



LATROBE CITY COUNCIL

**AGENDA FOR THE
SPECIAL COUNCIL MEETING**

**TO BE HELD IN NAMBUR WARIGA MEETING ROOM
CORPORATE HEADQUARTERS, MORWELL
AT 6.00 PM ON
06 JUNE 2016**

SM483

MISSION

TO PROVIDE
THE BEST POSSIBLE
FACILITIES, SERVICES,
ADVOCACY AND LEADERSHIP
FOR LATROBE CITY, ONE OF
VICTORIA'S FOUR MAJOR
REGIONAL CITIES.

VALUES

- » Providing affordable people focused community services
- » Planning strategically and acting responsibly, in the best interests of the whole community
- » Accountability, transparency and honesty
- » Listening to and working with the community
- » Respect, fairness and equity
- » Open to and embracing new opportunities

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1. OPENING PRAYER

Our Father who art in Heaven, hallowed be thy name. Thy kingdom come, thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us, and lead us not into temptation but deliver us from evil. For the kingdom, the power, and the glory are yours now and forever. Amen.

2. ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND

I would like to acknowledge the traditional owners upon whose land we are meeting on today, the Gunaikurnai people and pay my respects to their Elders past and present.

If there are other Aboriginal people/Elders present I would also acknowledge them.

3. APOLOGIES AND LEAVE OF ABSENCE**4. DECLARATION OF CONFLICT OF INTEREST****5. ACKNOWLEDGEMENTS****6. PUBLIC QUESTION TIME**

Members of the public who have registered before 12.00 Noon on the day of the Council meeting are invited to speak to an item on the agenda or to ask a question of the Council.

**ITEMS REFERRED BY
THE COUNCIL TO THIS
MEETING FOR
CONSIDERATION**

7. ITEMS REFERRED BY THE COUNCIL TO THIS MEETING FOR CONSIDERATION

7.1 2016/17 BUDGET AND 2016-2020 STRATEGIC RESOURCE PLAN

General Manager

Corporate Services

For Decision

PURPOSE

The purpose of this report is to present the 2016/2017 budget (including the rates and charges for declaration and fees and charges) and Strategic Resource Plan (SRP) 2016-2020 for Council's consideration.

EXECUTIVE SUMMARY

In accordance with the *Local Government Act 1989* Council must prepare a budget for the following financial year and an updated strategic resource plan for the next four years by 30 June of each financial year.

Council has now complied with the legislative requirements for the preparation and public notification of its 2016/17 budget and 2016-2020 SRP.

A total of 111 submissions were received and three people took the opportunity to speak to 3 of the submissions at a Council meeting held on 23 May 2016. Of the submissions 107 were in support of items already included in the budget. No changes to the budget have been identified as a result of the remaining submissions. A number of minor amendments to the advertised budget have been made and are detailed under the Internal/External Consultation section of this report. The amendments mainly relate to some minor errors identified in the calculation of payments to be received in lieu of rates and valuations on Recreational land. These changes have led to a relatively small reduction in total rates to be declared which has been fully offset by increasing the amount to be received from supplementary rates and charges.

It is recommended that Council adopt the 2016/2017 Budget (including fees & charges) and 2016-2020 Strategic Resource Plan as annexed to this report.

RECOMMENDATION

That Council:

1. Having regard to the submissions made and in accordance with Section 130 of the *Local Government Act 1989* adopts the 2016/2017 Budget (including fees and charges), *annexed to this report*;
2. In accordance with the provisions of the *Local Government Act 1989*, declares that the amount that it intends to raise by way of general rates, municipal charges and service charges for the period 1 July 2016 to 30 June 2017 is as follows:

General Rates	\$48,916,284
Municipal Charge	\$ 4,956,123
Service Charges	\$10,639,961
EPA Landfill Levy Charge	\$ 684,858
Payments in lieu of rates	\$ 9,261,534
3. Declares that the general rates will be raised in 2016/2017 by the application of the following differential rates calculated on the Capital Improved Value of rateable property:
 - 3.1. General rate of 0.00466490 cents in the dollar on lands as defined in paragraph 6.1.1
 - 3.2. Farm rate of 0.00349867 cents in the dollar on farm land as defined in paragraph 7.1.1
4. Declares the general rates for a twelve month period commencing 1 July 2016 and that the rates be levied in respect of each portion of rateable land for which the Council has a separate valuation;
5. Be of the opinion that the differential rates to be levied in 2016/2017 will contribute to the equitable and efficient carrying out of its functions;
6. Specifies in relation to the General Rate for 2016/2017 the following in accordance with Section 161 of the *Local Government Act 1989*:
 - 6.1. The objectives of the general rate as:
 - 6.1.1. the types and classes of land to which the rate will apply is all other rateable land that is not defined as farm land as described in paragraph 7.1.1;
 - 6.1.2. the level of the general rate is 0.00466490 cents in the dollar on the capital improved value of land as defined;
 - 6.1.3. the reasons for the use and level of that rate are that:
 - 6.1.3.1. the types and classes of land to which the rate applies can be easily identified;
 - 6.1.3.2. it is appropriate to have a general rate so as to fairly rate lands other than recreational and farm lands;
 - 6.1.3.3. the level of the general rate is appropriate having regard to all relevant matters including the use to which the land is put and the amount to be raised by Council's Municipal Charge;

- 6.1.3.4. the level of the general rate is appropriate to ensure that the burden of the payment of rates is fairly apportioned across all rateable land within the Municipal district;
- 6.1.3.5. it meets the objectives the Council considers are consistent with the economical and efficient carrying out of its functions, and
- 6.1.4. The characteristics of the land which are the criteria for declaring the general rate are as set out in subparagraph 6.1.1 above;
7. Specifies in relation to the farm rate for 2016/2017 the following in accordance with Section 161 of the *Local Government Act 1989*:
- 7.1. The objectives of the farm rate as:
- 7.1.1. the types and classes of land to which the rate will apply is farm land as defined in Section 2 of the *Valuation of Land Act 1960*, namely, any rateable land which is not less than 2 hectares in area and which is used primarily for carrying on one or more of the following businesses or industries:
 grazing (including agistment);
 dairying;
 pig farming;
 poultry farming;
 fish farming;
 tree farming;
 bee keeping;
 viticulture;
 horticulture;
 fruit growing;
 the growing of crops of any kind;
 and that is used by a business:
- that has a significant and substantial commercial purpose or character; and
 - that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way it is operating
- 7.1.2. the level of the farm rate is 0.00349867 cents in the dollar on the capital improved value of farm land as defined;
- 7.1.3. the reasons for the use and level of that rate are that:
- 7.1.3.1. the types and classes of land to which the rate applies can be easily identified;
- 7.1.3.2. it is appropriate to have a farm rate so as to fairly rate farm land;

- 7.1.3.3. the level of the farm rate is appropriate having regard to all relevant matters including the use to which farm land is put and the amount to be raised by Council's Municipal charge;
 - 7.1.3.4. the level of the farm rate is appropriate to ensure that the burden of the payment of general rates is fairly apportioned across all rateable land within the Municipal district;
 - 7.1.4. the types and classes of land to which the rate will apply can be identified as farm land as defined in paragraph 7.1.1;
 - 7.1.5. it meets the objectives the Council considers are consistent with the economical and efficient carrying out of its functions;
8. Declares a Municipal charge at the annual rate of \$131.00 for rateable land in respect of which a Municipal charge may be levied to recover some of the administrative costs of the Council for a period of 12 months from 1 July 2016 to 30 June 2017;
 9. Declares an annual service charge of \$311.00 per premises for the weekly collection and disposal of refuse in respect of premises to which the service is provided (whether or not the owner or occupier of such premises avails himself or herself of the service provided) for a twelve month period from 1 July 2016 to 30 June 2017;
 10. Declares an annual EPA Landfill Levy charge of \$20.00 per garbage bin to cover the costs levied by the Environmental Protection Authority on the operation of landfills for the period 1 July 2016 to 30 June 2017;
 11. Where exemptions are granted, waste services will be charged for services utilised for the period 1 July 2016 to 30 June 2017 as follows:
 - Garbage 120L bin \$211.00 pa
 - Garbage 240L bin \$311.00 pa
 - Garbage 240L bin Special \$240.00 pa
 - Recycling 240L bin \$ 53.00 pa
 - Organics 240L bin \$ 47.00 pa
 12. Cultural and Recreational Land, in accordance with Section 4 of the Cultural and Recreational Lands Act 1963, the following amounts be specified as the amounts payable in respect of recreational lands described as:

SPECIAL COUNCIL MEETING AGENDA 06 JUNE 2016 (SM483)

Morwell Bowling Club	52 Hazelwood Road, Morwell	\$17,969.19
Traralgon Bowling Club	45-57 Gwalia Street, Traralgon	\$14,834.38
Moe Racing Club	Waterloo Road, Moe	\$18,962.82
Yallourn Bowling Club	1-5 Coach Road, Newborough	\$3,708.60
Traralgon Golf Club	Princes Street, Traralgon	\$6,307.47
Yallourn Golf Club	Golf Links Road, Moe	\$3,349.70
Morwell Golf Club	Fairway Drive, Morwell	\$2,598.35
Boolarra Bowling Club	22 Duke Street, Boolarra	\$781.37
Yinnar Bowling Club	Main Street, Yinnar	\$629.76
Yallourn North Bowls Club	Reserve Street, Yallourn North	\$932.98
LV Water Ski Club	Hall Road, Yallourn North	\$279.89
Glenview Park	McNairn Road, Traralgon	\$5,831.13
Moe Golf Club	26 Thompsons Road, Newborough	\$3,078.83
Moe Bowling Club	Waterloo Road, Moe	\$1,807.65
Victorian Field & Game Association	Scales Road, Flynn Creek	\$459.49
Traralgon Pony Club	20 Minniedale Road, Traralgon	\$676.41

1. These amounts have regard to the services provided by the Council in relation to such lands and the benefit to the community derived from such recreational lands.
2. Directs that copies of the information required by Section 161(3) of the *Local Government Act 1989* be made available for inspection at Council's office during office hours;
3. Having considered submissions received in relation to the 2016/2017 budget, directs that the rates and charges as declared for 2016/2017 be levied by sending notices to the persons who are liable to pay, in accordance with Section 158 of the *Local Government Act 1989*;
4. Resolves that the rates and charges for 2016/2017 must be paid by the dates fixed under Section 167 of the Act, namely:
 - in full by 15 February 2017; or
 - by equal instalments on the following dates:
 - 30 September 2016;
 - 30 November 2016;
 - 28 February 2017; and
 - 31 May 2017;
5. Directs and authorises the Chief Executive Officer to demand payment of and recover the rates and charges as declared in relation to the 2016/2017 Budget;
6. Rate of Interest – Section 172 of the *Local Government Act 1989*:
 - 6.1. That for the 2016/2017 financial year Council resolves to require a person to pay interest on any outstanding amounts of rates and charges:
 - 6.1.1. which that person is liable to pay; and

- 6.1.2. which have not been paid by the date specified under Section 167 for their payment except where the Council has agreed to waive the whole or part of any such interest;
- 6.2. That for the 2016/2017 financial year Council resolves in accordance with Section 172 of the *Local Government Act 1989* that the rate of interest will be as specified under Section 2 of the Penalty Interest Rates Act 1983 (Currently 9.5%);
7. That the Strategic Resource Plan 2016-2020, annexed to this resolution, and having regard to submissions made under the *Local Government Act 1989*, be adopted by Council in accordance with Section 126 of the *Local Government Act 1989*.
8. Authorises the Chief Executive Officer to sign and seal any loan and financial documents relating to the proposed borrowings of \$2,100,000 in the 2016/2017 budget.
9. Write to all submitters thanking them and advising Council's response to their submission.

DECLARATION OF INTEREST

No officer declared a conflict of interest under the *Local Government Act 1989* in the preparation of this report.

STRATEGIC FRAMEWORK

This report is consistent with Latrobe 2026: The Community Vision for Latrobe Valley and the Latrobe City Council Plan 2013-2017.

Latrobe 2026: The Community Vision for Latrobe Valley

Strategic Objectives – Governance

In 2026, Latrobe Valley has a reputation for conscientious leadership and governance, strengthened by an informed and engaged community committed to enriching local decision making

Latrobe City Council Plan 2013 - 2017

Theme and Objectives

Efficient, effective and accountable governance.

To achieve the highest standards of financial probity and meet all statutory obligations

To provide open, transparent and accountable governance

Work to minimise rate increases for our community.

Effectively manage Council debt to minimise long term cost.

Strategic Direction

Regularly report Council decisions and performance to the community.

Establish and maintain rigorous Council policies that comply with legislation and respond to community expectation.

Increase community awareness and satisfaction with Council's services and facilities.

Continuously improve financial management and reporting.

Ensure Latrobe City Council's infrastructure and assets are maintained and managed sustainably.

Strategy & Plans – 10 Year Financial & Resources Plan

BACKGROUND

On 11 April 2016, Council resolved to give notice of preparation of the proposed 2016/2017 budget and Strategic Resource Plan (SRP) 2016-2020, including proposed rates and charges for the year, and invited submissions on the budget in accordance with Section 129 of the *Local Government Act 1989*.

Public notice of the preparation of the 2016/2017 budget and SRP was subsequently advertised in the Latrobe Valley Express on 14 April 2016, 25 April 2016 and 5 May 2016, advising that both documents were available for inspection at Council's service centres and on Council's website.

The closing date for submissions was Wednesday, 11 May 2016. 111 written submissions were received in relation to the 2016/2017 budget. No submissions were received in relation to the SRP. All those who made submissions were provided with the opportunity to speak to Council at the Council Meeting held on 23 May 2016. Subsequently 3 people took the opportunity to speak to 3 of the budget submissions that were received.

The 2016/2017 budget and SRP 2016-2020 have been prepared utilising financially prudent principles and measures, and clearly articulate the resources required to deliver the 2013-2017 Council Plan.

KEY POINTS/ISSUES

The budget has been drafted to provide for delivery of actions within the Council Plan 2013-2017 and the continued provision of the large range of services and programs.

The 2016/2017 budget proposes a 2.50% plus growth increase in overall rates & charges. This is in accordance with the rate cap introduced by the State Government for the first time in 2016/2017.

Any council intending to seek a variation to the rate cap for the 2016/2017 year was required to notify the Minister for Local Government in January 2016. As this was early in the budget process the Chief Executive Officer notified the Minister of Council's early intention to apply for a variation as a precautionary measure. Following the outcomes of subsequent budget workshops conducted with councillors during February it is no longer proposed that Council seeks a variation to the rate cap for 2016/2017.

The budget provides for the continued delivery of services at current levels, whilst incorporating the capital works program of \$40.775 million.

With the new state government cap on rates, together with the Federal Government's indexation freeze on Financial Assistance Grants and increasing pre-school and child care staffing ratio requirements this presents some significant challenges for Council to maintain its current services and a robust capital works program into the future.

It should be noted council budgets must also take account of growth in service volumes, increases in wages, State and Commonwealth contributions that may be indexed below CPI, any expansion in the range of council responsibilities and changes in service standards and spending requirements for asset maintenance and renewal.

The 2016/2017 Budget proposes new borrowings of \$2.1 million to complete the design of the Latrobe Creative Precinct with further allowances for the construction phase in years two (\$4.0 million) and three (\$3.9 million) of the Strategic Resource Plan 2016-2020 (SRP). A further \$3.0 million of borrowings is projected in year four of the SRP to allow for future capital works requirements. This level of borrowings will result in a relatively small overall increase of \$0.362 million in Council borrowings over the four year period from the forecasted debt at the end of the 2015/2016 financial year.

The Fees and Charges have been prepared on the basis of estimated CPI increases and/or benchmark market rates and/or Victorian Government and statutory charges.

A significant number of Council's fees and charges require notice to be given to users. Undertaking community consultation over four weeks in April/May followed by adoption in early June, allows the required notice to be given for any changes to fees and charges in adequate time for implementation from 1 July 2016.

The full range of issues considered within the budget, are detailed in the attached budget document.

During Council's preparation of the Annual Budget, the Strategic Resource Plan has been amended to reflect any changes in directions and commitments identified by the Annual Budget.

This report forms part of the statutory process for the adoption of the 2016/2017 budget and Strategic Resource Plan 2016-2020.

RISK IMPLICATIONS

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management framework.

Non-compliance with financial framework or legislative requirements is identified as a risk. The adoption of this report prior to 30 June ensures Council meets the requirements of the *Local Government Act 1989*.

FINANCIAL AND RESOURCES IMPLICATIONS

Costs associated with this statutory process are officers' time and resources in the preparation of Council reports and the cost of public notices in the Latrobe Valley Express advising of Council's adoption of the budget.

INTERNAL/EXTERNAL CONSULTATION

Engagement Method Used:

Copies of the draft budget and SRP have been available for inspection at Council offices and on the Council web site since 12 April 2016, ensuring a minimum of 28 days were available for submissions to be received.

Budget Information Sessions were held in Churchill, Morwell, Traralgon and Moe to provide the community with an opportunity to learn more about the proposed budget and ask questions.

Details of Community Consultation / Results of Engagement:

Following public consultation 111 written submissions were received in relation to the draft budget and no submissions were received in relation to the SRP. Council considered these submissions at a Council Meeting held on 23 May 2016.

The following table includes a summary and comment on each of the submissions received.

**SPECIAL COUNCIL MEETING AGENDA
06 JUNE 2016 (SM483)**

Name	Summary of submission	Officer Comments	Change to Budget Y/N
Withheld	Consideration of the inclusion of audio recording in all Latrobe City Council reception areas.	Council Officers will investigate the regulatory requirements for the recording of the audio of customer interactions and assess the financial and operational implications. At this time, this work as well as a cost benefit analysis needs to be undertaken in order to ascertain the quantum of financial allocation required should Council choose to proceed with this as an enhancement to its current operations.	N
Traralgon West Cricket Club	Support for the inclusion of the lift and stairway at the Traralgon West Sporting Pavilion.	An amount of \$163K has been included in the budget to enable the installation of a lift and stairway.	N
B Sykes	Consideration for affordable accommodation for homeless people in the Valley.	Quantum is the locally funded body for assisting homeless people within the Valley. Council will continue to advocate to State Government for continued funding and support for this organisation.	N

**SPECIAL COUNCIL MEETING AGENDA
06 JUNE 2016 (SM483)**

Name	Summary of submission	Officer Comments	Change to Budget Y/N
	Additional multi-parking facility in Traralgon	Council recently introduced changes to the planning scheme to secure funds from developers who are unable to provide parking. These funds will be used to address parking issues for Traralgon in the future. Council will also implement complimentary parking measures in Traralgon in the 2016/17 financial year. E.g. parking timing, disabled bays and loading bays.	N
Morwell Rose Garden Community Working Group	For consideration to be given to the construction of a new walking track from Maryvale Crescent through Eric Lubcke Reserve to Keegan Street oval	This shared path is included in the Morwell Recreation Reserve Precinct master plan. As identified in the submission, the path requires the development of bridges and boardwalks across the wetland area which is yet to be designed or costed. The path has been attributed a medium level priority and has not yet been included in a future capital works program. Council's Liaison Officers will continue to work with members of the community working group to gain a better understand of the groups expectations.	N

**SPECIAL COUNCIL MEETING AGENDA
06 JUNE 2016 (SM483)**

Name	Summary of submission	Officer Comments	Change to Budget Y/N
Latrobe City Farm Ratepayers Association	Support for the retention of the Farm Rate Differential.	The 2016/17 budget supports the retention of the Farm rate differential unchanged from the previous financial year. There are no current plans to increase the Municipal Charge to the maximum allowable under the Local Government Act, being 20% of rate revenue.	N
105 submissions received from supporters of the Glengarry Football / Netball Club	Support for the Glengarry Recreation Reserve Netball/Tennis pavilion and public toilet upgrade	An amount of \$457K has been included in the budget for the construction of a multi-use Netball Tennis pavilion for the Glengarry Recreation Reserve. The project scope includes the construction of female change facilities, umpires change facilities, toilets and all access toilet.	N

**SPECIAL COUNCIL MEETING AGENDA
06 JUNE 2016 (SM483)**

Name	Summary of submission	Officer Comments	Change to Budget Y/N
Yallourn North Action Group	Assistance in establishing communication with VicRoads to plan the town entrance	<p>Council's representative on the Yallourn North Action Group will liaise with members of the group and Council Officers from the Infrastructure and Recreation Team to identify requirements.</p> <p>Funding included in the 16/17 budget relates to stage one and includes identifying the current sign inventory, investigations into the standardisation of signage and finally gathering an understanding of town requirements.</p> <p>Council will be responsible for liaising directly with VicRoads.</p>	N

Updates

During the period since the draft 2016/2017 budget that was released for public comment a small number of amendments have been identified and made to the budget document. The amendments have not impacted the financial statements contained within the budget and no amendments have been made to the SRP. These amendments are detailed in the following table.

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Section	Page/s	Nature of change
Budget Reports	5	Inserted missing page header
Capital Works Program	41	Inserted missing column headings
Rates & Charges	43	Changed overall rates and charges increase from 2.30% to 2.37% as a result of an overstatement in the total payments received in lieu of rates for 2015/16 resulting from the March 2015 CPI rate being less than what was reflected in the 2015/16 budget.
Rates & Charges	43	Changed last sentence on page to reflect the actual March 2016 Melbourne All Groups Consumer Price Index factor of 1.7% applied to payments received in lieu of rates. This rate had not been published at the time of public release of the budget.
Rates & Charges	44 & 46	Minor amendments to Item 7.5 Recreational 1 valuations with an overall increase of \$19,000 to \$21,423,000 this resulted in a \$44 amendment to income which has been offset in Item 7.10 supplementary rates and charges for overall rounding purposes.
Rates & Charges	46	Item 7.10 Changed the estimated total amount to be received from Payments in lieu of rates to \$9,261,534 a reduction of \$42,172 to reflect that Council did not receive the full estimated amount of \$9,193,385 in 2015/16 as a result of lower March 2015 CPI factor than expected. The actual 2015/16 amount was \$9,106,720. This reduction has been fully offset by increasing the supplementary rates and charges budget amount. The 2015/16 amount has not been amended as it formed part of the declared rates for that year.

OPTIONS

Having considered the submissions, Council has the following options:

1. Adopt the 2016/17 budget, declared Rates and Charges, fees and charges and SRP 2016-2020; or
2. Amend the 2016/17 budget, declared Rates and Charges, fees and charges and SRP 2016-2020 prior to adoption; or
3. Seek further information prior to adoption at a future meeting of Council.

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Any material amendment to the budget would require Council to undertake further community consultation and adoption at a later date. Any delay in adoption of the budget and SRP may result in non-compliance with the Local Government Act requirement to adopt by 30 June each year.

CONCLUSION

The 2016/2017 budget has been prepared to provide for the ongoing delivery of services and programs as well as a significant capital works program. The increase in income from general rates and charges is to be 2.5% excluding supplementary rates and payments in lieu of rates. Council's audit committee has endorsed the budget. Community input has been received and all submissions have been considered.

SUPPORTING DOCUMENTS

Nil.

Attachments

1. 2016/17 Budget for Adoption
2. 2016-2020 Strategic Resource Plan

7.1

2016/17 Budget and 2016-2020 Strategic Resource Plan

1	2016/17 Budget for Adoption	23
2	2016-2020 Strategic Resource Plan	171

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Draft 2016/2017 Budget Executive Summary

Executive Summary

Under the Local Government Act 1989 ("The Act"), Council is required to prepare and adopt an annual budget. The budget is required to be adopted by 30 June each year.

Local Government confirmed that rates are to be capped to 2.5% for the 2016/17 financial year in accordance with the new Fair Go Rates System (FGRS). The budget has been formulated in accordance with the directive of the Minister, with the general rate increase restricted to the nominated 2.5%. Council considered a variation to the rate cap, including providing notification to the Essential Services Commission of its intention to seek a variation, however Council was able to deliver a balanced budget within the designated cap despite a number of challenges to the operational budget and will therefore not be pursuing further a variation.

A four year Strategic Resource Plan has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's strategic objectives as specified in the Council Plan and Latrobe 2026 Vision.

The 2016/17 budget presented in this report has been developed through a rigorous process of consultation and review with Council and Council officers. It is Council's opinion that the budget is financially responsible and contributes to the achievement of the Council Plan objectives and strategic directions included in the 2013-2017 Council Plan.

The 2016/17 Operating Budget predicts an operating surplus of \$8.485 million, after raising rates and charges of \$74.568 million and capital income of \$7.045 million. Excluding non recurrent capital funding and developer contributions, an underlying operating surplus of \$2.373 million is projected for 2016/17.

