



*South Gippsland Shire Council*

# ***ANNUAL BUDGET***

## ***2008 - 2009***

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**COUNCIL MEETING 18 June 2008**

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*Prepared by:* **Tom Lovass**  
**Finance Manager**





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## *Mayor's Introduction*

It gives me great pleasure to present this Budget to the community of South Gippsland Shire Council.

We will increase rates by 5.5 percent in the 2008/09 financial year. This level allows us to maintain existing service levels, fund a number of new initiatives and continue to allocate additional funds to renew the Shire's infrastructure.

The rate increase has been kept in line with the Long Term Financial Strategies and Plan that were first developed in 2003 and is subject to an annual review process.

The proposed budget includes a number of new initiatives:

- A capital works program which includes renewal, upgrade and extensions that exceed \$6.3m. These works include:
  - Approximately \$2.1m for re-sealing including preparations.
  - Reconstruction of Anderson Inlet Road, Bena \$766k
  - Reconstruction of Dewar Lane, Leongatha \$200k
  - Gravel road resheets approximately \$1.0m
- Undertake and implement a review of the Municipal Strategic Statement (MSS).
- Implementation of key strategic projects as part of the ongoing Planning Scheme Review, including:
  - a. South Gippsland Rural Strategy.
  - b. Township Plans for Leongatha, Korumburra, Foster, Mirboo North, Nyora, Loch, Tarwin Lower, Venus Bay, Waratah Bay and Sandy Point.
- Implementation of the Waste Management Strategy.
- Implementation of the Recreation Strategy including development of Aquatic Strategy, and commence review process for Bikes and Paths plan.
- Implementation of an operational strategy for the network of Tourism Visitor Information Centres.
- Implement the actions prescribed the Domestic Waste Water Management Plan and development of waste water education program.



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- Implementation of the Business Continuity and Information Technology Disaster Recovery Plan.
  - Implement the People Culture and Lifestyle Strategy including the development of a Workforce Planning Strategy.

The total Capital Works and Major Works program will be \$9.26 million, of which \$0.17 million relates to projects carried over from the 2007/08 year.

Highlights of the Capital Works program include:

- Roads (\$4.16 m) – Including reconstructions, reseals and roads to recovery projects.
- Bridges (\$100k) – For major renewal works for Drying Road, Foster.
- Footpaths (\$281k) – Including footpath extensions of \$80k and \$201k for footpath renewals
- Buildings (\$555k) – Including toilet block upgrades, pool upgrade and main office upgrade.
- Plant and equipment (\$2.97 million) – Including information technology, asset management and scheduled replacement of Council’s plant and fleet.

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible.

Residents and other interested members of the community are welcome to view and make comments and submissions on the budget.

**Cr Heather Bligh**

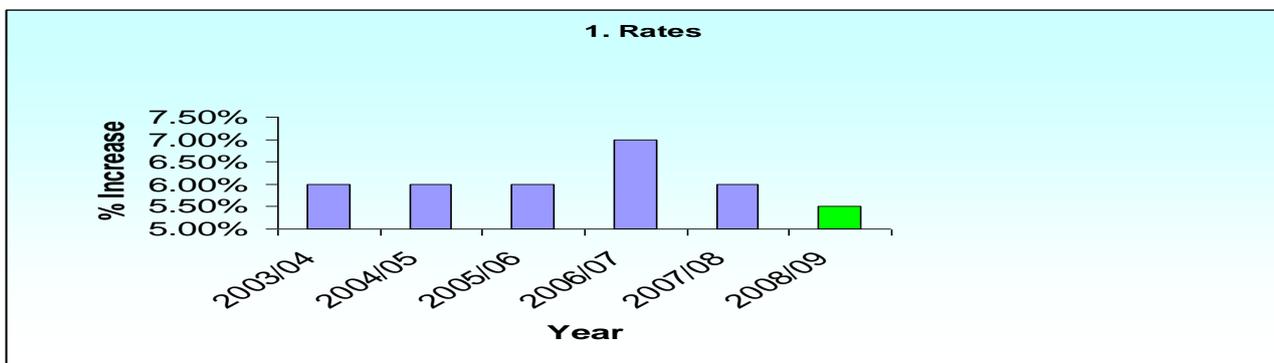
**Mayor**



## Executive Summary

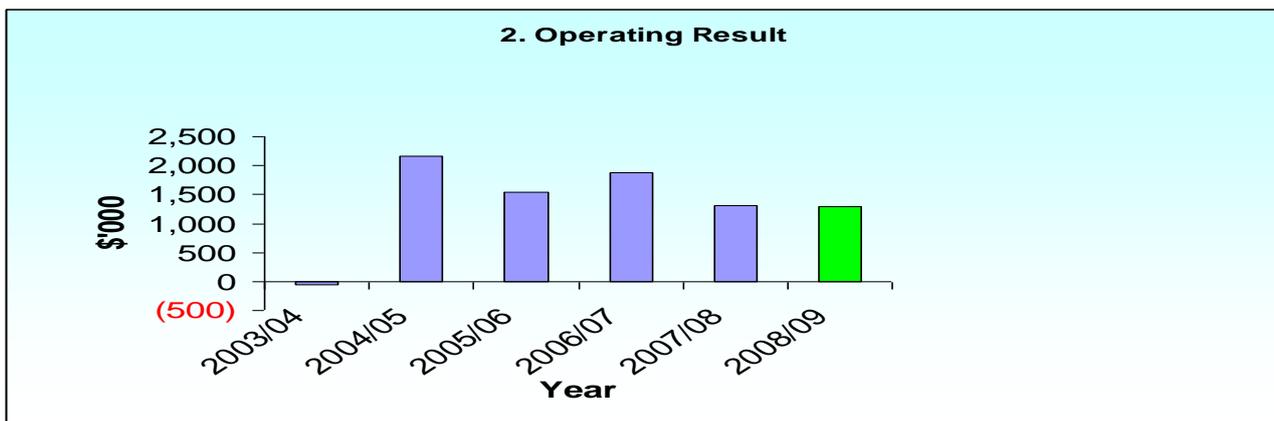
Council has prepared a Budget for the 2008/09 financial year, which seeks to balance the demand for services and infrastructure with the community’s capacity to pay. Key budget information is provided below about the rate increase, operating result, cash and investments, capital expenditure, financial position and financial sustainability of the Council.

### Rates



It is proposed that general rates increase by 5.5% for the 2008/09 year, raising total rates of \$23.81 million, including \$0.15 million generated from supplementary rates and charges. This rate increase is in line with Council’s rating strategy and long term financial plan. The rate increase will go toward strengthening Council’s overall financial position. The objective in past years had been to reduce long term debt and now it is to strengthen Council’s working capital to then provide additional funding for capital works renewal programs over the coming years. The rate increase for the 2007/08 year was 6.0%.

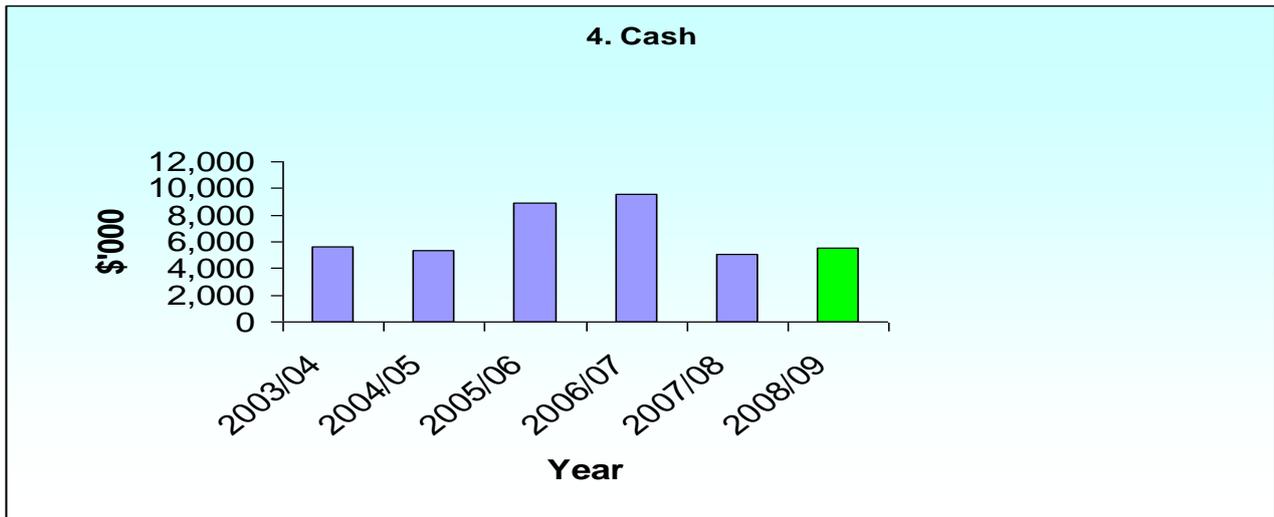
### Operating result





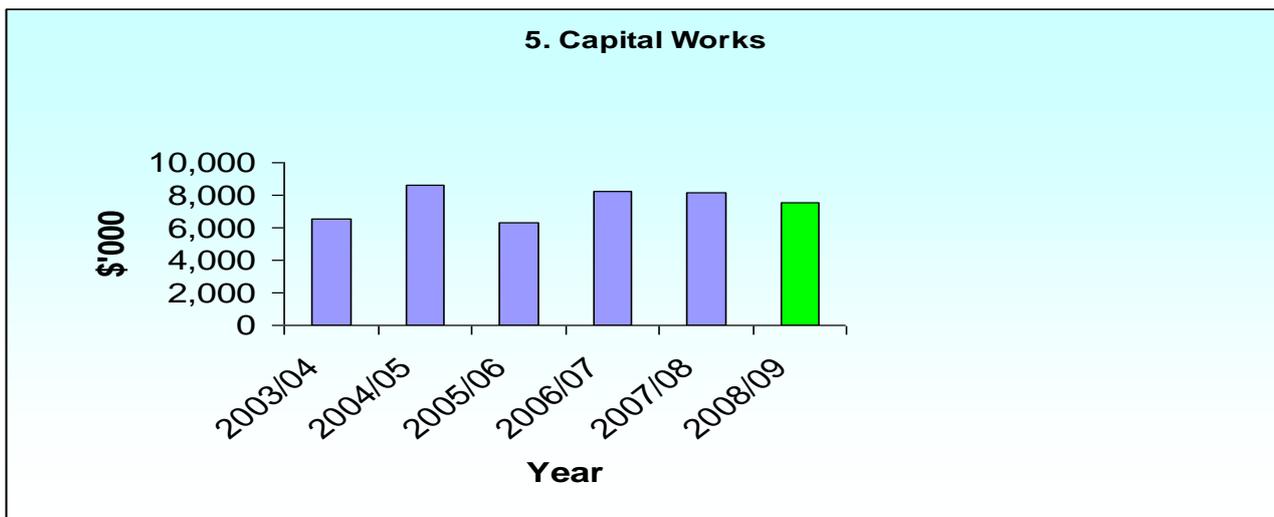
The expected operating result for the 2008/09 year is a surplus of \$1.30 million, which is similar to 2007/08. The operating result is in line with Council’s Long Term Financial Strategies and Plan. The projected operating result for the 2007/08 year is a surplus of \$1.31 million.

**Cash position**



The cash position is expected to increase by \$0.47 million during the year to \$5.49 million as at 30 June 2009. The level of cash is in line with Council’s Long Term Financial Plan and is projected to be \$5.02 million as at 30 June 2008.

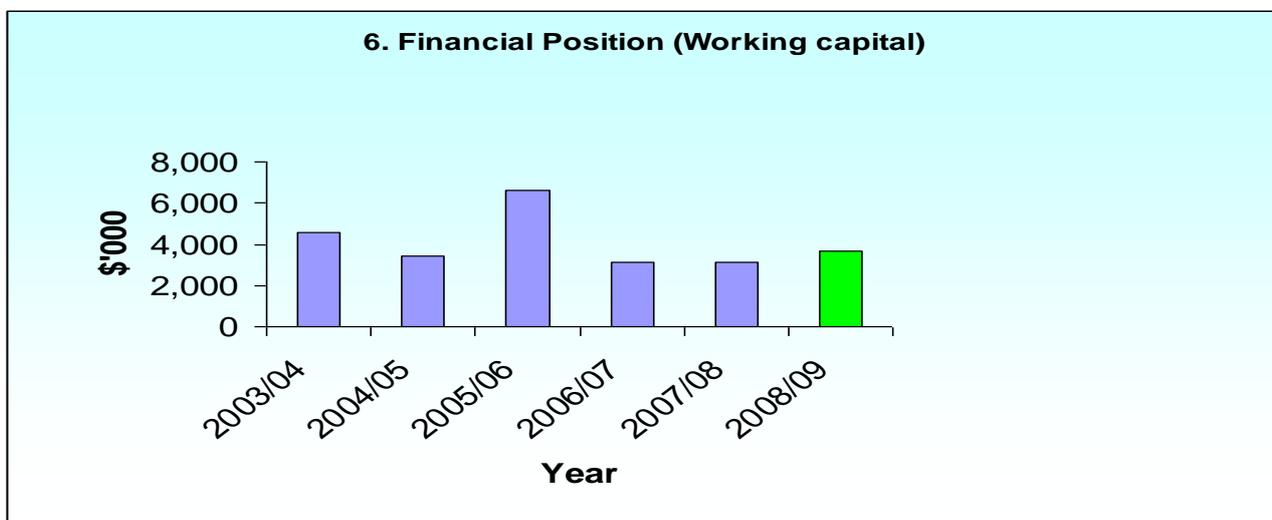
**Capital expenditure**





The capital expenditure program for the 2008/09 year is expected to be \$7.51 million of which \$0.17 million relates to projects, which will be carried forward from the 2007/08 year. The carried forward component is fully funded from the 2007/08 budget. The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. This year's program is relatively flat, whilst the strategic focus has been to in the first instance repay long term debt and then to improve the overall working capital position of Council. Capital works is projected to be \$8.19 million for the 2007/08 year.

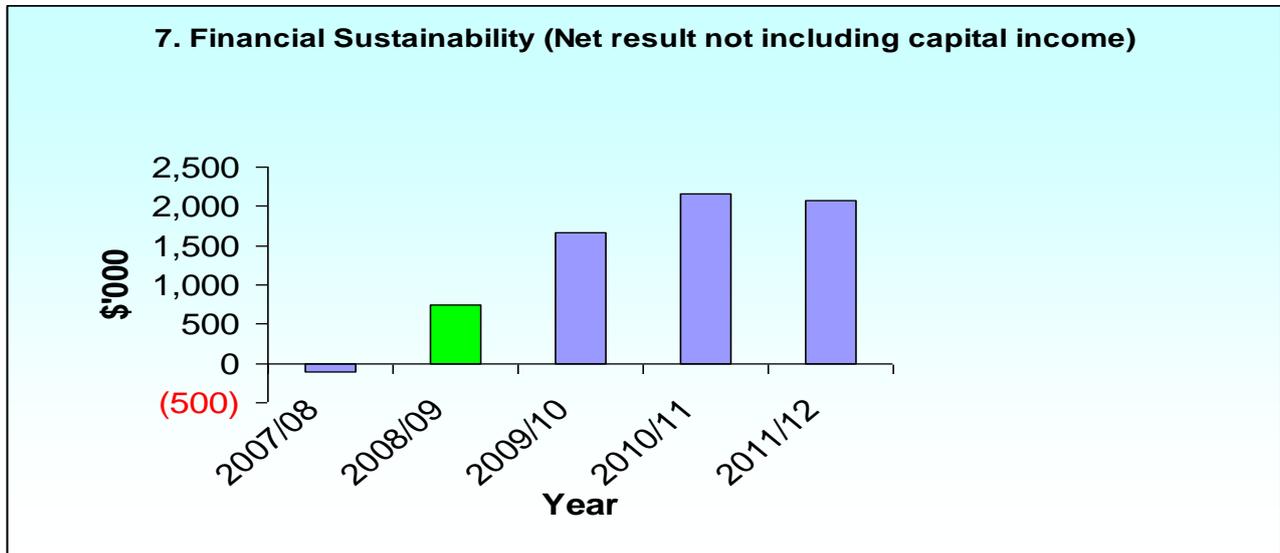
**Financial position**



Net current assets (working capital) will increase by \$0.57 million to 3.69 million as at 30 June 2009. The strategic focus is now to improve and strengthen the overall financial position of Council. In previous years the focus was to reduce long term debt. Working capital is projected to be \$3.12 million as at 30 June 2008.



**Financial sustainability**



A detailed for the years 2008/09 to 2017/18 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the plan is achieving financial sustainability in the medium to long term, whilst still achieving the Council’s strategic objectives as specified in the Council Plan. When capital funding (\$0.55 million) is backed out of the operating result (\$1.30 million surplus) the underlying result (net result not including capital income) for 2008/09 is projected to be a \$0.75 million surplus. The Long Term Financial Plan projects consistent and increasing underlying surpluses are expected to occur in following years.



## *Budget Processes*

This section lists the budget processes to be undertaken in order to adopt the budget in accordance with the Act and Regulations.

The preparation of the budget begins with officers preparing the annual budget in accordance with the Act and submitting the ‘proposed’ budget to Council for approval ‘in principle’. Council is then required to give ‘public notice’ that it intends to ‘adopt’ the budget. It must give 14 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices. A person has a right to make a submission on any proposal contained in the budget and Council must consider any submission before adoption of the budget.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

Budget Process	Timing
1. Proposed budget submitted to Council for approval	7 May
2. Public notice advising intention to adopt budget	13 May
3. Budget available for public inspection & comment	13 May
4. Submissions period closes	27 May
5. Submissions considered by Council	4 June
6. Budget presented to Council for adoption	18 June
7. Copy of adopted budget submitted to the Minister	25 June

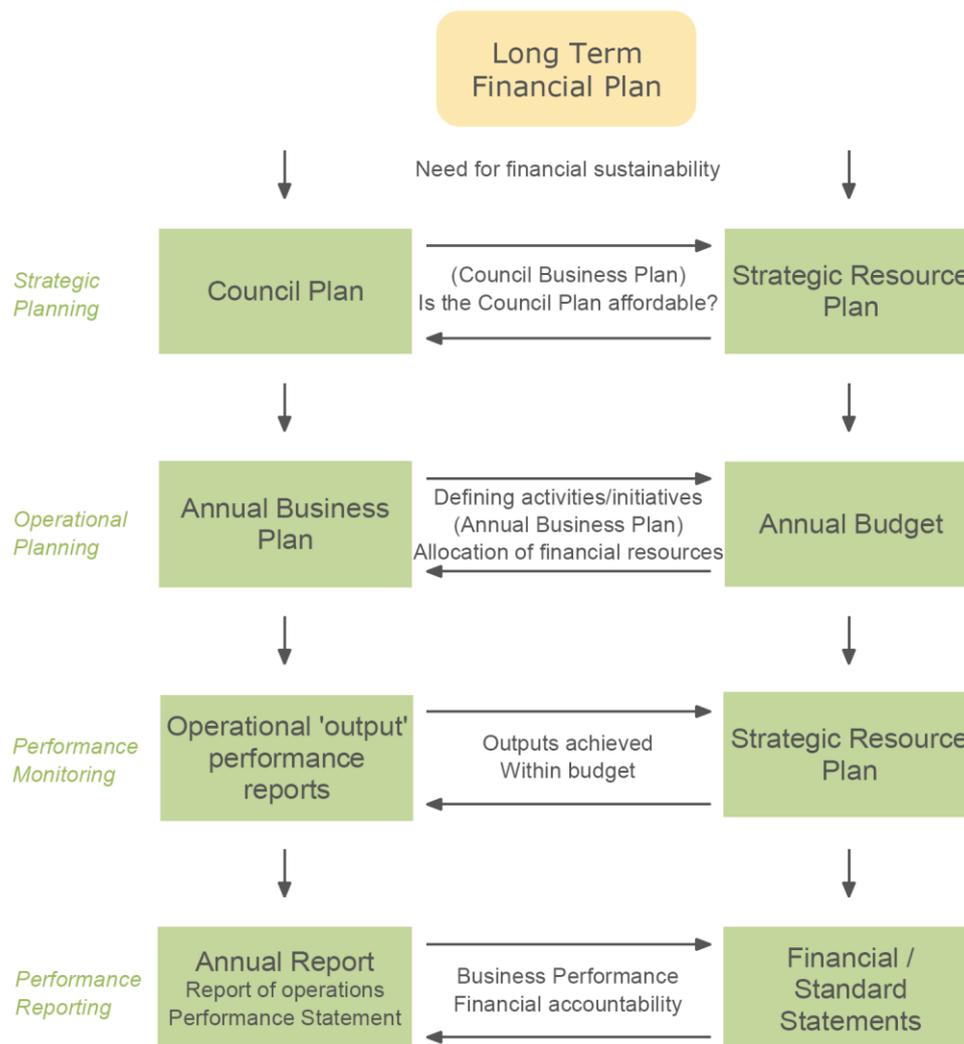


# 1. Linkage to Council Plan

This section describes how the annual budget links to the achievement of the Council Plan within an overall strategic planning framework. This framework guides the Council in identifying community needs and aspirations over the longer and medium term (10 year Long Term Financial Plan and 4 year Council Plan) and short term (Annual Budget) and then holding itself accountable (audited statements).

## 1.1 Strategic planning framework

The Annual Budget has been developed within an overall planning framework. The diagram below sets out the strategic planning and reporting framework of Council.



The various financial components of the plans are structured that you can ‘drill down’ from the 10 year Long Term Financial Plan through to a 4 year Strategic



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Resource Plan, (that complements the Council Plan), and then finally to the Annual Budget (that complements the Annual Service Plan).

The Long Term Financial Plan incorporates some very high level objectives / strategies as well as a 10 year Long Term Financial Plan. The Plan is the overarching document to the Strategic Resource Plan and the Annual Budget, and sets the future financial direction of the Council.

The Council Plan specifies key strategic objectives and strategies, whereas the Strategic Resource Plan (SRP) is a detailed forward budget that effectively quantifies the resources required over four years to achieve the strategic objectives.

The Annual Business Plan details activities, initiatives and outcomes planned to be undertaken including the budget requirements, as well as the identification of key strategic activities (KSA's). The Annual Budget collates the resource requirements.

Throughout the financial year, the focus then shifts to actual business performance and the monitoring of it. The key objective is to produce the planned outputs and be within budget.

Finally, at year-end, the actual outcomes are reported upon in the annual report, financial statements and standard statements. The financial statements and the KSA's are subject to external audit.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The review of the Council Plan and Long Term Financial Plan commences mid way through the financial year to ensure that there is sufficient time for officers to develop their Annual Business Plans (also referred to as 'Department Business Plans') in draft form, prior to the commencement of the annual budget process in February.

Prior to the 2003/04 financial year, Council's Long Term Financial Plan was derived at a very high level from the annual rate determination statement. Rate determination budgets were satisfactory in facilitating the rate setting process but it did not adequately address or focus on financial position management for current or future years when setting budgets.

In 2003/04 Council changed its budgeting methodology from a rate determination basis to what is commonly referred to as 'three way budgeting methodology'. This technique produces forecast financial statements based on the assumptions about future movements in key revenues, expenses, assets and liabilities.



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As a result a Long Term Financial Plan developed in 2003/04 focused on:

- Budget of financial performance (income statement).
- Budget of cash position (cash flow statement).
- Budget of financial position (balance sheet), and
- Budget of capital works (capex program).

In the following years the Long Term Financial Plan was further refined, including the incorporation of specific capital works projects into the 10-year plan.

All Annual Budgets since 2003/04 have been very much developed within the framework of the 10 year Forward Financial Plan.

Targets established during the long term financial planning process and the adherence to the key financial strategies, again guided the preparation of this 2008/09 annual budget.

## **1.2 Key Result Areas and Strategic Objectives**

The Council via 2 directorates (that includes 9 departments) delivers activities and initiatives under 37 major program (which includes 83 sub programs) categories. Each contributes to the achievement of one of the five key result areas as set out in the Council Plan for the years 2008 to 2012. Each key result area has a number of specific strategic objectives.

‘Key result areas’ define what outcomes we want to achieve over a period of time, and ‘strategic objectives’ describe how in fact it will be done to achieve the desired outcome

The table on the following page lists the five key result areas and associated strategic objectives as described in the Council Plan.



KEY RESULT AREA	STRATEGIC OBJECTIVES
<p>1. Facilitate, plan and provide programs, services and opportunities that increase the viability of our communities</p>	<ul style="list-style-type: none"> <li>• Provide a strategic framework for the achievement of the social and community objectives.</li> <li>• Facilitate, support and/or provide a range of community services to meet the changing needs of our communities.</li> <li>• Facilitate community self help with the aim of strengthening the social wellbeing of individuals, families and communities within our Shire.</li> <li>• Enhance the quality of life, heritage and culture for the residents of South Gippsland by supporting and facilitating a range of services and other initiatives.</li> </ul>
<p>2. Ensure sustainable development and infrastructure to meet the current and long term needs of our communities</p>	<ul style="list-style-type: none"> <li>• Facilitate land use planning and development that reflects the aspirations of the community, and provides for sustainable outcomes including those in agriculture and rural living.</li> <li>• Design and deliver capital works and maintenance programs based on sustainable asset management plans.</li> </ul>
<p>3. Encourage investment, development and services that facilitate a planned and sustained growth for the Shire</p>	<ul style="list-style-type: none"> <li>• Foster, support and engage our existing businesses.</li> <li>• Facilitate new or expanded business and investment opportunities.</li> <li>• Develop partnerships with government agencies to support the Shire’s businesses and services.</li> </ul>



KEY RESULT AREA	STRATEGIC OBJECTIVES
<p>4. Protect our unique environment by promoting and engaging in sustainable practices and initiatives</p>	<ul style="list-style-type: none"> <li>• Develop and implement responsible policies, practices and initiatives to manage community impacts on the environment.</li> <li>• Enhance the natural environment through the protection of existing habitat and revegetation.</li> <li>• Promote sustainable environmental practises through corporate leadership, community education and support to conservation groups.</li> <li>• Adopt policies and procedures that respond to the impact of climate change.</li> </ul>
<p>5. Provide our community with responsive, accessible, efficient leadership, advocacy and service delivery</p>	<ul style="list-style-type: none"> <li>• Ensure good governance and strong leadership through the provision of open, transparent and consistent decision making, representing the interests of the community and conducting our affairs with integrity.</li> <li>• Plan and manage our finances and assets to maximize community benefits.</li> <li>• Establishing South Gippsland Shire Council as an employer of choice so that we are able to effectively recruit and retain our workforce in an increasingly competitive market.</li> <li>• Effectively provide for the efficient capture and use of knowledge across the organisation and to the community.</li> </ul>



## 2. *Operational activities, and key strategic initiatives*

This section provides a description of the activities and initiatives to be funded in the budget for the 2008/09 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of key strategic activities and performance targets and measures in relation to these.

### 2.1 **Activities and key initiatives by department.**

The Annual Business Plan documents the activities and initiatives into specific program areas that are managed by different teams. It also details key activities / processes, key initiatives and capital works (with measures & targets) for each department.

These activities / processes and initiatives are shown below in directorate / department order.

<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE OFFICER</b>
<b>MANAGER:</b>	<b>PAUL BAWDEN</b>

#### **Directorate Purpose / Vision**

The Directorate's key purposes are as follows:

- Delivery of Council Plan and strategic directions for Council
- Ensure effective organisation performance to deliver community outcomes
- Provision of good governance through support to Council

#### **Council Plan Responsibilities**

##### Operational Plan

This section summarises the routine operational activities and programs that this Directorate is responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.1	Provide support to Councillors to ensure good governance	Council minutes produced by Friday after Council meeting
1.3.2	Ensure a constant stream of communication and consultation with the communities of interest to improve the delivery of Council	Monthly performance reports



	Services and programs	
5.1.2	Development & implement Performance Improvement Plans for all departments	Review of Annual Business Plans and provision of monthly performance reports.
5.1.5	Conduct regular team meetings and team building initiatives	All actions monitored and implemented.

<b>DEPARTMENT:</b>	<b>GOVERNANCE &amp; CORPORATE PLANNING</b>
<b>MANAGER:</b>	<b>JASON STUBBS</b>

### Department Purpose/Vision

To support and manage the services of Governance, Property, Grants, Council Planning, business planning and continuous improvement throughout the organisation.

### Business Plan

#### Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
	Monitor and report on Department's management to ensure that resources are utilised effectively to meet the customer needs. By providing weekly and/or monthly and quarterly business performance reports to General Manager, CEO, senior management and Council as required.	Reports are produced on time and provide accurate and relevant performance information.
	Conduct staff performance reviews to monitor, evaluate and improve performance within the team including developing and implementing training and development programs for all direct reports.	Complete staff performance and training and development plans on time. Provision of regular ongoing feedback.
5.1.1	Provide support to Council to effectively undertake its governance role and responsibilities.	Compliance with Councillors Code of Conduct. Compliance with Local Law.



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.1	Develop and review Governance & Corporate Planning policies and plans.	Policies are reviewed in accordance with corporate review cycle.
5.1.1	Coordinate the review of the Council Plan.	Completed by June 2009 and in accordance with Local Government Act.
5.1.1	Coordinate election processes for 2009	Electoral role finalised, election processes completed, Councillor induction completed
5.1.2	Coordinate Super 11 benchmarking timetable.	Timetable agreed to by CEO by Sept 2009.
5.1.2	Continuous improvement program and plan developed.	Achieved compliance with Best Value Principles.
5.1.1	Representation to State and Federal Government on key advocacy issues.	Representation made to relevant agencies on key issues.
5.1.1	Coordinate Internal Audit function.	Internal Audit function 4 per annum
5.1.1	Coordinate administration of Section 86 Committees.	Minutes, financial statements and annual reports received by August 08.
5.1.1	Adhere to recognised processes of contract administration.	Tendering processes are completed in a timely and professional manner – 100% compliant.
5.1.3	Prepare & distribute communications and produce publications	150 press releases per annum Annual Report completed within statutory timeframes "South Gippsland Matters" -annually x 2
2.2.4	Dispose & Acquire property	Compliance with relevant Acts & Legislation
2.2.4	Lease / Licence property	Compliance with relevant Acts & Legislation
2.2.4	Road discontinuance / deviations	Compliance with relevant Acts & Legislation
1.3.3	Identify and facilitate funding opportunities	Monthly report to Manager.
1.4.1	Administer and deliver Council's Community and Recreation Grants Program.	Timelines met. Effectively distribute grants in accordance with Council Policy.



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.1	Develop Councillor Code of Conduct	Code of conduct adopted by May 2009
5.1.1	Review Pre Election Policy	Policy adopted Jan 09
5.1.1	Review Councillor discretionary funds policy	Policy adopted Nov 08
5.1.1	Review Councillor support and expenditure policy	Policy adopted Nov 08

### Summary of Department Key Initiatives

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.1.2	Implement continuous improvement program. Promote a culture that embraces innovation and excellence.	9 PDSA projects undertaken and reviewed.	ongoing	June 2009
5.1.2	Coordinate Council Election processes, including induction and education program for new Council	Councillor feedback on education program	November 08	March 09
5.1.2	Develop Council Plan 2009-13	Council Plan endorsed	August 08	June 30 09
5.1.2	Review Annual Business Planning process and implement improvements to strategic planning process	Review undertaken	July 08	Sept 08



<b>DIRECTORATE:</b>	<b>CORPORATE AND COMMUNITY SERVICES</b>
<b>MANAGER:</b>	<b>SHARON VAN RUYVEN</b>

**Directorate Purpose / Vision**

Corporate and Community Services Directorate consists of four main departments these include Finance, Information Services (comprising Information Technology, Records Management and Customer Service) Human Resources and Health and Family Services. Additional responsibilities include the management of the strategic direction of libraries across the Shire.

The Directorate focus for the 2008/2009 financial year will be to provide a service that enables and supports the achievement of departmental objectives, Directorate and Council Plan goals. We will be specifically focussing on aligning our strategies, improving our management reporting and measuring performance, developing our people and organisational culture, refining our processes with the view to enhancing our service delivery to the community.

**Business Plan**

Operational Plan

This section summarises the business as usual operational activities and programs that the Directorate Executive is responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.2	Alignment of umbrella plans with the Council Plan and facilitating a coordinated approach to planning.	Umbrella plans to be aligned to Council Plan providing clear linkages by 31 Dec 2008.
1.2.2	Work with DHS and other key stakeholders to support them in their pursuit of mutually beneficial goals.	Implementation of revised HACCC guidelines.
5.1	Review, allocate and leverage resources across the directorate to ensure adequate coverage.	Resources are adequately applied. Turnover rate is less than 15% per year. Absenteeism is less than 5% per year.
5.1.1	Contribute directorate initiatives to the Council Plan and Annual Business Planning process.	All Directorate initiatives are captured in the Council Plan. Endorsed by EMG and adopted by Council. Jun 2009.



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.2	Imbed the business excellence and best value frameworks.	<p>Provide leadership to the Directorate in the area of business excellence and best value by:</p> <p>Ensuring all systems views are completed and processes are mapped.</p> <p>Attend business excellence training.</p> <p>Actively contribute positive ideas to process improvement across the Executive Management Group and Management Team.</p>
5.1.5	Engage with the community and advocate strongly on their behalf.	DP & CD Community satisfaction survey conducted annually showing continuous improvement over previous year.
5.1.4	Ensure sound risk management policies, procedures and management practices are adhered to.	<p>Oversee the development and continuous refinement of our corporate risk register.</p> <p>Oversee the implementation of the Business Continuity Plan and IT Disaster Recovery Plan.</p> <p>Achieve SafetyMap accreditation.</p>
5.1.5	Ensure effective communication and consultation between Council and the community it serves.	Annual DP & CD community satisfaction survey indicates satisfaction with the level of service provided.
5.2.1	Achieving the budgeted operating result for the Directorate.	Achieved budgeted operating result +/- 3%.
5.3.2	Conduct staff appraisals to monitor, evaluate and improve performance within the Directorate including developing and implementing training and development programs for all direct reports.	Work plans are in place. All staff appraisals are completed including development plans. Sept 2008 and Mar 2009.
5.3.3	Ensure corporate values are filtering through the organisation and are	Conduct annual Staff Conference. Implementation of key people as defined in the culture and lifestyle



Alignment to Council Plan	Key Activity / Process	Measure / Target
	adopted by all staff.	strategy.
	<p>Work in partnership with West Gippsland Regional Library (WGRL) and Council to develop budget and direction for 07/08.</p> <p>Attend WGRL Board meetings and Finance Committee meetings.</p> <p>Management and review of library services and facilities.</p>	<p>Budget adopted Aug 2008 and direction agreed to.</p> <p>Meetings attended. SGSC views represented and progress reported to Council.</p> <p>Facilities, staffing, hours maintained in accordance with agreed plans.</p>

**Capital Works**

Description	Cost	Start date	End date
Commence phased implementation of an Electronic Document Management System.	\$370,000	1 Jun 08	30 Jun 2009
Purchase and installation of bollards including minor associated works for Mobile Library service	\$30,000	1 Jun 08	30 Nov 2009



**Key Initiatives Summary**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.4.2	Commenced phased implementation of the Electronic Document Management System.	On time and within budget. Training undertaken.	1 Jul 2008	30 Jun 2009
5.1.4	Implement the Business Continuity and IT Disaster Recovery Plan.	In line with adopted action plan	1 Jul 2008	31 Dec 2008
5.3.1	Implement the People Culture and Lifestyle action plan.	In line with adopted action plan	1 Jul 2008	30 Jun 2009
1.2.1	Commence implementation of the Positive Ageing Strategy.	In line with adopted action plan	1 Jul 2008	31 May 2009
1.2.1	Review of the Municipal Public Health and Wellbeing Plan.	Endorsed by EMG and adopted by Council	1 Jul 2008	31 May 2009
1.2.1	Review of the Municipal Early Years Plan.	Endorsed by EMG and adopted by Council	1 Jul 2008	31 May 2009
1.2.1	Develop and adopt updated Access and Inclusion Strategy/Plan.	Endorsed by EMG and adopted by Council	1 Jul 2008	31 Dec 2008
5.3.1	Undertake a staff conference.	Delivered on time and budget. Evaluation survey indicates improvement over last year.	TBA 2008	TBA 2008
5.3.1	Implement a Program of Health and Wellbeing initiatives.	Increased participation by staff year over year.	1 Jul 2008	30 April 2009
5.2.1	Review Long Term Financial Plan	Long Term Financial Plan adopted by	1 Jul 2008	31 Mar 2009



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
		Council		
5.2.1	Review of budget accounts	Review of all department budgets completed	1 Aug 2008	31 Jan 2009
5.3.1	Undertake Leadership Development training	Training to be delivered on time and within budget. 70% greater satisfaction of attendees	1 June 2008	30 June 2009
5.3.1	Undertake EBA negotiations	EBA completed on time	1 Dec 2008	30 June 2009

<b>DEPARTMENT:</b>	<b>HEALTH AND FAMILY SERVICES</b>
<b>MANAGER:</b>	<b>LINDA JAMIESON</b>

### Department Purpose/Vision

The services provided by the Health and Family Services department are delivered through three main program areas; Aged and Disability, Maternal and Child Health and Environmental Health as well as a range of supporting sub-programs.

Health & Family Services strive to create an environment where people can lead rewarding and productive lives by maintaining a high standard of independence, health and wellbeing.

