
Capital grants and contributions	\$1,295		
Total funding sources	\$6,873		
Surplus for the year	\$1,251		

3. Budget influences

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

3.1 Snapshot of the Borough of Queenscliffe

The Borough of Queenscliffe is located to the south of Melbourne on the south eastern tip of the Bellarine Peninsula. The Borough has a land area of 10.7 square kilometres all of which is essentially coastal land.

The Borough was proclaimed a municipality in 1863 and is unique in Victoria in that it is the only Local Government untouched by any boundary change. It remained unchanged through the amalgamation process in the first half of the 1990's.

Population

The estimated population as at June 30th 2010 was 3314 which is a slight increase from the census of 2006. It is anticipated that the population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non permanent ownership of property. (Source: Australian Bureau of Statistics, Estimated Resident Population).

Ageing population

In 2010 the population over the age of 64 was 33% against a Victorian average of 13.7%. The Borough's population aged over 64 years is estimated to be 40% in 2016 and 45% by 2031. For this reason, there is significant emphasis on the need to provide aged services, although it is also acknowledged that age is not the sole determinant of the need for particular health services. (Source: Australian Bureau of Statistics, Census of Population and Housing).

Births

Despite an ageing population, an average of 27 babies have been born each year since 2007. In the 2010/11 financial year 30 babies were born in the municipality. (Source: Maternal and Child Health database).

Cultural diversity

Of the total population, 83% were born in Australia. Of those residents born overseas, 47% come from the United Kingdom. (Source: Australian Bureau of Statistics, Census of Population and Housing).

Housing

Population density in the Borough is low with 1.1 persons per household compared to the average for smaller Councils being 1.4 and the State average of 1.9.

Property values in the Borough are generally high with the top quartile averaging over \$1M. The overall median house price increased from \$625,000 in 2010 to \$669,000 currently. Source: Opteon (Victoria) Pty Ltd - January 2012 revaluation of all properties in the Borough.

Education and occupation

The percentage of residents aged 15 and over who have post-school qualifications is 60.2%. (Source: Australian Bureau of Statistics, Census of Population and Housing).

There is an above average proportion (81%) of managers, professionals, associate professionals and intermediate clerical and administrative workers, and a below average number of labourers and other semi-skilled or unskilled workers in the Borough.

The workforce statistics show a high proportion of people not in the workforce (retired) and a below average unemployment level of 3.2% for those actively in the workforce. Of those active in the workforce, 56.8% are in full time employment and 40.8% are working part time. (Source: Australian Bureau of Statistics, Census 2006).

Budget implications

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

- Approximately 15% of ratepayers are entitled to the pensioner rebate. The rebate is provided by the State Government and has no impact on the council's finances.
- The relatively compact area of the Borough gives some inherent service advantages as services are being delivered across a compact area. This is unusual in a non Melbourne metropolitan council.
- The Council also has to consider the fact that just outside its border there is a significant resident population at Point Lonsdale which is in the City of Greater Geelong. Council needs to continue to plan its community facilities around the fact that the cohort utilises the services of the Borough.
- A large percentage of land under Council control is in fact Crown Land and therefore is non rateable. Council must be constructive in the way in which it approaches the management of Crown Land to ensure that there are sufficient revenue streams to review and maintain facilities on the various Crown Land reserves.

3.2 External influences

In preparing the 2012/13 budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period.

These include:

- Consumer Price Index (CPI) increases on goods and services of 3.1% per annum (ABS release 25 January 2012). State-wide CPI is forecast to be 2.5% for the 2012/13 year (Victorian Budget Papers 2011/12) For the purposes of this budget, inflation of 2.5% has been included.
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to August 2011 was 4.4% (ABS release 17 November 2011). Wages growth in Victoria is projected to be 3.5% per annum over the next four years (Victorian Budget Papers 2011/12). Council must renegotiate a new Enterprise Agreement during the 2012/13 year.
- The 'Engineering Construction' and 'Non-Residential Building' Indices prepared by Econtech are forecast at 1.7% and 2.5% respectively (MAV Local Government Cost Index Report, 2011).
- Receipt of significant capital works funding for the Country Roads & Bridges Program of \$1 million per year for a four year period from 2011/12 through 2014/15.
- Increases of \$4.40 per tonne (or 10%) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs of \$5,700. This follows increases of \$35 per tonne (almost 400%) over the last two years. Other disposal costs increases result in a total additional amount of \$12,000 for waste management.
- Council's apportioned share of the local authorities defined benefit superannuation liability will not be known until April or May 2012 and is therefore not included in either the 2011/12 forecast or in the 2012/13 budget.
- Introduction of a carbon price by the Federal Government commencing at a fixed price of \$23 from 1 July 2012. This will have a significant impact on the costs of waste disposal, energy and general input costs.

3.3 Internal influences

As well as external influences, there were also a number of internal influences which are expected to have a significant impact on the preparation of the 2012/13 Budget. These matters have arisen from events occurring in the 2011/12 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2012/13 year. These matters and their financial impact are set out below:

- Staff turnover and succession planning: some areas of Council services have a number of staff approaching retirement age. Trainees have been appointed to assist with succession planning. Allowances are also made in the budget to provide contracted assistance required in the event of staff resignations (and also for back filling whilst staff are on annual leave).
- The Roads, Parks and Reserves Maintenance Services contract is in the process of being re-tendered. Costs associated with the winning tender will not be known during the budget process. Contract costs have been estimated based on the median cost submitted for the previous

tender for this contract with consideration to indexation over the past three years. This amount will be reviewed on the awarding of the contract.

- Road maintenance and works contract: a provisional sum of \$90,000 is included for costs which may arise that fall outside of the fixed price agreement, and which are difficult to predict. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.
- Matching Funds for Coastal Risk Mitigation and Coastal Environment Grants: \$50,000 budget is included as a contingency to match government funding applications if successful. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.
- An additional provision of \$50,000 is included within the Aged & Disabled Services salary budget to allow for any increase in the levels of personal and respite care that may be required. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.

3.4 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
- Grants to be based on estimated funding levels. Unsuccessful applications will result in the project not proceeding (unless alternative funding is sourced)
- New revenue sources to be identified where possible
- Service levels to be maintained at 2011/12 levels except where recurrent or one-off grant funding enables expansion to service delivery.
- Salaries and wages to be increased in line with Enterprise Bargaining Agreement (EBA)
- Additional provision made, above CPI, with respect to the road maintenance contract which has recently been re-tendered (note the tender process is yet to be finalised).
- Capital works projects to be prioritised based on the Asset renewal requirements as determined by the regular review of asset conditions
- New initiatives (operating items) prioritised based on community input

3.5 Long term strategies

The budget includes consideration of a number of long term strategies to assist Council in preparing the Budget in a prudent financial management context. These include a Strategic Resource Plan for the years 2012/13 to 2015/16 (section 8), Rating Strategy (section 9) and Other Long Term Strategies (section 10) including borrowings, infrastructure and service delivery.

Budget analysis

4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2012/13 year.

4.1 Budgeted income statement

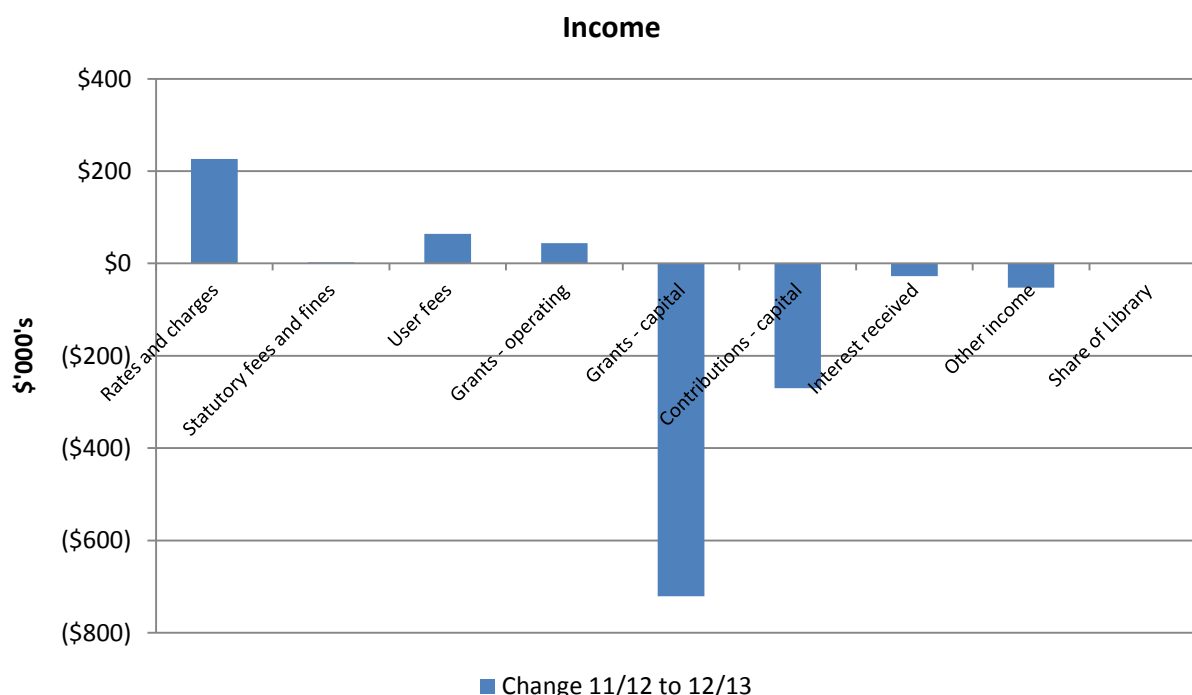
	Ref	Forecast 2011/12 \$'000's	Budget 2012/13 \$'000's	Variance \$'000's
Total income	4.2	\$10,439	\$9,710	(\$730)
Total expenses	4.3	(\$8,428)	(\$8,459)	(\$31)
Surplus (deficit) for the year		\$2,011	\$1,251	(\$761)
<i>Less capital and other non-operating items</i>				
Grants - capital	4.2.5	(\$2,016)	(\$1,295)	\$721
Contributions - capital	4.2.6	(\$270)	\$0	\$270
Net loss on sale of assets	4.3.7	\$5	\$10	\$5
Share of net profits of associates and joint ventures accounted for by the equity method	4.3.8	(\$5)	(\$5)	\$0
Underlying surplus (deficit)	4.1.1	(\$275)	(\$39)	\$234

4.1.1 Underlying Deficit (\$235,000 decrease)

The underlying result is the net surplus or deficit for the year adjusted for capital grants, contributions of non-monetary assets and other once-off adjustments. It is a measure of financial sustainability as it is not impacted by non-recurring or once-off items of income and expenses which can often mask the operating result. The underlying result for the 2012/13 year is a deficit of \$39,000 which is a reduction from the 2011/12 year of \$275,000 deficit. (2011/12 having a large number of carry forward projects from 2010/11 expended).

4.2 Income

Income Types	Ref	Forecast 2011/12 \$'000's	Budget 2012/13 \$'000's	Variance \$'000's
Rates and charges	4.2.1	\$5,352	\$5,578	\$226
Statutory fees and fines	4.2.2	\$107	\$109	\$2
User fees	4.2.3	\$1,790	\$1,855	\$64
Grants - operating	4.2.4	\$713	\$757	\$44
Grants - capital	4.2.5	\$2,016	\$1,295	(\$721)
Contributions - capital	4.2.6	\$270	\$0	(\$270)
Interest received	4.2.7	\$138	\$111	(\$27)
Other income	4.2.8	\$53	\$0	(\$53)
Share of Library	4.2.9	\$5	\$5	\$0
Total income		\$10,444	\$9,710	(\$735)



4.2.1 Rates and charges (\$226,000 increase)

It is proposed that general rate income be increased by 4.0% or (\$226,000) over 2011/12 to \$5,578,000. Supplementary rates are budgeted to be consistent with 2011/12 at \$10,000. Section 9. 'Rating Strategy' includes a more detailed analysis of the rates and charges to be levied for 2012/13.

4.2.2 Statutory fees and fines (\$2,000 increase)

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

Statutory fees are forecast to increase by 1.9% or \$2,000 compared to 2011/12.

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

4.2.3 User fees (\$64,000 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 the use of council facilities, the provision of aged care services as well as camping and caravan fees. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases reflect market levels and/or CPI.

User charges are projected to increase by 3.6% or \$64,000 over 2011/12. The fees from Councils camping and caravan parks contributes the largest portion of the fees and charges budget.

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

4.2.4 Grants - operating (\$44,000 increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to increase by 6.2% or \$44,000 compared to 2011/12. Significant movements in grant funding are summarised below:

Grant Funding Types	Forecast 2011/12 \$'000's	Budget 2012/13 \$'000's	Variance \$'000's
2011/12 one-off grant funding			
Sustainability accord	\$45	\$0	(\$45)
2012/13 one-off grant funding			
Shortlands Bluff tourism development project	\$0	\$85	\$85
2012/13 general increase in grant funding			
Grants commission 2%, all others Nil %	\$668	\$672	\$4
Total Grants - operating	\$713	\$757	\$44

Recurrent operating grants include Aged and Disabled Services (\$361,000), Victoria Grants Commission (\$223,000) and Maternal & Child Health (\$45,000). Included in the 2012/13 budget is a one-off (non-recurring) grant related to the Shortlands Bluff tourism development project (\$85,000).

4.2.5 Grants - capital (\$721,000 decrease)

Capital grants include all monies received from State and Federal governments for the purposes of funding the capital works program. Overall the level of capital grants has reduced by 35.7% or \$720,000 compared to 2011/12. This is due to the level of one-off grants received in 2011/12 where few are anticipated for 2012/13. Council was very successful in attracting grants in 2011/12. It is important to note that the impact of the Global Financial Crisis, combined with Federal and State government commitments to achieving a surplus budget, have resulted in less capital grants available for one-off community facility funding.

Significant movements in grant funding are summarised below:

Grant Funding Types	Forecast 2011/12 \$'000's	Budget 2012/13 \$'000's	Variance \$'000's
Grant funding which spans both years			
Country Roads & Bridges Program	\$1,000	\$1,000	\$0
Local Government Infrastructure Program	\$250	\$185	(\$65)
Roads to Recovery	\$74	\$0	(\$74)
2011/12 one-off grant funding			
Queenscliff Sports Club enhancement project	\$300	\$0	(\$300)
Ferry to the Pier project	\$250	\$0	(\$250)
Playground & Park Development project	\$125	\$0	(\$125)
Other	\$17	\$0	(\$17)
2012/13 one-off grant funding			
Building Renewal Senior Citizens	\$0	\$100	\$100
Fish Cleaning Station	\$0	\$10	\$10
Total Grants - capital	\$2,016	\$1,295	(\$721)

The Borough has been successful in attracting two major sources of government grant funding which are to be received over a four year period from 2011/12 through 2014/15: Country Roads & Bridges Program which is \$1,000,000 each year for four years and the Local Government Infrastructure Program which is \$813,000 to be received in total over the four years, commencing 2011/12.

The Roads to Recovery program is a Federally funded program, with funding available over a four year period, with the amount per year to be nominated by Council. The current program ends in 2012/13, however Council have forecast to receive full funding of \$144,000 over the 2010/11 & 2011/12 years, with Nil budgeted to be received in 2012/13.