It should be noted that the operating budget surplus shown is a result of non cash revenue (i.e. developer contributed assets) and income generated to fund expenditure items that are not recognised in the Income Statement (i.e. capital expenditure and the repayment of borrowings). On a cash basis Council budgets for a break even result therefore any cash remaining at the end of the budget period is the result of a number of factors such as government grant funds received in advance, funds required to be carried forward to complete unfinished projects and funds required to settle certain balance sheet liabilities e.g. Trade and other payables, Interest Bearing liabilities, Provisions and Trust funds and deposits.

Council operations are expected to be impacted by unavoidable increases in employee costs, postage and state imposed preschool ratios. In addition revenue sources will be constrained by the federal government freezing indexation of Financial Assistance Grants together with the implementation of capping of municipal rates at 2.5% as declared by the State Government. It is necessary to achieve income growth whilst containing costs in order to maintain a positive underlying operating position in 2016/17.

Draft 2016/2017 Budget *Executive Summary*

\$2.1M new borrowings are proposed in the 2016/17 budget year, whilst loan principal repayments for the year are expected to be \$1.883 million. As a result Council borrowings will increase from \$18.033 million to \$18.250 million at the end of the year.

The total capital expenditure program will be \$31.851 million, of which \$4.565 million relates to projects which will be carried forward from the 2015/16 year. Any further carried forward projects will be fully funded from the 2015/16 budget. Of the \$31.851 million of capital funding required, \$22.706 million will come from Council cash, \$2.100 million from borrowings and \$7.045 million from external grants.

The 2016/17 budget has been prepared on the basis of constraint, Council will continue to review all services and capital infrastructure to ensure it is positioned to best meet the needs of the community into the future.

Draft 2016/2017 Budget Budget Reports

Budget Reports

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

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

- 1 Links to Council Plan
- 2 Activities, Initiatives & Service performance indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

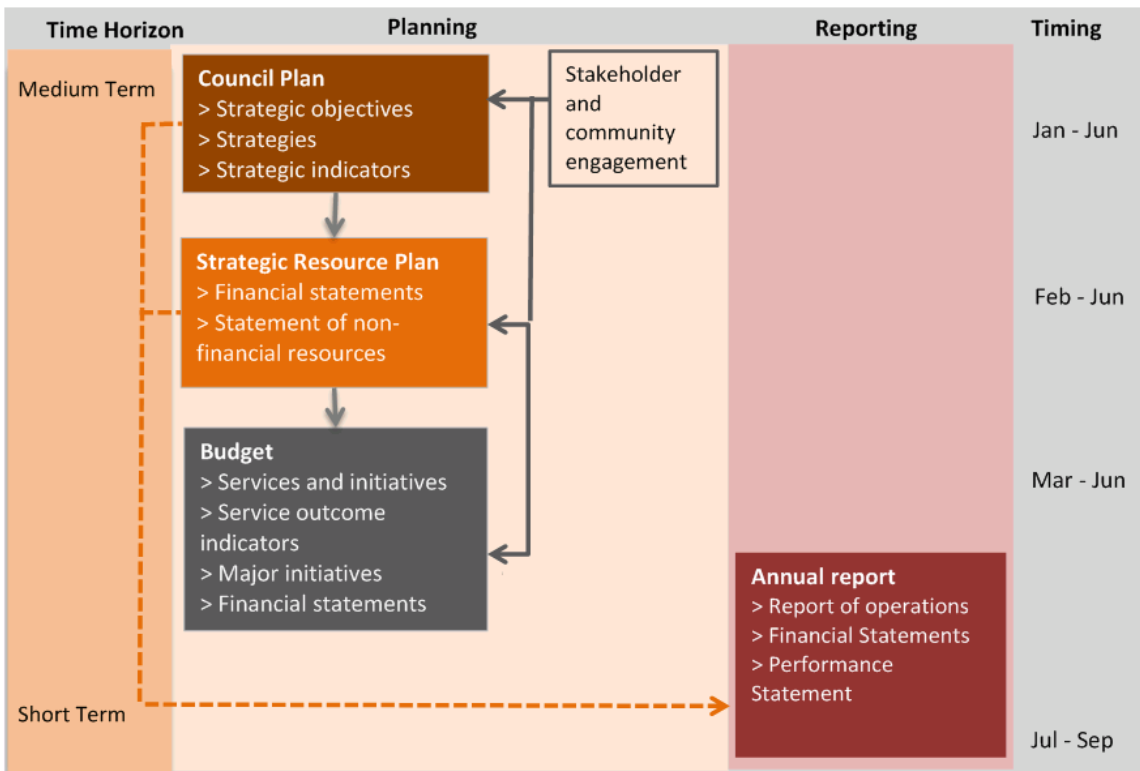
Draft 2016/2017 Budget Linkage to the Council Plan

1. Linkage to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (Latrobe 2026), medium term (Council Plan) and short term (Annual Budget) then holding itself accountable (Audited Statements).

1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning.

In addition to the above, Council has a long term plan (Latrobe 2026) which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

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

Draft 2016/2017 Budget Linkage to the Council Plan

1.2 Our purpose

The Community vision

“In 2026 the Latrobe Valley is a liveable and sustainable region with collaborative and inclusive community leadership.”

The community’s vision for the future development of the region builds on its strength as one of Victoria’s key regional economies and its position as the commercial centre of Gippsland with a focus on education, health and community services and facilities.

Other major aspirations are for a community that is both liveable and sustainable, with a continued focus on healthy lifestyles supported by high quality recreational and cultural facilities and a natural environment that is nurtured and respected.

The community has expressed its desire for a future in which people are united in a common purpose whilst respecting the diversity of their heritage and cultures. To enable the vision to become reality the community identified the need for effective and proactive leadership at all levels and expressed a willingness to connect with community leaders to enrich local decision making.

Our mission

To provide the best possible facilities, services, advocacy and leadership for Latrobe City, one of Victoria’s four major regional cities.

Our values

Latrobe City Council’s values describe how it is committed to achieving the Latrobe 2026 community vision through:

- Providing affordable people focused community services;
- Planning strategically and acting responsibly, in the best interests of the whole community;
- Accountability, transparency and honesty;
- Listening to and working with the community;
- Respect, fairness and equity;
- Open to and embracing new opportunities.

Draft 2016/2017 Budget Linkage to the Council Plan

1.3 Key Themes

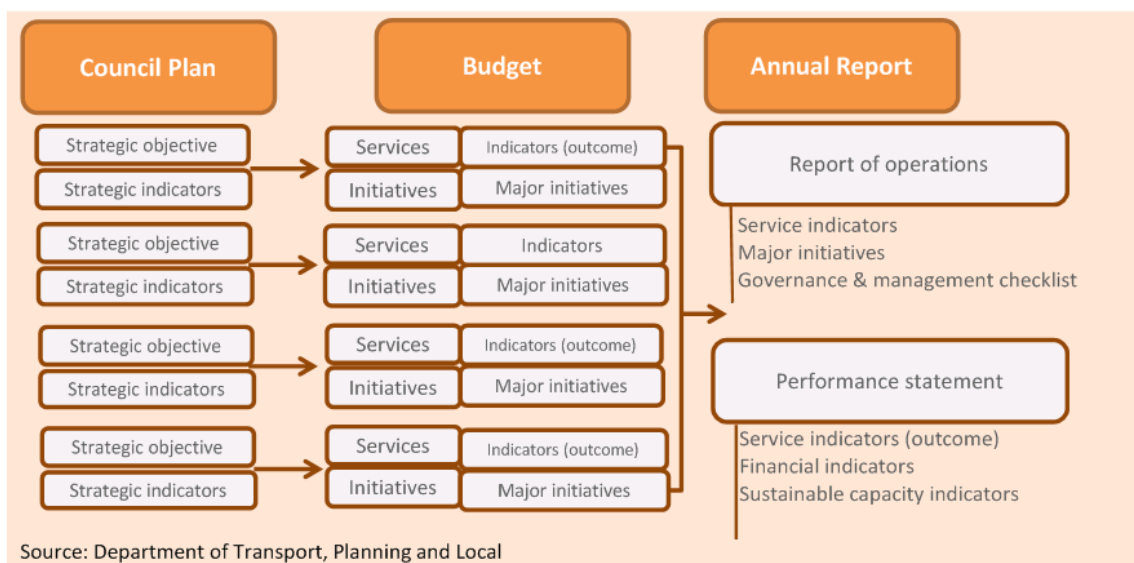
Council delivers activities and initiatives under 51 major service categories. Each contributes to the achievement of one of the five themes and objectives as set out in the Council Plan for the 2013-17 years. The following table lists the five themes as described in the Council Plan.

Theme	Objective
Job Creation & Economic Sustainability	<ul style="list-style-type: none"> • Actively pursue long term economic prosperity for Latrobe City, one of Victoria's four major regional cities. • Actively pursue further diversification of business and industry in the municipality. • Actively pursue and support long term job security and the creation of new employment opportunities in Latrobe City.
Appropriate, Affordable & Sustainable Facilities, Services & Recreation	<ul style="list-style-type: none"> • To promote and support a healthy, active and connected community. • To provide facilities and services that are accessible and meet the needs of our diverse community. • To enhance the visual attractiveness and liveability of Latrobe City.
Efficient, Effective & Accountable Governance	<ul style="list-style-type: none"> • To achieve the highest standards of financial probity and meet all statutory obligations. • To provide open, transparent and accountable governance. • Work to minimise rate increases for our community. • Effectively manage Council debt to minimise long term cost.
Advocacy For & Consultation With Our Community	<ul style="list-style-type: none"> • Strengthen the profile of Latrobe City as one of Victoria's four major regional cities. • Work in partnerships with all levels of governments to ensure Latrobe City is well supported, resourced and recognised as one of Victoria's four major regional cities. • To advocate for and support cooperative relationships between business, industry and the community. • To ensure effective two-way communication and consultation processes with the community.
Planning For The Future	<ul style="list-style-type: none"> • To provide a well planned, connected and liveable community. • To provide clear and concise policies and directions in all aspects of planning. • Advocate for planning changes at the state level to reflect regional needs and aspirations. • To ensure effective two-way communication and consultation processes with the community.

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

2. Activities, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2016/17 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 initiatives, major initiatives and service performance indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan, along with the link to reporting in the Annual Report, is shown below.



2.1 Theme 1: Job Creation & Economic Sustainability

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

Services

Business Area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Business Development	Provide business development advice, services and programs in accordance with the Latrobe City Council Economic Development Strategy 2011.	831 0 831
Employment Development	Promote, coordinate and providing training and employment opportunities for aboriginal people.	403 (404) (1)
Latrobe Regional Airport	Maintain, develop and operate Latrobe Regional Airport in accordance with Civil Aviation Safety Authority regulations and the Latrobe Regional Airport Masterplan.	794 (592) 203
Tourism	Implement recommendations from the Tourism Product Audit and Visitor Information Centre Review.	576 (13) 563

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Major Initiative

1) Advocate for the Electricity Generation and Paper sectors within Latrobe City. Pursue state and federal government commitment to transition our economic base. (\$Nil net cost).

Initiatives (Annual Actions)

2) Develop 'Business Cases' and accompanying industry profiles for Advanced Manufacturing and Food, Fibre & Forestry sectors.

3) Develop a business case for the Engineering Hall of Fame.

4) Deliver the Latrobe Regional Airport Marketing Plan Stage 2 subject to funding from the State Government.

5) Develop a Business Case and Functional Concept Design for the potential Conference Centre redevelopment of Kernot Hall and precinct.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Economic Development	Economic Activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

2.2 Theme 2: Appropriate, Affordable & Sustainable Facilities, Services & Recreation

To achieve our objective of Appropriate, Affordable & Sustainable Facilities, Services & Recreation, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Business Area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Aged and Disability Services	Deliver the Home and Community Care (HACC) program in accordance with Department of Health guidelines and Disability Service programs in accordance with the Department of Human Services guidelines.	7,317 (5,805) 1,512
Arts	Deliver the Annual Latrobe Regional Gallery Exhibitions program and deliver Education and Public Participation programs across all arts facilities. Deliver the Annual Performing Arts Performances program. Manage and maintain Halls and Venues across the City.	2,742 (641) 2,101
Civil Works Projects	Deliver Civil works projects across Latrobe City in accordance with relevant legislation and guidelines.	5,451 0 5,451
Early Childhood Health & Development	Deliver enhanced maternal and child health services in accordance with Council adopted policies.	2,863 (1,305) 1,558
Early Learning & Care	Deliver early Learning, Family Day Care, and Preschool services in accordance with Council adopted policies, and work with other providers to improve and integrate support services for all children in the municipality.	8,683 (7,656) 1,026
Events	Facilitate the attraction of new events and support existing events across Latrobe City and deliver Latrobe City Council's annual Australia Day program as per the 2013-2017 Latrobe City Events Strategy and Action Plan.	933 0 933
Infrastructure Design	Design civil works projects in consultation with the Latrobe City community.	1,103 0 1,103
Leisure Facilities	Maintain and operate Latrobe City leisure centres, outdoor pools and stadiums together with managing and maintaining caravan park and day visitor facilities.	6,507 (4,140) 2,367
Library services	Deliver Library services and programs in accordance with the Library Plan 2011-2017.	1,513 (541) 972
Major Projects	Deliver major infrastructure projects from the Annual Capital Works Program.	1,561 0 1,561

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Business Area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Parks, Gardens and Playgrounds	Manage and maintain parks and gardens across Latrobe City and maintain and develop playgrounds in accordance with the Latrobe City Council Playground Strategy.	4,439 (67) 4,372
Recreation and Open Space Planning	Provide Recreation and Open Space Planning advice for Latrobe City.	2,438 (100) 2,338
Recreation Liaison	Manage and maintain sporting reserves and work with community groups across Latrobe City.	1,787 (77) 1,709
Social support	Deliver the Planned Activity Group and Meals on Wheels Programs to eligible clients.	1,705 (1,190) 516
Waste Services	Deliver and manage contracts for waste services across the municipality, including kerbside collection, transfer stations, organic resource processing, hard waste services and co-mingled recycling processing in accordance with contract requirements, standards and best value principles.	5,675 (5) 5,670

Major Initiative

6) Actively pursue State and Federal government funding to enable the production of detailed designs for the Latrobe Creative Precinct (LCP), to develop a 750 Seat performing arts centre and a creative digital hub, improving access to educational and employment opportunities in creative industries. **(\$2.100M net cost).**

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Initiatives (Annual Actions)

- 7) Progress Council's decision in respect to the delivery of the Gippsland Regional Aquatic Centre.
- 8) Deliver the Children's Services Expo during Children's Week to promote early years services provided across Latrobe City.
- 9) Develop detailed designs for Burrage Reserve pavilion extension adding change rooms for baseball and cricket.
- 10) Develop the 2018-2023 Latrobe City Library Plan
- 11) Engage the user groups to develop options for future investment at the Latrobe Leisure Morwell facilities.
- 12) Fully establish operations at the new Moe Service Centre.
- 13) Implement Council resolution in relation to Visitor Information Services.
- 14) Increase funding and deliver playground upgrades throughout Latrobe City in accordance with the Playgrounds Strategy.
- 15) Install irrigation system for Pitch 1 at Olympic Park Soccer ground (MOE)
- 16) Install stairs and lift to enable access to upstairs at the Traralgon West Sports Stadium.
- 17) Organise and deliver the annual Seniors Week activities and Expo
- 18) Refurbish and upgrade Gallery facilities ahead of major exhibitions scheduled for 2017.
- 19) Repair stormwater outfall pipe at Agnes Brereton Park.
- 20) Deliver the Roads Asset Management Plan
- 21) Develop an asset inventory, condition assessment and works program for retaining walls across Latrobe City
- 22) Conduct an access audit and program of works for high use facilities e.g. libraries, service centres, leisure centres, toilets
- 23) Deliver Moe Tennis Court Reconstruction Stage 2
- 24) Develop and deliver a renewal program to revitalise identified community buildings & facilities, enhancing amenity, presentation and usability across Latrobe City.
- 25) Complete the Outdoor Recreation Needs Assessment.
- 26) Deliver initiatives to improve the visual attractiveness of our town entrances and signage
- 27) Report quarterly on the performance of delivering planning approvals within 60 days with the aim of improving Council's performance.
- 28) Report quarterly on the performance of delivering the Capital Program with the aim of improving Council's performance.

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Home and community care	Participation	Participation in HACC service (Percentage of the municipal target population that receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
Home and community care	Participation	Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people that receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Maternal and child health	Participation	Participation in MCH key ages and stages visits (Percentage of children attending the MCH key ages and stages visits)	Number of actual MCH visits / Number of expected MCH visits] x100
Maternal and child health	Participation	Participation in MCH key ages and stages visits by Aboriginal children (Percentage of Aboriginal children attending the MCH key ages and stages visits)	[Number of actual MCH visits for Aboriginal children / Number of expected MCH visits for Aboriginal children] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (The number of visits to pool facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

2.3 Theme 3: Efficient, Effective & Accountable Governance

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

Services

Business Area	Description of services provided	Expenditure (Revenue)
		Net Cost \$'000
Building Maintenance	This unit is to deliver the cyclic maintenance program on Latrobe City Council buildings.	5,947 0 5,947
Community Information	Deliver professional customer service at all Latrobe City Council service centres and libraries in accordance with the Customer Service Plan 2012-2016.	3,703 (42) 3,661
Corporate Strategy	Administer corporate planning and reporting of Latrobe City Council.	608 0 608
Council Operations and Legal	Administer the operation of Council meetings, provide support services to Councillors, deliver civic functions and events across and administer legal advice for Latrobe City Council.	1,594 (41) 1,553
Financial Services	Administer financial management, advice and services of Latrobe City Council, administer procurement processes for goods and services within Latrobe City Council, administer payroll for Latrobe City Council staff and administer the database of properties within Latrobe City Council, including property valuation and municipal rate collection.	4,118 (372) 3,746
Health Services	Minimise the incidence of food borne illness pursuant to the Food Act. Deliver an Immunisation program in accordance with the Public Health and Wellbeing Act.	972 (471) 501
Infrastructure Maintenance	This unit is to provide maintenance services for Latrobe City's road, drainage, signage, footpath and tree networks and to Deliver cleansing services across the municipality, including footpath and street sweeping, public toilets, bus shelters, barbecues, rotundas and picnic shelters in accordance with specified standards and schedules.	16,209 (2,416) 13,793
Infrastructure Planning	Provide Traffic Management and Asset Management planning, advice and services for Latrobe City in accordance with statutory and regulatory timeframes.	3,011 (266) 2,745

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Business Area	Description of services provided	Expenditure (Revenue)
		Net Cost \$'000
Information Services	Maintain the Latrobe City Council IT network infrastructure, assets, purchasing and licences and provide an effective secure environment for storage and disaster recovery. Develop and maintain a Geographical Information System (GIS) for broad use by the organisation. Maintain corporate information and Council documentation and information applications in accordance with regulatory guidelines.	4,816
		0
		4,816
Local Laws	Deliver customer focussed Local Law services across the municipality in accordance with Local Law No. 2 and other relevant legislation.	2,214 (1,253)
		961
Office of the CEO	Actively participate in the Gippsland Local Government Network.	490 0
		490
People & Development	To provide advice, education and support to ensure the success of the organisation through effective leadership, resourcing and people management initiatives. To deliver a variety of learning initiatives and develop the knowledge, skills and confidence of our people.	1,248 0
		1,248
Property and Statutory	Administer property management, advice and services of Latrobe City Council.	729 (159)
		570
Risk and Compliance	Provide Latrobe City Council with risk management support and advice, coordinate Occupational Health and Safety responsibilities and develop and implement a compliance framework. Administer Freedom of Information requests, Information Privacy requirements, maintain public registers, policies, audit activities and electoral functions for Latrobe City Council.	2,143 (2)
		2,141

Major Initiative

29) Develop a strategy which puts the customer first and works to make Council easy to deal with. Ensure that the Strategy includes the development of Key Performance Indicators which can be reported to the community. (\$Nil net cost).

Initiatives (Annual Actions)

30) Conduct Council Election.

31) Coordinate the development of a new Council Plan and submit to the Minister for Local Government within the legislated timeframe.

32) Implement New Councillor induction program.

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Animal management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

2.4 Theme 4: Advocacy For & Consultation With Our Community

To achieve our objective of Advocacy For & Consultation With Our Community, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Business Area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Aboriginal Liaison	Strengthen the relationship between the local Aboriginal Community and Latrobe City Council by delivering on the Statement of Commitment.	46 0 46
Communications	Provide communications, marketing and public relations services on behalf of Latrobe City Council.	828 0 828
Community Engagement	Provide community engagement support services to Latrobe City Council.	314 0 314
Community Grants	Assist local community groups through the coordination and delivery of the annual Latrobe City community grants program.	425 0 425
Community Strengthening	Build community leadership, connectedness, inclusiveness and wellbeing by advocating on behalf of the community, and partnering with them to deliver and facilitate a range of projects, programs, strategies and action plans.	1,126 0 1,126
Disability Access and Inclusion	Develop and implement the Rural Access Plan and develop and implement the Disability Action Plan.	193 (137) 56
Emergency Management	Provide Emergency Management services including preparedness, planning, response and recovery.	498 (149) 349
Healthy Communities	Work in partnership with the community to address causes of chronic preventable disease by developing local solutions for healthy living, encourage healthy eating and physical activity, and reduce smoking and harmful alcohol use.	7 0 7
International Relations	Deliver International Relations services in accordance with the Latrobe City International Relations Plan.	173 (5) 168
Regional Partnerships	Provide regional leadership and facilitate a successful transition for Latrobe City to a low carbon future.	209 0 209

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Major Initiative

33) Actively engage with state and federal governments to advocate for the interests of the Latrobe City community including: Morwell Super School, Mine Fire Responses, Gippsland Logistics Precinct & Adequate Coal Buffers; to maximise access to government funding, supporting job creation, economic diversification and environmental sustainability (\$Nil net cost).

Initiatives (Annual Actions)

34) Advocate for funding to build a new Integrated Children's Service in Morwell.

35) Advocate to the State Government for funding to deliver the Morwell to Traralgon shared path.

36) Apply for funding from Community Sports Infrastructure fund for the Monash Reserve multi-use Netball/Tennis courts

37) As part of Future Morwell, continue to advocate for project funding on behalf of the Morwell community.

38) Facilitate a workshop for community groups in larger towns to build partnership opportunities and share information.

39) Advocate for State Government Funding for the Latrobe City Synthetic Sports Field Pavilion (Churchill Hockey)

40) Advocate for the public transport needs of the Latrobe community including Rail & Bus Services, Moe & Morwell Station Car parks and the Traralgon Station Masterplan.

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

2.5 Theme 5: Planning For The Future

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

Services

Business Area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Building Services	Provide building advice, statutory services and enforcement action in accordance with the Building Act.	539 (151) 387
Environment Sustainability	Provide Environmental planning, advice and services to internal and external stakeholders.	622 0 622
Landfill Services	Operate and maintain the Latrobe City Hyland Highway Municipal Landfill facility in accordance with Environment Protection Authority licence conditions.	4,676 (2,900) 1,776
Statutory Planning	Provide statutory planning services, advice and enforcement action in accordance with the Latrobe Planning Scheme and Planning and Environment Act.	1,312 (197) 1,115
Strategic Planning	Provide strategic planning services and advice in accordance with the Latrobe Planning Scheme and Planning and Environment Act.	1,215 0 1,215
Urban Growth	Develop, assess and coordinate the implementation of Development Plans and Development Contribution Plans for growth areas of Latrobe City.	396 0 396

Major Initiative

41) Produce the Housing Strategy, the Rural Land Use Strategy and the Employment and Industrial Land Use Strategy. (\$0.220M net cost).

Initiatives (Annual Actions)

42) Conduct a study of traffic flow in Traralgon to assist with planning for Breed Street crossing, East West Link and VicRoads Traralgon Bypass

43) Develop a Moe Community/Social Infrastructure Plan

44) Progress the Traralgon Activity Centre Plan and present to Council for adoption

45) Develop the 2018 - 2022 Municipal Public Health & Wellbeing Plan.

Draft 2016/2017 Budget Activities, Initiatives & Service Performance Indicators

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Statutory Planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)	[Number of VCAT decisions that upheld Council's decision in relation to a planning application / Number of decisions in relation to planning applications subject to review by VCAT] x100

2.10 Performance statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2015/16 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 4) and sustainable capacity, which are not included in this budget report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the report of operations.

