

MANSFIELD SHIRE COUNCIL

Special Meeting of Council

Unconfirmed

MINUTES

TUESDAY, 18 APRIL 2017
MANSFIELD SHIRE OFFICE
33 Highett Street, Mansfield
4.15PM

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MINUTES

TUESDAY, 18 APRIL 2017
MANSFIELD SHIRE OFFICE
33 Highett Street, Mansfield
4.15PM

1. OPENING OF THE MEETING

The Mayor, Cr Volkering, opened the meeting at 4.20 pm

Councillors:

Marg Attley	<i>Tolmie Ward</i>
Peter Olver	<i>Mansfield Ward</i>
Paul Sladdin	<i>Bonnie Doon Ward</i>
Paul Volkering	<i>Mansfield Ward</i>
Harry Westendorp	<i>Bonnie Doon Ward</i>

Chief Executive Officer:

Alex Green

Finance Manager:

Mandy Kynnersley

2. STATEMENT OF COMMITMENT

The Councillors affirmed the following Statement of Commitment:

“We the Councillors of Mansfield Shire / declare that we will undertake on every occasion / to carry out our duties in the best interests of the community / and that our conduct shall maintain the standards of the Code of Good Governance / so that we may faithfully represent / and uphold the trust placed in this Council by the people of Mansfield Shire.”

3. ACKNOWLEDGEMENT OF COUNTRY

The Councillors affirmed the “Acknowledgement of Country” for the Mansfield Shire Council:

“Mansfield Shire Council recognises that indigenous people have been custodians of this area for generations. We acknowledge the living culture and unique role of Taungurung people in our region.”

4. APOLOGIES

Nil

5. DISCLOSURE OF CONFLICT OF INTERESTS

Nil

6. DEPUTATIONS

Nil



7. PRESENTATION OF REPORTS

7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan

File Number: E4397
Responsible Officer: Dawn Bray, Governance Co-ordinator

Disclosure of Conflicts of Interest

The author of this report has declared no conflict of interest in relation to this matter.

Introduction

The purpose of this report is to seek Council approval for the commencement of the statutory public consultation period for the draft 2017-2021 Council Plan and Strategic Resource Plan (SRP).

The draft 2017-2021 Council Plan and Strategic Resource Plan have been prepared in accordance with sections 125 and 126 of the *Local Government Act 1989* (the Act). The Plans sets out Council's strategic objectives, strategies for achieving those objectives, the measures by which we will track our performance in delivering the Plan and the allocation of financial and non-financial resources over the next four years.

The development of the draft Plan has been informed by consultation with Council staff, Councillors and through direct engagement with the community through an online survey completed by 126 people and a series of five township meetings attended by nearly 50 people.

The Act requires the draft Council Plan to be placed on public exhibition for a period of no less than 28 days to allow the receipt of written submissions. Submitters can also choose to make a verbal presentation directly to Council in support of their written submission.

It is proposed that Council considers both written and verbal submissions on 30 May 2017 between 2.00pm and 4.30pm in the Council Chamber.

Once all verbal and written submissions have been heard and considered, the Council Plan and/or SRP will be amended as decided by the Council and the revised Plans submitted to Council for adoption on 27 June 2017.

Background

The Council Plan and Strategic Resource Plan are the key strategic documents that will guide the allocation of resources and work undertaken by the Administration over the next four years.

The Act requires the Council to prepare and approve a new Council Plan either within six months of the election of a new council or prior to 30 June, whichever is the later. It also states that a Council Plan must outline:



7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan cont.

- Council's strategic objectives
- strategies for achieving the objectives for at least the next 4 years
- the strategic indicators used to monitor progress against the strategic objectives
- a strategic resource plan that outlines the allocation of financial and non-financial resources for at least the next 4 years.

The SRP demonstrates how the delivery of the Council Plan will be funded and resourced. Section 126 of the Act prescribes the types of financial statements that must comprise the resource plan.

Preparation of the new Council Plan commenced in November 2016 through the identification of the newly elected Council's key objectives for its four year term. Since that time several workshops and discussions have been held with Councillors, Council staff and the community around possible strategies and indicators that support the achievement of Council's strategic priorities.

An online Community Survey was also undertaken to find out:

- what services and facilities people valued the most
- what peoples' objectives were in the future for themselves, their family and the broader community
- where possible budget savings could be found
- the main two reasons why people lived in Mansfield Shire.

Some clear messages came through this process, which have in turn informed Council deliberations about the objectives and strategies in the draft Plan.

The following factors have also been considered:

- linkages to other Council strategies and long term plans
- ensuring the new Plan is achievable and realistic given the tightening fiscal climate in which Council is operating
- recommendations of the City of Geelong Commission of Inquiry around the establishment of a sound strategic framework and managing expectations around what a council can control and influence.

Statutory Requirements

In addition to the statutory requirements already outlined in this report the Act requires Council to ensure that during the mandatory minimum 28 day community consultation period:



7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan cont.

- a person has a right to make a written submission under section 223 of the Act
- the draft Plan is available for inspection at Council's office and on its website.

Section 223 of the Act requires Council to:

- publish a notice specifying that people are able to submit written comment on the Council Plan and SRP
- enable a person who has made a written submission indicate in their submission that they wish to make a verbal representation to Council, or appoint someone to make the verbal submission on their behalf
- nominate the date and place where the Council will meet, which allows a reasonable time for the submitter to prepare for the meeting (a notice of the meeting must be given to each submitter)
- having considered all written and verbal submissions, notify each submitter of the decision of the Council and the reason for the decisions in writing.

Council Plan

The new draft Council Plan aims to build upon the initiatives and goals of the current Council Plan and echoes some of the existing key strategic objectives such as community resilience, good governance, responsible financial management, responsible growth and development and economic prosperity.

Financial

The SRP outlines how the Council Plan will be resourced. The Act requires the inclusion of financial and non-financial statements for at least a four year period.

The draft SRP demonstrates Council's focus on "getting the house in order" in a financial capacity. This includes:

- closing the asset renewal gap by focussing capital spend on the renewal of assets (approximately the same value as depreciation) prior to directing spending on new assets
- reducing operating expenditure through efficiency gains
- reducing operating expenditure through the reduction of some services
- maximising income

The SRP predicts that by the end of 2020-21 Council will have closed the renewal gap, improved cash reserves above the determined floor of \$3 million, and returned consistent operating surpluses.



7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan cont.

Social

There is a strong social and community focus in the new draft Plan, which reflects the overwhelming message from our Community Survey that the sense of community spirit and connectedness is the top reason why people live here.

Three of the five Strategic Directions in the plan are related to fostering this connectedness:

- Participation and Partnerships – means people having opportunities to participate in all aspects of community life and decision making. The need for Council to work together with the community, other service providers, private industry and other levels of government is key to ensuring this happens.
- Community resilience and connectivity – focuses on Council assisting the community in achieving its goals and building capacity within the community to take action to support themselves and each other.
- Enhanced liveability – is around ensuring services and facilities respond to changing community needs and that the things that make the Shire such a great place to live are preserved and enhanced through the decisions Council make.

Environmental

The draft Council Plan reflects the value our community, gauged through the responses to our Community Survey, place on our natural environment. When asked what the two main reasons were for people living here, the environment and landscape was in the top four responses. The high level of amenity we enjoy also rates high on the list.

Accordingly the Council Plan includes a Strategic Direction focussing on ‘Enhanced Liveability’. Initiatives to be delivered by Council over the next four years cover improved waste management, carefully balancing the need for economic growth and development with the things that make our Shire special and draw people to it and ensuring our community is able to effectively respond to natural disasters.

Economic

The draft Plan celebrates the fact that Mansfield Shire is one of the fastest growing municipalities in the North East.

While Council understands that it plays a less direct role in creating a favourable economic environment when compared to other levels of government, the draft Plan includes measures to support local agriculture and tourism through training, events and lobbying for funding from higher levels of government.



7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan cont.

Risk Management

‘Responsible Leadership’ is another of the draft Plan’s five Strategic Directions. Council recognise that it must achieve the highest levels of good governance to successfully mitigate risk whether it be financial, operational or possible harm to people and property.

Community Engagement

As previously mentioned, the development of the Council Plan has been informed by a series of township meetings and a Community Survey. Just under 200 people participated in these discussions, which is a wonderful response from a relatively small community of 8,500 people.

The summary of responses to the Community Survey form **Attachment 1** and have been made available to the community through Council’s website, Facebook page and through the Mansfield Courier.

The conversation with the community will continue during the statutory public exhibition period with a further two community meetings; one at Mansfield on 2 May 2017 and one for non-resident ratepayers in Nunawading on 10 May 2017.

Officer’s Comments

The draft Council Plan not only sets out strategic objectives, initiatives to achieve them and measures to track our performance but it is also a key means of educating the community about our role as the third tier of government and the limitations to what we can do.

One of the ways it does this is to group the strategies to be delivered over the next four years, and the performance measures to track success, under one of three categories relating to the things over which Council:

- has a significant amount of *control* (eg, direct service provision)
- we can *influence* but for which we are reliant on other partnerships, funding bodies or decision makers to support (eg, funding for large infrastructure)
- has an *interest* in as they influence our community but over which we have very minimal influence or control (eg, employment levels and the broader economic environment).

Taking this approach highlights the need for Council to work with its community, private industry, other levels of government and other local service providers if our strategic objectives are to be realised.

Council’s Strategic Direction for the next four years

There has been some discussion in this report about the Strategic Directions that form the foundations of the draft Plan, which are:



7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan cont.

- Participation and partnerships – We believe it is essential that people have opportunities to participate in all aspects of community life, including Council decision making. Our small community will continue to prosper and succeed if we have strong partnerships with our community, other levels of government, other key service providers and private industry.
- Financial sustainability – We are a small municipality in terms of population. Decisions by other levels of government to cut recurrent funding sources are starting to take a significant toll on our financial sustainability. Informed and decisive action is required by Council during the life of this Plan to secure Mansfield Shire’s long term financial security.
- Community resilience and connectivity – Council’s role is to assist the community in achieving its goals. It is a partnership. Neither Council nor the community can address the challenges and issues we face alone. Through collaboration with our local communities, other agencies and governments, we will assist people to work on their own solutions to the issues that are important to them.
- Enhanced liveability – We have a great quality of life but as our population and needs change, Council has strategies in place to ensure the services and facilities we provide are responsive, sustainable and effective. Council recognises its role as an educator and facilitator around health and wellbeing issues, but we are only one of many authorities and groups that need to work in a coordinated and targeted fashion to improve the quality of life for all. We also understand that the protection and enhancement of the beautiful natural environment in which we live is key to our quality of life.
- Responsible leadership - Council is dedicated to achieving the highest standards of good governance, with a focus on informed, equitable and transparent decision making. Accountability for our actions is important to us and we will report on our decisions and performance through a variety of means. We will be true to our values and create a Council and organisational culture based on inclusiveness, impartiality and integrity.

Attachment 2 summarises the Strategic Objectives that support the Strategic Directions, along with the number of strategies (or initiatives) that will be employed by Council to achieve them.

Measuring our performance

The performance measures to be used to track our success in delivering the Council Plan must be factual and meaningful. Many are drawn from the mandatory Local Government Performance Reporting Framework, available from the Know Your Council Website (www.knowyourcouncil.vic.gov.au), the annual Community Satisfaction Survey or other empirical data from sources such as the Australian Bureau of Statistics.



7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan cont.

Reports tracking the delivery of actions and performance indicators will be submitted to Council on a quarterly basis. This allows the Administration to update the community on whether or not the initiatives for the relevant year of the Plan are on track and if they are not, why this is so. It is important to remember that priorities may unexpectedly change during any year of the Plan and that perhaps not everything will be delivered as envisaged by the Council Plan timelines.

Further, many of the indicators are measured only once a year and so new data will only be available periodically. Other indicators, such as the time taken to process planning permit applications, are available on a monthly basis and so regular updates can be provided to Council and the community.

Annual review and updates

The Act requires an annual review of the Council Plan and Strategic Resource Plan, which usually occurs between March and June each year. This review process is to ensure the Plans are responsive to unforeseen changes in priorities and is supported by another round of community consultation and submissions.

Process for responding to submissions

All written submissions will be acknowledged in writing shortly after they are received. The details of the meeting date when Council will consider all submissions (including supporting verbal submissions) will be considered will be included in the letter.

Following Council's consideration of the submissions, relevant amendments will be made to the draft Plans and then forwarded to Council for approval on 27 June 2017. The Act requires the Plan to be approved by 30 June 2017.

Shortly after the approval of the Plans letters will be sent to submitters explaining Council's response to their submission.

Conclusion

The draft Council Plan and Strategic Resource Plan have been developed in accordance with the Act and informed by community consultation. Both are now ready to proceed through the formal consultation process, as set out by the Act, to seek written (and supporting verbal) submissions to Council from the community.



7.1 Public Consultation Phase – Draft 2017-2021 Council Plan and Strategic Resource Plan cont.

Cr. Attley/Cr. Westendorp:

That Council:

- 1. Receive the draft Council Plan 2017 – 21, incorporating the draft Strategic Resource Plan 2017 – 21.**
- 2. Given notice in the Mansfield Courier, on Council’s website and Facebook page that the Council Plan and Strategic Resource Plan 2017 – 21 are on public exhibition from 19 April – 19 May 2017, in accordance with section 125 3(A) of the *Local Government Act 1989* and that it is seeking written submissions, which can be supported by a verbal presentation to Council by the submitter or a representative acting on their behalf, as per the provisions of section 223 of the Act.**
- 3. Place a copy of the draft Council Plan and draft Strategic Resource Plan 2017 – 21 on exhibition:**
 - at Council’s Office at 33 Highett Street, Mansfield and the Mansfield Library, Collopy Street Mansfield**
 - on the home page of Council’ website**
 - through a link to a post on Council’s Facebook page.**
- 4. Set the meeting date for Council to hear verbal submissions and consider all written submissions from 2.00pm on 30 May 2017 in the Council Chamber at 33 Highett Street, Mansfield and that the details of this meeting be included in the notice of the public consultation period.**

Carried



ATTACHMENT 7.2

PROPOSED MANSFIELD SHIRE BUDGET 2017-18

(105 PAGES)

Mansfield Shire Proposed Budget 2017-18



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

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Mayor's Introduction

The Councillors and I are pleased to release the proposed Budget 2017-18 to the Community for comment and public submissions. This budget builds on our Council Plan 2017-2021 which focuses on the following five key areas:

- Participation and partnerships
- Financial sustainability
- Community resilience and connectivity
- Enhanced liveability
- Responsible leadership

The Council Plan 2017-2021 (Year 1), sets out our strategic plan to deliver our vision over the full term of the Council. As this is the first year of the current Council term, the focus over the next year will be on planning and design activities to deliver current commitments.

The proposed budget details the resources required over the next year to fund the large range of services we provide to the community. It also includes details of proposed capital expenditure allocations to improve and renew our Shire's physical infrastructure, buildings and operational assets as well as funding proposals for a range of operating projects.

Council is facing budget restraints with the second year of mandated rate capping, and rising operating costs. The Long Term Financial Plan (LTFP) process undertaken during 2016-17 identified that if Council were to continue to deliver the same level of services, and build new capital infrastructure, we would be headed toward an unsustainable financial position. Our growing infrastructure base has led to increased annual maintenance and renewal costs, while our primary revenue source of rates and charges has been capped. As such, the 10 year projections of the LTFP identified a shortfall of \$700k that we needed to address, beginning in the 2017-18 financial year. That is, in order to be able to fully maintain our asset base and fund the renewal of these assets, we needed to reduce our expenditure by \$700k. Council has continued an organisation wide approach to identify savings that don't impact on its services, to provide increased value for money to ratepayers. However budget reductions of this magnitude mean we need to consider service reductions and allow us to rebuild our cash reserves and become independently sustainable.

As Councillors, it is our job to listen to community sentiment and understand your priorities. In response to the results of the LTFP Council has facilitated community budget consultation meetings at Tolmie, Bonnie Doon, Jamieson, Mansfield and Merrijig in early 2017. The question posed to the community is "where would you choose to cut services?". We have also issued a community budget survey posing the same questions, to which we received 126 responses. Participation levels in both the consultation meetings and the survey were encouraging, although well below our resident population levels, and the overwhelming response was consistent – it is a very difficult question that the majority of the community cannot answer without a detailed understanding of our current service levels and the costs of those services.

The following budget document provides the information required to understand how Council resources are allocated across the range of services we currently provide, and also which services are planned to be reduced or removed in order to address the \$700k renewal gap.

The proposed budget incorporates a rate increase of 2.0 per cent. This is in line with rate capping imposed by the State Government. Council has also identified a number of significant and unexpected cost and revenue impacts during the budget process which it has had to fund. These include;

- An in-house Visitor Information Service after the wind-up of the current provider, the Mansfield and Mt Buller Regional Tourism Association
- Loss of Roads To Recovery funding of \$1 million (reduction from \$1.4 million in 2016-17 to \$0.4 million in 2017-18)

Council intend to spend the next 12 months consulting with the community on a model for growth, which may include a rate variation in excess of the mandated rate cap. This has not been included in the current budget modelling at this point in time.

In this proposed budget we have allocated funding of \$4.1 million for asset renewals, upgrades and expansions. The proposed budget also funds \$0.9 million for new assets. Highlights of the capital program include;

- roads (\$2.5 million) – including reconstructions, roads to recovery projects, resheeting and resealing
- recreational, leisure and community facilities (\$0.5 million) – carried forward and fully funded from the 2016-17 budget including the additional playing fields and the tennis hit up wall
- buildings (\$0.3 million) – including re-roofing of the Mansfield Community Centre
- plant and equipment (\$0.8 million) – including information technology, and scheduled replacement of Council's fleet.

Community feedback was supportive about the use of borrowings to fund major long term community infrastructure rather than rates revenue. The community largely supports the maintenance of existing service levels and for these to be funded through a mix of rates revenue and user charges. Council will continue to explore new approaches for providing services to our community in a tighter fiscal environment and ensure that we engage with you on any planned changes.

Our focus for the next year is to continue to deliver on the projects and services that make our Shire a great place to live in and respond to the challenges we are currently facing.

The proposed budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. I encourage you to read the remainder of this document, in conjunction with our revised Council Plan 2017-2021 and I look forward to receiving your feedback.

Cr Paul Volkering
Mayor

Executive summary

Council has prepared a Budget for 2017-18 which is aligned to the vision in the Council Plan 2017-2021. It seeks to maintain services (where financially possible) and infrastructure, and do this within the rate increase mandated by the State Government.

This Budget projects a surplus of \$1.2m for 2017-18, however, it should be noted that the adjusted underlying result is a surplus of \$0.5m after adjusting for capital grants and contributions (refer Sections 5 and 10.1).

1. Key things we are funding

- 1) Ongoing delivery of services to the Mansfield Shire community funded by a budget of \$12.9m. These services are summarised in Section 2.1.

Strategic Objective 1: Participation and partnerships

- 2) Contributions to local festivals and events including Targa (\$37.5k), Lake Eildon festival (\$20k), and the High Country Festival (\$23k).
- 3) Tourism North East contributions and other business sector support initiatives, including Business 2 Business workshops (\$76k).
- 4) Interim provision of a visitor information service (\$144k), and a detailed review for modernisation of future visitor servicing models.
- 5) Lake Eildon development through contributions to initiatives arising from the Lake Eildon Recreational Boating Facilities Improvement Plan (LERBFIP) (\$35k).

Strategic Objective 2: Financial sustainability

- 6) Further development of the Long Term Financial Plan
- 7) Resourcing the review of the need to apply for a rate cap variation and preparation of required submissions.
- 8) Asset and property revaluations will be undertaken in early 2018 (\$47k).

Strategic Objective 3: Community resilience and connectivity

- 9) Review and implementation of a Leasing and Licensing policy for all community-use assets
- 10) Upgrades to swimming pool infrastructure (\$50k)
- 11) Community Matching Fund program (\$20k)

Strategic Objective 4: Enhanced liveability

- 12) Continued investment in Infrastructure assets (\$3.9m) primarily for renewal works. This includes roads (\$2.6m); bridges & culverts (\$0.7m); footpaths and bicycle paths (\$0.1m); and recreational, leisure and community facilities (\$0.5m). The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.

Strategic Objective 5: Responsible leadership

- 13) A review of Council's advisory committee system
- 14) Professional development and training for Councillors including participation in the Good Governance program (\$10k)

2. The Rate Rise

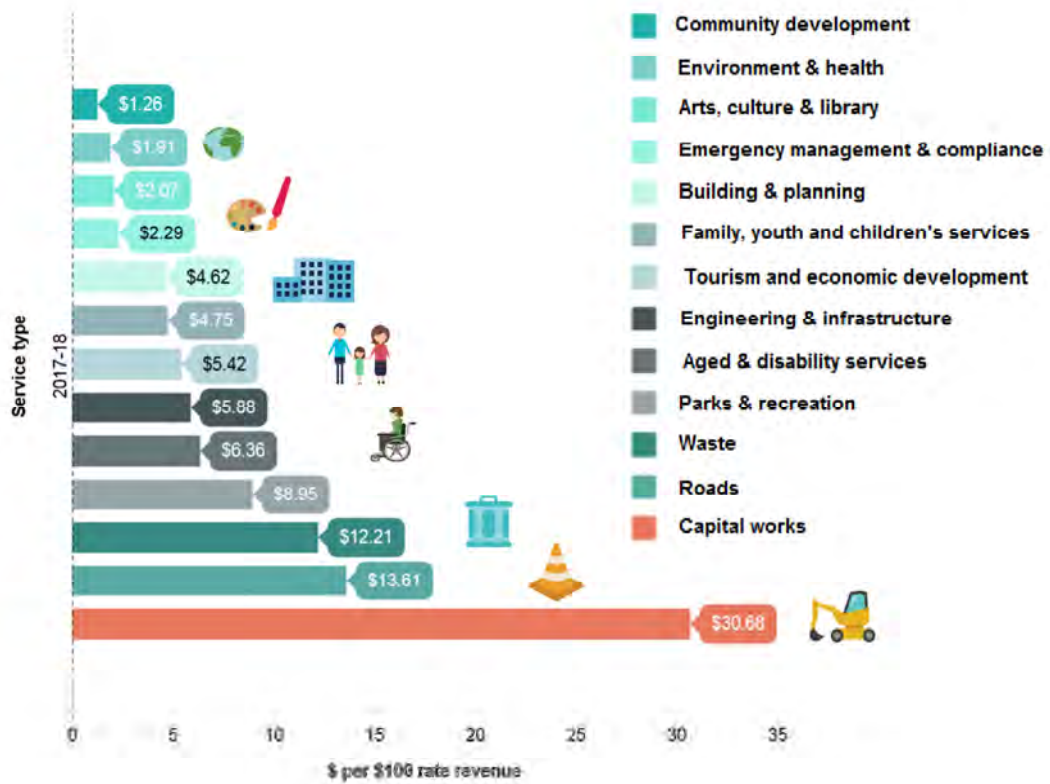
- a. The average rate will rise by 2.0% in line with the order by the Minister for Local Government on 16 December 2016 under rate capping.
- b. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations).
- c. The waste service charge incorporating kerbside collection, recycling and community waste will increase by 2% per property.
- d. Refer Section 7 for further Rates and Charges details.