This department also has a strong role in partnering with the Department of Human Services, health service providers, community groups and other stakeholders. All of our services are delivered in accordance with funding and service agreements, Council strategies and community needs.

### Business Plan

#### Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for.



Alignment to Council Plan	Key Activity / Process	Measure / Target
1.2.1 1.2.2	Monitor the delivery of aged, Disability, family and environmental health services and programs	Meet targets detailed in funding a service agreements >70% community satisfaction with “Health & Family Services” as measured by the annual Local Government Community Satisfaction Survey
1.1.1 1.3.2	Report on the implementation of the Public Health & Wellbeing Plan	Annual report completed by 30 Jun 2009
1.1.1 1.3.2	Implement Department actions from Council ’s Access & Inclusion Plan	Actions completed in accordance with Access & Inclusion Plan
1.1.1 1.3.2	Review Community Transport fee structure to ensure an equitable, cost effective service	Revised fee structure adopted by Council during 2009/2010 budget process
1.1.1 1.3.2	Report on the implementation of Municipal Early Years Plan	Annual report completed by 30 Jun 2009
1.1.1 1.3.2	Report on development and implementation of Positive Ageing Strategy	Annual report completed by Jun 2009
1.3.1	Distribute Seniors Grants	All funding distributed by Jun 2009
1.2.1 1.2.2	Deliver Rural Access Program	In accordance with funding and service agreement Develop Rural Access Program annual plan by Dec 2008
1.2.1 1.2.2	Deliver Pre School Inclusion program	In accordance with funding and service agreement
5.1.2	Reinvigorate approaches of business excellence and best value	Provide leadership to the Department in the area of business excellence and best value by: Ensuring all systems views are completed and processes are mapped. Attend business excellence training. Actively contribute positive ideas to process improvement across the Management Team.
5.3.3	Align work plans to departmental and directorate objectives	Work plans are in place. All staff appraisals are completed including development plans. Sept 2008 and Mar



Alignment to Council Plan	Key Activity / Process	Measure / Target
		2009. Staff are aware of the corporate values TORCH and are able to demonstrate evidence of implementing these.

### Summary of Department Key Initiatives

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
1.1.1	Continue development and commence implementation of the Positive Ageing Strategy	Adopted by Council	1 Jul 2008	30 May 2009
1.2.1	Review of the Municipal Public Health and Wellbeing Plan.	Endorsed by EMG and adopted by Council	1 Jul 2008	30 May 2009
1.2.1	Review of the Early Years Plan.	Endorsed by EMG and adopted by Council	1 Jul 2008	30 May 2009
1.2.1	Develop and adopt updated Access and Inclusion Plan.	Endorsed by EMG and adopted by Council	1 Jul 2008	31 Dec 2008

<b>DEPARTMENT:</b>	<b>HEALTH AND FAMILY SERVICES</b>
<b>TEAM:</b>	<b>AGED &amp; DISABILITY SERVICES</b>

### Team Purpose/Vision

The Aged & Disability Services Team provides home and community care services to support the frail and aged, people with disabilities and their carers. The Aged & Disability Services Team contributes to maintaining a safe, secure and independent environment for their clients.



## Business Plan

### Operational Plan

This section summarises the business as usual operational activities and programs that the Team is responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
1.2.1	Deliver a range of services to the frail and aged, people with disabilities and their carers, in accordance with relevant funding and services agreements and guidelines	<ul style="list-style-type: none"> <li>▪ &gt;92% in annual customer satisfaction survey</li> <li>▪ 18,340 hours home care delivered</li> <li>▪ 3,492 hours personal care delivered</li> <li>▪ 2,100 hours respite care delivered</li> <li>▪ 24,000 meals on wheels delivered (includes DVA meals)</li> <li>▪ 900 hours home maintenance delivered</li> <li>▪ 950 hours assessment provided</li> <li>▪ 1,069 hours of community transport volunteer coordination</li> <li>▪ 3,207 hours community transport client contact</li> <li>▪ 2,790 private works meals on wheels delivered</li> <li>▪ 750 hours Post Acute Care (PAC) hours delivered</li> </ul>
1.2.1 1.3.1	Coordinate assistance with the planning and delivery of special events	<ul style="list-style-type: none"> <li>▪ Seniors Festival activity conducted</li> <li>▪ International Day of People with a Disability activity conducted</li> <li>▪ Volunteer celebration activity conducted</li> </ul>
1.3.1	Newsletters and/or information updates are provided to Council volunteers	<ul style="list-style-type: none"> <li>▪ 4 per year</li> </ul>
5.3.3	Ensure effective and frequent communication with HACC field staff	<ul style="list-style-type: none"> <li>▪ Quarterly Carer and Office Staff meetings – Leongatha</li> <li>▪ Annual town meetings – Foster, Korumburra, Leongatha</li> <li>▪ Carer memos – 1 per month</li> </ul>
5.1.2	Reinvigorate approaches of Business Excellence and Best Value	<p>Provide leadership to the team in the area of Business Excellence and Best Value by:</p> <ul style="list-style-type: none"> <li>▪ Ensuring all systems views are</li> </ul>



Alignment to Council Plan	Key Activity / Process	Measure / Target
		<p>completed and processes are mapped</p> <ul style="list-style-type: none"> <li>▪ Attend Business Excellence training</li> <li>▪ Actively contribute positive ideas to process improvement across the team</li> </ul>
5.3.3	Align work plans to team and departmental objectives	<p>Work plans are in place. Staff appraisals, including development plans, are completed by Sept 2008 and Mar 2009.</p> <p>Staff are aware of the corporate values – TORCH – and are able to demonstrate evidence of implementing these.</p>

<b>DEPARTMENT:</b>	<b>HEALTH AND FAMILY SERVICES</b>
<b>TEAM:</b>	<b>ENVIRONMENTAL HEALTH AND IMMUNISATION</b>

### Team Purpose/Vision

The Environmental Health & Immunisation Team provides services and coordinates programs, which aim to promote a high standard of public health and wellbeing.

These services are delivered in accordance with relevant legislation and funding and service agreements.

### Business Plan

#### Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
1.2.1 1.3.2	Ensure all premises are inspected prior to initial registration, renewal	All premises (414) are inspected annually



Alignment to Council Plan	Key Activity / Process	Measure / Target
	and transfer	
1.2.1 1.3.2	Coordinate public swimming and spa pool water sampling program	<ul style="list-style-type: none"> <li>▪ All outdoor public swimming and spa pools (12) are sampled prior to the summer season</li> <li>▪ All indoor public swimming and spa pools (5) are sampled twice a year</li> </ul>
1.2.1 1.3.2	Investigate all infectious diseases notifications	<ul style="list-style-type: none"> <li>▪ To commence within 2 working days of receipt from DHS</li> <li>▪ 100% to be completed within 7 days of receipt from DHS</li> </ul>
1.2.1 1.3.2	Coordinate food sampling program	80 samples taken by 30 June 09
1.2.1 1.3.2	Investigate all nuisance and public health complaints	<ul style="list-style-type: none"> <li>▪ To commence within 3 working days of receipt from complainant</li> <li>▪ 80% complaints satisfactorily resolved within 14 days of receipt from complainant</li> </ul>
1.2.1 1.3.2	Produce Environmental Health newsletters	<ul style="list-style-type: none"> <li>▪ 4 Food Facts per year</li> <li>▪ 2 Health Hints per year</li> </ul>
1.2.1 1.3.2 1.3.3	Inspect and monitor tobacco activity in accordance with funding and service agreement	<ul style="list-style-type: none"> <li>▪ 20% (of 88) tobacco retailers inspected</li> <li>▪ 10% (of 138) eating establishments inspected</li> <li>▪ 50% (of 49) licensed premises inspected</li> </ul>
1.2.1 1.3.2 1.3.3	Coordinate monthly & school based immunisation program	<ul style="list-style-type: none"> <li>▪ 60 monthly sessions per year</li> <li>▪ 36 school based sessions per year</li> <li>▪ 90% children fully immunised at ages 1, 2 and 6 years (DHS target)</li> <li>▪ &gt;85% in annual customer satisfaction survey</li> </ul>
5.3.2	Coordinate staff flu immunisation program	Conducted once per year
1.2.1	Conduct primary school education	Conducted once per year in all



Alignment to Council Plan	Key Activity / Process	Measure / Target
1.3.2	program	primary schools
1.2.1 1.3.2	Produce Immunisation newsletter	4 newsletters per year
5.1.2	Reinvigorate approaches of business excellence and best value.	Provide leadership to the team in the area of business excellence and best value by: <ul style="list-style-type: none"> <li>▪ Ensuring all systems views are completed and processes are mapped.</li> <li>▪ Attend business excellence training.</li> <li>▪ Actively contribute positive ideas to process improvement across the Team.</li> </ul>
❖	5.3.3 Align work plans to departmental and team objectives.	Work plans are in place. All staff appraisals are completed including development plans. Sept 2007 & Mar 2008.  Staff are aware of the corporate values TORCH and are able to demonstrate evidence of implementing these.

<b>DEPARTMENT:</b>	<b>HEALTH AND FAMILY SERVICES</b>
<b>TEAM:</b>	<b>MATERNAL AND CHILD HEALTH SERVICES</b>

### Team Purpose/Vision

The Maternal & Child Health Team aims to maximise the health and wellbeing of children through the early identification, intervention and prevention of physical, emotional and social issues affecting young children and their families.

The Maternal & Child Health Service is a primary care, centre based service for families with children aged 0-6 years, delivered in accordance with Department Human Services standards of practice.



The Maternal & Child Health Team also offer an ‘enhanced visiting service’ which provides a more intensive level of support in the home. The enhanced visiting service is available to families who may be experiencing significant early parenting difficulties, particularly within the first year following the birth of a child/children.

**Business Plan**

Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
1.2.1	Deliver a range of services to families with children aged 0-6 years	<ul style="list-style-type: none"> <li>• &gt;85% in annual customer satisfaction survey</li> <li>• 56 clients visited by enhanced maternal and child health service</li> <li>• 285 children aged 0–1 year enrol into Maternal &amp; Child Services.</li> <li>• 98% of children 0-1 year enrolled at Maternal and Child Health services from birth notifications</li> </ul>
1.2.1	Coordinate a function for Children’s Week	>50 people attend function
1.2.1	Conduct sleep settling sessions	Sessions held monthly
1.2.1	Coordinate First Time Parent Groups	70% first time parents attend group
1.2.1	Participate in the South Gippsland Parenting Network	A representative from SGSC will attend all meetings
5.1.2	Reinvigorate approaches of business excellence and best value.	Provide leadership to the team in the area of business excellence and best value by: <ul style="list-style-type: none"> <li>• Ensuring all systems views are completed and processes are mapped.</li> <li>• Attend <u>business excellence</u></li> </ul>



Alignment to Council Plan	Key Activity / Process	Measure / Target
		training. • Actively contribute positive ideas to process improvement across the Team.
5.1.3	Review relevant component of Municipal Early Years Plan	Ensuring Municipal Early Years Plan actions are being implemented.
5.3.3	Align work plans to departmental and team objectives.	Work plans are in place. All staff appraisals are completed including development plans. Sept 2008 & Mar 2009.  Staff are aware of the corporate values TORCH and are able to demonstrate evidence of implementing these

<b>DEPARTMENT:</b>	<b>FINANCE</b>
<b>MANAGER:</b>	<b>TOM LOVASS</b>

**Department Purpose/Vision**

Provide strategic financial advice as well as accounting services, management accounting support and financial reporting to Council.

Administering all legislative requirements in relation to rates & charges and valuation services on all rateable properties

**Business Plan**

Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
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Alignment to Council Plan	Key Activity / Process	Measure / Target
5.2.1	Provision of strategic financial advice and preparation of annual and long term financial plans	Long term financial strategies reviewed and adopted by Council / Mar 2009
5.2.1		Long Term Financial Plan adopted by Council / Jun 2009
		Annual budget adopted by Council / Jun 2009
5.2.1	Monitoring and reporting on business performance	Monitor and report business performance to Council and Executive management group / Monthly
5.2.1	Management	Monitor business performance (operational and financial) with team leaders of finance team/ Monthly
5.2.1	Financial and Standard statements	Financial and Standard statements / Unqualified audit opinion
5.2.1	Financial performance	Weighted average of key financial performance indicators (underlying result, working capital, indebtedness, self financing, investment gap) equal to or better than budget.(KSA)
5.2.1	Bi annual general valuation	Valuer general certification / Aug 2009
	Raising rates & Charges	Rates & charges issued to ratepayers / Sept 2009
5.1.2	Reinvigorate approaches of business excellence and best value.	<p>Provide leadership to the department in the area of business excellence and best value by:</p> <ul style="list-style-type: none"> <li>• Ensuring all systems views are completed and processes are mapped.</li> <li>• Attend business excellence training.</li> <li>• Actively contribute positive ideas to process improvement across the Management Team.</li> </ul>



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.3.3	Align work plans to departmental and directorate objectives.	Work plans are in place. All staff appraisals are completed including development plans. Sept 2007 & Mar 2008. Staff is aware of the corporate values TORCH and is able to demonstrate evidence of implementing these.

### Summary of Department Key Initiatives

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.2.1	Review long term financial plan	Long term financial plan adopted by Council	Jul 08	Mar 09
5.2.1	Review of budget accounts	Review of all department budgets completed	Aug 08	Jan 09

<b>DEPARTMENT:</b>	<b>FINANCE</b>
<b>TEAM:</b>	<b>ACCOUNTING</b>

### Team Purpose/Vision

Provide accounting services, management accounting support and financial reporting to Council.

### Business Plan

#### Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for.



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.2.1	Systems management	Oracle financials system operational / 100%
		BIS system operational / 100%
		Valuation and Revenue Forecasting (VARF) system operational / 100%
5.2.1	Business Planning	Produce budget documentation / within budget timetable timeline
		Number of 'validated' formal complaints submitted regarding level / quality of management accounting support in budget preparation process / Nil
5.2.1	Business Performance Management	Administer monthly business performance review process and adherence to timelines / 100%
		Number of 'validated' formal complaints submitted regarding level / quality of management accounting support on a monthly basis / Nil
5.2.1	Financial Reporting	Prepare Financial statements / Aug 08
		Prepare Standard statements / Aug 08
		Prepare Victoria Grants Commission return / Sept 08
		Prepare Fringe Benefits Tax return / Mar 08
		Prepare Business Activity Statements / Monthly
		Prepare 3 monthly detailed and monthly 'Business performance reports / Monthly
		Validate and certify financial data in Acquittals / within 5 working days



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.2.1	Accounting / bookkeeping	Accounts receivables (issue invoices) / Monthly
		Accounts management - Sundry debtors / 60 days plus past due date to be less than 10% of all debts due
		Accounts payable (process payments) / Fortnightly
		Loan management / Achievement of budgeted result

**Summary of Team Level Key Initiatives**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
	Undertake and co-ordinate a process improvement team (PIT) review of the procurement processes	Purchasing process reviewed and refined.	Sep-08	Dec-08
	Upgrade Executive Information System (EIS) tool BIS to Version 9 (true web base version)	BIS upgraded to Version 9	Jul-08	Mar-09

<b>DEPARTMENT:</b>	<b>FINANCE</b>
<b>TEAM:</b>	<b>RATES &amp; VALUATION TEAM</b>

**Team Purpose/Vision**

Administer all legislative requirements in relation to rates & charges and valuation services on all rateable properties

**Business Plan**

Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for.



Alignment to Council Plan	Key Activity / Process	Measure / Target
	Valuation services	General Revaluation / Complete as per Valuation Best Practice timetable
		Supplementary Valuations / 31 Aug 2008, 15 Dec 2008, 28 Feb 2009
		Valuation Objections / Resolve within 2 months of receipt of notice
		Review valuation of Shire owned properties for asset purposes / 31 Mar 2009
		Insurance Valuations / 31 Mar 2009
	Issue annual/quarterly and supplementary rate notices	Issue annual rate notices, instalment notices and supplementary rate notices / within designated time frames
		Issue land Information certificates / 5 day turn around.
		Pensioner concessions processed / payment received by Council
	Property data base management	Change of Address / 5 day turn around (correspondence standard)
		Change of Ownership / 5 day turn around (correspondence standard)
		Voters Roll production / 31 Aug 2008
	Manage the debt collection process of outstanding rates and charges	Debt collection / Outstanding Debtors at year end below 3% of total revenue

**Summary of Team Level Key Initiatives**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.2.1	Rural Road Numbering displayed	Audit undertaken and notices sent by 15 Dec	Oct 08	Dec 08



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
		2008-current Display Rate 91%, up from 68% Target 100%		
5.2.1	Property data base matching project	Define appropriate measures / targets in conjunction with IS Department	Jul 08	Jun 09

<b>DEPARTMENT:</b>	<b>HUMAN RESOURCES</b>
<b>MANAGER:</b>	<b>JULIANNE HILL (MATERNITY LEAVE)</b>

### Department Purpose/Vision

Human Resources is responsible for the effective and efficient delivery of Human Resources, Payroll, WorkCover, Risk Management and Occupational Health and Safety Services. The Department develops strategic policies and plans and provides strategic and operational advice on a range of key issues.

### Business Plan

#### Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.3.1	Monitor and report on Department's management to ensure that resources are utilised effectively to meet the customer needs. Provide weekly and/or monthly and quarterly business performance reports including financial reporting against budget to General Manager, CEO,	Reports are produced on time and provide accurate and relevant performance information.



Alignment to Council Plan	Key Activity / Process	Measure / Target
	senior management and Council as required.	
5.3.1	Conduct staff performance reviews to monitor, evaluate and improve performance within the Human Resources team including developing and implementing training and development programs for all direct reports.	Complete staff performance and training and development plans on time. Provision of regular ongoing feedback
5.3.1	Development and introduction of/or review of suite of Human Resources policies.	Existing policies are reviewed and new policies are developed to address corporate needs in accordance with corporate review cycle and adopted by CEO or Council as required.
5.3.1	Provide industrial relations advice and legislative interpretation.	Accurate and timely advice provided to management team and staff.
5.3.1	Coordinate recruitment and selection of staff.	Monthly report prepared for General Manager indicating number of vacancies advertised, number of positions filled, funds expended and comment on advertising process.
5.3.1	Generate all employment contracts and conditions of appointment.	100% accuracy completed within an average of 7 working days.
5.3.1	Assess staff satisfaction.	Employee Opinion Survey is conducted and indicates progress over previous years outcomes.
5.3.1	Build an employee performance culture.	Increased emphasis on performance management processes and education of management team.
5.3.1	Manage Human Resource information systems.	Hard copy files and CHRIS software is maintained using HR checklists.
5.3.1	Analyse and report on key workforce planning data.	Workforce planning report generated quarterly for EMG.
5.3.1	Support the organisational consultative committee.	Organisational Consultative Committee established and operating in accordance with Enterprise Bargaining Agreement.



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.3.1	Process accurate and timely remuneration payments.	Completed every fortnight. Adjustments completed by next pay cycle.
5.3.1	Lodge WorkCover claims with WorkCover agency.	100% within 10 days of the receipt of the claim.
5.3.1	Develop WorkCover return to work programs.	100% within 15 days of injury date.
5.3.2	Promote Council's Values as key organisational drivers.	Increased emphasis and education on Council's Values.
5.1.2	Internal Customer Satisfaction Survey	Undertake an internal staff satisfaction survey 30 March 2009.
5.3.1	EBA process	Complete EBA negotiations 30 June 2009
5.3.1	Review and further develop staff induction processes.	Induction Manual and new process completed 31 May 2009.

**Summary of Department Key Initiatives**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.3.1	Implement the People Culture and Lifestyle Strategy.	In line with adopted action plan	1 Jul 2008	30 Jun 2009
5.3.1	Undertake a staff conference.	Delivered on time and budget. Evaluation survey indicates improvement over last year.	TBA	TBA
5.3.2	Implement a program of health and wellbeing initiatives.	Increased participation by staff year over year.	1 Jul 2008	30 April 2009
5.3.1	Undertake Leadership Development training	Training to be delivered on time and in budget.	1 Jul 2008	31 May 2009



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
		Evaluation form to indicate 70% satisfaction		
5.3.1	EBA process	Complete EBA negotiations	1 Dec 2008	30 June 2009

<b>DEPARTMENT:</b>	<b>HUMAN RESOURCES</b>
<b>TEAM:</b>	<b>RISK MANAGEMENT</b>

### Team Purpose / Vision

Risk management provides support services to Council by identifying and managing exposure to risk that is associated with business activities. It provides support to Council staff in meeting and maintaining Occupational Health and Safety obligations and provides assets, public liability and professional indemnity insurances.

### Business Plan

#### Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.4	Review of Corporate Risk Register	Completed Feb 2009.
5.1.4	Conduct pre CMP audits with relevant teams	2 weeks prior to official audit
5.1.4	Conduct pre JLT audits with relevant teams	2 weeks prior to official audit
5.1.4	Review risk assessments	100%
5.1.4	Reduce the number of 'extreme' and 'very high' risk ratings in Corporate Risk Register	Less than the average document for last 3 years



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.4	Measure Council's insurance management capability.	Top quartile of CMP (public liability) ranking relative to other Council s Top quartile of JLT (property insurance) ranking relative to other Council s
5.1.4	Ensure insurance coverage for Council and community groups where appropriate.	Insurance premiums paid by Jun 2008 and tax invoices are prepared/issued to community groups by Jul 2009.
5.1.4	Process insurance claims submitted.	Accurately and within 5 working days.
5.1.4	Administer Council's Safety management system.	12 OH&S committee meetings are held annually. Risk assessments are reviewed with managers.
5.1.4	Conduct safety training programs.	Corporate OH&S training needs are identified by Mar 2009 and greater than 95% of eligible staff have attended training.
5.1.4	Facilitate audits Safety management system.	Pre Safety management system audits conducted 2 weeks prior to official audit. Identified non-conforming reports are closed out. 100% of procedural reviews are closed out within designated timeframes.
5.1.4	Create staff awareness of OH&S matters.	100% of staff inductions conducted on first day of work. Greater than 90% satisfaction on importance of OH&S achieved in Employee Opinion Survey.
5.1.4	Analyse and report on key Risk and OH&S statistics.	Monthly reporting on key statistics to management and all staff.
5.1.4	Implement the Business Continuity Plan.	Review completed by 31 Dec 2008.
5.1.4	Review Council 's planning and preparedness for Emergency Management	Review completed by 31 Dec 2008.



**Summary of Team Level Key Initiatives**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.1.4	Implement the Business Continuity and IT Disaster Recovery Plan.	Implemented and reviewed by Jun 2009.	1 Jul 2008	31 Dec 2008

<b>DEPARTMENT:</b>	<b>INFORMATION SERVICES</b>
<b>MANAGER:</b>	<b>ROHAN PULS</b>

**Department Purpose/Vision**

The Information Services Department is focused on delivering appropriate and cost effective information technology, records management and customer service to Council. The Information Services Manager is responsible for:

- The delivery of sustained operational availability, reliability and performance of Council s’ business information systems and IT infrastructure
- Investigating new technology advances and evaluating new opportunities
- Managing the Council’s IT, Records and Customer Service teams, developing and implementing new policies and procedures and reviewing existing policies and procedures to ensure the management and delivery of customer service, business information systems and IT infrastructure is efficient, effective and meets corporate objectives.
- Managing IS strategies and programs to ensure works are completed on time, within budget and with the required quality.

**Business Plan**

Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for.

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.1	Alignment of plans with the Council Plan and facilitating a coordinated	Annual Business Plans and Budget



Alignment to Council Plan	Key Activity / Process	Measure / Target
	approach to planning. Prepare Business Plans and Annual Budget	prepared by Mar 2009.
5.1.2	Reinvigorate approaches of business excellence and best value.	Provide leadership to the Department in the area of business excellence and best value by:  Ensuring all systems views are completed and processes are mapped.  Attend business excellence training.  Actively contribute positive ideas to process improvement across the Management Team.
5.2	Achieving the budgeted operating result for the Department	Monthly budget variations for each cost centre are minimal (>\$20,000)  Monthly report on Business Performance.
5.4.1	Information technology audit is completed annually that ascertains the of knowledge capture and its management	Information technology audit results indicate progress over previous year.
5.3.3	Align work plans to departmental and directorate objectives.	Work plans are in place. All staff appraisals are completed including development plans. Sept 2008 & Mar 2009.  Staff are aware of the corporate values TORCH and are able to demonstrate evidence of implementing these.
5.4.2	Ensure Council meets its statutory obligation to “keep full and accurate records” in compliance with legislation	Phased introduction of a new EDMS to commence in Jun 2008.

**Capital Works**

Description	Cost	Start date	End date
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Commence phased implementation of an Electronic Document Management System.	\$370,000	Jun 08	Jun 09
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**Summary of Department Key Initiatives**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.4.2	Commence implementation of a sustainable document management system.	Core function implemented with a plan developed for future enhancements	1 Jul 08	30 Jun 09

<b>DEPARTMENT:</b>	<b>INFORMATION SERVICES</b>
<b>TEAM:</b>	<b>INFORMATION TECHNOLOGY</b>

**Team Purpose/ Vision**

The Information Technology Team delivers appropriate and cost effective information technology to Council staff and Councillors. They provide support and maintenance to Council’s information technology resources, including network infrastructure, personal computers and peripherals, photocopiers and faxes, PABX phone system and corporate applications such as Pathway and GIS.

**Business Plan**

Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.1	Align work plans to Team and Departmental objectives	Work plans are in place. All staff appraisals are completed including development plans. Sept 2007 & Mar 2008. Staff are aware of the corporate values TORCH and are able to demonstrate evidence of implementing these.



Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.2	Reinvigorate approaches of business excellence and best value.	<p>Provide leadership to the team in the area of business excellence and best value by:</p> <p>Ensuring all systems views are completed and processes are mapped.</p> <p>Attend business excellence training.</p> <p>Actively contribute positive ideas to process improvement across the Team.</p>
5.4.1	<p>Support IT System users</p> <p>Purchase and Manage IT assets</p> <p>Induct and train new staff</p> <p>Maintain data and network security</p> <p>Manage communications hardware</p>	<p>A response of greater than 85% of customers satisfied or very satisfied in the Responsiveness category of the IT Customer Satisfaction Survey.</p> <p>A response of greater than 85% of customers satisfied or very satisfied in the Service Provided category of the IT Customer Satisfaction Survey.</p> <p>All IT assets are purchased on time and within budget.</p> <p>100% of new staff inducted on IT matters.</p> <p>Zero network security breaches.</p> <p>Greater than 99% availability of network and major applications during core business hours.</p> <p>Helpdesk contactable 100% of the time between 8:30 and 5:00pm on all work days.</p>

### Summary of Team Level Key Initiatives

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.4.1	Implement Pathway 3	Pathway 3 Implemented	Jul 08	Dec 08
5.4.1	Develop plan for ongoing future upgrades of aerial photographs of municipality	Plan developed in time for 09/10 budget	Jul 08	Dec 08



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
		process		
5.4.1	Develop pilot for mobile and remote solutions	Pilot group implemented and range solutions developed for offer to Council	Jul 08	Dec 08
5.4.1	Work with Governance to provide new IT equipment and training for new Councillors	New equipment purchased and provided to Councillors	Nov 08	Dec 08
5.4.1	Work with Tourism Team to provide network access to Coal Creek Staff	Network access enabled for Coal Creek staff	Jul 08	Jan 08
5.4.1	Replace network switch infrastructure	Network switch replaced	Sep 08	Oct 08
5.4.1	Implement ePathway and required modules	ePathway implemented	Jan 09	Jun 09
5.4.1	Implement Pathway Booking Register	Booking Register implemented	Mar 09	Jun 09

<b>DEPARTMENT:</b>	<b>INFORMATION SERVICES</b>
<b>TEAM:</b>	<b>CUSTOMER SERVICE</b>

### Team Purpose / Vision

The Customer Service Team delivers high quality and customer-focussed first-level support to residents and visitors to the Shire. They assist the community with general inquiries and payment processing, as well as providing administrative support to internal customers as required.



**Business Plan**

Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.1	Align work plans to Team and Departmental objectives	Work plans are in place. All staff appraisals are completed including development plans. Sept 2008 & Mar 2009. Staff are aware of the corporate values TORCH and are able to demonstrate evidence of implementing these.
5.1.2	Reinvigorate approaches of business excellence and best value.	Provide leadership to the team in the area of business excellence and best value by:  Ensuring all systems views are completed and processes are mapped. Attend business excellence training. Actively contribute positive ideas to process improvement across the Team.
5.1.5	Provide Frontline reception and telephone services to residents and visitors to the Shire, assisting with general enquiries, processing payments and providing administrative support to the organisation	Responsive rated good or exceptional in Customer Satisfaction Survey. Target >85%  Customers satisfied or very satisfied with service provided in Customer Satisfaction Survey. Target >85%

**Summary of Team Level Key Initiatives**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.1.5	Investigate and identify options to improve customer service across the organisation including libraries.	Options developed	Jan 08	Dec 08



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.1.5	Review and update the Customer Service Charter Policies and Procedures	Customer Service Charter Policy and Procedures updated.	Mar 09	Apr 09

<b>DEPARTMENT:</b>	<b>INFORMATION SERVICES</b>
<b>TEAM:</b>	<b>RECORDS MANAGEMENT</b>

### Team Purpose / Vision

The Records Management delivers appropriate and cost effective record management services to Council and residents. They ensure that Council meets its statutory obligation to ‘keep full and accurate records’ in accordance to the Public Records Act 1973 and compliance with the Freedom of Information Act 1982 and the Information Privacy Act 2000.

### Business Plan

#### Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
5.1.1	Align work plans to Team and Departmental objectives	Work plans are in place. All staff appraisals are completed including development plans. Sept 2008 & Mar 2009.  Staff are aware of the corporate values TORCH and are able to demonstrate evidence of implementing these.
5.1.2	Reinvigorate approaches of business excellence and best value.	Provide leadership to the team in the area of business excellence and best value by:



Alignment to Council Plan	Key Activity / Process	Measure / Target
		<ul style="list-style-type: none"> <li>- Ensuring all systems views are completed and processes are mapped.</li> <li>- Attend business excellence training.</li> </ul> <p>Actively contribute positive ideas to process improvement across the Team.</p>
5.4.2	<p>Receive, process and disseminate mail</p> <p>Respond to FOI requests</p> <p>Manage records and information in accordance with relevant legislative requirements</p>	<p>A response of greater than 85% of customers satisfied or very satisfied in the Responsiveness category of the Records Customer Satisfaction Survey.</p> <p>A response of greater than 85% of customers satisfied or very satisfied in the Service Provided category of the Records Customer Satisfaction Survey.</p> <p>100% of FOI requests processed within statutory timelines.</p> <p>100% of Mail and Requests processed daily by close of business.</p>

### Summary of Team Level Key Initiatives

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.4.2	Annual cull and destruction of Records in accordance with Public Records disposal schedule; Transfer to the Public Records Office of identified records	100% of identified records are disposed according to Public Records disposal schedule. 100% of identified records transferred according to Public Records schedule.	Apr 08	May 08



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.4.2	Investigate and develop solution for additional offsite storage for physical records	Solution developed in time for 2009/10 budget process	Jul 08	Dec 08

<b>DIRECTORATE:</b>	<b>DEVELOPMENT &amp; ASSET SERVICES</b>
<b>MANAGER:</b>	<b>GUY WILSON BROWNE</b>

**Department Purpose/Vision**

The Directorate’s key purposes are as follows:

- The planning, delivery and maintenance of Council owned or controlled public infrastructure.
- The sustainable (triple bottom line) community development of the economy (eg Tourism), social fabric (eg Arts & Receptions) and the environment (e.g. Waste-Water).

**Council Plan Responsibilities**

Operational Plan

This section summarises the routine operational activities and programs that this Directorate is responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
1.3.2	Ensure a constant stream of communication and consultation with the communities of interest to improve the delivery of Council Services and programs	Monthly performance reports
1.3.3	Work with communities and community organisations such as the DVC to support them in the pursuit of mutually beneficial projects	Pro-active input into the State Agency Liaison meetings.



Alignment to Council Plan	Key Activity / Process	Measure / Target
2.2.2	Conduct long term renewal modelling	Presentation of renewal model data to Council.
3.3.1	Lobby State and Federal government for improvements to infrastructure	Provide letters of support to the local politicians for the proposed Federal Government Community Renewal Infrastructure Fund.
5.1.2	Development & implement performance improvement plans for all departments	Review of Annual Business Plans and implement the Planning & Environment Department improvement plan provision of monthly performance reports.
5.1.5	Conduct regular team meetings and team building initiatives	All actions monitored and implemented.

### Summary of Directorate Key Initiatives

This section summarises all new funded key initiatives planned for the next financial year that the Directorate Executive is primarily responsible for.

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
Implementation of Council's Waste Management Strategy	Implementation of the Waste Management Strategy	Completion of year one of the implementation plan	Jul 2008	Jun 2009
Implementation and delivery of the Capital Works Program	Implementation of the annual capital works program	90% of the annual capital works projects completed on time and within budget (excluding variations due to factors beyond management control).	Jul 2008	Jun 2009
Reinvigorate and implement the Asset Management strategy	Implementation of the Asset Management Strategy	Completion of year one of the implementation plan	Jul 2008	Jun 2009



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
Complete Local Level Plans for Korumburra, Leongatha and Foster	Adopt Planning Scheme amendments associated with the Local Level Plans for Korumburra, Foster & Leongatha	Planning Scheme amendments adopted	Jul 2008	Feb 2009
Develop a Rural Strategy	Adopt Planning Scheme amendments associated with the Rural Strategy	Planning Scheme amendments adopted	Jul 2008	Feb 2009
Develop a framework to help Council understand the impacts of Climate Change	Briefing paper developed outlining the key issues and the suggested key role for Council	Council Briefing	Jul 2008	Dec 2008
Implement the Recreation Strategy	Implementation of the Recreation Strategy	Completion of year one of the implementation plan	Jul 2008	Jun 2009

<b>DEPARTMENT:</b>	<b>SOCIAL AND ECONOMIC DEVELOPMENT</b>
<b>MANAGER:</b>	<b>PETER SHARPE</b>

**Department Purpose/Vision**

Social and Economic Development provides strategic support to South Gippsland’s diverse communities by fostering community endeavour, encouraging economic activity, supporting recreational participation and maintaining an environment conducive to a quality lifestyle. The Department provides the following services on behalf of Council.

Economic Development and Tourism Teams

- Economic Development and business support
- Tourism Development and Promotion
- Visitor Information Centres

Community Building and Recreation Teams

- Community Building



- Arts and Culture
- Youth Development
- Recreation Development

Coal Creek Operations Team

- Coal Creek operations

Local Laws and Children’s Crossings Team

- Local Laws
- Animal Control
- Children’s Crossings
- Fire Prevention
- Traffic Control

**Business Plan**

Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
2.2.1	External liaisons with key stakeholders including community groups especially regarding Coal Creek	10 meetings per year
5.1.4	Review and update work plans and PDs for the department, review and monitor team business plans and budgets	Reviews and PDs reviewed in July and December
5.1.4	Prepare and present reports and briefings on Department activities and plans	Reports and briefings prepared and submitted in a timely fashion
Various	Participate in various economic development, tourism, recreation and community strengthening, local laws and Coal Creek projects to assist teams to achieve objectives	Achievement of Team Business Plans



Alignment to Council Plan	Key Activity / Process	Measure / Target
3.3.1	Lobby for improved telecommunications in the Shire	Attend Broadband Consultative Committee jointly with Bass Coast Shire.

### Summary of Department Key Initiatives

This section summarises the Key Initiatives and Projects that the Department Manager is primarily responsible for.

Ref No.	Description	Cost	Start Date	End Date
11.	GLGN projects for SGSC in EcDev marketing	\$10,000	Aug 08	May 09
12.	Business Investment and Attraction Policy	In-house	July 08	Feb 09

<b>DEPARTMENT:</b>	<b>SOCIAL AND ECONOMIC DEVELOPMENT</b>
<b>TEAM:</b>	<b>TOURISM</b>

### Team Purpose / Vision

To facilitate economic growth in the South Gippsland region through the development of a competitive tourism industry.

### Business Plan

#### Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
3.1.1	Facilitate Tourism Business Investment and Development in the Shire	Participation in new tourism business investment in the Shire.  Number of new tourism business enquiries and contacts made



Alignment to Council Plan	Key Activity / Process	Measure / Target
		Letters or statements of support provided for business initiatives.
3.1.1	Conduct Tourism Industry Workshops and forums	Conduct at least 3 Tourism Business and Industry workshops with a 90% satisfaction rating.
3.1.1	Tourism Industry Familiarisation Visits	Conduct 10 visits to tourism businesses to provide advice and assistance.
3.1.2	Tourism Newsletter	Distribution of 10 newsletters to industry from Feb to Nov
3.1.1	Attendance and/or Promotion of Prom Country at key Consumer shows and Industry Forums	Attendance at 4 key Consumer and Industry Shows
3.1.1	Support the ongoing development of Prom Country Regional Tourism Inc. as a stand alone and successful external marketing body	<p>Assist with promoting membership.</p> <p>Ensure \$30K dollar for dollar matched funding from Council is achieved</p> <p>Facilitate 2 PCRT Industry workshops</p> <p>Facilitate 1 off-peak co-operative marketing campaign</p> <p>Attend PCRT monthly meetings</p>
3.1.2	Operation of Prom Country Visitor Information Centre network	<p>Recruit, train and operate volunteers within staffed VIC's.</p> <p>Monthly Maintenance, continual improvement and promotion of <a href="http://www.visitpromcountry.com.au">www.visitpromcountry.com.au</a> website.</p> <p>Increase annual website hits.</p> <p>Monitor annual telephone inquiries.</p> <p>Monitor walk-in visitation of VIC network.</p> <p>Maintain on-line booking system.</p>
3.1.2	Seek Better Business Tourism Accreditation for Korumburra and Foster VIC's	Better Business Tourism Accreditation achieved
3.1.1	Represent South Gippsland Shire Council at regular tourism stakeholder meetings.	Attend meetings as required and report outcomes.