2.11 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Job Creation & Economic Sustainability	1,596	2,604	1,008
Appropriate, Affordable & Sustainable Facilities, Services & Recreation	33,191	54,717	21,527
Efficient, Effective & Accountable Governance	42,780	47,802	5,022
Advocacy For & Consultation With Our Community	3,527	3,818	291
Planning For The Future	5,512	8,760	3,248
Total activities & initiatives	86,607	117,702	31,095
Other non-attributable	(1,475)		
Deficit before funding	85,131		
Funding sources:			
Rates & charges	74,568		
Capital grants	7,045		
Grants Commission	8,963		
Developer Contributions	3,041		
Total funding sources	93,617		
Surplus for the year	8,485		

Draft 2016/2017 Budget Financial Statements

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2017/18 to 2019/20 has been extracted from the Strategic Resource Plan.

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

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

Draft 2016/2017 Budget Financial Statements

3.1 Comprehensive Income Statement

For the four years ending 30 June 2020

	Forecast	Budget 2016/17 \$'000	Strategic Resource Plan		
	Actual 2015/16 \$'000		Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Income					
Rates and charges	72,488	74,568	76,952	79,409	81,941
Grants - Operating	17,782	22,756	22,825	22,997	23,171
Grants - Capital	15,405	7,045	13,842	12,957	5,192
Statutory Fees & Fines	1,870	1,932	1,980	2,030	2,081
User Charges	14,515	13,579	13,918	14,266	14,623
Contributions - Monetary	414	41	42	43	44
Contributions - Non-Monetary	2,000	3,000	3,000	3,000	3,000
Net gain on disposal of property, infrastructure, plant & equipment	364	0	0	0	0
Other Income	3,525	3,406	3,502	3,612	3,726
Total income	128,363	126,327	136,061	138,314	133,778
Expenses					
Employee costs	52,204	52,159	53,868	55,754	57,705
Materials and services	41,894	37,343	35,082	35,614	37,248
Bad and doubtful debts	8	15	15	16	17
Depreciation and amortisation	23,596	24,271	25,037	26,541	27,236
Borrowing Costs	1,019	918	878	939	904
Other Expenditure	3,918	3,137	3,206	3,277	3,350
Total expenses	122,640	117,842	118,086	122,141	126,460
Surplus (deficit) for the year	5,723	8,485	17,975	16,173	7,318
Other comprehensive income					
Net Asset Revaluation movement	300	23,450	24,130	24,972	25,734
Total comprehensive result	6,023	31,935	42,105	41,145	33,052

Draft 2016/2017 Budget Financial Statements

3.2 Balance Sheet

For the four years ending 30 June 2020

	Forecast	Budget 2016/17 \$'000	Strategic Resource Plan		
	Actual		Projections		
	2015/16 \$'000		2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Current assets					
Cash and cash equivalents	20,469	14,648	12,331	14,515	12,415
Trade and other receivables	8,200	8,405	9,064	9,252	8,974
Other financial assets	30,000	30,000	30,000	30,000	30,000
Other Assets	2,400	2,460	2,522	2,585	2,649
Total current assets	61,069	55,514	53,917	56,352	54,038
Non-current assets					
Property, infrastructure, plant and equipment	1,171,309	1,205,261	1,247,748	1,286,804	1,317,070
Other financial assets	2	2	2	2	2
Intangible assets	1,174,753	505	2,760	1,656	552
Total non-current assets	1,172,486	1,205,768	1,250,510	1,288,462	1,317,624
Total assets	1,233,555	1,261,282	1,304,428	1,344,814	1,371,662
Current liabilities					
Trade and other payables	13,500	13,838	13,707	13,935	14,426
Provisions	17,200	16,427	16,346	16,843	15,156
Interest bearing loans & borrowings	1,883	2,035	1,864	9,854	1,380
Trust funds & deposits	2,600	2,665	2,731	2,800	2,870
Total current liabilities	35,184	34,964	34,648	43,432	33,831
Non-current liabilities					
Provisions	16,604	12,550	11,770	8,181	6,743
Interest bearing loans & borrowings	16,150	16,215	18,352	12,397	17,232
Total non-current liabilities	32,754	28,765	30,122	20,578	23,975
Total liabilities	67,937	63,729	64,770	64,010	57,806
Net assets	1,165,618	1,197,553	1,239,658	1,280,804	1,313,856
Equity					
Accumulated surplus	656,394	664,997	682,931	699,062	706,335
Asset revaluation reserve	506,770	530,219	554,349	579,321	605,055
Other Reserves	2,454	2,336	2,378	2,421	2,466
Total equity	1,165,618	1,197,553	1,239,658	1,280,804	1,313,856

Draft 2016/2017 Budget Financial Statements

3.3 Statement of Changes in Equity

For the four years ending 30 June 2020

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017				
Balance at beginning of the financial year	1,165,618	656,394	506,770	2,454
Surplus for the year	8,485	8,485	0	0
Net asset revaluation increment	23,450	0	23,450	0
Transfer to reserves	0	(41)	0	41
Transfer from reserves	0	159	0	(159)
Balance at end of the financial year	1,197,553	664,997	530,219	2,336
2018				
Balance at beginning of the financial year	1,197,553	664,997	530,219	2,336
Surplus for the year	17,975	17,975	0	0
Net asset revaluation increment	24,130	0	24,130	0
Transfer to reserves	0	(42)	0	42
Transfer from reserves	0	0	0	0
Balance at end of the financial year	1,239,656	682,930	554,349	2,378
2019				
Balance at beginning of the financial year	1,239,656	682,931	554,349	2,378
Surplus for the year	16,173	16,173	0	0
Net asset revaluation increment	24,972	0	24,972	0
Transfer to reserves	0	(43)	0	43
Transfer from reserves	0	0	0	0
Balance at end of the financial year	1,280,802	699,061	579,321	2,421
2020				
Balance at beginning of the financial year	1,280,804	699,062	579,321	2,421
Surplus for the year	7,318	7,318	0	0
Net asset revaluation increment	25,734	0	25,734	0
Transfer to reserves	0	(45)	0	45
Transfer from reserves	0	0	0	0
Balance at end of the financial year	1,313,856	706,335	605,055	2,466

Draft 2016/2017 Budget Financial Statements

3.4 Statement of Cash Flows

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	73,418	74,435	76,562	79,289	82,104
Grants - operating	17,782	22,657	22,751	23,005	23,262
Grants - capital	15,405	7,032	13,772	12,937	5,202
Statutory Fees & Fines	1,870	1,929	1,970	2,027	2,085
User Charges	14,515	13,555	13,848	14,245	14,652
Interest	1,484	1,412	1,454	1,518	1,586
Contributions - monetary	414	41	42	43	44
Other Receipts	2,040	2,046	1,988	2,045	2,104
Employee costs	(51,705)	(52,639)	(55,041)	(56,604)	(57,960)
Materials and services	(42,435)	(41,424)	(37,723)	(37,690)	(39,693)
Trust Funds and Deposits	(10)	65	67	68	70
Other Payments	(3,900)	(3,126)	(3,206)	(3,277)	(3,350)
Net cash from operating activities	28,878	25,983	36,485	37,608	30,106
Cash flows from investing activities					
Proceeds from property, plant and equipment	2,893	747	600	600	600
Proceeds from sale of investments	14,298	0	0	0	0
Payments for property, plant and equipment	(40,463)	(31,851)	(40,490)	(37,121)	(28,263)
Net cash used in investing activities	(23,272)	(31,104)	(39,890)	(36,521)	(27,663)
Cash flows from financing activities					
Finance costs	(1,019)	(918)	(878)	(939)	(904)
Proceeds from borrowings	0	2,100	4,000	3,900	3,000
Repayment of borrowings	(2,360)	(1,883)	(2,035)	(1,864)	(6,640)
Net cash provided by (used in) financing activities	(3,379)	(701)	1,087	1,097	(4,544)
Net increase/(decrease) in cash & cash equivalents	2,227	(5,822)	(2,319)	2,184	(2,101)
Cash & cash equivalents at beginning of year	18,242	20,469	14,648	12,329	14,513
Cash & cash equivalents at end of year	20,469	14,648	12,329	14,513	12,412

Draft 2016/2017 Budget Financial Statements

3.5 Statement of Capital Works

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land	1,058	0	0	0	0
Buildings	11,377	7,559	16,150	17,767	3,621
Heritage Buildings	292	0	0	0	0
Total property	12,727	7,559	16,150	17,767	3,621
Plant and Equipment					
Plant, Machinery & Equipment	3,856	1,672	2,120	2,120	2,120
Fixtures, Fittings & Furniture	120	10	10	10	10
Computers & Telecommunications	628	624	658	683	600
Artworks	27	15	15	15	15
Total Plant and Equipment	4,631	2,321	2,803	2,828	2,745
Infrastructure					
Roads	16,714	14,743	11,991	11,097	11,423
Footpaths & Cycleways	1,781	1,461	4,192	2,412	1,432
Bridges & Culverts	602	391	404	415	421
Off Street Carparks	230	105	150	160	165
Drainage	1,299	1,389	1,750	2,237	8,256
Recreational, Leisure & Community Facilities	63	1,237	0	0	0
Parks, Open Space & Streetscapes	338	494	250	175	180
Waste Management	837	2,150	2,800	30	20
Other Infrastructure	1,241	0	0	0	0
Total Infrastructure	23,104	21,971	21,537	16,526	21,897
Total capital works expenditure	40,463	31,851	40,490	37,121	28,263
Represented by:					
New asset expenditure	12,592	5,294	17,565	16,115	7,715
Asset renewal expenditure	22,807	19,620	18,111	18,444	18,536
Asset expansion expenditure	1,349	1,222	262	262	262
Asset upgrade expenditure	3,716	5,715	4,552	2,300	1,750
Total capital works expenditure	40,463	31,851	40,490	37,121	28,263

Draft 2016/2017 Budget Financial Statements

3.6 Statement of Human Resources

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16		2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	52,204	52,159	53,868	55,754	57,705
Employee costs - capital	24	1,500	1,545	1,591	1,639
Total staff expenditure	52,228	53,659	55,413	57,345	59,344
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	590.7	576.3	576.3	576.3	576.3
Total staff numbers	590.7	576.3	576.3	576.3	576.3

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

Division	Budget	Comprises	
	2016/17	Full Time	Part Time
	\$'000	\$'000	\$'000
Office of the CEO	561	561	0
City Development	7,934	6,539	1,395
Corporate Services	6,770	6,069	700
Infrastructure & Recreation	12,964	10,886	2,078
Community Services	19,027	7,796	11,231
Total	47,256	31,852	15,404
Casuals and other	4,903		
Total Operating Employee Costs	52,159		
Capitalised labour costs	1,500		
Total Employee Costs	53,659		

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

Division		Full Time	Part Time
		FTE	FTE
Office of the CEO	4.0	4.0	0.0
City Development	84.0	66.0	18.0
Corporate Services	67.5	60.6	6.9
Infrastructure & Recreation	150.8	122.2	28.7
Community Services	233.2	79.7	153.5
Total	539.5	332.5	207.0
Casuals and other	21.8		
Total Operating FTE	561.3		
Capitalised FTE	15.0		
Total FTE	576.3		

Draft 2016/2017 Budget Financial Performance Indicators

4. Financial performance indicators

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

Indicator	Measure	Notes	Forecast		Budget 2016/17	Strategic Resource Plan Projections			Trend +/-
			Actual 2014/15	Actual 2015/16		2017/18	2018/19	2019/20	
Operating Position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	5.8%	(7.2%)	2.0%	1.9%	1.1%	0.3%	-
Liquidity									
Working Capital	Current assets / current liabilities	2	208.9%	173.6%	158.8%	155.6%	129.7%	159.7%	o
Unrestricted Cash	Unrestricted cash / current liabilities		96.9%	43.8%	27.6%	20.8%	21.4%	20.9%	+
Obligations									
Loans & Borrowings	Interest bearing loans and borrowings / rate revenue	3	29.3%	24.9%	24.5%	26.3%	28.0%	22.7%	o
Loans & Borrowings	Interest and principal repayments / rate revenue		17.0%	4.7%	3.8%	3.8%	3.5%	9.2%	+
Indebtedness	Non-current liabilities / own source revenue		39.6%	35.4%	30.8%	31.3%	20.7%	23.4%	-
Asset renewal	Asset renewal expenditure / depreciation	4	79.9%	99.0%	83.1%	73.8%	72.5%	70.9%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	55.9%	63.4%	62.0%	63.9%	64.3%	64.6%	+
Rates effort	Rate revenue / property values (CIV)		0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	-

Draft 2016/2017 Budget Strategic Resource Plan & Financial Performance Indicators

Indicator	Measure	Notes	Forecast		Budget 2016/17	Strategic Resource Plan Projections			Trend +/-
			Actual 2014/15	Actual 2015/16		2017/18	2018/19	2019/20	
Efficiency									
Expenditure level	Total expenditure / no. of assessments		\$3,127	\$3,267	\$3,139	\$3,146	\$3,254	\$3,369	+
Revenue level	Residential rate revenue / No. of residential assessments		\$1,494	\$1,529	\$1,582	\$1,622	\$1,662	\$1,704	+
Workforce turnover	No. of resignations & terminations / average no. of staff		11.4%	11.5%	11.5%	11.5%	11.5%	11.5%	o

Key to Forecast Trend:

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

Notes to indicators

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2018/19 year due to an interest only loan moving in to current liabilities.

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

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

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

Draft 2016/2017 Budget Other Budget Information

5. Other Budget Information

This section presents other budget related information required by the Regulations. The following statements and reports are included:

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

0

Other Budget Information

5.1.1 Grants Operating (\$4.974 million increase)

Operating grants and contributions include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of grants and contributions is expected to increase by 28% or \$4.974 million compared to 2015/16. This increase primarily relates to the Victoria Grants Commission (VGC) funding in the current financial year but advanced earlier to Council in the 2014/15 year, the budget has been based on the assumption that this won't occur again this year. Non-recurrent grant funding is expected to decrease as generally only funding confirmed at the time of budget preparation is included in operating budgets.

	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Employment Development	285	404	119
Family & Children Services	117	65	(52)
<i>Recurrent - State Government</i>			
Victorian Grants Commission General Purpose	4,489	8,963	4,474
Victorian Grants Commission Local Roads	1,202	2,416	1,214
Aged & Disability Services	4,119	4,082	(37)
Family & Children Services	4,812	4,830	18
Community Support	150	137	(13)
Social Support	818	814	
Libraries	499	512	13
Recreation, Parks and Gardens	20	20	0
Arts & Leisure	155	155	0
Health Services	20	15	(5)
Emergency Management	34	34	0
Local Laws	88	88	(0)
Other	29	0	(29)
Total Recurrent Grants	16,839	22,536	5,697
<i>Non Recurrent - Commonwealth Government</i>			
Recreation, Parks and Gardens	184	0	(184)
Family & Children Services	34	0	(34)
<i>Non Recurrent - State Government</i>			
Healthy Communities	80	0	(80)
Recreation, Parks and Gardens	130	100	(30)
Community Support	200	0	(200)
Aged & Disability Services	5	20	16
Economic Development & Planning	67	0	(67)
Emergency Management	217	100	(117)
Other	28	0	(28)
Total Non-recurrent Grants	944	220	(724)
Total Operating Grants	17,782	22,756	4,973

Draft 2016/2017 Budget Other Budget Information

5.1.2 Grants Capital (\$8.361 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of grants and contributions is expected to decrease by \$8.361 million compared to 2015/16 mainly associated with specific funding received in 2015/16 for some large capital works projects . e.g. Heavy Industrial Park Road Infrastructure Construction, Moe Rail Precinct Revitalisation Project and Hazelwood Pondage Caravan Park. Section 12. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2016/17 year.

	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	3,405	3,933	528
<i>Recurrent - State Government</i>			
	0	0	0
Total Recurrent Grants	3,405	3,933	528
<i>Non Recurrent - Commonwealth Government</i>			
Buildings	5,400	0	(5,400)
<i>Non Recurrent - State Government</i>			
Land	550	0	
Buildings	2,198	457	(1,741)
Roads	2,366	2,165	(201)
Footpaths	20	0	(20)
Recreation, Leisure & Community Facilities	260	490	230
Parks, Open Space & Streetscapes	84	0	(84)
Drainage	50	0	(50)
Carparks	72	0	(72)
Other Infrastructure	1,000	0	(1,000)
Total Non-recurrent grants	12,000	3,112	(8,888)
Total Capital grants	15,405	7,045	(8,361)

5.1.3 Statement of Borrowings

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

	2015/16 \$'000	2016/17 \$'000
Total amount borrowed as at 30 June of the prior year	20,393	18,033
Total amount to be borrowed	0	2,100
Total amount projected to be redeemed	(2,360)	(1,883)
Total amount proposed to be borrowed as at 30 June	18,033	18,250

Draft 2016/2017 Budget Capital Works Program

6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2016/17 year.

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

- New works for 2016/17
- Works carried forward from the 2015/16 year.

The capital works detailed report also includes a list of works that, although not classified as assets for accounting purposes, will be undertaken in conjunction with the capital works program. The funding for these works and associated expenditure forms part of the operating budget.

Draft 2016/2017 Budget Capital Works Program

Capital works program
For the year ending 30 June 2017

6.1.1 New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'ns \$'000	Council cash \$'000	Borrow's \$'000
PROPERTY									
Buildings						0	0		0
Boiler Replacement	50	0	50	0	0	0	0	50	0
Bus Shelter Removal & Replacement Program	30	0	30	0	0	0	0	30	0
Building Renewal Program	1,300	0	1,300	0	0	0	0	1,300	0
Kitchen Upgrade at Community Buildings	105	0	105	0	0	0	0	105	0
Latrobe Creative Precinct project	2,100	2,100	0	0	0	0	0	0	2,100
Latrobe Regional Gallery - Refurbishment (Stg 1)	200	0	0	200	0	0	0	200	0
Latrobe Regional Gallery: Specialised gallery lights	57	0	0	57	0	0	0	57	0
Latrobe Regional Gallery: Refit paper conservation & archive area	67	0	67	0	0	0	0	67	0
Morwell Library - Front entrance reconstruction	220	0	0	220	0	140	0	80	0
Old Yallourn North Depot Upgrade	31	0	0	31	0	0	0	31	0
Sale/Relocation of the Moe Works Depot	280	280	0	0	0	0	0	280	0
Roof Replacement Program	105	0	105	0	0	0	0	105	0
AFL Gippsland Administrative Building Upgrade	112	0	0	112	0	77	0	35	0
Burrage Reserve - Extend Baseball/Cricket Pavilion	53	0	0	53	0	0	0	53	0
Glengarry Recreation Reserve Netball Tennis Pavilion	457	0	0	457	0	100	0	357	0
Latrobe Leisure Maintenance and Upgrade Program	683	0	683	0	0	0	0	683	0
Latrobe Leisure Stadiums Evaporative Cooling	682	682	0	0	0	0	0	682	0
Purchase of Latrobe City Sports & Entertainment Stadium	630	630	0	0	0	0	0	630	0
Joe Tabuteau Reserve Pavilion Upgrade	110	0	0	110	0	80	0	31	0
Stoddart Oval Pavilion Upgrade	61	0	0	61	0	61	0	0	0
Synthetic Sports Field Pavilion, Churchill	26	26	0	0	0	0	0	26	0
Traralgon West Sporting Pavilion	163	0	0	163	0	0	0	163	0
Total Buildings	7,522	3,718	2,340	1,464	0	457	0	4,965	2,100
TOTAL PROPERTY	7,522	3,718	2,340	1,464	0	457	0	4,965	2,100

Draft 2016/2017 Budget Capital Works Program

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'ns \$'000	Council cash \$'000	Borrow's \$'000
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Plant Replacement Program	738	0	738	0	0	0	0	738	0
Fleet Replacement Program	829	0	829	0	0	0	0	829	0
Latrobe Leisure Equipment Replacement Program	50	0	50	0	0	0	0	50	0
Lighting & Stage Equipment Replacement Program	40	0	40	0	0	0	0	40	0
Replacement Wireless Audio System at Community Sound Shell	15	0	15	0	0	0	0	15	0
Total Plant, Machinery and Equipment	1,672	0	1,672	0	0	0	0	1,672	0
Fixtures, Fittings and Furniture									
Office Furniture & Equipment Replacement Program	10	0	10	0	0	0	0	10	0
Total Fixtures, Fittings and Furniture	10	0	10	0	0	0	0	10	0
Computers and Telecommunications									
IT Equipment Replacement Program	624	0	624	0	0	0	0	624	0
Total Computers and Telecommunications	624	0	624	0	0	0	0	624	0
Artworks									
Artwork Acquisitions	15	15	0	0	0	0	0	15	0
Total Artworks	15	15	0	0	0	0	0	15	0
TOTAL PLANT AND EQUIPMENT	2,321	15	2,306	0	0	0	0	2,321	0

Draft 2016/2017 Budget Capital Works Program

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'n's \$'000	Council cash \$'000	Borrow's \$'000
INFRASTRUCTURE									
Roads									
Gravel Road Resheet Program	1,220	0	1,220	0	0	0	0	1,220	0
Local Road Reseal Program	4,400	0	4,400	0	0	0	0	4,400	0
Difficult to Maintain Pavements Program	174	0	0	174	0	0	0	174	0
Road Rehabilitation Program	4,300	0	4,300	0	0	3,933	0	367	0
Rural Gravel Road Sealing Program	263	0	0	263	0	0	0	263	0
Traffic & Pedestrian Safety Program	100	0	0	100	0	0	0	100	0
BlackSpot Program	2,165	0	0	2,165	0	2,165	0	0	0
Total roads	12,621	0	9,920	2,702	0	6,098	0	6,524	0
Bridges									
Bridge and Major Culvert works	315	0	315	0	0	0	0	315	0
Construct Bridges	76	0	76	0	0	0	0	76	0
Total Bridges	391	0	391	0	0	0	0	391	0
Footpaths and Cycleways									
Footpath Replacement Program	874	0	874	0	0	0	0	874	0
Gravel Path Renewal Project	31	0	31	0	0	0	0	31	0
Linear Paths - Parks & Reserves	210	210	0	0	0	0	0	210	0
New Footpaths to Link Existing Footpath Networks	262	0	0	0	262	0	0	262	0
Montaine Boulevard to Haigh Street Path	84	84	0	0	0	0	0	84	0
Total Footpaths and Cycleways	1,461	294	905	0	262	0	0	1,461	0

Draft 2016/2017 Budget Capital Works Program

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'ns \$'000	Council cash \$'000	Borrow's \$'000
Drainage									
Minor Pipe Systems Repairs	158	0	158	0	0	0	0	158	0
Stormwater Management/Outfall Repair Program	63	0	63	0	0	0	0	63	0
Total Drainage	221	0	221	0	0	0	0	221	0
Waste Management									
Landfill Construction	2,150	30	2,120	0	0	0	0	2,150	0
Total Waste Management	2,150	30	2,120	0	0	0	0	2,150	0
Parks, Open Space and Streetscapes									
Playground Improvement Implementation Program	415	0	245	170	0	0	0	415	0
Risk management and safety works for medians	79	0	0	79	0	0	0	79	0
Total Parks, Open Space and Streetscapes	494	0	245	249	0	0	0	494	0
Off Street Car Parks									
Recreational Reserves Roads & Off Street Car Park Resealing Program	105	0	105	0	0	0	0	105	0
Total Off Street Car Parks	105	0	105	0	0	0	0	105	0
TOTAL INFRASTRUCTURE	17,443	324	13,907	2,951	262	6,098	0	11,346	0
TOTAL NEW CAPITAL WORKS FOR 2016/17	27,286	4,057	18,553	4,414	262	6,555	0	18,631	2,100

Draft 2016/2017 Budget Capital Works Program

6.1.2 Works carried forward from the 2015/16 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'n's \$'000	Council cash \$'000	Borrow's \$'000
PROPERTY									
Buildings									
Traralgon Star Hotel Outdoor Kitchen	38	0	38	0	0	0	0	38	0
Total Buildings	38	0	38	0	0	0	0	38	0
TOTAL PROPERTY	38	0	38	0	0	0	0	38	0
INFRASTRUCTURE									
Roads									
Road Rehabilitation Program	1,029	0	1,029	0	0	0	0	1,029	0
Signalised Intersection-Traralgon Maffra/Marshalls Rd	1,093	0	0	1,093	0	0	0	1,093	0
Total Roads	2,122	0	1,029	1,093	0	0	0	2,122	0
Drainage									
Drainage Augmentation - Argyle Street South Service Rd	500	0	0	0	500	0	0	500	0
Drainage Augmentation - Furlonger St to Nixon Ct Precinct	460	0	0	0	460	0	0	460	0
Moe North West - Drainage	159	0	0	159	0	0	0	159	0
Montane Estate, Newborough - Drainage	50	0	0	50	0	0	0	50	0
Total Drainage	1,168	0	0	209	960	0	0	1,168	0
Recreational, Leisure and Community Facilities									
Traralgon Tennis Show Court	1,237	1,237	0	0	0	490	0	747	0
Total Rec, Leisure and Community Facilities	1,237	1,237	0	0	0	490	0	747	0
TOTAL INFRASTRUCTURE	4,527	1,237	1,029	1,301	960	490	0	4,037	0
TOTAL CARRIED FWD WORKS FROM 2015/16	4,565	1,237	1,067	1,301	960	490	0	4,075	0
TOTAL CAPITAL WORKS	31,851	5,294	19,620	5,715	1,222	7,045	0	22,706	2,100

Draft 2016/2017 Budget Capital Works Program

6.2 CAPITAL WORKS (OPERATING)

(These projects are of a capital nature but do not meet the definition of capital expenditure due to them either not being on Council owned/or controlled assets or not relating to an asset class recognised by Council. Expenditure on these projects appears in the Budgeted Comprehensive Income Statement).