3. Key Statistics

- Total Revenue: \$19.7M (2016-17 = \$20.8M)
- Total Expenditure: \$18.6M (2016-17 = \$18.2M)
- Accounting Result: \$1.2M Surplus (2016-17 = \$2.7M Surplus)
(Refer Income Statement in Section 3)
- Underlying operating result: \$0.5M Surplus (2016-17 = Surplus of \$1.4M)
(Refer Analysis of operating Budget in Section 10.1)
(Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital, from being allocated to cover operating expenses)
- Cash result: \$1.3M Surplus (2016-17 = \$0.9M Surplus)
(Refer Statement of Cash Flows in Section 3)
This is the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
- Total Capital Works Program of \$5.0M (2016-17 = \$4.1M)
 - \$3.8M from Council operations (rates funded)
 - \$0.1M from asset sales
 - \$1.0M from external grants
 - \$0.1M from cash developer contributions



WHERE DO YOUR RATES GO?



CAPITAL WORKS

program

Property: \$0.34m

Building renewal, including Mansfield Community Centre, Swimming Pool facilities and Municipal offices .



Plant & Equipment: \$0.81m

Plant, machinery & equipment, Furniture & fittings, Computers and telecommunications

Roads, Bridges & Culverts: \$3.22m

Road resealing, resheets and reconstructions. Heavy vehicle bypass, and culvert replacement.



Recreational leisure: \$0.50m

Additional playing field, Tennis hit up wall and Hot Shots courts

Other - \$0.15m

Streetscapes, Footpaths and Stormwater reconstruction

2017-18 total \$5.02 million

4. Budget Influences

External Influences

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

- The Victorian State Government has introduced a cap on rate increases. The cap for 2017-18 has been set at 2.0%.
- CPI for Victoria is forecast to be 2.0% for the 2017-18 year (Victorian Department of Treasury & Finance, 2016-17 Budget Update).
- The Victorian Wage Price Index is projected to be 2.5% in 2017-18 (Victorian Department of Treasury & Finance, 2016-17 Budget Update).
- Council must renegotiate a new Enterprise Agreement during the 2017-18 year for commencement on 1 November 2018.
- High reliance on capital grant funding, and uncertainty where funding submissions have not yet been approved.
- Ongoing cost shifting. This occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.
- Roads to Recovery (R2R) funding had been unusually high in 2015-16 and 2016-17. The R2R funding will reduce back to typical levels in 2017-18, reducing Council grant income by \$1 million.

Internal Influences

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

- The preparation of the Long Term Financial Plan in 2016-17 identified an incapacity to fully fund the renewal of assets based on current operating and capital spend levels. In 2017-18 capital works programs will focus primarily on renewing our existing infrastructure to its optimum condition. Until Council has improved its financial position, limited new capital projects will be undertaken unless they are 100% funded by external parties.
- Council has taken over the Visitor Information Service that was previously run by the Mansfield Mt Buller Regional Tourism Association (MMBRTA) (jointly funded by Council and the Mt Buller and Mt Stirling ARMB). MMBRTA has folded and is due to be wound up before 30 June 2017. Estimated increased costs to Council are \$12k during 2016-17 and a further \$15k for 2017-18.
- Land at Lakins Rd and the Saleyards site will be made available for sale during 2017-18. Proceeds from the sale of these two sites will be quarantined and only spent on new capital projects to be determined in future periods.
- The Community Matching Fund will be reduced from \$50,000 per annum to \$20,000. The program provides 1:1 funding to community groups for eligible projects.

- The Tourism and Economic Development Manager position (currently vacant) will not be filled, and the Compliance Officer role will be expanded to full time. The net savings to Council are approximately \$92k.
- Council will cease the annual provision of free waste vouchers to ratepayers. In 2016-17 approximately 18% of waste vouchers have been redeemed, at a cost to council of \$76k. Councils full exposure, should 100% of vouchers be redeemed in a given year, is approximately \$412k.
- School crossing supervision will no longer be funded by Council in 2017-18, saving \$75k per annum. Discussions are currently being held with Vicroads to advocate for 100% state funding to staff school crossings in Mansfield, of which 3 out of 4 are located on roads owned by Vicroads.
- Financial counselling service will be reduced to match the funding levels received (savings \$19k).

5. State Budget wish list

Council will continue to advocate for:

- a. 100% funding from Vicroads for the employment of School Crossing Supervisors.
- b. State government investment to address the identified priority community infrastructure gaps in Mansfield Shire.

6. Cost Shifting

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

1. School Crossing Supervision - The State Government has recently announced it will start to honour the existing agreement to pay 50% of the costs for school crossing supervision. It acknowledges that payments to Councils in the past have not covered the agreed 50% of the cost. While this announcement is welcomed the details of the level of payments in future have not yet been provided. Council is advocating for 100% funding from the State.
2. Home and Community Care (HACC)
3. A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014-15 Budget that it would pause indexation of the total national pool of financial assistance grants to local government for three years (2014-15, 2015-16, 2016-17). The cumulative impact on Mansfield Shire Council for the three years totals \$0.1m and although the freeze has now been removed this is a permanent loss of revenue.
4. After enjoying comparably high Roads To Recovery (R2R) funding during 2015-16 and 2016-17 for the renewal and maintenance of the road network, 2017-18 brings a significant reduction in the R2R funding of \$1 million.
5. After freezing planning fees since 2009 the State Government in October 2016 increased the allowable fee that Council may charge for these services. While this belated action is welcomed the new fees still do not cover the full cost of providing the service hence rate payers are still forced to subsidise the activities of developers across the Shire.

7. Population Growth

Council's population is forecast to grow from 8,325 in 2016 to 8,719 by 2021 and to 9,595 by 2031.

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 16 of this report.

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

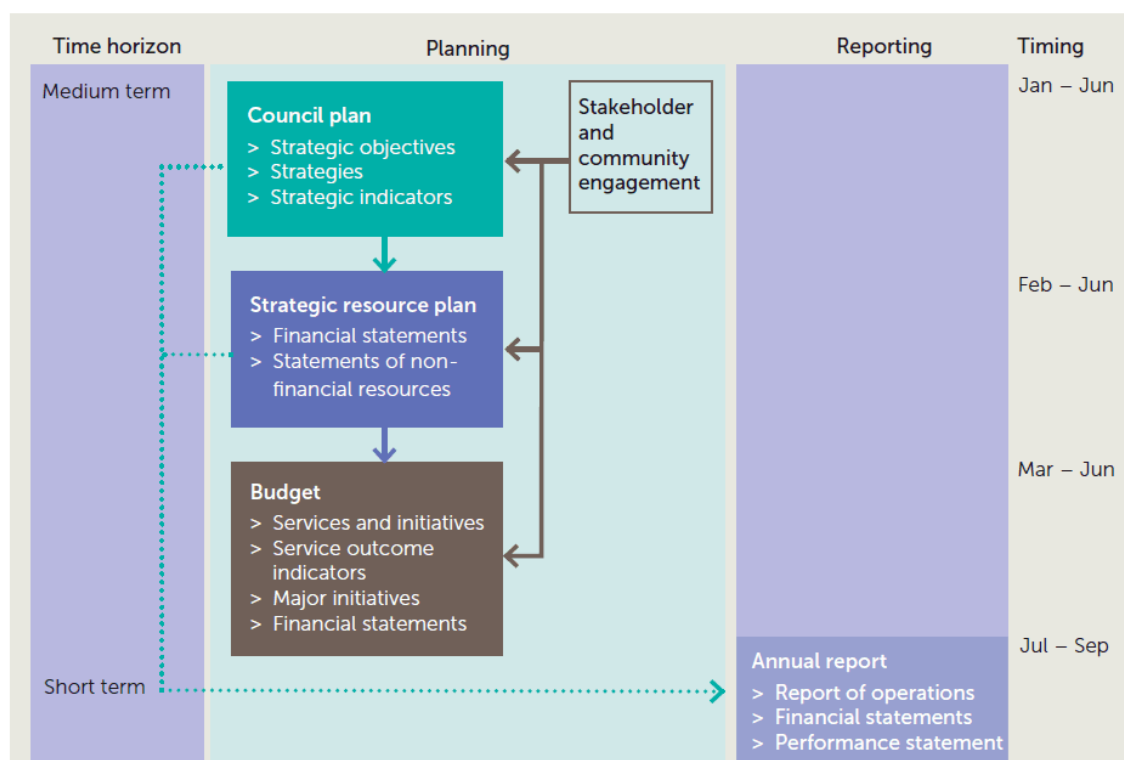
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

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

1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning

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

1.2 Our purpose

Our aspirations

We aspire to live, work and play in an inclusive, dynamic and prosperous place where community spirit is strong and people are empowered to engage in issues that affect their lives.

Our principles

The key principles that drive our decision making are:

- Inclusive decision making that respects diversity in opinions
- Building upon the strengths of the Shire to achieve the greatest community benefit
- Prudent short and long term financial management
- Achievement of the highest standards of good governance and leadership
- Transparency and accountability
- Commitment to Human Rights

Our core values

The values that drive our Council and Administration in the day to day delivery of our services and functions are:

- **Leadership** – addressing tough issues head on and planning for the long term future and prosperity of this Shire
- **Collaboration** – with our community and other key stakeholders to achieve the best outcomes for the community
- **Integrity** – achieving the highest standards of good governance, transparency and accountability
- **Respect** – recognising and valuing the diversity of views and needs within the community
- **Innovation** – exploring and embracing smarter ways to deliver our services.

1.3 Strategic objectives

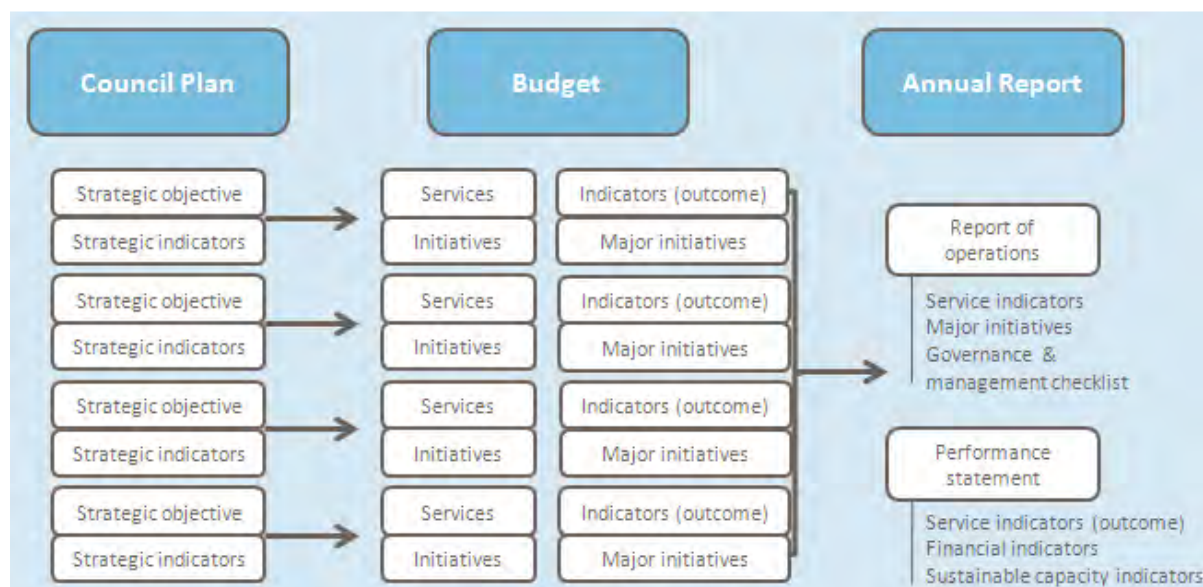
Council delivers services and initiatives under 28 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the 2017-2021 years. The following table lists the five Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Participation and partnerships	We believe it is essential that people have opportunities to participate in all aspects of community life, including Council decision making. Our small community will continue to prosper and succeed if we have strong partnerships with our community, other levels of government, other key service providers and private industry.
2. Financial sustainability	We are a small municipality in terms of population. Decisions by other levels of government to cut recurrent funding sources and constrain our ability to raise our own revenue are starting to take a significant toll on our financial sustainability. Informed and decisive action is required by Council during the life of this Plan to secure Mansfield Shire's long term financial security.
3. Community resilience and connectivity	Council's role is to assist the community in achieving its goals. It is a partnership. Neither Council nor the community can address the challenges and issues we face alone. Through collaboration with our local communities, other agencies and governments, we will assist people to work on their own solutions to the issues that are important to them.

Strategic Objective	Description
4. Enhanced liveability	We already have a great quality of life but as our population and needs change, Council must have strategies in place to ensure the services and facilities we provide are responsive, sustainable and effective. Council recognises our role as an educator and facilitator around health and wellbeing issues but we are only one of many authorities and groups that need to work in a coordinated and targeted fashion to improve the quality of life for all. We also understand that the protection and enhancement of the beautiful natural environment in which we live is key to our quality of life.
5. Responsible leadership	Council is dedicated to achieving the highest standards of good governance, with a focus on informed, equitable and transparent decision making. Accountability for our actions is important to us and we will report on our decisions and performance through a variety of means. We will be true to our values and create a Council and organisational culture based on inclusiveness, impartiality and integrity.

2. Services and service performance indicators

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



Source: Department of Environment, Land, Water and Planning

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

2.1 Strategic Objective 1: Participation and Partnerships

Services

Service area	Description of services provided	Operating net cost (revenue) \$'000	Capital net cost (revenue) \$'000
Local government partnerships	Advocacy services on behalf of the community	10 <u>(0)</u> 10	
Tourism and Economic Development	A range of tourism and economic development programs and projects such as contributions to various events, shows and expos, Tourism North East (TNE), cooperative marketing, Lake Eildon development, visitor information services, business sector support initiatives and product development.	867 <u>(148)</u> 719	

Major Initiatives

- 1) Develop a Community Vision in partnership with the community to help articulate long term goals for our Shire.
- 2) Develop a Stakeholder Engagement Plan to identify key partnerships that can assist the Council in achieving its goals.

Initiatives

- 3) Actively seek opportunities for shared service delivery with other local service providers.
- 4) Develop a Paddock To Plate Agri-tourism Alliance Growth plan in partnership with key stakeholders across the Shire
- 5) Investigate options for delivery of a Business Hub to support new and expanding businesses.

2.2 Strategic Objective 2: Financial Sustainability

To achieve our objective of Financial Sustainability, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Operating net cost (revenue) \$'000	Capital net cost (revenue) \$'000
Financial Services	This service manages Council's investments and finances, payment of salaries and wages to Council employees, payment of creditor invoices, budget preparation, quarterly finance reporting to Council, and annual statutory reporting to governing bodies. The Victorian Grants Commission distributes funding support from the Commonwealth government for the administration of Council across all services, and this income is reported as part of the Finance service.	3,745 <u>(2,046)</u> 1,699	
Revenue Services	This service raises and collects property rates and charges and other sundry debtor invoices, and co-ordinates the valuation of properties throughout the municipality.	460 <u>(102)</u> 358	

Major Initiatives

- 1) Develop a Long Term Financial Plan and discuss the findings with the community
- 2) Review Council assets in consultation with the community with a view to potential rationalisation
- 3) Assess the need to apply for a variation to the State's rate capping requirements

Initiatives

- 4) Complete service reviews across all departments
- 5) Identify service and infrastructure priorities of the community via consultation

2.3 Strategic Objective 3: Community Resilience and Connectivity

Services

Service area	Description of services provided	Operating net cost (revenue) \$'000	Capital net cost (revenue) \$'000
Emergency Management	Fire prevention and emergency management. Relief and recovery operations with a focus on the Municipal Emergency Resource Programme in the context of community capacity building	186 (73) 113	
Community Development	Community matching fund contributions, and community projects including community planning, development and resilience	201 (0) 201	
Family, Youth & Children's services	Integrated family services, the Family, Youth and Childrens Centre, youth services including Cafe Connect, Freeza, youth engagement program and youth development, financial counselling, maternal and child health services.	758 (455) 303	
Aged & Disability Services	Home and community care assessment and programs, the community bus, meals on wheels, planned activity groups, senior citizens and volunteers.	1,017 (743) 274	
Arts, Culture & Library	Mansfield library services and the Mansfield Performing Arts Centre	331 (122) 209	
Sport & Recreation	Sports facilities including the Mansfield swimming pool and Mansfield Sporting Complex, school transport, the Sport and Recreation Strategic Plan and related actions including Active Mansfield and the Sport and Recreation Advisory Committee	277 (35) 242	547 (138) 409
Information technology	Communications an computer systems, facilities and infrastructure to enable Council staff to deliver services efficiently	394 (0) 394	178 (0) 178
Other Community Support Services	Community assets and land management (leases and licensing), administration.	2,583 (2,503) 80	50 (0) 50

Major Initiatives

- 1) Develop and implement an Information Strategy with an immediate focus on improving the capabilities of our website as an interactive information portal for the community

Initiatives

- 2) Develop a youth strategy and action plan to guide Council's role within the youth sector, focusing on developing partnerships and collaborative approaches to responsive and coordinated services to benefit young people in our Shire.

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Maternal and child health	Participation	Participation in the MCH service	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
	Participation	Participation in the MCH service by Aboriginal children	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	[Number of people that received a HACC service - Municipal target population for HACC services] x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service - Municipal target population in relation to CALD people for HACC services] x100
Libraries	Participation	Active library members	[Number of active library members / Municipal population] x100
Aquatic facilities	Utilisation	Utilisation of aquatic facilities	[Number of visits to aquatic facilities / Municipal population]

2.4 Strategic Objective 4: Enhanced Liveability

Services

Service areas	Description of services provided	Operating net cost (revenue) \$'000	Capital net cost (revenue) \$'000
Building services	This service provides information on building regulations, fencing, termites, relocation of dwellings, swimming pools and spas, requirements in bushfire prone areas, and general property issues. This service also assesses applications to vary the standard provisions of the Building Regulations, undertakes inspections to finalise permits issued by Council and receives and records all building permits issued within the Shire	91 (43) 48	
Development services management	Administration support for the development services department	426 (0) 426	
Environment	This service develops environmental policy and Monitors compliance with environmental regulations (eg EPA). This service also coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	107 (22) 85	
Statutory Planning	The statutory planning service applies and enforces the provisions of the Mansfield Planning Scheme through expert advice to Council, applicants and the community. The service also assesses and determines planning and subdivision applications, and defends Council decisions at VCAT.	374 (141) 233	
Strategic Planning	This service prepares, implements and undertakes reviews of the Mansfield Planning Scheme (as required by legislation) by developing reports, strategic studies and other matters for presentation to Council, planning panels and other stakeholders. Review of the Planning Scheme will result in the preparation and processing of planning scheme amendments to implement the Mansfield Planning Scheme's policy framework	275 (50) 225	
Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities and smoke free dining and gaming venue issues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	197 (132) 65	

Service areas	Description of services provided	Operating net cost (revenue) \$'000	Capital net cost (revenue) \$'000
Waste Management	Waste collection includes kerbside rubbish collections of garbage and recycling waste from all households and some commercial properties in the Shire. Other waste management services include the Resource Recovery Centre and a community education program. Income generated by the Waste Management service relates to domestic and commercial bin and waste charges.	1,952 <u>(132)</u> 1,820	
Local Laws	This service maintains and improves the health and safety of our people, animals and environment by providing animal management services including a cat trapping program, dog and cat collection, lost and found notification, Council pound, registration and administration, after hours and emergency services. Local Laws also oversee parking infringements.	180 <u>(127)</u> 53	
Roads	Road services include ongoing maintenance of the Council's road, footpath and drain network.	2,177 <u>(981)</u> 1,196	2,695 <u>(733)</u> 1,962
Field Services and Parks & Gardens	This service includes tree pruning, planting and removal, street tree planning and strategies, management of parks and gardens and infrastructure maintenance.	1,154 <u>(7)</u> 1,147	
Infrastructure and Capital Works	This includes capital works planning for civil infrastructure assets facilities maintenance works, supervision and approval of private development activities, design, tendering and contract management, and supervision of Council's capital works program including asset management and renewal programs.	1,003 <u>(189)</u> 814	1,551 <u>(165)</u> 1,386

Major Initiatives

- 1) Develop and implement a new Sports Facility Master Plan in consultation with sporting groups and funding bodies.

Initiatives

- 2) Advocate for implementing the recommendations from Lake Eildon Land and On Water Management Plan and Lake Eildon Recreational Boating Facilities Improvement Plan.
- 3) Review and progressively implement the Mansfield Shire Waste Management Strategy.
- 4) Develop and implement the Streetscape Rejuvenation Project for the Mansfield township to promote growth that respects and enhances the amenity and character of the town

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT	[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Food Safety	Health and safety	Critical and major non-compliance notifications	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Animal management	Health and safety	Animal management prosecutions	[Number of successful animal management prosecutions]
Roads	Satisfaction	Satisfaction with sealed local roads	[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]

2.5 Strategic Objective 5: Responsible Leadership

Services

Service areas	Description of services provided	Operating net cost (revenue) \$'000	Capital net cost (revenue) \$'000
Council	This service includes the Councillors, election procedures and council induction and training programs	241 (0) 241	
Governance	This service includes governance matters, statutory and corporate support for executive management and Councillors, Freedom of Information, and social media management.	926 (0) 926	
Customer Services	This service acts as the main customer interface with the community. Services include receipting of rates and other payments, Vicroads agency services, proof of age identification cards, records and information management, and providing general information and directing enquiries from the community.	412 (9) 403	
Human Resources	This service includes staff recruitment, resourcing, training and development, and workcover.	496 (0) 496	
Risk Management	This service includes identification and management of key organisation risks, fraud control, general insurance, the Audit, Risk and Advisory Committee, internal audit, and occupational health and safety.	86 (0) 86	

Major Initiatives

- 1) Conduct a review of Council's Advisory Committee system, informed by the Community Engagement Strategy, to ensure they provide the most meaningful and efficient means of strengthening Council-community collaboration.

Initiatives

- 2) Investigate options for the audio recording and online streaming of Council meetings to allow greater community access to decision making processes.

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with council decisions	[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]

2.7 Performance Statement

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

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Participation and partnerships	729	877	148
Financial sustainability	2,057	4,205	2,148
Community resilience and connectivity	1,816	5,747	3,931
Enhanced liveability	6,112	7,936	1,824
Responsible leadership	2,152	2,161	9
Total services and initiatives	12,866	20,926	8,061
Other non-attributable	-		
Deficit before funding sources	12,866		
Funding sources			
Rates and charges	12,986		
Capital grants	1,036		
Total funding sources	14,022		
Surplus for the year	1,156		

3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2017-18 to 2020-21 has been extracted from the Strategic Resource Plan.