Two new capital grants have been included in the 2012/13 budget for Building Renewal Senior Citizens (\$100,000) and Fish Cleaning Station (\$10,000). All other grants in the 2011/12 Forecast are considered one-off funding and Nil budget is included for these items in 2012/13.

Section 6. 'Analysis of Capital Budget' includes a more detailed analysis of the grants and contributions expected to be received during the 2012/13 year.

4.2.6 Contributions - capital (\$270,000 decrease)

No capital contributions have been budgeted to be received in 2012/13. Two one-off capital contributions are forecast to be received in 2011/12 being Queenscliff Sports Club enhancement project (\$250,000) and Ferry to the Pier project (\$20,000).

4.2.7 Interest received (\$27,000 decrease)

Interest on investments will be lower in 2012/13 as a result of lower levels of cash being held compared to 2011/12.

Interest received is forecast to reduce by 19.6% or \$27,000. The 2012/13 cash budget assumes all 2011/12 projects will be completed in line with the forecast Capital Works program. Incomplete projects and therefore unspent cash will carry forward to the 2012/13 year and may improve the position in terms of interest received..

4.2.8 Other income (\$53,000 decrease)

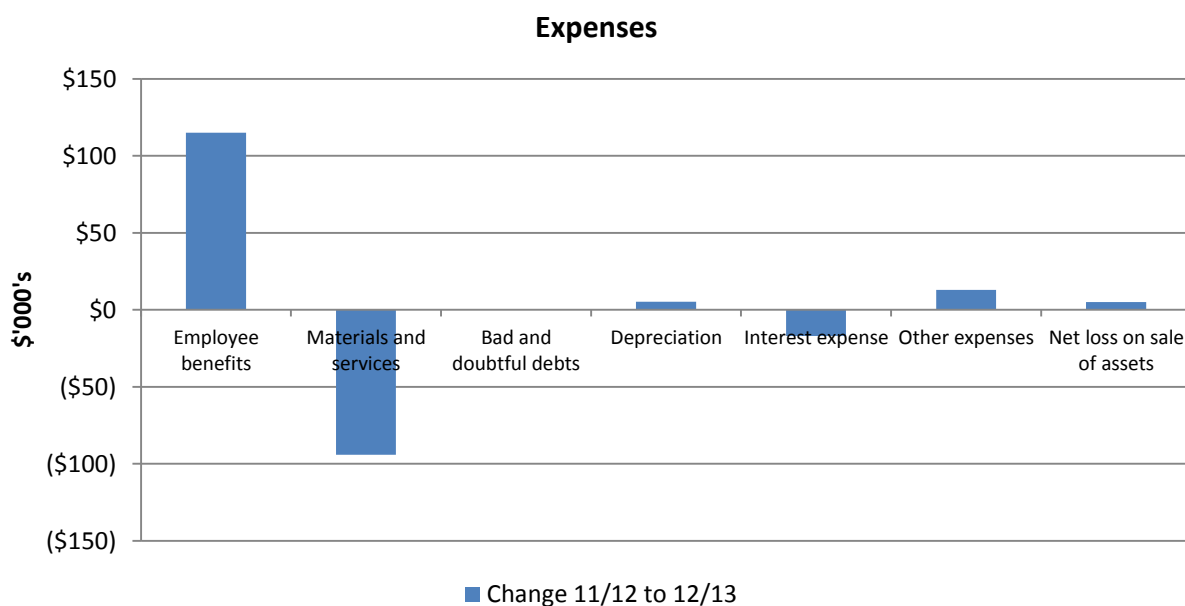
Other income relates to the reimbursement of an existing long term workcover case which ceased in 2011/12. A corresponding decrease in Employee costs is associated with the cessation of this claim..

4.2.9 Share of net profits of associates and joint ventures accounted for by the equity method (\$Nil movement)

This is not known until the end of each financial year, however based on recent experience over the last two financial years, both 2011/12 Forecast and 2012/13 Budget include an estimate of \$5,000 net profit share.

4.3 Expenses

Expense Types	Ref	Forecast 2011/12 \$'000's	Budget 2012/13 \$'000's	Variance \$'000's
Employee benefits	4.3.1	\$2,823	\$2,938	\$115
Materials and services	4.3.2	\$4,508	\$4,414	(\$94)
Bad and doubtful debts	4.3.3	\$2	\$2	\$0
Depreciation	4.3.4	\$773	\$777	\$5
Interest expense	4.3.5	\$107	\$90	(\$17)
Other expenses	4.3.6	\$214	\$227	\$13
Net loss on sale of assets	4.3.7	\$5	\$10	\$5
Total expenses		\$8,433	\$8,459	\$26



4.3.1 Employee benefits (\$115,000 increase)

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

Employee costs are forecast to increase by 4.1% or \$115,000 compared to 2011/12. The net increase of 4.1% in employee costs relates to the following key factors:

- allowance for the next Enterprise Agreement pay increase due in January 2013
- 1% increase related to annual increment increases as staff progress through Award bandings
- \$50,000 contingency included for Aged care services, given the fluctuating and difficult to predict nature of personal and respite care services (which are paid at a higher rate)
- Environmental health is budgeted as salaries in 2012/13 (in 2011/12 this has been in Materials & Services as it was provided via contract whilst the incumbent was on Maternity leave)
- Visitor information centre is budgeted to have additional salaries in 2012/13 as a part-time employee is to be engaged in lieu of a trainee (2011/12 includes staffing through a traineeship contract – not included in total employee costs)
- One work cover claim (\$52,000) forecast in 2011/12 not expected to continue in 2012/13

Total number of staff is budgeted to continue in 2012/13 at a similar level as for the current 2011/12 year. However, circumstances often arise whereby staff absences are filled by contracted arrangements resulting in a reduction in staff costs but a related increase in contractors under materials & services.

In summary, average staff numbers (based on monthly averages) during the budget period are as follows:

Type of employment	Forecast 2011/12	Budget 2012/13	Variance
Number of staff	57.0	57.0	0.0
Equivalent full time (EFTs)	38.4	37.6	-0.8
Permanent	50.0	50.0	0.0
Casual	7.0	7.0	0.0
Total number of staff	57.0	57.0	0.0

The above figures include employees under short-term contracts at caravan parks.

The most significant increases in employee costs by service unit are summarised below:

Activity/Program	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Aged care services	\$418	\$489	\$70
Governance and administration	\$904	\$967	\$63
Environmental health	\$16	\$68	\$52
Visitor information centre	\$95	\$130	\$35
Town planning	\$169	\$140	(\$29)
Work cover claim	\$52	\$0	(\$52)
Other activities/programs (variances < \$10,000 each)	\$1,169	\$1,145	(\$24)
Total employee benefits	\$2,823	\$2,938	\$115

4.3.2 Materials and services (\$94,000 decrease)

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 decrease by 2.1% or \$94,000 compared to 2011/12. Significant movements in materials and services are summarised below:

Materials & Services	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Bank charges	\$40	\$41	\$2
Cleaning	\$88	\$90	\$2
Contractors/Consultants	\$1,121	\$1,163	\$42
Contractors/Consultants - non recurrent	\$445	\$90	(\$355)
Donations & Contributions	\$329	\$303	(\$26)
Electricity	\$151	\$166	\$15
Gas	\$11	\$12	\$2
Insurance	\$139	\$146	\$7
Legal expenses	\$38	\$37	(\$1)
Materials	\$463	\$496	\$33
Memberships/Subscriptions	\$63	\$58	(\$5)
Minor equipment & works	\$8	\$8	\$0
Other expenses	\$31	\$94	\$64
Plans/assessments	\$65	\$0	(\$65)
Postage	\$16	\$16	\$0
Printing, Stationery & Advertising	\$106	\$113	\$8
Public Relations	\$1	\$1	\$0
Repairs & Maintenance	\$1,156	\$1,331	\$175
Security	\$19	\$20	(\$1)
Telephone	\$47	\$48	\$2
Training	\$30	\$31	\$2
Travel expenses	\$74	\$76	\$2
Water	\$69	\$75	\$7
	\$4,508	\$4,414	(\$94)

The reduction in Materials and services is largely a result of one-off expenditure in 2011/12 on operating projects which are not budgeted to continue in 2012/13. This is partly offset by a budgeted increase in the Road Maintenance & Works Contract, recently re-tendered (tender to be finalised in the last quarter of 2011/12.)

Any works not completed by 30 June 2012, to be completed in the 2012/13 year will be transferred into 2012/13. (funding will be set aside in a carry forward reserve at 30 June 2012).

Details of major items budgeted in 2012/13 for contractors/consultants include:

• Waste disposal	\$385,000
• Public convenience contract	\$ 93,000
• Aged Services Home Maintenance contract	\$ 66,000
• Maternal & Child Health contract	\$ 60,000
• Weed control & revegetation	\$ 60,000
• Environmental health	\$ 49,000
• Building Inspector	\$ 46,000
• Heritage Advisor	\$ 46,000
• Information Technology service contract	\$ 46,000
• Powerline & Sundry Tree Clearance	\$ 42,000
• Valuation contract	\$ 30,000

4.3.3 Bad and doubtful debts (\$Nil movement)

Bad and doubtful debts is projected to remain consistent at \$2,000 and relates to parking fines forwarded to Bartel, Taylor & Associates for collection and a consequent reduction in collection rates.

4.3.4 Depreciation and amortisation (\$5,000 increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$5,000 for 2012/13 is due mainly to the completion of the 2012/13 capital works program and the full year effect of depreciation on the 2011/12 capital works program. Refer to section 6 "Analysis of Capital Budget" for a more detailed analysis of Council's capital works program for the 2012/13 year.

4.3.5 Interest expense (\$17,000 decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

4.3.6 Other expenses (\$13,000 increase)

Other expenses relate to a range of unclassified items including mayoral and councillor allowances, audit fees and motor vehicle lease expense. Other expenses are forecast to increase by 6.1% or \$13,000 compared to 2011/12. This is largely due to increased costs of internal audit (recently tendered) and indexation on mayoral and councillor allowances.

4.3.7 Net loss on sale of assets (\$5,000 increase)

Net loss on sale of assets relates to the planned cyclical replacement of part of the motor vehicle fleet. The budget assumes some net loss on disposal of assets, although depreciation charges generally closely reflect asset life and residual value.

4.4 Cash / Rates Budget

As part of the budgeting process, the total “rates” budget is prepared on a break-even basis in terms of total income and total expenditure. In the case of budgeted surplus funds, Council may determine that an amount be reserved for future asset replacement, that is, a surplus may be budgeted for in any one year and set aside in a reserve for future years spending.

The 2012/13 Budget results in an accumulated cash surplus of \$47,000 as at 30 June 2013.

The conversion of the Operating result (shown in 4.1 above) to the cash result is shown below. This statement takes the result as calculated on an accrual accounting basis and converts it to a cash result by removing the non-cash items such as depreciation, the share of the library (book entry) and the WDV of assets sold. The non-operating items that affect cash requirements are then added back.

The final adjustment is to record the movements in and out of reserves so that the result indicates the unrestricted or available cash at year end (being that reserves, whilst included in the total cash in the balance sheet, are funds set aside for specific purpose and therefore not available.)

Rates / Cash Budget	2011/12 Forecast \$'000	2012/13 Budget \$'000
Operating Surplus / (Deficit)	\$ 2,011	\$ 1,251
<u>Adjust for non-cash items</u>		
Depreciation	\$ 773	\$ 777
Share of net profits of associates and joint ventures accounted for by the equity method	(\$ 5)	(\$ 5)
Increase in unfunded superannuation liability	\$ 0	\$ 0
Written Down Value (WDV) of assets sold	\$ 50	\$ 50
	\$ 818	\$ 822
<u>Adjustments for non-operating cash items</u>		
New borrowings	\$ 150	\$ 0
Loan principal payments	(\$ 344)	(\$ 226)
Capital expenditure	(\$ 4,209)	(\$ 2,088)
	(\$ 4,403)	(\$ 2,314)
Total Rates/Cash Surplus/(Deficit) for the year	(\$ 1,574)	(\$ 241)
Transfers to reserves	(\$ 839)	(\$ 185)
Transfers from reserves	\$ 2,368	\$ 260
Surplus/(deficit) for the year	(\$ 45)	(\$ 166)
Accumulated Cash brought forward from previous year	\$ 258	\$ 213
Total Rates / Cash Surplus (Deficit) for the year	(\$ 45)	(\$ 166)
Accumulated Cash Forecast for 30 June	\$ 213	\$ 47

The statement following shows the income and expenditure in the 2012/13 budget, the deficit of \$166,000 budgeted for the 2012/13 year and the resulting cumulative amount remaining at 30 June 2013. Note the \$166,000 deficit budgeted for 2012/13 is due to Council's decision to utilise the available surplus that is forecast to be available at the end of the 2011/12 financial year.

Statement of Income and Expenditure - Budget 2012/13

\$'000's

\$'000's

Income

Rates and charges	\$ 5,578
Statutory fees and fines	\$ 109
User Fees	\$ 1,855
Grants - Recurrent	\$ 757
Grants - Non-recurrent	\$ 1,295
Interest received	\$ 111
Other revenue	\$ 0
Proceeds from Asset Sales	\$ 40
Transfers from Reserves	\$ 260
	\$ 10,004

Expenditure

Employee benefits	\$ 2,938
Contract payments, materials & services	\$ 4,414
Bad and doubtful debts	\$ 2
Finance costs	\$ 90
Other	\$ 227
Loan Redemption	\$ 226
Capital Expenditure	\$ 2,088
Transfers to Reserves	\$ 185
	\$ 10,170

Cash Budget Deficit 2012/13

\$ 166

\$ 10,170

\$ 10,170

Accumulated Cash @ 30/06/12	\$ 213
Cash Budget Deficit 2012/13	\$ 166
Accumulated Cash @ 30/06/13	\$ 47

The table at the right confirms the accumulated cash surplus projected as at 30 June 2013 using Balance sheet figures.

This commonly used method ensures that available (unrestricted) surpluses from any rating year and the timing and matching of income and expenditure, that is absent from standard accounting statements, is accounted for in a cumulative sense.

Balance Sheet Accumulated Cash calculation

	\$'000's
Assets	
Cash and cash equivalents	1,599
Trade and other receivables	230
Other assets	157
Trade and other receivables	35
	2,021
minus Liabilities	
Trade and other payables	975
Provisions	488
Trust funds and deposits	68
	1,531
	490
minus Reserves (cash backed)	
Discretionary Reserves	443
Accumulated Cash Surplus/(Deficit)	47

5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2012/13 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.