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'ns \$'000	Council cash \$'000	Borrow's \$'000

6.2.1 NEW WORKS FOR 2016/17

PROPERTY

Buildings	Project cost \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'ns \$'000	Council cash \$'000	Borrow's \$'000
Demolition of Dilapidated Council Buildings	125	0	0	0	0	0	0	125	0
Total Buildings	125	0	0	0	0	0	0	125	0
TOTAL PROPERTY	125	0	0	0	0	0	0	125	0

INFRASTRUCTURE

Recreational, Leisure & Community Facilities	Project cost \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'ns \$'000	Council cash \$'000	Borrow's \$'000
City Soccer Harold Preston Reserve - Drainage & Irrigation to Pitch 2,3,4	189	0	0	0	0	0	0	189	0
Upgrade of the Moe Tennis Club (Stage 2)	650	0	0	650	0	0	0	650	0
Hard Court Bitumen Resurfacing Program	105	0	0	0	0	0	0	105	0
Hazelwood South Reserve - Pitch 1 Irrigation	63	0	0	0	0	0	0	63	0
Joe Tabuteau Reserve Oval No.1 - Oval Boundary Fence	53	0	0	0	0	0	0	53	0
Moe Olympic Park Soccer - Irrigation for Pitch 1	63	0	0	0	0	0	0	63	0
Ronald Reserve Soccer Pitch - Replacement concrete drainage system	84	0	0	0	0	0	0	84	0
Traralgon Recreation Reserve & Showgrounds Lighting Project	578	0	0	0	0	100	0	478	0
Total Recreational, Leisure & Community Facilities	1,785	0	0	650	0	100	0	1,685	0

Draft 2016/2017 Budget Capital Works Program

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'n's \$'000	Council cash \$'000	Borrow's \$'000
Public Lighting									
New Street Lighting Works	79	0	0	0	0	0	0	79	0
Public Lighting and Flag Pole Replacement Program	152	0	0	0	0	0	0	152	0
Total Public Lighting	231	0	0	0	0	0	0	231	0
Parks, Open Space and Streetscapes									
Unserviceable Street Furniture Replacement Program	52	0	0	0	0	0	0	52	0
Total Parks, Open Space and Streetscapes	52	0	0	0	0	0	0	52	0
Waste Management									
Transfer Station Upgrades	50	0	0	0	0	0	0	50	0
Landfill Rehabilitation	1,500	0	0	0	0	0	0	1,500	0
Total Waste Management	1,550	0	0	0	0	0	0	1,550	0
Software									
eService's	700					0	0	700	0
Total Software	700	0	0	0	0	0	0	700	0
Other Infrastructure									
High profile facility and parks signage standardisation and rationalisation for improved presentation, tourism and risk management	53	0	0	0	0	0	0	53	0
Municipality and Town Entry Signage Replacement Program	18	0	0	0	0	0	0	18	0
Total Other Infrastructure	71	0	0	0	0	0	0	71	0
Other									
Community grants program	360	0	0	0	0	0	0	360	0
Small Town Capital Works Program	70	0	0	0	0	0	0	70	0
Total Other	430	0	0	0	0	0	0	430	0
TOTAL NEW CAPITAL WORKS (OPERATING) FOR 2016/17	4,944	0	0	650	0	100	0	4,844	0

Draft 2016/2017 Budget Capital Works Program

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib'n's \$'000	Council cash \$'000	Borrow's \$'000
6.2.2 WORKS CARRIED FORWARD FROM 2015/16									
Recreational, Leisure & Community Facilities									
Moe Netball Lighting Project	160	0	0	0	0	0	0	160	0
Reconstruction of Moe Netball Courts - Design	20	0	0	0	0	0	0	20	0
Total Recreational, Leisure & Community Facilities	180	0	0	0	0	0	0	180	0
Waste Management									
Landfill Rehabilitation Program- Hyland Highway, Moe & Morwell	3,800	0	0	0	0	0	0	3,800	0
Total Waste Management	3,800	0	0	0	0	0	0	3,800	0
TOTAL CARRIED FWD WORKS (OPERATING) FROM 2015/16	3,980	0	0	0	0	0	0	3,980	0
TOTAL CAPITAL WORKS (OPERATING)	8,924	0	0	650	0	100	0	8,824	0
TOTAL CAPITAL WORKS PROGRAM FOR 2016/17	40,775	5,294	19,620	6,365	1,222	7,145	0	31,530	2,100

Draft 2016/2017 Budget Rates & Charges

7. Rates and charges

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

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 59.3% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2016/17 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

The 2016/17 operating position is impacted by wages growth and reductions in government funding. It will therefore be necessary to achieve future income growth whilst containing costs in order to achieve an underlying breakeven operating position by 2016/17 as set out in the Strategic Resource Plan. The contribution from operations toward capital investment of \$15.710 million for the 2016/17 year is less than the desired level and therefore, unless it can be increased in the future it will be difficult to maintain robust capital works programs.

In order to achieve these objectives whilst maintaining service levels and a robust capital expenditure program, overall rates and charges will increase by 2.37% in 2016/17 raising total rates of \$74.568 million, including \$0.067 million generated from supplementary rates. General rates and municipal charge increase by 2.5% or \$1.300 million while garbage charges increase by \$7.00 per service which equates to 2.30% or \$0.240 million. In addition the State Government imposed Landfill levy increases by 2.56% or \$0.017 million. Payments made in lieu of rates under the Electricity Act and rating agreements are tied to current year (March) CPI levels rather than forecasted levels. The March 2016 Melbourne All Groups CPI is 1.7%.

Draft 2016/2017 Budget Rates & Charges

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

Type or class of land	2015/16 cents/\$CIV	2016/17 cents/\$CIV	Change
General rate for rateable residential properties	0.00473581	0.00466490	(1.5%)
General rate for rateable commercial properties	0.00473581	0.00466490	(1.5%)
General rate for rateable industrial properties	0.00473581	0.00466490	(1.5%)
General rate for rateable farm properties	0.00355186	0.00349867	(1.5%)
Rate concession for rateable recreational properties	0.00236791	0.00233245	(1.5%)
Rate concession for rateable recreational properties with gaming facilities	0.00236791	0.00279894	18.2%

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

Type or class of land	2015/16 \$	2016/17 \$	Change
General	43,699,208	45,909,923	5.1%
Farm	2,952,302	2,924,153	(1.0%)
Recreational 1*	26,712	26,733	0.1%
Recreational 2	25,100	55,475	121.0%
Total amount to be raised by general rates	46,703,322	48,916,284	4.7%

*Includes additional rate rebates totalling \$23,235 to be applied to two Recreational 1 properties.

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

Type or class of land	2015/16	2016/17	Change
General	36,218	36,790	1.6%
Farm	1,306	1,290	(1.2%)
Recreational 1	12	12	0.0%
Recreational 2	4	4	0.0%
Total number of assessments	37,540	38,096	1.5%

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

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

Type or class of land	2015/16 \$	2016/17 \$	Change
General	9,227,397,000	9,841,568,000	6.7%
Farm	831,199,000	835,790,000	0.6%
Recreational 1	20,804,000	21,423,000	3.0%
Recreational 2	10,600,000	19,820,000	87.0%
Total	10,090,000,000	10,718,601,000	6.2%

Draft 2016/2017 Budget Rates & Charges

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

Type of Charge	Per Rateable Property 2015/16 \$	Per Rateable Property 2016/17 \$	Change
Municipal	128.00	131.00	2.3%

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

Type of Charge	2015/16 \$	2016/17 \$	Change
Municipal	4,760,320	4,956,123	4.1%

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

Type of Charge	Per Rateable Property 2015/16 \$	Per Rateable Property 2016/17 \$	Change
Garbage collection	304.00	311.00	2.3%
Landfill levy	19.50	20.00	2.6%

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

Type of Charge	2015/16 \$	2016/17 \$	Change
Garbage collection	10,280,703	10,639,961	3.5%
Landfill levy	660,972	684,858	3.6%

Where exemptions are granted, waste services will be charged for services utilized as follows:

Type of Charge	Per Rateable Property 2015/16 \$	Per Rateable Property 2016/17 \$	Change
Garbage 120L Bin	206.00	211.00	2.4%
Garbage 240L Bin	304.00	311.00	2.3%
Garbage 240L Bin - Special	234.00	240.00	2.6%
Recycling	52.00	53.00	1.9%
Organics/Green Waste	46.00	47.00	2.2%

Draft 2016/2017 Budget Rates & Charges

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

	2015/16 \$	2016/17 \$	Change
General Rates	46,703,322	48,916,284	4.7%
Municipal Charges	4,760,320	4,956,123	4.1%
Garbage Charges	10,280,703	10,639,961	3.5%
Landfill Levy	660,972	684,858	3.6%
Payments in lieu of rates	9,193,385	9,261,534	0.7%
Supplementary rates and charges	301,298	109,240	(63.7%)
Total	71,900,000	74,568,000	3.7%

7.11 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; and
- Changes of use of land such that residential land becomes business land and vice versa.

7.12 Differential rates

Rates to be levied

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

- A farm rate of 0.00349867 for all rateable farm properties.

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

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 the uses of each differential rate, are set out below.

Draft 2016/2017 Budget Rates & Charges

Farm Land

Farm land is as defined in Section 2 of the Valuation of Land Act 1960, namely, any rateable land which is not less than 2 hectares in area and which is used primarily for carrying on one or more of the following businesses or industries:

- (i) grazing (including agistment)
- (ii) dairying
- (iii) pig farming
- (iv) poultry farming
- (v) fish farming
- (vi) tree farming
- (vii) bee keeping
- (viii) viticulture
- (ix) horticulture
- (x) fruit growing
- (xi) the growing of crops of any kind, and

that is used by a business:

- (i) that has a significant and substantial commercial purpose or character; and
- (ii) that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
- (iii) that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way it is operating.

The reasons for the use of this rate are that:

- (i) the types and classes of land to which the rate applies can be easily identified;
- (ii) it is appropriate to have a farm rate so as to fairly rate farm land;
- (iii) the level of the farm rate is appropriate having regard to all relevant matters including the use to which farm land is put and the amount to be raised by Council's Municipal charge;
- (iv) the level of the farm rate is appropriate to ensure that the burden of the payment of general rates is fairly apportioned across all rateable land within the Municipal district;

which objectives the Council considers are consistent with the economical and efficient carrying out of its functions.

Draft 2016/2017 Budget Rates & Charges

Recreational Land

Recreational land is defined in accordance with Section 4 of the Cultural & Recreational Lands Act 1963 (C&RL).

The Cultural & Recreational Lands Act 1963 requires councils to take into consideration the services provided by the municipal council in relation to such lands and the benefit to the community derived from the land when determining the quantum of the amount payable in lieu of rates.

Latrobe City Council has a two concession rates in relation to recreational land. Type 1 eligible lands include land which meets the definition of C&RL that do not provide gaming facilities. The rate concession for Type 1 land is set at 50% of the general rate. In addition, there are two recreational assessments which receive an additional rebate. These rebates are applied as a result of significant changes in the CIV valuations resulting from the rezoning of land and changes in valuation methodologies. It was considered that without applying a rebate the levied amounts would fail to take into consideration the requirements under the C&RL Act. Type 2 eligible lands include land which meets the definition of C&RL that provide gaming facilities. The rate concession for Type 2 land is set at 60% of the general rate.

General Rate

The General Rate is applied to any rateable land that is not defined as farm land or recreational land.

The reasons for the use of that rate are that:-

- (i) the types and classes of land to which the rate applies can be easily identified;
- (ii) it is appropriate to have a general rate so as to fairly rate lands other than recreational and farm lands;
- (iii) the level of this rate is appropriate having regard to all relevant matters including the use to which farm land is put and the amount to be raised by Council's Municipal charge;
- (v) the level of the farm rate is appropriate to ensure that the burden of the payment of general rates is fairly apportioned across all rateable land within the Municipal district.

Draft 2016/2017 Budget Budget Reports

Budget Analysis

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

This section includes the following analysis and information.

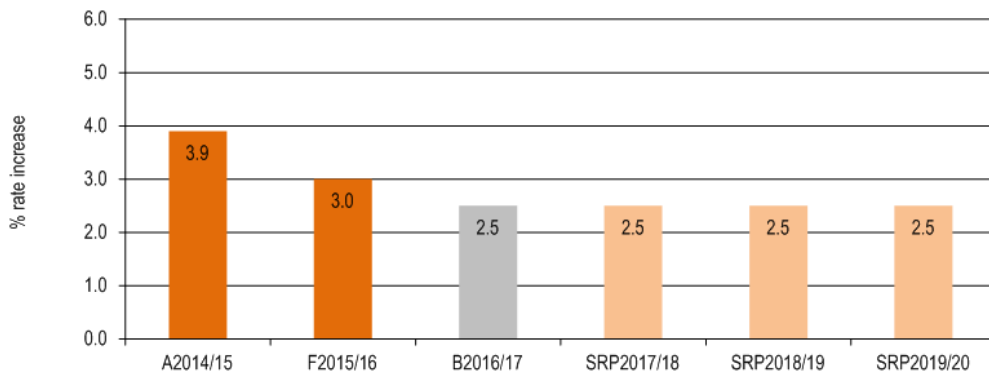
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position

Draft 2016/2017 Budget Summary of Financial Position

Summary of Financial Position

Council has prepared a Budget for the 2016/17 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic activities of the Council.

8.1 Rates & Charges

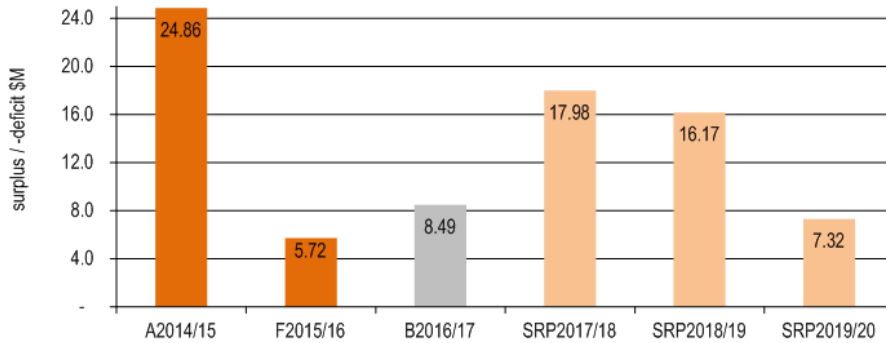


A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

It is proposed that overall rates and charges increase by 2.30% for the 2016/17 year which includes a 2.5% increase in general rates and 1.5% increase in rating agreements in line with contractual and legislative requirements. Total rates of \$74.568 million are to be raised, including \$0.300 million generated from supplementary rates. General rates and municipal charge increase by 2.5% or \$1.300 million. Garbage Charges will increase by 2.30% or \$7.00 for the standard three bin service generating an additional \$0.240 million. The Landfill levy will increase by \$0.50 or 2.56% as a result of the State Government's EPA landfill levy, at this time it is not certain what the levy on municipal waste will be for 2016/17 so the increase has been kept in line with Council's overall rates increase. In the interests of clarity the EPA levy component will again be disclosed separately from Council's garbage charge on the 2016/17 rates notice.

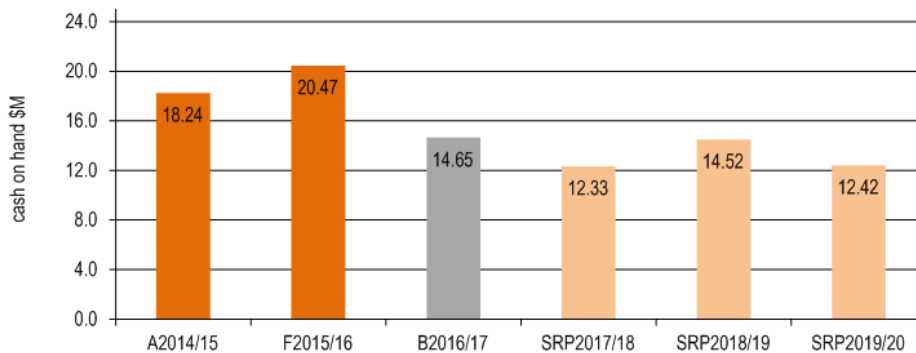
Draft 2016/2017 Budget Summary of Financial Position

8.2 Operating result



The expected operating result for the 2016/17 year is a surplus of \$8.485 million, after capital grants and contributions, which is an increase of \$2.762 million from 2015/16. The improved operating result is mainly due to reduced budgeted expenditure on materials and services as a result of higher carry forward funding expenditure in the 2015/16 financial year. The adjusted underlying result, which excludes items such as non-recurrent capital grants and developer contributions is a surplus of \$2.373 million, which is an increase of \$10.650 million over 2015/16 mainly resulting from the carry forward of works from 2014/15 which were funded through accumulated surplus and reserves in 2015/16, together with lower grants funding due to the Victoria Grants Commission funding for 2015/16 being advanced to Council in 2014/15 - refer to section 4 of this summary for further information. (The forecast operating result for the 2015/16 year is a surplus of \$5.723 million with an underlying result of a \$8.277 million d

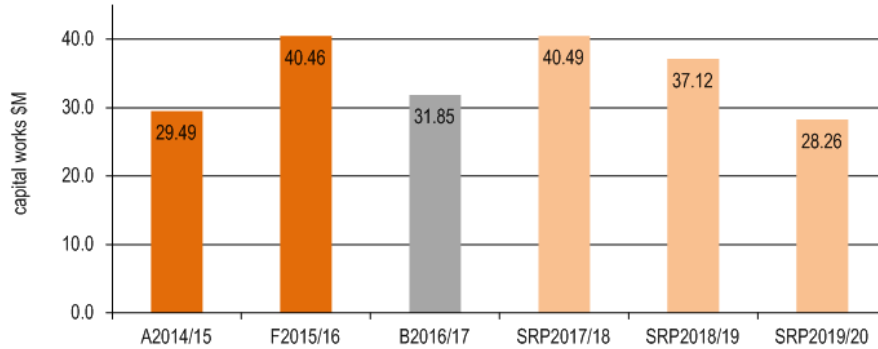
8.3 Cash and investments



Cash and investments are expected to decrease by \$5.821 million during the year to \$14.648 million as at 30 June 2017. This is due mainly to the carried forward component of the 2015/16 capital works program. The reduction in cash and investments is in line with Council's strategic resource plan. The cash balance remaining is predominantly associated with liabilities for employee provisions and interest only borrowings together with landfill reserves to assist in funding future landfill cell constructions (Cash and investments are forecast to be \$20.469 million as at 30 June 2016).

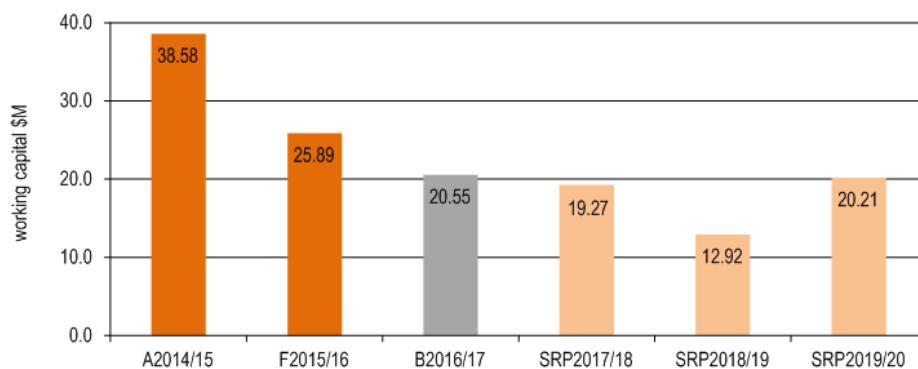
Draft 2016/2017 Budget Summary of Financial Position

8.4 Capital works



The capital works program for the 2016/17 year is expected to be \$31.851 million of which \$4.565 million relates to projects which will be carried forward from the 2015/16 year. The carried forward component is fully funded from the 2015/16 budget. Of the \$31.851 million of capital funding required, \$22.706 million will come from Council cash, \$2.100 million from borrowings and \$7.045 million from external grants. The Council cash includes asset sales (\$0.747 million) which is made up of fleet, plant & equipment sales and sale of property, cash held at the start of the year (\$6.249 million) and cash gained through Council Operations (\$15.710 million). The capital expenditure program has been set and prioritised based on a process of consultation that has enabled Council to assess needs and develop sound business cases as appropriate.

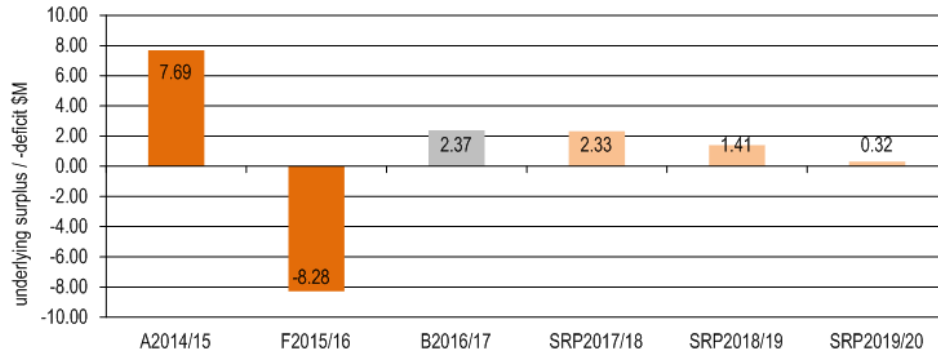
8.5 Financial position / Working Capital



The financial position is expected to improve with net assets (net worth) to increase by \$31.935 million to \$1,197.553 million although net current assets (working capital) will reduce by \$5.336 million to \$20.549 million as at 30 June 2017. This is mainly due to the use of cash reserves to fund the carry forward component of the capital works program. (Total equity is forecast to be \$1,165.618 million as at 30 June 2016).

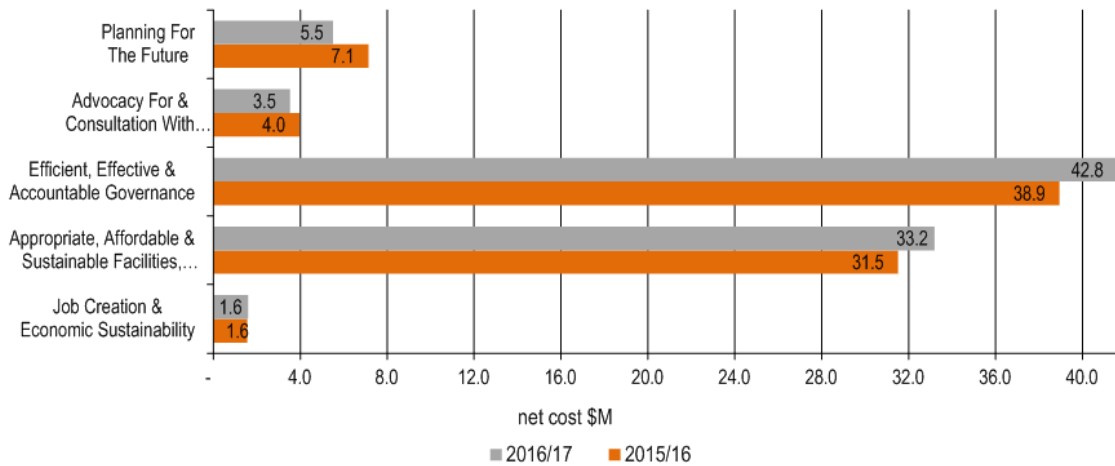
Draft 2016/2017 Budget Summary of Financial Position

8.6 Financial sustainability



A high level Strategic Resource Plan for the years 2016/17 to 2019/20 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. While the Plan projects that Council's operating result is positive for the duration of the Strategic Resource Plan, the underlying result which is a measure of financial sustainability, shows Council achieving a positive result from 2016/17 onwards. The difference between the surplus and underlying result is mainly due to substantial capital revenue forecast to be received during this period to fund a number of major capital works projects.