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

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

3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Income					
Rates and charges	12,616	12,986	13,371	13,619	13,888
Statutory fees and fines	253	261	264	266	269
User fees	631	618	628	650	647
Grants - Operating	4,333	4,249	4,282	4,197	4,363
Grants - Capital	2,671	1,036	3,266	2,844	2,424
Contributions - monetary	25	94	1,102	827	779
Contributions - non-monetary	-	-	-	-	-
Net gain (loss) on disposal of property, infrastructure, plant and equipment	16	256	-	-	-
Fair value adjustments for investment property	-	-	-	-	-
Share of net profits (losses) of associates and joint ventures	(163)	-	-	-	-
Other income	380	233	296	311	336
Total income	20,762	19,733	23,209	22,714	22,706
Expenses					
Employee costs	8,172	8,586	8,727	8,901	9,079
Materials and services	6,438	6,301	6,026	6,667	6,393
Bad and doubtful debts	-	-	-	-	-
Depreciation and amortisation	3,100	3,200	3,609	3,800	3,960
Borrowing costs	213	191	175	160	151
Other expenses	289	299	299	299	299
Total expenses	18,212	18,577	18,836	19,827	19,882
Surplus (deficit) for the year	2,550	1,156	4,373	2,887	2,824
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment (decrement)	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-
Total comprehensive result	2,550	1,156	4,373	2,887	2,824

3.2 Balance Sheet

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	5,942	7,253	5,356	3,070	2,160
Trade and other receivables	1,080	1,097	1,097	1,091	1,097
Other financial assets	216	216	216	216	216
Inventories	-	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	-
Other assets	66	66	66	66	66
Total current assets	7,304	8,632	6,735	4,443	3,539
Non-current assets					
Trade and other receivables	112	103	32	18	11
Investments in associates and joint ventures	-	-	-	-	-
Property, infrastructure, plant & equipment	111,331	110,802	116,913	121,959	125,536
Investment property	-	-	-	-	-
Intangible assets	-	-	-	-	-
Total non-current assets	111,443	110,905	116,945	121,977	125,547
Total assets	118,747	119,537	123,680	126,420	129,086
Liabilities					
Current liabilities					
Trade and other payables	906	906	906	906	906
Trust funds and deposits	651	651	651	651	651
Provisions	1,475	1,512	1,551	1,583	1,613
Interest-bearing loans and borrowings	265	265	173	183	193
Total current liabilities	3,297	3,334	3,281	3,323	3,363
Non-current liabilities					
Provisions	331	326	322	316	311
Interest-bearing loans and borrowings	2,684	2,286	2,113	1,930	1,737
Total non-current liabilities	3,015	2,612	2,435	2,246	2,048
Total liabilities	6,312	5,946	5,716	5,569	5,411
Net assets	112,435	113,591	117,964	120,851	123,675
Equity					
Accumulated surplus	42,062	43,218	47,591	50,478	53,302
Reserves	70,373	70,373	70,373	70,373	70,373
Total equity	112,435	113,591	117,964	120,851	123,675

3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018				
Balance at beginning of the financial year	112,435	42,062	70,156	217
Surplus (deficit) for the year	1,156	1,156		
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	113,591	43,218	70,156	217
2019				
Balance at beginning of the financial year	113,591	43,218	70,156	217
Surplus (deficit) for the year	4,373	4,373	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	117,964	47,591	70,156	217
2020				
Balance at beginning of the financial year	117,964	47,591	70,156	217
Surplus (deficit) for the year	2,887	2,887	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	120,851	50,478	70,156	217
2021				
Balance at beginning of the financial year	120,851	50,478	70,156	217
Surplus (deficit) for the year	2,824	2,824	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	123,675	53,302	70,156	217

3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities					
Rates and charges	12,670	12,977	13,443	13,639	13,888
Statutory fees and fines	339	261	264	266	269
User fees	641	629	639	661	658
Grants - operating	4,322	4,238	4,271	4,186	4,352
Grants - capital	2,671	1,036	3,266	2,844	2,424
Contributions - monetary	25	94	1,102	827	779
Interest received	-	-	-	-	-
Dividends received	-	-	-	-	-
Trust funds and deposits taken	-	-	-	-	-
Other receipts	249	232	296	311	336
Net GST refund - payment	-	-	-	-	-
Employee costs	(8,091)	(8,514)	(8,684)	(8,865)	(9,042)
Materials and services	(6,861)	(6,340)	(6,036)	(6,677)	(6,403)
Trust funds and deposits repaid	-	-	-	-	-
Other payments	(460)	(299)	(299)	(300)	(299)
Net cash provided by (used in) operating activities	5,505	4,314	8,262	6,892	6,962
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(4,062)	(5,021)	(9,749)	(8,875)	(7,568)
Proceeds from sale of property, infrastructure, plant and equipment	127	2,606	30	30	30
Payments for investments	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-
Loan and advances made	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-
Net cash provided by (used in) investing activities	(3,935)	(2,415)	(9,719)	(8,845)	(7,538)
Cash flows from financing activities					
Finance costs	(213)	(191)	(175)	(160)	(151)
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	(407)	(397)	(265)	(173)	(183)
Net cash provided by (used in) financing activities	(620)	(588)	(440)	(333)	(334)
Net increase (decrease) in cash & cash equivalents	950	1,311	(1,897)	(2,286)	(910)
Cash and cash equivalents at the beginning of the financial year	4,992	5,942	7,253	5,356	3,070
Cash and cash equivalents at the end of the financial year	5,942	7,253	5,356	3,070	2,160

3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land	-	45	-	-	-
Land improvements	-	-	9	-	-
Total land	-	45	9	-	-
Buildings	528	300	649	250	160
Heritage buildings	-	-	-	-	-
Building improvements	-	-	-	-	-
Leasehold improvements	-	-	-	-	-
Total buildings	528	300	649	250	160
Total property	528	345	657	250	160
Plant and equipment					
Plant, machinery and equipment	449	617	422	307	306
Fixtures, fittings and furniture	15	15	19	15	15
Computers and telecommunications	94	178	400	360	105
Total plant and equipment	558	810	841	682	426
Infrastructure					
Roads	1,801	2,483	5,429	5,333	4,362
Bridges & culverts	522	674	620	150	1,550
Footpaths and cycleways	72	146	1,569	1,193	194
Drainage	18	62	64	66	68
Recreational, leisure and community facilities	550	497	-	320	-
Parks, open space and streetscapes	-	4	570	881	808
Off street car parks	15	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	2,977	3,866	8,252	7,943	6,982
Total capital works expenditure	4,063	5,021	9,750	8,875	7,568
Represented by:					
New asset expenditure	843	874	2,851	1,836	693
Asset renewal expenditure	1,959	3,108	3,373	3,004	3,816
Asset expansion expenditure	-	-	-	-	-
Asset upgrade expenditure	1,261	1,039	3,526	4,035	3,059
Total capital works expenditure	4,063	5,021	9,750	8,875	7,568

3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	8,172	8,586	8,727	8,901	9,079
Employee costs - capital	-	-	-	-	-
Total staff expenditure	8,172	8,586	8,727	8,901	9,079
Staff numbers	EFT	EFT	EFT	EFT	EFT
Fully funded externally	8.6	7.3	7.3	7.3	7.3
Council funded	88.8	89.0	89.0	89.0	89.0
Total staff numbers	97.4	96.3	96.3	96.3	96.3

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

Department	Budget 2017-18 \$'000	Comprises	
		Permanent Full time \$'000	Permanent Part Time \$'000
Executive Services	525	525	0
Community Services & Economic Development	2,484	510	1,974
Development Services	1,366	1,080	286
Engineering and Works	2,724	2,534	190
Finance	522	320	202
Corporate and Organisational Development	927	485	442
Total permanent staff expenditure	8,548	5,454	3,094
Contract staff	8		
Fringe benefits tax	30		
Total expenditure	8,586		

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

Department	Budget FTE	Comprises	
		Permanent Full time	Permanent Part Time
Executive Services	4.0	4.0	-
Community Services & Economic Development	28.3	5.0	23.3
Development Services	14.2	11.0	3.2
Engineering and Works	34.7	32.0	2.7
Finance	6.2	3.0	3.2
Corporate and Organisational Development	8.9	5.0	3.9
Total permanent staff	96.3	60.0	36.3
Casuals and other	-		
Capitalised Labour costs	-		
Total staff	96.3		

4. Financial performance indicators

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

Indicator	Measure	Notes	Actual 2015-16	Forecast 2016-17	Budget 2017-18	Strategic Resource Plan Projections			Trend +/-
						2018-19	2019-20	2020-21	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) - Adjusted underlying revenue	1	-6.1%	7.0%	2.7%	3.2%	-30.0%	2.0%	-
Liquidity									
Working Capital	Current assets - current liabilities	2	163.3%	221.5%	258.9%	205.4%	133.8%	105.3%	-
Unrestricted cash	Unrestricted cash - current liabilities		110.0%	147.0%	184.7%	205.1%	231.0%	237.8%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings - rate revenue	3	27.6%	23.4%	19.6%	17.1%	15.5%	13.9%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings - rate revenue		4.6%	4.9%	4.5%	3.3%	2.4%	2.4%	+
Indebtedness	Non-current liabilities - own source revenue		24.2%	21.7%	18.5%	16.7%	15.1%	13.5%	+
Asset renewal	Asset renewal expenses - Asset depreciation	4	30.2%	63.2%	97.1%	93.4%	79.1%	96.3%	+
Stability									
Rates concentration	Rate revenue - adjusted underlying revenue	5	68.7%	69.8%	69.8%	71.0%	71.5%	71.2%	o
Rates effort	Rate revenue - CIV of rateable properties in the municipality		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenses- no. of property assessments		\$2,509	\$2,452	\$2,462	\$2,496	\$2,627	\$2,635	-
Revenue level	Residential rate revenue - No. of residential property assessments		\$819	\$833	\$834	\$851	\$868	\$885	+
Workforce turnover	No. of permanent staff resignations & terminations - average no. of permanent staff for the financial year		16.1%	5.2%	1.1%	1.1%	1.1%	1.1%	-

Key to Forecast Trend:

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

Notes to indicators

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Steady surpluses are expected on average over the period, allowing Council to build cash resources

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to reduce over the four year period.

3 Debt compared to rates - Trend indicates Council's continued redemption of long term debt.

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

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

5. Other budget information (required by the Regulations)

This section presents other budget related information required by the Regulations

This section includes the following statements and reports:

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

5.1.1 Grants - operating (\$0.08 million decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to decrease by 1.9% or \$0.08 million compared to 2016-17. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

Operating Grants	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission - General	1,897	1,923	26
Victorian Grants Commission - Local Roads	905	923	18
<i>Recurrent - State Government</i>			
State Revenue Office – property revaluations	78	5	(73)
Emergency Services - SES	-	-	-
Economic development	-	-	-
Aged Care	538	538	-
Maernal and child health	132	132	-
Environmental health	17	17	-
Family & Children	186	189	3
Youth	25	25	-
Community support	26	7	(19)
School crossing supervisors	12	-	(12)
Library	116	116	-
Total recurrent grants	3,932	3,875	(57)
<i>Non-recurrent - State Government</i>			
State Revenue Office - FSPL	47	48	1
Municipal Emergency Response Program (MERP)	60	60	-
Sport & Recreation	30	5	(25)
Economic Development	-	130	130
Small Town Projects	62	-	(62)
Environment - weed control	21	21	-
Youth	76	58	(18)
Community Support	38	-	(38)
Family and children	8	2	(6)
Other	61	50	(11)
Total non-recurrent grants	403	374	(29)
Total operating grants	4,335	4,249	(86)

5.1.2 Grants - capital (\$1.6 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 61% or \$1.6 million compared to 2016-17 due primarily to a significant decrease in the Roads to Recovery funding. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2017-18 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Capital Grants	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	1,496	453	(1,043)
<i>Recurrent - State Government</i>			
	-	-	-
Total recurrent grants	1,496	453	(1,043)
<i>Non-recurrent - Commonwealth Government</i>			
Blackspot	320	-	(320)
Bridge renewal program	450	125	(325)
Skatepark	288	-	(288)
<i>Non-recurrent - State Government</i>			
Buildings	36	-	(36)
Erril St rejuvenation & activation	82	-	(82)
Sport & Recreation	-	138	138
Heavy vehicle safety & productivity program	-	280	280
Regional development Victoria	-	40	40
Total non-recurrent grants	1,176	583	(593)
Total capital grants	2,672	1,036	(1,636)

5.1.3 Statement of Borrowings

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

	2016-17 \$'000	2017-18 \$'000
Total amount borrowed as at 30 June of the prior year	3,356	2,949
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(407)	(397)
Total amount of borrowings as at 30 June	2,949	2,552

6. Detailed list of Capital Works

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

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

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

Capital works program

For the year ending 30 June 2018

6.1 New works

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Public Toilet refurbishment program	20	-	20	-	-	-	-	20	-
Mansfield Swimming Pool	50	-	50	-	-	-	-	50	-
Community facilities	50	-	50	-	-	-	-	50	-
Municipal offices	20	-	20	-	-	-	-	20	-
Bonnie Doon Community Centre upgrade	60	-	-	60	-	40	10	10	-
Other buildings	100	-	100	-	-	-	-	100	-
Total Buildings	300	-	240	60	-	40	10	250	-
TOTAL PROPERTY	300	-	240	60	-	40	10	250	-
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Motor vehicles and plant	617	-	617	-	-	-	106	511	-
Total Plant, Machinery and Equipment	617	-	617	-	-	-	106	511	-
Fixtures, Fittings and Furniture	15	15	-	-	-	-	-	15	-
Computers and Telecommunications									
Information technology: Planning system	130	130	-	-	-	-	-	130	-
Information technology: PCs and servers	43	43	-	-	-	-	-	43	-
Information technology: Printers	5	-	5	-	-	-	-	5	-
Total Computers and Telecommunications	178	173	5	-	-	-	-	178	-
TOTAL PLANT AND EQUIPMENT	810	188	622	-	-	-	106	704	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
INFRASTRUCTURE									
Roads									
Reseal program	444	-	444	-	-	-	-	444	-
Road reconstruction - various	1,257	-	1,257	-	-	453	-	804	-
Heavy vehicle bypass	615	-	-	615	-	280	-	335	-
Total roads	2,316	-	1,701	615	-	733	-	1,583	-
Bridges & Culverts									
Howqua Track Culvert replacement	250	-	250	-	-	125	-	125	-
Total Bridges & Culverts	250	-	250	-	-	125	-	125	-
Footpaths and Cycleways									
Footpath reconstruction	66	-	66	-	-	-	-	66	-
Footpath - Chenery St (Ailsa St to Hunter St)	80	80	-	-	-	-	40	40	-
Total Footpaths and Cycleways	146	80	66	-	-	-	40	106	-
Drainage									
Stormwater reconstruction	62	-	62	-	-	-	-	62	-
Total Drainage	62	-	62	-	-	-	-	62	-
Parks, Open Space and Streetscapes									
Streetscapes	4	4	-	-	-	-	-	4	-
Total Parks, Open Space and Streetscapes	4	4	-	-	-	-	-	4	-
TOTAL INFRASTRUCTURE	2,778	84	2,079	615	-	858	40	1,880	-
TOTAL NEW CAPITAL WORKS 2017-2018	3,888	332	2,941	615	-	898	156	2,834	-

6.2 Works carried forward from the 2016-17 year

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
PROPERTY									
Land	45	45	-	-	-	-	-	45	-
Land Improvements	-	-	-	-	-	-	-	-	-
Total Land	45	45	-	-	-	-	-	45	-
TOTAL PROPERTY	45	45	-	-	-	-	-	45	-
INFRASTRUCTURE									
Roads									
Local roads - reconstruction	167	-	167	-	-	-	-	167	-
Total Roads	167	-	167	-	-	-	-	167	-
Bridges & culverts	424	-	-	424	-	-	-	424	-
Recreational, Leisure & Community Facilities									
Skate park	7	7	-	-	-	-	-	7	-
Additional playing field	329	329	-	-	-	-	-	329	-
Tennis Hit Up wall	161	161	-	-	-	138	-	23	-
Total Recreational Leisure and Community Facilities	497	497	-	-	-	138	-	359	-
TOTAL INFRASTRUCTURE	1,088	497	167	424	-	138	-	950	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2016-17	1,133	542	167	424	-	138	-	995	-

6.3 Summary

Capital Works Area	Project Cost \$'000	Asset expenditure types				Funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council Cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY	345	105	240	-	-	40	10	295	-
PLANT AND EQUIPMENT	810	188	622	-	-	-	106	704	-
INFRASTRUCTURE	3,866	581	2,246	1,039	-	996	40	2,830	-
TOTAL	5,021	874	3,108	1,039	-	1,036	156	3,829	-

7. Rates and charges

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

7. Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 66% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the *Fair Go Rates System (FGRS)* which sets out the maximum amount councils may increase rates in a year. For 2017-18 the FGRS cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.0% in line with the rate cap, the kerbside collection charge by 2% and the recycling charge by 2%. This will raise total rates and charges for 2017-18 of \$12.99 million, including \$0.09 million generated from supplementary rates.

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

Type or class of land	2016-17	2017-18	Change
	cents-\$CIV	cents-\$CIV	
General rate for rateable residential properties	0.2670	0.2723	2.0%
General rate for rateable commercial properties	0.3752	0.3827	2.0%
General rate for rateable vacant land properties	0.3701	0.3775	2.0%
General rate for rateable rural residential properties	0.2484	0.2534	2.0%
General rate for rateable farmland properties	0.1931	0.197	2.0%
Rate concession for rateable farmland properties (based on residential)	28%	28%	0%

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

Type or class of land	2016-17	2017-18	Change
	\$'000	\$'000	
Residential	2,730	2,815	3.1%
Commercial	621	654	5.3%
Vacant land	227	241	6.3%
Rural residential	2,571	2,676	4.1%
Farmland	1,519	1,539	1.4%
Total amount to be raised by general rates	7,668	7,935	3.5%

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

Type or class of land	2016-17	2017-18	Change
	Number	Number	
Residential	3,461	3,501	1.2%
Commercial	328	348	6.1%
Vacant land	517	542	4.8%
Rural residential	2,294	2,326	1.4%
Farmland	827	829	0.2%
Total number of assessments	7,427	7,546	1.6%

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

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

Type or class of land	2016-17	2017-18	Change
	\$'000	\$'000	
Residential	1,022,778	1,037,216	1.4%
Commercial	165,740	171,137	3.3%
Vacant land	61,245	63,849	4.3%
Rural residential	1,034,880	1,056,002	2.0%
Farmland	786,411	781,460	-0.6%
Total value of land	3,071,054	3,109,664	1.3%

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change
	2016-17	2017-18	
	\$	\$	
Municipal	265.30	270.61	2.0%

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

Type of Charge	2016-17	2017-18	Change
	\$'000	\$'000	
Municipal	1,909	1,978	3.6%

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change
	2016-17	2017-18	
	\$	\$	
Kerbside rubbish collection - 80L bin	158.41	161.58	2.0%
Kerbside rubbish collection - 120L bin	281.19	286.81	2.0%
additional bin	298.80	286.81	-4.0%
Kerbside rubbish collection - 240L bin	469.27	478.66	2.0%
additional bin	516.13	478.66	-7.3%
Kerbside recycling collection - 240L bin	180.87	184.49	2.0%
additional bin	140.60	143.41	2.0%
Community waste	111.24	113.46	2.0%

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

Type of Charge	2016-17 \$'000	2017-18 \$'000	Change
Kerbside collection	1,680	1,715	2.1%
Recycling	1,076	1,106	2.7%
Community waste	161	161	0.3%
Total	2,917	2,982	2.2%

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

	2016-17 \$'000	2017-18 \$'000	Change
General rates	7,668	7,925	3.4%
Municipal charge	1,909	1,978	3.6%
Kerbside collection and recycling	2,917	2,982	2.2%
Cultural and Recreational Charges - in lieu of rates	9	10	2.0%
Supplementary rates and charges	113	90	-20.4%
Rates and charges	12,616	12,985	2.9%

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

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

- The making of supplementary valuations (2017-18: estimated \$90,000 and 2016-17: \$95,000)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

7.12 Differential rates

Rates to be levied

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

- A general rate of 0.2723 cents in the dollar of CIV for all rateable residential properties
- A general rate of 0.3827 cents in the dollar of CIV for all rateable commercial properties.
- A general rate of 0.3775 cents in the dollar of CIV for all rateable vacant land
- A general rate of 0.2534 cents in the dollar of CIV for all rateable rural residential properties
- A general rate of 0.1970 cents in the dollar of CIV for all rateable farmland properties

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

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

Residential land

The residential differential rate is applied to all properties that do not fall under the definition of any of the following:

- Rural residential
- Farmland
- Commercial
- Vacant land
- Cultural and recreational

The residential rate may be considered the “benchmark” rate against which all other differential rates are determined.

Rural Residential

Rural residential land is defined as any land within in the municipal district and which;

- (a) does not have the characteristics of
- (i) Farmland
 - (ii) Vacant land
 - (iii) Cultural and recreational land
 - (iv) Commercial land

and:

- (b) has a minimum area of 2.0ha

Access to services and facilities is a key factor that should determine the level of rates levied and therefore Council has determined rural residential properties (that typically are located further from the town centre) should receive a reduced differential rate, being 7% less than the residential rate.

Farmland

Farmland is defined under section 2(1) of the Valuation of Land Act 1960, which states:

Farmland means any rateable land -

- (a) That is not less than 2 hectares in areas; and*
- (b) That is used primarily for grazing (including agistment), dairying, pig-farming, poultry-farming, fish-farming, tree-farming, bee-keeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities; and*
- (c) that is used by a business —*
 - i. that has a significant and substantial commercial purpose or character; and*
 - ii. that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and*
 - iii. that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.*

A differential rate being 28% less than the residential rate is applied to farmland. Property owners must complete and submit Councils’ “Application for Classification of Rateable Property as Farmland” form to be considered for the Farmland differential rate.

Commercial

The commercial differential rate is 141% of the residential rate. The higher differential reflects the assumption that commerce and industry, particularly tourist related businesses, attract non-residents to the municipality and consequently result in additional costs to council.

Vacant Land

Council provides an incentive to develop vacant land by applying a differential rate of 139% of the residential rate.

While vacant land attracts fewer costs due its reduced use of Council services, and arguably should therefore bear lower rates than a comparable improved property, the valuation of the property is lower (given no capital improvements) and therefore reflects this.

Cultural and Recreational

Cultural and recreational land is assessed under the *Cultural and Recreational Lands Act 1963*.

Mansfield Shire currently has 5 properties that qualify as Cultural and Recreational land under the Act. They are:

- Nilahcootie Sailing Club
- Goughs Bay Boat Club
- Mansfield Golf Club
- Mansfield Bowls Club
- Mansfield Agricultural and Pastoral Association

The rates are determined on an individual case by case basis, as required under the Act, giving consideration to:

- the benefit to the community derived from the land, and
- what is a reasonable amount to be charged for the services provided.

Rebates and Concessions

Not for Profit Retirement Villages

Under the *Local Government Act 1989* (Section 169 1(a)) Council may grant a rebate in relation to any rate or charges to assist the proper development of the municipal district.

Council has elected to provide a rebate to Beolite Village, a not-for-profit retirement village, with respect to the community benefit derived from the Community Centre facility that is available for use by members of the Mansfield Shire community.

7.13 Fair Go Rates System Compliance

Mansfield Shire Council is fully compliant with the State Government's Rate Capping System.