Alignment to Council Plan	Key Activity / Process	Measure / Target
3.1.1	Tourism Industry Survey and Research	Survey completed by April 2008 Feedback to Council and industry by Jun 2009
3.1.2	Production and Distribution of Prom Country Marketing Collateral in cooperation with PCRT were appropriate	Produce and Distribute 50,000 copies of the Prom Country Official Visitor's Guide and 50,000 copies of the Prom Country Official Touring Map to local tourism operators, VIC's, Consumer Shows, Business inquiries and Hotels throughout Victoria, South Australia, NSW and Queensland. Distribution of Food and Wine Booklet, Golfing and Water Based Activities Brochure to VIC network and consumer shows.
3.1.1	Participation, development and promotion of Prom Country events	Participation at 4 key Prom Country events

### Team Level Specific Initiatives

This sections details all new funded key initiatives planned for the next financial year that will be carried out at the Team Level.

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
3.1.1	\$20,000 financial support for the development of the new Destination Gippsland Incorporated Peak Body	\$20,000 paid to DGI to fund establishment of peak body	July 2008	Dec 2008
3.1.2	Develop a sustainable model for the operational staffing of two level two Visitor Information Centres	To recruit, train and staff Korumburra and Foster VIC's with volunteers	Already Commenced	Dec 2008

<b>DEPARTMENT:</b>	<b>SOCIAL AND ECONOMIC DEVELOPMENT</b>
<b>TEAM:</b>	<b>ECONOMIC DEVELOPMENT</b>



### Team Purpose / Vision

To support and encourage enterprises that enhances the prosperity and vibrancy of the South Gippsland community through the creation of sustainable local business and employment.

### Business Plan

#### Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
3.1.3	Industry Network	Conduct 3 Network meetings with a satisfaction rating of at least 90% of participating businesses.
3.1.3	Business Website	Updated weekly
3.1.3	Small Business Advice Sessions	Conduct 10 Business advice sessions.
3.1.3	Business Workshops	Conduct at least 4 Business and Industry workshops with a 90% satisfaction rating.
3.1.3	Agribusiness Workshops	Conduct at least 2 workshops involving the Agribusiness Industry. Achieve a 90% satisfaction rating.
3.1.3	Business Newsletter	Distribution of 4 business newsletters
3.1.3	Industry Visits	Conduct 15 visits to businesses to provide advice and assistance.
3.1.3	Drought Relief Assistance	Conduct Rural Advisory Committee Meetings as authorised by Council.
3.3.3	Rural Skills Connect Project	Project completed by end May 2009.
3.1.3	Develop Business Investment Policy	Policy to assist with attraction of major business investment adopted by April 2009.
3.2.1	Facilitate Business Investment	New business investment and level of business investment in the Shire.



Alignment to Council Plan	Key Activity / Process	Measure / Target
		Number of new business enquiries. Letters of support provided for business initiatives.
3.2.1	Provincial Victoria Campaign	No of enquiries received.
3.2.2	Leongatha Rail Yards EOI	Assist with Leongatha Rail Yards Expression of Interest.
3.2.1	Implement business development initiatives from Town Structure Plans	Implement a business development initiative from Town Structure Plans
3.3.1	Business Advocacy	At least 5 issues identified and representation made to other levels of Government.
3.3.2	Support the rollout of Natural Gas	Regular updates on Natural Gas Project.

### Summary of Team Level Key Initiatives

This section summarises the Key Initiatives and Projects that this Team is primarily responsible for.

Ref No.	Description	Cost	Start Date	End Date
	Business Investment Policy	-	Aug 08	April 09
	Rural Skills Connect	\$250,000	Jul 08	May 09

<b>DEPARTMENT:</b>	<b>SOCIAL AND ECONOMIC DEVELOPMENT</b>
<b>TEAM:</b>	<b>COMMUNITY STRENGTHENING AND RECREATION</b>

### Team Purpose / Vision

To improve community resilience and capability by encouraging and supporting participation in community activity, recreation, sports, arts and cultural pursuits by individuals and organisations across South Gippsland Shire.



**Business Plan**

Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
1.1.1	Implementation of the Recreation Plan	Expanded Recreation Advisory Committee with broader skill and interest base Distribution of a Recreation Newsletter (2 per annum) Developed Electronic Database of sporting clubs Bowling clubs encouraged to undertake strategic planning and considering synthetic surface issues
1.1.1	Development of key policies or strategies identified in the adopted Recreation Plan	Policies prepared and presented to Council.
2.2.4	Risk Audit of Council Swimming Pools	All pools audited before Feb 09 with half independently audited by Life Saving Victoria (Dec 08).
2.2.4	Risk Audits of Council Recreation Reserves	All Council owned/managed pools(4) audited twice per year (summer and winter) and audit action implementation records completed and returned by reserve C.O.M by Nov 08 for summer audits and by Apr 09 for winter audits.
2.2.4	Contract and management supervision of Council swimming pools	Contractor supervision record maintained (monthly recording and audit).
1.3.3	Support for Recreation Reserves and facilities	Annual funding distributed to reserves and annual reporting and acquittals received from all grant recipients by Mar 09.
1.3.3	Preparation and submission of SRV Community Facility Funding grant projects	Submission of 3 SRV Minor facility applications Nov 08. Submission one Major facility application Sept 08. Submission of 3 CFNP SRV grant applications Feb /Mar 09.



Alignment to Council Plan	Key Activity / Process	Measure / Target
2.1.3	Transition of Open Space Strategy Implementation and progression to Planning Department	Ongoing from Sept 07 via; Acquisition of developer funds or land for Open Space in line with recommendations in the Open Space strategy and maps prepared as part of Recreation Plan. Consideration of the need for Open Space development overlays for the four major towns.
1.4.1	General Management and administration	Preparation and presentation of Council reports and briefing papers. Budget preparation, monitoring, funding allocations and reporting.
8.5	Municipal Emergency Management	Implementation of the Municipal Recovery Management Plan from Apr 08. Assessment of potential Evacuation Centres, Jul 08. Development of Memorandums of Understanding between facility managers and Council for utilisation of identified evacuation centre facilities Aug 09.
1.1.1	Individual Community Planning projects	4 towns/communities identified for assistance Aug 08. Prior community planning reports collated for each town-Oct 08.
1.1.1	Establish Toora/Welshpool community strengthening project	Asset registers for all 6 communities involved developed and printed (Mar 09). Review of all recent community strategies completed (Apr 09).
1.1.1	Implement Nyora region CBI project	Regular reports provided to DPCD, all 9 towns have commenced community action plans by Dec 08.
1.1.1	Facilitate Towns and districts associations network	4 meetings held over year.
1.3.1	Support youth involvement with adult community activities	Youth volunteers assisting adults at 4 events during year.
1.3.1	Support youth led activities across Shire	4 Youth music events. Major youth festival Mar 09.



Alignment to Council Plan	Key Activity / Process	Measure / Target
		2 youth visual arts activities.
1.3.1	Support community volunteering	Community Engagement conference May 09. South Gippsland volunteer groups registered on Active citizenship website by Jun 09.
1.3.1	Support South Gippsland youth Council activity	15 members of Youth Council and 10 projects completed in two key fields. Advice to Council on youth related issues.
1.3.1	Implement Community Strengthening Strategy	Report to Council on delivery of Strategy actions.
1.3.2	Maintain community information on Council website	Youth, Community Strengthening and Arts information updated monthly.
1.3.2	Facilitate Community Development Advisory Committee	6 meetings. Report to Council on committee recommendations.
1.3.3	Manage Youth Community Connections program	4 new grants provided. Action plan for ongoing implementation reviewed Dec 08.
1.4.1	Support Mossvale Park music series	3 concerts presented in Mar 09.
1.4.2	Facilitate Arts network	4 meetings held. 4 Arts newsletters produced and distributed.
1.4.2	Maintain Community Art shows network	2 brochures produced Oct 08 and Mar 09. Register of judges updated Oct 08. 2 workshops presented by Apr 09.
1.4.2	Implement Creative Gippsland activity	Team member attending 6 Creative Gippsland meetings. South Gippsland visual artists or arts groups represented at 2 external Creative Gippsland marketing initiatives.



Alignment to Council Plan	Key Activity / Process	Measure / Target
1.4.2	Support Arts activities across Shire	Initiate arts related skills workshops.
1.4.3	Manage Council s arts and cultural collection and provide curatorial resource for Council	Council collection register updated and maintained. Report to Council on Register Apr 09.
2.2.2	Support community projects relating to physical infrastructure	Compliance with Council s standards and OH&S requirements.

### Summary of Team Level Key Initiatives

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
1.1.1	Development of a Swimming Pools Strategic Plan	Adopted by Council May 2009	Sep 2008	May 2009
2.2.2	Bike / Pedestrian / Recreation Path Plan	Adopted by Council May 2010	Sept 08	June 2010
1.1.1	Establish Toora/Welshpool Community Strengthening Initiative	Local reference group established July 08 Project officer employed August 08 Reports to Community Support Fund January and June 09	July 2008	June 2011
1.1.1	Implement Nyora/Grantville Community Building Initiative project	Quarterly progress reports to DPCD July, October, January, April	July 2008	June 2010
2.1.4	Transport Connections Project	Bi monthly and 6 monthly	July 2008	December 2011



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
		reports provided to DPCD		
2.2.2	Register of Community Initiated Infrastructure projects in South Gippsland	Completed register provided to General Manager Development and Assets June 2009.	July 2008	June 2009
1.1.1	Development of a Swimming Pools Strategic Plan	Adopted by Council May 2009	Sep 2008	May 2009
2.2.2	Bike / Pedestrian / Recreation Path Plan	Incorporation into tenure capital works plan	Sep 2008	Dec 2008

<b>DEPARTMENT:</b>	<b>SOCIAL &amp; ECONOMIC DEVELOPMENT</b>
<b>TEAM:</b>	<b>LOCAL LAWS AND CHILDREN'S CROSSINGS</b>

**Team Purpose / Vision**

The Local Laws and Children’s Crossings Team is responsible for the administration and enforcement of the Road Safety Act, Country Fire Authority Act, Domestic (Feral & Nuisance) Animals Act, Impounding of Livestock Act, Council’s Local law # 1, Road Rules Victoria and the Environment Protection Act (Litter Provisions).

The Local Laws Team strives to provide a safe, healthy and clean environment for our community through administration and enforcement of Council’s Local Law # 1, raised awareness of animal ownership responsibilities, provision of parking controls, supervision of School Crossings and minimisation of fire risk.

**Business Plan**

Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:



Alignment to Council Plan	Key Activity / Process	Measure / Target
1.2.1	Disabled Parking Permits	Issue Disabled Parking Permits within 5 working days of request
1.2.1	Parking Patrols	Complete 20 hours per week of parking inspections
1.2.1	Domestic Animal Business Inspections/Administration/ Enforcement	6,500 animals registered per annum 160 pets microchipped
1.2.1	24 Hour emergency service	Respond to calls within two hours
1.2.1	Domestic Animal Database Management	Accuracy of data maintained
1.2.1	24 hour stock on roads service	Respond to calls within two hours
1.2.1	24 hour stock on roads service (Vicroads)	Respond to calls within two hours
1.2.1	Domestic Animals Renewals	Process the registrations
1.2.1	Management of Council 's Infringement Management system	Implementation of inspection program
1.2.1	Management of Municipal Fire Prevention Committees	Implementation of inspection program
1.2.1	Fire Hazard Management on private land	Inspections completed prior to fire season declaration
1.2.1	Manage Domestic Animal Pound service agreement	Agreement complied with.
1.2.1	Impound stray dogs and cats	Respond to requests within 24 hours
1.2.1	Infringements Court Management	Attendance at court as required
1.2.1	Local Law permit management	200 permits issued
1.2.1	School Crossing Supervision	No incidents
1.2.1	School Crossing Administration	Accuracy of data maintained



Alignment to Council Plan	Key Activity / Process	Measure / Target
1.2.1	Dangerous, Menacing, Restricted Breed dog database management	Accuracy of data maintained
1.2.1	Fire Access Track Subsidy Scheme management	Fire Access Road Subsidy Scheme project completed prior to fire season declaration
1.2.1	Team Business Planning	Review of annual business plan
1.2.1	Stock Crossing management	Respond to requests within 24 hours
1.2.1	Animal Complaints (noise, wandering, etc)	Respond to requests within 24 hours
1.2.1	Litter investigations/education enforcement	Respond to requests within 7 days
1.2.1	Development/implementation/review of Municipal Fire Prevention Plan	Review of plan

<b>DEPARTMENT:</b>	<b>SOCIAL &amp; ECONOMIC DEVELOPMENT</b>
<b>TEAM:</b>	<b>COAL CREEK</b>

### Team Purpose / Vision

Make Coal Creek Park and Museum a high quality recreational and educational experience benefiting the South Gippsland community and visitors.

### Business Plan

#### Operational Plan

This section summarises the routine business as usual activities and programs that this Team is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
1.4.2	Day to day operation of Coal Creek	Opening hours as per business plan



Alignment to Council Plan	Key Activity / Process	Measure / Target
1.4.2	Protection and display of Coal Creek curatorial collection	Maintenance of collection
1.4.2	Delivery of education program	As per education marketing plan

### Capital Works

This section summarises the Key Initiatives and Projects that this Team is primarily responsible for.

- Intranet link to Leongatha
- Buildings capital works

<b>DEPARTMENT:</b>	<b>ENGINEERING AND ASSET SERVICES</b>
<b>MANAGER:</b>	<b>ANTHONY SEABROOK</b>

### **Department Purpose/Vision**

To ensure that infrastructure assets support services that are appropriate, accessible, responsive and sustainable to the community for current and future needs.

To provide sustainable waste management in line with best practice.

Areas of responsibility are listed below:

- Assets Management
- Engineering Services
- Building Operations
- Waste Management
- Fleet Management



**Business Plan**

Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
2.2.1	Review annual capital works program and associated documents	Minutes of monthly Capital works review
2.2.1	Review 10 year cap ex program in line with the renewal gap	10 year cap ex program presented to Council.
2.2.2	Implement the Council 's capital works program including community projects subject to grant funding	90% of the annual capital works program completed on time and within budget (reported in Monthly Business Performance Report)
2.2.2	Implement Asset Management Improvement Plan for assets including Roads, Bridges, Drainage and Buildings	Annual Report to Council updating progress
2.2.3	Review monthly business performance including work progress and budgets for each team	Monthly business performance reports
5.3.1	Undertake half yearly review of work plans and PD's	Work plans reviewed Sept and Mar
2.2.2	Ensure appropriate fleet management	Yearly satisfaction survey distributed, analysed and results reported to Management
	Review the Engineering Guidelines	Guidelines adopted by Council in October 2008
	Construction specification including hold points for construction	Development of construction specification by October 2008
8.4	Manage contracts for the provision of: Kerbside garbage collection service  Transfer station management	Ensure purchase orders are receipted at end of month / Monthly review of business plan  Undertake annual contract reviews within 2 months of the end of each annual contract term / Completed



Alignment to Council Plan	Key Activity / Process	Measure / Target
	Landfill construction and operation Street litterbin collection	reviews provided to manager by April and September each year:

### Capital Works

This section summarises the Capital Works that this Department Manager is primarily responsible for.

Description	Cost	Start Date	End Date
Asset Management System	170,000	Jul 2008	Aug 2009
Fleet Purchases	\$1,677,500	Jul 2008	May 2009
Koonwarra Landfill Rehabilitation (Stage 2)	\$30,000	Apr 2009	May 2009
Garbage Truck Vehicle Turning Provision	\$120,000	Nov 2008	May 2009
Coal Creek Community Park Capital Projects	\$95,000	Jul 2008	Feb 2009
Upgrade of Foster V.I.C	\$25,000	Feb 2008	Nov 2008
Relocation of V.I.C Korumburra to Coal Creek	\$75,000	Jan 2008	Nov 2008
Leongatha Memorial Hall Kitchen Upgrade	\$60,000	Apr 2008	Dec 2008
Refurbish New Office Accommodation	\$123,600	Jan 08	Apr 2009
Mirboo North Pool Expansion Joints	\$130,000	Oct 2007	Nov 2008
Town Signage Project	\$50,000	Aug 2008	Mar 2009
Traffic Study Sandy Point Black Spot Program	\$20,000	Jul 2008	Mar 2009
Loch Streetscape Project	\$25,000	Jul 2008	Mar 2009
Capital Works Design	\$109,638	Jul 2008	Jun 2009
Dewar Lane Reconstruction, Leongatha	\$200,000	Jul 2008	April 2009
Venus Bay Transfer Station Entrance Road Sealing	\$14,300	Nov 2008	Nov 2008
Rural Reseals	\$1,496,061	Jul 2008	Jun 2009



Description	Cost	Start Date	End Date
Reseal Preparation	\$644,669	Jul 2008	Jun 2009
Tarwin Meadows Road, Tarwin Lower Upgrade	\$24,000	Nov 2008	Nov 2008
Anderson's Inlet Road (Jeetho / Moyarra)	\$766,744	Jan 2009	Mar 2009
Resheets	\$1,019,911	Jul 2008	Jun 2009
Sealing of carpark behind Commonwealth Bank, Leongatha	\$20,000	Nov 2008	Nov 2008
Venus Bay Carparking Feasibility Study	\$5,700	Jul 2008	Mar 2009
Ticket Machine Port Welshpool	\$10,000	Aug 2008	Oct 2008
Footpath Renewal	\$201,351	Jul 2008	Jun 2009
Footpath Extension Program (McDonald Street, Leongatha)	\$80,000	Sep 2008	Apr 2009
Dyrings Road Bridge	\$106,742	Nov 2008	Jan 2009
Mobile Library Stops Upgrade	\$30,000	Jul 2008	Nov 2008
Baromi Park Walking Path	\$58,157	Mar 2008	Jan 2009

### Major Works

This section summarises the Major Works that this Department Manager is primarily responsible for:

Description	Cost	Start Date	End Date
Dredging of Toora Channel	\$150,000	Nov 2008	Jan 2009
Mirboo North Hall Painting	\$42,000	Sept 2008	May 2009
Foster Bowls Synthetic Greens	\$168,500	Mar 2008	Jun 2009
Korumburra Bena Football Club Oval Resurfacing	\$43,000	Jul 2008	Jun 2009
Stony Creek Football Club Multipurpose Greens Construction	\$120,000	Jul 2008	Jun 2009
Poowong Football Club Umpire And Players Rooms	\$105,000	Jul 2008	Jun 2009



### Summary of Department Key Initiatives

This section summarises the Key Initiatives and Projects that the Department Manager is primarily responsible for.

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
2.2.2	Asset Management System Support for procurement and implementation	Procurement and implementation on time and within budget.	Jul 2008	Jun 2009
2.2.2	Implementation of Asset Management Improvement Strategy	Adoption by Council of the updated improvement plan.	Jul 2008	Jan 2009
2.2.2	Review of the Road Management Plan	Adoption by Council	Apr 08	Jun 09

<b>DEPARTMENT:</b>	<b>PLANNING AND ENVIRONMENT</b>
<b>MANAGER:</b>	<b>CHRIS WIGHTMAN</b>

### Department Purpose/Vision

The primary purposes of this department are as follows:

- Provide land use strategic direction for the Shire.
- To ensure that strategic and statutory obligations in relation to Planning and Building legislation are met.
- To ensure that all waste water risks and permitting is conducted in accordance with relevant legislation and the Domestic Waste Water Management Plan.
- To implement the South Gippsland Planning Scheme and strategic work program which addresses the present and long term interests of the community.
- To protect the environmental assets of the community.



**Business Plan**

Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
	Written and face to face customer service	All written correspondence and customer requests, initial response within 7 working days
	Assess planning permit applications received by Council	60 % of planning applications received assessed within 60 Statutory days
2.1.3	Enforce breaches to the South Gippsland Planning Scheme	2% of planning permits audited for compliance
2.1.3	Ensure subdivisions plans are certified and compliance checked within statutory timeframes	All certifications of plans achieved with 7 Statutory working days and receipt of notification from referred agencies.
2.1.2	Assess applications to amend the planning scheme	2 Planning Scheme amendments completed per year
2.1.2	Management of key strategic projects	Completion of all Key Strategic Activities
2.1.2	Undertaking key strategic projects	As per the requirements of the Strategic Work Plan
	Lodgement and administration of building permits, mandatory inspection details, occupancy permits and Certificates of Final inspection.	Ensure that all lodgements are entered and lodged into Council s Database system within 14 days of receipt.
	Undertake statutory Essential Safety Measures inspections for existing buildings.	Ensure that all buildings identified as 'High Risk' are inspected and upgraded where required.
	To investigate building breaches and complaints of Building Activity within the municipality.	Ensure that building breaches and complaints are acted upon (within 30 days) and resolved where possible.
	Assessment of Report and Consent applications	50% of applications processed within 5 working days.



Alignment to Council Plan	Key Activity / Process	Measure / Target
4.2.1	Manage the Roadside Weed Control Program	Implement and coordinate the RWCP
4.2.1	Manage the Native Vegetation Planting Programs	Implement and coordinate the NVPP
4.2.1	Manage strategic environmental projects e.g. Strzelecki Ranges Cores & Links Project	Attend Strzelecki Reserve and Strzelecki Forests Community Group Meetings on behalf of SGSC and the Community
4.2.1	Manage the Shire Bush Reserves	Protect and maintain the natural values found in the Bush Reserves
4.1.2	Assess all septic permit application in accordance with statutory requirements	80% of all septic tank applications assessed within statutory time frames
4.1.2	Respond to waste water related complaints.	80% of complaints investigated within 30 days.
4.1.2	Implement the funded actions of the Domestic Waste Water Management Plan.	90% of identified actions completed as per the Plan.
4.4.1	Implementation of Local Sustainability Accord through development of Local Environment Priority Statement (LEPS).	LEPS endorsed by Council and Victorian Local Sustainability Advisory Committee.

### Summary of Department Key Initiatives

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
2.1.1	Implement completed Township Plans as part of the overall Planning Scheme review.	Processing of Planning Scheme Amendment to completion of exhibition stage	Jul 08	May 09
2.1.1	Implement Rural Strategy as part of the overall Planning Scheme review.	Processing of Planning Scheme Amendment to completion of	Jul 08	May 09



Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
		exhibition stage		
2.1.1	Develop and implement review of Municipal Strategic Statement	Update MSS adopted by Council	Jul 08	May 09
	Planning Enforcement Officer	Clearing of enforcement backlog and ongoing programme of enforcement investigation and compliance checking.	Jul 08	Feb 09
4.2.1	Weed survey of Shire owned / managed land	List of sites weed species and extent of infestation for each site complete by the end of June 2009	(Aug 08) Jul 08	Dec 08

<b>DEPARTMENT:</b>	<b>INFRASTRUCTURE MAINTENANCE</b>
<b>MANAGER:</b>	<b>FRED HUITEMA</b>

### Department Purpose/Vision

The Infrastructure Maintenance Department delivers two main functions. They are; Roads, Streets, & Drainage maintenance and construction, and Parks & Gardens maintenance and construction. Within the two main functions there are five main service delivery areas, Operations (roads), Parks and Gardens, Construction (roads), Workshop, and Depot Administration.

### Vision

To maintain and renew Parks and Roads infrastructure in a condition that is safe, and meets community needs and expectations.



## Business Plan

### Operational Plan

This section summarises the business as usual operational activities and programs that this Department Manager is primarily responsible for:

Alignment to Council Plan	Key Activity / Process	Measure / Target
1.3.2	Manage customer requests and correspondence in accordance with the Customer Service Charter. Monitor trends in requests and the customer satisfaction survey.	Meet the timeframes set in the Customer service charter.
5.1.2	Promote the understanding of, and live the principals of business Excellence.	Systems view and self-assessment completed.
5.3.1	Develop a strategy for succession planning and develop an apprenticeship program.	Develop a discussion paper for the establishment of an ongoing apprenticeship program.
5.3.3	Demonstrate the values of Trust, Opportunity, Respect, Communication and Harmony while going about our daily business.	Implement actions aimed to improve relations between departments. This will include at least 1 joint process improvement project with another department.
5.4.2	To keep accurate records in accordance with all relevant acts.	To develop a process to review the accuracy of operational data.

## Capital Works

Description	Cost	Start Date	End Date
Plant Purchases	\$704,409	July 08	Dec 08
Reseals and Reseal Preparation	\$2,140,730	July 08	Jun 09
Resheets	\$1,019,911	July 08	Jun 09
Footpath Renewal	\$201,351	July 08	Jun 09
Playground Replacement Program	\$120,000	July 08	May 09



**Summary of Department Key Initiatives**

Alignment to Council Plan	Key / Activity / Processes	Measures / Targets	Start Date	End Date
5.1.2	Review the Infrastructure Maintenance Department's Systems View and Self-Assessment. Include the highest actions in the prioritised improvement plan into future business plans.	Systems view and self-assessment completed.	Aug 2008	Feb 2009
2.2.3	Review current infrastructure maintenance strategies. Document the revised strategies and develop an action plan to deliver the key recommendations of the review through future business plans.	Strategy completed and documented.	Aug 2008	Jun 2009
2.2.2	Review Plant Management practices. The review will cover such issues as, Utilisation, Internal hire rates, Optimum Replacement Timing, Downtime and maintenance costs, Purchase and Disposal. Document the revised strategies and develop an action plan to deliver the key recommendations of the review through future business plans.	Plant Management review completed.	Aug 2007	April 2009
5.3.1	To develop and grow a multi-skilled, flexible workforce by moving team members between the function areas within the infrastructure maintenance department.	To review all PDs and recommend changes to better promote multi-skilling	Aug 2007	Jun 2009
2.2.2	Develop service plans considering the current and future service requirements of assets and infrastructure	Plans Developed	July 2008	June 2009



## 2.2 Key strategic activities

The key result areas for a number of environments as set out in the Council Plan and the key strategic activities for achieving these key results for the 2008/09 financial year are listed below.

Environment	Key result area	Key strategic activities
Social	Facilitate, plan and provide programs, services and opportunities that increase the viability of our communities	<ul style="list-style-type: none"> <li>• <b>Develop an Aquatics &amp; Leisure Centre Strategy to ensure sustainability and development of Council leisure centre and aquatic facilities</b></li> <li>• <b>Manage Coal Creek as a community park and museum</b></li> <li>• <b>Implement Positive Ageing strategy action plan for 2008/09</b></li> </ul>
Built	Ensure sustainable development and infrastructure to meet the current and long term needs of our communities	<ul style="list-style-type: none"> <li>• <b>Implementation and delivery of the Capital Works Program</b></li> <li>• <b>Implementation of adopted maintenance programs</b></li> <li>• <b>Commence implementation of the Asset Management Improvement Strategy including acquisition of Asset Management System</b></li> <li>• <b>Implementation of the South Gippsland Rural Strategy as part of the Planning Scheme Review</b></li> <li>• <b>Implementation of Township Plans for Leongatha, Korumburra, Foster, Mirboo North, Nyora, Loch, Tarwin Lower, Venus Bay, Waratah Bay and Sandy Point as part of the Planning Scheme Review</b></li> <li>• <b>Issue planning permits that meet the aspirations of the South Gippsland Planning Scheme</b></li> </ul>
Economic	Encourage investment, development and services that facilitate a planned and sustained growth for the Shire	<ul style="list-style-type: none"> <li>• <b>Develop a Business Investment Policy</b></li> <li>• <b>Implement a sustainable model for the operational staffing of two level two Visitor Information Centres</b></li> </ul>
Natural	Protect our unique environment by promoting and engaging in sustainable practices and initiatives	<ul style="list-style-type: none"> <li>• <b>Investigate opportunities offered by the signing of the local Sustainability Accord</b></li> </ul>



Environment	Key result area	Key strategic activities
Leadership	Provide our community with responsive, accessible, efficient leadership, advocacy and service delivery	<ul style="list-style-type: none"> <li>• <b>Achieving strategic financial outcomes</b></li> <li>• <b>Undertake improvement projects raised through the business excellence program</b></li> <li>• <b>Ensure Council is positioned to meet the current and future requirements relating to structure, capability, succession and talent management</b></li> <li>• <b>Commence phased implementation of an Electronic Document Management System (EDMS) in line with project plan</b></li> </ul>

Appendix E “key strategic activities” identifies the key strategic activities to be undertaken during the 2008/09 year, including relevant performance targets and measures. These are subject to audit at year-end.

### 2.3 Performance statement

The key strategic activities (KSA) detailed in the preceding pages, are summarised again in Appendix E. The KSA's their performance measures, targets and results are audited at the end of the year and are included in the performance statement as required by the section 132 of the Act.

The annual report for 2008/09 will include the audited performance statement, which is presented to the Minister for Local Government and the local community.

### 2.4 Organisational analysis

The following is a summary of the operating budget by team in accordance with Council’s organisational structure. It shows:

- Where Council’s rates and charges will be directed.
- Where significant changes in departmental net costs are expected.



Department	Reference	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	Net Cost Increase (Decrease) \$'000
Chief Executive Officer	2.4.1	408	447	39
Corporate & Community Services Mgt	2.4.2	863	960	97
Health and Family Services	2.4.3	172	250	78
Social and Economic Development	2.4.4	2,207	2,151	(56)
Engineering and Assets	2.4.5	4,570	5,324	754
Governance	2.4.6	1,447	1,581	134
Finance	2.4.7	81	439	358
Human Resources	2.4.8	1,153	1,066	(87)
Information Services	2.4.9	1,476	1,652	176
Development & Asset Services Mgt	2.4.10	180	178	(2)
Planning	2.4.11	1,053	921	(132)
Infrastructure maintenance	2.4.12	2,180	2,315	135
Other non-attributable <sup>1</sup>	2.4.13	6,840	5,883	(957)
<b>Operating deficit before rates &amp; capital revenue</b>		<b>22,630</b>	<b>23,168</b>	<b>538</b>
<b>Funded by:</b>				
Rates & charges	Section10	22,319	23,813	1,494
Capital grants & contributions	2.4.14	1,408	554	(854)
<b>Total</b>		<b>23,727</b>	<b>24,367</b>	<b>640</b>
<b>Operating surplus (deficit)</b>		<b>1,097</b>	<b>1,199</b>	<b>102</b>

1. Includes grants commission, depreciation, major maintenance, proceeds and WDV of assets sold, loan management, de-recognition of assets and abnormal items.



#### **2.4.1 Chief Executive Officer (\$39,000 increase)**

Aside from increased allocations for Gippsland Local Government Network, there are no significant variances between the 2007/08 and 2008/09 years for Chief Executive Officer

#### **2.4.2 Corporate and community services management (\$97,000 increase)**

Aside from \$90,000 increased allocations for libraries, there are no significant variances between the 2007/08 and 2008/09 years for Corporate and Community Services management.

#### **2.4.3 Health and family services (\$78,000 increase)**

This includes aged & disabled services, community programs, community services management and health & community safety. The net cost of providing aged and disabled services is the main contributor for the cost increases.

#### **2.4.4 Social and economic development (\$56,000 decrease)**

Social and Economic Development includes the following programs; Coal Creek, community building, economic development and tourism, local laws and recreation. There is a net decrease in costs of \$56,000 to the economic development & tourism relative to last year, the main contributors being less net costs associated Coal Creek and economic projects.

#### **2.4.5 Engineering and Asset (\$0.75 million increase)**

Engineering and assets include the following programs: building and assets maintenance, Community projects, engineering services and waste. The costs for this department are significantly lower the previous financial year due to reversing provisions allocated in prior years for landfill tip rehabilitation costs in 2007/08. The actual costs incurred were less than anticipated.

#### **2.4.6 Governance (\$134,000 increase)**

Governance includes the following programs: corporate planning, Councillors, grants and property. The increases between financial years are due to increases for Councillors allowances and costs associated with conducting an election in 2008/09.



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**2.4.7 Finance (\$0.36 million increase)**

This includes accounts, financial management and rates & valuations. The notable contributor for the net cost increase is due to reducing interest income on investments as a result of applying cash reserves to pay out long term debt in 2007/08.

**2.4.8 Human Resources (\$87,000 decrease)**

This includes payroll and risk management. There is a net decrease in costs of \$87,000 to Human resources due to less costs being incurred on training, advertising and consultancy costs associated with the business continuity plan.

**2.4.9 Information services (\$0.18 increase)**

This includes customer service, information technology and records. The notable contributor for the net cost increases are software licensing costs, property data base and GIS matching project.

**2.4.10 Development & asset services management (\$2,000 increase)**

There are no significant variances between the 2007/08 and 2008/09 years.

**2.4.11 Planning (\$132,000 decrease)**

There is a net decrease in costs of \$132,000 due to less costs being incurred on consultancy support for statutory and strategic planning projects.

**2.4.12 Infrastructure maintenance (\$132,000 increase)**

This includes the local roads, Parks and Gardens, plant and private works programs. The notable contributor for the net cost increases are increased expenditure on local roads and the filling of the preciously vacant manager position in this department.

**2.4.13 Other Non-Attributable (\$0.965 million decrease)**

Other Non-Attributable relates to income and expenditure which cannot be attributed directly to Council departments and are overseen by the Corporate Services Directorate. For the purposes of this analysis 'Other non-attributable' includes Victorian Grants Commission allocations, depreciation, net profit/loss on sale of assets, corporate overheads and abnormal items. Reductions in depreciation and the written down value of assets sold are the main contributors to the decrease between the two years.



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**2.4.14 Capital grants & contributions (\$0.86 million decrease)**

The main contributors for the reduction are significantly less capital funding provided for community projects and for road works between the years.



### 3. *Budget influences*

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

#### 3.1 **Snapshot of South Gippsland Shire Council**

South Gippsland Shire was created in 1994 from four previous coastal and inland municipalities. It has an area of 3,300 square kilometres with a substantial coastal frontage between Anderson Inlet and Port Welshpool. Located just over an hour to the south east of Melbourne, South Gippsland Shire is a spectacular region with some twenty-eight small communities nestled among the rolling green hills that link the mountains to the sea.

Its major centres are Leongatha, Korumburra, Mirboo North and Foster, and other significant townships include Nyora, Toora, Venus Bay, Sandy Point, Poowong, Port Welshpool, Loch, Dumbalk, Welshpool, Meeniyan, Fish Creek and Tarwin Lower.

##### Our Environment

South Gippsland is characterised by a diverse topography of ranges, plains, low lying land and coastal areas. This has created some of Victoria's most picturesque landscapes including the natural ruggedness and beauty of the coastline and beaches, the rolling hills of the agricultural districts, the tall tree forests of the Strzelecki Ranges and the beautiful Wilsons Promontory National Park. South Gippsland also contains a large number of parks and reserves containing flora and fauna of State and National significance, which contribute to the municipality being renowned for its natural beauty.

The environment of South Gippsland has a rich and diverse cultural heritage which demonstrates the history of the area from the occupation of the land by aboriginal people from the *Gunnai, Bun Wurrung and Wurundjeri* clans through to the post contact era. The cultural heritage places of South Gippsland make a significant contribution to its environmental character, amenity and identity.

#### 3.1.1 **Our Economic Base**

South Gippsland Shire is recognised as one of the nation's most productive dairy regions and is home to Murray Goulburn and Burra Foods processing facilities. Dairy, beef and snow pea farming are key industries in South Gippsland and with current projects underway to introduce natural gas to its principal towns and with dedicated saline wastewater treatment, significant additional food processing activity is anticipated.



The region, which is marketed as Prom Country, has a strong tourism focus and includes Wilson's Promontory National Park, one of the State's most popular destinations. It has substantial coastal reserves include marine parks of national significance and is proving very popular for holiday homeowners and retirees.

South Gippsland's manufacturing is dominated by the dairy industry, with Murray-Goulburn's Leongatha factory, the largest in Australia. A \$200 million upgrade of this plant is underway. Other food processors include Burra Foods at Korumburra and GBP Exports in Poowong. Dairy farming is estimated to be worth \$243 million per annum and the dairy sector supports a substantial service industry including transport, engineering and agricultural supplies.

South Gippsland also has a \$100 million beef industry, produces most of Australia's snow peas, a growing wine industry and has been identified as a centre of organic and native food production. Esso has a major marine terminal located at Barry Point near Toora that is used to provide services to their Bass Strait oil and gas platforms. A new private port 'Port Gippsland' is being constructed next to the Esso facility, which is generating significant investment interest. An important fishing industry operates from Port Welshpool and Port Franklin and a wind farm is located on the hills around Toora.

The tourism industry is a major component of the South Gippsland economy with visitors contributing over \$213 million to the economy. Tourist attractions include the world-renowned Wilson's Promontory National Park, Agnes Falls, a number of historic towns (including the iconic 'Coal Creek') and beach areas such as Venus Bay, Sandy Point and Waratah Bay. The scenic countryside and proximity to Melbourne mean that many of the towns and surrounding areas are popular holiday destinations and for seachange-treechange migrants from the city.

South Gippsland's economy has an annual output (turnover) of over \$2.2 billion. Key industry sectors contributing to this output are: manufacturing \$577 million; agriculture, forestry and fishing \$422 million and retail trade \$150 million.