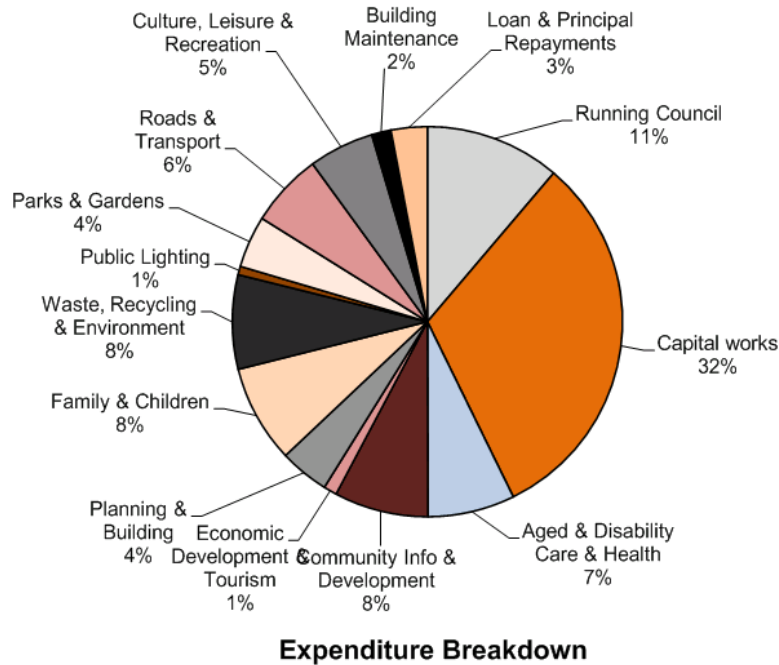
8.7 Strategic objectives



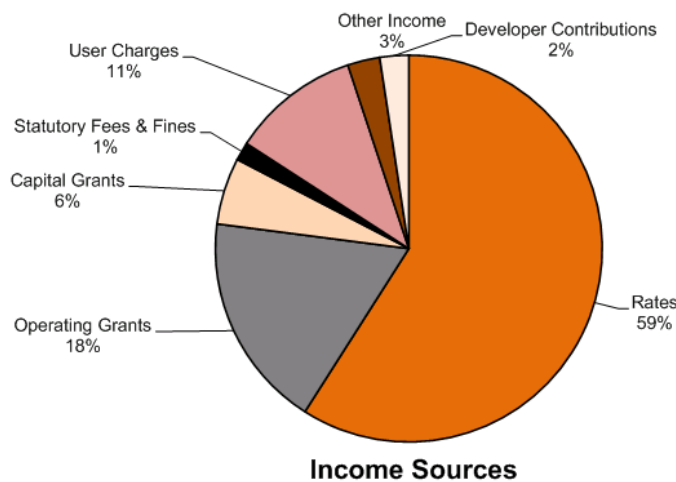
The Annual Budget includes a range of activities and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2016/17 year.

Draft 2016/2017 Budget Summary of Financial Position

8.8 Where rates are spent



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers.



The above chart provides an indication of where Council's income sources are derived.

This budget has been developed through a rigorous process of consultation and review, and management endorses it as financially responsible. More detailed budget information is available throughout this document.

Draft 2016/2017 Budget Budget Influences

9. Budget influences

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

9.1 Snapshot of Latrobe City Council

Latrobe City is made up of four major urban centres: Churchill, Moe/Newborough, Morwell and Traralgon, with smaller townships of Boolarra, Glengarry, Toongabbie, Tyers, Traralgon South, Yallourn North, and Yinnar.

Latrobe Valley is located only 70 minutes from the outskirts of Melbourne with a population of over 73,000 residents. Latrobe City boasts all of the recreational and cultural facilities of a large diverse regional centre with the added benefit of being nestled amongst some of the best tourist attractions in the state.

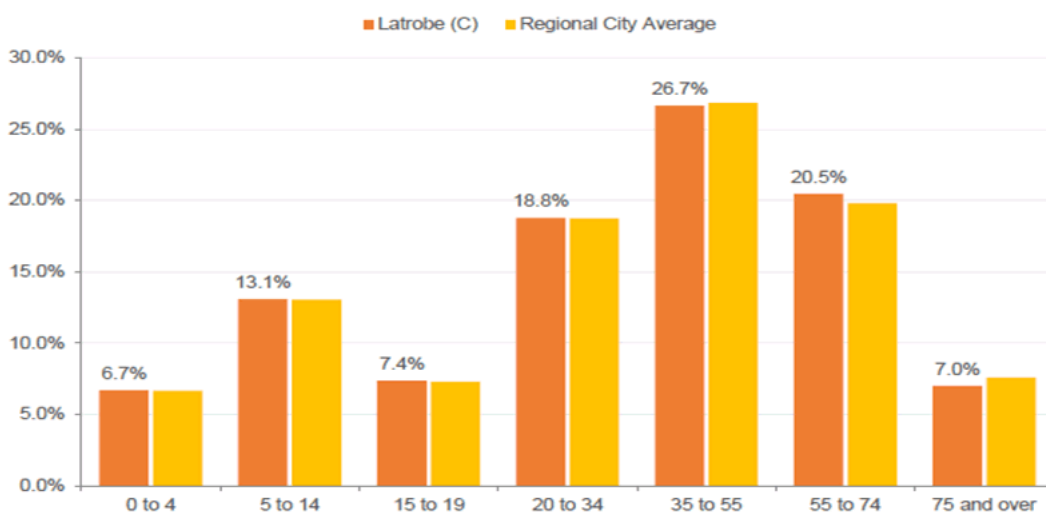
Population

The population of Latrobe City is growing at an increasing rate. It rose from 70,536 people in 2006, to 73,653 in 2014 an increase of 4.4% over 8 years. Population forecast estimates suggest population growth of around 0.9% annually which equates to an average of approximately 665 residents per annum (Source: Latrobe Economic & Population Indicators 2014).

Population Age Profile

Latrobe City has a young population for a regional area; in 2011, the median age of residents was 38. Latrobe has a higher proportion of 5-14 year olds when compared to other regional cities. The number of 15-29 young adults is increasing, as is the number of youth. When compared to other Victorian regional cities, Latrobe has a lower proportion of residents aged 75 years and older (Source: Latrobe Economic & Population Indicators 2014).

SHARE OF POPULATION BY AGE GROUP (2011)



Source: ABS, 2011

Draft 2016/2017 Budget Budget Influences

Cultural diversity

Latrobe City today is a culturally diverse and vibrant community with a proud history of innovation and visionary development highly innovative and creative; the Latrobe City has become the seedbed for many exciting projects.

Latrobe City has a significant indigenous community. Though not as large as that found in East Gippsland, Aboriginal and Torres Strait Islander people made up 1.5% (1,060) of the population in the 2011 Census. This is an increase of almost 200 residents identifying as indigenous from the 2006 Census.

There is also a growing community of non-English speaking background population. There are over 9,000 Latrobe City residents who were born overseas and more than 4,000 residents speak a language other than English at home. In 2011, the total population born in a NESB country was 7.9%, low compared to total Victoria, but high compared to regional Victoria (5.5%). The largest groups of NESB residents were from the Netherlands, Italy, Germany, Malta, Philippines, China, India and Sudan. (Source: Informed Decisions, Latrobe City Summary of current population and economic characteristics).

Housing

Residential property and land prices in Latrobe have historically been below the medians for regional Victoria and neighbouring municipalities. The median house prices is around \$215,000 and median rent for a three-bedroom house is \$230 per week.

Education

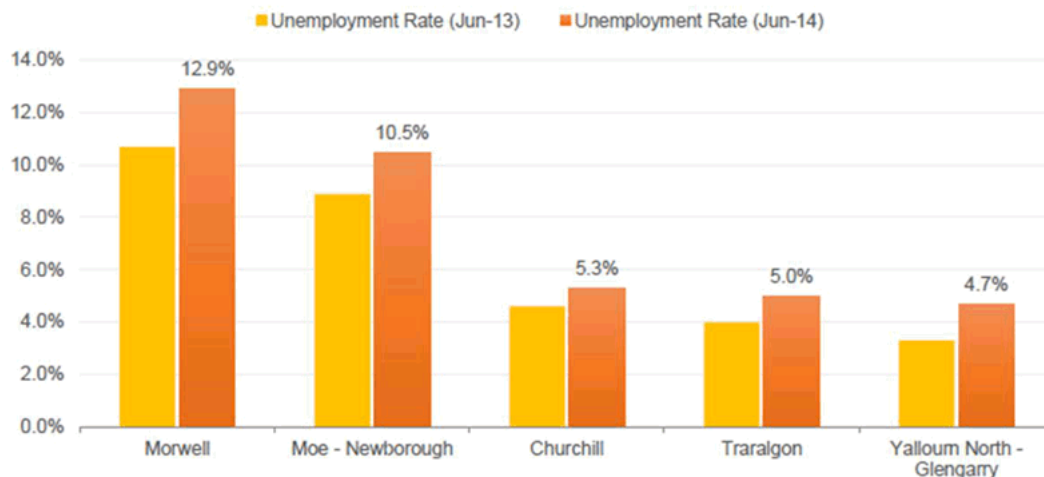
Latrobe City is home to a number of education and training facilities including 34 primary schools, 17 secondary schools, 3 special schools, a university and 3 TAFE campuses. At last count there were 11,641 residents enrolled in local schools. From 2006 to 2011 the proportion of residents who completed year 12 increased from 29.2% to 34.2%. In 2011, 39.4% of residents had a post-compulsory qualification through either the TAFE, university or other training providers.

Occupation

Latrobe City accommodates 29% of jobs in the Gippsland Region. Unemployment has increased to 7.5% and estimates indicate that labour force participation has declined to 77%. The total labour force in 2014 was approximately 35,550.

Draft 2016/2017 Budget Budget Influences

LOCAL UNEMPLOYMENT RATES IN LATROBE CITY



Source: DOE, 2014

9.2 External influences

In preparing the 2016/17 budget, a number of external influences have been taken into consideration, as they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The state government's cap on rates to CPI levels (2.5%).
- A wage rate rise of 3.00% p.a.; in line with Councils' current Collective Agreement effective from September 2015.
- Banding increases of approximately 0.5% p.a.
- Superannuation Guarantee of 9.5%.
- Consumer Price Index (CPI) increases on goods and services of 1.7% through the year to December quarter 2015 (ABS release 27 January 2016). State-wide CPI is forecast to be 2.5% for the 2015/16 year (Victorian Budget Papers 2015/16)
- No increases in Federal Assistance Grants Commission Funding
- Increased staffing ratios required for pre school services from the 2016 school year as a result of a COAG agreement.
- Increases in line with CPI in the levy payable to the State Government upon disposal of waste into landfill. The levy on municipal waste has increased from \$7 per tonne in 2009/10 to \$30.33 per tonne in 2015/16, no advice has yet been received on the fee levels for 2016/17 onwards.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government in line with the Fire Services Property Levy Act 2012.

Draft 2016/2017 Budget Budget Influences

9.3 Internal influences

As well as external influences, there were also a number of internal influences arising from the 2015/16 year which have had a significant impact on the setting of the budget for 2016/17. The most significant of these is the funds received in 2015/16 that will be required to be carried forward for both capital and operational projects of which a significant proportion is government grant funding.

9.4 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 draft budgets. The principles included:

- Existing fees and charges to be increased in line with CPI or market levels;
- Grants to be based on confirmed funding levels or estimated at a maximum increase of 1% less than CPI;
- Service levels to be maintained at 2015/16 levels, with the exception of the Healthy Communities program which will no longer be provided due to government funding no longer being available and expansion due to demand from growth, with an aim to use less resources with an emphasis on innovation and efficiency;
- New staff proposals to be justified through a business case;
- Contract labour and consulting services only to be utilised where required to secure core service delivery.
- On a cash basis Council budgets for a break even result, with any cash remaining at year end required to meet current and future liabilities together with current commitments.

9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2016/17 to 2019/20 (section 14), Rating Information (section 15) and Other Long Term Strategies (section 16) including borrowings, infrastructure and service delivery.

Draft 2016/2017 Budget Analysis of Operating Budget

10. Analysis of operating budget

This section of the report analyses the operating budget including expected income and expenses of the Council for the 2016/17 year.

10.1 Budgeted income statement

	Ref	Forecast	Budget	Variance
		Actual 2015/16 \$'000	2016/17 \$'000	\$'000
Total income	10.2	128,363	126,327	(2,036)
Total expenses	10.3	(122,640)	(117,842)	4,798
Surplus (deficit) for the year		5,723	8,485	2,762
Grants –non-recurrent capital	10.2.3	(12,000)	(3,112)	8,888
Contributions -non-monetary	10.2.7	(2,000)	(3,000)	(1,000)
Capital contributions -other	10.2.6	0	0	0
Underlying surplus (deficit)	10.1.1	(8,277)	2,373	10,650

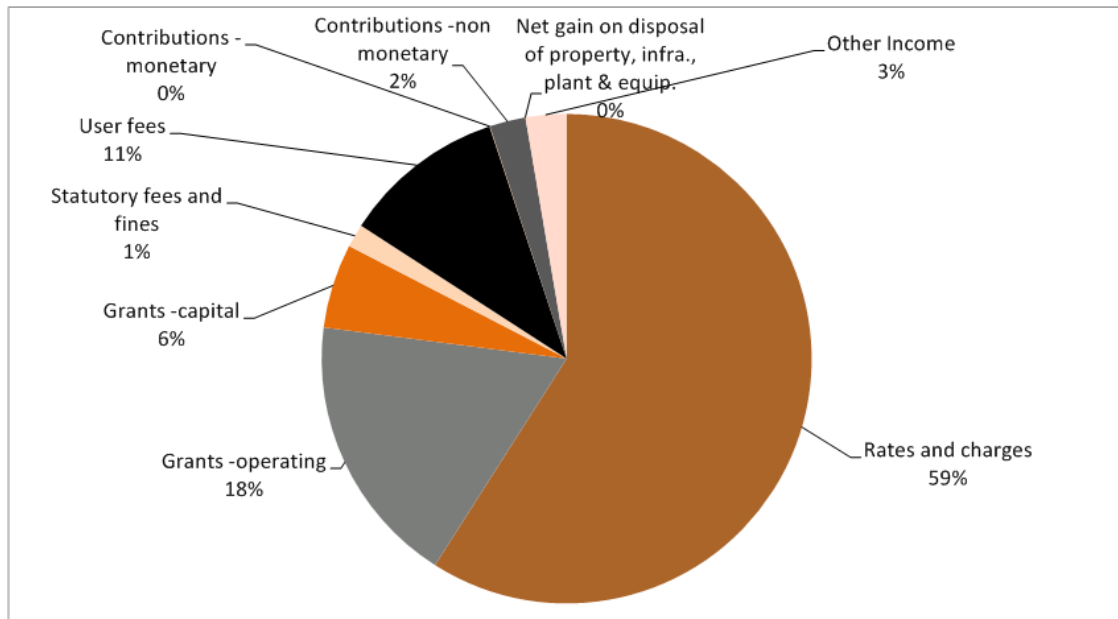
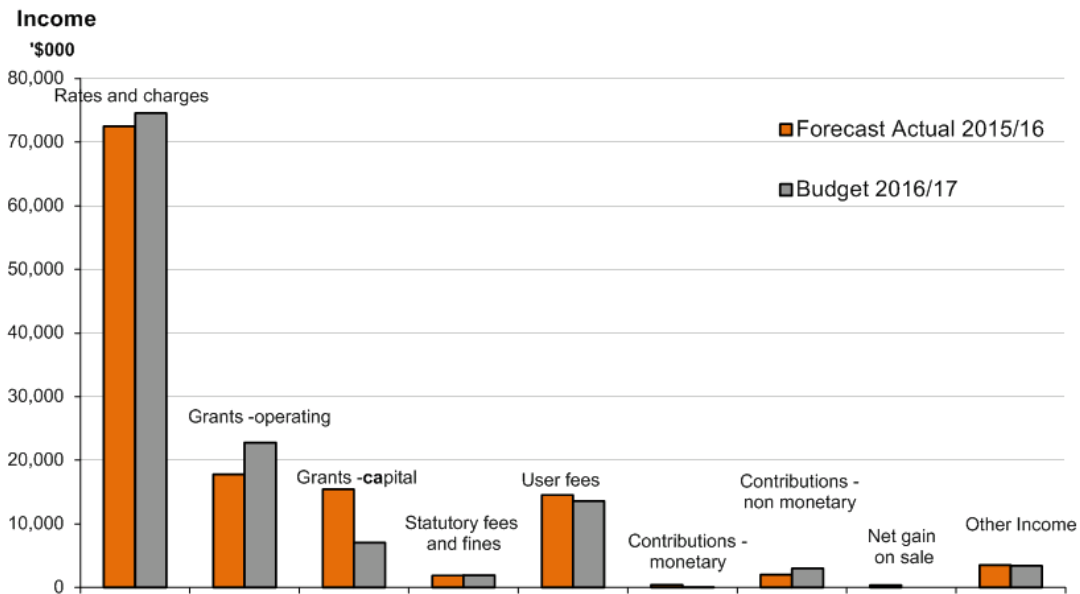
10.1.1 Adjusted underlying surplus (\$10.650 million increase)

The adjusted underlying result is the net surplus for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The underlying result for the 2016/17 year is a surplus of \$2.373 million which is an increase of \$10.650 million over the 2015/16 year. The forecast underlying deficit in 2015/16 is the result of expenditure incurred relating to government grants and other funding generated in previous financial years which was carried forward in accumulated surplus and reserves. On a cash basis Council budgets for a break even result each year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

10.2 Income

Income Types	Ref	Forecast	Budget	Variance
		Actual 2015/16 \$'000	2016/17 \$'000	\$'000
Rates and charges	10.2.1	72,488	74,568	2,080
Grants -operating	5.1.1	17,782	22,756	4,974
Grants -capital	5.1.2	15,405	7,045	(8,361)
Statutory fees and fines	10.2.2	1,870	1,932	62
User fees	10.2.3	14,515	13,579	(936)
Contributions -monetary	10.2.4	414	41	(373)
Contributions -non monetary	10.2.5	2,000	3,000	1,000
Net gain on disposal of property, infra., plant & equip.	10.2.6	364	0	(364)
Other Income	10.2.7	3,525	3,406	(119)
Total income		128,363	126,327	(2,036)

Draft 2016/2017 Budget Analysis of Operating Budget



10.2.1 Rates and charges (\$2.080 million increase)

It is proposed that rates and charges income, excluding growth of \$0.412 million, will increase by a total of 2.3% or \$1.668 million over the total rate income for 2015/16, to \$74.568 million. Income generated from General rates and Municipal charges are proposed to increase by 2.5% in accordance with the State Government Rate Cap. Garbage Charges and EPA Levy are proposed to increase by a combined 2.3% excluding growth while payments in lieu of rates received under the Electricity Act and Rating Agreements (which are tied to the actual CPI rate at March each year) are expected to increase by 1.2% to \$9.304 million. Section 15. "Rating Information" includes a more detailed analysis of the rates and charges to be levied for 2016/17.

Draft 2016/2017 Budget Analysis of Operating Budget

10.2.2 Statutory fees and fines (\$0.062 million increase)

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Public Health and Wellbeing Act 2008 registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements. Statutory fees and fines are forecast to increase by 3.3% or \$0.062 million compared to 2015/16. Animal Control fees are forecast to increase by \$0.024 million due a planned dog registration door knock campaign that is expected to increase animal registrations and increased Parking Control revenue (\$0.011 million) expected as a result of Saturday morning parking patrols. The increase is also due to additional revenue forecast in Health Services. A detailed listing of statutory fees is included in Appendix A.

10.2.3 User fees and charges (\$0.936 million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include waste services, animal fees, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home care services. In setting the budget, the key principles for determining the level of user charges has been to ensure that increases do not exceed CPI increases and/or market levels. The decrease of \$0.936 million in user fees and charges expected from 2015/16 to 2016/17 is mainly the higher than anticipated waste quantities received to landfill in 2015/16. A detailed listing of fees and charges is set out in Appendix A.

10.2.4 Contributions - monetary (\$0.373 million decrease)

Contributions relate to monies paid by developers in regard to public open space, drainage and other infrastructure in accordance with planning permits issued for property development. The 2016/17 budget is lower compared to 2015/16 due to receipt of more contributions in 2015/16 than expected for future roadworks and public open space.

10.2.5 Contributed - non monetary (\$1.000 million increase)

It is expected that non monetary contributions from developers in 2016/17 will increase by \$1.000 million compared to 2015/16. This item relates to expected infrastructure assets handed over to Council from new subdivisions.

10.2.6 Net gain on disposal of property, infrastructure, plant and equipment (\$0.364 million decrease)

Proceeds from the disposal of Council assets is forecast to be \$0.747 million for 2016/17, which is inline with the written down value of the assets to be sold therefore resulting in zero gain. Proceeds mainly relate to the planned cyclical replacement of a portion of the plant and vehicle fleet (\$0.467 million) and sale of properties (\$0.280 million).

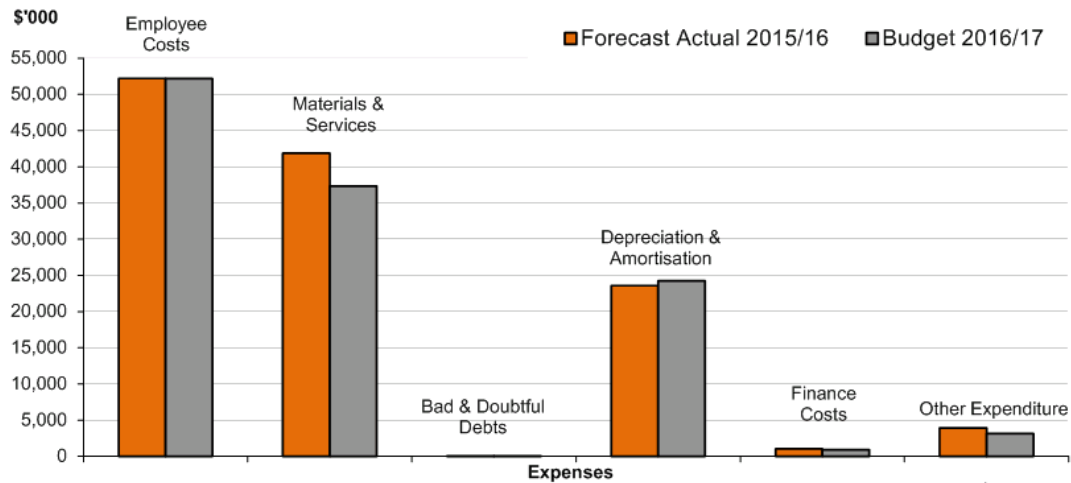
10.2.7 Other income (\$0.119 million decrease)

Other income relates to a range of items such as property rental/leases, private works, cost recoups and other miscellaneous income items. It also includes interest income on rate arrears. It is projected that other income will decrease by \$0.119 million in 2016/17 mainly due to diminishing investment returns due to lower interest rates, reduced interest on outstanding rates and charges, and a reduction in reimbursements and local contributions that are

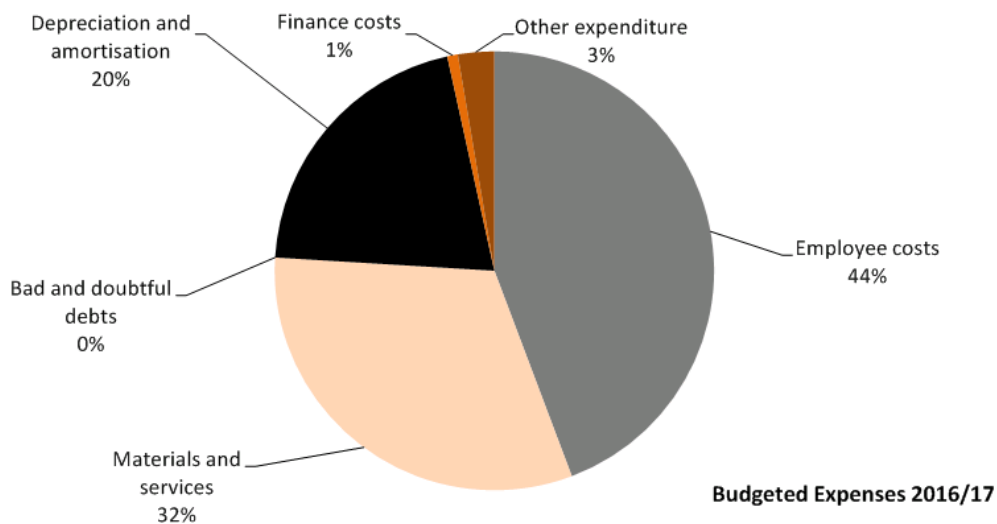
Draft 2016/2017 Budget Analysis of Operating Budget

10.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2015/16 \$'000	2016/17 \$'000	\$'000
Employee costs	10.3.1	52,204	52,159	(45)
Materials and services	10.3.2	41,894	37,343	(4,551)
Bad and doubtful debts	10.3.3	8	15	6
Depreciation and amortisation	10.3.4	23,596	24,271	675
Finance costs	10.3.5	1,019	918	(102)
Other expenditure	10.3.6	3,918	3,137	(781)
Total expenses		122,640	117,842	(4,798)



Source: Appendix A



Draft 2016/2017 Budget Analysis of Operating Budget

10.3.1 Employee costs (\$0.045 million decrease)

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

Employee costs are forecast to decrease by 0.1% or \$0.045 million compared to 2015/16 forecast. Salary and Wages have been budgeted in accordance with Council's Enterprise Bargaining Agreement and annual award increases for banded staff; these increases are offset by a change in methodology to allow for the capitalisation of labour costs associated with capital project management. A reduction in full time equivalent positions of 14.4 has been forecast in 2016/17. This is due to the conclusion of grant funded programs, finalisation of projects and reductions associated with an internal organisation realignment.