Base Average Rates (2016-2017)	\$ 1,288.18
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017-2018)	\$ 1,313.95
Number of assessments	7,546
Maximum General Rates and Municipal Charges Revenue	\$ 9,915,067
Budgeted General Rates and Municipal Charges Revenue	\$ 9,913,882

Budget Analysis

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

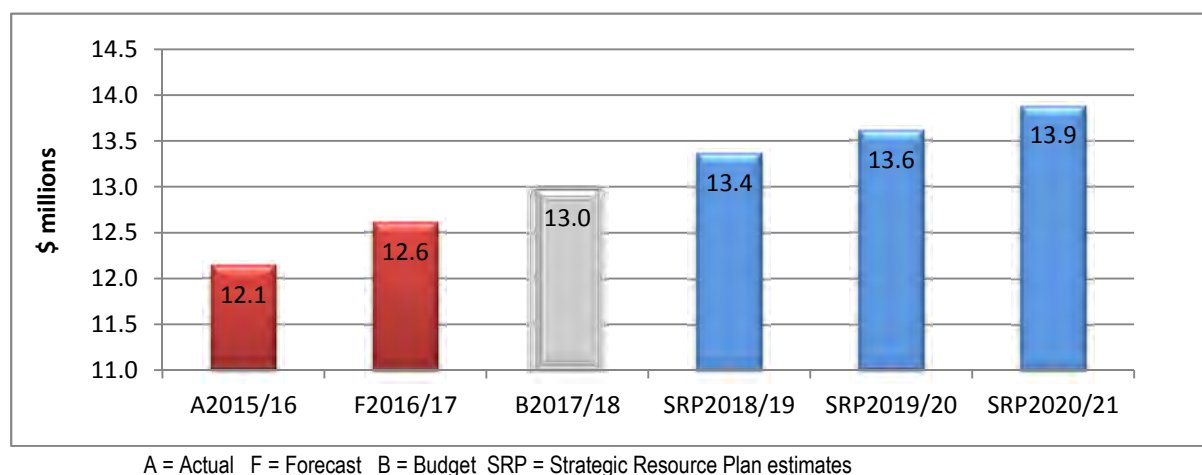
This section includes the following analysis and information:

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

8. Summary of financial position

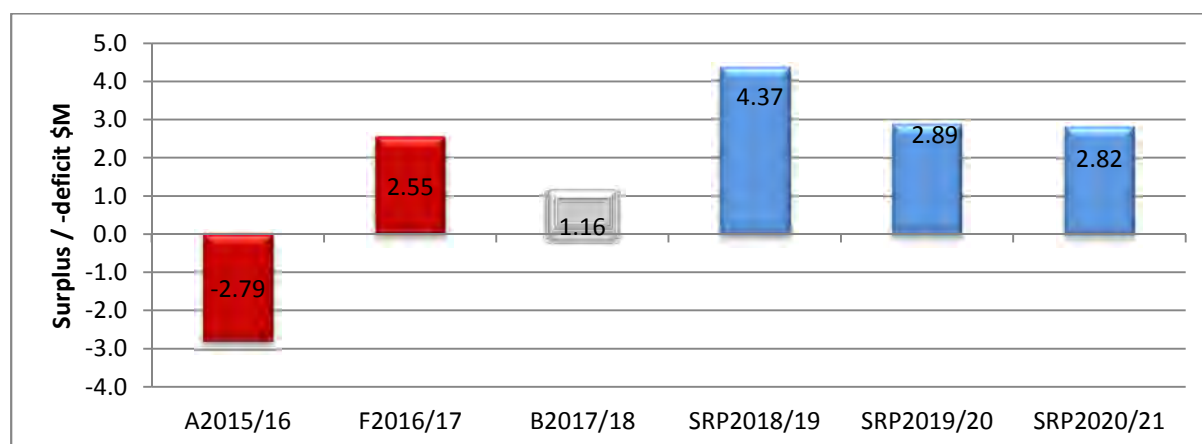
Council has prepared a Budget for the 2017-18 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial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

8.1 Total rates and charges



It is proposed that the average rate increase by 2.0% for the 2017-18 year, raising total rates of \$12.9 million, including \$0.09 million generated from supplementary rates. This will result in an increase in total revenue from rates and service charges of 2.9%. The increased revenue will go toward maintaining service levels and meeting the cost of a number of external influences affecting the operating budget (including a \$1.1 million reduction in the Victoria Grants Commission allocation). As well as capital works to address the asset renewal needs of the Shire. This rate increase is in line with rate cap set by the Minister for Local Government. (The rate increase for the 2016-17 year was 2.5%). Refer also Sections 7 and 10 for more information.

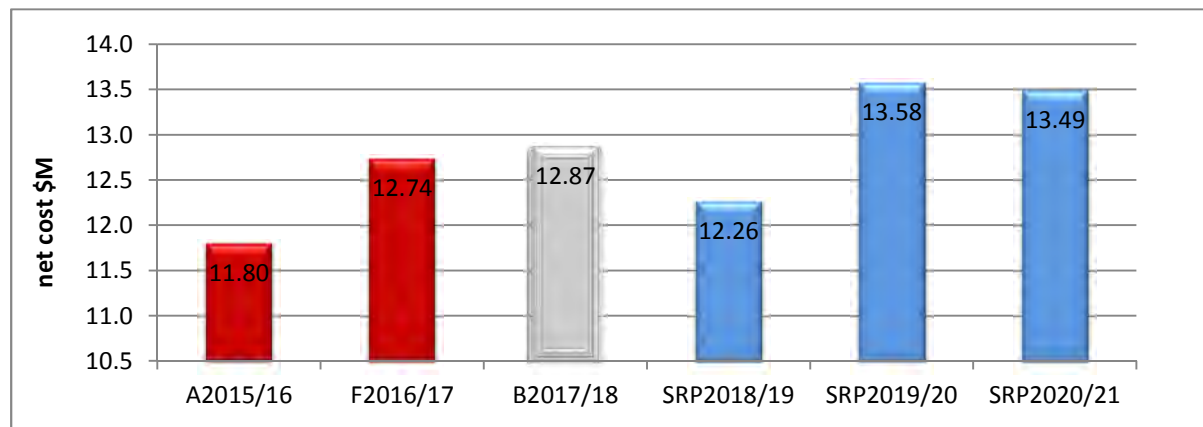
8.2 Operating result



The expected operating result for the 2017-18 year is a surplus of \$1.16 million, which is a decrease of \$1.5 million over 2016-17. The decline in the operating result is due mainly to external funding for capital works which is forecast to decrease from \$1.2 million to \$0.6 million. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a surplus of \$0.5 million, which is a decrease of \$0.85 million over 2016-17. The decline in the underlying result is due primarily to a \$1 million decrease in external Roads to Recovery grant funding

for capital works which is forecast to decrease from \$1.4 million to \$0.4 million. (The forecast operating result for the 2016-17 year is a surplus of \$2.55 million).

8.3 Services



The net cost of services delivered to the community for the 2017-18 year is expected to be \$12.87 million which is an increase of \$0.13 million over 2016-17. The increase is a combination of general inflationary increases, offset by service decreases. The Long Term Financial Plan assessment in 2016-17 indicated a cash shortfall of circa \$700k that needed to be redeemed in future budgets.

Council has budgeted to cease funding for the following services in 2017-18:

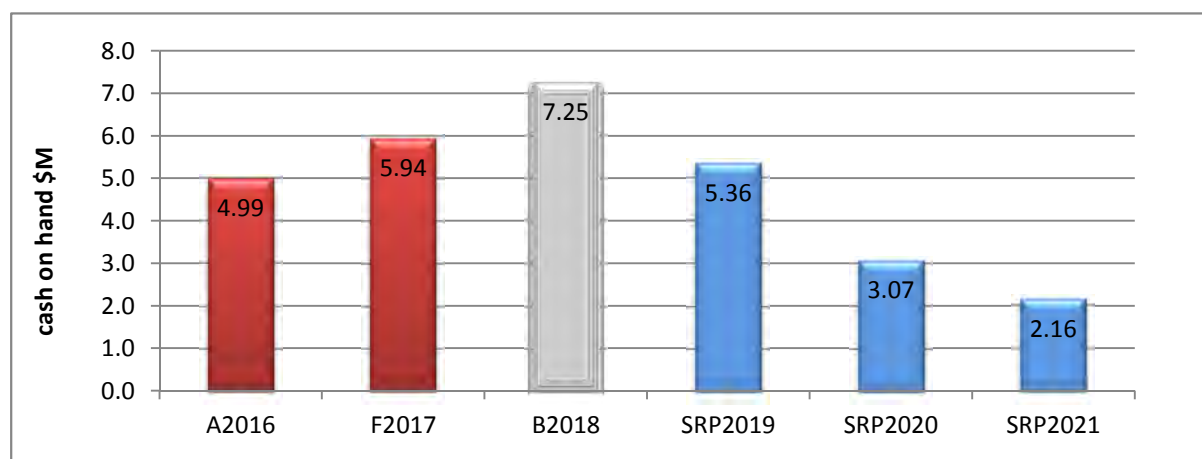
- School crossing supervision (Council is in discussions with Vicroads to provide 100% funding for this service) (\$75k)
- Annual free waste vouchers to ratepayers (\$75k)

Council has budgeted to reduce funding (and therefore the service level) for the following:

- Community Matching Fund (savings \$30k)
- Gravel supplies for road maintenance (savings \$75k)
- Financial counselling – reduced the service to match the funding levels received (savings \$19k)
- Tourism and Economic Development – manager position (currently vacant) will not be filled (savings \$121k)

Refer Section 2 for a list of services.

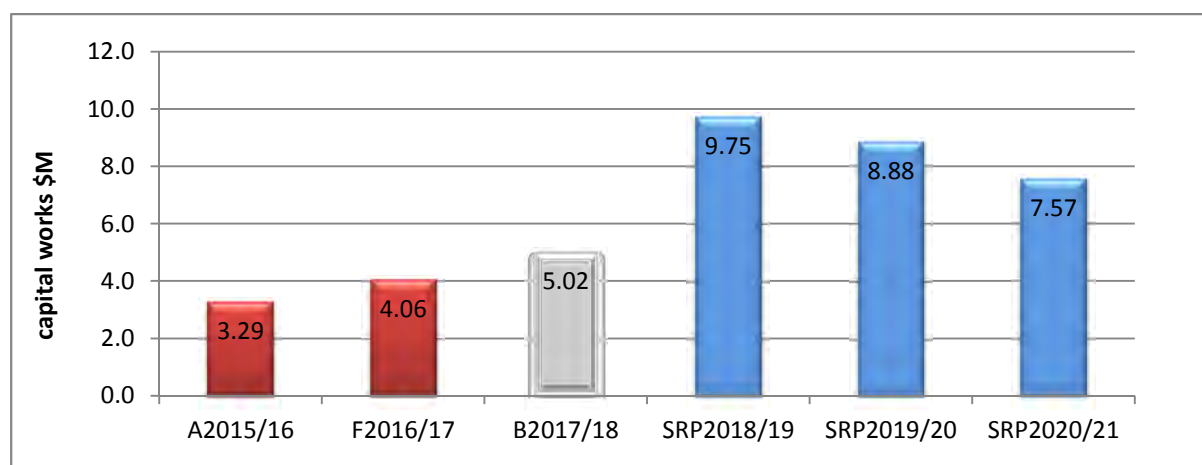
8.4 Cash and investments



Cash and investments are expected to increase by \$1.34 million during the year to \$7.25 million as at 30 June 2018. This is due primarily to the proposed sale of land at Lakins Rd and the Saleyards site. Proceeds from the sale of these two sites will be quarantined for use only to procure new capital projects in future years.

Refer also Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

8.5 Capital works



The capital works program for the 2017-18 year is expected to be \$5.02 million of which \$1.1 million relates to projects which will be carried forward from the 2016-17 year. The carried forward component is fully funded from the 2016-17 budget.

Of the \$5.02 million of capital funding required, \$1.04 million will come from external grants with the balance of \$3.98 million from Council cash. The Council cash amount comprises asset sales (\$0.1 million), cash held at the start of the year (\$2.94 million) and cash generated through operations in the 2017-18 financial year (\$0.94 million).

The capital expenditure program has been set and prioritised based on the Long Term Financial Plan. Council have prioritised capital renewal to ensure long term financial sustainability with any surplus cash then being allocated to new projects or upgrading existing assets. The program for 2017-18 includes only \$332k in new assets (\$242k net cost to council after grant income and contributions),

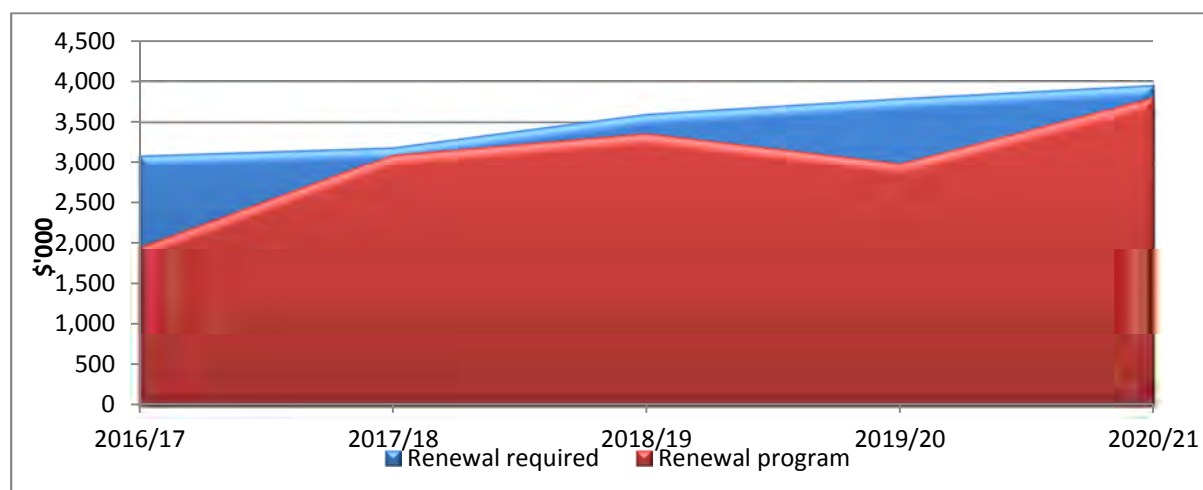
and \$534k in new assets carried forward from 2016-17, fully funded by the 2016-17 budget (\$397 net cost to council after grant income and contributions).

Significant budgeted projects include:

- Additional playing field on Malcolm Street - carried forward from 2016-17 (\$329k)
- Mansfield tennis hit up wall and Hot Shots courts - carried forward from 2016-17 (\$160k gross project cost, \$23k net cost to Council)
- New footpath on Chenery Street (Ailsa and Hunter Streets – East side) (\$80k gross project cost, \$40k net cost to Council)
- Road reconstruction at Alpine Ridge and Lochiel Rd (\$773k)
- Heavy vehicle bypass route (\$615k gross project cost, \$335k net cost to Council)
- Planning IT system replacement (\$130k net cost to Council)

Projects budgeted to receive grant income allocations will not go ahead if the full funding amount budgeted is not obtained by Council.

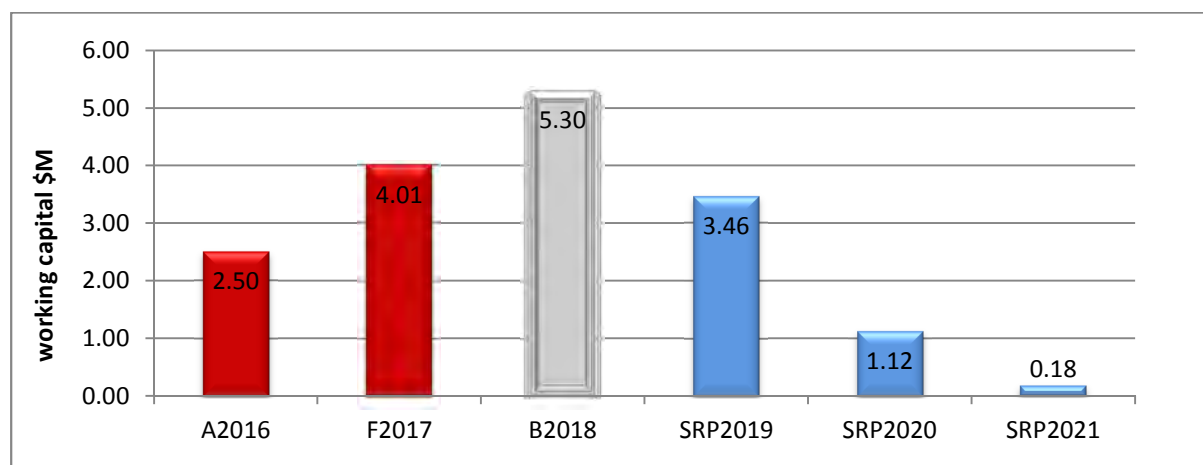
The graph below sets out the required and actual asset renewal over the life of the current Strategic Resource Plan.



Broad estimates for the levels of asset renewal spend required are set around depreciation levels, as shown in the graph above. Council management also assess and plan the specific asset renewal programs required around each class of assets and budget specifically for these. Council are focussing on closing the renewal gap over the next 4 years and as such the asset renewal program has been increased to \$3.1 million in the 2017-18 year. With continued high levels of asset renewal, instead of spending on new assets, Council forecast the renewal gap will close toward 2020-21.

Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

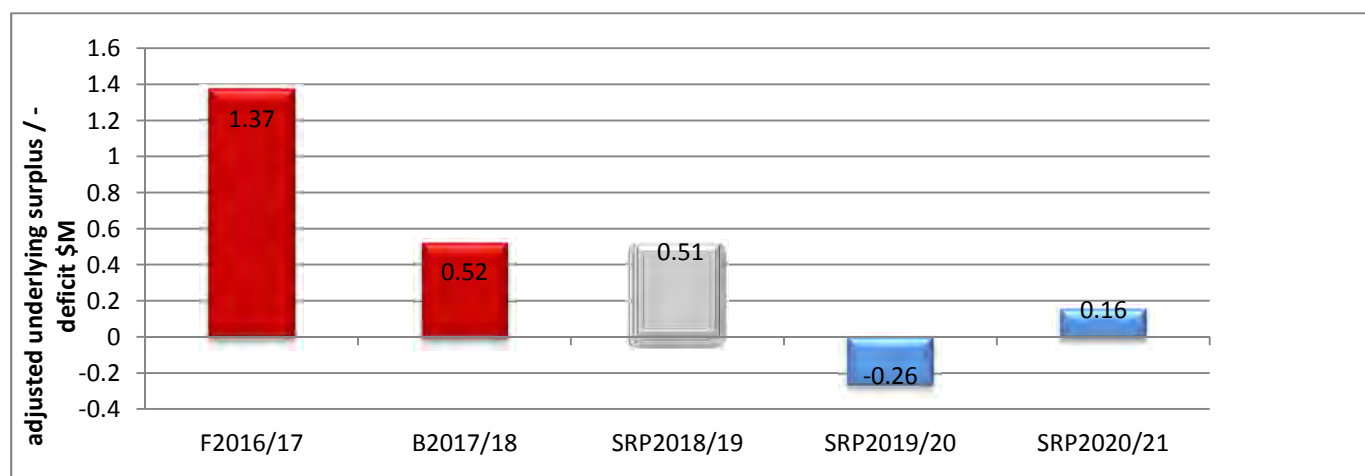
8.6 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$1.16 million to \$113.59 million and similarly net current assets (working capital) will increase by \$1.29 million to \$5.30 million as at 30 June 2018. This is mainly due to the anticipated increase in cash reserves on the sale of the two land parcels at Lakins Rd and the Saleyards.

Refer also Section 4 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

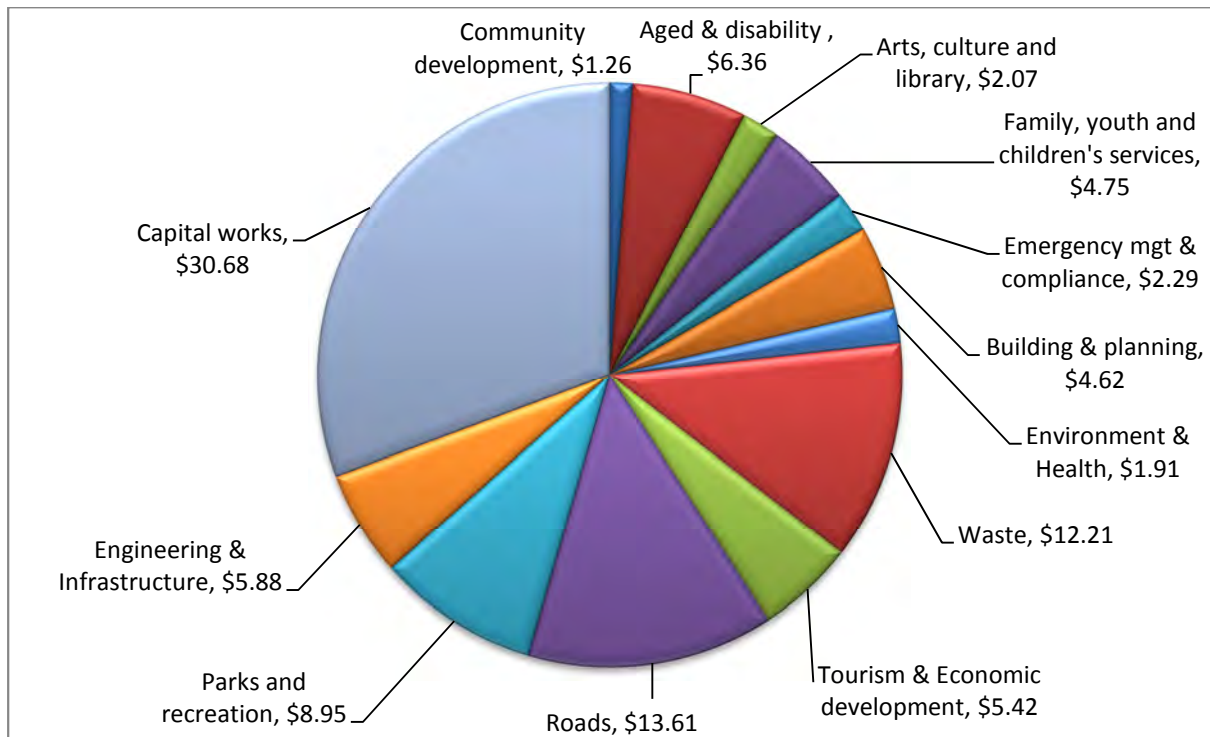
8.7 Financial sustainability



A high level Strategic Resource Plan for the years 2017-18 to 2019-20 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows steep decline to 2017-18 and a steady surplus on average over the following four year period. The decline is due to the forecast for 2016-17 being inflated by higher than usual Roads To Recovery funding (decreasing by \$1 million in 2017-18 to \$0.4 million). The adjusted underlying deficit in 2019-20 is primarily due to the cost of asset condition assessment reports that are performed by external consultants every three years, forecast to cost \$150k.

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

8.8 Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends. Council overheads, governance costs and administrative costs are allocated to our external facing services on a proportional basis.

9. Budget influences

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

9.1 Snapshot of Mansfield Shire Council

Mansfield Shire is home to the dramatic landscapes of Victoria's High Country. Locals and visitors agree you can really sense the personality of the place – it's about lifestyle, farming, all things outdoors and a can do attitude.

Less than two hours north east of Melbourne, our municipality covers approximately 3,900 square kilometres. Our Shire is home to Mt Buller and Mt Stirling Alpine Resorts, the Alpine National Park, and the second largest in-land waterway in Australia - Lake Eildon.

Five major river systems, including Delatite, Howqua, Jamieson, Big and Goulburn have their headwaters in the High Country

Mansfield township, as the major service centre for the Shire, is central to many unique towns and villages. The character of our Shire owes much to locations such as Ancona, Barjarg, Bonnie Doon, Goughs Bay, Howqua, Macs Cove, Jamieson, Kevington, Maindample, Merrijig, Merton, Tolmie and Woods Point.

Tourism, farming and lifestyle living underpin the Shire economy. The major employment sectors are accommodation & food services (14%), education and training (14%), health care and social assistance (10%), retail trade (9%), and construction (8%).

(Source: <http://www.economicprofile.com.au/humeregion/economy/wages-salaries>, April 2017)

Population

Our population on Census night in 2011 was 7,893 persons. Around 36% of our residents are aged over 55, in comparison to 26% for Victoria. 50% of our households are couples without children, which is also well above that for the State. The 2016 census data is due for release later in 2017.

Cultural diversity

Our residents are predominantly born in Australia (84%), with a number from England (4%), Germany (1%) and New Zealand (1%).

Housing

There are over 5300 dwellings across the Shire, approximately 44% of which are holiday houses occupied by part time locals. Our Shire has been growing at a rate of around 1.5-2% per annum over the past decade. The bulk of this growth will be attributable to 'tree changers' who, because of their long standing links to the Shire, either semi retire or retire here. Australian Bureau of Statistics figures put the growth rate at 1.7% to 30 June 2013. This is the highest rate of small rural councils by a factor of 2 and represents 133 new residents each year.