5.1 Budgeted cash flow statement

	Ref	Forecast 2011/12 \$'000's	Budget 2012/13 \$'000's	Variance \$'000's
Cash flows from operating activities	5.1.1			
<i>Receipts</i>				
Rates and charges		\$5,342	\$5,574	\$232
User fees and fines		\$1,894	\$1,960	\$66
Grants and cash contributions		\$2,999	\$2,052	(\$947)
Interest		\$138	\$111	
Other receipts		\$53	\$0	(\$53)
		\$10,426	\$9,696	(\$730)
<i>Payments</i>				
Supplier payments		(\$3,685)	(\$4,747)	(\$1,061)
Employee benefits		(\$2,805)	(\$2,916)	(\$111)
Other payments		(\$216)	(\$229)	(\$13)
		(\$6,707)	(\$7,892)	(\$1,186)
Net cash provided by operating activities		\$3,719	\$1,804	(\$1,915)
Cash flows from investing activities	5.1.2			
Proceeds from sale of assets		\$45	\$40	(\$5)
Payments for property, plant and equipment		(\$4,209)	(\$2,088)	\$2,122
Net cash used in investing activities		(\$4,164)	(\$2,048)	\$2,117
Cash flows from financing activities	5.1.3			
Interest expense		(\$107)	(\$90)	\$17
Proceeds from borrowings		\$150	\$0	(\$150)
Repayment of borrowings		(\$344)	(\$226)	\$118
Net cash used in financing activities		(\$301)	(\$316)	(\$15)
Net decrease in cash and cash equivalents		(\$746)	(\$560)	\$187
Cash and cash equivalents at the beginning of the period		\$2,905	\$2,159	(\$746)
Cash and cash equivalents at end of the year	5.1.4	\$2,159	\$1,599	(\$559)

Source: Appendix A

5.1.1 Operating activities (\$1,915,000 decrease)

The decrease in cash inflows from operating activities is due mainly to one-off grants and cash contributions forecast to be received in 2011/12 and, in particular, \$813,000 for one-off grant funding received under the Local Government Infrastructure Program in 2011/12.

The increase in cash outflows from operating activities is due mainly to the budget assumption that a percentage of works will be incomplete by 30/06/12 year-end and therefore supplier invoices will be paid in the 2012/13 year.

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 2011/12 \$'000's	Budget 2012/13 \$'000's	Variance \$'000's
Surplus for the year	\$2,011	\$1,251	(\$761)
Depreciation	\$773	\$777	\$4
Gain/(loss) on sale of assets	(\$5)	(\$10)	(\$5)
Net movement in current assets and liabilities	\$939	(\$214)	(\$1,153)
Cash flows available from operating activities	\$3,719	\$1,804	(\$1,915)

5.1.2 Investing activities (\$2,117,000 increase)

The large reduction in payments for investing activities is due mainly to one-off grants and cash contributions forecast to be received and expended in 2011/12 and, in particular, \$813,000 for one-off grant funded expenditure to be incurred under the Local Government Infrastructure Program in 2011/12.

5.1.3 Financing activities (\$15,000 decrease)

For 2012/13 the total of principal repayments is \$226,000 and interest expense is \$90,000.

5.1.4 Cash and cash equivalents at end of the year (\$559,000 decrease)

Overall, total cash and investments is forecast to decrease by \$559,000 to \$1,599,000 as at 30 June 2013, reflecting the 2012/13 Budgeted reduction in reserved funds to fund some of the major Capital Works projects.

5.2 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 at 30 June 2013 it will have cash and investments of \$1,599,000, which has been restricted as shown in the following table.

		Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
	Ref			
Total cash and investments		\$2,159	\$1,599	(\$559)
Restricted cash and investments				
- Trust funds and deposits	5.2.1	\$68	\$68	\$0
- Discretionary reserves	5.2.2	\$518	\$443	(\$75)
- Long service leave	5.2.3	\$250	\$0	(\$250)
Unrestricted cash and investments	5.2.4	\$1,323	\$1,088	(\$235)

5.2.1 Trust funds and deposits (\$68,000)

This includes monies paid to Council for tender deposits and contract retention etc. They are held as a liability until due to be returned or forfeited.

5.2.2 Discretionary reserves (\$443,000)

These funds are available for whatever purpose Council decides is their best use. In this case 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. During the 2012/13 year \$185,000 is budgeted to be transferred to and \$260,000 from Discretionary Reserves. Of the balance on hand at 30 June 2012, \$260,000 is to be expended on incomplete capital works to be carried forward to the 2012/13 year. 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.

5.2.3 Long service leave (\$Nil)

The Local Government (Long Service Leave) Regulations 2002 previously required sufficient cash and investments to be maintained to meet the total liability for long service leave calculated in accordance with those Regulations. New Regulations came into operation on 18 February 2012 under which there is no longer a requirement for Councils to maintain a separate cash amount for long service leave. Restricted cash relating to Long service leave is therefore shown as \$Nil for 2012/13 in the restricted cash and investments table in section 5.2 on the previous page.

5.2.4 Unrestricted cash and investments (\$1,088,000)

Under the regulations, 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, contributions or carried forward capital works. However, in terms of available funds not restricted or reserved for specific purpose, Council calculates an accumulated cash amount that eliminates cash flow timing issues and takes into consideration funding that spans more than one financial year. See Section 4.4 Cash/Rates Budget.

It should also be noted that in terms of working capital, a high level of cash is required as 60% of Council's rate revenue is not received until February each year.

6. Analysis of capital budget

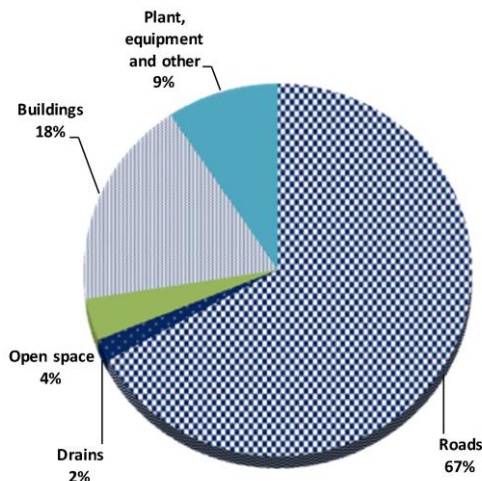
This section analyses the planned capital expenditure budget for the 2012/13 year and the sources of funding for the capital budget.

6.1 Capital works

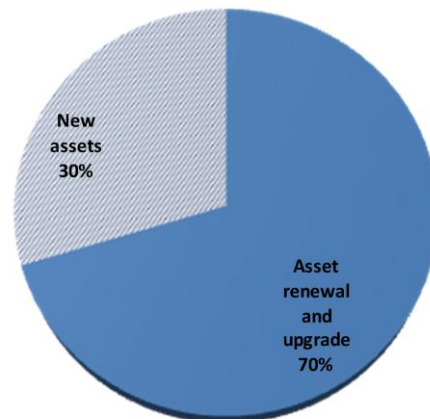
Capital Works Areas	Ref	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Roads	6.1.1	\$1,752	\$1,398	(\$354)
Drains	6.1.2	\$45	\$40	(\$5)
Open space	6.1.3	\$498	\$76	(\$422)
Buildings	6.1.4	\$1,234	\$379	(\$855)
Plant, equipment and other	6.1.5	\$504	\$195	(\$309)
Total capital works		\$4,033	\$2,088	(\$1,945)
Represented by:				
Asset renewal and upgrade	6.1.6	\$3,077	\$1,468	(\$1,610)
New assets	6.1.6	\$956	\$620	(\$336)
Total capital works		\$4,033	\$2,088	(\$1,946)

*Budgeted total capital works 2012/13 = 70% renewal

Budgeted new capital works 2012/13



Budgeted total capital works 2012/13



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

6.1.1 Roads (\$1,398,000)

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

For the 2012/13 year, \$1,398,000 will be expended on road projects comprising the funded Country Roads & Bridges Program (\$1,000,000), Hesse Street revitalisation and Point Lonsdale Main Street improvements (\$215,000), Dog Beach car park upgrade (\$45,000), crossing at Flinders & Henry Streets (\$15,000) and the annual renewal program (\$123,000).

6.1.2 Drains (\$40,000)

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

For the 2012/13 year, \$40,000 will be expended on the annual renewal program for drainage assets.

6.1.3 Open Space (\$76,000)

Open space includes parks and reserves, playing surfaces, streetscapes, playground equipment, irrigation systems, trees and public art.

For the 2012/13 year, \$76,000 will be expended on open space renewal comprising beach access hand rails and steps (\$20,000), beach access track clearance, surface renewal and fencing (\$15,000), fencing at Caravan Parks (\$15,000), walking tracks, caravan parks and boat ramp signage (\$10,000), Lower Princess, Princess and Citizens Parks works (\$10,000) and other open space works (\$6,000).

6.1.4 Buildings (\$379,000)

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

For the 2012/13 year, \$379,000 will be expended on building projects. These include the construction of a new fish cleaning station (\$10,000), renewal of the Senior Citizens Centre (\$254,000), foreshore public conveniences (\$15,000), Queenscliff Recreation Reserve buildings (\$15,000) and the annual renewal program (\$85,000).

6.1.5 Plant, equipment and other (\$195,000)

Plant, equipment and other includes information technology, motor vehicles and plant.

For the 2012/13 year, \$195,000 will be expended on plant, equipment and other projects. These include ongoing cyclical replacement of the vehicle fleet (\$95,000), upgrade and replacement of information technology (\$35,000), the staged introduction of recycling bins (\$20,000), new playground equipment at Princess Park (\$15,000) and the annual renewal of other equipment including park furniture and Caravan Park washing machines and driers (\$30,000).

6.1.6 Asset renewal and upgrade (\$1,468,000) and new assets (\$620,000)

A distinction is made between expenditure on new assets and expenditure on the renewal and upgrade of existing assets. Expenditure on asset renewal is expenditure on an existing asset, which improves the service potential or the life of the asset. Expenditure on new assets does not have any element of expansion/upgrade of existing assets but will result in an additional requirement for future operation, maintenance and capital renewal.

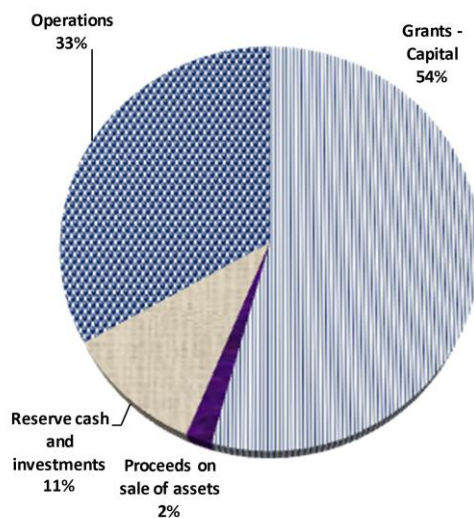
The major projects included in the above categories, which constitute expenditure on new assets, are the funded Country Roads & Bridges Program (\$350,000 of the total \$1,000,000 funded works relates to new assets – Bay Street reconstruction & drainage and funding towards the Hesse Street roundabout), Hesse Street revitalisation and Point Lonsdale Main Street improvements (\$215,000), the staged introduction of recycling bins (\$20,000), new playground equipment at Princess Park (\$15,000) and a crossing at Flinders &

Henry Streets (\$15,000). The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

6.2 Funding sources

Sources of Funding	Ref	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
External				
Grants - Capital	6.2.1	\$2,016	\$1,110	(\$906)
Contributions - Capital	6.2.2	\$270	\$0	(\$270)
Proceeds on sale of assets	6.2.3	-\$87	\$40	\$127
		\$2,199	\$1,150	(\$1,049)
Internal				
Reserve cash and investments	6.2.4	\$506	\$215	(\$291)
Unrestricted cash and investments	6.2.5	\$358	\$45	(\$313)
Operations	6.2.6	\$383	\$678	\$294
		\$1,247	\$938	(\$309)
Total funding sources		\$3,446	\$2,088	(\$1,358)

Budgeted total funding sources 2012/13



Source: Appendix A

6.2.1 Grants - Capital (\$1,110,000)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. A significant grant is budgeted to be received for the Country Roads & Bridges Program (\$1,000,000) as well as a grant for the construction of a new fish cleaning station (\$10,000).

6.2.2 Contributions - Capital (\$NIL)

Capital contributions include all monies received from community sources for the purposes of funding the capital works program. No contributions are budgeted to be received for Capital Projects in 2012/13.

6.2.3 Proceeds on sale of assets (\$40,000)

Proceeds from sale of assets comprise motor vehicle sales in accordance with Council's fleet renewal policy of \$40,000.

6.2.4 Reserve cash and investments (\$215,000)

Council has cash reserves which it is currently using to fund its annual capital works program. The reserves include monies set aside for non-specific reserves such as the Asset Replacement Reserve and any projects for which funds are received in previous years and carried forward for completion in future years. A more detailed analysis is included in Appendix A 'Statement of Investment Reserves'. \$215,000 is budgeted to be spent from reserve where the LG Infrastructure grant was received in 2011/12 for projects which will be implemented in 2012/13.

6.2.5 Unrestricted cash and investments (\$45,000)

It is forecast that \$45,000 will be available from the 2011/12 year to fund capital renewal works in the 2012/13 year related to the Dog Beach car park upgrade.

6.2.6 Operations (\$677,500)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$677,500 will be generated from operations to fund the 2012/13 capital works program. This amount equates to the total net cost to the rates budget in the Capital and New Initiatives sheet (\$797,500) at Appendix C less \$120,000 that went towards funding operating projects.

7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2011/12 and 2012/13. It also considers a number of key performance indicators.

7.1 Budgeted balance sheet

	Ref	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Current assets	7.1.1			
Cash and cash equivalents		\$2,159	\$1,599	(\$560)
Trade and other receivables		\$222	\$230	\$9
Inventories		\$6	\$6	\$0
Other assets		\$157	\$157	\$0
Total current assets		\$2,544	\$1,992	(\$552)
Non-current assets	7.1.1			
Trade and other receivables		\$35	\$35	\$0
Investments in associates accounted for using the equity method		\$281	\$286	\$5
Property, infrastructure, plant and equipment		\$63,049	\$64,309	\$1,260
Total non-current assets		\$63,365	\$64,630	\$1,265
Total assets		\$65,909	\$66,623	\$713
Current liabilities	7.1.2			
Trade and other payables		\$1,308	\$975	(\$332)
Trust funds and deposits		\$68	\$68	\$0
Provisions		\$426	\$446	\$20
Interest-bearing loans and borrowings		\$226	\$240	\$14
Total current liabilities		\$2,027	\$1,729	(\$298)
Non-current liabilities	7.1.2			
Provisions		\$40	\$42	\$2
Interest-bearing loans and borrowings		\$1,009	\$769	(\$240)
Total non-current liabilities		\$1,049	\$811	(\$238)
Total liabilities		\$3,076	\$2,540	(\$537)
Net assets		\$62,833	\$64,084	\$1,251
Equity	7.1.4			
Accumulated surplus		\$32,332	\$33,659	\$1,327
Asset revaluation reserve		\$29,982	\$29,982	\$0
Other reserves - discretionary		\$518	\$443	(\$75)
Total equity		\$62,833	\$64,084	\$1,251

Source: Appendix A

7.1.1 Current Assets (\$552,000 decrease) and Non-Current Assets (\$1,265,000 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. These balances are projected to decrease by \$560,000 during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Both short and long term debtors are not expected to change significantly in the budget. Payment arrangements and other collection procedures are reviewed/carried out on a monthly basis and balances reported to Council on a quarterly basis during the financial year.

Inventories held for sale include book stock and merchandise made available through Council's Visitor Information Centre. Stocktakes are conducted on an annual basis at financial year-end.

Other assets include items such as prepayments for expenses that Council has paid in advance of service delivery and other revenues due to be received in the next 12 months.