There are almost 4,000 businesses located in South Gippsland with almost half of these businesses in the agriculture, forestry and fishing industry. Other businesses with significant numbers of establishments are construction, property and business services and retail trade.

### **3.1.2 Major Infrastructure and Investment Projects**

There are a number of key infrastructure and investment projects currently underway in South Gippsland Shire. These include:

- the \$50 million Natural Gas Extension Program, which is bringing natural gas to Korumburra and Leongatha;
- the \$200 million upgrade of Murray Goulburn's Leongatha dairy processing facility;



- the \$8 million development of Port Gippsland at Barry Point;
- the \$10 million first stage upgrade of Leongatha Hospital;
- the recently completed \$33 million upgrade of South Gippsland Highway, which includes the Bena bypass;
- the projected \$20 million development of the Leongatha Education Precinct.

The recently opened Pakenham Bypass has improved access to South Gippsland Shire from metropolitan Melbourne and this will be further enhanced during the second half of 2008 with the opening of EastLink. The State Government's proposed desalination plant near Powlett River, although located just outside the Shire, is expected to have significant impact on the local economy if construction proceeds.

### 3.1.3 Land use development

South Gippsland offers a diverse range of land use opportunities. It is more specifically characterised by dairy and beef pastures and small towns and villages all of which is reflected in the housing, employment, service, retail and recreational aspirations of residents and visitors alike. It is a Shire with very high liveability qualities.

#### Our Community

The current population is 26,675. This is 516 more people since 2001 and represents an average annual growth rate of 0.4%. It is projected that the population of South Gippsland will rise to 32,000 by 2031. The Shire has approximately 13,000 dwellings and over 17,000 rateable properties.

The number of households within South Gippsland has increased by 522 between 2001 and 2006 to a total of 10,096.

This trend is expected to continue over the next 20 year period as population growth increases. The increase in the total number of households will require a diverse range of housing opportunities including higher density dwelling development in serviced townships and lifestyle living opportunities in a low density residential or rural living context.

The age structure of South Gippsland Shire in 2006 reflected a similar profile to Regional Victoria as a whole. The proportion of residents in the 20-29 age group (7.7%) was significantly lower than the average for Regional Victoria (10.2%) while the proportion in age groups above 50 years were higher.



The proportion in the 60-69 age range was 11.9%, two percentage points higher than the average for Regional Victoria.

South Gippsland's age profile compared with Regional Victoria is shown in the table below:

Age Group	South Gippsland	Regional Victoria
0-9	12.2%	12.9%
10-19	14.4%	14.6%
20-29	7.7%	10.2%
30-39	11.2%	12.4%
40-49	14.6%	14.6%
50-59	15.5%	13.8%
60-69	11.9%	9.9%
70-79	7.9%	7.1%
80-89	4.1%	3.7%
90+	0.7%	0.7%

(ABS, Census of Population and Housing, 2006)

There are high levels of home ownership in South Gippsland with over 44% of dwellings fully owned compared with 33% nationally. The proportion of rental dwellings at 16.8% is much lower than the national average of 27.2%.

69.2% of dwellings have family households, slightly higher than the national rate of 67.4% while 56.5% of South Gippsland residents are married compared with 49.6% average for Australia.

South Gippsland has very high levels of volunteerism with nearly 6,400 people or over 30% of the adult population identifying that they worked as a volunteer for an organisation. This compared with about 18% across Victoria.

### 3.1.4 Labour Force

South Gippsland Shire has:

- an estimated labour force of 13,969 people;
- an unemployment rate of 3.6%, with 501 unemployed persons at September 2007.



This is one of the lowest unemployment rates in the State and was significantly lower than the Regional Victorian average of 5.2% and State average of 4.5%.

Key industry sectors by employment in the South Gippsland Shire in 2006 were Agriculture, forestry & fishing (20.2%), Retail Trade (13.4%), and Manufacturing (9.9%). The Shire’s top eight employment sectors compared with that of Regional Victoria as shown in the following table:

Employment by Industry	South Gippsland	Regional Victoria
Agriculture, forestry & fishing	20.2%	9.3%
Retail trade	13.4%	15.4%
Manufacturing	9.9%	12.0%
Health and community services	9.1%	11.7%
Education	7.0%	7.7%
Construction	6.5%	8.1%
Wholesale trade	5.0%	3.9%
Property and business services	4.8%	6.4%

(ABS 2006 Census)

In 2006, key employment by occupation groups in South Gippsland were Managers and Administrators (20.7%), Tradespersons (12.9%) and Professionals (12.8%). The Shire’s employment by occupation compared with that of Regional Victoria are as follows:

Occupation	South Gippsland	Regional Victoria
Managers & administrators	20.7%	11.8%
Tradespersons and related workers	12.9%	14.9%
Professionals	12.8%	15.5%
Intermediate clerical, sales, service	12.0%	14.8%
Associate professionals	10.5%	11.2%
Labourers and related	10.4%	10.6%
Intermediate, production & transport	8.5%	8.7%
Elementary clerical, sales, service	7.8%	9.7%
Advanced clerical and service	3.0%	2.6%
Inadequately described and not stated	1.6%	1.8%

(ABS 2006 Census)



### 3.1.5 Community Infrastructure

South Gippsland boasts a wide range of community assets that are appreciated and enjoyed by our residents and visitors. These include:

- 16 primary schools, 6 secondary colleges and a range of further education facilities;
- 3 public hospitals plus community health centres;
- 5 public libraries plus a mobile service;
- 29 galleries and museums, a cinema, theatres and clubs;
- over 200 sporting clubs with facilities such as a cycling velodrome and indoor basketball stadiums, a regional Leisure Centre incorporating a heated indoor swimming pool, 7 public swimming pools of which 2 are heated and 7 golf courses;
- the Great Southern Rail Trail, which includes 50km of bike/walking trails;
- the 13km Mirboo North – Boolarra rail trail;
- over 50 parks, reserves and sanctuaries including coastal/beach assets, trails in the Strzelecki Ranges, Coal Creek Heritage Village and Mossvale Park at Mirboo North.

### 3.1.6 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 large area of South Gippsland Shire Council increases transport costs when compared to metropolitan and regional Councils. Also, services can be centralised as most citizens are able to reach Council facilities without extensive travel times.
- Over 13% of ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community.
- The Shire is experiencing an increase in demand for higher density housing developments in serviced townships as well as lifestyle living opportunities in low density and rural living settings. The budget implications arise in Council having to provide new infrastructure as well as cope with replacement of aging infrastructure. These costs cannot be passed on to the



developer and are paid for from rates. The rates received from new dwellings do not offset the significant infrastructure costs.

### 3.2 External influences

In preparing the 2008/09 budget there were a number of external influences, which were taken into consideration, because they were likely to impact significantly on the services delivered by Council in the ensuing twelve months. These include:

- Wages growth is projected to be 4.0% per annum for 2007/08 and beyond. (Commonwealth Bank economic forecast).
- Projected consumer price index (CPI) increases on goods and services being over 3.0% per annum.
- Receipt of significant capital and major works funding of \$1.54 million for the completion of roads to recovery projects.
- Prevailing world economic conditions which are expected to remain difficult during the budget period, impacting interest rates.

### 3.3 Internal influences

As well as external influences, there were also internal influences arising from the 2007/08 year which have had a significant impact on the setting of the 2008/09 budget. These included:

- Creating an additional general manager position bringing to 3 the number of general managers that report to the chief executive officer. The funding for this position is cost neutral due to employee costs incurred consistently being below what is originally budgeted due to delays in filling staff vacancies. In past years this capacity was utilised as a funding source for unavoidable costs requirements throughout the year or as additional capacity funding capacity in the following year. The staffing structure now has closer parity with organisation structures within the Gippsland region.
- The cash available for projects carried forward, both capital (\$0.17 million) and operational expenditure of which a significant portion of it is tied to grant funds (\$0.28 million).
- Expected closing cash position as at 30 June 2008 of \$5.02 million.

### 3.4 Budget principles

In response to these significant influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set



out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Existing fees and charges to be increased in line with CPI / market levels / cost recovery;
- Grants to be based on confirmed funding levels;
- New revenue sources to be identified where possible;
- Service levels to be maintained at 2007/08 levels with an aim to use less resources with an emphasis on innovation and efficiency;
- New staff proposals to be justified through a business case;
- New initiatives or projects which are not cost neutral to be justified through a business case, and lifecycle costing analysis;
- Real savings in expenditure and increases in revenue identified in 2007/08 to be preserved; and
- No new borrowings.

### **3.5 Legislative requirements**

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

The 2008/09 budget, which is included in this report, is for the year 1 July 2008 to 30 June 2009 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted income statement, balance sheet, cash flows and capital works. These statements have been prepared for the year ended 30 June 2009 in accordance with the international financial reporting standards (IFRS), and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long-term strategies to assist Council in considering the Budget in a proper financial management context. These include a long term financial strategy (section 8), rating strategy (section 9), borrowing strategy (section 10) and infrastructure strategy (section 11).

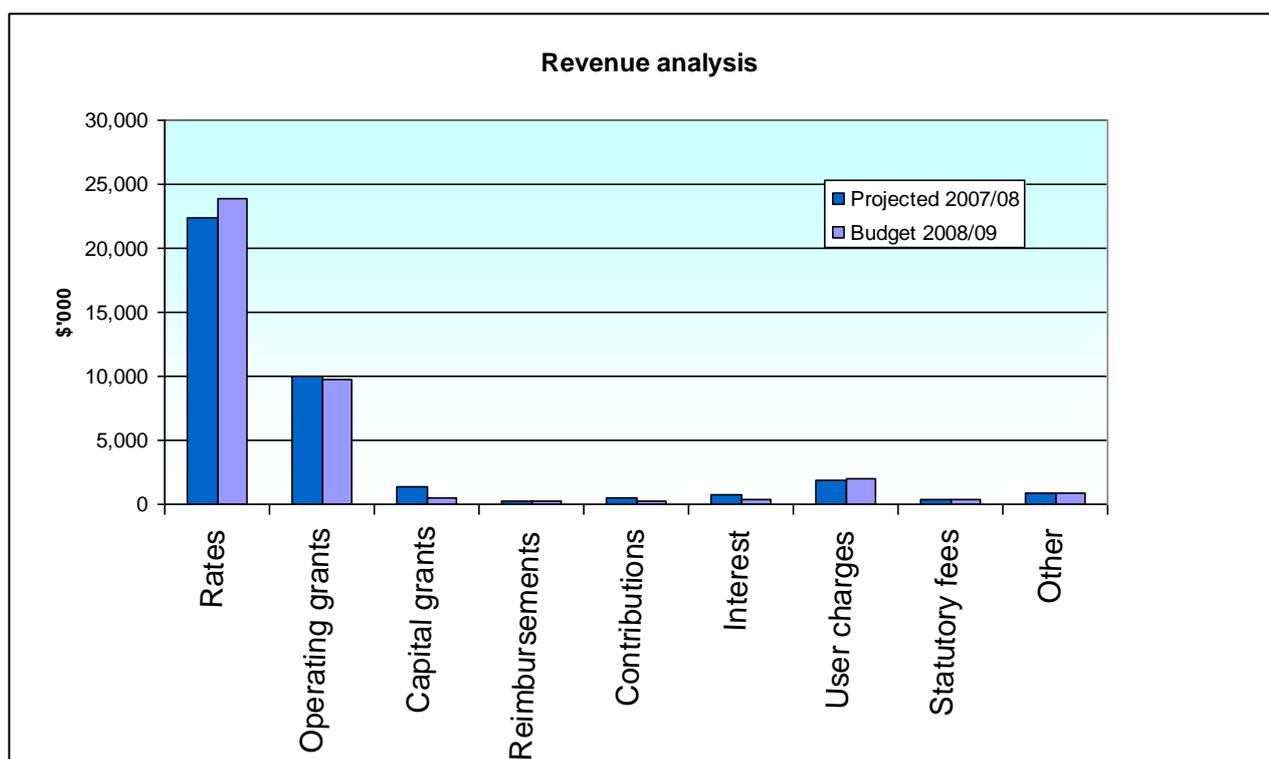


## 4. Analysis of operating budget

This section of the annual budget report analyses the expected revenues and expenses of the Council for the 2008/09 year.

### 4.1 Operating revenue

Revenue Types	Reference	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	(Unfav) Variance \$'000
Rates & charges	4.1.1	22,319	23,813	1,494
Operating grants	4.1.2	10,058	9,721	(337)
Capital grants & contributions	4.1.3	1,408	554	(854)
Reimbursements	4.1.4	264	273	9
Contributions	4.1.5	450	202	(248)
Interest	4.1.6	772	346	(426)
User charges	4.1.7	1,899	1,988	89
Statutory Fees	4.1.8	350	327	(23)
Other	4.1.10	820	930	110
<b>Total operating revenue</b>		<b>38,340</b>	<b>38,154</b>	<b>(186)</b>





#### **4.1.1 Rates and charges (\$1.49 million increase)**

It is projected that general rates and charges income be increased by 5.5% over the base that was raised last year to \$23.81 million. This includes \$0.15 million in supplementary rates and special charge rates. Section 9, “rating strategy” includes a more detailed analysis of the rates and charges to be levied for 2008/09.

#### **4.1.2 Operating grants (\$0.38 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 as well as one off funding for projects undertaken on behalf of community organisations. Overall, the level of grants has decreased by 3.4% or \$0.38 million compared to 2007/08.

Decreases in a number of one off community project funding from \$0.98 million in 2007/08 to \$0.22 million in 2008/09. The previous year community projects included the Great Southern Rail Trail, (\$370,000) the dredging of the Toora channel (\$146,000) and MDU Multi Purpose Club Rooms (\$240,000).

There is a \$245,000 payment budgeted to be received in 2008/09 from the State Revenue Office which is for the bi-annual general revaluation (previous year \$6,500).

It should be noted that road to recovery funding of \$1.08 million has been redirected from capital projects (reseals) to operational projects (re-sheets), which are expensed in the income statement.

#### **4.1.3 Capital grants and contributions (\$0.85 million decrease)**

Capital grants include all monies received from State and Federal governments and community sources for the purposes of funding the capital works program. Overall the level of grants has decreased by 60% or \$0.85 million compared to 2007/08. This is due to the receiving \$0.49 million less capital funds for community projects and \$0.35 million for local road projects.

There are capital funds expected in 2008/09 from Roads to Recovery (\$457,000), Sports recreation Victoria (SVR) grant for Baromi Park walking path (\$46,000) and for Dewar lane (\$50,000).

Section 6, “analysis of capital budget” includes a more detailed analysis of the grants and contributions that are expected to be received during the 2008/09 year.



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**4.1.4 Reimbursements (\$9,000 increase)**

There are no significant movements for reimbursements.

**4.1.5 Contributions (\$0.25 million decrease)**

The main variability is due to a net decrease of contributions for community projects between the two financial years. The main variable being the \$0.25 million contribution provided in 2007/08 for the MDU Multi purpose clubrooms community project. Otherwise, there are no significant movements for contributions that are expected to be received for projects under the auspice of Sport Recreation Victoria.

**4.1.6 Interest revenue (\$0.43 million decrease)**

There is a decrease of \$0.43 million in interest revenue due to monthly cash projections varying from previous years' balances due to having significantly more funds set aside in previous years that were applied against long term debt.

Although the Reserve Bank of Australia economic forecasts indicate that there is likely to be some upward pressure on interest rates in the budget period, interest on investments is forecast to not to be materially impacted. This is mainly due to the expectation that departments will continue to increase their adherence to planned work programs.

**4.1.7 User charges (\$89,000 increase)**

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include rental income, use of leisure, entertainment and other community facilities and the provision of human services such as aged and disabled services.

Council Plans to increase user charges for the majority of areas in line with at minimum, expected inflationary trends over the budget period to maintain parity of user charges with the costs of service delivery. There are no significant movements for user charges.

Appendix F, 'fees and charges' details all user charges.

**4.1.8 Statutory fees (\$23,000 decrease)**

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Planning, Health Act registrations and parking fines. Due to forecast tightening of economic circumstances there are some



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reductions anticipated in the number of statutory fees from the planning and environment operations.

Appendix F, 'fees and charges' details all statutory fees.

#### **4.1.9 Other revenue (\$110,000 increase)**

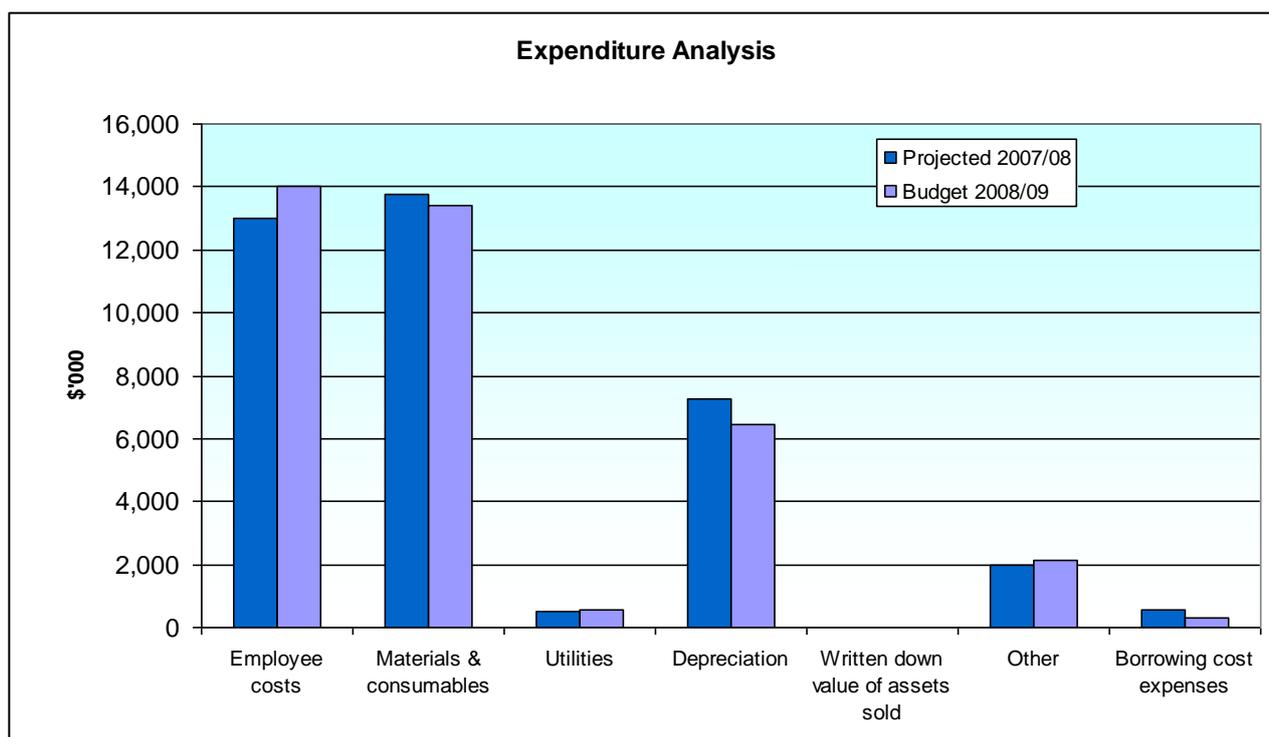
Other revenue relates to a range of unclassified items such as cost recoupments and other miscellaneous income items including income from private works.

Other revenue is projected to increase by 13.4% or \$110,000 in 2008/09. This is predominantly due to expecting more income from private works sealing projects and from Coal Creek merchandise sales.



## 4.2 Operating expenditure

Expenditure Types	Reference	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	(Unfav) Variance \$'000
Employee costs	4.2.1	12,993	14,017	(1,024)
Materials and consumables	4.2.2	13,747	13,406	341
Utilities	4.2.3	514	542	28
Depreciation	4.2.4	7,263	6,473	790
Other expenses	4.2.5	1,978	2,126	(148)
Borrowing cost expenses	4.2.6	539	290	249
<b>Total operating expenditure</b>		<b>37,034</b>	<b>36,854</b>	<b>180</b>



### 4.2.1 Employee costs (\$1.02 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 and fringe benefits tax.



Employee costs are forecast to increase by than 7.9% or \$1.02 million compared to 2007/08.

It should also be noted that the 2008/09 budgeted employee costs takes into account:

- An additional general manger position that reports directly to the chief executive officer.
- An allowance for Council’s enterprise bargaining agreement (EBA), banding and contract staff increments in 2008/09 and higher duties as well as the flow on effect to oncost expenses.
- Increases as a result of an initiative to employ a 0.8 EFT enforcement officer for planning and environment, increasing management accounting by 0.2 EFT as well as 0.8EFT for a Transport Connections officer that is grant funded.

It should be noted that some staff costs are actually costed to the balance sheet as opposed to being expensed in the income statement. On a program budget basis (combining employee costs employee costs incurred in the income statement and capital works program) the total employee costs budgeted for 2008/09 is \$14.67 million (\$13.64 million forecast for 2007/08)

In summary, average staff numbers (EFT) during the budget period are as follows:

Type of employment	Number of EFT’s	
	2007/08	2008/09
Full time	166	167
Part time	45	47
Casual	6	7
<b>Total</b>	<b>217</b>	<b>220</b>

#### 4.2.2 Materials & consumables (\$0.34 million decrease)

Materials and consumables are forecast to decrease by 2.5% or \$0.34 million compared to 2007/08. The variation is mainly to the ‘one off’ expenses that no longer going to be incurred in 2008/09 that had been incurred after 2007/08.

Significant one off expenses not expected to be incurred in 2008/09 is \$1.21 million less in relation to one off community projects, when compared with the previous financial year. These project costs are to a degree offset to a degree by one off grants and contributions.



Reductions in expenses in 2008/09 compared to the previous year include \$235,000 less for engineering services consultancies, and \$198,000 less for statutory and strategic planning contractors and consultancies.

Increases in expenses for 2008/09 compared to the previous year include \$120,000 for election expenses, \$70,000 for Information technology software licences as well as \$205,000 for local roads routine maintenance.

#### **4.2.3 Utilities (\$28,000 increase)**

Utility costs relate to telecommunications, including usage of telephones and other utilities such as water, gas and electricity. Utility costs are forecast to increase by 5.4% or \$28,000 compared to 2007/08.

#### **4.2.4 Depreciation (\$0.79 million decrease)**

Depreciation relates to the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains.

The decrease of \$0.79 million for 2008/09 is predominantly due to the periodic revaluation process of non current assets to current replacement costs and the assessment of useful lives. Fair value recognizes in the balance sheet the true replacement cost of the asset. Annual depreciation costs are determined by making an assessment of the useful lives of each asset component. During the revaluation exercise conducted by engineers on road infrastructure assets, the useful lives for road pavements was increased from 60 to 90 years, the flow on impact being a significant reduction in depreciation costs.

The assets at some future point in time have to be refurbished or replaced, so it is important that the depreciations' cost is both brought to account and funded.

The completion of the 2008/09 capital works program and the full year effect of depreciation on the 2007/08 capital works program also impacts upon the depreciation charges. Refer to Section 6. "analysis of capital budget" for a more detailed analysis of Council's capital works program for the 2008/09 year.

#### **4.2.5 Other expenses (\$0.15 million increase)**

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations, library service, future known cost commitments associated with landfill rehabilitation and other miscellaneous expenditure items.



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Other expenses are forecast to increase by 7.5% or \$0.15 million compared to 2007/08. The majority of the increase is in relation to library services (\$91,000) and for swimming pool grants (\$38,000).

#### **4.2.6 Borrowing cost expenses (\$0.25 million decrease)**

Borrowing cost expenses represent the interest cost associated with borrowed funds. Borrowing costs are forecast to decrease by 46% or \$0.25 million compared to 2007/08.

The costs decrease in 2008/09 is as a result of paying out fully a \$4.5 million interest only loan in 2007/08 as well as the increasing portion of loan repayments on other borrowings being actually allocated to principal repayments.



## 5. *Analysis of budgeted cash position*

This section of the budget report analyses the expected cash flows for the 2008/09 year. The analysis is based on three main categories of cash flow. In summary these are:

- Operating activities - these activities refer to the cash generated or used in carrying out the normal service delivery functions of Council
- Investing activities - these activities refer to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property, equipment, etc.
- Financing activities - these activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of borrowings.

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

### 5.1 Analysis of budgeted statement of cash flows

	Reference	Forecast Actual 2007/08 \$'000	Budget <b>2008/09</b> \$'000	Variance \$'000
Operating Activities	5.1.1			
Receipts		37,086	38,154	1,068
Payments		(30,169)	(30,3426)	(173)
Net cash inflow (outflow)		<b>6,917</b>	<b>7,812</b>	<b>895</b>
Investing Activities	5.1.2			
Receipts		2,239	1,274	(965)
Payments		(8,189)	(7,511)	678
Net cash inflow (outflow)		<b>(5,950)</b>	<b>(6,237)</b>	<b>(287)</b>
Financing Activities	5.1.3			
Receipts		7	7	0
Payments		(5,544)	(1,116)	(4,428)
Net cash inflow (outflow)		<b>(5,537)</b>	<b>(1,109)</b>	<b>(4,428)</b>



Net increase (decrease) in cash held		<b>(4,570)</b>	<b>466</b>	<b>5,036</b>
Cash at beginning of year		9,592	5,022	(4,570)
<b>Cash at end of year</b>	5.1.4	<b>5,022</b>	<b>5,488</b>	<b>466</b>
<b>Represented by:</b>				
Reserve cash and investments				
- Statutory		145	166	21
- Discretionary		1,399	1,514	115
-Working capital		3,478	3,808	330
	5.2	<b>5,022</b>	<b>5,488</b>	<b>466</b>

### 5.1.1 Operating activities (\$0.90 million increase)

The increases in cash inflows from operating activities are due mainly to receiving a \$1.49 million increase in Rates and charges revenue, an increase in fees & charges and other revenue of \$0.18 million a decrease of \$0.84 million in payments to suppliers and a reduction in loan financing costs of \$0.25 million. The increases are offset by increased payments to employee costs (\$1.02 million), less income from capital and operating grants (\$1.19 million), less contributions (\$0.25 million) and less interest income from investments (\$0.42 million).

### 5.1.2 Investing activities (\$0.29 million increase)

The \$0.29 million increase in net payments for investing activities is due in part to receiving less income of \$0.97 million in capital sales compared with the previous year. The actual gross expenditure on capital is \$0.68 million less than as it was for 2007/08. The difference largely had been due to projects to the value of \$0.90 million being carried forward from 2006/07 to the 2007/08 budget.

### 5.1.3 Financing activities (\$4.43 million decrease)

Financing activities includes the principal component of loan repayments for the year. For 2007/08 the total of principal repayments was \$5.54 million, which included paying of in full a \$4.50 million interest only loan that was required to be refinanced in 2007/08. Total principal payments budgeted for 2008/09 will be \$1.12 million.

Cash at end of the Year (\$0.47 million increase)

Overall, total cash and investments are forecast to be \$0.47 million more to that of 2007/08. The contribution of cash from operating activities has provided



significant funds for both the investing and financing activities. The balance is expected to be \$5.49 million as at 30 June 2009 which is above the previous year (\$5.02 million). This reflects the strategic intent of systematically improving the working capital position of Council over the coming years.

## 5.2 Reserve cash, investments and working capital

The cash flow statement above indicates that Council is estimating that at 30 June, 2009 it will have cash and investments of \$5.49 million, which has been earmarked as follows:

- **Working capital (\$3.81 million)** - these funds are free of all specific Council commitments (after allowing for unexpended capital funding) and represent funds available to meet daily cash flow requirements and unexpected short term needs. Council regards these funds as the absolute minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds. A higher level of working capital would be considered desirable because 60% of Council's rate revenue is not received until February each year. This again is reflected in the Long Term Financial Plan.
- **Statutory purposes (\$0.16 million)** - Currently there is \$0.16 million budgeted to statutory reserves for open space contributions. Statutory reserves funds must be applied for specified statutory purposes in accordance with various legislative and contractual requirements. Whilst these funds earn interest revenues for Council, they are not available for other purposes.
- **Discretionary purposes (\$1.51 million.)** –An allocation of \$1.15 million has been quarantined to an 'internal' reserve funds for the development of industrial land, \$0.29 million for garbage services, \$36,000 for Corner Inlet seawall drainage and \$41,000 for Henry's Road Nyora.

Allocations to discretionary reserves in future years will normally only occur when surplus operating results equivalent to the reserve transfer is achieved. These funds will be available for whatever purpose Council decides is their best use.

There are no restrictions on the use of these funds other than as Council may itself impose. The decisions about future use of these funds will be reflected in Council's Long Term Financial Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan. Any changes will be reflected in the plan.



## 6. Analysis of capital budget

This section of the budget report analyses the planned capital expenditure budget for the 2008/09 year and the sources of funding for the budget.

### 6.1 Capital works

Capital Works Areas	Reference	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	Variance \$'000
Works for 2008/2009				
Roads	6.1.1	3,164	3,321	157
Footpaths	6.1.2	438	331	(107)
Kerb & Channel	6.1.3	0	20	20
Bridges	6.1.4	316	106	(210)
Drains & Culverts	6.1.5	115	28	(87)
Car parks	6.1.6	119	20	(99)
Other Structures	6.1.7	366	225	(141)
Buildings	6.1.8	1,363	509	(854)
Land	6.1.9	0	20	20
Plant & Equipment	6.1.10	2,248	2,362	114
Furniture & Equipment	6.1.11	60	539	509
Total capital works		8,189	7,511	(678)
Works for 2008/2009 represented by:				
<i>Capital expenditure</i>				
New assets		1,731	1,454	(277)
Asset renewals		6,458	6,057	(401)
Total capital works		8,189	7,511	(678)
<i>Works carried forward*</i>				
Works carried forward from previous year	6.1.12	898	170	(728)



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**6.1.1 Roads (\$3.32 million)**

For the 2008/09 year, \$3.32 million will be expended on road projects. The more significant projects include reseals including preparation costs (\$2.14 million), Andersons Inlet (\$0.77 million), garbage truck turning provisions (\$0.12 million), Dewar lane (\$0.20 million) and Tarwin Meadows Road upgrade (\$24,000).

**6.1.2 Footpaths (\$0.33 million)**

For the 2008/09 year, \$0.33 million will be expended on footpaths This includes the Baromi park track (\$58,000), and footpath extension program (\$80,000). The balance (\$200,000) is allocated specifically for footpath renewal work.

**6.1.3 Kerb & channel (\$20,000)**

For the 2008/09 year, \$20,000 will be expended on Dewar Lane kerb & channel.

**6.1.4 Bridges (\$0.11 million)**

For the 2008/09 year, \$0.11 million will be expended on the Dryings Road bridge.

**6.1.5 Drains & culverts (\$28,000)**

For the 2008/09 year, \$20,000 will be expended on the construction of the Dewar lane culvert and \$8,000 on culverts associated with the footpath extension program.

**6.1.6 Car parks (\$20,000)**

For the 2008/09 year, \$20,000 will be expended sealing the CBA car park

**6.1.7 Other structures (\$0.23million)**

For the 2008/09 year, \$0.23 million will be expended on other structures. This includes the Town signage (\$50,000), Loch streetscape (\$25,000), mobile library (\$30,000) and the playground replacement program (\$120,000).

**6.1.8 Buildings (\$0.51 million)**

For the 2008/09 year, \$0.51 million will be expended on buildings. The more significant projects include Coal Creek heritage Village projects (\$95,000), relocation of Visitor Information Centre to Foster (\$.100,000) and refurbish new office accommodation (\$124,000).



### 6.1.9 Land (\$20,000)

For the 2008/09 year, \$20,000 have been allocated to sundry land purchases.

### 6.1.10 Plant & equipment (\$2.36 million)

This predominantly relates to ongoing cyclical replacement of the plant and vehicle fleet (\$2.36 million).

### 6.1.11 Office furniture & equipment (\$0.57 million)

This relates ongoing cyclical replacement of computer related equipment (\$28,000), a document management system (\$370,000) and for purchase of an asset management system (\$170,000).

### 6.1.12 Carried forward works (\$0.17 million)

At the end of each financial year there are projects, which are either incomplete or not commenced due to planning issues, weather delays, extended consultation etc. It is forecast that \$0.17 million for an asset management system from the 2007/08 capital works will be incomplete and will be carried forward into the 2008/09 year (previous year \$0.90 million).

## 6.2 Funding Sources

Sources of Funding	Reference	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	Variance \$'000
<b>External</b>				
Grants and contributions	6.2.1	1,408	554	(854)
Borrowings	6.2.2	0	0	0
Proceeds on sale of assets	6.2.3	2,239	1,274	(965)
<b>Sub total</b>		<b>3,647</b>	<b>1,828</b>	<b>(1,819)</b>
<b>Internal</b>				
Operations	6.2.4	3,220	5,454	2,234
Working capital & Reserves	6.2.5	1,322	229	(1,093)
<b>Sub total</b>		<b>4,542</b>	<b>5,683</b>	<b>(1,141)</b>
<b>Total funding sources</b>		<b>8,189</b>	<b>7,511</b>	<b>(678)</b>



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**6.2.1 Grants and contributions (\$0.85 million decrease)**

Capital grants and contributions include all monies received from State, Federal and community sources for the purposes of funding the capital works program. The decrease due to \$0.49 million less capital funds being available for community projects and \$0.36 million for local roads grant local roads when compared with the previous 2007/08 year.

Grants and contributions expected for local roads include Roads to Recovery \$0.46 million and \$50,000 for Dewar Lane as well as \$46,000 community project funding for Baromi Park walking path.

**6.2.2 Borrowing (nil movement)**

There are no borrowings budgeted for in the 2008/09 financial year.

**6.2.3 Proceeds from sale of assets (\$0.97 million decrease)**

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$1.15 million, plant sales of \$0.11 million and sale of property of \$20,000 (\$1.1 million in 2007/08).

**6.2.4 Operations (2.23 million increase)**

During the year Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$5.45 million will be generated from operations to fund the 2008/09 capital works program (after allowing for capital grants and contributions as discussed in Section 6.2.1). Refer section 5. "budgeted cash position" for more information on funds from operations.

**6.2.5 Working capital & Reserves (\$1.09 million decrease)**

Council also has cash and investments, which represent internal reserves, working capital and funds preserved from the previous year mainly as a result of grants and contributions being received in advance. It is forecast that \$0.23 million will be available from the 2007/08 year to fund the 2008/09 capital works program which includes \$0.12 transfer from the garbage reserve to fund garbage truck turning circles.



## 7. *Analysis of budgeted balance sheet*

This section of the budget report analyses the movements in assets, liabilities and equity between 2007/08 and 2008/09.

### 7.1 Budgeted balance sheet

	Reference	Forecast Actual 30 Jun 08	Budget 30 Jun 09	Variance
		\$'000	\$'000	\$'000
Current				
Assets	7.1.1	8,725	9,282	557
Liabilities	7.1.2	(5,608)	(5,590)	18
<b>Net current assets</b>		<b>3,117</b>	<b>3,692</b>	<b>575</b>
Non Current				
Assets	7.1.3	353,914	353,566	(348)
Liabilities	7.1.4	(4,295)	(3,326)	969
<b>Net non current assets</b>		<b>349,619</b>	<b>350,240</b>	<b>621</b>
<b>Net assets</b>		<b>352,736</b>	<b>353,932</b>	<b>1,196</b>
Equity	7.1.5			
Accumulated surplus		131,236	132,386	1,060
Reserves		221,410	221,546	136
<b>Total equity</b>		<b>352,736</b>	<b>356,932</b>	<b>1,196</b>

#### 7.1.1 Current Assets (\$0.56 million increase)

The current assets are projected to be greater to that of 2007/08, the main contributor being a \$0.47 million strengthening in the cash position. A more detailed analysis of this change is included in section 5. "analysis of budgeted cash position". Rate and other debtors are not expected to change significantly.

#### 7.1.2 Current liabilities (\$18,000 decrease)

There is a marginal decrease of \$18,000 current liabilities (that is, obligations that Council must pay within the next 12 months). This is due to actually paying out in full a \$4.5 million interest only loan that was recognised as a current liability the previous financial year. A more detailed analysis of this change is included in section 10. "borrowing strategy".



### **7.1.3 Non current assets (\$0.35 million decrease)**

The decrease in non-current assets is due to the net result of the capital works program (\$7.51 million), the depreciation of all non-current assets with the exception of land (\$6.47 million) and the written down value of property, plant and equipment sales (\$1.38 million). Long term debtors relating to loans to community organisations are expected to reduce marginally by \$8,000.

### **7.1.4 Non current liabilities (\$0.97 million decrease)**

The decrease in movements in non-current liabilities is due primarily to reclassifying a portion of interest bearing liabilities (\$1.14 million) from non current to current liability.

### **7.1.5 Equity (\$1.20 million increase)**

The increase in the accumulated surplus is impacted by the forecast operating surplus of \$1.20 million after allowing for net loss on disposal of assets of \$0.10 million.

In addition to this change, an amount of \$0.26 million will be transferred from the accumulated surplus to a reserve. This reflects the allocation of funds from garbage services (\$0.24 million) and open space contributions (\$21,000). There is also budgeted to be a transfer of \$0.12 million out of the garbage reserve that will be utilised to pay for capital works associated with garbage truck turning circles.

As these transfers are movements between balances within equity, it has no effect on the total balance of equity.