Education and occupation

The proportion of residents in the Shire with VCE or tertiary qualifications is 57%. (Source: <http://www.economicprofile.com.au/humeregion/workers/work-in/education>, April 2017).

Of our working population, the proportion of professionals, associate professionals and intermediate clerical, sales and service workers is 51%, while tradespeople, technicians, labourers and machinery operators make up the balance of 49%. (Source: <http://www.economicprofile.com.au/humeregion/workers/work-in/occupation>, April 2017)

Budget implications

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

- The Shire is growing in population and budgetary considerations must be made to ensure the existing infrastructure can sustain the increase, or plan to upgrade or develop new infrastructure.
- Our lack of proximity to other large city centres poses difficulty in obtaining lowest cost for tendered services and contracts, and inhibits our ability to procure outsourced or shared services for the community that represent value for money
- An aging population requires Council to adjust our infrastructure to allow appropriate accessibility. Similarly a lack of proximity of our major services to the outlying townships and villages requires provision of transport to ensure access to those services by the elderly.

9.2 External influences

- Consumer Price Index (CPI) increases on goods and services of 1.4% through the year to the September quarter 2016 (ABS release 25 October 2016). State-wide CPI is forecast to be 2.0% for the 2017-18 year (Victorian Budget Papers 2016-17).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2015 was 3.4% (ABS release 18 August 2016). The wages price index in Victoria is projected to be 2.5% per annum in 2017-2018 increasing to 3.0% and 3.5% in the subsequent two years (Victorian Budget Papers 2016-17). Our current Enterprise Agreement allows for annual wage increases of 2%. Council must renegotiate a new Enterprise Agreement during the 2017-18 year for commencement on 1 November 2018.
- Reduction of \$1.0 million in Roads to Recovery funding compared to the prior year
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervision, Library services and Home and Community Care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of the all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

9.3 Internal influences

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

- The preparation of the Long Term Financial Plan in 2016-17 identified an incapacity to fully fund the renewal of assets based on current operating and capital spend levels. In 2017-18 capital works programs will focus primarily on renewing our existing infrastructure to its optimum condition. Until Council has improved its financial position, no significant new capital projects will be undertaken unless they are 100% funded by external parties.

- Council has taken over the Visitor Information Service that was previously run by the Mansfield Mt Buller Regional Tourism Association (MMBRTA) (jointly funded by Council and the Mt Buller and Mt Stirling ARMB). MMBRTA has folded and is due to be wound up before 30 June 2017. Estimated increased costs to Council are \$12k during the 2016-17 and a further \$15k for 2017-18.
- Land at Lakins Rd and the Saleyards site will be made available for sale during 2017-18. Proceeds from the sale of these two sites will be quarantined and only spent on new capital projects to be determined in future periods.
- The Community Matching Fund will be reduced from \$50,000 per annum to \$20,000. The program provides 1:1 funding to community groups for eligible projects.
- The Tourism and Economic Development Manager position (currently vacant) will not be filled, and the Compliance Officer role will be expanded to full time. The net savings to Council are approximately \$119k.
- Council will cease the annual provision of free waste vouchers to ratepayers. In 2016-17 approximately 18% of waste vouchers have been redeemed, at a cost to council of \$76k. Councils full exposure, should 100% of vouchers be redeemed in a given year, is approximately \$412k.
- School crossing supervision will no longer be funded by Council in 2017-18, saving \$75k per annum. Discussions are currently being held with Vicroads to advocate for 100% state funding to man school crossings in Mansfield, of which 3 out of 4 are located on roads owned by Vicroads.

9.4 Budget principles

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

- Existing fees and charges to be increased by 5% or as per regulations.
- Grants to be based on confirmed funding levels.
- Service levels to be maintained at 2016-17 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- Salaries and wages to be increased in line with the Enterprise Agreement.
- Real savings in expenditure and increases in revenue identified in 2016-17 to be preserved
- Operating revenues and expenses arising from completed 2016-17 capital projects to be included.

9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2017-18 to 2020-21 (Section 14.), Rating Information (Section 15.) and Other Long Term Strategies (Section 16.) including borrowings, infrastructure and service delivery.

10. Analysis of operating budget

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

10.1 Budgeted income statement

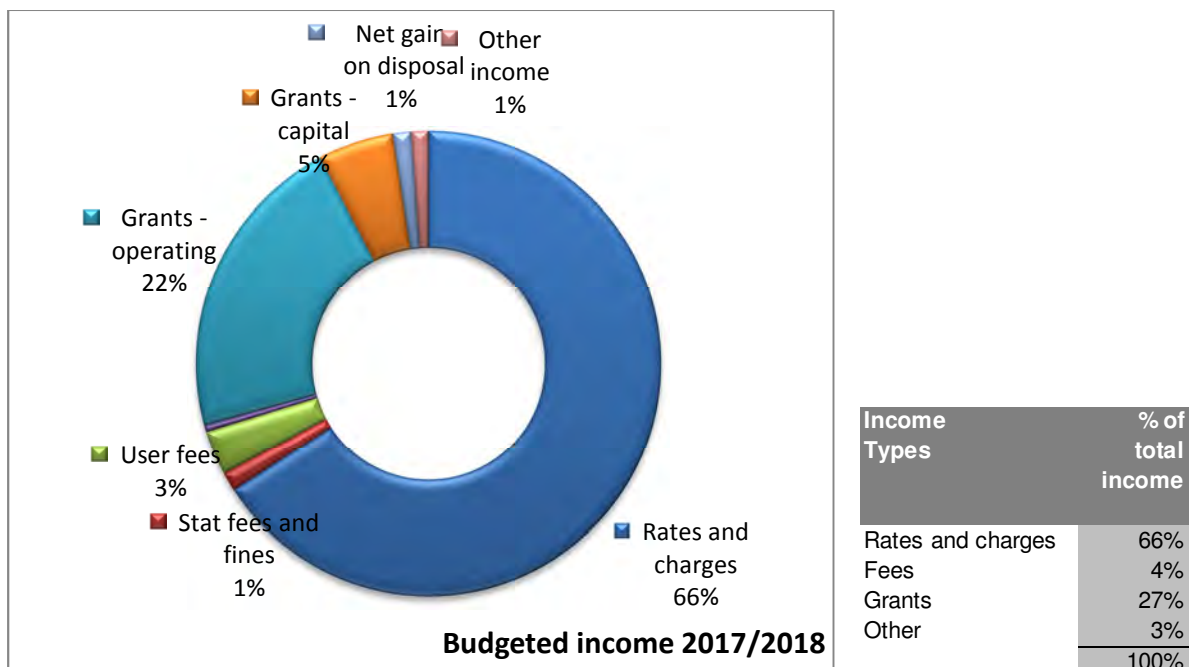
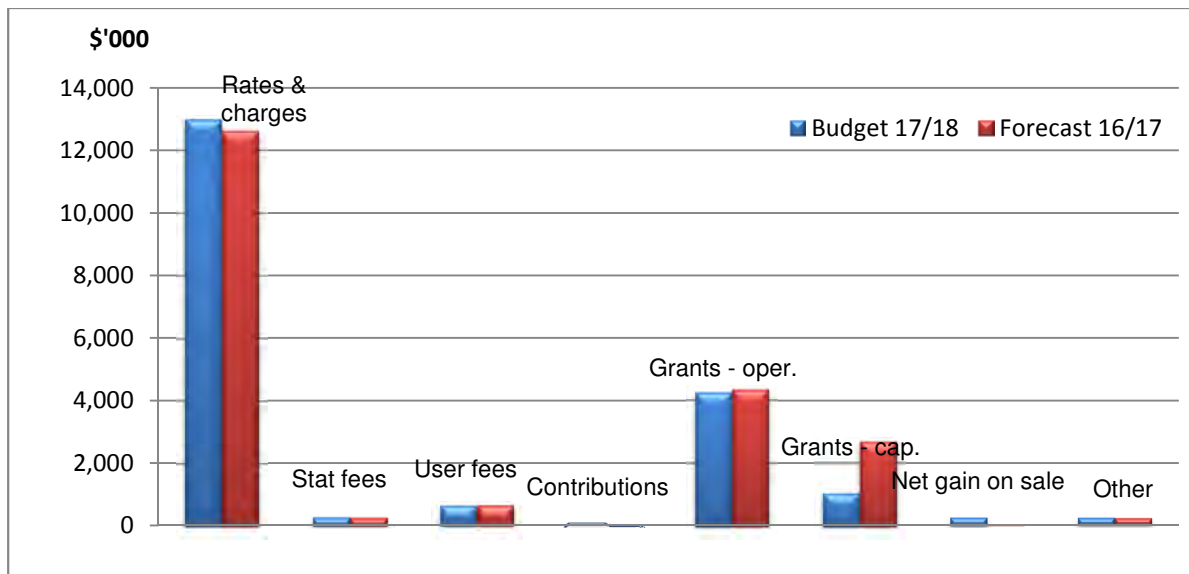
	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Total income	10.2	20,762	19,733	(1,029)
Total expenses	10.3	(18,212)	(18,577)	(365)
Surplus (deficit) for the year		2,550	1,156	(1,394)
Grants – capital non-recurrent	10.2.6	(1,175)	(583)	592
Contributions - non-monetary assets		-	-	-
Capital contributions - other sources	10.2.4	-	(50)	(50)
Adjusted underlying surplus (deficit)	10.1.1	1,375	523	(852)

10.1.1 Adjusted underlying deficit (\$0.85 million decrease)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017-18 year is a surplus of \$0.52 million which is a decrease of \$0.85 million from the 2016-17 year (primarily due to a decline in the recurrent Roads To Recovery funding received). In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

10.2 Income

Income Types	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Rates and charges	10.2.1	12,616	12,986	370
Statutory fees and fines	10.2.2	253	261	8
User fees	10.2.3	631	618	(13)
Contributions - monetary	10.2.4	25	94	69
Grants - operating	5.1.1	4,333	4,249	(84)
Grants - capital	5.1.2	2,671	1,036	(1,635)
Net gain on disposal of property, infrastructure, plant & equipment	10.2.5	16	256	240
Other income	10.2.6	217	233	16
Total income		20,762	19,733	(1,029)



10.2.1 Rates and charges (\$0.37 million increase)

It is proposed that income raised by all rates and charges be increased by 2.9% or \$0.37 million to \$12.98 million. This includes an increase in general rates of 3.5%, the Municipal Charge of 3.6%; waste collection and recycling of 2.2% and forecasts supplementary rates to approximate \$0.09 million.

Section 7 – Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017-18 and the rates and charges information specifically required by the Regulations.

10.2.2 Statutory fees and fines (\$0.01 million increase)

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

Statutory fees are forecast to increase by 3.1% or \$0.01 million compared to 2016-17.

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

10.2.3 User fees (\$0.01 million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels.

User charges are projected to decrease by 1.9% or \$0.01 million over 2017-18. The main area contributing to the decrease is caravan park registrations, which are now levied 3-yearly and were due in 2016-17.

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

10.2.4 Contributions - monetary (\$0.07 million increase)

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

Contributions are projected to increase by \$0.07 million or 275% compared to 2016-17 due mainly to the completion of a number of major property developments within the municipality forecast for completion during the 2017-18 year.

10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$0.24 million increase)

Proceeds from the disposal of Council assets are forecast to be \$2.61 million for 2017-18 and relate primarily to the planned sale of land at Lakins Road and the Saleyards site. The written down value of assets sold is forecast to be \$2.35 million.

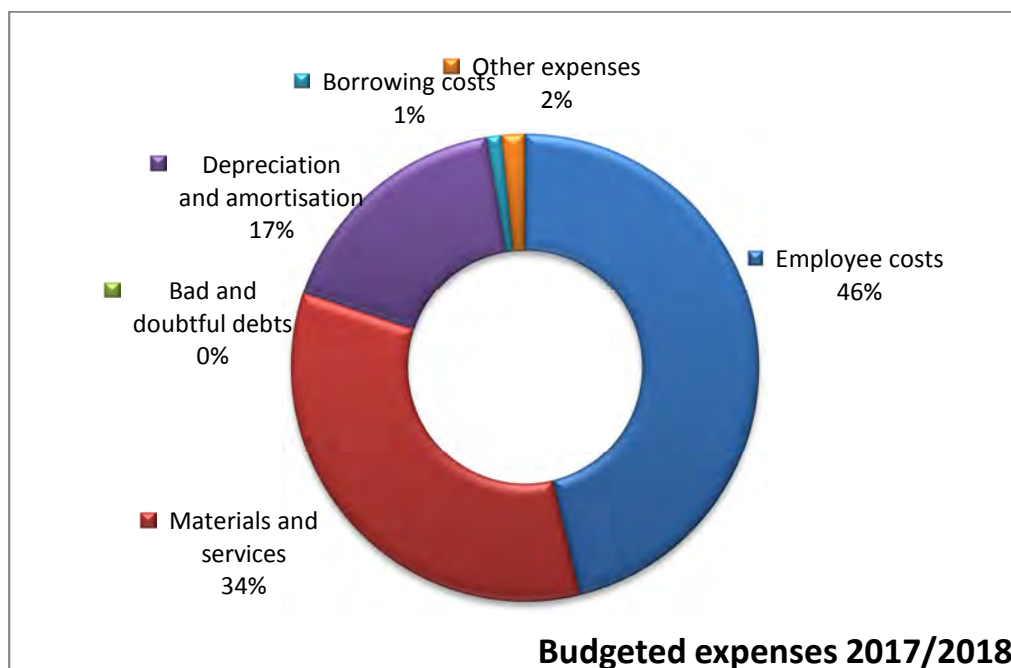
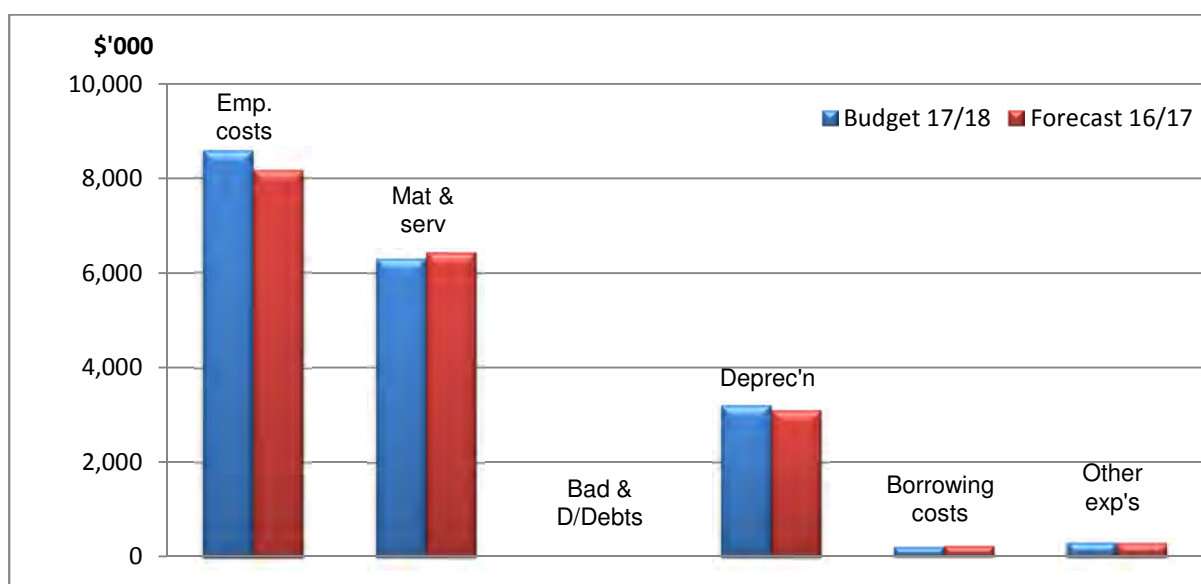
10.2.6 Other income (\$0.01 million increase)

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to increase by 7% or \$0.01 million compared to 2016-17. Interest on investments is forecast to increase by 10.0% or \$0.01 million compared to 2017-18. This is mainly due to a forecast increase in Council's available cash reserves during 2017-18 after the planned sale of land.

10.3 Expenses

Expense Types	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Employee costs	10.3.1	8,172	8,586	414
Materials and services	10.3.2	6,438	6,301	(137)
Bad and doubtful debts	10.3.3	0	0	0
Depreciation and amortisation	10.3.4	3,100	3,200	100
Borrowing costs	10.3.5	213	191	(22)
Other expenses	10.3.6	289	299	10
Total expenses		18,212	18,577	365



10.3.1 Employee costs (\$0.4 million increase)

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

Employee costs are forecast to increase by 5% or \$0.4 million compared to 2016-17. This increase relates to three key factors:

- 2% per annum wage increases and under Council's Enterprise Agreement (EA) which is estimated to cost \$0.16 million in 2017-18
- Movement between band levels under Council's Enterprise Agreement (EA)
- A number of executive management positions that were vacant for a large part of 2016-17 and have now been filled, with the exception of the Tourism and Economic Development manager position that will not be recruited

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

Department	Budget 2017-18 \$'000	Comprises	
		Permanent Full time \$'000	Permanent Part Time \$'000
Executive Services	525	525	0
Community Services & Economic Development	2,484	510	1,974
Development Services	1,366	1,080	286
Engineering & Works	2,724	2,534	190
Finance	522	320	202
Corporate and Organisational Development	927	485	442
Total permanent staff expenditure	8,548	5,454	3,094
Contract staff	8		
Fringe benefits tax	30		
Total expenditure	8,586		

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

Department	Budget FTE	Comprises	
		Permanent Full time	Permanent Part Time
Executive Services	4.0	4.0	-
Community Services & Economic Development	28.3	5.0	23.3
Development Services	14.2	11.0	3.2
Engineering & Works	34.7	32.0	2.7
Finance	6.2	3.0	3.2
Corporate and Organisational Development	8.9	5.0	3.9
Total	96.3	60.0	36.3
Casuals and other	-		
Capitalised labour costs	-		
Total staff	96.3		

10.3.2 Materials and services (\$0.14 million 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% or \$0.14 million compared to 2016-17.

Waste disposal costs are expected to decrease by \$0.08 million as a result of the cessation of free waste vouchers provided to rate payers with their annual rates notices, and a further \$0.04 million in savings will be achieved due to election costs incurred in 2016-17 that will not be incurred in 2017-18.

10.3.3 Depreciation and amortisation (\$0.10 million 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 \$0.10 million for 2017-18 is due mainly to the completion of the 2016-17 capital works program and the full year effect of depreciation on the 2016-17 capital works program. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017-18 year.

10.3.4 Borrowing costs (\$0.02 million 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.

10.3.5 Other items of expense (\$0.01 million increase)

Other items of expense relate to a range of unclassified items including leases, councillor allowances, audit fees and other miscellaneous expenditure items. Other expenses are forecast to increase by 3.0% or \$0.01 million compared to 2016-17. This is mainly due to taking over the lease of a photocopier at the Visitor Information centre (when Council takes over the Visitor Information Service upon winding up of the existing provider – the Mansfield and Mt Buller Regional Tourism Association) and the lease of a new photocopier for the Library. The two leases together are expected to cost approximately \$8,000 and accounts for \$6,000 of the total increase.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017-18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained.

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

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

11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		12,670	12,977	307
User fees and fines		980	890	(90)
Grants - operating		4,322	4,238	(84)
Grants - capital		2,671	1,036	(1,635)
Interest		-	-	-
Other receipts		274	326	52
		20,917	19,467	(1,450)
<i>Payments</i>				
Employee costs		(8,091)	(8,514)	(423)
Other payments		(7,321)	(6,639)	682
		(15,412)	(15,153)	259
Net cash provided by operating activities		5,505	4,314	(1,191)
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant and equipment		(4,062)	(5,021)	(959)
Proceeds from sales of property, infrastructure, plant and equipment		127	2,606	2,479
Payments for investments		-	-	-
Proceeds from investments		-	-	-
Loans and advances made		-	-	-
Repayment of loans and advances		-	-	-
Net cash used in investing activities		(3,935)	(2,415)	1,520
Cash flows from financing activities	11.1.3			
Finance costs		(213)	(191)	22
Proceeds from borrowings		-	-	-
Repayment of borrowings		(407)	(397)	10
Net cash used in financing activities		(620)	(588)	32
Net decrease in cash and cash equivalents		950	1,311	361
Cash and cash equivalents at the beginning of the year		4,992	5,942	950
Cash and cash equivalents at end of the year	11.1.4	5,942	7,253	1,311

11.1.1 Operating activities (\$1.19 million decrease)

The decrease in cash inflows from operating activities is due mainly to a \$1.64 million decrease in capital grants to fund the capital works program, offset by a \$0.31 million increase in rates and charges.

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

	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Surplus (deficit) for the year	2,550	1,156	(1,394)
Depreciation	3,100	3,200	100
Loss (gain) on disposal of property, infrastructure, plant and equipment	(16)	(256)	(240)
Finance costs	213	191	(22)
Net movement in current assets and liabilities	(342)	23	365
Cash flows available from operating activities	5,505	4,314	1,191

11.1.2 Investing activities (\$1.52 million increase)

The large decrease in net cash used in investing activities represents the planned proceeds from the sale of land at Lakins Road and the Saleyards site and capital works carried forward from the 2016-17 budget. Proceeds from sale of assets are forecast to increase by \$2.48 million due to settlement of land sales achieved during 2017-18. Capital projects carried forward from 2016-17 total \$1.13 million and are detailed in section 6.2 of this report.

11.1.3 Financing activities (\$0.03 million decrease)

For 2017-18 the total of principal repayments is projected to be \$0.40 million and finance charges to be \$0.19 million.

11.1.4 Cash and cash equivalents at end of the year (\$1.31 million increase)

Overall, total cash and investments is forecast to increase by \$1.31 million to \$7.25 million as at 30 June 2018, reflecting Council's strategy of focussing on funding asset renewal with operating surpluses and quarantining proceeds from sales of assets for future spend on new assets.

This is consistent with Council's Strategic Resource Plan (see Section 8).

11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2018 it will have cash and investments of \$7.68 million, which has been restricted as shown in the following table.

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Total cash and investments		5,942	7,253	1,311
Restricted cash and investments				
- Statutory reserves	11.2.1	217	217	-
- Cash held to fund carry forward capital works	11.2.2	1,133	-	(1,133)
- Trust funds and deposits		206	206	-
Unrestricted cash and investments	11.2.3	7,498	7,676	178
- Discretionary reserves	11.2.4	-	-	-
Unrestricted cash adjusted for discretionary reserves	11.2.5	7,498	7,676	178

11.2.1 Statutory reserves (\$0.22 million)

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

11.2.2 Cash held to fund carry forward capital works

The amount of \$1.13 million has been held to fund carry forward works at 30 June 2017, to fund capital projects that were budgeted in 2016-17 but are not expected to be completed before 30 June 2017. No amount is forecast to be held at 30 June 2018 as it is anticipated all budgeted capital projects will be completed by the end of the financial year. Section 6.2 contains further details on capital works funding.

11.2.3 Trust funds and deposits (\$0.21 million)

Council maintains a trust account for each of the Mansfield, Jamieson, Bonnie Doon and Merton cemeteries. Council also holds refundable security deposits relating to the engagement of contractors.