A summary of human resources expenditure categorised according to the organisational

Division		Full Time	Part Time
		\$'000	\$'000
Office of the CEO	561	561	0
City Development	7,934	6,539	1,395
Corporate Services	6,770	6,069	700
Infrastructure & Recreation	12,964	10,886	2,078
Community Services	19,027	7,796	11,231
Total	47,256	31,852	15,404
Casuals and other	4,903		
Total Operating Employee Costs	52,159		
Capitalised labour costs	1,500		
Total Employee Costs	53,659		

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

Division		Full Time	Part Time
		FTE	FTE
Office of the CEO	4.0	4.0	0.0
City Development	84.0	66.0	18.0
Corporate Services	67.5	60.6	6.9
Infrastructure & Recreation	150.8	122.2	28.7
Community Services	233.2	79.7	153.5
Total	539.5	332.5	207.0
Casuals and other	21.8		
Total Operating FTE	561.3		
Capitalised FTE	15.0		
Total FTE	576.3		

Draft 2016/2017 Budget Analysis of Operating Budget

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

Division	Service Unit	Forecast	Actual	Budget	Variance
		2015/16	2015/16	2016/17	
		\$'000	\$'000	\$'000	\$'000
Infrastructure & Recreation	Infrastructure Operations & Waste	6,564		7,120	556
	Infrastructure Development	3,579		3,874	295
City Development	Statutory Planning & Municipal Services	3,657		4,029	372
Community Services	Aged & Disability Services	5,961		6,316	355
Corporate Services	Governance	754		924	171

10.3.2 Materials and services (\$4.551 million decrease)

Materials and Services are forecast to decrease by 10.9% or \$4.551 million compared to 2015/16. This is made up of reductions across a number of areas including expenditure funded from non recurrent operating grants and monies carried forward which are expected to be lower in 2016/17. In addition Council continues to strive to find efficiencies in such items of expenditure as contractors/contract staff, consultants and legal costs.

10.3.3 Bad and doubtful debts (\$0.006 million increase)

Bad and doubtful debts are expected to remain fairly stable with a slight increase for the 2016/17 financial year.

10.3.4 Depreciation and amortisation (\$0.675 million increase)

Depreciation and amortisation relates to the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains. The projected increase of \$0.675 million is mainly due to a new landfill cell coming into operation and amortisation of the rehabilitation costs associated with this new cell, combined with additional depreciation for roads due to an increase in value following a revaluation. Refer to section 12. "Analysis of Capital Budget" for a more detailed analysis of Council's capital works program for the 2016/17 year.

10.3.5 Finance costs (\$0.102 million decrease)

Finance costs relate to interest charged by financial institutions on borrowed funds. The budgeted decrease in these costs is due to no new loans being taken up in 2015/16 while two loans reached full maturity.

10.3.6 Other Expenditure (\$0.781 million decrease)

Other expenditure relates to a range of unclassified items including contributions to community groups, audit costs, levies, lease and rent payments and other miscellaneous expenditure items. Other expenditure is expected to decrease by \$0.781 million in 2016/17 predominantly due to a forecast decrease in the amount of commercial waste being delivered to the landfill, resulting in an overall reduction in the amount of landfill levy fees payable to the State Government. The conclusion of grant funded programs that provided contributions to the community has also contributed to the reduction.

Draft 2016/2017 Budget Analysis of Budgeted Cash Position

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2016/17 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

Operating activities - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

Investing activities - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.

Financing activities - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

Draft 2016/2017 Budget Analysis of Budgeted Cash Position

11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		73,418	74,435	1,017
Grants - operating		17,782	22,657	4,875
Grants - capital		15,405	7,032	(8,373)
Statutory Fees & Fines		1,870	1,929	59
User Charges		14,515	13,555	(960)
Interest		1,484	1,412	(72)
Contributions - monetary		414	41	(373)
Other Receipts		2,040	2,046	6
		126,928	123,107	(3,821)
<i>Payments</i>				
Employee costs		(51,705)	(52,639)	(934)
Materials and services		(42,435)	(41,424)	1,011
Trust Funds and Deposits		(10)	65	75
Other Payments		(3,900)	(3,126)	774
		(98,050)	(97,124)	926
Net cash provided by operating activities		28,878	25,983	(2,895)
Cash flows from investing activities	11.1.2			
Proceeds from sales of property, plant & equipment		2,893	747	(2,146)
Proceeds from sales of other financial assets		14,298	0	(14,298)
Payments for property, plant & equipment		(40,463)	(31,851)	8,612
Net cash used in investing activities		(23,272)	(31,104)	(7,832)
Cash flows from financing activities	11.1.3			
Finance costs		(1,019)	(918)	102
Proceeds from borrowings		0	2,100	2,100
Repayment of borrowings		(2,360)	(1,883)	477
Net cash used in financing activities		(3,379)	(701)	2,679
Net increase (decrease) in cash held		2,227	(5,821)	(8,048)
Cash and cash equivalents at the beginning of the year		18,242	20,469	2,227
Cash and cash equivalents at the end of the year	11.1.4	20,469	14,648	5,821

Draft 2016/2017 Budget Analysis of Budgeted Cash Position

11.1.1 Operating activities (\$2.895 million decreased net inflow)

The decrease in cash inflows from operating activities is due mainly to reductions in non recurrent capital grants (e.g. Moe Rail Precinct Revitalisation project), other fluctuations in income and expenditure items largely offset against each other i.e. reduced operating grants are offset by lowering associated expenditure.

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

	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Surplus (deficit) for the year	5,723	8,485	2,762
Depreciation and amortisation	23,596	24,271	675
Loss (gain) on disposal of property, infrastructure, plant & equipment	(364)	0	364
Finance Costs	1,019	918	(102)
Developer contributed assets	(2,000)	(3,000)	(1,000)
Net movement in current assets and liabilities	904	(4,691)	(5,595)
Cash flows available from operating activities	28,878	25,983	(2,895)

11.1.2 Investing activities (\$7.832 million increased net outflow)

The increased outflow is largely a result of other financial assets (investments with a term of greater than 90 days) being expected to remain at the same level in 2016/17 compared to 2015/16. In 2015/16 \$14.298 million is forecasted to be returned to cash mainly in order to pay for capital works projects carried forward from prior financial years. Proceeds of sale of property plant and equipment is also expected to reduce mainly due to the sale of the ex Traralgon Early Learning Centre in the 2015/2016 financial year. These decreased inflows are partially offset by lower outflows/payments for property, plant and equipment (Capital Works) due to there being some major projects undertaken in 2015/16 e.g. Moe Rail Precinct Revitalisation project \$9.961 million.

11.1.3 Financing activities (\$2.679 million decreased net outflow)

New borrowings of \$2.1 million (Nil in 2015/16) are budgeted for 2016/17 thus creating an increase in cash inflows from the 2015/16 financial period. Council's existing loan profile also results in decreased outflows of finance costs (\$0.102 million) and principal repayments (\$0.477 million) compared to 2015/16.

11.1.4 Cash at end of the year (\$5.821 million decrease)

Total cash holdings are forecast to decrease by \$5.821 million primarily due to net capital works of \$4.075 million funded in 2015/16 but carried forward for completion in 2016/17, together with operating programs that received advance funding, that will be expended in 2016/17.

Draft 2016/2017 Budget Analysis of Budgeted Cash Position

11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2017 it will have cash and investments of \$14.648 million, which has been restricted as shown in the following table.

	Ref	Forecast		Variance \$'000
		Actual 2015/16 \$'000	Budget 2016/17 \$'000	
Total cash and investments		20,469	14,648	(5,821)
Restricted cash and investments				
- Statutory reserves	11.2.1	(2,454)	(2,336)	118
- Cash held to carry forward capital works	11.2.2	(4,075)	0	4,075
- Trust funds and deposits	11.2.3	(2,600)	(2,665)	(65)
Unrestricted cash and investments	11.2.4	11,341	9,647	(1,693)

11.2.1 Statutory reserves (\$2.336 million)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes. During the 2016/17 year \$0.041 million is budgeted to be transferred to Statutory Reserves and \$0.159 million transferred from reserve for capital projects. Statutory reserves include funds held by Council for specific development purposes including off street parking, road works, street lighting, drainage, playgrounds and public open space and tree planting development.

11.2.2 Cash held to fund carry forward capital works (\$0.0 million)

There is no amount shown as cash held to fund carry forward works at 30 June 2017, as it is expected that the capital works budget in the 2016/17 financial year will be fully completed. An amount of \$4.075 million is forecast to be held at 30 June 2016 to fund capital works budgeted but not completed in the 2015/16 financial year. Section 12.2 contains further details on capital works funding.

11.2.3 Trust funds and deposits (\$2.665 million)

These funds include security deposits, contract retention and other sundry deposits and bonds. These must be held and refunded in accordance with various legislative and contractual requirements. Whilst these funds earn interest income for Council, they are not available for other purposes.

11.2.4 Unrestricted cash and investments (\$9.647 million)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds. A high level of working capital is required as 60% of Council's rate income is not received until February and onwards each year. The cash balance remaining is predominantly associated with liabilities for employee provisions together with landfill reserves to assist in funding future landfill cell constructions.

Draft 2016/2017 Budget Analysis of Capital Budget

12. Analysis of capital budget

This section of the report analyses the planned capital expenditure budget for the 2016/17 year and the sources of funding for the budget.

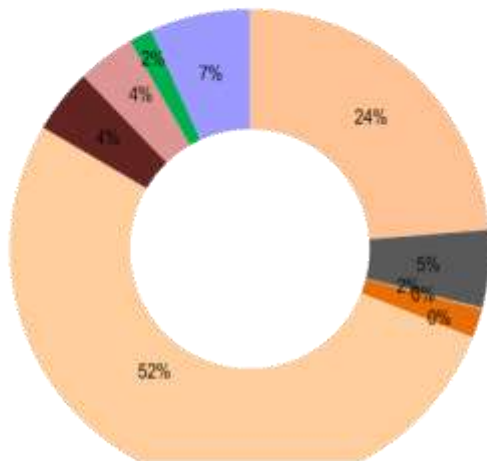
12.1 Capital works

Capital Works Areas	Ref	Forecast		Variance
		Actual 2015/16 \$'000	Budget 2016/17 \$'000	
Works carried forward	12.1.1			
<i>Property</i>				
Total Land		0	0	0
Buildings		2,756	38	(2,718)
Building Improvements			0	0
Heritage Buildings		292	0	(292)
Total Buildings		3,048	38	(3,010)
Total Property		3,048	38	(3,010)
<i>Infrastructure</i>				
Roads		5,943	2,122	(3,822)
Footpaths & Cycleways		551	0	(551)
Bridges & Culverts		152	0	(152)
Off Street Carparks		47	0	(47)
Drainage		309	1,168	859
Parks, Open Space & Streetscapes Recreational, Leisure & Community Facilities		202	0	(202)
Aerodromes		63	1,237	1,174
Other Infrastructure		1	0	0
Waste Management		1,241	0	(1,241)
		837	0	(837)
Total Infrastructure		9,346	4,527	(4,818)
Total works carried forward		12,394	4,565	(7,828)
New works				
<i>Property</i>				
Land	12.1.2	1,058	0	(1,058)
Total Land		1,058	0	(1,058)
Buildings		8,621	7,522	(1,100)
Building Improvements		0	0	0
Heritage Buildings		0	0	0
Total Buildings		8,621	7,522	(1,100)
Total Property		9,679	7,522	(2,158)
<i>Plant & Equipment</i>				
Plant, Machinery & Equipment	12.1.3	3,856	1,672	(2,184)
Fixtures, Fittings & Furniture		120	10	(110)
Computers & Telecommunications		628	624	(4)
Artworks		27	15	(12)
Total Plant & Equipment		4,631	2,321	(2,310)

Draft 2016/2017 Budget Analysis of Capital Budget

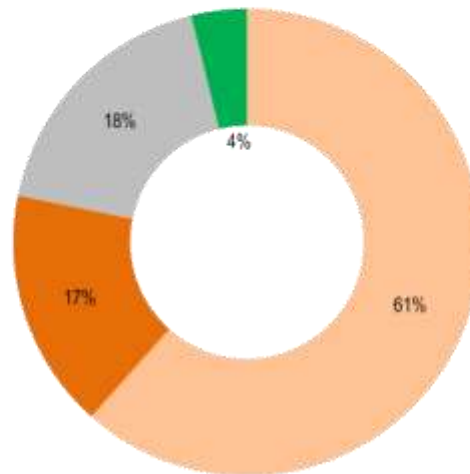
Infrastructure	12.1.4			
Roads		10,770	12,621	1,851
Footpaths & Cycleways		1,230	1,461	231
Bridges & Culverts		450	391	(59)
Off Street Carparks		183	105	(78)
Drainage		989	221	(768)
Parks, Open Space & Streetscapes		136	494	358
Waste Management		0	2,150	2,150
Total Infrastructure		13,758	17,443	3,685
Total new works		28,069	27,286	(783)
Total capital works		40,463	31,851	(8,612)
Represented by:				
Asset renewal expenditure	12.1.5	22,807	19,620	(3,187)
New asset expenditure	12.1.5	12,592	5,294	(7,298)
Asset upgrade expenditure	12.1.5	3,716	5,715	2,000
Asset expansion expenditure	12.1.5	1,349	1,222	(127)
Total capital works		40,463	31,851	(8,612)

Budgeted capital works 2016/17



- Land, Buildings & Improvements
- Plant, Machinery & Equipment
- Artworks
- Fixtures, Fittings & Furniture
- Computers & Telecommunications
- Roads/Paths/Bridges/Carparks
- Drainage
- Recreational, Leisure & Community Facilities
- Parks, Open Space & Streetscapes
- Waste Management

Budgeted capital works 2016/17



- Asset renewal expenditure
- New asset expenditure
- Asset upgrade expenditure
- Asset expansion expenditure

A more detailed listing of capital works is included in section 6.

Draft 2016/2017 Budget Analysis of Capital Budget

12.1.1 Carried forward works (\$4.565 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. For the 2015/16 year it is forecast that \$4.565 million of capital works will be incomplete and be carried forward into the 2016/17 year. There significant projects include the Traralgon Tennis Show Court (\$1.237 million), Road Rehabilitation at Marshalls Rd (\$1.029 million), Signalised Intersection -Traralgon-Maffra/Marshalls Rd (\$1.093 million) and Drainage Augmentation projects (\$0.960 million).

12.1.2 Property (\$7.522 million)

Land, Buildings & Improvements includes community facilities, municipal offices, sports facilities, pavilions. For the 2016/17 year, \$7.522 million will be expended, the more significant projects include Latrobe Creative Precinct Design (\$2.100 million), Building Renewal program (\$1.300 million), Latrobe Leisure Maintenance Program (\$0.683 million), Latrobe Leisure Stadiums Cooling (\$0.682 million) and purchase of Latrobe City Sports & Entertainment Stadium (\$0.630 million).

12.1.3 Plant & Equipment (\$2.321 million)

Plant and equipment includes plant, motor vehicles, machinery and equipment, office furniture & equipment, computers and telecommunications, leisure equipment and artworks. For the 2016/17 year, \$2.321 million will be expended on the ongoing cyclical replacement of plant, fleet, IT equipment, performing arts equipment, leisure equipment and office furniture & equipment, together with purchase of new artworks and a new Audio System for the Community Sound Shell.

12.1.4 Infrastructure (\$17.443 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure, community facilities, parks, open space, streetscapes, waste management, off street car parks and other structures. For the 2016/17 year, \$17.443 million will be expended. The more significant projects include Local Roads Reseals (\$4.400 million), Road Rehabilitation (\$4.300 million), Gravel Road Resheet Program (\$1.220 million), Black Spot program (\$2.165 million), Footpath Replacements (\$0.874 million), Landfill Construction (\$2.150 million), Playground Improvement Program (\$0.415 million) and Bridge and Major Culvert Works (\$0.391 million).

12.1.5 Asset renewal (\$19.620 million), new assets (\$5.294 million), upgrade (\$7.715 million) and expansion (\$1.222 million)

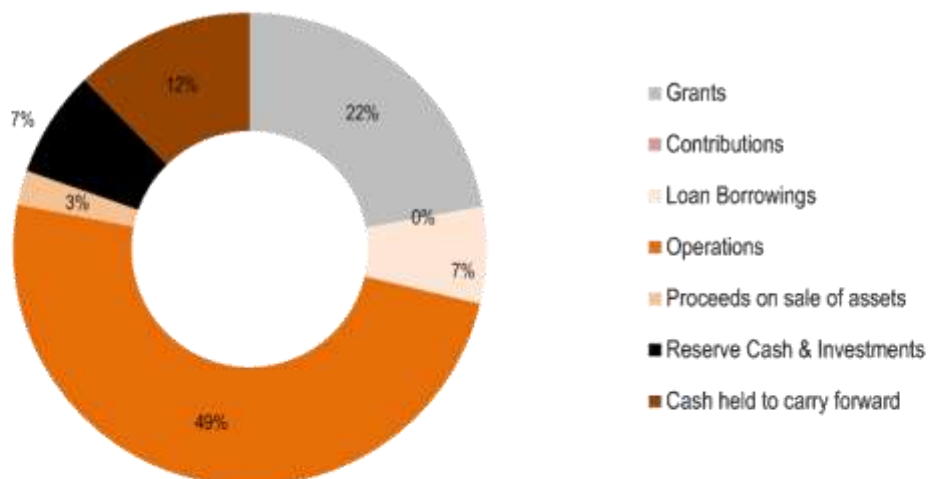
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal. The major projects included in the above categories, which constitute expenditure on new assets are Latrobe Creative Precinct (\$2.100 million) and Linear Paths -Parks & Reserves (\$0.210 million). The remaining capital expenditure represents renewals and upgrades/expansion of existing assets.

Draft 2016/2017 Budget Analysis of Capital Budget

12.2 Funding sources

Sources of funding	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Works carried forward				
Current year funding				
Grants		3,021	490	(2,531)
Contributions		0	0	0
Council cash				
- Operations		1,810	0	(1,810)
- Reserve Cash & Investments		0	159	159
- Cash held to carry forward		7,563	3,916	(3,647)
Total works carried forward	12.2.1	12,394	4,565	(7,829)
New works				
Current year funding				
Grants	12.2.2	12,166	6,555	(5,611)
Contributions	12.2.3	138	0	(138)
Loan Borrowings	12.2.4	0	2,100	2,100
Council cash				
- Operations	12.2.5	12,853	15,710	2,857
- Proceeds on sale of assets	12.2.6	1,243	747	(496)
- Reserve Cash & Investments	12.2.7	1,669	2,174	505
Total new works		28,069	27,286	(783)
Total funding sources		40,463	31,851	(8,612)

Budgeted total funding sources 2016/17



A more detailed listing of capital works is included in section 6.

Draft 2016/2017 Budget Analysis of Capital Budget

12.2.1 Carried forward works (\$4.565 million)

A total of \$4.565 million of incomplete works during 2015/16 will be funded from the accumulated surplus.

12.2.2 Grants (\$6.555 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants are budgeted to be received for the Roads to Recovery program (\$3.933 million) and Black Spot program (\$2.165 million).

12.2.3 Contributions (\$Nil)

Capital contributions include all monies received from community sources for the purposes of funding the capital works program.

12.2.4 Loan borrowings (\$2.100 million)

New borrowings of \$2.100 million are proposed in 2016/17 to enable the completion of detailed design work for the Latrobe Creative Precinct. All other Capital Works are to be funded by Grants and Council cash.

12.2.5 Operations (\$15.710 million)

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 \$15.710 million will be generated from operations to fund the 2016/17 capital works program. Refer section 11. "Budgeted Cash Position" for more information on funds from operations.

12.2.6 Proceeds from sale of assets (\$0.747 million)

Proceeds from sale of assets includes plant & equipment sales of \$0.467 million and sale of Council Depot of \$0.280 million. These asset sales have been assumed to sell at the current book value.

12.2.7 Reserve Cash & Investments (\$2.174 million)

Reserve Cash is to be used in 2016/17 to fund Landfill Construction.

Draft 2016/2017 Budget Analysis of Budgeted Financial Position

13. Analysis of budgeted financial position

This section of the budget report analyses the movements in assets, liabilities and equity between 2015/16 and 2016/17. It also considers a number of key performance indicators.

13.1 Budgeted balance sheet

	Ref	Forecast Actual 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		20,469	14,648	(5,821)
Trade and other receivables		8,200	8,405	205
Other Financial Assets		30,000	30,000	0
Other Assets		2,400	2,460	60
Total current assets		61,069	55,514	(5,556)
Non-current assets	13.1.2			
Trade and other receivables		0	0	0
Property, infrastructure, plant and equipment		1,171,309	1,205,261	33,953
Other Financial Assets		2	2	0
Intangible Assets		1,175	505	(670)
Total non-current assets		1,172,486	1,205,768	33,283
Total assets		1,233,555	1,261,282	27,727
Current liabilities	13.1.3			
Trade and other payables		13,500	13,838	338
Provisions		17,200	16,427	(774)
Interest bearing loans and borrowings		1,883	2,035	152
Other current liabilities		2,600	2,665	65
Total current liabilities		35,184	34,964	(220)
Non-current liabilities	13.1.4			
Provisions		16,604	12,550	(4,054)
Interest bearing loans and borrowings		16,150	16,215	65
Total non-current liabilities		32,754	28,765	(3,989)
Total liabilities		67,937	63,729	(4,208)
Net assets		1,165,618	1,197,553	31,935
Equity	13.1.5			
Accumulated surplus		656,394	664,997	8,603
Asset revaluation reserve		506,770	530,219	23,450
Other Reserves		2,454	2,336	(118)
Total equity		1,165,618	1,197,553	31,935

Source: Section 3

Draft 2016/2017 Budget Analysis of Budgeted Financial Position

13.1.1 Current assets (\$5.556 million decrease)

The decrease in current assets is mainly due to a reduction in cash reserves associated with capital expenditure projects from 2015/16 that are expected to be completed in 2016/17. A more detailed analysis of this change is included in section 11. "Analysis of budgeted cash position".

13.1.2 Non current assets (\$33.283 million increase)

The increase in non-current assets is the net result of the capital works program, asset revaluation movements, the depreciation of non-current assets and the disposal through sale of property, plant and equipment. Intangible assets will decrease due to increased amortisation of rehabilitation costs associated with a new cell to be completed before 30 June 2016.

13.1.3 Current liabilities (\$0.220 million decrease)

The decrease in current liabilities (that is, obligations council must pay within the next year) is predominantly due to reduced landfill rehabilitation provision expenditure currently planned for the 2017/18 financial year of \$1.190 million. This is reduced by an increase in Trade and other payables of \$0.338 million based on the timing of planned payment schedules, an increase in loan principal repayable of \$0.152 million to \$2.035 million in 2016/17 and an increase in accrued employee benefits of \$0.417 million.

13.1.4 Non current liabilities (\$3.989 million decrease)

The decrease in non current liabilities (that is, obligations council must pay beyond the next year) is predominantly a result of a decrease in the provision for landfill rehabilitation resulting from the rehabilitation works scheduled in 2016/17. There is an increase in interest bearing liabilities as a result of new borrowings of \$2.100 million planned for 2016/17 and a marginal increase in employee benefits.

13.1.5 Equity (\$31.935 million increase)

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations. Asset valuations are predicted to increase by 2% or \$23.450 million.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase in accumulated surplus of \$8.603 million results directly from the surplus for the year together with the movement in statutory reserves.