## **7.2 Key assumptions**

In preparing the budgeted balance sheet for the year ended 30 June 2009 it was necessary to make a number of assumptions about key assets, liabilities and equity balances. The key assumptions are as follows:

- The collection level of rates and charges that will be collected in 2008/09 will be at similar levels to that of previous years.
- Trade creditors and other creditors and debtors to remain consistent with 2007/08 levels.
- Proceeds from the sale of property in 2008/09 will be received in full in 2008/09.
- Employee entitlements to be increased to allow for wage movements. No increase in the average rate of leave taken is expected.



- 
- Repayment of loan principal is to be \$1.12 million.
  - Total capital expenditure to be \$7.51 million.
  - A total net \$0.14 million to be transferred from accumulated surplus to internal reserves.
  - \$0.55 million in capital grants will in fact be received by 30 June 2009.



## 8. *Long Term Financial Plan*

### 8.1 Plan development

Council is required by the Act to prepare a strategic resource plan covering both financial and non-financial resources, for at least the next four financial years to support the Council Plan. The Act also requires Council to comply with the following *Principles of Sound Financial Management*:

- ‘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:  
and
- Provide full, accurate and timely disclosure of financial information’.

A high level 10 year Long Term Financial Plan(LTFP) was first developed by Council in 2003. This Long Term Financial Plan for the years 2008/09 to 2017/18 has been further refined as part of Council’s ongoing financial planning to assist Council in adopting a budget within a longer term framework. The LTFP is developed taking into consideration the long term financial strategies that were also first developed in 2003, which have been revised and adopted by Council on 7 March 2007.

The strategic resource plan (SRP) is effectively a subset of the Long Term Financial Plan and also takes the 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 term, whilst still achieving Council’s strategic objectives as specified in the Council Plan. The key financial strategies, which underpin the long term financial plan, and SRP are:

1. **That South Gippsland Shire Council target as a high priority to achieve underlying surplus results in the income statement and consistent and gradually strengthening underlying surplus results thereafter, and that this be documented in the long term financial plan**
2. **That the working capital ratio of South Gippsland Shire Council in Long Term Financial Plane targeted to show strengthening trend targeting at least, a 2 to 1 ratio in the later years of the plan.**
3. **That budgeted transfers to discretionary reserves for future capital expenses only be made if matched by an equivalent budgeted surplus in the income statement so as to preserve the accumulated surplus position of the Council**



4. That the budgeted 'cash at the end of year' position be sufficient to fund daily cash requirements in annual and forward financial plans and be subject to ongoing financial analysis taking into consideration budgeted cash inflows and outflows requirements, the working capital and quick asset ratio.
5. That capital expenditure on asset renewal projects be given priority over capital expenditure on new assets (upgrades and extensions) until the sustainability index consistently exceeds 95%.
6. Any new capital works (capital extension) proposals must include a lifecycle cost evaluation exercise that identifies and costs the asset construction, maintenance, operating and depreciation costs.
7. That Council consider borrowing for new capital projects only when consistent surplus operating results are being achieved in the income statement
8. That any new projects that require borrowings be considered only if the projects have had a full lifecycle cost analysis undertaken, and will have proven cash flows in future periods to 'repay' the cash outlays required in the initial periods and / or that the capital evaluation guidelines be used to evaluate costing impacts on the forward budgets.
9. That Council consider the most appropriate rating strategy to provide adequate funds to:
  - achieve a breakeven and then gradually strengthening underlying surpluses in the income statement
  - achieve a sustainable cash flow and
  - fund capital renewal projectsin both the annual budget and in the long term financial plan.
10. Wherever reasonably possible, fees and charges be increased by the same percentage that general rates and charges are set to increase by until full cost recovery is achieved for direct service provision. Any fees that are not to be increased in line with a planned rate rise be clearly identified and documented for Council consideration.



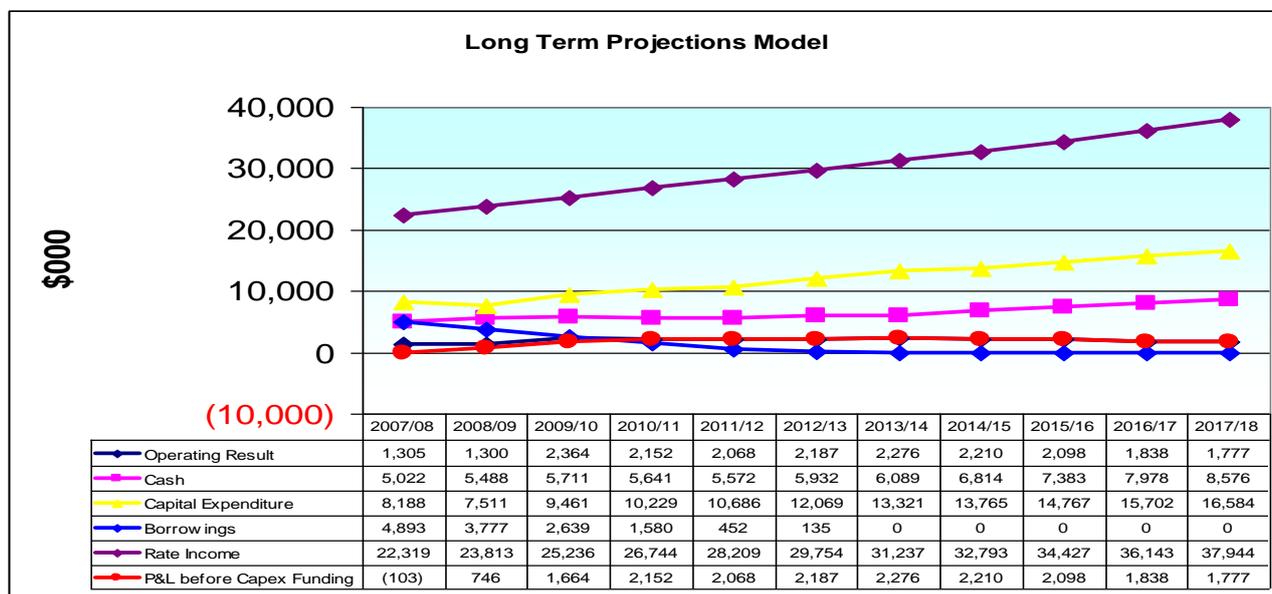
The resulting Long Term Financial Plans reviewed and updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve these key financial objectives. The key components of the Plan are:

- Assessment of Council 's current financial position.
- Key objectives and assumptions.
- Analysing key financial statements.
- Service delivery.
- Rating strategy.
- Borrowing strategy.
- Infrastructure strategy.
- Benchmarking current plan to previous plans.

The following table summaries a number of financial indicators for the next five years (the graph is over a 10 year period) as set out in the Long Term Financial Plan.

Indicator	Projected 2007/087 \$'000	Budget 2008/09 \$'000	Forecast 2009/10 \$'000	Forecast 2010/11 \$'000	Forecast 2011/12 \$'000
Operating surplus/(deficit)	1,306	1,300	2,364	2,152	2,068
Operating result excluding capital funding	(103)	746	1,664	2,152	2,068
Cash from operations	6,916	7,812	9,332	9,782	10,246
Cash increase/(decrease)	(4,570)	466	223	(70)	(69)
Cash and investments	5,022	5,488	5,711	5,641	5,572
Borrowings outstanding	4,893	3,777	2,639	1,580	452
Depreciation	7,263	6,473	6,890	7,549	8,095
Capital expenditure	8,189	7,511	9,461	10,229	10,686
Working capital	3,117	3,692	4,094	4,056	4,890
<b>Net worth</b>	<b>352,735</b>	<b>353,931</b>	<b>391,775</b>	<b>393,826</b>	<b>435,106</b>

The graph on the following page shows six key financial indicators over a period of 10 financial years as set out in the Long Term Financial Plan budgets.



## 8.2 Key outcomes

The key outcomes of the Long Term Financial Plan as follows:

- Service delivery** – Services levels established for 2008/09 have been maintained throughout the forward budget. The Council is however committed over the 2008/09 financial year to identify savings in non core services and overhead costs. Any quantifiable recurrent savings that are recognised will be modelled into the long term financial plan.

The longer term objective is to achieve surplus results before recognising capital grants and contributions (underlying surplus). In order to achieve this, the short term objective is to achieve consistent and increasing operating surplus results. It should be noted, that in 2008/09 it is forecast that there will be underlying deficit result. From 2008/09 onwards consistent and ongoing underlying surpluses are expected.

- Rating strategy (section 9)** – Rate increases have been modelled in the forward budgets at 6% for 2009/10 and 2010/11 and reduces to 5.5% increases in 2011/12 and 2012/13. Thereafter, from 2013/14 and the following years, annual rate rises are set to increase by 5.0% per annum.
- The first strategic objective of allocating additional funds generated to reduce long term debt has now been achieved. The strategic focus now is to generate underlying surplus results that are strengthening over the forward years that are primarily targeted to improve the liquidity and working capital position of Council. This in turn will provide additional funding for capital renewal projects that can be released in coming years.



- **Borrowing strategy (section 10)** – Borrowings (including hire purchase commitments) are forecast to reduce from \$3.78 million (as at 30 June 2009) to be debt free by 2013/2014.
- **Infrastructure strategy (section 11)** – Capital expenditure over the ten year period will have the primary objective of increasing expenditure on capital renewal projects. The target is to achieve a sustainability index of beyond 95%. The sustainability index is anticipated to 'flat line' up until 2008/09 whilst a concerted effort is directed at producing sustainable and consistent underlying surpluses. From 2009/10 onwards it is modelled that significant additional funds can in fact be directed to capital renewal projects.
- **Financial sustainability (section 5)** – Cash and investments position should always be referenced against the working capital ratio and in particular the 'underlying working capital ratio'(working capital ratio after backing out cash that has been quarantined in internal reserves). The underlying working capital ratio is forecast to show an improving trend heading towards a desirable ration of 1.5 to 1 by 2012/13. Although the cash levels will not be at what is deemed as a desirable level for a number of years, it is considered to be a situation that is manageable in the short to medium term.

The objective of quantifying in a very pragmatic way the financial circumstances of the Shire is to reinforce the financial challenges that Council is confronted with. The 2008/09 financial year is the first year in over a decade in which the Council looks like actually achieving a net operating surplus as well as an underlying surplus (operating result not including capital funding), not only for that year, but consistent surpluses in each year thereafter. The Long Term Financial Plan clearly documents a strategic plan of attack that is required to be undertaken to achieve longer term financial sustainability.

### 8.3 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources.

The range of services undertaken by Council involves the abilities, efforts and competencies of 300 staff of which 167 work full time, 88 work part time and 45 are casual staff. The Equivalent Full Time (EFT) is 220 staff. The skill base of Council's workforce is diverse, with staff holding qualifications in areas such as aged care, civil engineering, accounting, health care, planning, building, and other fields.

There are also a vast number of volunteers that provide unpaid assistance across many services of Council.



The following table summaries the non-financial resources for the next four years. It should be noted that the employee costs include the costs that are capitalised to the balance sheet.

Indicator	Forecast	Budget	Long Term Financial Plan		
	Actual		Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee costs	13,645	14,670	15,202	15,859	16,520
Employee numbers (EFT)	217	219	219	220	220

South Gippsland Shire Council is party to an enterprising bargaining agreement 2007 (EBA). This document encourages multi skilling, flexibility and effective application of staff capability.

Council’s staff based strategies include:

- Focus on extending the skills of existing staff to seize the opportunities of advances in technology and to be more effective and efficient.
- Continuous improvement philosophy linked to business excellence and best value.
- Succession planning to address future needs.
- Pursuing opportunities to network and benchmark ideas and experiences through such groups as Gippsland Local Government Network (GLGN) and the Municipal Association of Victoria (MAV).
- No significant change in staff numbers. This does not preclude internal restructures as part of the continual improvement.

#### 8.4 8.4 Analysis of ‘current’ Long Term Financial Plan previous years plans.

South Gippsland Shire Council has been producing strategic financial plans over the past six years. The following graphs benchmark the current 2008/09 LTFP against the average of the previous five years financial plans, the lines representing:-

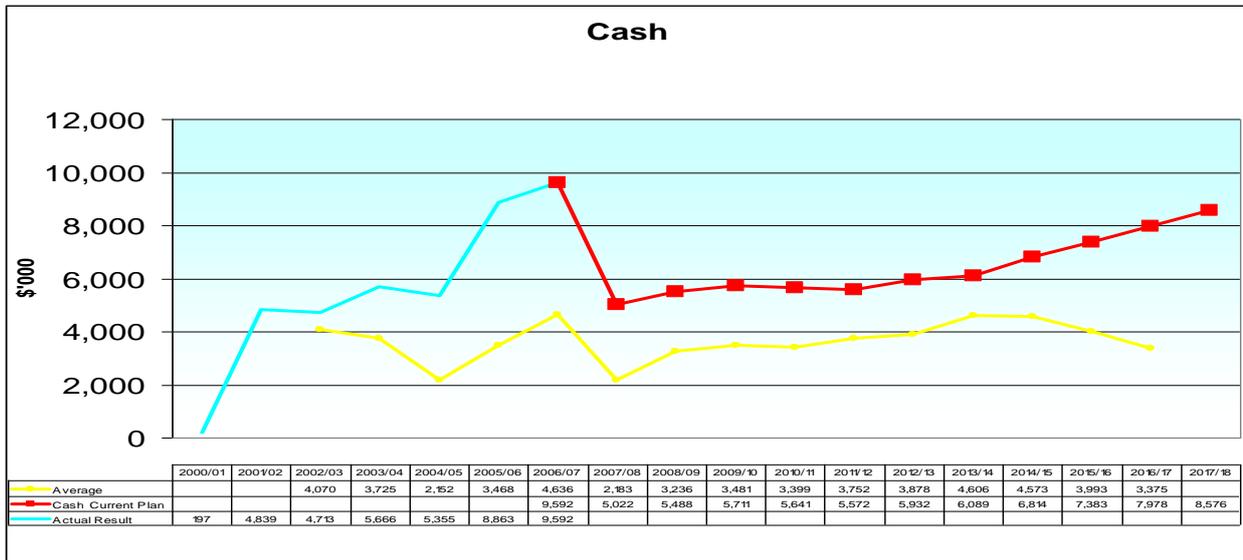
**Average (yellow line)** Average of previous 5 years long term financial plans (LTFP)

**Current Plan (red line)** 2008/09 Long Term Financial Plan(LTFP)



Actual result (blue line) Actual financial results achieved

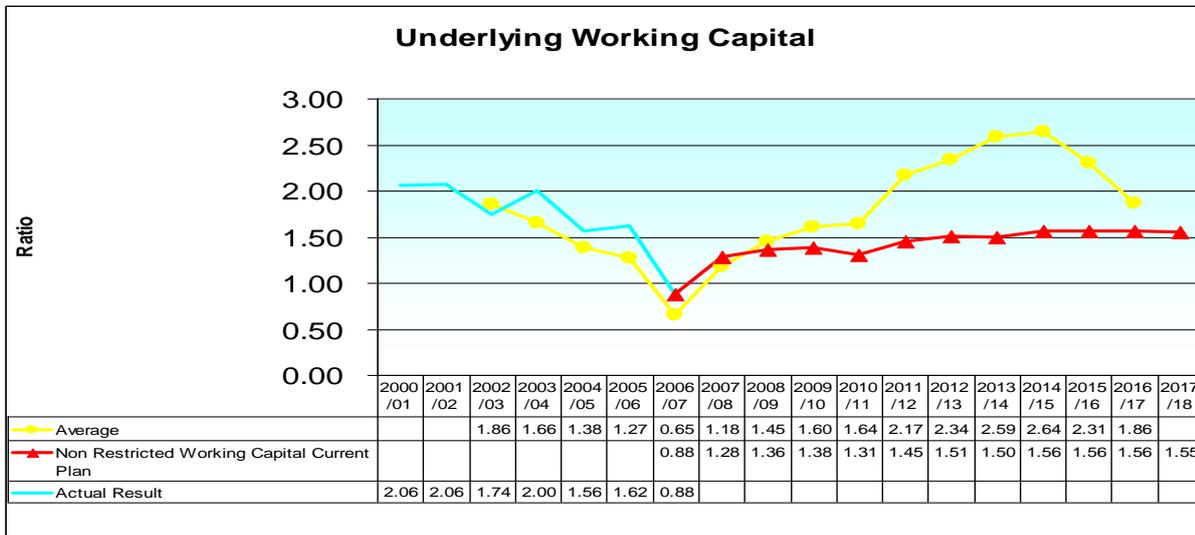
8.4.1 Liquidity



The strategic intent of building up and then utilising cash to pay off long term debt is quite evident in 2007/08. In the following years it is strategically planned to gradually and purposefully build up cash and then in the later years when the working capital position of Council is sufficiently strong, release funds for capital works. The overall cash position in the forward years is stronger than the average because the internal reserves are now fully cash backed. In past financial plans, they were notionally expensed in the capital works program. The liquidity position is referenced against the working capital position of Council in the longer term. Actual financial outcomes have been favourable relative to the previous plans.

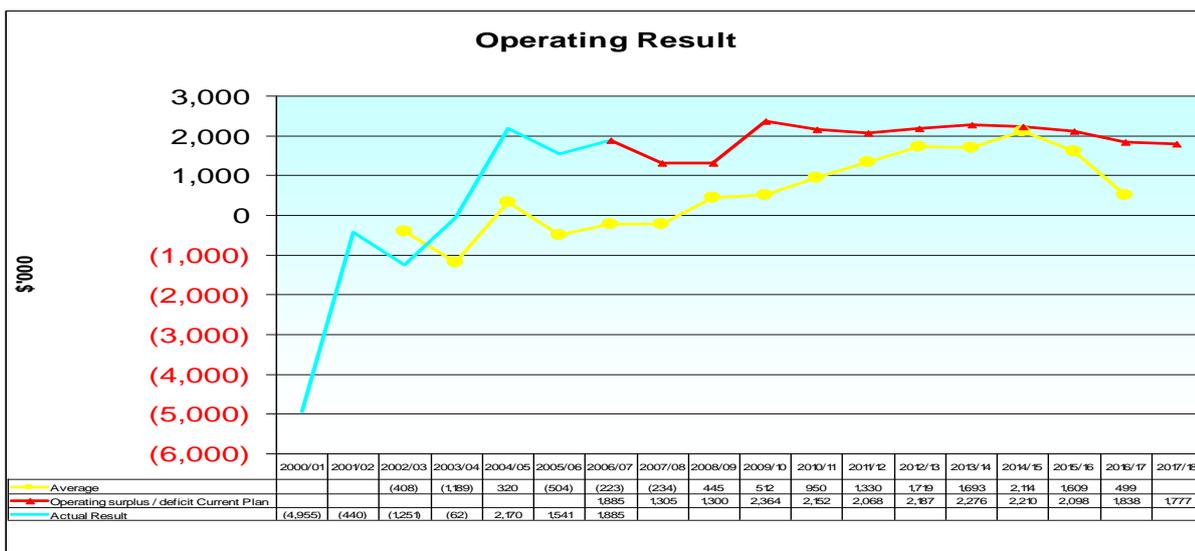


### 8.4.2 Underlying Working Capital

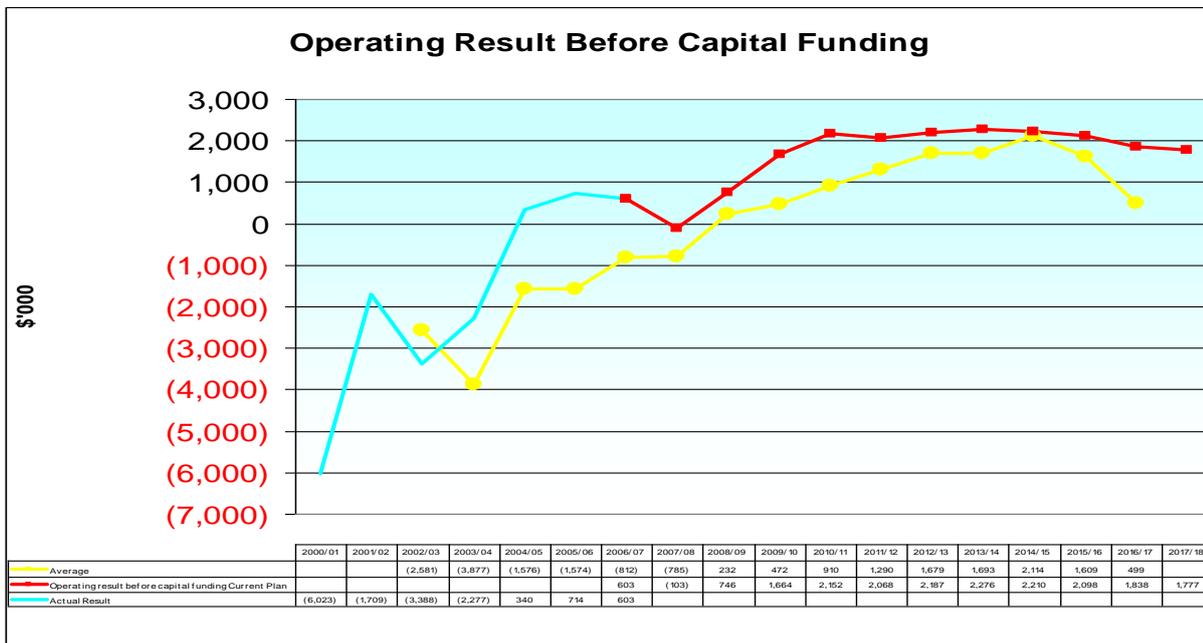


The strategic intent of allocating as much possible cash to retire debt in the early years of the LTFP is evident in the declining working capital ratio. From 2007/08 and onwards, the underlying working capital ratio is strategically strengthened and flattens out when a ratio of 1.5 to 1 is achieved. Again, the working capital ratio in previous financial plans was inflated by the internal reserves that were not portioned into fully cash backed reserves.

### 8.4.3 Income Statement

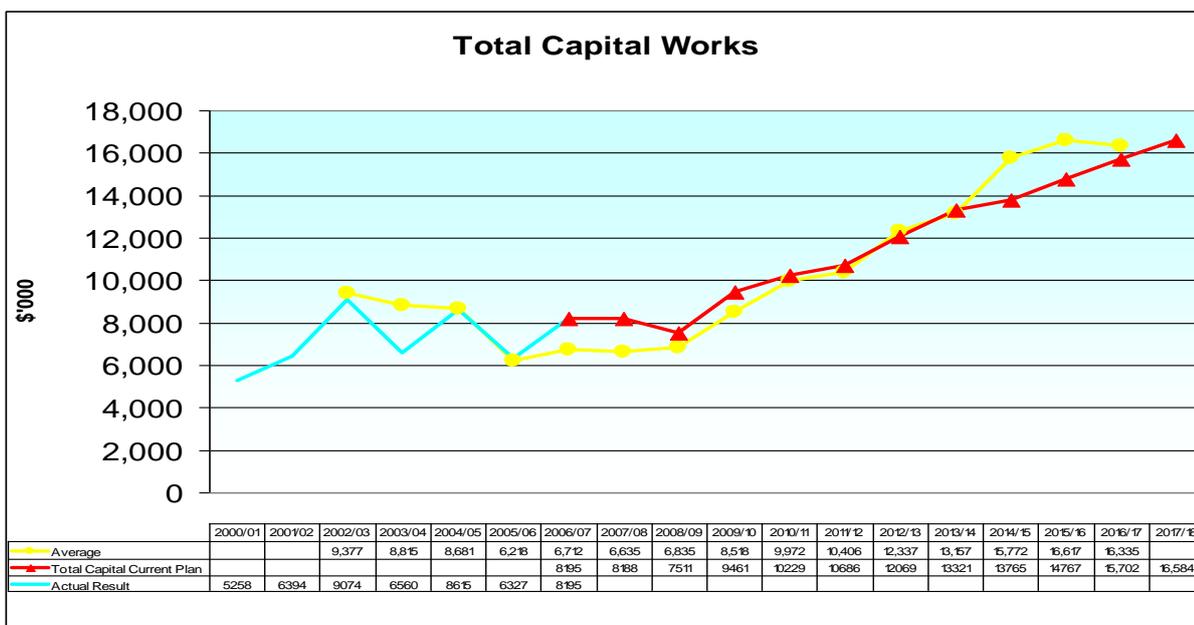


The operating result in the current plan maintains general parity with previous years plans. However, it is noted that the current plan tapers away in later years relative to the previous plans, predominantly as a result of factoring in increased inflationary expectations into the later years operating results. The actual results achieved relative to the previous plans are also overall favourable.

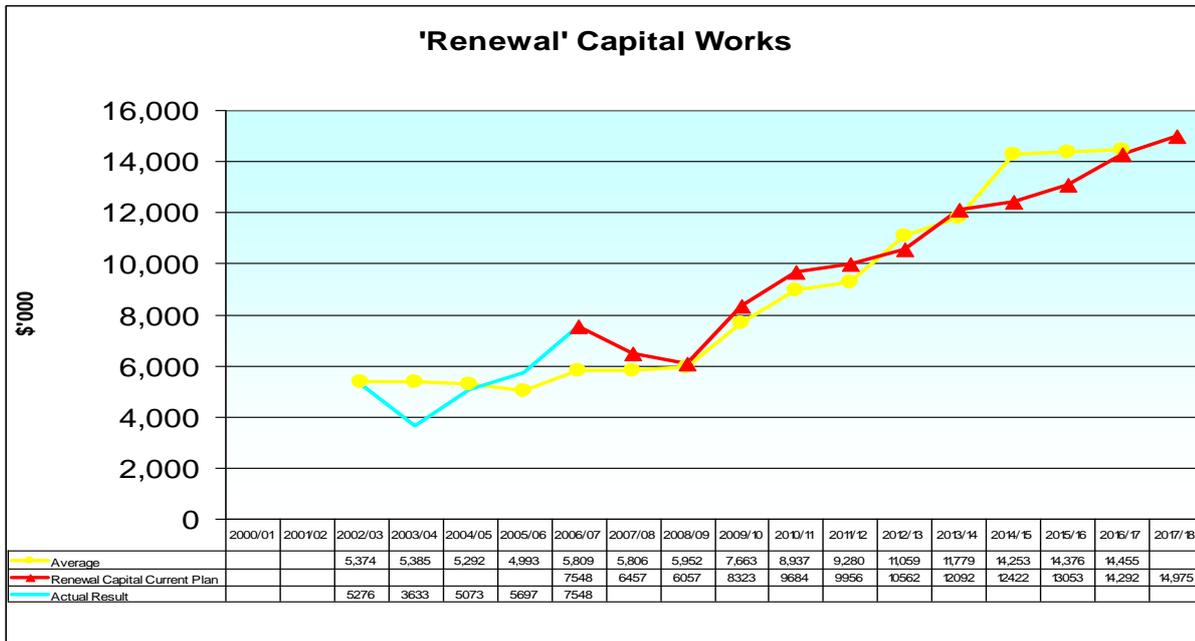


The underlying operating result is the operating result less any capital funding received. This gives a more meaningful comparison of recurrent revenue and expenditure streams in the operating statement. The underlying result has a very similar outcome to that of the operating result.

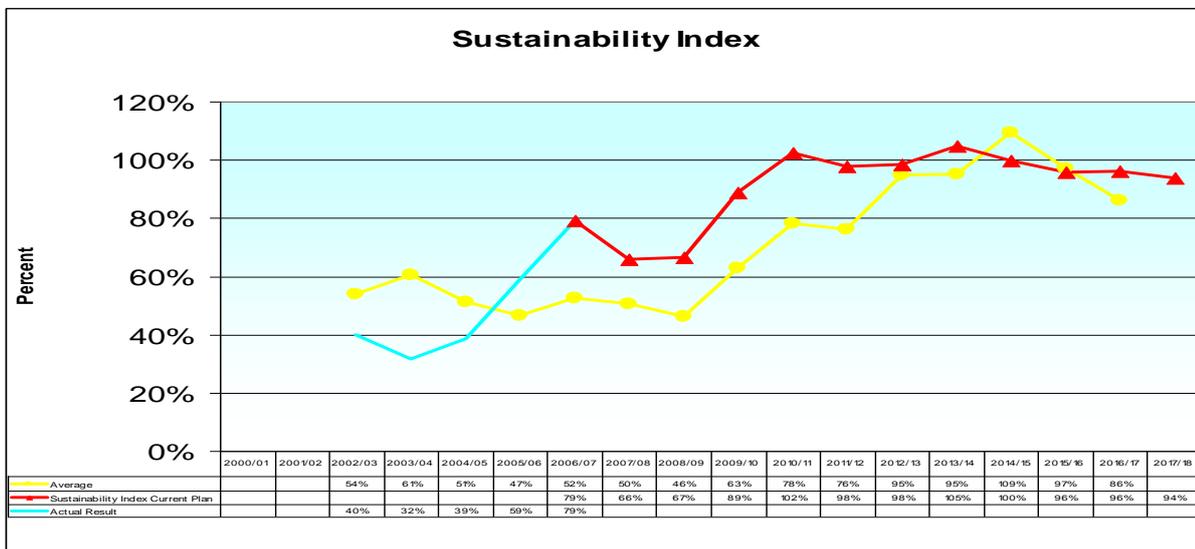
#### 8.4.4 Capital Works Program



Aside from the increases in 2006/07 and 2007/08 the funding for capital works in the longer term maintain parity with previous plans. In the later years the reduced expenditure relative to the previous plans is as a result of backing out of the forward capital works programs 'notionally' expensed internal reserves funds.



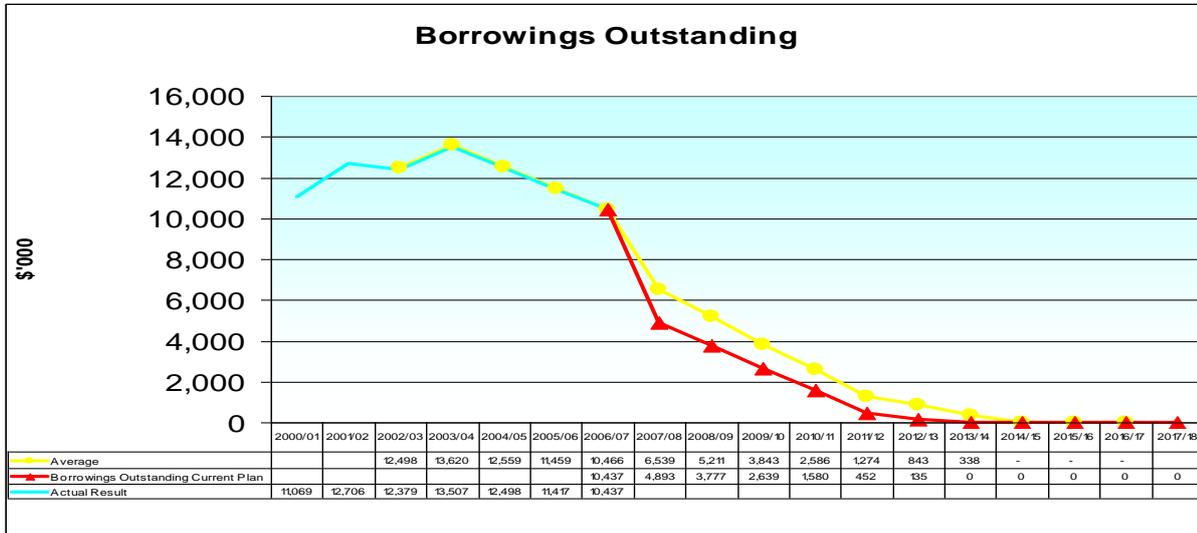
Renewal capital works is capital expenditure in renewing assets (re building the road). Capital upgrades (making the road wider) and new and capital extension works (making the road longer) are not included. The renewal capital works has a very similar outcome to that of the previous plans.



The sustainability index assesses the relationship between capital renewal expenditure and depreciation costs for infrastructure assets. Overall the sustainability index is significantly stronger than previous plans due largely to a review of infrastructure asset lives which have been extended. This has the impact of significantly reducing the depreciation expense which is why the current projections have increased. The strategic target of exceeding 95% will be achieved from 2010/11.



8.4.5 Borrowings



Significant improvement relative to previous plans by applying ‘capital income’ from the sale of assets and material favourable financial outcomes achieved to long term debt.



## 9. *Rating strategy*

### 9.1 **Strategy development**

In developing the Long Term Financial Plan(referred to in Section 9), 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 has been an important component of the long term financial planning process.

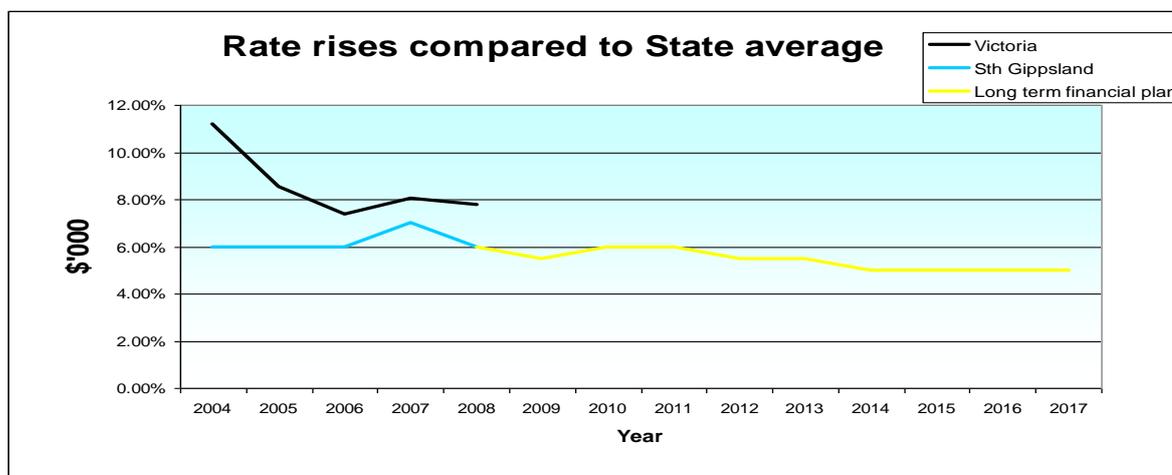
However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly given the change to bi-annual general revaluations and recent significant increases, and in particular fluctuations in valuations, and subsequently rates for some properties in the municipality.

### 9.2 **Current year rate increase**

It is still necessary to achieve future revenue growth whilst containing costs in order to achieve surplus operating results and then progressively strengthening operating results over the next few years as set out in the Long Term Financial Plan. The contribution from operations towards capital investment for the 2008/09 year is obviously still inadequate. Unless this can be substantially increased, it will be difficult to maintain robust capital works programs into the future. It should be noted that the current capital renewal expenditure on infrastructure assets is \$1.86 million short of optimum renewal expenditure levels in the 2008/09 budget (using the sustainability index as a basis for the calculation).

Council is very aware of the substantial increases in rates and charges that were borne by ratepayers in 2002/03. It is also most evident that there simply is not enough funds being generated to maintain sustainable operations now and into the immediate future. Council is however committed to minimise the rate rise in 2008/09.

It should be noted that ever since Council commenced preparing annual budgets with a strategic long term financial planning framework in 2003/04 that it has not only produced strengthening financial results over the years but the average rate increase each year has been below the state average. This is shown in the graph below.



General rates and charges overall will in 2008/09 raise a total rate of \$23.81 million, including supplementary rates and special charge scheme income. Ordinarily, rates and charges increases would be targeted to be 3.5% above CPI to generate additional funds to allocate to improve the operating result so as to provide much needed funding for capital renewal works. Because of the unavoidable cost considerations discussed above, rate rises for several more years has to be above CPI, but will then taper down in later years.

During the 2007/08 year, a revaluation of all properties within the municipality was carried out and will apply from 1 January 2008 for the 2008/09 year. The outcome of the general revaluation has been a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 9.8%. Of this increase, residential properties have increased by 5.5%, commercial by 9.6%, industrial by 14.7%, farm by 15.23%, vacant land by 5.5% and cultural and recreational land by 10.2%

The following table sets out future proposed rate increases and total rates to be raised, (including supplementary and special charge rate income) based on the forecast financial position of Council as at 30 June 2008.

Year	Rate Increase %	Total Rates Raised \$'000
2008/098	5.5%	23,813
2009/10	6.0%	25,236
2010/11	6.0%	26,744
2011/12	6.0%	28,209
2012/13	5.5%	29,754

It should be noted that each financial year an allowance or contingency is factored in for rate abandonment's. Every second financial year when the bi



annual re-valuations are conducted, an even greater allowance is allowed for. This in effect, discounts slightly the proposed rate increases.

### 9.3 Rating structure

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

- Property values, which reflect capacity to pay, and a
- User pays component to reflect usage of garbage services provided by Council .

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

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used. The distinction is based on the concept that different property type uses should pay a fair and equitable contribution to rates taking into account the benefits derived from and to the local community.

Council re-affirmed to apply a capital improved value (CIV) basis of applying rates.

Council believes the rating differentials provide the most equitable distribution of rates across the municipality. This included the municipal charge being set at 20% of total rates. Council also has a garbage charge and a recycling charge as allowed under the Act.

The rating structure comprises several differential rates 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 Recreation Lands Act 1963, provision is made for a Council to grant a rating concession to any “recreational lands” which meet the test of being “rateable land” under the Local Government Act 1989.