11.2.4 Unrestricted cash and investments (\$7.68 million)

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

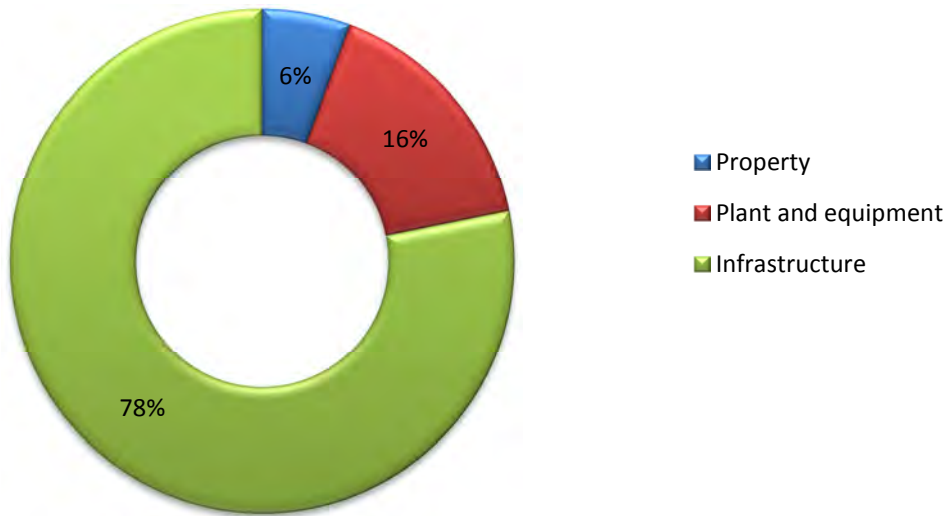
12. Analysis of capital budget

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

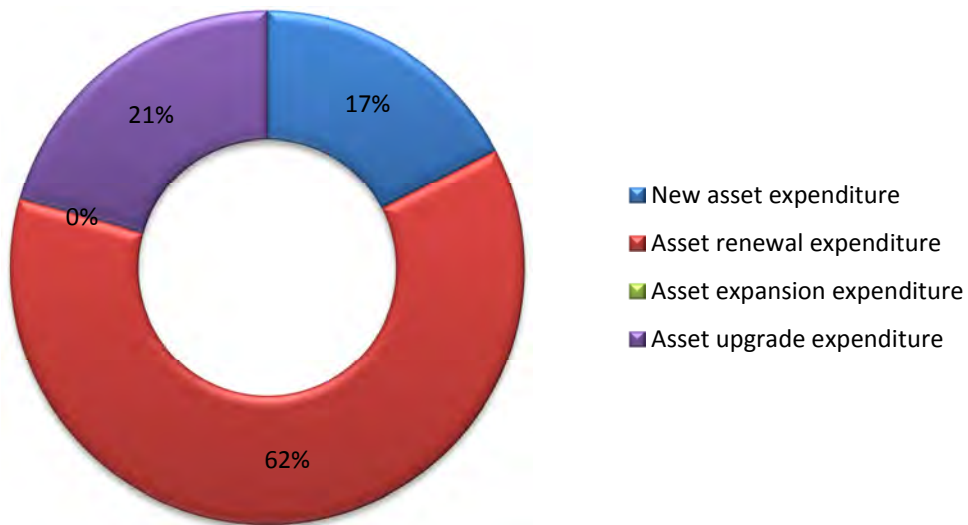
12.1 Capital works expenditure

Capital Works Areas	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Works carried forward	12.1.1			
Property				
Land		-	45	45
Land improvements		-	-	-
Total land		-	45	45
Buildings		-	-	-
Total buildings		-	-	-
Total property		-	45	45
Plant and equipment				
Plant, machinery and equipment		-	-	-
Total plant and equipment		-	-	-
Infrastructure				
Roads		-	167	167
Bridges & culverts		-	424	424
Recreational, leisure and community facilities		527	497	(30)
Total infrastructure		527	1,088	561
Total works carried forward		527	1,133	606
New works				
Property	12.1.2			
Land		-	-	-
Buildings		528	300	(228)
Total property		528	300	(228)
Plant and equipment	12.1.3			
Plant, machinery and equipment		449	617	168
Fixtures, fittings and furniture		15	15	-
Computers and telecommunications		94	178	84
Total plant and equipment		558	810	252
Infrastructure	12.1.4			
Roads		1,801	2,316	515
Bridges & Culverts		521	250	(271)
Footpaths and cycleways		72	146	74
Drainage		18	62	44
Recreational, leisure and community facilities		23	-	(23)
Parks, open space and streetscapes		-	4	4
Off street car parks		15	-	(15)
Total infrastructure		2,450	2,778	328
Total new works		3,536	3,888	353
Total capital works expenditure		4,063	5,021	791
Represented by:				
New asset expenditure	12.1.5	843	874	31
Asset renewal expenditure	12.1.5	1,959	3,108	1,149
Asset expansion expenditure	12.1.5	-	-	-
Asset upgrade expenditure	12.1.5	1,261	1,039	(222)
Total capital works expenditure		4,063	5,021	958

Budgeted capital works 2017/2018



Budgeted capital works 2017/2018



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

12.1.1 Carried forward works (\$1.13 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016-17 year it is forecast that \$1.13 million of capital works will be incomplete and be carried forward into the 2017-18 year. The more significant projects include Mansfield Tennis hit up wall and hot shots courts (\$0.16 million, with funding received of \$0.14 million), the additional playing field on Malcolm Street (\$0.33 million) and the Fords Creek/Deadhorse Lane bridge (\$0.42 million).

12.1.2 Property (\$0.30 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2017-18 year, \$0.30 million will be expended on building and building improvement projects. The more significant projects include re-roofing of the Mansfield Community Centre (\$0.05 million) and upgrades to the Mansfield Swimming Pool building infrastructure (\$0.05 million).

12.1.3 Plant and equipment (\$0.81 million)

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

For the 2017-18 year, \$0.81 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$0.62 million) and upgrade and replacement of information technology (\$0.18 million).

12.1.4 Infrastructure (\$2.78 million)

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

For the 2017-18 year, \$2.32 million will be expended on road projects. The more significant projects include local road reconstructions (\$1.39 million of which \$0.45 million is federally funded via Roads to Recovery), road resealing and resheeting (\$0.86 million), and the heavy vehicle bypass (\$0.61 million).

\$0.06 million will be expended on drainage projects (stormwater reconstruction).

\$0.15 million will be expended on footpath projects, the most significant being the new footpath on Chenery street (between Ailsa and Hunter streets) of \$0.08 million.

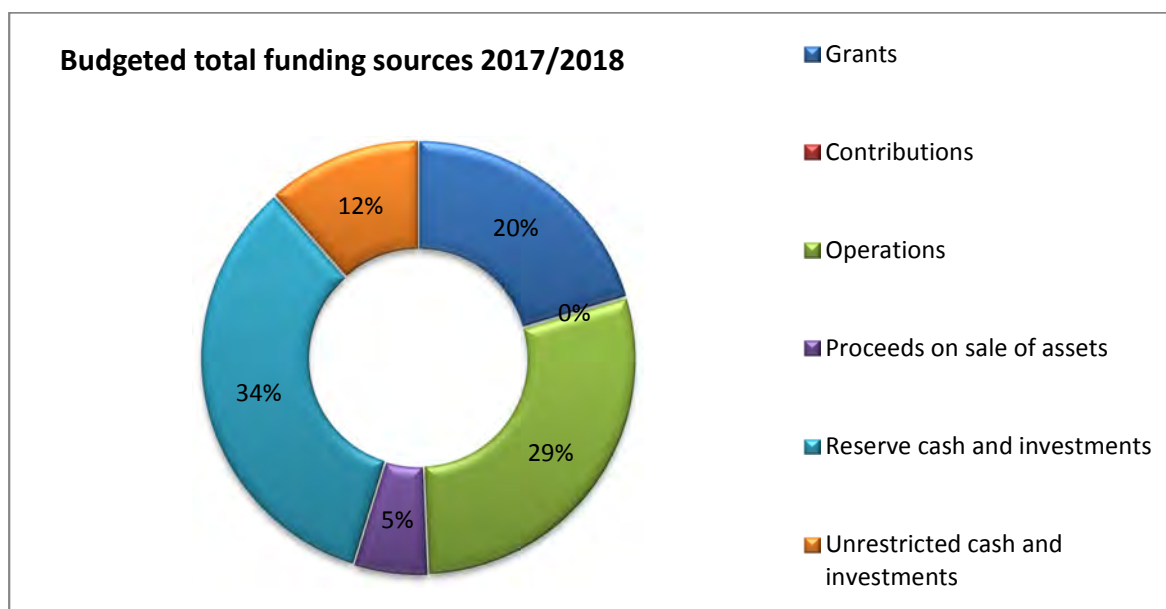
12.1.5 Asset renewal (\$3.11 million), new assets (\$0.87 million), and upgrade (\$1.04 million)

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

The major projects included in the above categories, which constitute expenditure on new assets, are the Mansfield Tennis hit up wall and Hot Shots courts (\$0.16 million), the additional playing field on Malcolm Street (\$0.33 million), and the replacement of the Planning information technology system (\$0.13 million). The remaining capital expenditure represents renewals and upgrades of existing assets.

12.2 Funding sources

Sources of Funding	Ref	Forecast Actual 2016-17 \$'000	Budget 2017-18 \$'000	Variance \$'000
Works carried forward				
Current year funding				
Grants		422	138	(284)
Contributions		-	-	-
Borrowings		-	-	-
Council cash		-	-	-
- operations		-	-	-
- proceeds on sale of assets		-	-	-
- reserve cash and investments		-	-	-
- unrestricted cash and investments		105	995	890
Total works carried forward	12.2.1	527	1,133	606
New works				
Current year funding				
Grants	12.2.2	2,248	898	(1,350)
Contributions		-	50	50
Borrowings		-	-	-
Council cash		-	-	-
- operations	12.2.3	1,160	2,834	1,674
- proceeds from sale of assets	12.2.4	127	106	(21)
- reserve cash and investments	12.2.5	-	-	-
- unrestricted cash and investments	12.2.6	-	-	-
Total new works		3,535	3,888	353
Total funding sources		4,062	5,021	959



Source: Section 6

12.2.1 Carried forward works (\$1.13 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016-17 year it is forecast that \$1.13 million of capital works will be incomplete and be carried forward into the 2017-18 year. Significant funding includes grants for Mansfield Tennis hit up wall and Hot Shots courts (\$0.14 million to be received in 2017-18).

12.2.2 Grants - capital (\$0.90 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the heavy vehicle bypass (\$0.28 million), Roads to Recovery projects (\$0.45 million), and the Howqua Track culvert replacement (\$0.13 million).

12.2.3 Council cash - operations (\$2.83 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$2.83 million will be generated from operations to fund the 2017-18 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$0.11 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.11 million.

13. Analysis of budgeted financial position

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

13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		5,942	7,253	1,311
Trade and other receivables		1,080	1,097	17
Financial assets		216	216	-
Other assets		66	66	-
Total current assets		7,304	8,632	1,328
Non-current assets	13.1.1			
Trade and other receivables		112	103	(9)
Property, infrastructure, plant and equipment		111,331	110,802	(529)
Total non-current assets		111,443	110,905	(538)
Total assets		118,747	119,537	790
Current liabilities	13.1.2			
Trade and other payables		906	906	-
Trust funds and deposits		651	651	-
Provisions		1,475	1,512	(37)
Interest-bearing loans and borrowings		265	265	-
Total current liabilities		3,297	3,334	(37)
Non-current liabilities	13.1.2			
Provisions		331	326	5
Interest-bearing loans and borrowings		2,684	2,286	398
Total non-current liabilities		3,015	2,612	403
Total liabilities		6,312	5,946	366
Net assets		112,435	113,591	1,156
Equity	13.1.4			
Accumulated surplus		42,062	43,218	1,156
Reserves		70,373	70,373	-
Total equity		112,435	113,591	1,156

Source: Section 3

13.1.1 Current Assets (\$1.33 million increase) and Non-Current Assets (\$0.54 million decrease)

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 increase by \$1.31 million during the year mainly due to planned asset sales.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months. Other assets are not expected to change significantly in the budget.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The \$0.53 million decrease in this balance is attributable to the net result of the capital works program (\$5.02 million of new assets), depreciation of assets (\$3.2 million) and the sale of property, plant and equipment (\$2.35 million).

13.1.2 Current Liabilities (\$0.37 million increase) and Non-Current Liabilities (\$0.40 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2016-17 levels.

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

Interest-bearing loans and borrowings are borrowings of Council. Council is budgeting to repay loan principal of \$0.40 million over the year.

13.1.3 Working Capital (\$1.29 million increase)

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

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

	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	7,304	8,632	(1,328)
Current liabilities	3,297	3,334	(37)
Working capital	4,007	5,298	(1,291)
Restricted cash and investment current assets			
- Statutory reserves	217	217	-
- Cash held to fund carry forward capital works	1,133	-	1,133
- Trust funds and deposits	206	206	-
Unrestricted working capital	5,357	5,515	(158)

13.1.4 Equity (\$1.16 million increase)

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

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

13.2 Key assumptions

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

- Debtors and creditors to remain consistent with 2016-17 levels
- Proceeds from the sale of property in 2016-17 of \$2.63 million will be received in full in the 2017-18 year
- Employee entitlements to be increased by the Enterprise Agreement rate of 2%
- Repayment of loan principal to be \$0.40 million
- Total capital expenditure to be \$5.02 million including \$1.13 million carried forward from the prior year
- Total capital funding of \$0.90 million to be received in full in 2017-18

LONG TERM STRATEGIES

This section includes the following analysis and information

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

14. Strategic resource plan

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

14.1 Plan development

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

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

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

- Maintain existing service levels only where financially possible
- Achieve a breakeven operating result
- Maintain asset renewal levels of 100%
- Achieve a balanced budget on a cash basis
- Maintain (and increase) cash levels above a minimum floor of \$3 million dollars.

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

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

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

14.2 Financial resources

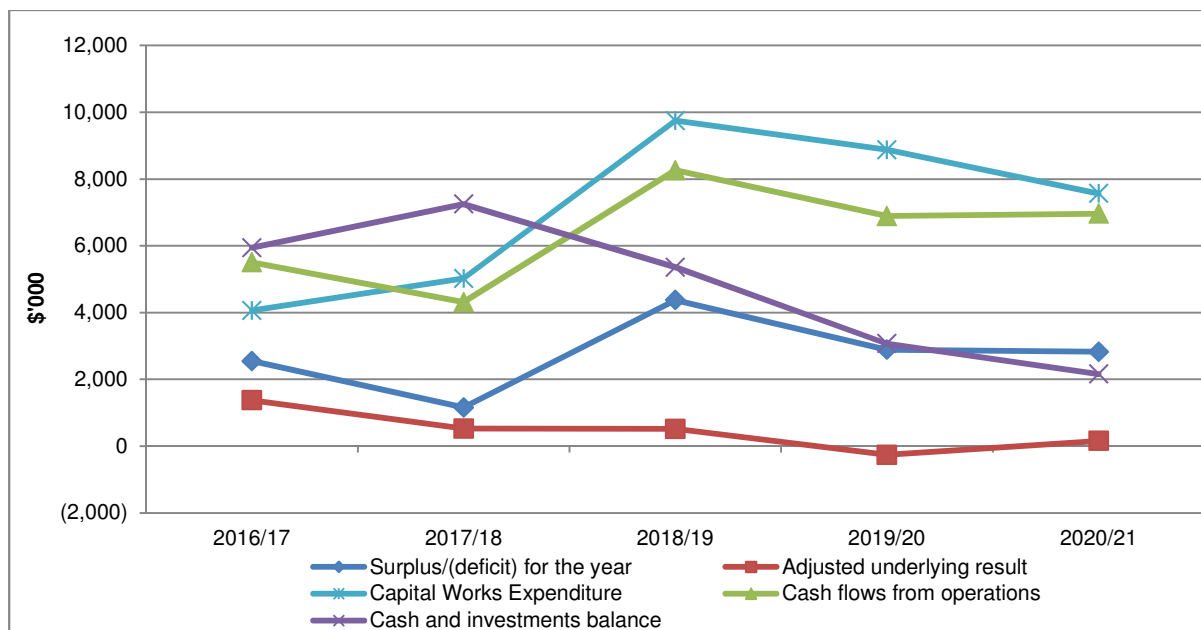
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017-18 to 2020-21. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2016-17	2017-18	2018-19	2019-20	2020-21	+ / o / -
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus-(deficit) for the year	2,550	1,156	4,373	2,887	2,824	-
Adjusted underlying result	1,375	523	514	(262)	156	-
Cash and investments balance	5,942	7,253	5,356	3,070	2,160	-
Cash flow from operations	5,505	4,314	8,262	6,892	6,962	+
Capital works expenditure	4,063	5,021	9,749	8,875	7,568	+

Key to Forecast Trend:

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

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



The key outcomes of the SRP are as follows:

- **Financial sustainability (Section 11)** - Cash and investments is forecast to increase by \$1.3 million (22%) to \$7.25 million in 2017-18, largely due to the planned sale of land assets. Cash and investments are then expected to decrease steadily over the next three year period from \$7.25 million to \$2.16 million, which indicates capital spend requirements exceed operating profits.
- **Rating levels (Section 15)** – Modest rate increases are forecast over the four years at an average of 2.5% based on a rate cap of 2%.
- **Service delivery strategy (Section 16)** – Service levels have been maintained throughout the four year period, with the exception of the loss of school crossing supervision and ratepayer waste vouchers together with a reduction in the level of service in financial counselling and also community development (via the Community Matching Fund). Operating surpluses are forecast across the four years which includes significant capital grant revenue being received to fund the annual capital works program. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result remains a small surplus over the four year period. The adjusted underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$2.9 million to \$1.9 million over the four year period. This includes no new borrowings.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$31.2 million at an average of \$7.8 million.

15. Rating information

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

15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for over 60% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Mansfield community.

15.1 Future Rates and Charges

The following table sets out future budgeted increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2017, and the forecast rate increase used for financial planning purposes. Council's Long Term Financial Plan indicates that the current budget allows for little growth if current services continue to be delivered at the same level, with the current budgeted rate increases.

Council intend to spend the next 12 months consulting with the community on a model for growth, which may include a rate variation in excess of the mandated rate cap. This has not been included in the current budget modelling at this point in time.

Year	General Rate Increase	Municipal Charge Increase	Garbage Charge Increase	Recycling Charge Increase	Total Rates Raised
	%	%	%	%	\$'000
2016-17	2.50	2.50	3.00	3.00	12,616
2017-18	2.00	2.00	2.00	2.00	12,986
2018-19	2.00	2.00	2.00	2.00	13,371
2019-20	2.00	2.00	2.00	2.00	13,619
2020-21	2.00	2.00	2.00	2.00	13,888

15.2 Rating structure

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

- Property values, which form the central basis of rating under the Local Government Act 1989
- A 'user pays' component to reflect usage of certain services provided by Council
- A fixed municipal charge per property to cover some of the administrative costs of the Council.

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

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

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

The existing rating structure comprises five differential rates (residential, rural residential, vacant land, farmland 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 levy the rate for recreational lands at "such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands". Council also levies a municipal charge, a kerbside collection charge, a recycling charge and a community waste charge as allowed under the Act.

The following table summarises the rates to be determined for the 2017-18 year. A more detailed analysis of the rates to be raised is contained in Section 7 "Rates and Charges".

Rate type	How applied	2016-17	2017-18	Total Raised \$000's	Change
Residential	Cents/\$ CIV	0.2670	0.2723	2,825	2.0%
Commercial	Cents/\$ CIV	0.3752	0.3827	654	2.0%
Vacant land	Cents/\$ CIV	0.3701	0.3775	241	2.0%
Rural residential	Cents/\$ CIV	0.2484	0.2534	2,676	2.0%
Farmland	Cents/\$ CIV	0.1931	0.1970	1,539	2.0%
Municipal charge	\$/ property	\$265	\$271	1,978	2.0%
Kerbside collection	\$/ property	\$158	\$162	1,715	2.0%
Recycling	\$/ property	\$181	\$184	1,106	2.0%

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

16. Summary of other strategies

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

16.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 14) and the Long Term Financial Plan, borrowing was identified as a potential funding source for capital works programs. Council's current borrowing level approximates 20% of annual rates and charges income, which is considerably low and conservative. Council is currently in a phase of debt reduction, resulting in a reduced debt servicing costs, but this has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With Council cash levels barely able to sustain current asset renewal levels, it will be necessary to reconsider the issue of borrowings as a lever to allow capital growth. The current budget does not allow for future borrowings as Council will address the existing asset renewal gap in the short to medium term, and revisit the potential for borrowings in the medium to long term.

For the 2017-18 year, Council has decided not to take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$0.40 million, will reduce its total borrowings to \$2.55 million as at 30 June 2018. Whilst it is likely that in future years, borrowings will be required to fund future infrastructure initiatives, there are no current future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017, as illustrated in the table below.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016-17	-	407	213	2,949
2017-18	-	397	191	2,552
2017-18	-	265	175	2,287
2018-19	-	173	160	2,114
2019-20	-	183	151	1,931

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

	2016-17 \$'000	2017-18 \$'000
Total amount borrowed as at 30 June of the prior year	3,356	2,949
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(407)	(397)
Total amount of borrowings as at 30 June	2,949	2,552

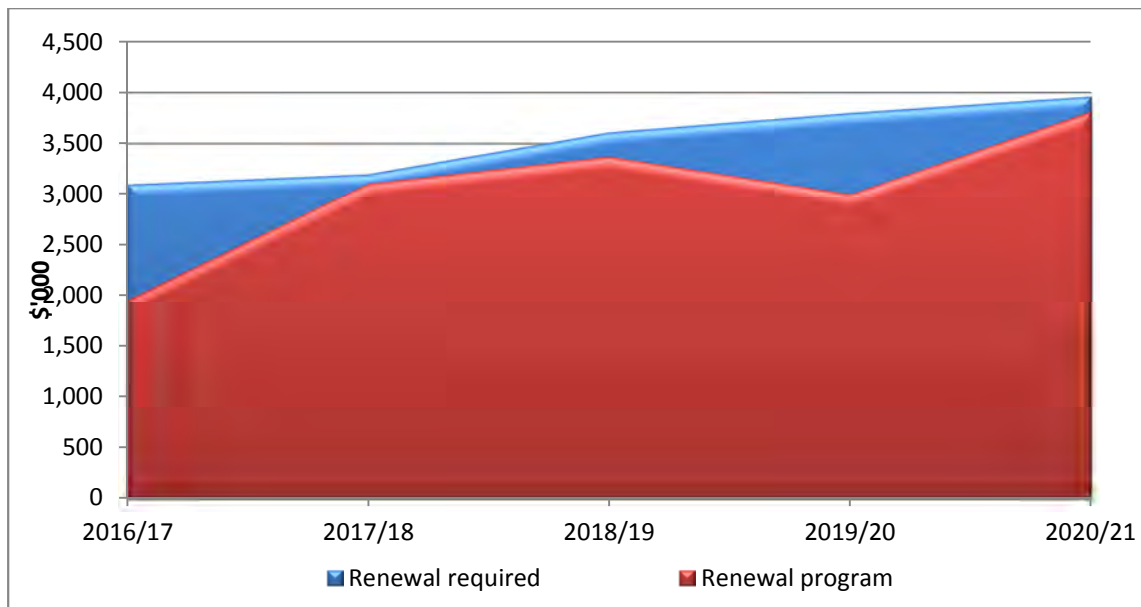
16.2 Infrastructure

The Council has developed an capital works program based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The program has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria
- Methodology for allocating annual funding to classes of capital projects
- Business Case template for officers to document capital project submissions.

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

The graph below sets out the required and actual asset renewal over the life of the current SRP.



At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in the capital works program. While the program is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, the above graph indicates that in later years the required asset renewal will almost be met by the year 2020-21.