The Borough recognises its interest in the Geelong Regional Library Corporation by recording an investment in its financial statements at a value based on the Borough's underlying interest in the net assets of the service disclosed in its audited financial statements each year. The Borough's share of the net assets is calculated on the same ratio as it contributes to the operating costs of the service. The 2012/13 Budget assumes an increase in equity of \$5,000 based on previous year actual experience, however this an estimate which will not be known until the end of the 2012/13 financial year. Annual contributions to the library service are included as expenditure in the Income Statement.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by the Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$1,468,000 for renewal/upgrade and \$620,000 of new assets), depreciation of assets (\$777,000) and the written down value on sale of property, plant and equipment (\$50,000).

7.1.2 Current Liabilities (\$298,000 decrease) & Non-Current Liabilities(\$238,000 decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to reduce by \$332,000 from 2011/12 levels, as the 2011/12 year includes a number of one-off projects which are likely to be completed right on year-end and will be due for payment as at 30 June 2012.

Trust funds and deposits includes monies paid to Council for tender deposits, hall hire etc. They are held as a liability until due to be returned. This is budgeted to remain consistent from year to year as old deposits are returned and new deposits collected.

Provisions include accrued long service leave and annual leave owing to employees. These employee entitlements are expected to increase marginally due to factoring in an increase for Enterprise Agreement outcomes.

Interest-bearing loans and borrowings are budgeted to decrease as loan principal payments of \$226,000 are made during the year.

7.1.3 Working Capital (\$254,000 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.

Council has also committed further current assets to specific and restricted purposes, represented by reserves, which may not yet be represented as current liabilities at 30 June.

	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Current assets	\$2,544	\$1,992	(\$552)
Current liabilities	\$2,027	\$1,729	(\$298)
Working capital	\$517	\$264	-\$254
Adjusted Working Capital (adjusted by removal of LSL provision from Current Assets)	\$833	\$585	-\$248
Restricted cash and investments			
- Discretionary reserves	\$518	\$443	(\$75)
Unrestricted working capital	\$315	\$142	(\$173)

Notes:

- The 2012/13 budget assumes a similar percentage of accounts payable to that experienced in previous years. For Capital works that have not commenced but are committed contractually, the working capital calculated at year end would be restricted to the extent of the commitment.
- Removal of LSL current liability is an accepted adjustment required to be reported in annual financial statements to the Auditor-General and is therefore shown above as a more realistic working capital figure.
- Unrestricted working capital may also be committed to completion of incomplete capital works that will be carried forward to the following financial year.

7.1.4 Equity (\$1,251,000 increase)

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- Other reserves are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase in accumulated surplus of \$1,327,000 results directly from the surplus for the year adjusted for funds transferred to/from reserves.

During the year an amount of \$75,000 is budgeted to be transferred from other reserves to accumulated surplus. This reflects the net amount of investment cash reserves used to partly fund the capital works program. This is a transfer between equity balances only and does not impact on the total balance of equity.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2013 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 98.1% of total rates and charges raised will be collected in the 2012/13 year (2011/12: 98.1% forecast actual)
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 14 days
- Other debtors and creditors to remain consistent with 2011/12 levels
- Employee entitlements to be increased by the Enterprise Agreement outcome
- Repayment of loan principal to be \$226,000
- Total capital expenditure to be \$2,087,500
- A total of \$75,000 to be transferred from reserves to accumulated surplus, representing the internal funding of part of the capital works program for the 2012/13 year.

Long term strategies

8. Strategic resource plan and key financial indicators

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

8.1 Plan development

Council has prepared a Long Term Financial Plan (LTFP) for 10 years into the future. The Strategic Resource Plan (SRP) is essentially the four years 2012/13 to 2015/16 drawn from the LTFP.

The LTFP is developed as part of Council ongoing strategic 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:

- Maintain existing service levels (except where increases are the result of funded programs)
- Underlying operating result – ongoing surpluses are desirable so as not to erode Council's asset base
- Cash/liquidity – ensure sufficient cash to meet short-medium liabilities (working capital ratio target of greater than 100%)
- Debt – ensure only low to moderate debt levels and that debt ratios are within guidelines
- Asset renewal expenditure at levels that ensure assets are replaced as and when required (target is 100% of depreciation level)

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

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

The SRP is updated through the annual review of the Long Term Financial Plan (LTFP) which is essentially ten years of estimates modelled on different scenarios of rate increases and assumptions on movements in other revenue sources and expenditure items.

8.2 Financial resources

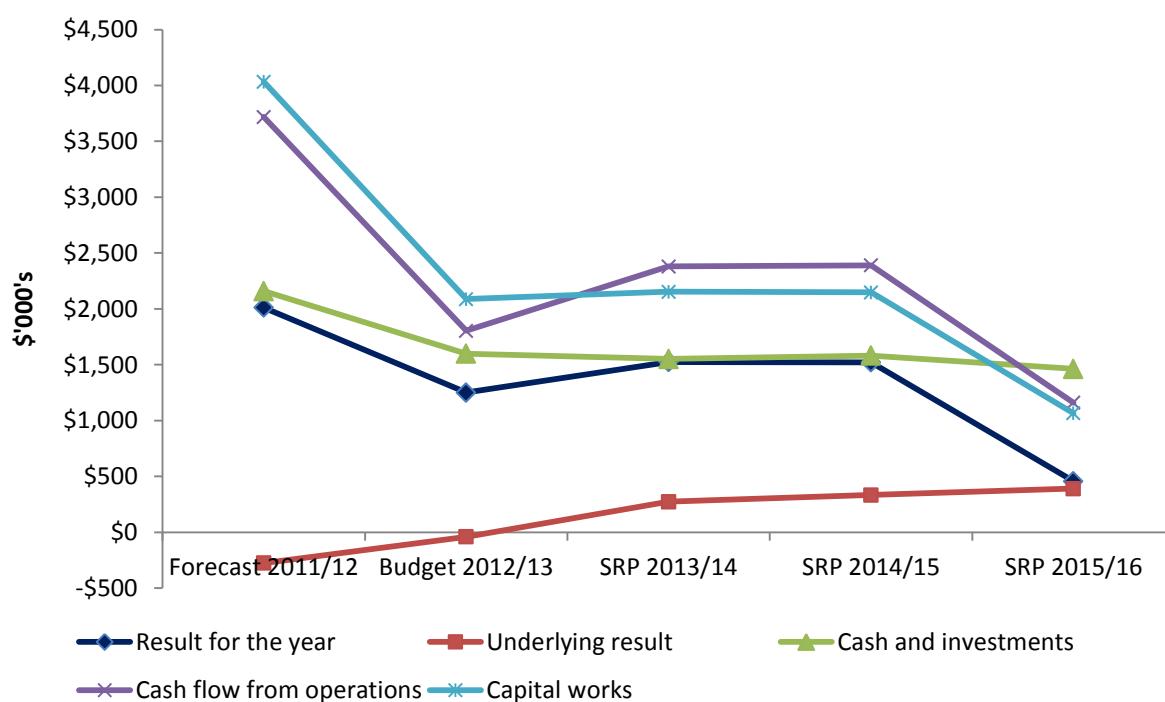
The following table summarises the key financial results for the next four years as set out in the SRP for years 2012/13 to 2015/16. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Strategic Resource Plan Projections			
			SRP 2013/14 \$'000	SRP 2014/15 \$'000	SRP 2015/16 \$'000	Trend +/-
Result for the year	2,011	1,251	1,524	1,522	457	-
Underlying result	-275	-39	274	334	392	+
Cash and investments	2,159	1,599	1,553	1,582	1,463	-
Cash flow from operations	3,719	1,804	2,380	2,390	1,161	-
Capital works	4,033	2,088	2154	2148	1067	-

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:

- **Underlying operating result (section 4)** – Whilst the operating result declines in 2012/13, the underlying position improves. Capital income boosts the operating result but is removed to provide a more realistic underlying operating result which is showing projected improvement in future years. The underlying result is a measure of financial sustainability and is an important measure as one-off items can often mask the operating result.
- **Financial sustainability (section 5)** - Cash and investments is forecast to decrease marginally over the four year period from \$1,599,000 to \$1,463,000 which is indicative the level of activity, particularly as the earlier years have considerable grant funding programs that span several years..
- **Rating strategy (section 9)** – Rate increases are forecast at 4.5% over the three years following the 2012/13 year. Note that as has occurred in this 2012/13 budget, Council determines the increase on an annual basis and thus the future years strategy is indicative for longer term modelling only.
- **Borrowing strategy (section 10.1)** – Borrowings are forecast to reduce from \$1,009,000 to \$359,000 over the four year period.
- **Infrastructure strategy (section 10.2)** – Capital expenditure over the four year period will total \$7,457,000 at an average of \$1,864,000 per annum. Future years expenditure is based on external funding of \$1,000,000 per year for the Country Roads & Bridges Program up to and including the year 2014/15, in addition to the rate funding that is available for the annual Capital program. In the 2015/16 year, capital expenditure reduces back to \$1,000,000 which mainly reflects rate funding available for the annual Capital program. (future levels of government grants are unknown and not included in the LTFP at any significant level).
- **Service delivery strategy (section 10.3)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast in years 2012/13 through 2014/15 as a result of significant capital grant revenue being received to fund the Country Roads & Bridges Program. Any additional services or special projects is not forecast given the uncertainty in attracting grant income in the future. The ability to undertake any specific projects outside normal budgetary levels will depend on Government policy and direction, however, Council will continue to pursue external funding as opportunities are presented.

8.3 Financial Key Performance indicators

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

				Strategic Resource Plan Projections			
Indicator	Note s	Forecast 2011/12	Budget 2012/13	SRP 2013/14	SRP 2014/15	SRP 2015/16	Trend +/-
Financial performance							
Underlying result/ Underlying revenue	1	-3.4%	-0.5%	3.2%	3.7%	4.2%	+
Expenses per Assessment		\$2,799	\$2,795	\$2,790	\$2,860	\$2,972	+
Rate revenue/Underlying revenue	2	65.6%	66.3%	67.0%	68.1%	68.3%	+
Rate revenue per Assessment		\$1,777	\$1,844	\$1,930	\$2,022	\$2,117	+
Debt servicing/Underlying revenue		1.3%	1.1%	0.8%	0.6%	0.4%	-
Recurrent Grants/Underlying revenue		6.8%	7.8%	7.8%	7.8%	7.6%	-
Fees and charges/Adj Total revenue		23.3%	23.3%	23.5%	22.8%	22.9%	+
Financial position							
Indebtedness/Rate revenue	3	27.9%	23.0%	13.2%	9.3%	5.6%	-
Underlying result/Total assets		(0.4%)	(0.1%)	0.4%	0.5%	0.6%	+
Net realisable assets per Assessment		\$18,900	\$19,049	\$16,846	\$16,952	\$17,059	+
Current assets/Current liabilities	4	125.5%	115.3%	115.4%	114.3%	115.5%	+
Current assets/Current liabilities (excluding LSL)	4	143.7%	136.5%	138.4%	137.5%	142.4%	+
Total liabilities per Assessment		\$1,022	\$840	\$764	\$710	\$604	-
Capital expenditure							
Capital works							
- Asset renewal and upgrade		\$3,077	\$1,468	\$2,154	\$2,148	\$1,067	-
- New assets		\$956	\$620	\$0	\$0	\$0	-
Capital works/Rate revenue		75.4%	37.4%	35.8%	35.2%	33.5%	-
Asset renewal/Total depreciation	5	398.0%	188.8%	277.1%	276.3%	137.3%	-

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

- Underlying result** – Improvement in financial performance expected over the period, despite uncertainty with respect to grant income available in future years and particularly in the year 2015/16 (Country Roads & Bridges Program funding of \$1,000,000 per year comes to an end in year 2014/15).
- Rate revenue / Underlying revenue** – 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. Note revenue is net of Capital income to reflect the reliance on rates to fund operations.
- Indebtedness / Rate revenue** – Trend indicates Council's reducing level of debt against its annual rate revenue through redemption of long term debt.
- Current Assets / Current Liabilities** – Working capital is forecast to remain consistent and at an acceptable level. Working Capital net of LSL current provision steadily increases and is appropriate.

5. **Asset renewal / Total depreciation** – This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council needs to average at least 100% over a period, with peaks and troughs occurring as large assets are programmed for expenditure. Though the trend indicator shows a decline after 2014/15, when the funded Country Roads & Bridges Program comes to an end, the above 100% is a positive outcome.

Note: Revaluation of assets every second year will have an effect on the depreciation expense and thus an effect on this last ratio. Condition based assessment of assets will also impact on depreciation rates. Annual review of these indicators is necessary to ensure Council undertakes prudent Asset management.

8.4 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. The following table summarises the non-financial resources for the next four years.

Indicator	Forecast	Budget	Strategic Resource Plan Projections		
	2010/11 \$'000	2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
Employee costs	2,823	2,938	3,075	3,219	3,370
Employees (EFT)	38.4	37.6	37.6	37.6	37.6

9. Rating strategy

This section considers the Council's rating strategy including strategy development and assumptions underlying the current year rate increase and rating structure.

9.1 Strategy development

In developing the Strategic Resource Plan (referred to in Section 8.), rates and charges were identified as an important source of revenue, accounting for 66.3% of the total underlying operating revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases and the capacity to pay the annual increases, particularly given the change to bi-annual general revaluations (and the subsequent shifting of the rate burden across property owners). The following table shows rate increases determined in each budget in the last six years.

Year	Rate increase
2006/07	6.50%
2007/08	6.75%
2008/09	6.75%
2009/10	3.50%
2010/11	5.50%
2011/12	4.50%
Average increase	5.58%

The table indicates that over the past six years Council's rate increases have averaged 5.58% per annum. The dilemma faced by the Borough as with many small shires is the low growth in rateable properties (and therefore rate income) and the unavoidable increase in costs related to legislative compliance and the demand for services and infrastructure renewal

9.2 Proposed rate increase

It is predicted that the 2012/13 operating position will be impacted by a number of unknown factors including the additional call on the Defined Benefit Superannuation fund and the impacts of the introduction of a carbon tax. Annual increases in employee costs and other major contracts including the levy on waste disposal, all combine to put pressure on councils ability to meet service demand and asset renewal requirements. It will therefore be necessary to achieve future revenue growth while containing costs in order to continue to achieve a breakeven cash position as set out in the Strategic Resource Plan and to maintain a robust capital works program into the future.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, general rates will increase by 4.0% in 2012/13 raising total rates of \$5,578,000, including \$10,000 generated from supplementary rates. The following table sets out future proposed rate increases and total rates to be raised, based on the forecast financial position of Council as at 30 June 2012.

Year	Rate Increase %	Total Rates Raised \$'000
2011/12	4.50%	5,352
2012/13	4.00%	5,578
2013/14	4.50%	5,839
2014/15	4.50%	6,115
2015/16	4.50%	6,405

9.3 Rating structure

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

- Property values, used to determine the distribution of the total residential rates levied
- Differential rating for Commercial properties – including the Tourism operators
- Reduced rating for Cultural and Recreational ratepayers (in the form of a rating concession)
- An additional charge for second garbage bins if requested

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents, businesses and recreational ratepayers.