Draft 2016/2017 Budget Analysis of Budgeted Financial Position

13.1.6 Working capital (\$5.336 million decrease)

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

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

	Ref	Forecast		Variance
		Actual 2015/16 \$'000	Budget 2016/17 \$'000	
Current assets		61,069	55,514	5,556
Current liabilities		35,184	34,964	220
Working capital	13.1.6	25,886	20,549	5,336
Restricted cash and investment current assets				
- Statutory reserves		(2,454)	(2,336)	(118)
- Capital works		(7,563)	(3,916)	(3,647)
Unrestricted working capital		15,869	14,297	1,571

13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ended 30 June 2017 it was necessary to make a number of assumptions about key assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 97% of total rates and charges raised will be collected in the 2016/17 year (2015/16: 97% forecast actual).
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment term is 30 days.
- Other debtors and creditors to remain consistent with 2015/16 levels.
- Repayment of loan principal to be \$1.883 million.
- New borrowings of \$2.100 million in 2016/17.
- Total capital expenditure to be \$31.851 million.
- Employee entitlements to be increased by the Collective Agreement outcome offset by the impact of more active management of leave entitlements of staff.

Draft 2016/2017 Budget Long Term Strategies

This section includes the following analysis and information.

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

Draft 2016/2017 Budget Strategic Resource Plan

14. Strategic resource plan

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

14.1 Plan development

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

Council has prepared a SRP for the four years 2016/17 to 2019/20 as part of Council's ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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

- Maintain existing service levels
- Achieve a breakeven underlying operating result.
- Reduce the infrastructure gap
- Ensure borrowings are only used to fund new assets or lump sum funding calls by the Trustee of the Local Authorities Superannuation Fund (LASF).
- Achieve a balanced budget on a cash basis.

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

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

14.2 Financial resources

The following table summaries the key financial results for the next four years as set out in the SRP for years 2016/17 to 2019/20. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

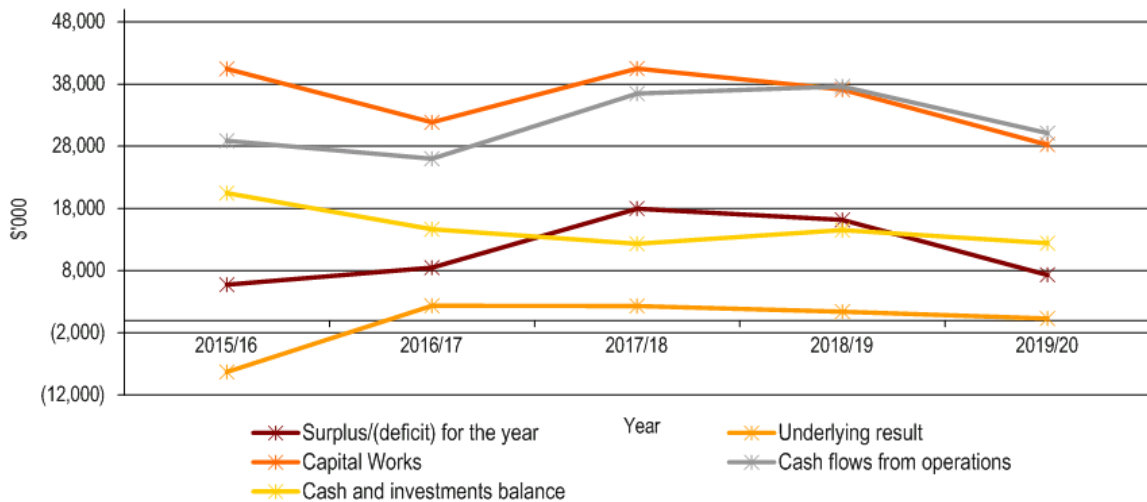
Draft 2016/2017 Budget Strategic Resource Plan

	Forecast	Budget	Strategic Resource Plan			Trend
	Actual 2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	+/-
Surplus/(deficit) for the year	5,723	8,485	17,975	16,173	7,318	o
Adjusted underlying result	(8,277)	2,373	2,325	1,408	318	+
Cash and investments balance	20,469	14,648	12,331	14,515	12,415	-
Cash flows from operations	28,878	25,983	36,485	37,608	30,106	o
Capital works expenditure	40,463	31,851	40,490	37,121	28,263	-

Key to Forecast Trend:

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

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



The key outcomes of the Plan are as follows:

• **Financial sustainability (section 11)** - Cash and investments is forecast to decrease over the four year period from \$14.648 million to \$12.415 million. While the budget is primarily balanced on a cash basis each year there will always be variations as a result of funds received in one period that are carried over to meet future requirements e.g. capital works carry forwards, loan principal repayments on interest only borrowings, works funded from landfill reserve funds etc.

• **Rating strategy (section 15)** – Modest rate increases are forecast over the four years at an average of 2.50% which reflects the expected CPI levels for that time in accordance with the rate cap.

Draft 2016/2017 Budget Strategic Resource Plan

- **Service delivery strategy (section 16)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast over the four year period as a result of significant capital grant revenue being received to fund the annual capital works program. In addition, excluding the effects of non-operating items such as capital contributions, the underlying result sees a surplus achieved in all of the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off items can often mask the operating result.
- **Borrowing strategy (section 16)** – Borrowings are forecast to decrease from \$20.393 million to \$19.056 million over the four year period. This includes new borrowings of \$2.1 million in 2016/17, \$4.0 million in 2017/18, \$3.9 million in 2018/19 and \$3.0 million in 2019/20.
- **Infrastructure strategy (section 16)** - Capital expenditure over the four year period will total \$137.724 million at an average of \$34.431 million.

Draft 2016/2017 Budget Rating Information

15. Rating information

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

15.1 Rating Context

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges was identified as an important source of income, accounting for approximately 59% of the total income received by Council annually. Planning for future rate increases has therefore been an important component of the Long Term Financial Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Latrobe community.

However, it has also been necessary to balance the importance of rate income as a funding source with community sensitivity to increases, particularly given the change to bi-annual general revaluations. The following table shows a comparison of the last five years and also the average rates per capita for the 2015/16 year.

Year	Latrobe City Council
2011/12	5.8%
2012/13	5.8%
2013/14	5.2%
2014/15	3.9%
2015/16	3.0%
Average increase	4.7%
Average per capita 2015/16	\$825

The table indicates that over the past five years Council's rate increases have averaged 4.7% and that the average per capita rates for 2015/16 (excluding payments in lieu of rates) were \$825.

Draft 2016/2017 Budget Rating Information

15.2 Future rate increases

The following table sets out future projected rate increases and total rates to be raised, based on the forecast financial position of Council as at 30 June 2016 and the long term financial plan.

Year	General Rate Increase %	Municipal Charge Increase %	Garbage Charge Increase %	Landfill Levy Increase %	Total Rates Raised \$'000
2015/16	3.0	3.0	3.1	2.6	72,488
2016/17	2.5	2.6	2.3	2.6	74,568
2017/18	2.5	2.5	2.5	2.5	76,952
2018/19	2.5	2.5	2.5	2.5	79,409
2019/20	2.5	2.5	2.5	2.5	81,941

15.3 Rating structure

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

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

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

Draft 2016/2017 Budget Rating Information

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential, commercial, industrial or farm purposes.

Council has previously made a decision to apply a Capital Improved Value (CIV) basis to calculating individual property rates on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change this basis.

The existing rating structure comprises two differential rates (general and farm) and rate concessions for recreational land. These rates are structured in accordance with the requirements of section 161 "Differential Rates" of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Act. The farm rate is set at 75 % of the general rate and the rate concession for recreational land is set at 50% of the general rate with the exception of recreational land with gaming machines which will be set at 60% of the general rate. In addition, there are two recreational assessments which receive an additional rebate. These rebates are applied as a result of significant changes in the CIV valuations resulting from the rezoning of land and changes in valuation methodologies. It was considered that without applying a rebate the levied amounts would fail to take into consideration the requirement under the Cultural and Recreational Lands Act 1963 of the need for having regard to the services provided by Council in relation to such lands, and the benefit to the community derived from such recreational lands. Council reaffirmed its intention to maintain the existing rating relativities for farm rates in the 2016/17 Budget. Council also has a municipal charge, a garbage charge and the State Government Landfill Levy charges as allowed under the Act.

The following table summarises the rates to be determined for the 2016/17 year. A more detailed analysis of the rates to be raised is contained in section 7.

Rate type	How applied	2015/16	2016/17	Change
General Rates (Residential, Industrial & Commercial)	Cents/\$ CIV	0.00473581	0.00466490	(1.5%)
Farm Rates	Cents/\$ CIV	0.00355186	0.00349867	(1.5%)
Recreational 1	Cents/\$ CIV	0.00236791	0.00233245	(1.5%)
Recreational 2	Cents/\$ CIV	0.00236791	0.00279894	18.2%
Municipal charge	\$/ property	\$128.00	\$131.00	2.3%
Garbage charge	\$/ property	\$304.00	\$311.00	2.3%
Landfill levy charge	\$/ property	\$19.50	\$20.00	2.6%

Draft 2016/2017 Budget Rating Information

15.4 General revaluation of properties

The general valuation of all properties within the municipality is as at 1 January 2016 and will be first applied to the 2016/17 financial year.

Council will be maintaining the existing differential rate for the farming properties and discounts for cultural recreation land for the 2016/17 year. Therefore, in aggregate, total rates and charges will increase by 2.5% excluding supplementary rates and payments in lieu of rates compared to 2015/16.

Draft 2016/2017 Budget Other Strategies

16. Other strategies

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

16.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see section 14), borrowings were identified as an important funding source for the capital works programs. In the past, Council has borrowed to finance specific infrastructure projects and significant unfunded defined benefits superannuation liability calls.

The SRP includes the results of an analysis of Council's debt position against the recommended ratios used by the Victorian State Government to assess the loan capacity of local governments. It also shows the results of the 'obligations' indicators that are part of the prescribed financial reporting indicators. The outcome of the analysis highlighted that a debt of \$18.250 million could be comfortably accommodated. Council's future borrowing requirements may be influenced by external government funding opportunities that require some contribution from council in order to finance major capital projects.

For the 2016/17 year, Council proposes new borrowings of \$2.100 million to commence the detailed design of the new Latrobe Creative Precinct (subject to successful state and federal funding applications) and after making loan repayments of \$1.883 million, its total borrowings will increase to \$18.250 million as at 30 June 2017. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2016.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2015/16	0	2,360	1,019	18,033
2016/17	2,100	1,883	918	18,250
2017/18	4,000	2,035	878	20,215
2018/19	3,900	1,864	939	22,251
2019/20	3,000	6,640	904	18,612

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

	2015/16 \$	2016/17 \$
Total amount borrowed as at 30 June of the prior year	20,393	18,033
Total amount to be borrowed	0	2,100
Total amount projected to be redeemed	(2,360)	(1,883)
Total amount proposed to be borrowed as at 30 June	18,033	18,250

Draft 2016/2017 Budget Other Strategies

16.2 Infrastructure

The Council has developed an Asset Management Strategy and is currently reviewing and developing various Asset Management Plans, which sets out the capital expenditure requirements of the Council for the next 10 years by class of asset and project and is a key input to the long term financial plan. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The Strategy development process includes a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes.
- Listing of all known capital projects and adopted strategies and plans, prioritised within classes on the basis of evaluation criteria.
- Transparent process for evaluating and prioritising capital projects.
- Methodology for allocating annual funding to classes of capital projects.
- Standard templates for officers to document capital project submissions.

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

A key objective of the Asset Management Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community. A measure of Council's performance in respect to infrastructure management is the sustainability index. This is the proportion of the total asset value consumed (equivalent to the annual depreciation charge), compared to the amount spent in preserving the asset (expenditure aimed at ensuring the asset reaches its intended useful life) on an annual basis. A value of 100% (or greater in the short term) is the desired target and the Long Term Financial Plan aims to maintain a sustainability index of 100%.

The following influence had a significant impact on the Asset Management Strategy for the 2016/17 year:

- Continuation of significant Federal funding for upgrade of roads (Roads to Recovery funding of \$3.934 million has been assumed for 2016/17 which is a temporary increase from the normal funding amount of \$1.192 million)

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

Year	Total Capital Program \$'000	Grants and Contrib's \$'000	Borrowings \$'000	Asset Sales \$'000	Statutory Reserves \$'000	Council Cash \$'000
2015/16	40,463	15,325	0	1,243	1,669	22,226
2016/17	31,851	7,045	2,100	747	159	21,800
2017/18	40,490	13,842	4,000	600	0	22,048
2018/19	37,121	12,957	3,900	600	0	19,664
2019/20	28,263	5,192	3,000	600	0	19,471

Draft 2016/2017 Budget Other Strategies

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

16.3 Service delivery

This section of the report considers the Council's service delivery strategy including strategy development, key influences and service delivery outcomes. A number of service delivery strategies will be developed and/or reviewed during 2016/17 year. Latrobe 2026 and the Council Plan 2013-2017 identify key service area reviews and strategy development for service areas. The Rating Information (see section 15) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

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

	2015/16	2016/17	2017/18	2018/19
	%	%	%	%
Consumer Price Index	2.5	2.5	2.5	2.5
Rate increases	2.5	2.5	2.5	2.5
Property growth	0.7	0.7	0.7	0.7
Wages growth	3.5	3.5	3.5	3.5
Government funding (excl. Federal Assistance Grants)	2.0	2.0	2.0	2.0
Statutory fees	2.5	2.5	2.5	2.5
Investment return	3.2	3.2	3.2	3.2

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

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000
2015/16	5,723	(8,277)
2016/17	8,485	2,373
2017/18	17,975	2,325
2018/19	16,173	1,408
2019/20	7,318	318

Service levels have been maintained throughout the four year period. The operating surplus forecast for 2015/16 year is primarily in line with the original budget forecast after taking into account the effect of capital income and funding that had been received in 2014/15 for programs/projects in 2015/16. Excluding the effects of non-operating income such as capital contributions, the underlying result predicts a surplus for 2016/17 and for the following four years.

Draft 2016/2017 Budget Appendix A

Appendix A

Fees and charges schedule

The Fees and Charges adopted as part of the 2016/17 budget process are set out in the attached document, entitled "Latrobe City Fees and Charges 2016/17".

DRAFT FEES AND CHARGES 2016/17**COMMENTARY**

The 2016/17 fees and charges have been developed within the following parameters:

·Unless otherwise stated in the document, the following measures have been used to determine the 2016/17 fees and charges:

- o Consumer Price Index (CPI) (with a rounding factor)
- o Competitive market influences
- o The % increase in the previous financial year
- o The type of service

PROPOSED 2016/17 FEES AND CHARGES COMMENTARY BY DIVISION / SERVICE**COMMUNITY SERVICES (Pages 98-104)****Direct Care (Pages 98-99)**

Direct care services include home care, personal care, respite care, meals on wheels, home maintenance, planned activity groups and senior citizen centres. These services derive a significant component of their funding from the state government, with the balance being made up of fees set by Council and a contribution from rates revenue.

The fees charged for these services takes into account the CPI increase, any changes to government funding arrangements and the overall affordability of these services to eligible clients. Consideration has also been given to the level of fee increase over the past five years.

Meals on Wheels – The increase in subsidised and full cost meals is reflective of the increase in meal costs.

Planned Activity Group – Fees have been increased to reflect actual cost of programs. All programs include a meal.

DRAFT FEES AND CHARGES 2016/17**Public Libraries (Pages 100-101)**

recovery.

Minor increases proposed for photocopying and facsimile to keep fees comparable with other providers.

Increase proposed for library fines maximum per item which were last increased in 2006.

Children Services (Pages 102-103)

Family Day Care fees are set in conjunction with the contract providers and incorporate consideration of benchmarking results and actual increased costs associated with providing the service.

The Early Learning and Care Services have been reviewed in terms of proposed fees based on industry benchmarking information taking into consideration National Competition Policy requirements.

Family Health Service (Pages 104)

The proposed fees take into account the Chi increase, Vaccines prices are kept in line with purchase prices.

INFRASTRUCTURE & RECREATION (Pages 105-119)**Sports Stadiums, Grounds & Reserves (Pages 105-106)**

All fees have generally been reviewed in line with CPI.

DRAFT FEES AND CHARGES 2016/17**Indoor Sports Centres (Pages 107-110)**

A full review of all fees and charges was undertaken with consideration given to benchmarking against neighbouring Councils, changes in operational costs and community and business needs.

Hazelwood Traffic School (Pages 112)

All fees have generally been reviewed in line with CPI.

Hire of Portable Toilet (Pages 112)

All fees have generally been reviewed in line with CPI.

Caravan Parks (Pages 113)

All fees have generally been reviewed in line with CPI.

Asset Protection (Pages 114-116)

Non statutory fees have been increased in whole \$2.50 increments to keep fee amounts simple. Fees for items that can incur infringement have been adjusted to be proportionate to the infringement amount. The overall average increase in fees is in line with the CPI.

Transfer Stations (Pages 117-118)

All fees have generally been reviewed in line with CPI, with the exception of a decreased charge for Synthetic Mineral Fibre bags due to the cost and size decreasing.

Landfill Fees (Pages 119)

It is proposed that fees for 2016/17 increase to cover costs of operations, construction, rehabilitation and increased EPA landfill levy fees. Cost and conditions included for accepting non Latrobe City residential domestic asbestos.

DRAFT FEES AND CHARGES 2016/17**CITY DEVELOPMENT (Pages 120-145)****Health Services (Pages 120-122)**

The proposed fees take into account the CPI increase and level of fees increases over past years and changes to the relevant Acts. Vaccines prices are kept in line with purchase prices.

Local Laws (Pages 123-125)

Parking and animal fees and other local laws permit fees have been reviewed taking into account CPI, benchmarking with other Councils and updated prescribed fees.

Building Services (Pages 126)

Statutory Fees can only be increased by the Minister for Planning. At the time of the budget preparation there was no indication of likely alteration to these statutory fees. Other fees set by Council have generally been reviewed in line with CPI.

Statutory Planning (Pages 127-130)

Statutory Fees can only be increased by the Minister for Planning. At the time of the budget preparation there was no indication of likely alteration to these statutory fees. Other fees set by Council have generally been reviewed in line with CPI.

Planning Scheme Amendment (Pages 131-132)

Statutory Fees can only be increased by the Minister for Planning. At the time of the budget preparation there was no indication of likely alteration to these statutory fees. Other fees set by Council have generally been reviewed in line with CPI.

DRAFT FEES AND CHARGES 2016/17**Latrobe Regional Gallery (Page 133)**

All fees have generally been reviewed in line with CPI.

Performing Arts and Community Halls (Pages 134 & 134)

All fees have generally been reviewed in line with CPI.

Latrobe Regional Airport (Pages 141)

Annual licence fees are proposed to increase by CPI. Current lease agreements at the airport allow for an annual CPI review.

Visitor Information Centre (Pages 142)

Benchmarking of fees and charges has been undertaken with charges updated in accordance these results.

CORPORATE SERVICES (Page 143-145)**Contracts and Tendering (Page 143)**

It is not proposed to increase the refundable deposit in relation to tender documentation.

Property and Legal (Page 144)

All fees have generally been reviewed in line with CPI. Some of these are statutory fees and as such are set by regulation.

Off Street Car Parks (Page 144)

The proposed fees have been reviewed taking into account CPI increases.

Freedom of Information (Page 145)

All fees are in accordance with regulations

DRAFT FEES AND CHARGES

2016/17

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COMMUNITY SERVICES					
SERVICE TYPE DIRECT CARE		BASIS	<i>Direct Care</i>		
			2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)	
Home Care/Personal Care		Single Low Income	Per hour.	6.50	6.70
		Couple Low Income	Per hour.	8.80	9.00
		Linkages Program	Per Hour	8.90	9.10
		Full Cost	Per hour (Excluding Public Holidays)	50.70	52.00
		Full Cost	Per hour (Public Holidays)	94.80	97.20
		Full Cost	Overtime	76.05	77.95
		Veterans	Respite (fee as per agreement)	42.65	42.65
		Veterans	HPCP (fee as per agreement)	47.70	47.70
Emergency Home Care		Single.	Per hour.	11.60	11.90
		Couple	Per hour.	16.50	16.90
		Full Cost	Per hour (Excluding Public Holidays)	50.70	52.00
		Full Cost	Per hour (Public Holidays)	94.80	97.20
Respite Care		Subsidised.	Per hour	4.20	4.30
		Linkages Program	Per hour	5.20	5.30
		Full Cost	Per hour (Excluding Public Holidays)	50.70	52.00
		Full Cost	Per hour (Public Holidays)	94.80	97.20
		Full Cost	Overtime	76.05	
Overnight Respite		Full Cost	Per hour	189.10	193.80
		Full Cost	24 hour care	357.20	366.10
Meals on Wheels Service (includes all costs of providing meals)		Subsidised.	Per meal	6.70	6.90
		Full cost meals.	Per meal.	14.40	14.80
Home Maintenance		Single	Per hour	10.00	10.30
		Couple	Per hour.	12.10	12.40
		Full Cost	Per hour (Mon - Fri)	65.20	66.80
		Linkages Program	Per hour	19.40	19.90
		Landfill Fees.	*refer waste disposal fees schedule.		