The existing rating relativities between property types and municipal and service charges are:

- |                                 |                          |
|---------------------------------|--------------------------|
| • Residential                   | Base rate                |
| • Commercial                    | 100% of Residential rate |
| • Cultural or Recreational land | 40% of Residential rate  |
| • Industrial                    | 100% of Residential rate |
| • Rural living                  | 100% of Residential rate |



- Vacant land 150% of Residential rate
- Farm land 90% of Residential rate

The following table summarises the rates to be made for the 2008/09 year. A more detailed analysis of the rates to be raised is contained in Appendix B “statutory disclosures”.

Rate type	2007/2008	2008/2009
Residential rates – rate in the \$ of CIV	0.00335767	0.00323205
Commercial rates – rate in the \$ of CIV	0.00335767	0.00323205
Industrial rates– rate in the \$ of CIV	0.00335767	0.00323205
Rural Living– rate in the \$ of CIV	0.00335767	0.00323205
Vacant Land – rate in the \$ of CIV	0.00503651	0.00484807
Farm land – rate in the \$ of CIV	0.00302190	0.00290884
Cultural / Recreational rates – rate in the \$ of CIV	0.00134307	0.00129282
Municipal charge - \$ per property	\$241.74	\$256.00
Garbage & Recycling charge Residential - \$ per property	\$162.30	\$171.25
Garbage & Recycling Charge Commercial - \$ per property	\$240.45	\$255.05
Recycling only charge - \$ per property	\$162.30	\$171.25



## 10. *Borrowing Strategy*

### 10.1 Strategy Development

In developing the Long Term Financial Plan(see Section 10), borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed strongly to finance infrastructure projects, fleet purchases as well as for financing unfunded superannuation liabilities. Council since 2004/05 has started a phase of debt reduction. This will result in a reduction in debt servicing costs, but has meant that all cash and investment reserves have been used as an alternate funding source to maintain its capital works programs.

The long term financial strategy analysed Council 's debt position against the prudential ratios used by the Victorian State Government to assess the loan capacity of local governments. The following table shows a history of Council borrowings for the last ten years and also the prudential ratios applicable, as well as the budgeted outcome for 2008/09.

Year	Total Borrowings 30 June \$'000	Liquidity CA/CL Ratio	Debt Mgt Debt/Rates %	Debt Mgt Serve Costs/ Revenue %
1998/1999	9,859	2.8	100%	3.03%
1999/2000	10,577	2.8	99%	2.71%
2000/2001	10,893	2.2	87%	3.18%
2001/2002	12,588	2.1	95%	2.61%
2002/2003	12,380	2.0	83%	2.63%
2003/2004	13,698	1.5	85%	2.64%
2004/2005	12,498	1.2	71%	2.52%
2005/2006	11,418	1.7	61%	2.22%
2006/2007	10,438	1.0	50%	2.08%
2007/2008	4,893	1.2	22%	1.44%
<b>2008/2009</b>	<b>3,777</b>	<b>1.7</b>	<b>16%</b>	<b>0.76%</b>
	<b>Threshold</b>	<b>&lt;1.1</b>	<b>&gt;80%</b>	<b>&gt;5%</b>

The table shows that Council 's borrowing level at 30 June 2009 will be \$3.78 million. It also shows that Council has for a number of years been trending the wrong way with the Victorian State Government's prudential ratio limits. By implementing the debt reduction strategy the Long Term Financial Plan has



shown positive trends emerge for the 2005/06 year and this has continued up to and including the 2008/09 year.

Council's long term financial strategies give very definitive guidance in relation to borrowing for capital works projects. Rather than rely on prudential ratios the strategies provide more commercially acceptable business guidance in relation to borrowing for capital projects.

## 10.2 Current year borrowings

For the 2008/09 year, Council has decided not to take out new borrowings. Therefore after making loan repayments of \$1.12 million, will decrease its total borrowings to \$3.78 million as at 30 June 2009. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2008.

Year	New Borrowings \$'000	Loan Principal Paid \$'000	Loan Interest Paid \$'000	Balance 30 June \$'000
2004/2005	0	1,009	870	12,498
2005/2006	0	1,081	797	11,417
2006/2007	0	980	726	10,437
2007/2008	0	5,544	539	4,893
<b>2008/2009</b>	<b>0</b>	<b>1,116</b>	<b>290</b>	<b>3,777</b>
2009/2010	0	1,138	217	2,639
2010/1011	0	1,059	146	1,580
2011/2012	0	1,128	77	452
2012/2013	0	317	23	135
2013/2014	0	135	4	0
2014/2015	0	0	0	0

Council in future years will be have the financial capacity to consider borrowing for a major capital project if it deems will benefit the community. The key long term financial strategies give specific guidance in relation to borrowings. This will ensure that any decision made will be financially responsible and viable.



## 11. *Infrastructure strategy*

### 11.1 **Strategy development**

Businesses generally acquire assets because they provide some future economic benefit to the business. That is, over a period of time, the assets actually contribute to the wealth of the business. Local government by definition is a 'not for profit' business. Most infrastructure assets owned or controlled by local government do not fulfil these criteria.

The infrastructure assets owned or controlled by local government are required as part of 'service delivery', not for profit making. Council's core business objective is not to make profits for profit sake, but rather, it is to provide services at a specified level of service. Local government's financial planning objective therefore, is to produce sufficient and consistent level of operating surpluses or 'profits' to fund asset replacement, rather than to increase company wealth.

Service provision, and in particular, the service levels, ultimately determine the infrastructure asset requirements of Council. Legislation actually requires some service levels to be quantified (Road Management Act). Good business practice suggests that service levels should be quantified for all services.

All assets that are required for a particular service have to be properly managed. That is, they have to be adequately maintained and replaced over a period of time to ensure that the specified service levels are actually achieved now and in the future. This of course, needs to be done in a cost efficient and effective manner

Council has an important stewardship function in relation to the large portfolio of assets that are provided for the community's benefit. The Councillors' role as stewards of community assets include:

- ensuring that Council's legal obligations in regard to risk management are met,
- to represent the community as the asset owners / stakeholders,
- to ensure that the community's service needs are being met, and
- to ensure the asset / service is maintained for future generations at equitable cost.

Council staff has the responsibility to provide appropriate technical and professional advice, so that Councillors can make the best decisions in relation to infrastructure assets.

Expenditure on infrastructure (both maintenance and renewal programs) is a significant financial resource requirement now and into the future.



The challenge that the local government industry faces now and into the future is adequately maintaining and systematically renewing assets in order to maintain a particular desired service level. The shortfall of what is being spent and what should be spent is essentially the 'funding gap'.

## 11.2 Identification and funding infrastructure funding gaps

Identification of 'funding gaps' should not be confused with 'sustainability gap index', or with the associated costings, such as depreciation.

Funding requirements for assets very much are dependent upon the service level requirements of the community and where the assets are in fact in their lifecycle. Assets nearing the end of their economic life will require a specific amount of funding at a certain point in time. This has a direct impact on longer term cash flow requirements in a long term budget.

Funding gaps can also be broken down into two levels. A primary (or critical) funding gap is when there is not enough funds available to continue to provide a predetermined existing level of service in current and future years. This means that the infrastructure assets required for the service requirements will in fact deteriorate over a period of time and subsequently the service levels being provided will also reduce. Deferring rehabilitating assets to later years invariably can be a very costly exercise.

A simple example can be used to illustrate what constitutes as a primary funding gap. Council may have a predetermined level of transport service that would be expected to be provided based on 17 year cycle for reseal renewal program. If there are not enough funding allowed for in forward budgets for a 17 year cyclical reseal renewal program, the resealing program would have to lengthen to say 18 or 19 years cycle.

The condition of the sealed roads would deteriorate from their current levels, which would translate to lower levels of transport services being provided and higher annual maintenance costs being incurred. This could be classified as a primary funding gap that needs to be addressed as a matter of priority.

A secondary funding gap exists when an existing service level currently being provided is deemed to be inadequate and a higher level of service is desired by Councillors and ratepayers. For example, wanting to have a 14 year cycle for reseal renewal programs (instead of 17) or to make roads wider than they currently are (assuming traffic levels are constant) would result in rising of service standards and as such any funding shortfalls (between what is required and what has been allowed for in forward budgets) could be described as a secondary funding gap.

There is a possibility that in some instances by bridging funding gaps that this may lead to reduced funding requirements for maintenance work, which can be used as an offset against the increased capital requirements. Realistically an



increase in service level requirements will invariably require additional financial resources (capital funding requirements will be exceeding the maintenance cost reductions).

It is important not to confuse primary and secondary fund requirements. Primary funding gap are a 'need' and as such should be a high priority consideration. Secondary funding gaps are a 'want' and are more a discretionary consideration. If you want to improve service standards you must also be prepared to fund it.

By identifying primary funding gaps and then strategically going ahead and bridging that gap in a reasonably shortest timeframe possible is an exercise in achieving financial efficiency gains. Conversely, by ignoring or unnecessarily delaying bridging primary funding gaps by definition would be promoting inefficient financial management practices.

The identification and targeting to bridge secondary funding gaps is more of a strategic exercise that focuses on producing effectiveness gains, in a cost efficient manner.

Irrespective of whether the funding gap is primary or secondary in nature, the financial analysis process is exactly the same. The asset renewal funding gap is the shortfall in financial funding between what is currently spent on capital renewals (to achieve a predetermined service level outcome) to what the forecast renewal expenditure requirements are. The assessment is based on asset condition assessments, which in turn determine where an asset is in its asset life, its estimated remaining useful life and the predetermined intervention point that the asset needs to be replaced in order to continue to provide a defined or improved level of service.

From a 'lifecycle' asset management point of view, one must also take into account funding requirements for both programmed and reactive maintenance works associated with infrastructure assets. The difference of what is required and what is currently being provided in current and future budgets is sometimes referred to as the 'maintenance gap' Any shortfall between what is required and allowed for in forward budgets can also be considered as a funding gap.

Together asset renewal gaps and maintenance gaps are commonly referred to as lifecycle funding gaps.

The funding gaps can be financially expressed as being the difference between what the asset lifecycle (both renewal and associated maintenance cost requirements) cash flows are and the actual amount that has been allowed / allocated for those in forward budgets.

It is critical that service levels be clearly defined and agreed to. The challenge then is to actually define what the actual cost requirements for asset renewal programs (as well as the associated maintenance costs) are for infrastructure



assets to specific future years to enable a given service level to be provided and then actually fund it.

If not enough funds have been allowed for asset renewal in previous years, the resulting 'backlog' of works would be expected to have an impact on forward budgets. Also, if the longer term asset management funding shortfalls are ignored, deferred or not properly financed, the greater the costs will be in later years to rectify the current funding shortfall. It therefore pays to identify and address primary funding gap short falls sooner, rather than later.

A properly prepared and funded asset management plan is the most cost effective way to manage the assets and the overall service provision long term. This is sometimes referred to as optimised decision making process.

Depreciation on the other hand is really a financial costing mechanism that allocates the cost of the 'consumption of the assets service potential', over the useful life of the asset to the income statement. This does not nor should imply that the depreciation cost incurred in a specific period, (typically a year) ought to be spent on asset replacement in that year.

The benchmarking of depreciation to capital expenditure incurred in renewing assets (the sustainability index) is purely a financial performance indicator, and should not be considered a key driver of asset management plans. Generating surpluses and subsequently being able to spend more on asset renewal projects would result in improving sustainability index. It does not necessarily mean that an adequate amount is being spent at that particular point in time.

There is a perception that if after bringing to account the cost of depreciation in the Income Statement there is a surplus or 'profit', this in effect means that the depreciation has been funded. This does not however necessarily mean that the asset renewal funding gap has been bridged. In fact, the reality is that irrespective of whether depreciation costed to the Income Statement is substantially increased or decreased this action alone would not generate any more or less funding for asset management.

If this in fact was the case, the implication would be that if a 100% sustainability index result is achieved, then the funding gap has been resolved. Nothing could be further from the truth. It is worth repeating, the sustainability index is a financial performance measure, and at best makes for a rough way of estimating how much funding is required in current and future years specific capital works renewal requirements.

In reality, depreciation costs tend to be very consistent and relatively stable over a period of time. Capital expenditure requirements tend to be more variable.

The life cycles established for the different classes of assets are as follows:

- Pavements 100 years



- Seal 17 years
- Footpaths 60 years
- Kerb and Channel 60 years
- Bridges 100 years
- Culverts 60 years
- Under Ground Drains 60 years
- Play Grounds 10 years
- Buildings 80 years

The following table on the following page sets out the sustainability index percentage for Council’s fixed assets, class by class, based on the forecast capital expenditure on existing assets for the 2008/09 year.

	<b>Replacem’t Cost 30 Jun 08 \$’000</b>	<b>Average Annual Consump’n \$’000</b>	<b>Average Annual Preserv’n \$’000</b>	<b>Sustain Index %</b>
Roads	269,473	2,636	2,988	113
Bridges	25,091	247	85	34
Footpaths	12,971	226	201	89
Kerb & Channel	11,623	202	8	4
Drains & Culverts	25,431	287	8	3
Buildings	78,500	1,623	285	18
Car parks	4,760	68	0	0
Other structures	4,268	262	120	46
<b>Total capital works</b>	<b>432,117</b>	<b>5,551</b>	<b>3,695</b>	<b>67</b>

The table on the previous page indicates that the 2008/09 capital works program will achieve a sustainability index of 67%. This highlights the funding gap that Council faces in trying to maintain and replace its infrastructure assets. Capital renewal expenditure shortfall on an annual basis is in excess of \$1.86 million.

It is for the reasons discussed above that the financial strategy for South Gippsland Council states that the sustainability target be to exceed 95% (as opposed to reaching 100%). The index merely indicates whether capital renewal funding is trending in the right direction over a period of time.



The equation largely ignores lifecycle cash flow timing requirements, and essentially totally ignores the 'backlog' of work that ought to be identified and costed into forward work plans.

As mentioned earlier, currently depreciation in the LTFP is expensed on a straight line to the income statement. The asset condition and engineering estimates on remaining useful life estimates have a direct impact on what the depreciation cost actually is.

There is very serious consideration being given to changing the depreciation methodology from a straight line basis to consumption based depreciation in future years, subject to auditor approval. This has several benefits. The costs expensed to the financial statement would reflect more accurately the consumption or the annual deterioration of the assets (as opposed to a uniform straight line depreciation cost methodology reflecting consumption of service potential). This means that the written down value of the assets in the Balance Sheet would also reflect more accurately the remaining value of the asset.

Both engineers and finance staff could then utilise the written down asset value in the Balance sheet for strategic asset management planning purposes as well as in future years, actually assess more accurately the financial performance and management practices associated with the assets. Strategic management of assets can only currently be done on a very limited basis using the sustainability gap methodology.

When this objective of generating sufficient funds for asset renewal has been satisfactorily identified and is being strategically addressed, Council can then consider funding asset expansion works in a financially responsible manner. The immediate challenge however, is in fact to try and quantify just how much funds are required now and into the future for asset management.

### **11.3 Key asset management objectives to be undertaken in following years**

Whilst South Gippsland has made some progress in overall asset management, there is still a significant amount of work to be completed.

South Gippsland Shire Council is party with a vast majority of Victorian Councils to a MAV STEP asset management improvement program, whose core objective is to assist Councils to manage our community assets in a long term sustainable manner. This Council has and will continue to contribute to a 'MAV knowledge database', in order to improve its asset management best practice principles.

Asset management best practice revolves around several key asset management pillars being identified and documented. These management pillars being, policy, strategy, plans and operations.

The status of the development of these asset management pillars is as follow:

- Council has adopted the asset management policy.



- The asset management strategy has been adopted by Council but requires some further review.
- The asset management plans for several classes of assets have been documented, several more are planned to be done.

There have also been other useful outputs from the MAV STEP program, these being benchmarking on:

- Asset renewal modelling.
- Asset Lives.
- Intervention condition levels.
- Funding levels.
- Average unit rehabilitation costs for each asset category.
- Unit maintenance costs for each asset category.

In the following years the intention is for the MAV STEP program to move from the 'basic asset management' phase to the 'advanced asset management' phase in regard to overall asset management. This transition to 'advanced asset management' will involve the following processes being undertaken:

- Revised renewal gap modelling based on more comprehensive and up to date asset condition data.
- Completion of asset management plans for all major asset groups.
- Rationalisation of assets following the identification of multi purpose asset uses.
- Electronic linking of asset databases and registers using Council 's GIS system.
- Electronic capturing and storage of maintenance activities.
- Focus on articulating levels of service according to a common methodology.
- Improvement of data credibility and improved alignment with the long term financial planning process.
- Development of a framework to enable community planning input to be taken into account by the infrastructure managers.

In the coming years, it is both anticipated and expected that that the LTFP will in fact be supporting very sophisticated asset management plans that not only



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document resource requirements for future years, but also demonstrate that both cost efficient and effective business plan outcomes are in fact being achieved.

#### **11.4 Key influences for 2008/09**

The following influences had a significant impact on the infrastructure strategy for the 2008/09 year:

- Requirement to give strategic priority to build up the working capital position of Council so that funds can be released in later years in a financially responsible manner;
- Availability of significant federal funding for upgrade of roads;
- Projects not started or completed that were funded in the 2007/08 year being carried over to the 2008/098 year

#### **11.5 Overview to Appendices**

The following appendices include voluntary and statutory disclosures of information, which provide support for the analysis contained in sections 1 to 12 of this report.

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

The contents of the appendices are summarised below:



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## **12. *Appendix Nature of information***

- A BUDGETED STANDARD BUDGETED FINANCIAL STATEMENTS FOR 2008/09**
  
- B STATUTORY DISCLOSURES IN THE ANNUAL BUDGET**
  
- C LONG TERM FINANCIAL PLAN 2008/09 – 2017/18**
  
- D CAPITAL WORKS PROGRAM**
  
- E KEY STRATEGIC ACTIVITIES**
  
- F FEES & CHARGES SCHEDULE**



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*APPENDIX A - Standard budget statements*

- **Budgeted standard income statement**
- **Budgeted standard balance sheet**
- **Budgeted standard cash flow statement**
- **Budgeted standard capital works statement**
- **Capital works program**

This section sets out the budgeted financial statements (including the standard statements) for 2008/09 and the following 3 years in detail. This information is the basis of the disclosures and analysis of the annual budget in the report.



**STANDARD BUDGETED INCOME STATEMENT**

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2007/08 \$'000	Budget 2008/09 \$'000	Budget 2009/10 \$'000	Budget 2010/11 \$'000	Budget 2011/12 \$'000
<b>INCOME STATEMENT</b>					
<b>REVENUES FROM ORDINARY ACTIVITIES</b>					
Rates	22,319	23,813	25,236	26,744	28,209
Operating grants	10,058	9,721	9,718	10,109	10,079
Capital grants	1,408	554	700	0	0
Reimbursements	264	273	282	292	301
Contributions	450	202	25	26	26
Interest	772	346	349	352	354
User charges	1,899	1,988	2,094	2,209	2,320
Statutory fees	350	327	361	382	403
Other	820	930	912	961	961
<b>TOTAL REVENUE</b>	<b>38,340</b>	<b>38,154</b>	<b>39,677</b>	<b>41,075</b>	<b>42,653</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>					
Employee costs	12,993	14,017	14,529	15,160	15,790
Materials & consumables	13,748	13,406	12,911	13,232	13,725
Utilities	514	542	560	576	591
Depreciation	7,263	6,473	6,890	7,549	8,095
Written down value of assets sold	0	0	0	0	0
Other	1,978	2,126	2,206	2,260	2,307
Borrowing cost expenses	539	290	217	146	77
<b>TOTAL EXPENSES</b>	<b>37,035</b>	<b>36,854</b>	<b>37,313</b>	<b>38,923</b>	<b>40,585</b>
<b>NET RESULT FOR REPORTING PERIOD</b>	<b>1,305</b>	<b>1,300</b>	<b>2,364</b>	<b>2,152</b>	<b>2,068</b>
<b>MOVEMENTS IN EQUITY</b>					
Net gain/ (loss) on disposal of assets	(209)	(104)	(122)	(101)	(127)
Net increase in Asset Revaluation Reserve	32,397	0	35,602	0	39,339
Donated / Granted Assets	0	0	0	0	0
Previously unrecognised assets	0	0	0	0	0
<b>Total Changes in Equity for the year</b>	<b>33,493</b>	<b>1,196</b>	<b>37,844</b>	<b>2,051</b>	<b>41,280</b>



**STANDARD BUDGETED BALANCE SHEET**

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2007/08 \$'000	Budget 2008/09 \$'000	Budget 2009/10 \$'000	Budget 2010/11 \$'000	Budget 2011/12 \$'000
<b>BALANCE SHEET</b>					
<b>Current Assets</b>					
Cash assets	5,022	5,488	5,711	5,641	5,572
Receivables	1,591	1,582	1,572	1,563	1,545
Other financial assets	1,800	1,900	2,000	2,100	2,200
Land held for resale	0	0	0	0	0
Other	312	312	312	312	312
<b>Total Current Assets</b>	<b>8,725</b>	<b>9,282</b>	<b>9,595</b>	<b>9,616</b>	<b>9,629</b>
<b>Non Current Assets</b>					
Receivables	26	18	10	1	0
Investments	876	876	876	876	876
Fixed Assets	82,805	82,342	91,136	90,813	100,446
Roads Streets & Bridges	270,206	270,329	298,104	299,578	330,258
<b>Total Non Current Assets</b>	<b>353,913</b>	<b>353,565</b>	<b>390,126</b>	<b>391,268</b>	<b>431,580</b>
<b>Total Assets</b>	<b>362,638</b>	<b>362,847</b>	<b>399,721</b>	<b>400,884</b>	<b>441,209</b>
<b>Current Liabilities</b>					
Payables	1,555	1,545	1,535	1,525	1,515
Trust funds	155	155	155	155	155
Provisions	2,782	2,752	2,752	2,752	2,752
Interest bearing liabilities	1,116	1,138	1,059	1,128	317
<b>Total Current Liabilities</b>	<b>5,608</b>	<b>5,590</b>	<b>5,501</b>	<b>5,560</b>	<b>4,739</b>
<b>Non Current Liabilities</b>					
Provisions	518	687	865	1,046	1,229
Interest bearing liabilities	3,777	2,639	1,580	452	135
<b>Total Non Current Liabilities</b>	<b>4,295</b>	<b>3,326</b>	<b>2,445</b>	<b>1,498</b>	<b>1,364</b>
<b>Total Liabilities</b>	<b>9,903</b>	<b>8,916</b>	<b>7,946</b>	<b>7,058</b>	<b>6,103</b>
<b>Net Assets</b>	<b>352,735</b>	<b>353,931</b>	<b>391,775</b>	<b>393,826</b>	<b>435,106</b>
<b>Equity</b>					
Accumulated Surplus	131,325	132,385	134,315	136,006	137,538
Reserves	221,410	221,546	257,460	257,820	297,568
<b>Total Equity</b>	<b>352,735</b>	<b>353,931</b>	<b>391,775</b>	<b>393,826</b>	<b>435,106</b>



**STANDARD BUDGETED CASH FLOW STATEMENT**

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2007/08 \$'000	Budget 2008/09 \$'000	Budget 2009/10 \$'000	Budget 2010/11 \$'000	Budget 2011/12 \$'000
<b>CASH FLOW STATEMENT</b>					
Receipts from Customers	24,945	27,593	28,910	30,614	32,220
Interest Received	772	346	349	352	354
Government Receipts	11,369	10,215	10,418	10,109	10,079
Payments to Suppliers	(17,209)	(16,394)	(15,894)	(16,214)	(16,700)
Payments to Employees	(12,961)	(13,948)	(14,451)	(15,079)	(15,707)
<b>Net cash from Operating</b>	<b>6,916</b>	<b>7,812</b>	<b>9,332</b>	<b>9,782</b>	<b>10,246</b>
<b>Investing</b>					
Proceeds from sale of plant property & Equipment	2,239	1,274	1,482	1,428	1,490
Payments for property, plant & equipment	(8,188)	(7,511)	(9,461)	(10,229)	(10,686)
<b>Net cash from Investing</b>	<b>(5,949)</b>	<b>(6,237)</b>	<b>(7,979)</b>	<b>(8,801)</b>	<b>(9,196)</b>
<b>Financing</b>					
Proceeds from borrowing	0	0	0	0	0
Repayment of loans and advances	7	7	8	8	9
Repayment of borrowings	(5,544)	(1,116)	(1,138)	(1,059)	(1,128)
Loan advances to community groups	0	0	0	0	0
<b>Net cash from Financing</b>	<b>(5,537)</b>	<b>(1,109)</b>	<b>(1,130)</b>	<b>(1,051)</b>	<b>(1,119)</b>
Net Cash increase (decrease)	<b>(4,570)</b>	<b>466</b>	<b>223</b>	<b>(70)</b>	<b>(69)</b>
<b>Cash at beginning</b>	<b>9,592</b>	<b>5,022</b>	<b>5,488</b>	<b>5,711</b>	<b>5,641</b>
<b>Cash at end</b>	<b>5,022</b>	<b>5,488</b>	<b>5,711</b>	<b>5,641</b>	<b>5,572</b>



**STANDARD BUDGETED CAPTIAL WORKS**

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2007/08 \$'000	Budget 2008/09 \$'000	Budget 2009/10 \$'000	Budget 2010/11 \$'000	Budget 2011/12 \$'000
<b>CAPITAL WORKS</b>					
Roads	3,163	3,321	4,605	4,485	5,171
Footpaths	438	331	212	522	402
Kerb & Channels	0	20	0	119	0
Bridges	316	106	705	663	455
Drains & Culverts	115	28	109	219	298
Car parks	119	20	0	0	0
Other Structures	366	225	203	290	535
Buildings	1,363	509	314	994	843
Land	0	20	21	21	22
Plant & equipment	2,248	2,362	3,006	2,884	2,960
Furniture & Equipment	60	569	286	32	0
<b>Total Capital Works</b>	<b>8,188</b>	<b>7,511</b>	<b>9,461</b>	<b>10,229</b>	<b>10,686</b>
<b>Represented by</b>					
Renewals	6,457	6,057	8,323	9,684	9,956
Upgrades	1,033	672	673	354	462
Extensions	698	782	465	191	268
<b>Total Capital Works</b>	<b>8,188</b>	<b>7,511</b>	<b>9,461</b>	<b>10,229</b>	<b>10,686</b>



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*APPENDIX B - Statutory disclosures*

- **Section 127(2)(e) of the Local Government Act 1989**
- **Regulation 8 of the Local Government Regulations 2004**

This section sets out additional disclosures pursuant to the above legislation in respect to the Council 's annual budget.



The information set out below is required under the Local Government Act (1989) to be disclosed in South Gippsland Shire Council 's annual budget.

**1. Borrowings**

The total amount proposed to be borrowed for the 2008/00 year is NIL

The total amount of debt redemption for the 2008/09 year is \$1.12 million

The projected debt servicing cost for the 2008/09 year is \$0.29 million

**2. Rates and charges**

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

- a A general rate of 0. 323205 cents in the dollar of all rateable residential properties;
- b A general rate of 0. 323205 cents in the dollar of all rateable commercial properties;
- c A general rate of 0. 323205 cents in the dollar of all rateable industrial properties;
- d A general rate of 0. 290884 cents in the dollar of all rateable farm land properties;
- e A general rate of 0. 484807 cents in the dollar of all rateable vacant residential, rural living, commercial or industrial properties;
- f A general rate of 0. 129282 cents in the dollar of all rateable cultural and recreational lands act properties;

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

Type of Property	2007/08 \$	2008/09 \$
Residential	8,222,971	8,349,845
Commercial	806,830	851,117
Industrial	204,230	225,480
Farm Land	6,387,448	7,084,820
Vacant Land	1,219,193	1,238,709
Cultural & Recreational Lands	9,140	9,695



**2.3 The estimated total amount to be raised by rates is \$17,759,666.**

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

Type of Property	Percentage Change	
	2007/08	2008/09
Residential	6.51%	(3.74)%
Commercial	6.51%	(3.74)%
Industrial	6.51%	(3.74)%
Farm Land	6.51%	(3.74)%
Vacant Land	(0.15)%	(3.74)%
Cultural & Recreational Lands	6.51%	(3.74)%

The decrease in the rate in the dollar for all rate types compared to the previous year results from the increase in valuations which take effect from 1<sup>st</sup> January 2008. As there is no proposal to change the rate differentials, all changes are constant across the rate types to maintain their rating differential.

#### **General revaluation of properties**

During the 2007/08 year, a revaluation of all properties within the municipality was carried out and will apply from 1 January 2008 for the 2008/09 year. The outcome of the general revaluation has been a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 9.8%. Of this increase, residential properties have increased by 5.5%, commercial by 9.6%, industrial by 14.7%, farm by 15.23%, vacant land by 5.5% and cultural and recreational land by 10.2%.

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

Type of Property	2007/08	2008/09
Residential	10,837	11,041
Commercial	790	791
Industrial	129	138
Farm Land	3,870	3,913
Vacant Land	2,354	2,295
Cultural & Recreational Lands	22	22
<b>Total number of assessments</b>	<b>18,002</b>	<b>18,200</b>



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

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

<b>TYPE OF PROPERTY</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>\$</b>	<b>\$</b>
Residential	2,383,541,000	2,583,455,000
Commercial	236,738,500	263,337,000
Industrial	58,652,000	69,764,000
Farm Land	2,094,301,300	2,435,615,800
Vacant Land	249,651,000	255,505,500
Cultural & Recreational Lands	6,775,000	7,499,000
<b>Total</b>	<b>5,029,658,800</b>	<b>5,615,176,300</b>

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

<b>Type of Charge</b>	<b>Per Rateable Property 2007/08</b>	<b>Per Rateable Property 2008/09</b>
	<b>\$</b>	<b>\$</b>
Municipal	241.75	256.00
Kerbside Garbage Collection (Residential)	162.30	171.25
Kerbside Garbage Collection (Commercial)	240.45	253.70
2 <sup>nd</sup> Kerbside Garbage Collection (Residential)	162.30	171.25
Recycling charge	162.30	171.25



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

<b>Type of Charge</b>	<b>2007/08 \$</b>	<b>2008/09 \$</b>
Municipal Kerbside Garbage Collection (Residential)	4,146,980	4,439,899
Kerbside Garbage Collection (Commercial)	1,304,243	1,393,983
2 <sup>nd</sup> Kerbside Garbage Collection (Residential)	36,789	42,338
Recycling charge	21,911	23,630
	1,785	3,253
<b>Total</b>	<b>5,511,708</b>	<b>5,903,103</b>

**2.10 The estimated amount to be raised by rates and charges: \$23,662,769.**

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

- The making of supplementary valuations
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa;
- Changes of use of land such that vacant land becomes residential, commercial or industrial; farmland becomes residential land or other changes in land use.

**3. Differential Rates**

**3.1 Rates levied**

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



- A general rate of 0.323205% (0.323205 cents in the dollar of CIV) for all rateable residential and rural living properties;
- A general rate of 0.290884% (0.290884 cents in the dollar of CIV) for all rateable farm land properties;
- A general rate of 0.323205% (0.323205 cents in the dollar of CIV) for all rateable commercial properties;
- A general rate of 0.323205% (0.323205 cents in the dollar of CIV) for all rateable industrial properties;
- A general rate of 0.484807% (0.484807 cents in the dollar of CIV) for all rateable vacant residential, commercial, rural living or industrial properties;
- A general rate of 0.129282% (0.129282 cents in the dollar of CIV) for all rateable cultural and recreational lands act properties;

Each differential rate will be determined by multiplying the capital improved value of each rateable land (categorized by the characteristics described below) by the relevant percentages indicated above.

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

### **3.2 Residential land**

Residential land is any land, which is:

- Land located within the municipality that is residential, meaning rateable land upon which is erected a private dwelling which is used primarily for residential purposes.
- Land located within the municipality that is rural living, meaning land which is generally outside the established townships and which is primarily used and developed for residential purposes in a rural location.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets.
- Development and provision of health and community services; and
- Provision of general support services.



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

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

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

The use of land within this differential rate is any use of land.

The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2008/09 financial year.

### **3.3 Commercial Land**

Commercial land is any land, which is:

- Land located within the municipality that is commercial, meaning rateable land, which is used primarily for business or commercial purposes, including structures, which are used in conjunction with or for purposes ancillary to business or commercial purposes.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council , including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services; and
- Provision of general support services.

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

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



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

The use of land within this differential rate is any use of land.

The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2008/09 financial year.

### **3.4 Cultural and Recreational Land**

Cultural and recreational land is any land, which is:

- Land located within the municipality that is cultural or recreational land, as defined in Section 2 of the Cultural and Recreational Land Act 1960.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council , including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services; and
- Provision of general support services.

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

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

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

The use of land within this differential rate is any use of land.

The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2008/09 financial year.



### 3.5 Industrial Land

Industrial land is any land, which is:

- Land located within the municipality that is industrial, meaning land upon which is erected a factory or workshop which is primarily used for industrial purposes and includes any land which is used in conjunction with or for purposes ancillary to industrial purposes for which the factory or workshop is being used, industry including but not being limited to the operations included in the definition of industry in the South Gippsland Shire Council Planning Scheme.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council , including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services; and
- Provision of general support services.

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

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

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

The use of land within this differential rate is any use of land.

The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2008/09 financial year.

### 3.6 Vacant Land

Vacant land is any land, which is:

- Land located within the municipality that is vacant, meaning land upon which no improvements have been made, improvements being work actually done or material use on and for the benefit of the land, so far as the work done or



material used increases the value of the land which is capable of being developed for residential, commercial, rural living or industrial purposes.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council , including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services; and
- Provision of general support services.

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

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

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

The use of land within this differential rate is any use of land.

The classification of land which is un-improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

### **3.7 Farm Land**

Farm land is any land, which is:

- Land located within the municipality that is farm land as defined in Section 2 of the Valuation of Land Act 1960.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council , including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services; and
- Provision of general support services.

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



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

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

The use of land within this differential rate is any use of land.

The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.



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*APPENDIX C - Long Term Financial Plan (2008/09 – 2017/18)*

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Capital works**

This section includes Council 's forecast financial performance and financial and cash positions for the years 2008/09 to 2017/18.