The existing rating structure comprises two differential rates (residential and commercial), 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 grant a rating concession to any 'recreational lands' which meet the test of being 'rateable land' under the Act. The commercial rate is set at 135% of the residential rate and the rate concession for recreational land is set at 25% of the rate. Council does not have a municipal charge or a separate garbage charge (except for second bins).

The following table summarises the rates to be determined for the 2012/13 year. A more detailed analysis of the rates to be raised is contained in Appendix B 'Statutory Disclosures'.

Rate type	How applied	Forecast 2011/12	Budget 2012/13
Residential rates	Cents in \$ of CIV	0.240921	0.237662
Commercial rates	Cents in \$ of CIV	0.325243	0.320844
Recreational rates	Cents in \$ of CIV	0.081311	0.059416
Second bin charge	\$ per property	\$170	\$180

Comparative rates

The table following is from the 2011/12 Budget and shows the comparative rating figures at City of Greater Geelong and Surf Coast Shire.

The separate addition of a garbage charge and municipal charge at neighbouring councils results in higher total rates payable over a range of property valuations. It is not expected that the comparative figures in the 2012/13 budget will significantly alter the relativities across the three municipalities. (final budget figures from other councils are not available at this stage.)

RATE COMPARISON - 2011/2012

	QUEENSLIFFE	COGG	SURFCOAST
General	0.00240976	0.00268400	0.00231150
Commercial/Industrial			0.00439190
Commercial/Tourism	0.00325318	0.00503200	
Vacant Land		0.00370200	0.00277380
Industrial			
Cultural & Recreation	0.00060244	0.00195000	
Mixed Use - Resi & Business		0.00370400	
Farm Rate		0.00268400	0.00196480
		Less -45%	
Municipal Charge	\$0.00	\$82.30	\$159.00
Garbage Charge	\$0.00	\$213.20	\$323.00

Includes Rubbish, Recycled and part year (Pro-rata) Green Waste Charge. No GST included.

COUNCIL RATE COMPARISON: Using General Rate and any standard charges.

	QUEENSLIFFE	COGG	SURFCOAST
CIV - 1,000,000	\$2,409.76	\$2,684.00	\$2,311.50
Municipal Charge	\$0.00	\$82.30	\$159.00
Garbage Charge	\$0.00	\$213.20	\$323.00
Total Rates and Charges	\$2,409.76	\$2,979.50	\$2,793.50
% above BOQ Rate Charge	<i>n/a</i>	23.64%	15.92%
CIV - 800,000	\$1,927.81	\$2,147.20	\$1,849.20
Municipal Charge	\$0.00	\$82.30	\$159.00
Garbage Charge	\$0.00	\$213.20	\$323.00
Total Rates and Charges	\$1,927.81	\$2,442.70	\$2,331.20
% above BOQ Rate Charge	<i>n/a</i>	26.71%	20.92%
CIV - 500,000	\$1,204.88	\$1,342.00	\$1,155.75
Municipal Charge	\$0.00	\$82.30	\$159.00
Garbage Charge	\$0.00	\$213.20	\$323.00
Total Rates and Charges	\$1,204.88	\$1,637.50	\$1,637.75
% above BOQ Rate Charge	<i>n/a</i>	35.91%	35.93%
CIV - 400,000	\$963.90	\$1,073.60	\$924.60
Municipal Charge	\$0.00	\$82.30	\$159.00
Garbage Charge	\$0.00	\$213.20	\$323.00
Total Rates and Charges	\$963.90	\$1,369.10	\$1,406.60
% above BOQ Rate Charge	<i>n/a</i>	42.04%	45.93%
CIV - 300,000	\$722.93	\$805.20	\$693.45
Municipal Charge	\$0.00	\$82.30	\$159.00
Garbage Charge	\$0.00	\$213.20	\$323.00
Total Rates and Charges	\$722.93	\$1,100.70	\$1,175.45
% above BOQ Rate Charge	<i>n/a</i>	52.26%	62.60%

As indicated in the table above, a property valued at \$800,000 would pay 26.71% more in rates in COGG and 20.92% in Surf Coast Shire. Figures are taken from the 2011/12 budget documents of the three Councils.

At the Borough, further analysis of differential rates and fixed charges will take place during 2012/13 and will consider the increasing environmental costs associated with waste management. For the 2012/13 budget, the rate increase of 4.0% applies to the total rate revenue and no fixed charges or changes to differential rates are budgeted for.

9.4 General revaluation of properties

During the 2011/12 year, a revaluation of all properties within the municipality was carried out and will apply from 1 January 2012 for the 2012/13 year. The outcome of the general revaluation has been a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 5.43%. Of this increase, residential properties have increased by 5.39% and commercial properties by 5.93%.

Increases in valuations do not automatically result in increases in rates. Valuation data is used to distribute the total rate burden across all properties. Council determines an overall rate increase for the budget and the total dollars this generates is distributed in the form of rates to property owners.

The following table summarises the valuation changes between the 2010 and 2012 general revaluations for residential properties, commercial properties and properties defined as "Cultural & Recreation", together with the rating changes between the 2011/12 and 2012/13 years based on a 4.0% increase in rate income and the valuation movements listed.

	Current Valuation	2012 Valuation	Increase \$	Increase %	2011/12 Current Rates	2012/13 Rates @ 4.0% Inc.	Rate Increase \$	Rate Increase %
General	\$ 1,968,944,000.00	\$ 2,075,104,000.00	\$ 106,160,000.00	5%	\$ 4,744,752.25	\$ 4,914,810.05	\$ 170,057.80	4%
Commercial	\$ 187,450,847.00	\$ 198,567,378.38	\$ 11,116,531.38	6%	\$ 609,811.70	\$ 637,092.70	\$ 27,281.00	4%
Cultural	\$ 5,812,000.00	\$ 6,002,000.00	\$ 190,000.00	3%	\$ 3,501.45	\$ 3,566.25	\$ 64.80	2%
	\$ 2,162,206,847.00	\$ 2,279,673,378.38	\$ 117,466,531.38	5%	\$ 5,358,065.40	\$ 5,555,469.00	\$ 197,403.60	4%

10. Other strategies

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

10.1 Borrowings

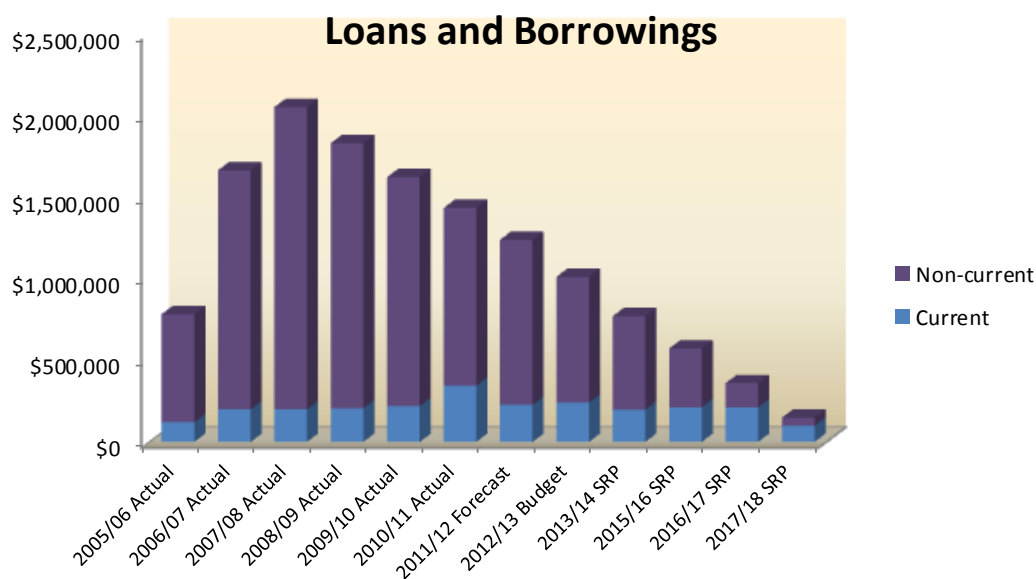
In developing the Strategic Resource Plan (SRP) (see Section 8), borrowings were identified as an important funding source for capital works programs. In the past, Council has borrowed to finance large infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs.

The SRP includes the results of an analysis of Council's debt position against both State averages and small shire Council averages over a number of different indicators. It also shows the results of prudential ratios used by the Victorian State Government to assess the loan capacity of local governments. The analysis shows the Borough to have debt at low to moderate levels for its size.

For the 2012/13 year, Council has decided not to take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$226,000, will reduce its total borrowings to \$1,009,000 as at 30 June 2013.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2012.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2011/12	150	344	107	1,235
2012/13	0	226	90	1,009
2013/14	0	240	73	769
2014/15	0	197	56	572
2015/16	0	212	40	360



The above graph shows the declining debt balances as loans are redeemed. By 2018/19 all current loans will be paid out.

10.2 Infrastructure

The Council has developed an Infrastructure Strategy based on knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 20 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 key aspects of the process are as follows:

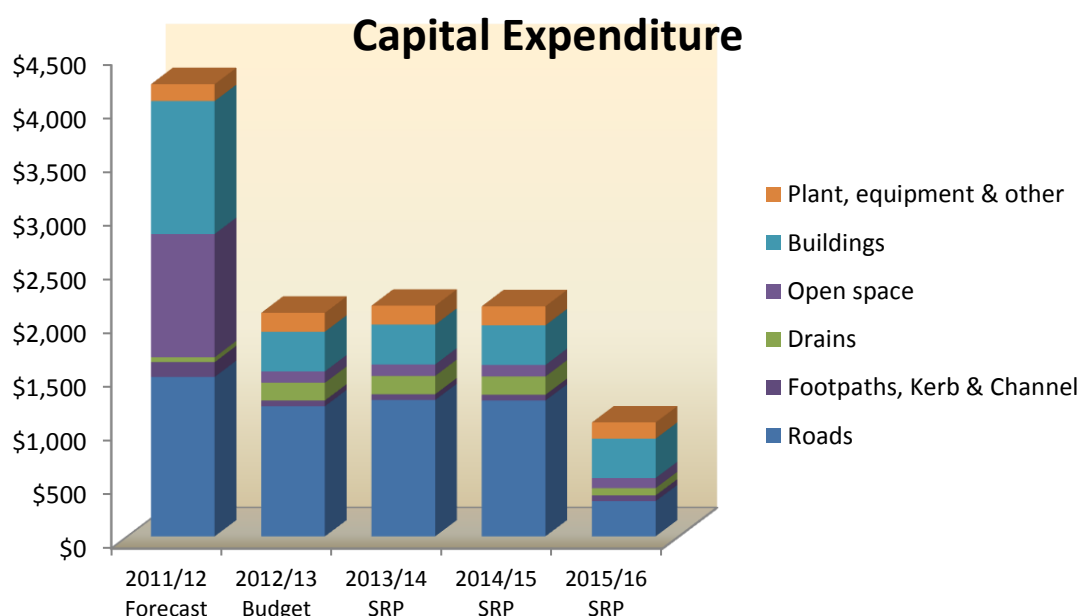
- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of condition and level of service criteria
- Methodology for allocating annual renewal funding to classes of capital projects
- Evaluation of capital projects on a number of criteria including legislative compliance, risk assessment, funding opportunities and ongoing operational funding requirements, and Council Plan priorities (priority given to renewal and upgrade of existing assets versus creation of new assets)

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. To this end Council has created an Asset Renewal reserve which serves to accumulate funds in years when asset interventions do not require as much funding as in other years (when the reserve can be drawn on).

As mentioned previously in this document, Council has been successful in obtaining government grant funding from the Country Roads and Bridges funding program. This has enabled additional expenditure on the Borough's road infrastructure for the next four years (to 2015/16). External funding was also received in 2011/12 from the Local Government Infrastructure Funding Program (\$813,000) which has been directed towards a number of projects related to new and existing assets.

Building assets continue to be the area of concern for Council with a large number of buildings with deteriorating conditions. The funding programs mentioned do not incorporate this class of asset and therefore pressure for Council funds continues to be a budget and longer-term issue.

Drainage management is also a challenge for Council. Revaluation of drainage assets is being undertaken in 2011/12, however, results will not be known until close to financial year end and thus is not part of the 2012/13 budget. Drainage management will continue be on a reactive basis due to nature of the asset and the excessive costs to a small council to undertake condition based assessments.



In updating the Asset Management Plans, the following influences have had a significant impact:

- Availability of significant State and Federal funding for upgrade of roads and other local infrastructure (though not likely to continue beyond 2015/16)
- The number and condition of ageing assets, particularly building assets
- The demand for new and/or upgrade of assets
- Review of levels of services and utilisation of existing assets
- Modelling of asset condition and intervention levels factoring in the unanticipated grant funding programs (mentioned above).

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

Year	Total Capital Program \$'000	Grants and Contributions \$'000	Sale of Assets \$'000	Investment Reserves \$'000	Unrestricted Cash and Investments \$'000	Council Operations \$'000
2010/11	4,033	2,286	45	506	358	383
2012/13	2,088	1,110	40	215	45	678
2013/14	2,154	1,255	40	0	0	859
2014/15	2,148	1,193	40	0	0	915
2015/16	1,067	70	40	0	0	957

In addition to using cash generated from its annual operations and external contributions such as government grants, Council has cash reserves containing funding received under grant programs – the \$215k transferred from reserve in 2012/13 relates to the grant funding received in 2011/12 and reserved until the following year for spend on capital projects.

10.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 8.) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve at least a breakeven cash position (cumulatively). The Rating Strategy (see Section 9.) also refers to modest rate increases into the future approximating CPI plus 2.0%. With these key objectives as a basis, a number of internal and external influences have been identified 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:

	2012/13 %	2013/14 %	2014/15 %	2015/16 %
Income				
Rate increases	4.00%	4.50%	4.50%	4.50%
Government funding - recurrent	1.50%	1.50%	1.50%	1.50%
Statutory fees	2.00%	2.00%	2.00%	2.00%
User charges	CPI or market-tested	CPI or market-tested	CPI or market-tested	CPI or market-tested
Expenses				
Consumer Price Index - average of both CPI and the Engineering Construction Index	2.50%	2.50%	2.50%	2.50%
Wages growth - EBA plus oncosts	4.75%	4.75%	4.75%	4.75%
Regional library contribution	10.00%	6.00%	6.00%	6.00%
Electricity	15.00%	10.00%	10.00%	10.00%
Gas	15.00%	10.00%	10.00%	10.00%
Water	15.00%	10.00%	10.00%	10.00%
Insurance premiums	15.00%	10.00%	10.00%	10.00%

Annual review of future escalation assumptions will be required as circumstances change both locally and globally.

As well as the general influences, there are also a number of specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

Waste Disposal

Waste tipping fees for inert waste are expected to rise further as the State Government has increased the levy payable upon disposal of waste at landfill. Following increases of \$35 per tonne (almost 400%) over the last two years, the fee will rise a further \$4.40 per tonne (10%) in 2012/13 and by 10% also in each of 2012/13 and 2013/14. The financial impact is an additional \$5,700 in budget for the 2012/13 year.