In updating the capital works program for the 2017-18 year, the following influences have had a significant impact:

- Reduction in the amount of cash and investment reserves to fund future capital expenditure programs
- Availability of significant Federal funding for upgrade of roads

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

Year	Total Capital Program \$'000	Summary of funding sources			
		Grants \$'000	Contributions \$'000	Council	Borrowings \$'000
				Cash \$'000	
2016/17	4,062	2,671	-	1,392	-
2017/18	5,021	1,036	156	3,829	-
2018/19	9,749	3,266	1,058	5,425	-
2019/20	8,875	2,844	783	5,248	-
2020/21	7,568	2,424	735	4,409	-

16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to maintain existing service levels where financially possible and to achieve a breakeven operating result. The Rating Information (see Section 15.) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

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 Collection

During 2016-17 approximately 18% of vouchers have been redeemed at a cost to council of circa \$73k, forecast to increase to \$76k in 2017-18. Should all vouchers be redeemed in any given year, the estimated exposure is \$413k, and therefore Council will cease issuing free waste vouchers to ratepayers with the annual rates notices in 2017-18.

School Crossing Supervision

The Shire currently supports 4 school crossings, 3 of which are located on roads owned by Vicroads within the Mansfield Shire. Council are required to maintain the physical school crossings within the Shire, however there is no legislative requirement to provide the supervisory services. Historically the State Government, via Vicroads, has shared the cost of supervision with Council, but in recent years the burden of the cost has shifted significantly and in 2016-17 Council bore 86% of the cost to man the school crossings (\$73k). Council have elected to push the burden back to the State Government, saving Council \$76k in 2017-18.

Aged and Disability Services

Major national policy and funding changes to aged services and disability services were announced in 2012 and are being progressively implemented. Funding responsibility for Home and Community Care (HACC) for people in Victoria aged 65 and over will be assumed by the Commonwealth. Local government providers in Victoria were offered a Commonwealth service contract that maintains existing funding arrangements until June 2019.

The Commonwealth is also considering moving to a system in which entitlements would be provided to individuals to procure services from a provider of their choice, rather than directly funding organisations to provide services. The packages are available only for people who are assessed as eligible for residential care but who can continue to live at home with sufficient support.

The Commonwealth is increasing the number of home care packages available nationally from 60,000 in 2012-13 to 100,000 in 2016-17, with a further increase of 40,000 by 2021-22. At present some people choose to remain on HACC rather than transferring to a package, as the flat fee charged for a package, equivalent to 17 % of an aged pension, is significantly higher than HACC fees. It is

anticipated that the increase in availability of packages combined with a proposed increase in client fees for HACCC will see a significant number of clients with complex needs shifting from HACCC to home care packages or privately funded services.

Valuation Services

The Council is required to revalue all properties within the municipality every two years. The last general revaluation was carried out as at 1 January 2016 effective for the 2017-18 year and the next revaluation will be undertaken as at 1 January 2018

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

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2016/17	2,550	1,375	(12,737)
2017/18	1,156	523	(12,866)
2018/19	4,373	514	(12,264)
2019/20	2,887	(262)	(13,576)
2020/21	2,824	156	(13,488)

With the exception of waste vouchers, school crossing supervision and financial counselling, service levels have been maintained throughout the four year period with operating surpluses forecast as a result of significant capital grant revenue being received to fund the annual capital works program. Excluding the effects of items such as capital contributions, the adjusted underlying result is, on average, a steady but small surplus over the four year period. The net cost of the services provided to the community increases from \$12.7 million to \$13.4 million over the four year period.

Appendix A Fees and charges schedule

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

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed 2017-18 Charge \$	Increase \$	Increase %
<u>Council Offices</u>						
<u>Freedom of Information Request</u>						
Application Fee		GST Free	\$27.90	\$28.40	\$0.50	1.8%
<u>Revenue Services</u>						
Copy of Rates Notice	per notice	GST Free	\$6.00	\$6.50	\$0.50	8.3%
Land information Certificates	per cert.	GST Free	\$24.80	\$25.40	\$0.60	2.4%
Land information Certificates - 24 Hour Service	per cert	GST Free	\$40.00	\$60.00	\$20.00	50.0%
Debt recovery	per assessment	GST free	NA	\$15.00	\$15.00	NEW
<u>Letters on behalf of other organisation</u>						
Letter sent by Council on behalf of other person/ organisation 0-10 letters	per letter	GST Free	\$0.00	\$0.00	\$0.00	0.0%
Letter sent by Council on behalf of other person/ organisation 10 plus letters	per letter	GST Free	\$1.60	\$1.70	\$0.10	6.2%
<u>Local Laws</u>						
Traffic Regulations	infringement	GST Free				
Other fines, including EPA, Food, Animal	infringement	GST Free				
Disabled Parking Permits	Permit	GST Free	\$10.00	\$10.00	\$0.00	0.0%
<u>Dog & Cat Registration</u>						
Entire Dog or Cat	Per dog/cat	GST Free	\$140.00	\$147.00	\$7.00	5.0%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Reduced Fee (desexed; not micro chipped and first registered pre April 2007; part of a domestic animal business or applicable organisation; a dog that has undergone obedience training with approved organisation)	Per dog/cat	GST Free	\$35.00	\$38.00	\$3.00	8.6%
Dog/Cat not desexed - first registered pre April 2013	Per dog/cat	GST Free	\$72.00	\$76.00	\$4.00	5.6%
Dog kept for working stock	Per dog	GST Free	\$22.00	\$23.00	\$1.00	4.5%
All Restricted Breed / Declared Dogs (no concession available)	Per dog	GST Free	\$275.00	\$289.00	\$14.00	5.1%
Domestic Animal Business Registration	Per business	GST Free	\$250.00	\$263.00	\$13.00	5.2%
<u>Pound fees - Sustenance</u>						
Dogs	per animal per day	Incl GST	\$28.00	\$29.50	\$1.50	5.4%
Cats	per animal per day	Incl GST	\$28.00	\$29.50	\$1.50	5.4%
Sheep / Goats	per animal per day	Incl GST	\$17.00	\$18.00	\$1.00	5.9%
Cattle	per animal per day	Incl GST	\$17.00	\$18.00	\$1.00	5.9%
Horses	per animal per day	Incl GST	\$17.00	\$18.00	\$1.00	5.9%
<u>Pound fees - Animal Surrender Fee</u>						
	per animal	Incl GST	\$25.00	\$26.00	\$1.00	4.0%
<u>Release fees</u>						
Dog/Cat - 1st offence Limited to officer hours only	Per animal	GST Free	\$85.00	\$90.00	\$5.00	5.9%
Dog/Cat	Per animal	GST Free	\$170.00	\$180.00	\$10.00	5.9%
Sheep / Goats Minimum fee (first 4 animals)	Per animal	GST Free	\$93.00	\$98.00	\$5.00	5.4%
Sheep/Goats (additional animals after first 4)	Per animal	GST Free	\$5.50	\$6.00	\$0.50	9.1%
Cattle Minimum Fee (first 3 animals)	Per animal	GST Free	\$93.00	\$98.00	\$5.00	5.4%
Cattle (additional animals after first 3)	Per animal	GST Free	\$12.00	\$12.75	\$0.75	6.3%
Horses Minimum Fee	Per animal	GST Free	\$88.00	\$92.50	\$4.50	5.1%
Weekend & afterhours additional release fee	Additional	GST Free	\$105.00	\$110.00	\$5.00	4.8%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Transport Fee / Advertisement Fee	per event	Incl GST	cost + 25%	cost + 25%	cost + 25%	
<u>Permits required for all activities listed below regardless of charge</u>						
Permits not elsewhere specified	Per permit	GST Free	\$55-130	60-135	\$5.00	10.0%
Itinerant Trader (Maximum 12 trading days and excludes Council approved events, markets and festivals)	Per business	GST Free	\$430.00	\$450.00	\$20.00	4.7%
Itinerant Trader (After 12 trading days and not exceeding 104 and excludes Council approved events, markets and festivals)	4 days	GST Free	\$190.00	\$200.00	\$10.00	5.3%
Commercial Health & Fitness Provider - Annual Fee	Per business	Incl GST	\$253.00	\$265.00	\$12.00	4.7%
Camping & temporary accommodation. on Private property	annual Permit	GST Free	\$130.00	\$136.50	\$6.50	5.0%
Livestock Grazing Permit	per permit	GST Free	\$85.00	\$90.00	\$5.00	5.9%
Livestock Grazing Permit (Rail Trail corridor neighbouring properties only)			\$0.00	\$0.00	\$0.00	0.0%
Stock movement on Council and VicRoads controlled roads	per permit	GST Free	\$0.00	\$0.00	\$0.00	0.0%
Events & Festivals	per permit	GST Free	\$135.00	\$142.00	\$7.00	5.2%
Bond for works on roads & reserves		GST Free				
Urgent consideration of application (if sought in less than 28 days)	per app.	Incl GST	\$55.00	\$57.50	\$2.50	4.5%
Roadside Firewood Collection Permit	per permit	GST Free	\$0.00	\$0.00	\$0.00	0.0%
<u>Emergency Management</u>						
Fire Direction clearing Notice - non compliance	infringement	GST Free	\$1,450.00	\$1,556.00	\$106.00	7.3%
Fire hazard removal	Per Compliance failure	Incl GST	Cost+10%	\$140 + cost		

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed 2017-18 Charge \$	Increase \$	Increase %
<u>Road Infrastructure Service</u>						
<u>Works within a Road Reserve Permit</u>						
Minor Works - conducted on any part of roadway, shoulder or pathway	per permit	GST Free	\$159.90	\$167.90	\$8.00	5.0%
Minor Works - not conducted on any part of roadway, shoulder or pathway	per permit	GST Free	\$69.50	\$73.00	\$3.50	5.0%
Works other than minor works - conducted on any part of roadway, shoulder or pathway (speed limit above 50kph)	per permit	GST Free	\$625.60	\$656.90	\$31.30	5.0%
Works other than minor works - conducted on any part of roadway, shoulder or pathway (speed limit 50kph or below)	per permit	GST Free	\$278.00	\$292.00	\$14.00	5.0%
Works other than minor works - not conducted on any part of roadway, shoulder or pathway (speed limit above 50kph)	per permit	GST Free	\$347.60	\$365.00	\$17.40	5.0%
Works other than minor works - not conducted on any part of roadway, shoulder or pathway (speed limit 50kph or below)	per permit	GST Free	\$69.50	\$73.00	\$3.50	5.0%
Legal Point of Stormwater Discharge	per request	GST Free	\$64.20	\$67.40	\$3.20	5.0%
<u>Damage to Council Assets Reinstatement work</u>						
Asphalt	per m2	GST Free				
Bitumen / spray seal	per m2	GST Free				
Gravel	per m2	GST Free				
Nature strips/Road shoulders	per m2	GST Free				
Kerb & Channel	per l.m	GST Free				
Footpath	per m2	GST Free				
Driveways - concrete	per m2	GST Free				
Driveway Layback	per l.m	GST Free				
			Contractor cost plus 25%	Contractor cost plus 25%		

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Sundry Works						
Sundry external works	Per Job	Incl GST	Cost +25%	Cost +25%		
Waste Management						
Car Batteries	per car		Free of charge	Free of charge		
Car Bodies		Incl GST	Free of charge	Free of charge		
Domestic Waste less than 1/2 m ³		Incl GST	\$6.00	\$6.50	\$0.50	8.3%
E-Waste (electronic waste)		Incl GST	\$6.00	\$6.00	\$0.00	0.0%
Domestic Waste in a larger vehicle or trailer	m ³	Incl GST	\$35.00	\$37.00	\$2.00	5.7%
Domestic Recyclables under 1m ³		Incl GST	Free of charge	Free of charge		
Domestic Recyclables over 1m ³	m ³	Incl GST	\$10.00	Free of charge	-\$10.00	-100.0%
Commercial/Industrial Waste	m ³	Incl GST	\$54.00	\$57.00	\$3.00	5.6%
Commercial Recyclables	m ³	Incl GST	\$22.00	\$22.00	\$0.00	0.0%
Cardboard	m ³	Incl GST	\$14.00	Free of charge	-\$14.00	-100.0%
Gas Bottles	each	Incl GST	\$6.50	\$7.00	\$0.50	7.7%
Green Waste	m ³	Incl GST	\$12.00	\$13.00	\$1.00	8.3%
Motor Oil		Incl GST	Free of charge	Free of charge		
Mattress		Incl GST	\$30.00	\$30.00	\$0.00	0.0%
Bed Springs		Incl GST	\$15.00	\$16.00	\$1.00	
Steel & White Goods		Incl GST	Free of charge	Free of charge		

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Fridges (covers cost of degassing)		Incl GST	\$21.00	\$21.00	\$0.00	0.0%
<u>Tyres:</u>						
Car	per tyre	Incl GST	\$6.00	\$6.00	\$0.00	0.0%
4WD	per tyre	Incl GST	\$12.00	\$12.00	\$0.00	0.0%
Light Truck	per tyre	Incl GST	\$12.00	\$12.00	\$0.00	0.0%
Heavy Truck	per tyre	Incl GST	\$28.00	\$28.00	\$0.00	0.0%
Super Single	per tyre	Incl GST	\$28.00	\$28.00	\$0.00	0.0%
Solid Forklift	per tyre	Incl GST	\$28.00	\$28.00	\$0.00	0.0%
Tractor	per tyre	Incl GST	\$58.00	\$60.00	\$2.00	3.4%
Earthmoving	per tyre	Incl GST	\$115.50	\$115.00	-\$0.50	-0.4%
<u>Commercial / Bulk Garbage Charges:</u>						
240 Litre mobile garbage bin collection	per bin, per collection	Incl GST	\$10.80	\$11.30	\$0.50	4.6%
Commercial Recycling collections		Incl GST	\$8.50	\$9.00	\$0.50	5.9%
Special Events Waste Collection	Per bin delivery & collection	Incl GST	\$31.20	\$20.00	-\$11.20	-35.9%
Special Events Waste Collection	Per bin collection only (bin supplied by organisers)	Incl GST	\$16.20	\$17.00	\$0.80	4.9%
Additional Bins	per bin	Incl GST	\$80.10	\$84.00	\$3.90	4.9%
Bin Lid	per lid	Incl GST	\$14.70	\$15.00	\$0.30	2.0%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed 2017-18 Charge \$	Increase \$	Increase %
<u>Mansfield Community Services</u>						
Fee waiver by application to the CS Manager as per applicable policy						
<u>Aged and Disability Services</u>						
Criteria (as supplied by DHHS)						
Low Fee Range						
Single with before tax income < \$36,438						
Couple with before tax income < \$55,770						
Families (1 child) with before tax income < \$61,647						
Medium Fee Range						
Single with before tax income < \$79,514						
Couple with before tax income < \$106,298						
Families with before tax income (1 child) < \$111,941						
High Fee Range						
Single with before tax income > \$79,514						
Couple with before tax income > \$106,298						
Families with before tax income (1 child) > \$111,941						
Programme						
<u>Domestic Assistance</u>						
HACC Low Fee Range	per hour	GST Free	\$8.40	\$8.40	\$0.00	0.0%
HACC Medium Fee Range	per hour	GST Free	\$16.80	\$16.80	\$0.00	0.0%
HACC High Fee Range	per hour	GST Free	\$39.40	\$39.40	\$0.00	0.0%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
<u>Personal Care</u>						
HACC Low Fee Range	per hour	GST Free	\$5.80	\$5.80	\$0.00	0.0%
HACC Medium Fee Range	per hour	GST Free	\$10.50	\$10.50	\$0.00	0.0%
HACC High Fee Range	per hour	GST Free	\$39.40	\$39.40	\$0.00	0.0%
<u>Respite</u>						
HACC Low Fee Range	per hour	GST Free	\$4.00	\$4.00	\$0.00	0.0%
HACC Medium Fee Range	per hour	GST Free	\$6.00	\$6.00	\$0.00	0.0%
HACC High Fee Range	per hour	GST Free	\$33.60	\$33.60	\$0.00	0.0%
<u>Home Maintenance/Gardening</u>						
HACC Low Fee Range	per hour	GST Free	\$14.70	\$14.70	\$0.00	0.0%
HACC Medium Fee Range	per hour	GST Free	\$19.90	\$19.90	\$0.00	0.0%
HACC High Fee Range Maintenance	per hour	GST Free	\$39.40	\$39.40	\$0.00	0.0%
HACC High Fee Range Modifications			\$39.40	\$39.40	\$0.00	0.0%
<u>Delivered Meals</u>						
Single clients	per meal	GST Free	\$10.50	\$10.50	\$0.00	0.0%
Couples	per meal	GST Free	\$10.00	\$10.00	\$0.00	0.0%
<u>Community Shopping Bus</u>						
All clients	per ret trip	Incl GST	\$6.00	\$6.00	\$0.00	0.0%
<u>Volunteer Driving Programme*</u>						
Albury Wodonga	per trip	GST Free	\$174.00	\$174.00	\$0.00	0.0%
Alexandra	per trip	GST Free	\$68.00	\$68.00	\$0.00	0.0%
Barjarg	per trip	GST Free	\$12.00	\$12.00	\$0.00	0.0%
Benalla	per trip	GST Free	\$62.00	\$62.00	\$0.00	0.0%
Bonnie Doon	per trip	GST Free	\$14.00	\$14.00	\$0.00	0.0%
Goughs Bay	per trip	GST Free	\$14.00	\$14.00	\$0.00	0.0%
Howqua	per trip	GST Free	\$24.00	\$24.00	\$0.00	0.0%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Jamieson	per trip	GST Free	\$26.00	\$26.00	\$0.00	0.0%
Kevington	per trip	GST Free	\$28.00	\$28.00	\$0.00	0.0%
Macs Cove	per trip	GST Free	\$18.00	\$18.00	\$0.00	0.0%
Maindample	per trip	GST Free	\$12.00	\$12.00	\$0.00	0.0%
Merrijig	per trip	GST Free	\$16.00	\$16.00	\$0.00	0.0%
Merton	per trip	GST Free	\$18.00	\$18.00	\$0.00	0.0%
Sawmill Settlement	per trip	GST Free	\$22.00	\$22.00	\$0.00	0.0%
Shepparton	per trip	GST Free	\$118.00	\$118.00	\$0.00	0.0%
Tolmie	per trip	GST Free	\$18.00	\$18.00	\$0.00	0.0%
Wangaratta	per trip	GST Free	\$100.00	\$100.00	\$0.00	0.0%
Woods Point	per trip	GST Free	\$58.00	\$58.00	\$0.00	0.0%
Other Locations	per trip	GST Free	POA	POA		
*Charges for return trip from Mansfield						
*Pick up from outside of Mansfield may incur an additional charge - refer Aged and Disability Services						
<u>Brokerage Services</u>						
Meals on Wheels	per meal	Incl GST	\$14.85	\$15.50	\$0.65	4.4%
Domestic Assistance	per hour	Incl GST	\$47.40	\$47.40	\$0.00	0.0%
Personal Care	per hour	Incl GST	\$49.10	\$49.10	\$0.00	0.0%
Personal Care Out of Hours	per hour		POA	POA	N/A	
Respite	per hour	Incl GST	\$47.40	\$47.40	\$0.00	0.0%
Overnight Care - charged to Brokerage Agencies	per session	Incl GST	POA	POA	N/A	
Home Maintenance	per hour	Incl GST	\$58.85	\$58.85	\$0.00	0.0%
				\$0.00		
<u>Planned Activity Groups (PAG)</u>						
PAG(one session per week) Brokerage Client	per session	Incl GST	\$29.40	\$29.40	\$0.00	0.0%
PAG (one session per week) HACC and CHSP Clients	per session	GST Free	\$15.20	\$15.20	\$0.00	0.0%
PAG(two or more sessions per week) Brokerage Client	per week	Incl GST	\$56.20	\$56.20	\$0.00	0.0%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
PAG travel Brokerage Client	per hour	Incl GST	\$49.40	\$49.40	\$0.00	0.0%
PAG transport HACC Client minimum charge	return trip	Incl GST	\$13.10	\$13.10	\$0.00	0.0%
PAG transport within Mansfield township	return trip		nil	nil		
PAG transport outlying areas (outside Mansfield township) minimum charge	return trip	Incl GST	\$13.10	\$13.10	\$0.00	0.0%
PAG transport outlying areas (outside Mansfield township) more than one person in vehicle	return trip per person	Incl GST	\$6.00	\$6.00	\$0.00	0.0%
PAG transport Stewart's bus	return trip per person	Incl GST	\$3.00	\$3.00	\$0.00	0.0%
PAG transport Aqua Movers (Benalla)	return trip per person	Incl GST	\$11.00	\$11.00	\$0.00	0.0%
<u>Veterans Homecare (as per Department of Veterans' Affairs agreement)</u>						
Domestic Assistance (co-payment applicable)	per hour	Incl GST	\$56.90	\$56.90	\$0.00	0.0%
Respite in home (co-payment applicable)	per hour	Incl GST	\$48.20	\$48.20	\$0.00	0.0%
Respite in home exceptional (nil co-payment)	per hour	GST Free	\$64.30	\$64.30	\$0.00	0.0%
Respite Care Emergency (co-payment applicable)	per hour	Incl GST	\$51.55	\$51.55	\$0.00	0.0%
Respite Care Exceptional Emergency (nil co-payment)	per hour	GST Free	\$58.40	\$58.40	\$0.00	0.0%
Personal Care (co-payment applicable)	per hour	Incl GST	\$69.60	\$69.60	\$0.00	0.0%
Personal Care Exceptional (nil co-payment)	per hour	GST Free	\$84.70	\$84.70	\$0.00	0.0%
Home Maintenance (co-payment applicable)	per hour	Incl GST	\$59.60	\$59.60	\$0.00	0.0%
Social Assistance (co-payment applicable)	per hour	Incl GST	\$57.50	\$57.50	\$0.00	0.0%
DVA Client Co-payment	per hour	Incl GST	\$5.00	\$5.00	\$0.00	0.0%
<u>Mansfield Community Centre - Not for Profit/Community Organisations</u>						
Anderson Hall & Buckland Room Hire	Per Hour	Incl GST	\$17.00	\$18.00	\$1.00	5.9%
Anderson Hall & Buckland Room Hire	Per Day	Incl GST	\$76.00	\$80.00	\$4.00	5.3%
Anderson Hall & Buckland Room Hire	Half Day or <	Incl GST	\$38.00	\$40.00	\$2.00	5.3%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Consulting Room Hire	Per Day	Incl GST		POA		
Consulting Room Hire	Half Day or <	Incl GST		POA		
Negotiated rate for MACE social activities	Per Hour	Inc GST	\$17.00	\$18.00	\$1.00	5.9%
<u>Mansfield Community Centre - Commercial Operator</u>						
Anderson Hall & Buckland Room Hire	Per Hour	Incl GST	\$24.00	\$25.00	\$1.00	4.2%
Anderson Hall & Buckland Room Hire	Per Day	Incl GST	\$113.00	\$119.00	\$6.00	5.3%
Anderson Hall & Buckland Room Hire	Half Day or <	Incl GST	\$57.00	\$60.00	\$3.00	5.3%
Consulting Room Hire	Per Day	Incl GST	\$76.00	\$80.00	\$4.00	5.3%
Consulting Room Hire	Half Day or <	Incl GST	\$38.00	\$40.00	\$2.00	5.3%
<u>Mansfield Family and Children's Centre Commercial Operator</u>						
Multi-Purpose Room Hire	Per Hour	Incl GST	\$50.00	\$53.00	\$3.00	6.0%
Multi-Purpose Room Hire	Per Day	Incl GST	\$227.00	\$239.00	\$12.00	5.3%
Multi-Purpose Room Hire	Half Day or <	Incl GST	\$113.00	\$119.00	\$6.00	5.3%
Consulting Room Hire	Per Day	Incl GST	\$151.00	\$159.00	\$8.00	5.3%
Consulting Room Hire	Half Day or <	Incl GST	\$76.00	\$80.00	\$4.00	5.3%
<u>General</u>						
Key Replacement Fee	Per Key	Incl GST	\$50.00	\$55.00	\$5.00	10.0%
Cleaning Fee - minimum charge \$50. Additional charges cost recovery basis	Minimum Charge	incl GST	\$50.00	\$55.00	\$5.00	10.0%
<u>Mansfield Recreation Reserve</u>						
A. Swimming Pool						
Adult Swim	per person	Incl GST	\$4.30	\$4.40	\$0.10	2.3%
Child Swim	per person	Incl GST	\$2.90	\$3.00	\$0.10	3.4%
Spectators	per person	Incl GST	\$2.00	\$2.00	\$0.00	0.0%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Adult swim season pass	per person	Incl GST	\$93.00	\$96.00	\$3.00	3.2%
Child swim season pass	per person	Incl GST	\$67.00	\$69.00	\$2.00	3.0%
Family swim season pass	per family	Incl GST	\$160.00	\$165.00	\$5.00	3.1%
Seniors swim season pass	per person	Incl GST	\$75.00	\$77.00	\$2.00	2.7%
Carnival	per Day	Incl GST	\$225.00	\$230.00	\$5.00	2.2%
Pool Lane Hire (Plus Group Entry fee)	Per Hour	Incl GST	\$20.00	\$20.00	\$0.00	0.0%
Main Pool Hire (per hour)	Per Hour	Incl GST	\$45.00	\$46.00	\$1.00	2.2%
Pensioner Swim	per event	Incl GST	\$3.30	\$3.40	\$0.10	3.0%
Student Swim	per person	Incl GST	\$2.50	\$2.60	\$0.10	4.0%
Adult Shower	per person	Incl GST	\$2.50	\$2.50	\$0.00	0.0%
Adult Swimming Lesson (per visit - term basis only)	per Visit	Incl GST	\$11.20	\$11.50	\$0.30	2.7%
Child Swimming Lesson (per visit - term basis only)	per Visit	Incl GST	\$11.20	\$11.50	\$0.30	2.7%
Instructor Hire	per Hour	Incl GST	\$39.00	\$40.00	\$1.00	2.6%
B. Recreation Centre						
<u>Main Stadium - Not for Profit Organisation/Community Group</u>						
Casual Use - daytime up to 6.00 pm	per hour	Incl GST	\$27.50	\$28.50	\$1.00	3.6%
Casual Use - evening after 6.00pm	per hour	Incl GST	\$39.00	\$40.00	\$1.00	2.6%
Regular Use- daytime up to 6.00 pm (at least 4 week booking)	per hour	Incl GST	\$22.00	\$23.00	\$1.00	4.5%
Regular Use - evening after 6.00pm (at least 4 week booking)	per hour	Incl GST	\$32.50	\$33.50	\$1.00	3.1%
Special Events - all day (10 hrs)	per day	Incl GST	\$432.00	\$455.00	\$23.00	5.3%
Special Events - two days	per 2 days	Incl GST	\$808.50	\$825.00	\$16.50	2.0%
Refundable Bond (Special Events Only)	per event	GST Free	\$157.50	\$165.00	\$7.50	4.8%
School Usage	per hour	Incl GST	\$22.00	\$23.00	\$1.00	4.5%
<u>Main Stadium - Commercial Operator</u>						
Casual Use - daytime up to 6.00 pm	per hour	Incl GST	\$41.50	\$42.50	\$1.00	2.4%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Casual Use - evening after 6.00pm	per hour	Incl GST	\$58.00	\$59.00	\$1.00	1.7%
Regular Use- daytime up to 6.00 pm (at least 4 week booking)	per hour	Incl GST	\$33.00	\$34.00	\$1.00	3.0%
Regular Use - evening after 6.00pm (at least 4 week booking)	per hour	Incl GST	\$49.50	\$50.50	\$1.00	2.0%
Special Events - all day (10 hrs)	per day	Incl GST	\$648.00	\$680.00	\$32.00	4.9%
Special Events - two days	per 2 days	Incl GST	\$1,213.00	\$1,300.00	\$87.00	7.2%
Refundable Bond (Special Events Only)	per event	GST Free	\$235.00	\$250.00	\$15.00	6.4%
<u>Drama Room - Not for Profit/Community Organisations</u>						
Casual use before 6pm	per event	Incl GST	\$27.50	\$25.00	-\$2.50	-9.1%
Casual use after 6pm	per event	Incl GST	\$39.00	\$35.00	-\$4.00	-10.3%
Regular (minimum 4 week booking)	per hour	Incl GST	\$19.50	\$19.00	-\$0.50	-2.6%
Special Events - all day (10 hrs)	per event	Incl GST	\$150.50	\$150.00	-\$0.50	-0.3%
Special Events - two days	per 2 days	Incl GST	\$221.50	\$220.00	-\$1.50	-0.7%
Refundable Bond (Special Events Only)	per event	GST Free	\$157.50	\$165.00	\$7.50	4.8%
School Usage (applicable to Mansfield Sec College and Mansfield Primary School only as per agreement)	per hour	Incl GST	\$22.00	\$23.00	\$1.00	4.5%
<u>Drama Room - Commercial Operator</u>						
Casual use before 6pm	per event	Incl GST	\$41.50	\$40.00	-\$1.50	-3.6%
Casual use after 6pm	per event	Incl GST	\$58.50	\$56.00	-\$2.50	-4.3%
Regular (minimum 4 week booking)	per hour	Incl GST	\$29.50	\$28.00	-\$1.50	-5.1%
Special Events - all day (10 hrs)	per event	Incl GST	\$224.50	\$235.00	\$10.50	4.7%
Special Events - two days	per 2 days	Incl GST	\$333.00	\$350.00	\$17.00	5.1%
Refundable Bond (Special Events Only)	per event	GST Free	\$236.00	\$250.00	\$14.00	5.9%
<u>Seasonal Usage</u>						
Mansfield Football Netball Club	per season	Incl GST	\$2,263.00	\$2,350.00	\$87.00	3.8%
Mansfield Basketball Club	per annum	Incl GST	\$7,700.00	\$8,000.00	\$300.00	3.9%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Mansfield Junior Football Club	per season	Incl GST	\$525.00	\$551.50	\$26.50	5.0%
Mansfield Netball Association	per season	Incl GST	\$367.50	\$385.88	\$18.38	5.0%
Storage Room annual hire	per season	Incl GST	\$167.00	\$175.00	\$8.00	4.8%
General						
Key Replacement Fee	Per Key	Incl GST	\$50.00	\$52.50	\$2.50	5.0%
Cleaning Fee - minimum charge \$50. Additional charges cost recovery basis	Minimum Charge	incl GST	\$50.00	\$52.50	\$2.50	5.0%
Mansfield Library						
<u>Community use of meeting rooms under Mansfield Shire Control</u>						
Non-profit groups	Per Hour	Incl GST	\$5.30	\$5.60	\$0.30	5.7%
Commercial Operators	Per Hour	Incl GST	\$50.00	\$30.00	-\$20.00	-40.0%
<u>Fine for overdue (2 day grace), returned items with lost status and non-collection of reserved items</u>						
Adult	per day	Incl GST	\$0.20	\$0.20	\$0.00	0.0%
Junior	per day	Incl GST	\$0.10	\$0.10	\$0.00	0.0%
Fine for Inter Library Loan item	per day	Incl GST	\$0.50	\$0.50	\$0.00	0.0%
Fines for returned items with Lost status	per item	Incl GST	\$5.30	\$5.30	\$0.00	0.0%
<u>Public PC Printing</u>						
Black & White	per page	Incl GST	\$0.20	\$0.20	\$0.00	0.0%
Colour	per page	Incl GST	\$1.10	\$1.10	\$0.00	0.0%
<u>Damage Fees</u>						
Minor damage to an item or barcode	per item	Incl GST	\$2.30	\$2.40	\$0.10	4.3%
DVD or CD Rom replacement cover	per item	Incl GST	\$2.30	\$2.40	\$0.10	4.3%
CDB Covers	per item	Incl GST	\$10.50	\$11.00	\$0.50	4.8%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
<u>Penalty replacement cost for lost or damaged items</u>						
Adult Book	as charged by supplier or per item	Incl GST	\$27.30	\$28.50	\$1.20	4.4%
Junior Book	as charged by supplier or per item	Incl GST	\$14.70	\$15.50	\$0.80	5.4%
Light Romance	as charged by supplier or per item	Incl GST	\$2.10	\$2.20	\$0.10	4.8%
Periodical	as charged by supplier or per item	Incl GST	\$9.50	\$10.00	\$0.50	5.3%
Book on disk	as charged by supplier or per item	Incl GST	\$105.00	\$110.00	\$5.00	4.8%
Single disk	as charged by supplier or per item	Incl GST	\$19.90	\$21.00	\$1.10	5.5%
DVD	as charged by supplier or per item	Incl GST	\$28.40	\$30.00	\$1.60	5.6%
MP3	as charged by supplier or per item	Incl GST	\$110.30	\$115.00	\$4.70	4.3%
Replacement of lost or damaged library card	per item	Incl GST	\$2.60	\$2.70	\$0.10	3.8%
<u>Photocopying</u>						
Black & White Single Sided						
A4	per page	Incl GST	\$0.20	\$0.20	\$0.00	0.0%
A3	per page	Incl GST	\$0.40	\$0.40	\$0.00	0.0%
Colour Single Sided						
A4	per page	Incl GST	\$1.10	\$1.10	\$0.00	0.0%
A3	per page	Incl GST	\$2.10	\$2.10	\$0.00	0.0%
Duplex per side as above black & white and colour						
<u>Inter Library Fees and Charges</u>						
Requests for items not in stock and obtained by Inter Library Loan (as charged by supplier)	per item	Incl GST	as charged by supplier			