BUDGETED INCOME STATEMENT

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2007/08 \$'000	Budget 2008/09 \$'000	Budget 2009/10 \$'000	Budget 2010/11 \$'000	Budget 2011/12 \$'000	Budget 2012/13 \$'000	Budget 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000
<b>INCOME STATEMENT</b>											
<b>REVENUES FROM ORDINARY ACTIVITIES</b>											
Rates	22,319	23,813	25,236	26,744	28,209	29,754	31,237	32,793	34,427	36,143	37,944
Operating grants	10,058	9,721	9,718	10,109	10,079	10,533	10,513	10,979	10,969	11,447	11,450
Capital grants	1,408	554	700	0	0	0	0	0	0	0	0
Reimbursements	264	273	282	292	301	310	319	329	339	349	360
Contributions	450	202	25	26	26	27	28	28	29	30	31
Interest	772	346	349	352	354	357	360	363	366	369	373
User charges	1,899	1,988	2,094	2,209	2,320	2,439	2,553	2,672	2,798	2,930	3,068
Statutory fees	350	327	361	382	403	425	447	469	492	517	543
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Other	820	930	912	961	961	985	1,033	1,034	1,059	1,111	1,111
<b>TOTAL REVENUE</b>	<b>38,340</b>	<b>38,154</b>	<b>39,677</b>	<b>41,075</b>	<b>42,653</b>	<b>44,830</b>	<b>46,490</b>	<b>48,667</b>	<b>50,479</b>	<b>52,896</b>	<b>54,880</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>											
Employee costs	12,993	14,017	14,529	15,160	15,790	16,382	17,119	17,849	18,518	19,353	20,176
Materials & consumables	13,748	13,406	12,911	13,232	13,725	14,311	14,458	14,890	15,278	15,881	16,123
Utilities	514	542	560	576	591	606	621	636	652	668	685
Depreciation	7,263	6,473	6,890	7,549	8,095	8,965	9,605	10,624	11,422	12,591	13,498
Written down value of assets sold	0	0	0	0	0	0	0	0	0	0	0
Other	1,978	2,126	2,206	2,280	2,307	2,356	2,407	2,458	2,511	2,565	2,621
Borrowing cost expenses	539	290	217	146	77	23	4	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>37,035</b>	<b>36,854</b>	<b>37,313</b>	<b>38,923</b>	<b>40,585</b>	<b>42,643</b>	<b>44,214</b>	<b>46,457</b>	<b>48,381</b>	<b>51,058</b>	<b>53,103</b>
<b>NET RESULT FOR REPORTING PERIOD</b>	<b>1,305</b>	<b>1,300</b>	<b>2,364</b>	<b>2,152</b>	<b>2,068</b>	<b>2,187</b>	<b>2,276</b>	<b>2,210</b>	<b>2,098</b>	<b>1,838</b>	<b>1,777</b>
<b>MOVEMENTS IN EQUITY</b>											
Net gain/ (loss) on disposal of assets	(209)	(104)	(122)	(101)	(127)	(77)	(62)	(95)	64	(100)	(104)
Net increase in Asset Revaluation Reserve	32,397	0	35,602	0	39,339	0	43,875	0	49,347	0	0
Donated / Granted Assets	0	0	0	0	0	0	0	0	0	0	0
Previously unrecognised assets	0	0	0	0	0	0	0	0	0	0	0
<b>Total Changes in Equity for the year</b>	<b>33,493</b>	<b>1,196</b>	<b>37,844</b>	<b>2,051</b>	<b>41,280</b>	<b>2,110</b>	<b>46,089</b>	<b>2,115</b>	<b>51,509</b>	<b>1,738</b>	<b>1,673</b>

BUDGETED BALANCE SHEET

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2007/08 \$'000	Budget 2008/09 \$'000	Budget 2009/10 \$'000	Budget 2010/11 \$'000	Budget 2011/12 \$'000	Budget 2012/13 \$'000	Budget 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000
<b>BALANCE SHEET</b>											
<b>Current Assets</b>											
Cash assets	5,022	5,488	5,711	5,641	5,572	5,932	6,089	6,814	7,383	7,978	8,576
Receivables	1,591	1,582	1,572	1,563	1,545	1,534	1,523	1,513	1,513	1,513	1,513
Other financial assets	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700	2,800
Land held for resale	0	0	0	0	0	0	0	0	0	0	0
Other	312	312	312	312	312	312	312	312	312	312	312
<b>Total Current Assets</b>	<b>8,725</b>	<b>9,282</b>	<b>9,595</b>	<b>9,616</b>	<b>9,629</b>	<b>10,078</b>	<b>10,324</b>	<b>11,139</b>	<b>11,808</b>	<b>12,503</b>	<b>13,201</b>
<b>Non Current Assets</b>											
Receivables	26	18	10	1	0	0	0	0	0	0	0
Investments	876	876	876	876	876	876	876	876	876	876	876
Fixed Assets	82,805	82,342	91,136	90,813	100,446	99,662	110,097	108,862	120,654	119,412	119,219
Roads Streets & Bridges	270,206	270,329	298,104	299,578	330,258	332,662	368,013	370,729	409,971	412,452	414,847
<b>Total Non Current Assets</b>	<b>353,913</b>	<b>353,565</b>	<b>390,126</b>	<b>391,268</b>	<b>431,580</b>	<b>433,100</b>	<b>478,986</b>	<b>480,467</b>	<b>531,501</b>	<b>532,740</b>	<b>534,942</b>
<b>Total Assets</b>	<b>362,638</b>	<b>362,847</b>	<b>399,721</b>	<b>400,884</b>	<b>441,209</b>	<b>443,178</b>	<b>489,310</b>	<b>491,606</b>	<b>543,309</b>	<b>545,243</b>	<b>548,143</b>
<b>Current Liabilities</b>											
Payables	1,555	1,545	1,535	1,525	1,515	1,505	1,495	1,485	1,485	1,485	1,485
Trust funds	155	155	155	155	155	155	155	155	155	155	155
Provisions	2,782	2,752	2,752	2,752	2,752	2,752	2,752	2,752	2,752	2,752	2,752
Interest bearing liabilities	1,116	1,138	1,059	1,128	317	135	0	0	0	0	0
<b>Total Current Liabilities</b>	<b>5,608</b>	<b>5,590</b>	<b>5,501</b>	<b>5,560</b>	<b>4,739</b>	<b>4,547</b>	<b>4,402</b>	<b>4,392</b>	<b>4,392</b>	<b>4,392</b>	<b>4,392</b>
<b>Non Current Liabilities</b>											
Provisions	518	687	865	1,046	1,229	1,415	1,603	1,794	1,988	2,184	2,383
Interest bearing liabilities	3,777	2,639	1,580	452	135	0	0	0	0	0	0
<b>Total Non Current Liabilities</b>	<b>4,295</b>	<b>3,326</b>	<b>2,445</b>	<b>1,498</b>	<b>1,364</b>	<b>1,415</b>	<b>1,603</b>	<b>1,794</b>	<b>1,988</b>	<b>2,184</b>	<b>2,383</b>
<b>Total Liabilities</b>	<b>9,903</b>	<b>8,916</b>	<b>7,946</b>	<b>7,058</b>	<b>6,103</b>	<b>5,962</b>	<b>6,005</b>	<b>6,186</b>	<b>6,380</b>	<b>6,576</b>	<b>6,775</b>
<b>Net Assets</b>	<b>352,735</b>	<b>353,931</b>	<b>391,775</b>	<b>393,826</b>	<b>435,106</b>	<b>437,216</b>	<b>483,305</b>	<b>485,420</b>	<b>536,929</b>	<b>538,667</b>	<b>541,368</b>
<b>Equity</b>											
Accumulated Surplus	131,325	132,385	134,315	136,006	137,538	139,185	140,887	142,438	143,952	144,979	146,929
Reserves	221,410	221,546	257,460	257,820	297,568	298,031	342,418	342,982	392,977	393,688	394,439
<b>Total Equity</b>	<b>352,735</b>	<b>353,931</b>	<b>391,775</b>	<b>393,826</b>	<b>435,106</b>	<b>437,216</b>	<b>483,305</b>	<b>485,420</b>	<b>536,929</b>	<b>538,667</b>	<b>541,368</b>



BUDEGETED CASH FLOW STATEMENT

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2007/08 \$'000	Budget 2008/09 \$'000	Budget 2009/10 \$'000	Budget 2010/11 \$'000	Budget 2011/12 \$'000	Budget 2012/13 \$'000	Budget 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000
<b>CASH FLOW STATEMENT</b>											
Receipts from Customers	24,945	27,593	28,910	30,614	32,220	33,940	35,617	37,325	39,144	41,080	43,057
Interest Received	772	346	349	352	354	357	360	363	366	369	373
Government Receipts	11,369	10,215	10,418	10,109	10,079	10,533	10,513	10,979	10,969	11,447	11,450
Payments to Suppliers	(17,209)	(16,394)	(15,894)	(16,214)	(16,700)	(17,296)	(17,490)	(17,984)	(18,441)	(19,114)	(19,429)
Payments to Employees	(12,961)	(13,948)	(14,451)	(15,079)	(15,707)	(16,296)	(17,031)	(17,758)	(18,424)	(19,257)	(20,077)
<b>Net cash from Operating</b>	<b>6,916</b>	<b>7,812</b>	<b>9,332</b>	<b>9,782</b>	<b>10,246</b>	<b>11,238</b>	<b>11,969</b>	<b>12,925</b>	<b>13,614</b>	<b>14,525</b>	<b>15,374</b>
<b>Investing</b>											
Proceeds from sale of plant property & Equipment	2,239	1,274	1,482	1,428	1,490	1,507	1,643	1,565	1,722	1,772	1,808
Payments for property, plant & equipment	(6,188)	(7,511)	(9,461)	(10,229)	(10,686)	(12,069)	(13,321)	(13,765)	(14,767)	(15,702)	(16,584)
<b>Net cash from Investing</b>	<b>(5,949)</b>	<b>(6,237)</b>	<b>(7,979)</b>	<b>(8,801)</b>	<b>(9,196)</b>	<b>(10,562)</b>	<b>(11,678)</b>	<b>(12,200)</b>	<b>(13,045)</b>	<b>(13,930)</b>	<b>(14,776)</b>
<b>Financing</b>											
Proceeds from borrowing	0	0	0	0	0	0	0	0	0	0	0
Repayment of loans and advances	7	7	8	8	9	1	0	0	0	0	0
Repayment of borrowings	(5,544)	(1,116)	(1,138)	(1,059)	(1,128)	(317)	(134)	0	0	0	0
Loan advances to community groups	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash from Financing</b>	<b>(5,537)</b>	<b>(1,109)</b>	<b>(1,130)</b>	<b>(1,051)</b>	<b>(1,119)</b>	<b>(316)</b>	<b>(134)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Cash increase (decrease)	<b>(4,570)</b>	<b>466</b>	<b>223</b>	<b>(70)</b>	<b>(69)</b>	<b>360</b>	<b>157</b>	<b>725</b>	<b>569</b>	<b>595</b>	<b>598</b>
<b>Cash at beginning</b>	<b>9,592</b>	<b>5,022</b>	<b>5,488</b>	<b>5,711</b>	<b>5,641</b>	<b>5,572</b>	<b>5,932</b>	<b>6,089</b>	<b>6,814</b>	<b>7,383</b>	<b>7,978</b>
<b>Cash at end</b>	<b>5,022</b>	<b>5,488</b>	<b>5,711</b>	<b>5,641</b>	<b>5,572</b>	<b>5,932</b>	<b>6,089</b>	<b>6,814</b>	<b>7,383</b>	<b>7,978</b>	<b>8,576</b>



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## *APPENDIX D - Capital works program*

This section provides some details of the forward capital works program. This also includes expenditure on landfill rehabilitation works that have in prior years being expensed to the financial statements and the outstanding work recognised as a liability in the balance sheet.



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Unallocated Future Capital											
<b>1210 - Unallocated</b>	-	-	243,820	1,185,692	228,203	566,680	145,429	899,471	484,805	1,206,223	1,324,832
Total Future Unallocated	-	-	243,820	1,185,692	228,203	566,680	145,429	899,471	484,805	1,206,223	1,324,832

Capital Expenditure for Buildings and Assets Maintenance

Cost Centre

<b>8040 - Fleet Purchases</b>	1,547,818	1,677,500	1,759,000	1,811,770	1,857,064	1,903,491	1,951,078	1,999,855	2,049,851	2,101,098	2,153,625
<b>8086 - Sandy Point Hall Upgrade</b>	-	-	150,000	-	-	-	-	-	-	-	-
<b>8653 - Poowong Outdoor Swimming Pool Shelter</b>	15,000	-	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>8656 - Dumbalk Community Hall Floor Replacement</b>	<b>15,000</b>	-	-	-	-	-	-	-	-	-	-
<b>9408 - Yanakie Caravan Park Toilet Block</b>	-	-	-	-	<b>297,754</b>	-	-	-	-	-	-
<b>9410 - Port Welshpool Caravan Park Toilet Block</b>	-	-	-	<b>280,900</b>	-	-	-	-	-	-	-
<b>9412 - Foster Showgrounds Toilet Block Upgrade</b>	<b>101,340</b>	-	-	-	-	-	-	-	-	-	-
<b>9413 - Venus Bay Fisherman Jetty Toilet Block</b>	<b>60,000</b>	-	-	-	-	-	-	-	-	-	-
<b>9449 - Poowong Swimming Pool Retime</b>	-	-	-	-	-	-	-	-	-	-	-
<b>9452 - Toora Swimming Pool Capital Renewal</b>	<b>90,000</b>	-	-	-	-	-	-	-	-	-	-
<b>9456 - Walter J Tuck Public Replace Toilets</b>	-	-	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>9457 - Leongatha Memorial Hall Kitchen Upgrade</b>	-	-	-	-	-	-	-	-	-	-	-
<b>9458 - Mossvale Park Sound Shell Replace Roof</b>	-	-	-	-	-	-	-	-	-	-	-
<b>9466 - Main Office Accommodation Upgrade</b>	144,000	-	-	-	-	-	-	-	-	-	-
<b>9467 - Leongatha Michael Place Toilets Refurbishment</b>	-	-	-	84,800	-	-	-	-	-	-	-
<b>9469 - Mirboo North Swimming Pool Replace Expansion Joints and Repaint</b>	-	-	-	-	-	-	-	-	-	-	-
<b>9470 - Buildings - To Be Determined</b>	-	-	-	172,903	128,815	312,756	575,528	518,037	578,228	648,708	611,362
<b>9471 - Pools - To Be Determined</b>	-	-	-	281,835	115,823	210,900	150,000	159,000	435,190	178,652	189,372
<b>9474 - Refurbish New Office Accommodation</b>	-	123,600	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget									
<b>9475 - Replace Air Conditioner - Coal Creek Foyer</b>	<b>57,000</b>	-	-	-	-	-	-	-	-	-	-
Total for Buildings and Assets Maintenance	2,030,158	1,991,100	1,909,000	2,632,208	2,514,985	2,427,147	2,676,606	2,676,892	3,063,269	2,928,458	2,954,359

Capital Expenditure for Community Projects

Cost Centre

<b>8581 - Tarwin Lower Bike Track</b>	<b>125,730</b>	-	-	-	-	-	-	-	-	-	-
<b>8584 - Small Towns Skate Park Project</b>	<b>42,966</b>	-	-	-	-	-	-	-	-	-	-
<b>8586 - Walter Tuck Netball Umpire Rooms and Shelter</b>	<b>256,525</b>	-	-	-	-	-	-	-	-	-	-
<b>8592 - SRV - Foster Football / Netball Club (Netball Court Upgrade)</b>	<b>44,495</b>	-	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>8593 - SRV - Korumburra Cricket Club - Turf Wicket Installation</b>	-	-	-	-	-	-	-	-	-	-	-
<b>8599 - SRV - Baromi Park Walking Path</b>	-	58,157	-	-	-	-	-	-	-	-	-
<b>8664 - Paths and Trails Implementation</b>	-	-	-	60,000	63,600	67,416	71,461	75,749	80,294	85,111	90,218
<b>9562 - Korumburra Drill Hall</b>	466,083	-	-	-	-	-	-	-	-	-	-
<b>9602 - Future Unplanned Works (SRV Grants)</b>	-	-	75,000	155,000	164,300	174,158	184,607	195,684	207,425	219,870	233,063
<b>Total for Community Projects</b>	<b>935,799</b>	<b>58,157</b>	<b>75,000</b>	<b>215,000</b>	<b>227,900</b>	<b>241,574</b>	<b>256,068</b>	<b>271,433</b>	<b>287,719</b>	<b>304,981</b>	<b>323,281</b>

Capital Expenditure for Engineering and Assets Management

Cost Centre



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>8045 - Asset Management</b>	-	<b>170,000</b>	<b>41,300</b>	<b>31,982</b>	-	<b>100,000</b>	-	-	-	-	<b>130,000</b>
Total for Engineering and Assets Management	-	<b>170,000</b>	<b>41,300</b>	<b>31,982</b>	-	<b>100,000</b>	-	-	-	-	<b>130,000</b>

Capital Expenditure for Engineering Services

Cost Centre

<b>8300 - Dewar Lane</b>	-	<b>200,000</b>	-	-	-	-	-	-	-	-	-
<b>8301 - Carpark Sealing - CBA</b>	-	<b>20,000</b>	-	-	-	-	-	-	-	-	-
<b>8302 - Town Signage</b>	-	<b>50,000</b>	-	-	-	-	-	-	-	-	-
<b>8307 - Loch Streetscape</b>	-	<b>25,000</b>	-	-	-	-	-	-	-	-	-
<b>8308 - Mobile Library</b>	-	<b>30,000</b>	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget									
<b>8686 - Upgrade of Tarwin Meadows Rd</b>	-	<b>24,000</b>	-	-	-	-	-	-	-	-	-
<b>8770 - Capital Works Design</b>	<b>102,719</b>	<b>109,638</b>	<b>112,092</b>	<b>114,700</b>	<b>117,589</b>	<b>120,236</b>	<b>123,172</b>	<b>126,424</b>	<b>129,402</b>	<b>132,706</b>	<b>136,365</b>
Total for Engineering Services	<b>102,719</b>	<b>458,638</b>	<b>112,092</b>	<b>114,700</b>	<b>117,589</b>	<b>120,236</b>	<b>123,172</b>	<b>126,424</b>	<b>129,402</b>	<b>132,706</b>	<b>136,365</b>

Capital Expenditure for Information Services

Cost Centre

<b>8030 - Information Services</b>	<b>60,000</b>	<b>398,800</b>	<b>245,000</b>	-	-	<b>265,000</b>	-	-	<b>265,000</b>	-	-
				-	-		-	-		-	-
Total for Information Services	<b>60,000</b>	<b>398,800</b>	<b>245,000</b>	-	-	<b>265,000</b>	-	-	<b>265,000</b>	-	-

Capital Expenditure for Plant



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Cost Centre											
<b>8050 - Plant Purchases</b>	<b>699,690</b>	<b>684,409</b>	<b>1,246,834</b>	<b>1,071,744</b>	<b>1,103,337</b>	<b>772,254</b>	<b>1,106,564</b>	<b>849,004</b>	<b>1,066,876</b>	<b>1,106,919</b>	<b>1,176,099</b>
Total for Plant	<b>699,690</b>	<b>684,409</b>	<b>1,246,834</b>	<b>1,071,744</b>	<b>1,103,337</b>	<b>772,254</b>	<b>1,106,564</b>	<b>849,004</b>	<b>1,066,876</b>	<b>1,106,919</b>	<b>1,176,099</b>

Capital Expenditure for Parks and Gardens

Cost Centre											
<b>9226 - Korumburra Coleman Park</b>	<b>5,000</b>	-	-	-	-	-	-	-	-	-	-
<b>9545 - Foster Showgrounds Regional Playground</b>	<b>120,468</b>	-	-	-	-	-	-	-	-	-	-
<b>9563 - Playground Replacement Program</b>	<b>120,380</b>	<b>120,000</b>	<b>127,200</b>	<b>134,832</b>	<b>142,922</b>	<b>151,497</b>	<b>160,587</b>	<b>170,222</b>	<b>180,436</b>	<b>191,262</b>	<b>202,737</b>
<b>9564 - Baromi Park Shade Sale</b>	<b>20,000</b>	-	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget									
Total for Parks & Gardens	265,848	120,000	127,200	134,832	142,922	151,497	160,587	170,222	180,436	191,262	202,737

Capital Expenditure for Local Roads

Cost Centre

8684 - Young St Drainage Works	-	-	65,000	-	-	-	-	-	-	-	-
8685 - Hattam Ct Drainage Works	-	-	43,000	-	-	-	-	-	-	-	-
8772 - Rural Reseals	1,211,706	1,496,061	1,638,858	1,956,380	2,062,596	2,174,906	2,293,669	2,419,265	2,552,095	2,692,586	2,841,192
8774 - Reseal Preparation	667,723	644,669	663,741	765,769	811,716	860,419	912,044	966,766	1,024,772	1,086,259	1,151,434
8841 - Footpath Renewal	200,000	201,351	212,000	224,720	238,203	252,495	267,645	283,704	300,726	318,770	337,896
8845 - Garbage Truck Vehicle Turning Provision	20,000	120,000	21,200	22,472	23,820	25,250	26,765	28,370	30,073	31,877	33,790



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
8846 - Korumburra Swimming Pool Car Park	60,000	-	-	-	-	-	-	-	-	-	-
8847 - Jeffery Street Footpath Link	52,000	-	-	-	-	-	-	-	-	-	-
8848 - Yanakie Service Road Upgrade	-	-	-	-	-	-	-	-	-	-	-
8849 - Footpath Extension Program	-	80,000	-	-	100,000	106,000	112,360	119,102	126,248	133,823	141,852
8850 - Safe Intersections Program	-	-	-	-	200,000	212,000	224,720	238,203	252,495	267,645	283,704
9096 - Henrys Road	33,085	-	-	-	-	-	-	-	-	-	-
9128 - Loch / Poowong Ferriers	-	-	-	-	-	-	-	-	-	-	-
9131 - Petersons Street Korumburra	435,500	-	-	-	-	-	-	-	-	-	-
9132 - McQueen Avenue Korumburra	-	-	-	-	-	-	-	-	-	-	-
9652 - Dyrings Road	-	106,742	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>9653 - Foster Mt Best</b>	-	-	-	-	-	-	-	-	-	-	-
<b>9654 - Clear Creek Bridge Replacement</b>	448,030	-	-	-	-	-	-	-	-	-	-
<b>9657 - Bridge / Culvert Rehabilitation - To Be Determined</b>	-	-	-	479,471	513,879	231,085	257,064	326,588	412,870	475,352	450,000
<b>9658 - O`loughlin Bridge</b>	2,090	-	-	-	-	-	-	-	-	-	-
<b>9659 - Bena Kongwak Bridge</b>	-	-	1,000,000	-	-	-	-	-	-	-	-
<b>9678 - Guard Rails - To Be Determined</b>	-	-	-	89,888	95,281	100,998	107,058	113,482	120,290	127,508	135,158
<b>9685 - Culverts - To Be Determined</b>	-	-	-	100,000	106,000	112,360	119,102	126,248	133,823	141,852	150,363
<b>9686 - Loch Poowong Culvert Construction</b>	115,000	-	-	-	-	-	-	-	-	-	-
<b>9688 - Andersons Inlet</b>	-	766,744	-	-	-	-	-	-	-	-	-
<b>9690 - Port Welshpool Boat Ramp - Lighting</b>	13,139	-	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
9714 - Farmers Rd_ Dumbalk	16,000	-	-	-	-	-	-	-	-	-	-
9715 - Bena Road_ Korumburra	13,000	-	-	-	-	-	-	-	-	-	-
9716 - Main South Road	-	-	40,147	716,352	50,000	-	-	-	-	-	-
9717 - Grandridge Road Sealing	294,604	-	-	-	-	-	-	-	-	-	-
9718 - Leongatha South Outtrim	-	-	-	252,499	20,225	-	-	-	-	-	-
9719 - Loch Poowong TAC Motorcycle Safety Project	158,920	-	-	-	-	-	-	-	-	-	-
9720 - Koonwarra Inverloch Road Upgrade	-	-	883,734	40,147	-	-	-	-	-	-	-
9721 - Drainage Rehabilitation Program	-	-	-	-	191,739	203,243	215,438	228,364	242,066	256,590	271,985
9722 - Unallocated Future Capex for Roads	-	-	-	-	1,130,379	92,204	2,799,527	560,541	512,034	524,834	537,954



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget									
<u>Capital Expenditure for Local Roads (cont)</u>											
Cost Centre											
<b>9723 - Pavement Rehabilitation Program</b>	-	-	-	-	600,000	2,127,779	600,000	2,390,772	2,534,218	2,686,272	2,847,448
<b>9724 - Kerb and Channel Program</b>	-	-	-	-	-	283,704	300,726	318,770	337,896	358,170	379,660
<b>9725 - Asphalt Program</b>	-	-	-	-	-	425,556	451,089	478,155	506,844	537,255	569,490
<b>9726 - Bena Kongwak Road Reconstruction</b>	20,000	-	708,256	-	-	-	-	-	-	-	-
<b>9727 - Fish Creek Bus Turning Loop</b>	-	-	-	-	-	-	-	-	-	-	-
<b>9728 - Koonwarra Landfill Entrance Road</b>	58,000	-	-	-	-	-	-	-	-	-	-
<b>Total for Local Roads</b>	<b>3,818,797</b>	<b>3,415,567</b>	<b>5,275,936</b>	<b>4,647,698</b>	<b>6,143,838</b>	<b>7,207,999</b>	<b>8,687,207</b>	<b>8,598,330</b>	<b>9,086,450</b>	<b>9,638,793</b>	<b>10,131,926</b>



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<u>Capital Expenditure for Coal Creek</u>											
Cost Centre											
<b>1670 - CCHV - Capital Projects</b>	<b>215,000</b>	<b>95,000</b>	<b>164,300</b>	<b>174,158</b>	<b>184,607</b>	<b>195,684</b>	<b>141,852</b>	<b>150,363</b>	<b>159,385</b>	<b>168,948</b>	<b>179,085</b>
Total for Social and Economic Development	<b>215,000</b>	<b>95,000</b>	<b>164,300</b>	<b>174,158</b>	<b>184,607</b>	<b>195,684</b>	<b>141,852</b>	<b>150,363</b>	<b>159,385</b>	<b>168,948</b>	<b>179,085</b>
<u>Capital Expenditure for Recreation</u>											
Cost Centre											
<b>8650 - Shared Pedestrian / Bicycle Trail - Welshpool</b>	<b>60,000</b>	-	-	-	-	-	-	-	-	-	-
Total for Recreation	<b>60,000</b>	-	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget									
<u>Capital Expenditure for Property</u>											
Cost Centre											
<b>8064 - Sundry Land Purchases</b>	-	<b>20,000</b>	<b>20,650</b>	<b>21,270</b>	<b>21,802</b>	<b>22,347</b>	<b>22,906</b>	<b>23,479</b>	<b>24,066</b>	<b>24,668</b>	<b>25,285</b>
Total for Property	-	<b>20,000</b>	<b>20,650</b>	<b>21,270</b>	<b>21,802</b>	<b>22,347</b>	<b>22,906</b>	<b>23,479</b>	<b>24,066</b>	<b>24,668</b>	<b>25,285</b>

Capital Expenditure for Economic Development and Tourism

Cost Centre											
<b>8687 - Foster V.I.C.</b>	-	<b>25,000</b>	-	-	-	-	-	-	-	-	-
<b>8688 - Korumburra V.I.C.</b>	-	<b>75,000</b>	-	-	-	-	-	-	-	-	-



10 Year Capital Works Program

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
<b>COST CENTRE</b>	Projected	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Total for Social and Economic Development	-	<b>100,000</b>	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure for Waste</u>											
Cost Centre											
<b>8565 - Koonwarra Landfill (Rehabilitation)</b>	<b>430,283</b>	<b>30,000</b>	-	-	-	-	-	-	-	-	-
<b>9611 - Future Waste Expense</b>	-	-	-	-	-	-	-	-	-	-	-
Total for Waste	<b>430,283</b>	<b>30,000</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTALS</b>	<b>8,618,294</b>	<b>7,541,671</b>	<b>9,461,132</b>	<b>10,229,284</b>	<b>10,685,183</b>	<b>12,070,418</b>	<b>13,320,391</b>	<b>13,765,618</b>	<b>14,747,408</b>	<b>15,702,958</b>	<b>16,583,969</b>



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## *APPENDIX E - Key strategic activities*

This section sets out program initiatives to be undertaken by Council in 2008/09, including appropriate measures and targets that are subject to audit at year end.



**Key Strategic Activities 2008/09**

TEAM	KSA DESCRIPTION	KSA MEASURES	KSA TARGET	HOW THE DATA IS REPORTED
Engineering and Assets and Infrastructure Maintenance	Implementation and delivery of the Capital Works Program	Percentage of annual capital works program completed on time and within budget (excluding factors beyond management control)	Greater than or equal to 90%	Monthly Council Performance Report
Engineering and Assets	Commence implementation of the Asset Management Improvement Strategy including acquisition of Asset Management System	Signed contract for the acquisition of asset management software	April 30	EMG minutes
Planning and Environment	Investigate opportunities offered by the signing of the local Sustainability Accord	Council to adopt a Local Environment Priority Statement (LEPS)	February 28	Council report
Planning and Environment	Implementation of the South Gippsland Rural Strategy as part of the Planning Scheme Review	Presentation of final strategy to Council	September 17	Council report
Planning and Environment	Implementation of Township Plans for Leongatha, Korumburra, Foster, Mirboo North, Nyora, Loch, Tarwin Lower, Venus Bay, Waratah Bay and Sandy Point as	Processing of Planning Scheme Amendments to stage of a Planning Panel being requested	May 31	Council report



TEAM	KSA DESCRIPTION	KSA MEASURES	KSA TARGET	HOW THE DATA IS REPORTED
	part of the Planning Scheme Review			
Planning and Environment	Issue planning permits that meet the aspirations of the South Gippsland Planning Scheme	Percentage of planning permits issued within 60 statutory days	60% or greater issued within 60 statutory days	Monthly Council Performance Report
Social and Economic Development	Develop an Aquatics & Leisure Centre Strategy to ensure sustainability and development of Council leisure centre and aquatic facilities	Presentation of strategy to Council (subject to timing of SRV funding)	January 30	Council report
Social and Economic Development	Manage Coal Creek as a community park and museum	Implementation of new direction for Coal Creek including completion of annual capital works and adoption of a model for museum	February 28	Monthly Council Performance Report
Social and Economic Development	Develop a Business Investment Policy	Presentation of the policy to Council	February 25	Council report
Social and Economic Development	Implement a sustainable model for the operational staffing of two level two Visitor Information Centres.	Staffing arrangements in place	October 31	Council report



TEAM	KSA DESCRIPTION	KSA MEASURES	KSA TARGET	HOW THE DATA IS REPORTED
Infrastructure Maintenance	Implementation of adopted maintenance programs	Program completed on time and within budget	Greater than or equal to 90%	Monthly Council Performance Report
Finance	Achieving strategic financial outcomes	Weighted average of five key financial ratios being underlying result, working capital ratio, indebtedness, self financing and investment gap	Greater than or equal to 98%	Monthly Council Performance Report
Governance and Corporate Planning	Undertake improvement projects raised through the business excellence program	Implementation of programmed improvement projects	Greater than or equal to 9 improvement projects	EMG minutes
Human Resources	Ensure Council is positioned to meet the current and future requirements relating to structure, capability, succession and talent management	Develop and implement the workforce planning strategy	Delivered in line with measures identified in People Culture and Lifestyle Strategy	EMG minutes
Information Services	Commence phased implementation of an Electronic Document Management System (EDMS) in line with project plan	Sign off on Electronic Document Management System project implementation plan	Sign off by October 2008	EMG minutes
Health and Family Services	Implement Positive Ageing strategy action plan for 2008/09	Complete top two actions as identified in the Positive Ageing action plan.	Sign off by 30 April 2009	EMG minutes



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## *APPENDIX F - Fees and charges*

This section sets out all fees and statutory charges of Council



Description (fees highlighted in yellow are statutory fees) (fees highlighted in green are pool & leisure centre fees)	2007/08 Fees (Incl. GST) \$	2008/09 Fees (Incl. GST) \$	Increase %	2008/09 Revenue Budget (Excl. GST) \$
Unused Road Opening Application Fee	500.00	528.00	5.60%	1,920
Port Welshpool boat ramp - Daily Car Park	5.00	6.00	20.00%	1,091
Port Welshpool boat ramp - Annual Car Park Fee	35.00	37.00	5.71%	6,727
ROAD RESERVE ACTIVITY PERMIT (Road RAP)	59.00	62.00	5.08%	18,600
<b>Asset Management Total</b>				<b>28,338</b>
Commercial - Korumburra Office Meeting Room Full Day	92.00	97.00	5.43%	0
Commercial - Korumburra Office Meeting Room 1/2 Day / night	51.00	54.00	5.88%	147
Commercial - Behind Stage 1/2 day	53.00	56.00	5.66%	0
Commercial - Hall Bond where liquor is served (refundable)	689.00	727.00	5.52%	0
Commercial - Hall Bond where liquor is not served (refundable)	170.00	179.00	5.29%	0
Commercial - Balcony Seating full day	172.00	181.00	5.23%	0
Commercial - Balcony Seating 1/2 day	87.00	92.00	5.75%	0
Commercial - Behind Stage full day	87.00	92.00	5.75%	0
Commercial - Leongatha Memorial Hall Kitchen full day	138.00	146.00	5.80%	265
Commercial - Leongatha Memorial Hall Kitchen 1/2 day	87.00	92.00	5.75%	335
Commercial - Leongatha Memorial Hall Crockery Hire per setting	3.50	4.00	14.29%	0
Commercial - Leongatha Memorial Hall Meeting Rm 2 - full day	138.00	146.00	5.80%	1,327
Commercial - Leongatha Memorial Hall Meeting Rm 2 - 1/2 day	69.00	73.00	5.80%	1,327
Commercial - Leongatha Memorial contractor Set up Costs (if used)	27.00	28.00	3.70%	0
Commercial - Leongatha Memorial Hall Meeting Rm 1 - full day	170.00	179.00	5.29%	1,627
Commercial - Leongatha Memorial Hall Meeting Rm 1 - 1/2 day	87.00	92.00	5.75%	1,673
Commercial - Leongatha Memorial Hall Meeting Rm 2 - Full week hire 7 days	615.00	649.00	5.53%	0



Description (fees highlighted in yellow are statutory fees) (fees highlighted in green are pool & leisure centre fees)	2007/08 Fees (Incl. GST) \$	2008/09 Fees (Incl. GST) \$	Increase %	2008/09 Revenue Budget (Excl. GST) \$
Commercial - Leongatha Memorial Hall Rehearsals 1-4 hours	48.00	51.00	6.25%	556
Commercial - Leongatha Memorial Hall Full week hire 7 days	2,470.00	2,606.00	5.51%	2,369
Commercial - Leongatha Memorial Hall meeting Rm 1 full week hire 7 days	770.00	812.00	5.45%	0
Commercial - Leongatha Memorial Hall Rental - full day or evening	550.00	580.00	5.45%	5,273
Commercial - Leongatha Memorial Hall 1/2 day use set up rehearsals	275.00	290.00	5.45%	0
Commercial - Leongatha Memorial Hall set up where hall deemed unusable by other parties (Weddings Expos Lyric Theatre Catwalks) full day	413.00	436.00	5.57%	793
Non Commercial - Korumburra Office Meeting Room 1/2 Day / night	40.00	42.00	5.00%	0
Commercial - Whole Complex Hire	770.00	812.00	5.45%	0
Commercial - Whole Complex Hire 1/2 Day	403.00	425.00	5.46%	0
Non Commercial - Hall Bond where liquor is served (refundable)	550.00	580.00	5.45%	0
Non Commercial - Hall Bond where liquor is not served (refundable)	138.00	146.00	5.80%	0
Non Commercial - Korumburra Office Meeting Room Full Day	73.00	77.00	5.48%	0
Non Commercial - Balcony Seating 1/2 day	70.00	74.00	5.71%	0
Non Commercial - Behind Stage full day	70.00	74.00	5.71%	0
Non Commercial - Behind Stage 1/2 day	42.00	44.00	4.76%	80
Non Commercial - Leongatha Memorial Hall Kitchen 1/2 day	70.00	74.00	5.71%	1,009
Non Commercial - Leongatha Memorial Hall Crockery Hire per setting	3.00	3.00	0.00%	818
Non Commercial - Balcony Seating full day	138.00	146.00	5.80%	0
Non Commercial - Leongatha Memorial Hall Meeting Rm 2 - 1/2 day	55.00	58.00	5.45%	1,055
Non Commercial - Leongatha Memorial contractor Set up Costs (if used)	20.00	21.00	5.00%	2,768
Non Commercial - Leongatha Memorial Hall Kitchen full day	109.00	115.00	5.50%	1,568
Non Commercial - Leongatha Memorial Hall Meeting	70.00	74.00	5.71%	2,018



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Rm 1 - 1/2 day				
Non Commercial - Leongatha Memorial Hall Meeting Rm 2 - Full week hire 7 days	493.00	520.00	5.48%	0
Non Commercial - Leongatha Memorial Hall Meeting Rm 2 - full day	109.00	115.00	5.50%	523
Non Commercial - Leongatha Memorial Hall Full week hire 7 days	1,975.00	2,084.00	5.52%	1,895
Non Commercial - Leongatha Memorial Hall meeting Rm 1 full week hire 7 days	615.00	649.00	5.53%	0
Non Commercial - Leongatha Memorial Hall Meeting Rm 1 - full day	138.00	146.00	5.80%	1,327
Non Commercial - Leongatha Memorial Hall 1/2 day use set up rehearsals	220.00	232.00	5.45%	422
Non Commercial - Leongatha Memorial Hall set up where hall deemed unusable by other parties (Weddings Expos Lyric Theatre Catwalks) full day	334.00	352.00	5.39%	0
Non Commercial - Leongatha Memorial Hall Rehearsals 1-4 hours	37.00	39.00	5.41%	213
Non Commercial - Whole Complex Hire	620.00	654.00	5.48%	0
Non Commercial - Whole Complex Hire 1/2 Day	323.00	341.00	5.57%	0
Non Commercial - Leongatha Memorial Hall Rental - full day or evening	440.00	464.00	5.45%	2,109
<b>Buildings - Operation Total</b>				<b>31,497</b>
Tree Stumps	28.00	30.00	7.14%	55
Concrete (over 300mm)	50.00	53.00	6.00%	14,888
Prescribed Waste	115.00	121.00	5.22%	0
Commercial Waste by weight	70.00	74.00	5.71%	460,953
Disposal of Clean Fill	0.00	13.00	100.00%	2,364
Asbestos	70.00	74.00	5.71%	3,296
<b>Landfills Total</b>				<b>481,555</b>
Earthmoving Tyre	160.00	169.00	5.63%	0
Extra Charge for Tyre on Rim	6.50	7.00	7.69%	732
Car Tyres	4.50	5.00	11.11%	1,891
Small Truck / Four Wheel Drive Tyres	13.00	14.00	7.69%	255
Large Truck Tyre	27.00	28.00	3.70%	102
Silage Wrap bundled	10.50	11.00	4.76%	2,520



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Concrete Bricks Fill up to one m3	21.00	22.00	4.76%	1,380
Car Bodies	32.00	34.00	6.25%	309
120 L Bin	2.50	3.00	20.00%	3,308
Ute - up to one cubic meter	21.00	22.00	4.76%	51,660
Other Domestic	21.00	22.00	4.76%	79,620
Garbage Bag up to 120L	2.50	2.50	0.0%	64,887
Car Boot	10.50	11.00	4.76%	16,810
240L Bin	5.50	6.00	9.09%	26,242
<b>Transfer Stations Total</b>				<b>249,715</b>
Land Information Certificates	20.00	20.00	0.00%	21,200
Data Sales	50.00	55.00	10.00%	250
<b>Property and Revenue Total</b>				<b>21,450</b>
Flu	20.00	21.00	5.00%	2,100
Pnumococcal	125.00	132.00	5.60%	0
Hep A Adult	73.00	77.00	5.48%	77
Twinrix Paediatric	45.00	47.00	4.44%	0
Twinrix Adult	64.00	68.00	6.25%	68
Varicella	65.00	69.00	6.15%	345
Hep B Paediatric	21.00	22.00	4.76%	0
Hep B Adult	21.00	22.00	4.76%	440
Conveyancing Inquiry (50%rego fee plus GST)	50% of registration fee + GST	50% of registration fee + GST	Increase as per registration fee.	2,250
Caravan Parks - Residential Tenancies Act	2.50	2.50	0.00%	1,688
Caravan Parks Transfer - Residential Tenancies Act	50.00	50.00	0.00%	50
Transfer of Registrations (50% of rego fee)	50% of registration fee	50% of registration fee	Increase as per registration fee.	2,250
Skin Penetration - Health Act	159.00	168.00	5.66%	168
Combined Hairdresser/Skin Penetration - Health Act	159.00	168.00	5.66%	1,344
Prescribed Accommodation - Health Act	112.00	118.00	5.36%	5,546
Class 2 Low Risk - Food Act Premises	272.00	287.00	<del>5.51%</del>	15,785