Valuation Services

The Council is required to revalue all properties with the municipality every two years. The last general revaluation was carried out as at 1 January 2012 effective for the 2012/13 year and the next revaluation will be undertaken as at 1 January 2014. An allowance of \$40,000 has been made every two years commencing in 2011/12 to meet the additional cost of resources (contracted out) to complete the revaluation process. A smaller allowance of \$6,000 is included in the budget every other two years (ie. non-revaluation years) to cover the cost of resources (contracted out) to complete valuations for supplementary rating purposes.

Revaluation of council's own assets also occurs on a regular basis and funding is provided for this to occur each year for different classes of assets.

Roads, Parks and Reserves Maintenance

The Roads, Parks and Reserves Maintenance Services contract is in the process of being retendered. Costs associated with the winning tender will not be known during the budget process. Contract costs have been estimated based on the median cost submitted for the previous tender for this contract with consideration to indexation over the past three years. This amount will be reviewed on awarding of the contract.

A provisional sum of \$90,000 is included for costs which may arise that fall outside of the fixed price agreement, and which are difficult to predict. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.

Audit costs

The legislative and compliance responsibilities of Council are such that a significant amount of audit work is carried out annually. There are insurance audits carried out regularly by council's insurers, as well as end of year Financial auditing as required by the Auditor-General. An audit contract for external audit services (that is, the end of year audit of Council's financial statements in the Annual Report) is provided through the Victorian Auditor General's Office and the fees are passed on to Council. These fees have risen considerably over the past two years.

The Internal Audit function that carries out a number of compliance and performance audits on council operations each year is carried out by and an audit firm that is contracted directly to council through a public tendering process. A three year contract has been let to a new contractor in March 2012. The increasing cost associated with the rollover of this function is approximately \$9,000 in the 2012/13 year.

As well as contracted services, Council has an internal audit committee comprising two councillors and four independent members. A sitting fee is paid to each of the independent members, details of which are declared in Council's Annual Report each year.

Coastal Management

Included in the budget is \$50,000 for matching funds for Coastal Risk Mitigation and Coastal Environment Grants as a contingency to match government funding applications if successful. This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required.

Aged Care & Disability Services

An additional provision of \$50,000 is included within the Aged Care & Disability Services salary budget to allow for any increase in the levels of personal and respite care that may be required. This is required as the provision of these services is more expensive than general home care (that is, carers are paid at a higher rate). This amount is reviewed as part of quarterly financial reporting and the year-end forecast is adjusted as required throughout the year.

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

Year	Surplus for the year \$'000	Underlying Surplus \$'000	Net Service Cost \$'000
2011/12	2,011	-275	5,627
2012/13	1,251	-39	5,623
2013/14	1,524	274	5,569
2014/15	1,522	334	5,786
2015/16	457	392	6,018

Service levels have been maintained throughout the four year period with both operating and underlying surpluses forecast for years 2013/14 to 2015/16. Increasing costs, related to services provided to the community, move from a net cost of \$5,627,000 to \$6,018,000 over the four year period.

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 10 of this report.

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

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted Standard Statements	53
B	Statutory disclosures	59
C	Capital works and new initiatives	64
D	Key strategic activities	68
E	Fees and charges schedule	72

Appendix A - Budgeted standard statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2012/13 to 2015/16 has been extracted from the Strategic Resource Plan.

At the end of each financial year Council is required to report back to the community a comparison of actual financial results against these Budgeted Standard Statements and provide an explanation of significant variances. The Standard Statements together with the Performance Statement provide a clear, concise and understandable report of Council's activities for the year from both a financial and non-financial perspective particularly for those users who do not have a financial background.

The appendix includes the following budgeted information:

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

Budgeted Standard Income Statement
For the four years ending 30 June 2016

	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Strategic Resource Plan Projections		
			2013/14 \$'000	2014/15 \$'000	2015/16 \$'000
REVENUES					
Rates and charges	\$5,352	\$5,578	\$5,839	\$6,115	\$6,405
Statutory fees & fines	\$107	\$109	\$112	\$114	\$116
User Charges	\$1,790	\$1,855	\$1,937	\$1,938	\$2,035
Grants - Operating	\$713	\$757	\$684	\$698	\$712
Grants - Capital	\$2,016	\$1,295	\$1,255	\$1,193	\$70
Capital Contributions	\$270	\$0	\$0	\$0	\$0
Contributions - Operating	\$0	\$0	\$0	\$0	\$0
Interest received	\$138	\$111	\$133	\$110	\$105
Other Income	\$53	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0
TOTAL OPERATING REVENUE	\$10,439	\$9,705	\$9,959	\$10,168	\$9,443
EXPENSES					
Employee benefits	\$2,823	\$2,938	\$3,075	\$3,219	\$3,370
Materials & Services	\$4,508	\$4,414	\$4,269	\$4,347	\$4,547
Bad and doubtful debts	\$2	\$2	\$2	\$2	\$2
Depreciation	\$773	\$777	\$777	\$777	\$777
Interest expense	\$107	\$90	\$73	\$56	\$40
Other expenses	\$214	\$227	\$233	\$239	\$245
TOTAL OPERATING EXPENSES	\$8,428	\$8,449	\$8,429	\$8,640	\$8,981
OPERATING RESULT	\$2,011	\$1,256	\$1,529	\$1,527	\$462
Share of net profits of associates and joint ventures accounted for by the equity method	\$5	\$5	\$5	\$5	\$5
Net loss on sale of assets	(\$5)	(\$10)	(\$5)	(\$5)	(\$5)
Increase in unfunded superannuation liability	\$0	\$0	\$0	\$0	\$0
COMPREHENSIVE RESULT	\$2,011	\$1,251	\$1,529	\$1,527	\$462
Minus:					
Grants & contributions- capital	(\$2,286)	(\$1,295)	(\$1,255)	(\$1,193)	(\$70)
Net loss on sale of assets	(\$5)	(\$10)	(\$5)	(\$5)	(\$5)
Increase in unfunded superannuation liability	\$0	\$0	\$0	\$0	\$0
Share of net profits of associates and joint ventures accounted for by the equity method	\$5	\$5	\$5	\$5	\$5
Comprehensive result	(\$275)	(\$39)	\$274	\$334	\$392

Budgeted Standard Balance Sheet
For the four years ending 30 June 2016

	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Strategic Resource Plan Projections		
			2013/14 \$'000	2014/15 \$'000	2015/16 \$'000
Current assets					
Cash and cash equivalents	\$2,159	\$1,599	\$1,553	\$1,582	\$1,463
Trade and other receivables	\$222	\$230	\$241	\$246	\$258
Inventories	\$6	\$6	\$6	\$6	\$6
Other assets	\$157	\$157	\$157	\$157	\$157
Total current assets	\$2,544	\$1,992	\$1,956	\$1,991	\$1,884
Non-current assets					
Trade and other receivables	\$35	\$35	\$35	\$35	\$35
Investments in associates accounted for using the equity method	\$281	\$286	\$291	\$296	\$301
Property, infrastructure, plant and equipment	\$63,049	\$64,309	\$65,636	\$66,957	\$67,196
Total non-current assets	\$63,365	\$64,630	\$65,962	\$67,288	\$67,532
Total assets	\$65,909	\$66,623	\$67,918	\$69,278	\$69,417
Current liabilities					
Trade and other payables	\$1,308	\$975	\$963	\$974	\$842
Trust funds and deposits	\$68	\$68	\$68	\$68	\$68
Provisions	\$426	\$446	\$466	\$488	\$511
Interest-bearing loans and borrowings	\$226	\$240	\$197	\$212	\$210
Total current liabilities	\$2,027	\$1,729	\$1,694	\$1,742	\$1,631
Non-current liabilities					
Provisions	\$40	\$42	\$44	\$46	\$48
Interest-bearing loans and borrowings	\$1,009	\$769	\$572	\$359	\$149
Total non-current liabilities	\$1,049	\$811	\$616	\$406	\$197
Total liabilities	\$3,076	\$2,540	\$2,311	\$2,148	\$1,828
Net assets	\$62,833	\$64,084	\$65,609	\$67,131	\$67,588
Equity					
Accumulated surplus	\$32,332	\$33,659	\$35,278	\$36,856	\$37,313
Asset revaluation reserve	\$29,982	\$29,982	\$29,982	\$29,982	\$29,982
Other reserves - discretionary	\$518	\$443	\$348	\$293	\$293
Total equity	\$62,833	\$64,084	\$65,609	\$67,131	\$67,588

Budgeted Standard Cash Flow Statement
For the four years ending 30 June 2016

	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Strategic Resource Plan Projections		
			2013/14 \$'000	2014/15 \$'000	2015/16 \$'000
Cash flows from operating activities					
<i>Receipts</i>					
Rates and charges	\$5,342	\$5,574	\$5,834	\$6,110	\$6,399
User fees and fines	\$1,894	\$1,960	\$2,043	\$2,052	\$2,145
Grants and cash contributions	\$2,999	\$2,052	\$1,939	\$1,891	\$782
Other receipts	\$191	\$111	\$133	\$110	\$105
	\$10,426	\$9,696	\$9,949	\$10,162	\$9,431
<i>Payments</i>					
Supplier payments	(\$3,685)	(\$4,747)	(\$4,281)	(\$4,336)	(\$4,679)
Employee benefits	(\$2,805)	(\$2,916)	(\$3,053)	(\$3,195)	(\$3,345)
Other payments	(\$216)	(\$229)	(\$235)	(\$241)	(\$247)
	(\$6,707)	(\$7,892)	(\$7,568)	(\$7,773)	(\$8,270)
Net cash provided by operating activities	\$3,719	\$1,804	\$2,380	\$2,390	\$1,161
Cash flows from investing activities					
Proceeds from sale of assets	(\$4,209)	(\$2,088)	(\$2,154)	(\$2,148)	(\$1,067)
Payments for property, plant and equipment	\$45	\$40	\$40	\$40	\$40
Net cash used in investing activities	(\$4,164)	(\$2,048)	(\$2,114)	(\$2,108)	(\$1,027)
Cash flows from financing activities					
Interest expense	(\$107)	(\$90)	(\$73)	(\$56)	(\$40)
Proceeds from borrowings	\$150	\$0	\$0	\$0	\$0
Repayment of borrowings	(\$344)	(\$226)	(\$240)	(\$197)	(\$212)
Net cash used in financing activities	(\$301)	(\$316)	(\$313)	(\$253)	(\$253)
Net decrease in cash and cash equivalents	(\$746)	(\$560)	(\$47)	\$29	(\$119)
Cash and cash equivalents at the beginning of the period	\$2,905	\$2,159	\$1,599	\$1,553	\$1,582
Cash and cash equivalents at end of the year	\$2,159	\$1,599	\$1,553	\$1,582	\$1,463

Budgeted Standard Capital Works Statement
For the four years ending 30 June 2016

	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Strategic Resource Plan Projections		
			2013/14 \$'000	2014/15 \$'000	2015/16 \$'000
Capital works areas					
Roads	\$1,493	\$1,219	\$1,277	\$1,272	\$330
Footpaths, Kerb & Channel	\$137	\$54	\$54	\$54	\$54
Drains	\$45	\$165	\$171	\$171	\$68
Open space	\$1,144	\$106	\$107	\$107	\$94
Buildings	\$1,233	\$369	\$369	\$369	\$369
Plant, equipment & other	\$156	\$175	\$177	\$176	\$152
Total capital works	\$4,209	\$2,088	\$2,154	\$2,148	\$1,067
Represented by:					
Asset renewal and upgrade	\$4,107	\$1,468	\$1,514	\$1,510	\$777
New assets	\$102	\$620	\$640	\$638	\$317
Total capital works	\$4,209	\$2,088	\$2,154	\$2,148	\$1,094

Reconciliation of net movement in property, plant and equipment

	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Strategic Resource Plan Projections		
			2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
Total capital works	\$4,209	\$2,088	\$2,154	\$2,148	\$1,067
Asset revaluation increment	\$0	\$0	\$0	\$0	\$0
Depreciation and amortisation	(\$773)	(\$777)	(\$777)	(\$777)	(\$777)
Written down value of assets sold	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)
Net movement in property, plant and equipment	\$3,386	\$1,260	\$1,327	\$1,321	\$240

Budgeted Standard Statement of Investment Reserves
For the four years ending 30 June 2016

	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Strategic Resource Plan Projections		
			2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
Discretionary					
Asset replacement reserve	\$293,362	\$293,362	\$293,362	\$293,362	\$293,362
Local government infrastructure program reserve	\$180,000	\$150,000	\$55,000	\$0	\$0
Total reserves	\$473,362	\$443,362	\$348,362	\$293,362	\$293,362

Future estimates for the Asset Replacement Reserve will be reviewed as part of further Asset Management analysis. Expenditure requirements for the renewal of council assets will be reassessed based on further modelling of scenarios regarding utilisation and condition of existing assets.

Appendix B - Statutory disclosures

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

The appendix includes the following budgeted information:

1. Borrowings

This section provides detail on the following:

- New borrowings – none for 2012/13
- Debt redemption:
 - Bank loans
 - Unfunded superannuation liability

2. Rates and Charges

This section provides detail regarding the amounts included in both the 2011/12 approved budget and the 2012/13 draft budget, in particular:

- number of assessments
- rate type – residential, commercial or recreational
- rate in the dollar to be charged
- second bin charge
- estimated supplementary rates
- total budgeted rates and charges.

Note the 2011/12 year refers to approved budget, rather than 2011/12 year-end forecast, to provide an appropriate point of comparison when the rates budget is struck. Variations to rate income may occur during a financial year, as supplementary rates take effect and it is possible that there will be further adjustments to rate income received by 30 June which will not be included within this draft budget. Any such changes would be included in the forecasting process during the next financial year.

3. Differential Rates

This section provides detail regarding the three rates charged by Council:

- i. Residential
- ii. Business
- iii. Cultural and recreational

1. Borrowings

	Forecast 2011/12 \$	Budget 2012/13 \$
New borrowings - bank loan	\$150,000	\$0
Debt redemption		
- Bank loans	\$202,000	\$226,000
- Unfunded superannuation liability	\$142,000	\$0
Total debt redemption	\$344,000	\$226,000

2. Rates and Charges

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

Type of Property	2011/12 cents/\$CIV	2012/13 cents/\$CIV
General rate for rateable residential properties	0.240976	0.237662
General rate for rateable commercial properties	0.325318	0.320844
Rate concession for rateable cultural and recreational properties	0.060244	0.059416

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

Type of Property	2011/12 \$	2012/13 \$
Residential	4,676,362	4,914,810
Commercial	641,498	637,093
Cultural and recreational	3,501	3,566

2.3 The estimated total amount to be raised by rates

	2011/12 \$	2012/13 \$
Total rates to be raised	5,321,361	5,555,469

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

Type of Property	2011/12 Change %	2012/13 Change %
Residential	4.59	-1.38
Commercial	4.48	-1.38
Cultural and recreational	-52.00	-1.38

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

Type of Property	2011/12 No.	2012/13 No.
Residential	2,734	2,756
Commercial	273	261
Cultural and recreational	4	4
Total number of assessments	3,011	3,021

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

- 2.7 The estimated total value of land in respect of which each type of rate is to be levied, compared with the previous year.