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Recoup of any Inter Library Loan postage charges	per item	Incl GST	as charged by supplier			
Inter Library Loan strap / barcode	per item	Incl GST	\$3.50	\$3.70	\$0.20	5.7%
Requests for photocopies not in stock and obtained on Inter Library Loan	per item	Incl GST	as charged by supplier			
<u>Telephone (local calls only) and Fax (Australia only)</u>						
Telephone	per call	Incl GST	\$0.50	\$0.50	\$0.00	0.0%
Fax First page	per page	Incl GST	\$4.20	\$4.00	-\$0.20	-4.8%
Additional pages	per page	Incl GST	\$1.10	\$1.20	\$0.10	9.1%
<u>Miscellaneous Charges</u>						
Programs and Activities		Incl GST	Charges may be applied on a cost recovery basis			
Research Fee	per half hour	Incl GST	\$10.50	\$15.00	\$4.50	42.9%
<u>Playaways</u>						
Earphones	per set	Incl GST	\$1.10	\$3.00	\$1.90	172.7%
USB Stick (8GB)	per item	Incl GST	\$8.40	\$8.50	\$0.10	1.2%
<u>Building Fees</u>						
<u>Building Permits - dwellings and out buildings</u>						
Building permit has expired - per inspection	Per Approval	GST Free	\$290.00	\$305.00	\$15.00	5.2%
<u>Property Information</u>						
Building Permit Information (with inspection dates)	per request	GST Free	\$46.80	Fee set by legislation		

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed 2017-18 Charge \$	Increase \$	Increase %
Lodgement fee legislated	per permit	GST Free	\$37.40	Fee set by legislation		
Fee (Request for Variation to Building Regs.) Legislated	per permit	GST Free	\$50.00	Fee set by legislation		
Demolition Section 29A Response	per permit	GST Free		Fee set by legislation		
File Retrieval from Off Site Archive	per file	GST Free	\$95.00	\$99.75	\$4.75	5.0%
Planning Fees						
<p>A range of statutory planning and subdivision fees apply in accordance with the <i>Planning and Environment (Fees) Regulations 2016</i> and the <i>Subdivision (Fees) Regulations 2016</i>. The schedule for planning fees can be accessed at:- http://www.dtpli.vic.gov.au/planning/about-planning/legislation-and-regulations/fees-under-the-planning-and-environment-act</p> <p>The schedule for subdivision fees can be accessed at:- http://www.dtpli.vic.gov.au/planning/about-planning/legislation-and-regulations/fees-under-the-subdivision-act</p> <p>The Regulations set fees in fee units. The fee units have been converted to a dollar value on the basis of the value of a fee unit as it is set for the 2016/17 financial year. A fee unit value is adjusted each year by the State Treasurer's amount and is published in the Government Gazette. In accordance with the Monetary Units Act 2004, the current value of a fee unit for the 2016/17 financial year is: \$13.94.</p>						
Request for Information (Planning Scheme Interpretation in writing) or preliminary site inspection, with written advice	per request	Incl GST	\$24.00	\$25.00	\$1.00	4.2%
Advertising fee						
* Public Notice	per application	Incl GST	\$157.00	\$165.00	\$8.00	5.1%
* Public Notice on site	per hour	Incl GST	\$100.00	\$105.00	\$5.00	5.0%
* Per letter	per letter	Incl GST	\$3.50	\$4.00	\$0.50	14.3%
* Administration Charge	per application	Incl GST	\$50.00	\$53.00	\$3.00	6.0%
Extension of time of Permit	per permit	GST Free	\$131.00	\$138.00	\$7.00	5.3%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed 2017-18 Charge \$	Increase \$	Increase %
Regulation 8 : Applications for Amendments to permits	per request	GST Free				
<u>Request to amend endorsed plans</u>						
Request to amend endorsed plans (secondary consent)	per applic.	Incl. GST	\$105.00	\$110.00	\$5.00	4.8%
<u>Request to amend/end s.173 Agreement</u>						
Request to amend/end an agreement entered into pursuant to s.173 of the P&E Act 1987	per applic.	Incl GST	\$567.60	\$596.00	\$28.40	5.0%
<u>Forestry</u>						
Timber Harvest Plans	per plan submitted	Incl GST GST Free	\$700.00	\$715.00	\$15.00	2.1%
<u>Subdivision Certification Fees</u>						
Preparation of Engineering Plans By Council	per applic.	Incl GST	3.5% of cost of works	3.5% of cost of works		
Checking Engineering Plans	per applic.	Incl GST	0.75% of cost of works	0.75% of cost of works		
Supervision Fees of works	per applic.	Incl GST	2.5% of cost of works	2.5% of cost of works		
<u>Applications for Development Plans</u>						
Application for a Development Plan to create <10 lots	per Application to create < 10 lots	GST Free	\$913.50	\$959.00	\$45.50	5.0%
Application for a Development Plan to create 10 - 20 lots	per Application to create 10 - 20 Lots	GST Free	\$1,086.75	\$1,141.00	\$54.25	5.0%
Application for a Development Plan to create > 20 lots	per Application to create > 20 Lots	GST Free	\$1,212.75	\$1,273.00	\$60.25	5.0%
Application to amend an existing Development Plan	per Application	GST Free	\$609.00	\$639.00	\$30.00	4.9%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
<u>Environmental Health Service</u>						
<u>Septic Systems</u>						
Installations - Domestic	per permit	GST Free	\$520.00	\$546.00	\$26.00	5.0%
Alterations - minor	per permit	GST Free	\$265.00	\$278.00	\$13.00	4.9%
- substantial	per permit	GST Free	\$420.00	\$442.00	\$22.00	5.2%
Significant Variation to proposal	per event	GST Free	\$190.00	\$200.00	\$10.00	5.3%
Extend permit life or additional Inspections	per event	GST Free	\$200.00	\$210.00	\$10.00	5.0%
Land Capability Assessment reviews up to 2 allotments	per report	Incl GST	\$200.00	\$210.00	\$10.00	5.0%
Land Capability Assessment reviews more than 2 allotments	per report	Incl GST	\$252.00	\$265.00	\$13.00	5.2%
<u>Registrations</u>						
A. Food Act						
Class 1 - Hospitals, nursing home etc	per regist.	GST Free	\$357.00	\$376.00	\$19.00	5.3%
Class 2a - Hazardous foods large scale premises as defined	per regist.	GST Free	\$468.00	\$492.00	\$24.00	5.1%
Class 2b - Hazardous foods smaller scale premises as assessed by Council	per regist.	GST Free	\$358.00	\$376.00	\$18.00	5.0%
Class 3 - Lower risk unpackaged & packaged potentially hazardous	per regist.	GST Free	\$168.00	\$176.00	\$8.00	4.8%
Charitable organisation	per regist.	GST Free	\$65.00	\$68.00	\$3.00	4.6%
Transfer fee - 50% of registration fee up to maximum of	per transfer	GST Free	\$216.00	\$228.00	\$12.00	5.6%
Single food stall application	per event.	GST Free	\$53.00	\$56.00	\$3.00	5.7%
Up to 4 food stall events	per appl.	GST Free	\$90.00	\$95.00	\$5.00	5.6%
More than 4 food stall events Class 2	per appl.	GST Free	\$110.00	\$160.00	\$50.00	45.5%
More than 4 food stall events Class 3	per appl.	GST Free	\$110.00	\$120.00	\$10.00	9.1%
Failed food samples - resampling fee	per sample	Incl GST	See note			

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Additional inspection - where 'Section 19 Notice' is issued to Food Premises	as required based on assessment	Incl GST	\$150.00	\$160.00	\$10.00	6.7%
B. Public Health & Wellbeing Act						
Prescribed Accommodation fee	per regist.	GST Free	\$200.00	\$210.00	\$10.00	5.0%
Variation - School camps (non-profit)	per regist.	GST Free	\$136.00	\$144.00	\$8.00	5.9%
Infectious Diseases Control Premises						
Hairdressing/Beauty Parlour	per regist.	GST Free	\$138.00	\$145.00	\$7.00	5.1%
Mobile Hairdressing	per regist.	GST Free	\$138.00	\$145.00	\$7.00	5.1%
Skin Penetration Processes (often in addition to other services provided)	per regist.	GST Free	\$150.00	\$158.00	\$8.00	5.3%
Transfer fee -	per transfer	GST Free	\$75.00			
Food/Health Late Registration Lodgement fee	per premises	Incl GST	\$0.00	\$50.00	\$50.00	100.0%
Inspection Requests (pre-purchase of business)	per premises	Incl GST	\$164.00	\$172.00	\$8.00	4.9%
C. Caravan Parks & Movable Dwellings						
• 17 fee units for up to 25 sites			indicative only \$236.00	\$245.00	\$9.00	3.8%
• 34 fee units for 26 -50 sites		GST Free	\$475.00	\$500.00	\$25.00	5.3%
• 68 fee units for 51 to 100 sites		GST Free	\$950.00	\$998.00	\$48.00	5.1%
• 100 fee units for 101 to 150 sites		GST Free	\$1,390.00	\$1,460.00	\$70.00	5.0%
• 120 fee units for 151 to 200 sites		GST Free	\$1,668.00	\$1,750.00	\$82.00	4.9%
Transfer (change of ownership, etc.)	per transfer	GST Free	\$70.00	\$74.00	5 fee units	
Miscellaneous Charges						
Head Lice Lotion, vaccines etc		GST Free	cost + 10%	cost + 10%		
Sharpsafe containers (diabetics) and their disposal	per cont	Incl GST	Free	Free	\$0.00	0.0%
Saleyards						
Transshipment Fees		Incl GST	\$1,261.70	\$1,280.63	\$18.93	1.5%

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
<u>Cemetery Trust</u>						
<u>Monumental Section</u>						
Land 1.2 * 1.2 (child up to 12 years)	Per site	GST Free	\$410.00	\$415.00	\$5.00	1.2%
Land 2.4 * 1.2 Selected by Applicant	Per site	GST Free	\$502.00	\$785.00	\$283.00	56.4%
Land 2.4 * 1.2 Selected by Trustee	Per site	GST Free	\$456.00	\$785.00	\$329.00	72.1%
Sinking to 2.1 metres	Per site	Incl GST	\$1,220.00	\$1,235.00	\$15.00	1.2%
Sinking to 1.2 metres (children's section)	Per site	Incl GST	\$456.00	\$460.00	\$4.00	0.9%
Reopen for second burial	Per site	Incl GST	\$794.00	\$800.00	\$6.00	0.8%
Extra sinking per 300mm		Incl GST	\$148.50	\$150.00	\$1.50	1.0%
Interment fee	Per site	Incl GST	\$112.75	\$110.00	-\$2.75	-2.4%
<u>Lawn Section</u>						
Land 2.4 * 1.2	Per site	GST Free	\$774.00	\$785.00	\$11.00	1.4%
Sinking to 2.1 metres	Per site	Incl GST	\$1,220.00	\$1,235.00	\$15.00	1.2%
Reopen for second burial	Per site	Incl GST	\$794.00	\$800.00	\$6.00	0.8%
Plaque to suit mounting base - contract price plus 20%		Incl GST				
Plaque & flower container	Per site	Incl GST	\$620.00	\$630.00	\$10.00	1.6%
Interment fee	Per site	Incl GST	\$112.75	\$110.00	-\$2.75	-2.4%
<u>Miscellaneous Charges</u>						
Ashes in Niche Wall - Perpetuity	Per niche	GST Free	\$261.00	\$265.00	\$4.00	1.5%
Interment of Ashes lawn or niche wall		Incl GST	\$112.75	\$110.00	-\$2.75	-2.4%
Plaque to suit mounting base - contract price plus 20%		Incl GST				
Additional fee for weekends or public holidays	Per day	Incl GST	\$200.00	\$205.00	\$5.00	2.5%
Additional sinking oversize grave (1 foot)	Per 300cm	Incl GST	\$148.50	\$150.00	\$1.50	1.0%
Interment of Ashes in Grave (per canister) - Perpetual	Per item	GST Free	\$333.00	\$335.00	\$2.00	0.6%
Removal of Ashes-Niche Wall (when authorised)	Per Grave	Incl GST	\$379.25	\$385.00	\$5.75	1.5%
Removal of ledger - Fee for use of Stonemason	Per grave	Incl GST	\$0.00	\$770.00	\$770.00	NEW

Description	Unit	Taxation Status	2016-17 Charge \$	Proposed	Increase \$	Increase %
				2017-18 Charge \$		
Fee to erect monument or plaque in Monumental Section	Per item	GST Free	Fees as gazetted separately			Fees as gazetted Separately
Fee for search of records	Per record	GST Free	\$22.00	\$22.00	\$0.00	0.0%
Fee to erect Australian War Graves Plaque	Per item	Incl GST	\$310.00	\$315.00	\$5.00	1.6%
Cancellation of order to sink if commenced	Per Order	Incl GST	\$155.00	\$155.00	\$0.00	0.0%
Certificate of Right of Burial issue	Per item	GST Free	\$35.00	\$35.00	\$0.00	0.0%
Re-instatement/Restoration Works requested by person holding 'Right of Burial' for grave in Monumental Section	Per grave	Incl GST	Fees as gazetted separately			Fees as gazetted separately
<u>Other Cemetery Trust Services</u>						
Lift and reposition		Incl GST	\$1,665.00	\$1,680.00	\$15.00	0.9%
Exhumation Fee		Incl GST	\$1,665.00	\$1,680.00	\$15.00	0.9%

Appendix B Budget processes

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

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

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

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

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

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

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

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

End of Mansfield Shire Council Draft Budget Report



8. OTHER REPORTS

8.1 Such Other Business Admitted by the Unanimous Resolution of the Council

Nil

9. MEETING CLOSURE

There being no further business the meeting concluded at 4.30 pm

CONFIRMED this **sixteenth** day of **May** 2017.

Mayor