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Other Food Businesses - Food Act Premises	43.00	45.00	4.65%	2,430
Health Act Premises - Hairdresser - Health Act	127.00	134.00	5.51%	3,216
Class 1 Food Act Premises	426.00	449.00	5.40%	4,041
Class 2 High Risk - Food Act Premises	426.00	449.00	5.40%	3,143
Class 2 Medium Risk - Food Act Premises	426.00	449.00	5.40%	86,657
<b>Environmental Health and Immunisation Total</b>				<b>131,598</b>
HACC Bus Venus Bay	3.60	3.70	2.78%	0
HACC Bus Loch / Nyora	5.65	5.80	2.65%	0
HACC Bus Port Welshpool	8.75	9.00	2.86%	0
HACC Bus Foster	5.65	5.80	2.65%	0
HACC Bus Revenue - Average	3.60 to 8.75	3.70 to 9.00	N/A	6,101
Bus Self Drive Hire	0.60	0.65	8.33%	9,514
Meals on Wheels Revenue - Average	5.35 to 9.50	5.50 to 9.80	N/A	132,000
Meals on Wheels Low Fee	5.35	5.50	2.80%	0
Meals on Wheels Medium Fee	5.35	5.50	2.80%	0
Meals on Wheels High Fee	9.50	9.80	3.16%	0
Homecare Revenue - Average	5.30 to 26.00	5.45 to 26.80	N/A	99,953
Homecare Low Fee	5.30	5.45	2.83%	0
Homecare Medium Fee	11.80	12.15	2.97%	0
Homecare High Fee	26.00	26.80	3.08%	0
Personal Care	3.00 to 29.90	3.10 to 30.80	N/A	10,825
Personal Care Low Fee	3.00	3.10	3.33%	0
Personal Care Medium Fee	5.65	5.80	2.65%	0
Personal Care High Fee	29.90	30.80	3.01%	0
Private Works Meals	9.50	9.80	3.16%	24,856
Respite Care Revenue - Average	1.90 to 27.40	2.00 to 28.20	N/A	4,200
Respite Care Low Fee	1.90	2.00	5.26%	0
Respite Care Medium Fee	3.70	3.80	2.70%	0
Respite Care High Fee	27.40	28.20	2.92%	0
Home Maintenance Revenue - Average	7.15 to 35.00	7.40 to 36.00	N/A	6,660
Home Maintenance Low Fee	7.15	7.40	3.50%	0
Home Maintenance Medium Fee	16.00	16.50	3.13%	0



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Home Maintenance High Fee	35.00	36.00	2.86%	0
Community Transport Car - Type 1	6.20	6.40	3.23%	0
Community Transport Car - Type 9	28.55	29.40	2.98%	0
Community Transport Car - Type 5	17.15	17.70	3.21%	0
Community Transport Car - Type 6	18.95	19.50	2.90%	0
Community Transport Car - Type 14	42.35	43.60	2.95%	0
Community Transport Car - Type 15	46.75	48.15	2.99%	0
Community Transport Car - Type 8	23.40	24.10	2.99%	0
Community Transport Car - Type 2	9.10	9.40	3.30%	0
Community Transport Car - Type 3	11.40	11.75	3.07%	0
Community Transport Car - Type 11	31.95	32.90	2.97%	0
Community Transport Car - Type 10	29.70	30.60	3.03%	0
Community Transport Car - Type 13	36.05	37.15	3.05%	0
Community Transport Car - Type 7	22.80	23.50	3.07%	0
Community Transport Car - Type 12	34.25	35.30	3.07%	0
Community Transport Car - Type 4	13.70	14.10	2.92%	0
Community Transport Car Revenue - Average	6.20 to 46.75	6.40 to 48.15	N/A	17,000
<b>HACC Services Total</b>				<b>311,109</b>
Private Works PAC	37.00	39.00	5.41%	29,250
<b>Non HACC Services Total</b>				<b>29,250</b>
FOI Applicant B&W Photocopying (Amount per A4 page)	0.20	0.20	0.00%	20
FOI Application Fee	20.00	22.00	10.00%	154
FOI Council Search Fee	21.00	20.00	-4.76%	140
FOI Supervision Search Fee	5.00	5.00	0.00%	20
Applicant B&W Photocopying (Amount per A3 page)	1.80	2.00	11.11%	60
Applicant B&W Photocopying (Amount per A1 page)	8.50	9.00	5.88%	414
<b>Records Total</b>				<b>808</b>
Mulch	85.00	90.00	5.88%	9,818
<b>Depot Management Total</b>				<b>9,818</b>
Building Approval Lodgement - Commercial	30.00	31.75	5.83%	953
Form 2.10 Application/Property Information Requests	40.00	41.00	2.50%	20,500



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Search / Certificate Fees	91.00	96.00	5.49%	4,364
Building Approval Lodgement - Residential	30.00	31.75	5.83%	25,400
Report & Consent	200.00	205.00	2.50%	19,475
Stormwater information Request	50.00	51.25	2.50%	2,563
Final Inspection	146.00	154.00	5.48%	140
<b>Building Services Total</b>				<b>73,394</b>
S.6 (2) - Consideration of submissions and assisting the panel	760.00	752.00	-1.05%	0
S.6 (3) - Adoption of an amendment	499.00	494.00	-1.00%	0
Certification of Plans - Charged per lot (Base Fee)	100.00	100.00	0.00%	0
Certificate of Compliance	133.00	139.00	4.51%	0
S.6 (1) - Considering a request to amend planning scheme	760.00	752.00	-1.05%	0
Amendments of planning permits and endorsed plans.	70.00	96.00 to 768.00	N/A	0
Certification of Plans - Charged per lot	20.00	20.00	0.00%	0
Requests for information	57.20	52.00	-9.09%	5,044
Planning Certificates	16.40	17.20	4.88%	11,438
Planning Certificates (3 days)	31.00	0.00	-100.00%	0
Planning Certificates (1 day)	52.00	0.00	-100.00%	0
Use and Change of Use	451.00	473.00	4.88%	0
Create vary remove a restriction (Subdivision Act 1988) or create or remove a right of way.	486.00	510.00	4.94%	0
Remove restriction (Subdivide Act 1988) over land if the land has been used or developed for more than 2 yrs before date of applications (Plan & Enviro Act 1987) but for the existence of the restriction	225.00	235.00	4.44%	0
Subdivision of existing building / land into two lots	348.00	364.00	4.60%	0
To effect a realignment of a common boundary between lots or to consolidate two or more lots.	348.00	364.00	4.60%	0
Create vary remove easement right-of-way Crown Land or vary remove a condition in the nature of an easement other than a right of way in a Crown Grant.	363.00	381.00	4.96%	0
Development of Land < \$250000 to \$500000	635.00	666.00	4.88%	0
Development of Land < \$500000 - \$1 M	732.00	768.00	4.92%	0
Development of Land < \$10M - \$50M	7,236.00	7,601.00	5.04%	0
Subdivision of Land	702.00	736.00	4.84%	0



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Development of Land > \$10000	92.00	96.00	4.35%	0
Development of Land < \$1M - \$7M	1,035.00	1,086.00	4.93%	0
Development of Land < \$7M - \$10M	4,340.00	4,559.00	5.05%	0
Development of Land < \$50M	14,473.00	15,204.00	5.05%	0
Development of Land Revenue - Average	635.00 to 14,473.00	666.00 to 15,204.00	N/A	200,000
Single Dwellings per lot and/or extensions < \$10000 - \$100000	215.00	225.00	4.65%	0
Single Dwellings per lot and/or extensions > \$100000	440.00	462.00	5.00%	0
Development of Land < \$10000 - \$250000	543.00	569.00	4.79%	0
Recertification of plans	100.00	100.00	0.00%	0
Infringement (per unit)	110.12	110.12	0.00%	2,533
<b>Statutory and Strategic Planning Total</b>				<b>219,015</b>
Fast Track pre building approval (Septic Report & Consent)	200.00	205.00	2.50%	2,050
Assessment of wastewater report	138.00	146.00	5.80%	0
Minor permit amendment - no inspection	69.00	73.00	5.80%	0
Major permit amendment - includes inspection	127.00	134.00	5.51%	0
Request for copies of plans for septic.	85.00	90.00	5.88%	491
Request for Assessment of the Waste Water Disposal System for a constructed dwelling or extra initial construction or Final Inspection	127.00	134.00	5.51%	0
Renewal of expired Septic Tank permit to current EPA requirements.	249.00	263.00	5.62%	956
Permit to alter a septic tank - Minor Works	260.00	274.00	5.38%	3,288
Permit to Install a septic tank application made after a Planning Permit application.	514.00	526.00	2.33%	77,848
Permit to install a septic tank application made prior to or at the same time as Planning Permit application.	456.00	481.00	5.48%	31,265
Permit to alter a septic tank system - Major Works	329.00	347.00	5.47%	3,470
<b>Waste Water Total</b>				<b>119,368</b>



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Infringement - Dog at large (night time)	221.00	227.00	2.71%	681
Infringement - Dog at large (daytime)	166.00	170.00	2.41%	2,550
Infringement - Fail to register	221.00	227.00	2.71%	1,135
Infringement - No tag displayed	55.00	57.00	3.64%	0
Dog / Cat Registration New Applications - Unsterilised - Pension	45.00	48.00	6.67%	0
Dog / Cat Registration New Applications - Sterilised inc. Working Dogs	30.00	32.00	6.67%	12,800
Dog / Cat Registration New Applications - Sterilised inc. Working Dogs - Pension	15.00	16.00	6.67%	2,400
Domestic Animal Business Registration	165.00	174.00	5.45%	1,740
Access - Additional Records	5.00	5.30	6.00%	0
Access - All Records	9.00	9.50	5.56%	0
Vic Roads (Stock Control on Declared Roads)	400.00	422.00	5.50%	26,855
Grazing Sheep - daily fee per head	0.30	0.50	66.67%	0
Grazing Other Livestock - daily fee per head	0.50	1.00	100.00%	0
Droving Other Livestock - daily fee per head	1.60	2.00	25.00%	0
Grazing of Livestock - Application Fee (no refund)	69.00	73.00	5.80%	0
Grazing Cattle - daily fee per head	0.50	1.00	100.00%	0
Droving of Livestock - Bond	1,240.00	1,308.00	5.48%	0
Droving Cattle - daily fee per head	1.60	2.00	25.00%	0
Droving Sheep - daily fee per head	0.70	1.00	42.86%	0
Dog / Cat Registration Renewals - Sterilised inc. Working Dogs - Pension	15.00	16.00	6.67%	22,400
Late Application for Cattle Crossing	238.00	251.00	5.46%	0
Droving of Livestock - Application fee (no refund)	138.00	146.00	5.80%	0



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Dog / Cat Registration Renewals - Unsterilised	90.00	96.00	6.67%	5,280
Dog / Cat Registration Renewals - Unsterilised - Pension	45.00	48.00	6.67%	2,112
Dog / Cat Registration Renewals - Sterilised inc. Working Dogs	30.00	32.00	6.67%	134,400
Sustenance Stock	9.00	9.50	5.56%	259
Sustenance Cat & Dog	7.00	7.40	5.71%	1,682
Other (Per animal)	1.70	2.00	17.65%	0
Exotic Animals (First animal)	32.00	34.00	6.25%	0
Exotic Animals (Subsequent animals)	3.50	4.00	14.29%	0
Goats & Pigs (Subsequent animals)	3.50	4.00	14.29%	0
Sheep (First animal)	16.50	17.00	3.03%	0
Sheep (Subsequent animals)	1.70	2.00	17.65%	0
Dogs / Cats - First Offence	51.00	54.00	5.88%	4,909
Goats & Pigs (First animal)	32.00	34.00	6.25%	0
Dogs / Cats - Subsequent Offence	80.00	84.00	5.00%	2,673
Cattle (First animal)	80.00	84.00	5.00%	458
Cattle (Subsequent animals)	4.00	4.20	5.00%	38
<b>Animal Control Total</b>				<b>222,372</b>
Fire Fines	221.00	227.00	2.71%	5,675
Block Clearing (Fire Prevention / Hazards)	64.00	68.00	6.25%	1,855
<b>Fire Prevention Total</b>				<b>7,530</b>
Advertising on Council properties permit	64.00	68.00	6.25%	0
Advertising sign permit	34.00	36.00	5.88%	0



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Animal permit - Excess animals	32.00	34.00	6.25%	1,700
Bulk rubbish container permit	80.00	84.00	5.00%	0
Burning off offensive material permit	249.00	263.00	5.62%	0
Camping permit	64.00	68.00	6.25%	204
Consume Liquor in Public Place	111.00	113.00	1.80%	1,130
Consume Liquor in Public Place - Permit	64.00	68.00	6.25%	0
Door to Door trading permit	270.00	285.00	5.56%	0
Drainage Tapings	64.00	68.00	6.25%	0
Impounded vehicle release	127.00	134.00	5.51%	0
Local Law 1 Footpath permits	34.00	36.00	5.88%	7,416
Local Law 1 release fees	34.00	85.00	150.00%	0
Outdoor eating facility permit	80.00	0.00	-100.00%	0
Recreation Vehicles	64.00	68.00	6.25%	0
Roadside trading permit	600.00	633.00	5.50%	0
Scavenging at Tip	64.00	68.00	6.25%	0
Storage of machinery or second hand goods - permit	64.00	68.00	6.25%	0
<b>Local Laws Total</b>				<b>10,450</b>
Travel Diaries	3.95	3.95	0.00%	54
Maps	6.95	6.95	0.00%	158
Bags	4.00	4.00	0.00%	91
Postcards	1.50	1.50	0.00%	68
Central Booking Service	0.01	0.01	0.00%	12,000
Brochure Fee - Non Member (non ratepayer)	60.00	65.00	8.33%	591



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Brochure Fee - Non PCRT Member (ratepayer)	70.00	75.00	7.14%	205
Brochure Fee - PCRT Member sponsorship	50.00	55.00	10.00%	2,500
<b>Tourist Information Centres Total</b>				<b>15,666</b>
Failure to display permit - Port Welshpool Boat Ramp	66.00	68.00	3.03%	680
Infringement - No Standing / Disabled Parking	111.00	113.00	1.80%	4,520
Infringement - Permit Zone / Loading Zone	66.00	68.00	3.03%	1,700
Infringement - Overtime Parking	55.00	57.00	3.64%	20,520
Disabled Parking Permits	25.00	0.00	-100.00%	0
<b>Traffic Control Total</b>				<b>27,420</b>
Aquatics (Casual) Adult Rec Swim	4.70	4.80	2.13%	
Aquatics (Casual) Child Rec Swim	3.80	3.90	2.63%	
Aquatics (Casual) Concession Rec Swim	3.80	3.90	2.63%	
Aquatics (Casual) Family Rec Swim	13.20	13.40	1.52%	
Aquatics (Casual) Spectator	2.00	2.00	0.00%	
Aquatics (Casual) Underwater Hockey (Adult)	6.50	7.00	7.69%	
Aquatics (Casual) Underwater Hockey (Child / Concession)	5.50	6.00	9.09%	
Group Fitness Aqua Aerobics	10.00	10.00	0.00%	
Group Fitness Aqua Aerobics (Concession)	8.00	8.00	0.00%	
Older Adults Programs Aqua Movers	5.50	5.60	1.82%	
Older Adults Programs Strength Training Session	5.50	5.60	1.82%	
Older Adults Programs Disability Access Program	5.50	5.60	1.82%	
Memberships Family Aquatic Membership Monthly Fee	74.00	76.00	2.70%	



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Memberships Family Aquatic Membership Start-up Fee	82.00	84.00	2.44%	
Memberships Aquatic Membership Monthly Fee	37.00	39.00	5.41%	
Memberships Aquatic Membership Start-up Fee	41.00	42.00	2.44%	
Memberships Aquatic Membership Monthly Fee (Concession)	30.00	31.00	3.33%	
Memberships Aquatic Membership Start-up Fee (Concession)	36.00	37.00	2.78%	
Memberships Pryme Movers Membership Monthly Fee	28.00	29.00	3.57%	
Memberships Pryme Movers Membership Start-up Fee	30.00	31.00	3.33%	
Memberships Y Kids Club Monthly Fee	28.00	29.00	3.57%	
Memberships Y Kids Club Start-up Pack Fee	30.00	31.00	3.33%	
Memberships Aquatic Education Aquasafe Plus Membership Monthly Fee	44.00	44.00	0.00%	
Memberships Aquatic Education Aquasafe Plus Membership Monthly Fee (Concession)	39.00	39.00	0.00%	
Memberships Aquatic Education Aquasafe Membership Monthly Fee	41.00	41.00	0.00%	
Memberships Aquatic Education Aquasafe Membership Monthly Fee (Concession)	37.00	37.00	0.00%	
Memberships Aquatic Education Start-up Pack (New enrolments only)	25.00	26.20	4.80%	
Memberships Aquasafe School Holiday Program Participant Fee	45.00	48.00	6.67%	
Memberships Aquasafe School Holiday Program Participant Fee (2nd Child / Concession)	40.00	43.00	7.50%	
Schools - Aquatic Aquatic Education (YMCA Teacher)	5.00	5.50	10.00%	
Schools - Aquatic Aquatic Education (School Instructor)	2.70	2.80	3.70%	
Schools - Aquatic Full Pool Hire (Sole Use)	85.00	90.00	5.88%	
Schools - Aquatic Carnival Hire	600.00	620.00	3.33%	
Stadium Netta / Fun Net Clinic	2.00	2.00	0.00%	



Description (fees highlighted in yellow are statutory fees) (fees highlighted in green are pool & leisure centre fees)	2007/08 Fees (Incl. GST) \$	2008/09 Fees (Incl. GST) \$	Increase %	2008/09 Revenue Budget (Excl. GST) \$
Stadium Soccer Clinic	4.70	4.80	2.13%	
Stadium Basketball Clinic	4.70	4.80	2.13%	
Stadium Netball Team sheet Fee (Senior)	4.70	4.80	2.13%	
Stadium Netball Team Registration Fee (Senior)	21.00	21.00	0.00%	
Stadium Indoor Soccer Team sheet (Senior)	35.00	40.00	14.29%	
Stadium Indoor Soccer Team Registration (Senior)	36.00	36.00	0.00%	
Stadium Basketball Rental	70.00	70.00	0.00%	
Stadium Schools Rental	34.00	35.00	2.94%	
Stadium Birthday Parties	34.00	35.00	2.94%	
Children's Programs Birthday Parties	14.00	14.50	3.57%	
Children's Programs Vacation Care	29.00	31.00	6.90%	
Children's Programs Facility Rental - Swim Club	10.00	10.00	0.00%	
Children's Programs Facility Rental - Casual Lane Hire	25.00	26.50	6.00%	
<b>Leisure Centre Operations Total</b>				<b>0</b>
Family Season Ticket	120.00	120.00	0.00%	
Single Season Ticket	60.00	60.00	0.00%	
Adult Entry	4.00	4.40	10%	
Child Entry	3.00	3.30	10%	
School Single Entry	2.00	2.50	25.00%	
Spectator	1.00	1.00	0.00%	
Single Season Ticket Child - Toora	80.00	80.00	0.00%	
Weekly Family Ticket - Toora	45.00	45.00	0.00%	



Description (fees highlighted in yellow are statutory fees) (fees highlighted in green are pool & leisure centre fees)	2007/08 Fees (Incl. GST) \$	2008/09 Fees (Incl. GST) \$	Increase %	2008/09 Revenue Budget (Excl. GST) \$
Single Season Ticket Adult - Toora	110.00	110.00	0.00%	
Spectator - Toora	1.00	1.00	0.00%	
School Single Entry - Toora	2.00	2.50	25.00%	
Child Entry - Toora	3.50	3.90	11.43%	
Adult Entry - Toora	4.50	4.80	6.67%	
Family Season Ticket - Toora	220.00	220.00	0.00%	
<b>Recreation Facilities Total</b>				<b>0</b>
<b>Grand Total</b>				<b>1,990,353</b>



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## GLOSSARY

Act	Local Government Act 1989
Activities and initiatives	Section 127 of the Act requires a budget to contain a description of the activities and initiatives to be funded by the budget, along with a statement as to how they will contribute to the achievement of the Council 's strategic objectives as specified in the Council Plan.
AIFRS	Australian equivalents to International Financial Reporting Standards.
Annual budget	This document is framed within the Council 's strategic resource plan and sets out the short term goals and objectives as part of the overall strategic planning framework
Annual operating budget ( <i>Budgeted income statement</i> )	The budgeted income statement shows the expected operating result in the forthcoming year with a distinction made between revenue received for operating purposes and revenue received for capital purposes.
Annual report	The annual report prepared by a Council under section 131 of the Act
Annual reporting requirements	Annual reporting requirements include the financial reporting requirements of the Act, Accounting Standards and other mandatory professional reporting requirements.



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## GLOSSARY

Australian Accounting Standards Accounting Standards are issued from time to time by the professional accounting bodies and are applicable to the preparation of general purpose financial reports.

Australian Accounting Standard AAS 27 - Financial Reporting by Local Governments, is applicable to all general purpose financial reports prepared by Councils.

AAS27 is currently the subject of review by the AASB with the release of Exposure Draft ED 125 - Financial Reporting by Local Governments.

Borrowing strategy A borrowing strategy is the process by which the Council's current external funding requirements can be identified, existing funding arrangements managed and future requirements monitored.

Budgeted balance sheet (Budgeted balance sheet) The budgeted balance sheet shows the expected net current asset, net non-current asset and net asset positions in the forthcoming year compared to the forecast actual in the current year.

The budgeted balance sheet should be prepared in accordance with the requirements of AASB 101 - Presentation of Financial Statements.

Budgeted cash position (Budgeted cash flow statement) The budgeted cash flow statement shows the expected net cash inflows and outflows in the forthcoming year in the form of reconciliation between opening and closing balances of total cash and investments for the year. Comparison is made to the current year's expected inflows and outflows.



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## GLOSSARY

The budgeted cash flow statement should be prepared in accordance with the requirements of AASB 107 Cash Flow Statements.

**Budget preparation requirement** Under the Act, a Council is required to prepare and adopt an annual budget by 31 August each year.

**Capital expenditure** Capital expenditure is relatively large (material) expenditure that produces economic benefits expected to last for more than 12 months. A pre determined 'threshold' may be used which indicates the level of expenditure deemed to be material in accordance with Council's policy. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital expenditure is recorded in the balance sheet as additions to the value of the asset (that is, it is capitalised). This accounting treatment reflects the fact that this expenditure has resulted in the creation of additional value in an asset of discernable magnitude (materiality) which will benefit the community over several years and which has not been 'used up' in the year.

The asset value is then progressively 'expensed' or written off to the income statement (operating statement), as its life (or service potential) is used up through the depreciation charge. In this way the total cost/value of the asset is spread over the periods in which it is used, the operating result in each period reflecting the consumption of assets and service potential during that period.

This best practice guide recommends that capital expenditure be distinguished between new assets (upgrade, expansion, new assets) and asset renewal.

**Capital performance statement** (*Impact of current year on 2008/09 budget*) This statement shows the internal and external funds for the budget year and forecast which will be used to fund capital works projects and the total capital works expected to be completed in comparison to the budget.



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## GLOSSARY

Capital renewal	<p>Capital renewal expenditure is expenditure on an existing asset, which returns the service potential or the life of the asset, up to, that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components of the asset being renewed.</p> <p>As capital renewal expenditure reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.</p>
Capital works budget <i>(Budgeted capital works statement)</i>	<p>The capital works budget shows the expected internal and external funding for capital works program and the total proposed capital works program for the forthcoming year with a comparison with forecast actual for the current year.</p>
Capital works program	<p>Capital works projects that will be undertaken during the 2006/2007 year</p>
Carry forward surpluses	<p>Inappropriately recognised by many Councils at the end of the current year as the critical starting point in the development of the budget for the following year. The recognition of carry forward surpluses is contrary to the interpretation of the Australian Accounting Standard AAS 27 Financial Reporting by Local Government.</p>
Cash performance statement <i>(Impact of current year on 2008/09budget)</i>	<p>This statement shows the expected net cash inflows and outflows as compared to the budget for the current year.</p>
Council Plan	<p>This document sets out the medium term goals and objectives as part of the overall strategic planning framework and strategic resource plan and is prepared under section 125 of the Act.</p>



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## GLOSSARY

The resources required to achieve the Council Plan are detailed in the strategic resource plan. As a minimum, a Council Plan must include:

- the strategic objectives of the Council
- strategies for achieving those objectives for at least the next four years
- strategic indicators for monitoring the achievement of those objectives
- strategic resource plan

Community satisfaction survey      A survey conducted on an annual basis by every Council .

Current year rate increase (Rating strategy)      A statement included in the budget quantifying the amount of the rate change for the forthcoming year and disclosing any significant factors influencing the rate change.

Differential rates      When a Council intends to declare a differential rate (eg business and residential), information prescribed by the Act under section 161 must be disclosed in the Council budget.

Discretionary reserves      Discretionary reserves are funds earmarked by Council for various purposes. Council s can by resolution change the purpose of these reserves.

Executive summary      Opening section of report designed to give the reader an overview and high level "snapshot" of the information provided in the report.



## GLOSSARY

External funding sources  
(*Analysis of capital budget*) External funding sources relate to capital grants or contributions, which will be received from parties external to the Council . It also includes the proceeds of assets sold to fund the capital works program.

External influences in the preparation of a budget Matters arising from third party actions over which Council has little or no control eg change in legislation

Financial sustainability A key outcome of the strategic resource plan. Longer term planning is essential in ensuring that a Council remains financially sustainable in the long term.

Financing activities Financing activities means those activities which relate to changing the size and composition of the financial structure of the entity, including equity, and borrowings not falling within the definition of cash.

Guidelines for Evaluation of Local Government Capital Projects (Infrastructure strategy) A publication, released in 1998 by the then Department of Infrastructure that provides a framework for the development of a capital works program.

Infrastructure Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services.

Infrastructure strategy An infrastructure strategy is the process by which the Council 's current infrastructure and ongoing maintenance requirements can be identified, budgeted capital works implemented and future developments monitored.



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## GLOSSARY

The key objective of an infrastructure strategy is to maintain or preserve Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset preservation then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

Internal funding sources ( <i>Analysis of capital budget</i> )	Internal sources relate to cash and investments held in reserves or which are uncommitted and cash that will be generated from the operations of Council during the budget year. The latter should equate to the cash inflows from operating activities less capital revenue.
Internal influences in the preparation of a budget	Matters arising from Council actions over which there is some element of control (eg approval of unbudgeted capital expenditure).
International Financial Reporting Standards	Australian reporting entities are currently addressing the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing on or after 1 January 2005. A Council must prepare accounting data for comparative purposes for the 30 June 2006 financial reports. Refer also AIFRS.
Investing activities	Investing activities means those activities, which relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash.
Key assumptions	When preparing a budgeted balance sheet of financial position, key assumptions upon which the statement has been based should be disclosed in the budget to assist the reader when comparing movements in assets, liabilities and equity between budget years.
Key budget outcomes	The key activities and initiatives that will be achieved in line with the Council Plan.



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## GLOSSARY

Key financial indicators      A range of ratios and comparisons of critical financial data over a period of years allowing a reader to gain a better understanding of key measures, such as indebtedness and liquidity which are often undisclosed when financial information is presented in standard statement format.

### *Operating expenses / Assessment*

This ratio measures the average operational spending (as drawn from the income statement) on a per assessment basis. It should be noted that for this ratio to be meaningful, operational expenditure should be adjusted to remove non-operational items such as granted assets from developers any budgeted revaluation income.

### *Rate revenue/ Total revenue*

This ratio measures Council 's reliance on rate revenue as its principal source of funding. Increasing trends in this ratio will highlight that growth in rate revenue is frequently higher than what is able to be achieved in Fees and Grant revenue.

### *Rate revenue / Assessment*

This ratio provides an illustration of the average rates paid on a per assessment basis across the municipality. It should be noted that this measure does not differentiate between residential and commercial ratepayers and does not represent either an average residential or commercial rate.

### *Debt servicing / Total revenue*

This ratio contrasts the amount of interest expense that Council is incurring on its interest bearing liabilities as a percentage of the total revenue base. The Department of Victorian Communities (DVC) has established a prudential maximum of 5% in this indicator.



## GLOSSARY

### *Grants/ Total revenue*

This ratio provides an indication of the percentage of total revenue that is comprised of grant income. Falling percentages will indicate that grant revenue is not keeping pace with growth in total revenue and will most probably link to increasing reliance on rate revenue.

### *Fees & charges / Total revenue*

This ratio provides an indication of the percentage of total revenue that is comprised of fees & charges income. Falling percentages will indicate that fees & charges revenue is not keeping pace with growth in total revenue and will most probably link to increasing reliance on rate revenue.

### Key financial indicators (continued) *Indebtedness / Rate revenue*

This ratio measures the total amount of interest bearing liabilities compared to the annual rates levy. This debt indicator is one of the three debt measures used by DVC when considering applications for loan borrowings. The prudential limit is 80%.

### *Underlying surplus / Total assets*

This ratio indicates the contribution the underlying operational position makes to the net asset base of Council . Deficit ratios will highlight the percentage of total assets that is being eroded on annual basis by the operational activities of Council . Surplus ratios will highlight the additional contribution that is made to net asset base. Underlying surplus refers to the operational outcome as assessed in the income statement, adjusted for non-operational items such as; capital income, granted assets, revaluation income and expenses, asset write offs and the net gain/loss on sale of assets.

### *Total assets / Assessment*

This ratio expresses the total assets that Council holds on a per assessment basis.

### *Current assets / Current liabilities*



## GLOSSARY

Otherwise known as the working capital ratio, this indicator expresses Council's short-term ability to meet its liquidity requirements within the current financial year. Ratio's below or nearing 100% indicate that Council may not be able to meet short-term liabilities.

### *Total liabilities / Assessment*

This ratio expresses the sum total of current liabilities and non current liabilities expressed on a per assessment basis.

### *Capital outlays / Total cash outflows*

This ratio draws the amount of projected cash outflows from the cash flow statement to be expended on the acquisition of property, plant and equipment (inclusive of infrastructure expenditure) as a percentage of all cash outflows. Declining trends may indicate that Council is not or will not in the future be able to adequately fund asset renewal as required or deliver required new facilities.

### *Capital outlays / Rate revenue*

This ratio represents the capital outlays as a percentage of rate revenue and therefore Council's relative ability to convert rate revenue into capital works. The outcomes in this ratio will be influenced by capital grants.

### *Capital renewal expenditure / Total depreciation*

As distinct from other capital ratios, this indicator looks solely at capital renewal expenditure and excludes capital spending on new assets. By contrasting this ratio against total depreciation, the outcome provides a broad level overview on whether Council is able to achieve a result in excess of 100%. This is a useful indicator but given depreciation may not always represent asset consumption on an annual basis, care should be used in its interpretation.

Key strategic activities

The key strategic activities of a Council are those, which will directly contribute to the achievement of the Council Plan during the current year.



## GLOSSARY

A statement (or schedule) for the budget year is required by section 127 of the Act to be included in the budget, identifying the key strategic activities to be undertaken during the financial year and performance targets and measures in relation to each key strategic activity.

**Legislative framework** The Act, Regulations and other laws and statutes, which set a Council's governance and reporting requirements.

**Local Government (Finance and Reporting) Regulations 2004** The objective of these Regulations, made under section 243 of the local Government Act 1989 and which came into operation on 20 April 2004, is to prescribe for the purposes of the Local Government Act 1989:

(a) the manner in which the standard statements and

financial statements of a Council are to be prepared

and their contents

(b) the information to be included in a Council Plan,

budget, revised budget and annual report

(c) other matters required to be prescribed under Parts 6

and 7 of the Act.

**Local Government (Long Service Leave) Regulations 2002** These Regulations require sufficient cash and investments to be maintained to meet the total liability for long service leave calculated in accordance with these Regulations.

**New assets** New assets or capital expenditure does not have any element of expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for Council and will result in an additional burden for future operation, maintenance and capital renewal.

**Non financial resources** Resources of a non financial nature (such as human resources, information systems and processes, asset management systems) which are consumed by a Council in the achievement of its strategic resource plan goals



## GLOSSARY

Operating activities      Operating activities means those activities that relate to the provision of goods and services.

Operating      budgeted      The budgeted income statement shows the expected operating result in the  
income statement      income statement      forthcoming year compared to the forecast actual result in the current year.

The budgeted statement income statement should be prepared in accordance with the requirements of AASB 101 - Presentation of Financial Statements in accordance in the new International Financial Reporting Standard.

Operating expenditure      Operating expenditure is defined as consumptions or losses of future economic benefits, in the form of reductions in assets or increases in liabilities; and that result in a decrease in equity during the reporting period.

Operating performance      This statement shows the expected operating result as compared to the  
*(Impact of current year budget result in the current year separating operating and capital components of revenue and expenditure.*  
*on 2008/09 budget)*

Operating revenue      Operating revenue is defined as inflows or other enhancements, or savings in outflows of future economic benefits, in the form of increases in assets or reductions in liabilities; and that result in an increase in equity during the reporting period.

Performance statement      Required by section 132 of the Act, a performance statement must be included in the annual report of a Council and include:

- the key strategic activities and performance measures specified in the budget under section 127 for that financial year



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## GLOSSARY

- the actual results achieved for that financial year having regard to those performance targets and measures.

Prudential ratios and thresholds (*Borrowing strategy*) Used by the Department for Victorian Communities in assessing a Council 's borrowing capacity as part of the annual Australian Loan Council borrowing allocation.

Rate structure (*Rating strategy*) Site value (SV), capital improved value (CIV) or net annual value (NAV) are the main bases upon which rates will be levied. These should be detailed in the budget statement.

Rating strategy A rating strategy is the process by which the Council 's rate structure is established and how the quantum of rate change has been determined, taking into consideration longer term philosophy issues and framework.

Regulations Local Government (Finance and Reporting) Regulations 2004.

Restricted funds and discretionary reserves Monies set aside for statutory and discretionary purposes.

Revised budget Section 128 of the Act permits a Council to prepare a revised budget if circumstances arise which cause a material change in the budget and which affects the financial operations and position of the Council .

Road Management Act The purpose of this Act which came into operation from 1 July 2004 is to reform the law relating to road management in Victoria and to make relating amendments to certain Acts, including the local Government Act 1989.



## GLOSSARY

Service delivery (*in strategic resource plan*) A key outcome of a strategic resource plan, service delivery must be linked with performance strategies in order to assess the adequacy of service delivery and the impact on long term budget preparation.

Standard statements Prepared under section(s) 126(2)(a), 127(2)(a) and / or 131(1)(b) of the Act, standard statements are required in the:

- Strategic resource plan
- Budget
- Annual report

Whilst the same set of statements (detailed below) is required in each of these reports, they have different focuses due to the differing purposes of each report. The formats of these statements therefore need to reflect these different focuses being strategic, management and reporting, whilst remaining comparable.

The standard statements are the

- Standard Income Statement
- Standard Balance Sheet
- Standard Cash Flow Statement
- Standard Capital Work Statement

“Standard Statements, A Guide” Publication by the Department for Victorian Communities in 2004, which provides guidance on the preparation of the four standard statements as required by the Act.

Statutory disclosures Section 127 of the Act and the Regulations require certain information relating to projected results, borrowings, capital works and rates and taxes to be disclosed within the budget.

Statutory reserves Statutory reserves are funds set aside for specified statutory purposes in accordance with various legislative and contractual requirements. These reserves are not available for other purposes.



## GLOSSARY

Strategic framework planning A “community owned” document or process which identifies the long term needs and aspirations of the Council , and the medium and short term goals and objectives which are framed within the long term plan.

Strategic resource plan (SRP) The Act requires that a Council Plan should include a strategic resource plan that includes financial and non-financial resources including human resources.

The strategic resource plan outlines the resources required to achieve the Council Plan. As a minimum a strategic resource plan must include in respect of at least the next four years:

- standard statements describing the required financial resources
- statements describing the required non-financial resources – including human resources.

Such planning is essential in ensuring that an organisation remains financially sustainable in the long term. The annual budget should be consistent with the first projected year of a strategic resource plan.

Sustainability index (*Infrastructure strategy*) The sustainability index is a means of measuring a Council ’s performance in the area of infrastructure preservation. This is the proportion of the total asset value consumed compared to the amount spent in preserving the asset on an annual basis.

Three way budgeting methodology (*Strategic resource plan*) The linking of the income statement, balance sheet and cash flow statement to produce forecast financial statements based on assumptions about future movements in key revenues, expenses, assets and liabilities.

Underlying operating The underlying operating result is a measure of financial sustainability of the



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## ***GLOSSARY***

result	Council , which can be masked by non-recurring or capital related items.
Valuations of Land Act 1960	The Valuations of Land Act 1960 requires a Council to revalue all rateable properties every two years.
Working capital	Working capital represents funds that are free of all specific Council commitments and are available to meet daily cash flow requirements and unexpected short term needs.





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# *ANNUAL BUDGET*

## *2008 – 2009*

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**COUNCIL MEETING 18 June 2008**

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