Type of Property	2011/12 \$	2011/12 \$
Residential	1,940,592,500	2,075,104,000
Commercial	197,191,347	198,567,378
Cultural and recreational	5,812,000	6,002,000
Total	2,143,595,847	2,279,673,378

- 2.8 There is no proposal to raise a Municipal Charge

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

Type of Charge	Per Rateable Property 2011/12 \$	Per Rateable Property 2012/13 \$
Municipal	0	0
Kerbside collection	0	0
Recycling	0	0
Second bins	170	180
Total	170	180

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

Type of Charge	2011/12 \$	2012/13 \$
Municipal	0	0
Kerbside collection	0	0
Recycling	0	0
Second bins	11,200	12,960
Total	11,200	12,960

2.11 The estimated total amount to be raised by rates and charges

	2011/12 \$	2011/12 \$
Rates and charges	5,321,361	5,555,469
Supplementary rates	10,000	10,000
Second bins	11,200	12,960
Total	5,342,561	5,578,429

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

- The making of supplementary valuations
- The variation of returned levels of value (e.g. valuation appeals)
- Changes 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.

3. Differential Rates

3.1 Rates to be levied

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

- A general rate of 0.237662% (0.237662 cents in the dollar of CIV) for all rateable residential properties
- A general rate of 0.320844% (0.320844 cents in the dollar of CIV) for all rateable commercial properties
- A general rate of 0.059416% (0.059416 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.

3.2 Commercial land

Commercial land is any land which is:

- Occupied for the principal purpose of carrying out the manufacture or production of, or trade in, goods or services (this includes properties that carry out the business of providing accommodation) or
- Unoccupied but zoned commercial under the Borough of Queenscliffe Planning Scheme.

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
- Provision of tourism promotion and Visitor Information Centre service
- Provision of general support services.

Accommodation providers include owners of holiday homes who offer holiday accommodation for more than six weeks of the year. A Statutory Declaration is required from those providers who do not offer their premises for more than six weeks of the year.

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

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

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

The use of the land within this differential rate, in the case of improved land, is any use of land.

The characteristics of planning scheme zoning is applicable to the determination of vacant land which will be subject to the rate applicable to commercial land. The vacant land affected by this rate is that which is zoned commercial under the Borough of Queenscliffe Planning Scheme. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2012/13 financial year.

3.3 Residential land

Residential land is any land, which is:

- Occupied for the principal purpose of physically accommodating persons or
- Unoccupied but zoned residential under the Borough of Queenscliffe Planning Scheme and which is not commercial 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
- Provision of general support services.

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

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

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

The use of the land within this differential rate, in the case of improved land, is any use of land.

The characteristics of planning scheme zoning is applicable to the determination of vacant land which will be subject to the rate applicable to residential land. The vacant land affected by this rate is that which is zoned residential under the Borough of Queenscliffe Planning Scheme. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2012/13 financial year.

3.4 Cultural and Recreational rates

Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any 'recreational lands' which meet the test of being 'rateable land' under the Act. The rate concession for recreational land is set at 75% of the residential rate and is treated as a contribution in lieu of rates.

3.5 Other charges

Council does not have a separate garbage charge or a Municipal charge. A "second bin" rate is charged for additional garbage charges where these are requested.

Appendix C - Capital works and new initiatives

This appendix presents a listing of the capital works and new initiatives projects that will be undertaken for the 2012/13 financial year.

The capital works and new initiatives projects are grouped in the following order:

1. Projects are first split into either annual asset renewal program or priority projects for the 2012/13 year
2. For those projects which fall within the annual asset renewal program, these projects are then split into asset class as follows:
 - Rate-funded projects:
 - Renewal buildings
 - Council buildings
 - Foreshore public conveniences
 - Specific projects (for the 2012/13 year, two projects are included: Senior Citizens and Queenscliff Recreation Reserve)
 - Renewal infrastructure
 - Kerb and channel
 - Footpaths
 - Pavement repair
 - Road resealing
 - Drainage
 - Open space
 - Renewal reserves
 - Walking tracks, caravan parks and boat ramp signage
 - Foreshore and park furniture renewal
 - Lower Princess, Princess and Citizens Parks
 - Fencing at Caravan Parks
 - Renewal car parks and access roads
 - Renewal beach access tracks
 - Track clearance, surface renewal and track fencing
 - Beach access, hand rails and steps
 - Renewal other assets
 - Motor vehicles
 - Computer equipment
 - Caravan Park washing machines and driers
 - Fixtures and fittings
3. All projects (annual renewal and priority projects) are then split into either operating or capital expenditure (note some projects may span both operating and capital expenditure)
4. For those projects which fall within capital expenditure, these projects are then split into either renewal / upgrade or new assets (note some projects may span both renewal / upgrade and new asset expenditure).

Capital and New Initiatives Program - Budget 2012/13

Appendix C

Projects	Estimated Cost in 2012/13	Funding Source				Net Cost to Rates budget	Operating	Capital		
		Government Grants	Local Community	Other (incl reserves/ transfers from prev yr)	TOTAL			Renewal/ Upgrade	New	TOTAL CAPEX
Annual Renewal Program										
(1) Renewal Buildings										
Renewal Council Buildings	\$85,000				\$0	\$85,000		\$85,000		\$85,000
Senior Citizens building renewal	\$253,500	(\$100,000)			(\$100,000)	\$153,500		\$253,500		\$253,500
Queenscliff Recreation Reserve building renewal	\$15,000				\$0	\$15,000		\$15,000		\$15,000
Foreshore Public Conveniences	\$15,000				\$0	\$15,000		\$15,000		\$15,000
Sub Total : Renewal Buildings	\$368,500	(\$100,000)	\$0	\$0	(\$100,000)	\$268,500	\$0	\$368,500	\$0	\$368,500
(2) Renewal Infrastructure										
Renewal Kerb & Channel	\$19,000				\$0	\$19,000		\$19,000		\$19,000
Renewal Footpaths	\$35,000				\$0	\$35,000		\$35,000		\$35,000
Renewal Pavement Repair	\$19,000				\$0	\$19,000		\$19,000		\$19,000
Renewal Road Resealing	\$40,000				\$0	\$40,000		\$40,000		\$40,000
Renewal Drainage	\$40,000				\$0	\$40,000		\$40,000		\$40,000
Renewal Open Space (eg: Recreation Reserves, parks, viewing platforms, skate park etc.)	\$6,000				\$0	\$6,000		\$6,000		\$6,000
Sub Total : Renewal Infrastructure	\$159,000	\$0	\$0	\$0	\$0	\$159,000	\$0	\$159,000	\$0	\$159,000
(3) Renewal - Reserves										
Walking tracks, caravan parks and boat ramp signage	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Foreshore and park furniture renewal	\$15,000				\$0	\$15,000		\$15,000		\$15,000
Lower Princess, Princess and Citizens Parks	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Fencing at Caravan Parks	\$15,000				\$0	\$15,000		\$15,000		\$15,000
Sub Total : Renewal Reserves	\$50,000	\$0	\$0	\$0	\$0	\$50,000	\$0	\$50,000	\$0	\$50,000
(4) Renewal - Car Parks & Roads										
Access roads for reserves, parks and car parks	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Sub Total : Renewal Car Parks & Roads	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000
(5) Renewal - Beach Access Tracks										
Track clearance, surface renewal and track fencing	\$15,000				\$0	\$15,000		\$15,000		\$15,000
Beach access, hand rails and steps	\$20,000				\$0	\$20,000		\$20,000		\$20,000
Sub Total : Renewal Beach Access Tracks	\$35,000	\$0	\$0	\$0	\$0	\$35,000	\$0	\$35,000	\$0	\$35,000
(6) Renewal - Other Assets										
Motor Vehicles	\$95,000			(\$40,000)	(\$40,000)	\$55,000		\$95,000		\$95,000
Computer Equipment (includes \$5k for Councillor I.T. & Phones)	\$35,000				\$0	\$35,000		35000		\$35,000
Caravan Park Washing Machines & Driers	\$10,000				\$0	\$10,000		\$10,000		\$10,000
Fixtures & Fittings	\$5,000				\$0	\$5,000			\$5,000	\$5,000
Sub Total : Renewal Other Assets	\$145,000	\$0	\$0	(\$40,000)	(\$40,000)	\$105,000	\$0	\$140,000	\$5,000	\$145,000
TOTAL Annual Renewal Program	\$767,500	(\$100,000)	\$0	(\$40,000)	(\$140,000)	\$627,500	\$0	\$762,500	\$5,000	\$767,500

Capital and New Initiatives Program - Budget 2012/13

Appendix C

Projects	Estimated Cost in 2012/13	Funding Source				Net Cost to Rates budget	Operating	Capital				
		Government Grants	Local Community	Other (incl reserves/ transfers from prev yr)	TOTAL			Renewal/ Upgrade	New	TOTAL CAPEX		
<u>Priority Projects</u>												
Country Roads & Bridges program:												
Resealing Programs	\$100,000	(\$1,000,000)			(\$1,000,000)	\$0		\$100,000		\$100,000		
Minor Civil works renewal	\$550,000										\$550,000	\$550,000
Bay St Reconstruction & associated drainage	\$250,000										\$250,000	\$250,000
Hesse St roundabout	\$100,000										\$100,000	\$100,000
Hesse St revitalisation & Point Lonsdale Rd- staged implementation	\$215,000			(\$215,000)	(\$215,000)	\$0			\$215,000	\$215,000		
Dog Beach Carpark Upgrade (\$5k spent 2011/12)	\$45,000			(\$45,000)	(\$45,000)	\$0		\$45,000		\$45,000		
Shortlands Bluff Tourism Development Project	\$85,000	(\$85,000)			(\$85,000)	\$0	\$85,000			\$0		
Fish Cleaning station	\$10,000	(\$10,000)			(\$10,000)	\$0		\$10,000		\$10,000		
Roadside E-Waste collection	\$20,000				\$0	\$20,000	\$20,000			\$0		
Crossing at Flinders & Henry Streets subject to VicRoads approval	\$15,000				\$0	\$15,000			\$15,000	\$15,000		
Playground equipment at Princess Park	\$15,000				\$0	\$15,000			\$15,000	\$15,000		
Funds for heritage architect on key heritage buildings	\$20,000				\$0	\$20,000	\$20,000			\$0		
Conduct an independent plebiscite on the future boundary of the Borough of Queens	\$30,000				\$0	\$30,000	\$30,000			\$0		
Celebration of BoQ 150th year - public works	\$50,000				\$0	\$50,000	\$50,000			\$0		
Staged introduction of recycled bins	\$20,000				\$0	\$20,000			\$20,000	\$20,000		
TOTAL Priority Projects	\$1,525,000	(\$1,095,000)	\$0	(\$260,000)	(\$1,355,000)	\$170,000	\$205,000	\$705,000	\$615,000	\$1,320,000		
Total Capital/Major projects 2012/13	\$2,292,500	(\$1,195,000)	\$0	(\$300,000)	(\$1,495,000)	\$797,500	\$205,000	\$1,467,500	\$620,000	\$2,087,500		
	Total New Initiatives (Operating)	\$205,000	Total New Initiatives (Operating) funding		(\$85,000)							
	Total Capital Projects	\$2,087,500	Total Capital Projects funding		(\$1,410,000)							
		\$2,292,500			(\$1,495,000)							
<i>* It should be noted that implementation of some projects is subject to attracting external funding from other levels of Government</i>												

Appendix D - 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 2012/13 year.

The following information is listed for each type of fee charged by Council:

- Program / activity to which the user fee relates (example: law enforcement)
- Type of fee charged (example: dog registration)
- More details regarding each fee type (example: dog registration – sterilised dog)
- An indication as to whether the fee is statutory or at the discretion of Council
- Whether the fee is inclusive of GST, or if in fact GST does not apply to the fee
- Fees for both the current year (2011/12) and proposed fees for the next year (2012/13)
- % increase in fees compared with that charged for the previous year.

Fees & Charges Schedule

Appendix D

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2011/12 Actual		2012/13 Budget	
					Price	% Increase	Price	% Increase
Administration	Photocopy charges - per page	Own paper supplied		Y	\$0.10	0%	\$0.15	50%
		A4 paper		Y	\$0.15	0%	\$0.20	33%
		A3 paper		Y	\$0.40	0%	\$0.45	13%
		A4 colour copy		Y	\$1.05	5%	\$1.10	5%
		A3 colour copy		Y	\$1.55	3%	\$1.60	3%
		A4 laminating		Y	\$2.05	2%	\$2.10	2%
		A3 laminating		Y	\$3.60	3%	\$3.65	1%
	Freedom of Information Enquiries	Per hour	Legislated	N	\$23.90	0%	\$23.90	0%
	Book Sales (either of the two books below)	General Public		Y	\$49.95	0%	\$49.95	0%
	- Enduring the Rip	Maritime Museum		Y	\$34.95	0%	\$34.95	0%
	- History of Queenscliff							
Facility Hire	Per day hire - Town Hall	Social Events / Functions - Charity		Y	\$41.00	3%	\$42.00	2%
		Social Events / Functions - Local Organisations (ticketed events)		Y	\$41.00	3%	\$50.00	22%
		Social Events / Functions - Non-Local Organisations		Y	\$257.50	3%	\$265.00	3%
		Commercial		Y	\$412.00	3%	\$424.00	3%
	Per day hire - Pavilion	Local		Y	\$74.00	3%	\$76.00	3%
		Non-local		Y	\$160.00	3%	\$165.00	3%
		Power usage only		Y	\$42.00	2%	\$43.00	2%
	Per day hire - Oval	Booking fee		Y	\$60.00	9%	\$65.00	8%
Rates & Charges	Land Information Certificates	Per certificate	Legislated	N	\$20.00	0%	\$20.00	0%
	Valuations	Per valuation		Y	\$17.50	0%	\$17.50	0%
	Previous years rates notices	Per notice + Admin fee @ \$20/hour		N	\$11.00	0%	\$11.00	0%
Waste Disposal	Garbage Charges 2nd Bin	Per bin		N	\$170.00	6%	\$180.00	6%
Aged Care	Charges dependant on client means test	Home Care		N	\$4.70 - \$17.80	3%	\$4.80 - \$18.30	3%
		Personal Care		N	\$4.70 - \$17.80	3%	\$4.80 - \$18.30	3%
		Respite Care		N	\$2.70 - \$19.80	3%	\$2.80 - \$20.40	3%
		Home Maintenance		N	\$9.40 - \$16.30	3%	\$9.70 - \$16.80	3%
		Client Travel		N	\$1.00	0%	\$1.00	0%
	Other Agencies \$/hour	Home Care		Y	\$46.25	3%	\$48.00	4%
		Personal Care		Y	\$48.50	3%	\$50.30	4%
		Respite Care		Y	\$49.50	3%	\$51.30	4%
		Home Maintenance		Y	\$51.50	3%	\$53.40	4%
		Travel fees per km		Y	\$1.10	0%	\$1.15	5%
	Community Aged Care Packages	varies per package		N	\$10.00 - \$50.00	0%	\$10.00 - \$50.00	0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2011/12 Actual		2012/13 Budget	
					Price	% Increase	Price	% Increase
Engineering	Build Over Easement Permit	Per permit		N	\$215.00	0%	\$215.00	0%
	Legal Point of Discharge Enquiry	Per enquiry	Legislated	N	\$55.55	0%	\$55.55	0%
	Road Opening Permit	Per permit	Legislated	N	\$105.00	0%	\$105.00	0%
Building	Lodgement Fees - Residential	Per lodgement	Legislated	N	\$34.00	2%	\$34.00	0%
	Lodgement Fees - Commercial	Per lodgement	Legislated	N	\$34.00	2%	\$34.00	0%
	Building Certificate by Solicitor	Per certificate	Legislated	N	\$45.35	2%	\$45.35	0%
	Variation to Residential Code		Legislated	N	\$227.25	2%	\$227.25	0%
	Consent to Construct in Flood Areas		Legislated	N	\$227.25	2%	\$227.25	0%
	Copying of Building Application	Per copy		Y	\$100 min.	0%	\$100 min.	0%
	Property Enquiries by Building Surveyors	Per enquiry	Legislated	Y	\$45.35	2%	\$45.35	0%
	Records Search Fee	Per hour		Y	\$102.00	2%	\$102.00	0%
Environmental Health	Food - Class 1 & 2	Per registration		N	\$300.00	9%	\$310.00	3%
	Food - Class 3	Per registration		N	\$200.00	14%	\$205.00	3%
	Accommodation	Per registration		N	\$300.00	20%	\$310.00	3%
	Hairdresser/Beauty Premises	Per registration		N	\$150.00	3%	\$155.00	3%
	Premises	Transfer/Condition report		Y	\$160.00	3%	\$165.00	3%
	Community Organisation	Temporary food licence (for one event)		N	\$0.00	0%	\$0.00	0%
	Community Organisation	Temporary food licence (for more than one event)		N	\$14.00	17%	\$15.00	7%
	General	Temporary food licence (for one event)		N	\$64.00	7%	\$66.00	3%
	General	Temporary food licence (for more than one event)		N	\$165.00	0%	\$170.00	3%
Town Planning	Certificate	Per certificate	Legislated	N	\$18.20	0%	\$18.20	0%
	Planning Permit - new application	Per permit	Legislated	N	\$105 - \$840	3%	\$105 - \$840	0%
	Planning Permit - extension of time	Per permit	Legislated	N	\$102.00	0%	\$102.00	0%
	Planning Permit - amendment	Per permit	Legislated	N	\$102.00	0%	\$102.00	0%
	Planning Permit - subdivision	Per subdivision	Legislated	N	\$386.00	0%	\$386.00	0%
	Certification - subdivision	Per subdivision	Legislated	N	\$140.00	0%	\$140.00	0%
	Section 29A request	Per request	Legislated	N	\$56.75	2%	\$56.75	0%
	Planning Infringements	Per infringement - natural person	Legislated	N	\$597.25	100%	\$597.25	0%
	Planning Infringements	Per infringement - body corporate	Legislated	N	\$1,194.50	100%	\$1,194.50	0%
Planning fees schedule attached, which is legislated by State Government and subject to change. Please contact Council's planning department for current information on applicable planning fees.								

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2011/12 Actual		2012/13 Budget	
					Price	% Increase	Price	% Increase
Local Laws	Dog Registrations - per registration	Restricted Breed		N	\$135.00	4%	\$139.00	3%
		Menacing Breed		N	\$135.00	4%	\$139.00	3%
		Dangerous Dog (Residential)		N	\$135.00	4%	\$139.00	3%
		Dangerous Dog (Guard Dog)		N	\$125.00	4%	\$129.00	3%
		Entire (existing reg'ns only)		N	\$86.00	5%	\$89.00	3%
		Entire & Microchipped		N	\$41.00	3%	\$42.00	2%
		Vic Canine Assoc registered		N	\$32.00	7%	\$33.00	3%
		Desexed (existing reg'ns only)		N	\$32.00	7%	\$33.00	3%
		Desexed & Microchipped		N	\$28.00	8%	\$29.00	4%
		Desexed (Pensioner Concession)		N	\$18.00	13%	\$18.50	3%
		Dual Registered		N	\$7.00	17%	\$7.00	0%
		Guide Dog		N	\$0.00	0%	\$0.00	0%
		Replacement Dog Tag		N	\$2.00	0%	\$2.00	0%
	Cat Registrations - per registration	Entire (existing reg'ns only)		N	\$75.00	4%	\$77.00	3%
		Vic Cat Breeders Assoc registered		N	\$27.00	4%	\$28.00	4%
		Microchipped (existing reg'ns only)		N	\$29.00	12%	\$30.00	3%
		Desexed (existing reg'ns only)		N	\$25.00	9%	\$26.00	4%
		Desexed & Microchipped		N	\$24.00	9%	\$25.00	4%
		Desexed (Pensioner Concession)		N	\$15.00	15%	\$15.50	3%
		Dual Registered		N	\$7.00	17%	\$7.00	0%
		Replacement Cat Tag		N	\$2.00	0%	\$2.00	0%
	Local Law Permit Fees	Planting on or removal of plants from naturestrip		N	Nil	0%	Nil	0%
		Keeping more animals or birds than prescribed		N	\$75.00	650%	\$85.00	13%
		Keeping an animal or bird not listed		N	Nil	0%	Nil	0%
		Lighting a fire in the open		N	\$50.00	25%	\$60.00	20%
		Builders construction of temporary vehicle crossing		N	\$108.00	3%	\$111.00	3%
		Tapping into Council drain		N	\$55.00	0%	\$55.00	0%
		Road opening		N	\$108.00	3%	\$111.00	3%
		Bringing a horse or donkey		N	\$20.00	100%	\$25.00	25%
		Erecting booth, stall scaffolding etc - for charitable purposes		N	Nil	0%	Nil	0%
		Erecting booth, stall scaffolding etc - for other purposes		N	\$100.00	100%	\$150.00	50%
		Placing signs, displaying or storing goods - for charitable purposes		N	Nil	0%	Nil	0%
		Placing signs, displaying or storing goods - for other purposes		N	\$20.00	100%	\$30.00	50%
		Placing signs, displaying or storing goods - annually		N	\$75.00	25%	\$90.00	20%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2011/12 Actual		2012/13 Budget	
					Price	% Increase	Price	% Increase
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for charitable purposes		N	Nil	0%	Nil	0%
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for other purposes (<=7 days)		N	\$50.00	0%	\$15.00	-70%
		Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment - for other purposes (>7 days)		N	\$50.00	0%	\$50.00	0%
		Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets - for charitable purposes		N	Nil	0%	Nil	0%
		Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets - for other purposes		N	By arrangement	0%	By arrangement	0%
		Filming within the Borough - Feature Films & Commercials - First Day		N	\$250.00	0%	\$250.00	0%
		Filming within the Borough - Feature Films & Commercials - Subsequent Day(s), per day		N	\$100.00	0%	\$100.00	0%
		Filming within the Borough - Major Television Productions, low and medium budget films, telemovies - First Day		N	\$200.00	0%	\$200.00	0%
		Filming within the Borough - Major Television Productions, low and medium budget films, telemovies - Subsequent Day(s), per day		N	\$100.00	0%	\$100.00	0%
		Filming within Borough - Commercial Stills Photography - First Day		N	\$150.00	0%	\$150.00	0%
		Filming within the Borough - Commercial Stills Photography - Subsequent Day(s), per day		N	\$50.00	0%	\$50.00	0%
		Filming within Borough - Small Scale Television Productions - First		N	\$100.00	0%	\$100.00	0%
		Filming within the Borough - Small Scale Television Productions - Subsequent Day(s), per day		N	\$50.00	0%	\$50.00	0%
		Filming within the Borough - Productions for Charities		N	By arrangement	0%	By arrangement	0%
		Using a crane, hoist or movable platform etc		N	\$100.00	100%	\$150.00	50%
		Fly an engine powered model airplane		N	\$20.00	300%	\$30.00	50%
		Landing a helicopter - weekdays 9am-5pm, weekends 10am-3pm		N	\$60.00	20%	\$70.00	17%
		Landing a helicopter - after hours, Monday - Saturday		N	\$195.00	0%	\$195.00	0%
		Landing a helicopter - after hours, Sunday		N	\$240.00	0%	\$240.00	0%
		Removing paint etc from, painting or repairing a vehicle or boat		N	\$100.00	100%	\$150.00	50%
		Place a skip - accredited & have insurance - per day/week		N	\$20.00	100%	\$30.00	50%
		Place a skip - non-accredited - per day/week		N	\$50.00	150%	\$80.00	60%
		Events - local law - weddings		N	\$75.00	50%	\$100.00	33%
		Events - local law - major event (promote or conduct an event for which an entry fee is charged or which is intended to make a profit)		N	By arrangement	0%	By arrangement	0%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2011/12 Actual		2012/13 Budget	
					Price	% Increase	Price	% Increase
		Conduct a road activity - for charitable purposes		N	Nil	0%	Nil	0%
		Conduct a road activity - for other purposes		N	\$50.00	0%	\$50.00	0%
		Camping or keeping a caravan etc		N	\$24.00	20%	\$27.00	13%
		Special uses and events		N	By arrangement	0%	By arrangement	0%
		Street appeals - for charitable purposes		N	Nil	0%	Nil	0%
		Street appeals - for other purposes		N	\$100.00	0%	\$100.00	0%
		Consumption of liquor		N	Nil	0%	Nil	0%
		Itinerant trading		N	By arrangement	0%	By arrangement	0%
Local Laws (cont...)	Parking Fines - per infringement	Minimum fee	Legislated	N	\$54.00	0%	\$54.00	0%
		Medium fee	Legislated	N	\$70.00	0%	\$70.00	0%
		Maximum fee	Legislated	N	\$116.00	0%	\$116.00	0%
		Courtesy letter fee	Legislated	N	\$21.00	0%	\$21.00	0%
	Fire Hazard Charges	Standard fine	Legislated	N	\$234.00	0%	\$234.00	0%
		Failure to comply with a notice to comply	Legislated	N	\$116.00	0%	\$116.00	0%
		Failing to obtain a permit to conduct road opening	Legislated	N	\$530.00	0%	\$530.00	0%
	Animal Infringements	Dog not on lead in public place		N	\$125.00	3%	\$129.00	3%
		Dog wandering at large, day time		N	\$180.00	3%	\$185.00	3%
		Dog wandering at large, night time		N	\$241.00	3%	\$248.00	3%
		Failure to register a dog or cat		N	\$241.00	3%	\$248.00	3%
		Registered dog or cat not wearing tag		N	\$61.00	3%	\$63.00	3%
		Unregistered dog or cat wearing a tag		N	\$122.00	3%	\$126.00	3%
		Contravening council order regarding dogs or cats in public place		N	\$61.00	3%	\$63.00	3%
		Dog or cat being a nuisance		N	\$61.00	3%	\$63.00	3%
		Cat at large or not securely confined to owners premises		N	\$61.00	3%	\$63.00	3%
		Greyhounds not muzzled or chain outside owners premises		N	\$180.00	3%	\$185.00	3%
		Non compliance of order to abate nuisance		N	\$180.00	3%	\$185.00	3%
Local law infringement charges as per Schedule 4 of Local Law No. 2 2010. Please contact Council's local laws department for current information on applicable infringement charges.								
Boat Ramp Fees	All	Casual (day use) pass		N	\$10.00	0%	\$10.00	0%
	Resident	Annual pass		N	\$109.00	3%	\$112.00	3%
	Non Resident	Annual pass		N	\$170.00	6%	\$175.00	3%

Program/Activity	Fees & Charges Type	Fees & Charges Detail	Legislated Fee ?	GST (Y/N)	2011/12 Actual		2012/13 Budget	
					Price	% Increase	Price	% Increase
Caravan Park Fees	Go Lightly (based on 2 adults & 4 children)	Annual fees - A		Y	\$6,450.00	5%	\$7,100.00	10%
		Annual fees - B		Y	\$5,820.00	5%	\$6,400.00	10%
		Annual fees - C		Y	\$5,535.00	5%	\$6,100.00	10%
	Recreation Reserve (based on 2 adults)	Annual fee		Y	\$4,060.00	4%	\$4,450.00	10%
	Victoria Park (based on 2 adults)	Annual fee		Y	\$4,060.00	4%	\$4,450.00	10%
	Victoria Park & Royal Park	Seasonal Permit (1 December - 30 April)		Y	\$3,361.20	18%	\$3,832.00	14%
	Victoria Park & Royal Park	Seasonal Permit (1 December - 31 March)		Y	\$3,061.55	18%	\$3,330.00	9%
	Victoria Park & Royal Park	Seasonal Permit (1 December - 28 February)		Y	\$2,171.00	18%	\$2,640.00	22%
	Victoria Park & Royal Park	Seasonal Permit (26 December - 31 January)		Y	\$1,817.25	18%	\$1,731.00	-5%
	Victoria Park & Royal Park	Seasonal Permit (1 February - 30 April)		Y	\$1,803.10	18%	\$1,665.00	-8%
	Victoria Park & Royal Park	Seasonal Permit (1 February - 31 March)		Y	\$1,168.10	18%	\$1,162.00	-1%
	All Parks - additional persons	Annual fee - extra adult		Y	\$115.00	4%	\$118.00	3%
		Annual fee - extra child		Y	\$59.00	4%	\$61.00	3%
		Casual - per night - extra adult		Y	\$12.00	9%	\$13.00	8%
		Casual - per night - extra child		Y	\$7.00	17%	\$8.00	14%
		(seniors discount 10% casual extras)						
	Casual - per night	Peak (15 Dec to 30 Jan)		Y	\$51.00	13%	\$52.00	2%
		Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$36.00	20%	\$37.00	3%
		Off Peak (1 May to 31 Oct)		Y	\$31.00	3%	\$32.00	3%
	Cabins - per night	New Cabin - Peak (15 Dec to 30 Jan)		Y	\$228.00	4%	\$235.00	3%
		New Cabin - Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$174.00	4%	\$179.00	3%
		New Cabin - Off Peak (1 May to 31 Oct)		Y	\$153.00	4%	\$158.00	3%
		Old Cabin ("Whale") - Peak (15 Dec to 30 Jan)		Y	\$135.00	0%	\$139.00	3%
		Old Cabin ("Whale") - Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$115.00	0%	\$118.00	3%
		Old Cabin ("Whale") - Off Peak (1 May to 31 Oct)		Y	\$100.00	0%	\$103.00	3%
		Old Cabin ("Sardine") - Peak (15 Dec to 30 Jan)		Y	\$120.00	0%	\$124.00	3%
		Old Cabin ("Sardine") - Shoulder (1 Feb to 30 April & 1 Nov to 14 Dec)		Y	\$100.00	0%	\$103.00	3%
		Old Cabin ("Sardine") - Off Peak (1 May to 31 Oct)		Y	\$90.00	0%	\$93.00	3%
		Additional Person		Y	\$15.00	0%	\$15.00	0%
	Other Charges (applies for all sites)	Cancellation Fee		Y	\$50.00	0%	\$50.00	0%
		Seasonal Permit - Unoccupied Site Fee		Y	\$10.00	0%	\$10.00	0%
		Late Checkout Fee		Y	\$10.00	0%	\$10.00	0%
		Laundry Charges - Washing Machine		Y	\$3.00	0%	\$3.00	0%
		Laundry Charges - Dryer (per 15 minutes)		Y	\$1.00	0%	\$1.00	0%