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COMMUNITY SERVICES			
SERVICE TYPE DIRECT CARE	BASIS	<i>Direct Care</i>	
		2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Planned Activity Group (PAG)			
Subsidised with Meal (Centre Based)	Per session	10.30	10.60
Subsidised without Meal (Outing)	Per session		5.60
Morning Melodies (plus cost of event paid at entry)	Per session		10.60
Special Events (costs to be advertised with notification of the event)	Per session		TBA
Full Cost (Level 1 & 2 Funding)	Per session	26.70	27.40
Full Cost (Level 3 & 4 Funding)	Per session		37.40
Residing in Supported Accommodation	Per session		90.00
Senior Citizens Centres Hire			
HACC eligible organisation/groups.		No Charge	No Charge
Community organisations/groups:			
Per hour:	8am – 5pm.	16.80	17.20
Evening:	5pm – midnight.	136.60	140.00
Full Day & Evening:	8am – midnight.	225.98	231.50
Commercial organisations			
Per hour:	8am – 5pm.	28.40	29.10
Evening:	5pm – midnight.	222.70	226.30
Full Day & Evening:	8am – midnight.	367.80	377.00
Security Deposit:			
Without alcohol:		278.40	285.40
With alcohol:		504.30	516.90

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COMMUNITY SERVICES			
			<i>Public Libraries</i>
SERVICE TYPE PUBLIC LIBRARIES	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Facsimile – within Australia only	<i>First page</i>	3.00	3.10
	<i>Each additional page</i>	1.00	1.00
Consumables	USB Drive – 2GB	9.00	9.20
	Individual Head Sets	6.00	6.20
Research Fee	Public Request.	13.50	13.80
	Commercial/Community Group Request.	27.00	27.70
Moe Library Meeting Room	Community and Not For Profit Groups.	No Charge	No Charge
	Commercial.	28.00	28.70
	Commercial.	137.00	140.40
Overdue Fines	Books, magazines etc.	<i>Per day – after seven days.</i>	0.40
		<i>Maximum per item</i>	6.70
	DVD & CDs	<i>Per day – after seven days.</i>	0.40
		<i>Maximum per item</i>	6.70
Fees	Replacement Cards.	3.30	3.40
	Inter Library Loan	No Charge	No Charge
	<i>Other Victorian Public Libraries; All Academic Institutions; Interstate / International Loans.</i>	POA POA	POA POA

COMMUNITY SERVICES				
			<i>Public Libraries</i>	
SERVICE TYPE PUBLIC LIBRARIES	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)	
Damaged Items	Processing	<i>Minimum Charge</i>	7.20	7.40
		<i>Plus</i>		
		<i>New cover.</i>	6.60	6.80
		<i>Replacement Barcodes.</i>	2.70	2.80
		<i>Replacement DVD case</i>	2.70	2.80
		<i>Replacement Audio case</i>	3.70	3.80
	Beyond Repair.	<i>Replacement item price plus</i>	7.20	7.40
	Beyond Repair Magazine	<i>Replacement item price plus</i>	3.50	3.60
Lost item	Including Part Kit or Set	<i>Replacement item price plus</i>	7.20	7.40
Photocopying	Black & White A4	<i>Per sheet (single side)</i>	0.30	0.30
	Black & White A4	<i>Per sheet (double sided)</i>	0.40	0.40
	Black & White A4	<i>500 copies</i>	53.00	54.30
	Black & White A4	<i>250 copies</i>	32.00	32.80
	Black & White A4	<i>100 copies</i>	16.50	16.90
	Black & White A4	<i>50 copies</i>	11.00	11.30
	Black & White A4	<i>25 copies</i>	6.50	6.70
	Black & White A3	<i>Per sheet</i>	0.65	0.65
	Micro Copying	<i>Per sheet.</i>	1.00	1.00
	Colour Printing A4	<i>Per sheet.</i>	1.40	1.40
	Colour Printing A3	<i>Per sheet.</i>	1.60	1.60
	Colour Printing A3	<i>Per sheet (double sided)</i>	2.00	2.00
Laminating	A4	<i>Per sheet.</i>	2.50	2.50
	A3	<i>Per sheet.</i>	3.50	3.50

COMMUNITY SERVICES				
SERVICE TYPE		BASIS	2015/16	2016/17
CHILDRENS SERVICES			\$ (GST Inc)	\$ (GST Inc)
Family Day Care				
	Fees During Core Hours	<i>(8am-6pm weekdays)</i>	7.30	7.50
	Fees Outside of Core Hours	<i>Per child/hour weekdays</i>	7.80	8.00
	Fee for weekend care	<i>Per child/hour weekend</i>	8.50	9.00
	Public Holidays	<i>Per child/hour</i>	10.10	10.50
	Administration Fee	<i>Per hour of care provided.</i>	0.90	0.90
	Communication Fee		10.00	10.00
	Induction Training	<i>New care providers pp.</i>	35.00	35.00
	Travel Charges	<i>Per km</i>	0.95	0.95
	Holding Fee	<i>% of fee per child per hour.</i>	100%	100%
	Meal Charges Per Child (Carers' home)			
	Breakfast	<i>Each</i>	3.00	3.00
	Lunch	<i>Each</i>	3.50	3.50
	Dinner	<i>Each</i>	4.00	4.00
	Snacks	<i>Each</i>	2.00	2.00
Carinya Early Learning Centre				
	Full Time Care	<i>5 full days/child/week</i>	370.00	400.00
	Full Day Care	<i>Per day</i>	85.00	90.00
	Half Day Care	<i>Per half day</i>	49.50	55.00
	Holding Fee	<i>% Per place</i>	100%	100%
	After Kinder Care	<i>Hourly</i>	12.50	15.00
Moe PLACE				
	Moe Early Learning Centre			
	Full Time Care	<i>5 full days/child/week.</i>	370.00	400.00
	Full Day Care	<i>Per day</i>	85.00	90.00
	Half Day Care	<i>Per half day</i>	49.50	55.00
	Holding Fee	<i>% Per place</i>	100%	100%
	After Kinder Care	<i>Hourly</i>	12.50	15.00
	Moe Vacation Care			
	Full Day Care		66.60	70.00
	Excursion Levy -Local		12.50	12.50
	Excursion Levy - Out of Gippsland		16.50	16.50
	Basketball Stadium			
	Court Hire - General	<i>Per hour</i>	46.00	46.00
	Half Court Hire - General	<i>Per hour</i>	23.00	23.00
	Court Hire - Schools	<i>Per hour</i>	37.00	37.00
	Half Court Hire - Schools	<i>Per hour</i>	18.00	18.00
	Court Hire	<i>Per Day (8am - 6pm)</i>	200.00	200.00
	Meeting Rooms			
	Community and Not For Profit Groups	<i>Per hour</i>	No Charge	No Charge
	Commercial	<i>Per hour</i>	27.00	27.00
		<i>Per Day</i>	150.00	150.00

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COMMUNITY SERVICES				
SERVICE TYPE		BASIS	2015/16	2016/17
CHILDRENS SERVICES			\$ (GST Inc)	\$ (GST Inc)
Community Kitchen				
	Kitchen Hire	Per hour	14.00	14.00
	Kitchen Hire	Per day	50.00	50.00
Churchill Hub				
Meeting Rooms				
	Community and Not For Profit Groups	Per hour	No Charge	No Charge
	Commercial	Per hour	25.00	25.00
		Per Day	150.00	150.00
Traralgon Early Learning Centre				
	Full Time Care	5 full days/child/week	370.00	400.00
	Full Day Care	Per day	85.00	90.00
	Half Day Care	Per half day	49.50	55.00
	Holding Fee	% Per place	100%	100%
	Occasional Care	Hourly	12.50	15.00
Preschools				
	Enrolment administration fee	3 & 4 year old programs	28.00	30.00
	Preschool – 4 yr old program	Per Term (effective Jan 2016)	225.00	250.00
	Prekinder – 3 yr old program	Per Term (effective Jan 2016)	200.00	215.00

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COMMUNITY SERVICES			
<i>Family Health Services</i>			
SERVICE TYPE FAMILY HEALTH SERVICES	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Head Lice <small>(various lotions and combs are now available from supermarkets/health stores/chemist)</small>	School Contribution - Nurse Inspections	72.50	74.30
Vaccinations Purchases			
	Hep B. <i>Per dose.</i>	29.70	30.40
	Twintrix. <i>Per dose.</i>	102.50	105.10
	Varilrix. <i>Per dose.</i>	92.30	94.60
	Flu. <i>Per dose.</i>	27.70	28.40
	Meningococcal C. <i>Per dose.</i>	105.60	108.20
	Hep A. <i>Per dose.</i>	92.30	94.60
	Boostrix. <i>Per dose.</i>	48.20	49.40
	Gardasil. <i>Per dose.</i>	157.60	161.80
Immunisation	History Application Fee	24.60	25.20

INFRASTRUCTURE & RECREATION						
<i>Sports Stadiums, Grounds & Reserves</i>						
SERVICE TYPE	BASIS	2015/16 \$ (GST Inc)		2016/17 \$ (GST Inc)		
		* Peak	* Off Peak	* Peak	* Off Peak	
Latrobe City Sports & Entertainment Stadium						
Commercial Rate						
Event Hire (pitches, toilets, change rooms, ticket booths, stadium seating for 1800 & lighting) (Front row premium seats = 40)	<i>Hourly Hire (8am - 5pm) per hour</i>	282.90	183.50	290.00	188.10	
	<i>Hourly Hire (8am - 5pm) per hour</i>	282.90	183.50	290.00	188.10	
	<i>Hourly Hire (5pm - midnight) per hour</i>	566.80	367.00	581.00	376.20	
	<i>Day Hire (8am to 5pm)</i>	1,144.90	572.00	1,173.50	586.30	
	<i>Night Hire (5pm to midnight)</i>	2,285.80	1,139.80	2,342.90	1,168.30	
	<i>All Day (8am to midnight)</i>	3,425.60	1,712.80	3,511.20	1,755.60	
Commission charges	<i>Percentage of Gross Ticket Sales</i>	10.0%	10.0%	10.0%	10.0%	
	<i>Percentage of gross merchandise sales</i>	12.5%	12.5%	12.5%	12.5%	
Ticketing service is available through Latrobe Performing Arts & Venues	<i>Per ticket sold</i>	3.90	3.90	4.00	4.00	
	<i>Per complimentary ticket issued</i>	0.70	1.10	0.70	1.10	
Community Rate						
Event Hire (pitches, toilets, change rooms, ticket booths, stadium seating for 1,800, lighting) (Front row premium seats = 40)	<i>Hourly Hire (8am - 5pm) per hour</i>	141.00	89.00	144.50	91.20	
	<i>Hourly Hire (5pm - midnight) per hour</i>	284.00	179.00	291.10	183.50	
	<i>Day Hire (8am to 5pm)</i>	559.00	284.00	573.00	291.10	
	<i>Night Hire (5pm to midnight)</i>	1,113.00	559.00	1,140.80	573.00	
	<i>All Day (8am to midnight)</i>	1,671.00	841.00	1,712.80	862.00	
Sporting Use		# Night	# Day	# Night	# Day	
(includes pitches, toilets & change rooms only)	Schools	<i>Per day or night session</i>	115.00	57.50	117.90	58.90
	Latrobe City Clubs & Groups	<i>Per day or night session</i>	225.00	116.00	230.60	118.90
	Non Latrobe City Clubs & Groups	<i>Per day or night session</i>	338.00	169.00	346.50	173.20
	For Profit Organisations	<i>Refer to Commercial Rates above</i>	N/A	N/A	N/A	N/A
Sundry Charges		Commercial	Community	Commercial	Community	
Kiosk Hire (2 available)	<i>Per kiosk per session</i>	168.00	84.00	172.20	86.10	
External Public Address System Hire	<i>Per session</i>	116.00	57.00	118.90	58.40	
^ Bar Hire (2 available)	<i>Per bar per session</i>	338.00	169.00	346.50	173.20	
Social Club Rooms (excluding bar and kitchen) is available for hire with the cost subject to use of the facility						
Line marking costs, other than soccer, is at the hirers expense						
Waste Management - Additional charges may apply dependant on size and type of event.						

INFRASTRUCTURE & RECREATION					
Sports Stadiums, Grounds & Reserves					
SERVICE TYPE		BASIS		2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Latrobe City Synthetic Sports Facility (Churchill)					
Synthetic Field					
Whole Field	Hockey Association / Soccer Club	Per season	Seasonal Agreement		Seasonal Agreement
		Hockey Tournaments		287.00	294.20
		Primary Schools (1)		558.00	572.00
		Secondary Schools (2)		1,117.00	1,144.90
		Casual Users		61.50	63.00
		Lights		25.50	26.10
Half Field	Hockey Tournaments	Per day		143.50	147.10
		Casual Users		28.70	29.40
		Lights		20.50	21.00
Ted Summerton Reserve Pavilion					
	User Groups	Per hour	No Charge	No Charge	
	Not for Profit Groups	Per hour	14.40	14.80	
	Commercial Groups	Per hour	26.50	27.20	
Gaskin Park Stadium					
	Stadium Hire	Per hour.	21.00	21.50	
Grounds					
Annual Ground Maintenance Charge (3) (Refer to Council Policy)					
Senior	Category A	Per Six Month Allocation	2,950.00	3,023.80	
		Category B	1,168.00	1,197.20	
		Category C	312.00	319.80	
Junior	Category A	Per Six Month Allocation	1,471.00	1,507.80	
		Category B	707.00	724.70	
		Category C	189.10	193.80	
Casual Use					
	Schools	Per day + bins, toilets & utility costs	No Charge	No Charge	
	Latrobe City Clubs and Groups	Per day + bins, toilets & utility costs	35.80	36.70	
	Non Latrobe City Clubs & Groups	Per day + bins, toilets & utility costs	126.10	129.30	
	For Profit Groups	Per day + bins, toilets & utility costs	471.00	482.80	
Hard Court Surfaces					
	Via seasonal allocation program for netball and tennis courts	Per court, per annum	97.50	99.90	

*Peak – Friday to Sunday plus Public Holidays / Off Peak – Monday to Thursday excluding Public Holidays

Night refers to the hours of 5:00pm to midnight / Day refers to the hours 8:00am to 5:00pm

^ Bar hire is subject to Liquor License and other conditions

(1) Primary schools can opt to pay either Casual User rates or an annual hire fee. The annual hire fee is a flat rate with unlimited hours of use subject to availability

(2) Secondary schools can opt to pay either Casual User rates or an annual hire fee. The annual hire fee is a flat rate with unlimited hours of use subject to availability

(3) Clubs/sporting groups utilising multiple venues will only be charged for one venue, that being the highest category venue.

INFRASTRUCTURE & RECREATION					
<i>Indoor Sports Centres</i>					
SERVICE TYPE INDOOR SPORTS CENTRES	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)		
Indoor Pool – Swims	Adult	16 years and over.	6.00	6.20	
	Child	Child 5–15 yrs & High School Student	4.30	4.40	
	Concession	Pension, Seniors & Health Care Card	4.60	4.70	
	Family*	*As listed on Medicare Card	16.30	16.70	
	Schools	Per child	3.60	3.70	
	Children	4 years and under with adult swim.	No Charge	No Charge	
Visit Pass Card – (Indoor pools) 12 Month expiry from date of issue	Adult	Multipass x 10 – 10% discount	54.00	55.80	
	Child	Multipass x 10 – 10% discount	38.70	39.60	
	Concession	Multipass x 10 – 10% discount	41.40	42.30	
	Family	Multipass x 10 – 10% discount	146.70	150.30	
Indoor Pool – Swim Sauna Spa	Adult	Each	10.00	10.30	
	Concession	Each	8.00	8.20	
	After Entry/Class	Each	5.10	5.20	
	Adult	Multipass x 10 – 10% discount	90.00	92.70	
	Concession	Multipass x 10 – 10% discount	72.00	73.80	
Indoor pool – swim sauna (CHURCHILL ONLY)	Adult	Each	8.70	8.90	
	Concession	Each	7.10	7.30	
	After Entry/class	Each	4.10	4.20	
Indoor Pool – Swim Lessons	Infants	Per class - Supervision 1:8	12.30	12.60	
	Preschool	Supervision 1:5	12.90	13.20	
	School Age	Per class	13.50	13.90	
	Adult	Per class	13.50	13.80	
	Transition/Lap It Up	Per class	8.20	8.40	
	Aust Swim Teacher	Per instructor per hour	54.00	55.40	
	Bronze Star	20 Week Program	271.00	277.80	
Indoor Pool – Swim Lessons - Concession (20% Discount)	Health Care Card	Infants	Per class - Supervision 1:8	9.80	10.10
	Health Care Card	Preschool	Supervision 1:5	10.30	10.60
	Health Care Card	School Age	Per class	10.80	11.10
	Health Care, Pension & Senior Card	Adult	Per class	10.80	11.10
Private Learn to Swim Lessons	1:1	Per half hour class per person	36.00	36.90	
	1:2	Per half hour class per person	27.00	27.70	
	1:3	Per half hour class per person	22.00	22.60	

INFRASTRUCTURE & RECREATION				
<i>Indoor Sports Centres</i>				
SERVICE TYPE		BASIS	2015/16	2016/17
INDOOR SPORTS CENTRES			\$ (GST Inc)	\$ (GST Inc)
Private Learn to Swim Lessons - Concession (20% Discount)				
Concession – Health Care Card	1:1	<i>Per half hour class per person</i>	28.80	29.50
Concession – Health Care Card	1:2	<i>Per half hour class per person</i>	21.60	22.10
Concession – Health Care Card	1:3	<i>Per half hour class per person</i>	17.60	18.10
Other - Indoor Pools				
Lane Hire		<i>Per hour.</i>	44.00	45.00
Carnival Hire		<i>Per day 9am – 5pm</i>	893.00	916.00
School Carnival Hire		<i>Per day 9am - 3pm</i>	841.00	862.00
Wet Out of Hours – incl 1 Life Guard plus 1 Duty Manager		<i>Per hour plus entry fee</i>	77.00	79.00
Locker Hire		<i>Per locker per person</i>	1.00	1.00
Carnival Fee – incl 1 Life Guard plus 1 Duty Manager		<i>Per hour.</i>	185.00	190.00
Fitness Program				
Group Fitness.		<i>Per class</i>	12.00	12.30
Concession		<i>Pension, Seniors & Health Care Card</i>	9.50	9.70
Personal Training.		<i>1 hour.</i>	55.50	57.00
Personal Training.		<i>½ hour.</i>	34.00	35.00
Casual Gym.		<i>Per person</i>	14.80	15.20
Casual Concession Gym.		<i>Pension, Seniors & Health Care Card</i>	11.80	12.10
Fit Kidz.			5.80	5.90
Teen Gym.			8.00	8.20
Council of the Aging (COTA) Gym.			6.00	6.20
Visit Pass Cards – Group Fitness (12 Months Expiry from date of issue)				
Adult.		<i>Multipass x 10. – 10% discount</i>	108.00	110.70
Concession.		<i>Multipass x 10. – 10% discount</i>	85.50	87.30
Teen Gym		<i>Multipass x 10. – 10% discount</i>	72.00	73.80
Fit Kids		<i>Multipass x 10. – 10% discount</i>	52.20	53.10
Personal Training		<i>Multipass x 10. – discount – 1 Hour</i>	500.00	513.00
Personal Training		<i>Multipass x 10. – discount – ½ Hour</i>	306.00	315.00
Visit Pass Cards - Gym (12 Months Expiry from date of issue)				
Adult		<i>Multipass x 10. – 10% discount</i>	133.20	136.80
Concession		<i>Multipass x 10. – 10% discount</i>	106.20	108.90

INFRASTRUCTURE & RECREATION					
Indoor Sports Centres					
SERVICE TYPE	BASIS	2015/16		2016/17	
INDOOR SPORTS CENTRES		\$ (GST Inc)		\$ (GST Inc)	
Stadium (1)	Spectators – Regular competition.	No Charge		No Charge	
	Adult Competition.	Per player per game		6.00	6.20
	Concession Competition.	Pension, Seniors & Health Care Card		4.70	4.80
	Junior Competition (during competition times only)	Per player per game		4.30	4.40
	Adult Training	Per player per session #		4.10	4.20
	Concession Training	High School Students playing in Senior Competitions, Pension, Seniors & Health Care Card Holders		3.40	3.50
	Junior Training (0-17 years)	Per player per session #		3.20	3.30
	Schools	Per student		3.20	3.30
	Court Hire - General	Per court/hour.		46.00	47.00
	Court Hire - Schools	Per court/hour.		37.00	38.00
	Tournament Fee*	Per Court per Day (9am – 5pm)		200.00	205.00
	* Local associations are eligible for a 30% discount to host their association tournaments at their local facility. Maximum 2 tournaments per year				
	Dry Out of Hours Fee	Per hour (plus entry fee)		55.50	57.00
	Meeting Room Hire	Per hour		27.00	27.70
	# Session is defined as 1 hour for Domestic basketball teams 2 hours for Squad & Representative basketball teams 2 hours for Badminton (in recognition of set up and pack up times)				
Visit Pass Cards - Stadium		x10	X20	x10	X20
12 Month expiry from date of issue (One pass per hour or game)		(10% discount)	(15% discount)	(10% discount)	(15% discount)
	Adult Stadium Competition Multipass.	54.00	102.00	55.80	105.40
	Concession Competition Multipass.	42.80	79.90	43.30	81.60
	Junior Competition Multipass.	38.70	73.10	39.60	74.80
	Junior Training Multipass	N/A	57.60	N/A	59.00
Athletic and Cycling Track					
Off Peak – Monday to Thursday excluding Public Holidays	Adult.	Per participant		4.30	4.40
	Concession.	Per participant		3.80	3.90
	Junior.	Per participant		2.80	2.90
	Adult	Multipass x 10 – 10% discount		38.70	39.60
	Concession.	Multipass x 10 – 10% discount		34.20	35.10
	Junior.	Multipass x 10 – 10% discount		25.20	26.00
	School.	Per student		2.80	2.90
	Club Hire.	Per hour.		43.00	44.00
	Other/Athletic Carnival.	Full day 9am – 3pm.		528.00	541.00
	Other/Athletic Carnival.	½ day – 3 hours.		370.00	380.00
	Cycling Club Hire of Bike Track.	Per annum.		914.00	936.00

INFRASTRUCTURE & RECREATION				
<i>Indoor Sports Centres</i>				
SERVICE TYPE		BASIS	2015/16	2016/17
INDOOR SPORTS CENTRES			\$ (GST Inc)	\$ (GST Inc)
Squash Courts	Hire.	<i>Per hour.</i>	14.00	14.40
Fitness Room Hire	Hire.	<i>Per hour.</i>		46.00
Membership				
Membership Service Areas		<i>Gym Fitness - as per fitness timetable (including Aqua Aerobic Pool (including pool & sauna)</i>		
Administration Fee (per membership)	Per Month		65.00	66.60
Bronze Membership				
Any one (1) of the above Membership Service Areas	Non Concession	<i>Monthly</i>	45.00	46.10
	Concession *	<i>Monthly</i>	40.25	41.40
Silver Membership				
Any two (2) of the above Membership Service Areas	Non Concession	<i>Monthly</i>	55.00	56.40
	Concession *	<i>Monthly</i>	50.00	50.80
Gold Membership				
All three (3) of the above Membership Service Areas	Non Concession	<i>Monthly</i>	65.50	67.20
	Concession *	<i>Monthly</i>	59.00	60.50
Corporate		<i>Discounts valid on full price memberships only. Not valid on concession memberships</i>		
(must have 4 new members to qualify)	4-10 people	<i>Discounts off term memberships only</i>	10.00%	10.00%
	11-20 people	<i>Discounts off term memberships only</i>	12.50%	12.50%
	21+ people	<i>Discounts off term memberships only</i>	15.00%	15.00%

(1) Schools pay court hire fee or individual student admission.

*Concessions on direct debit and term memberships are offered only to customers on Aged Pension, Senior or Disability Support Pension.

Concessions are offered to valid health care card holders up to the expiry date of the health care card (must have minimum one month on card).

INFRASTRUCTURE & RECREATION				
SERVICE TYPE OUTDOOR POOLS	BASIS	Outdoor Pools		
		2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)	
Entry Fees	Adult.	16 years and over.	4.60	4.70
	Children/ Student.	Child 5 – 15 yrs & High School Student	3.50	3.60
	Concession.	Pension, Seniors & Health Care Card	3.70	3.80
	Family.	As listed on Medicare Card.	13.40	13.70
	Schools	Per child	3.50	3.60
	Children.	4 years and under with adult swim.	No Charge	No Charge
Season Tickets (Multi-venue)	Single Adult Tickets.	16 years and over.	92.50	94.80
	Children/ Student.	Child 5 – 15 yrs & High School Student	79.00	71.80
	Concession.	Pension, Seniors & Health Care Card	72.50	74.30
	Family.	As listed on Medicare Card.	225.50	231.00
Competitions – School Swim Carnival Hire	School Carnival Full Day (9am - 3pm)	Includes 1 Duty Manager.	433.00	444.00
	Other Carnival Full Day (9am - 5pm)	Weekends or Public Holidays	735.50	754.00
	School Carnival Half Day (9am-12pm / 12pm-3pm)	Mon - Fri	300.00	308.00
	Supervision Required at 1:100 ratio.	Per hour.	53.00	54.50
Out Of Advertised Operating Hours Hire	Includes 1 Life Guard plus 1 Duty Manager.	Per hour + entry fee per person	77.00	79.00
Learn To Swim	VIC Swim Programs.		Normal Entry Fee	Normal Entry Fee

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INFRASTRUCTURE & RECREATION			
<i>Hazelwood Power Traffic Safety School</i>			
SERVICE TYPE	BASIS	2015/16	2016/17
HAZELWOOD POWER TRAFFIC SAFETY SCHOOL		\$ (GST Inc)	\$ (GST Inc)
Education Group : Playgroups, kindergartens, special school & school groups No Educator (Bond \$70)	Per hour.	38.00	39.00
Education Group : Playgroups, kindergartens, special school & school groups With Educator (No Bond)	Per hour.	64.00	65.50
Mobile Bike Education Trailer			
No Educator – Hire of bike trailer (Deposit \$200)	Per day	33.00	33.80
With Educator – Educator Services (No Deposit)	Per hour	30.00	30.80
Plus hire of bike trailer	Per day	33.00	33.80
Hire of Hand Cranked Tricycles With responsibility for repair or replacement of damaged unit	Per bike/day	2.00	2.00
Private Groups			
No Educator (Deposit \$70)	Per hour.	61.00	62.50
With Educator (No Deposit)	Per hour.	120.00	123.00

INFRASTRUCTURE & RECREATION			
<i>Rental of Asset</i>			
SERVICE TYPE	BASIS	2015/16	2016/17
HIRE OF PORTABLE TOILET MODULE		\$ (GST Inc)	\$ (GST Inc)
Hire of portable toilet module	Per Weekend	226.00	232.00

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INFRASTRUCTURE & RECREATION				
SERVICE TYPE			Caravan Parks	
CARAVAN PARKS			2015/16	2016/17
			\$ (GST Inc)	\$ (GST Inc)
BASIS				
Hazelwood & Narracan – Caravan				
Site Fee Schedule				
	Permanent On Site.	Non powered per annum (includes 21 days/nights)	990.00	1,015.00
	Permanent On Site.	Powered per annum (includes 21 days/nights)	1,430.00	1,470.00
	Powered Site.	Per night.	37.00	38.00
	Powered Site.	Weekly.	195.00	200.00
	Unpowered Site.	Per night.	31.30	32.10
	Unpowered Site.	Weekly.	137.00	140.40
	Extra Person.	Per night.	14.80	15.20
	Aquatic Centre Hall Hrs.	6 hours.	158.00	162.00
	Security Bond.		205.00	210.00
Hazelwood & Narracan – Camping				
Site Fee Schedule				
	Overnight.	Per person.	12.10	12.40
	Children.	Aged 7 – 17 yrs.	7.20	7.40
	Family.	2 adults and 2 children.	32.00	32.80
Lake Narracan – Boat Launching				
	Day Pass (8am - 6pm)	Sat-Sun & Public Holidays*	19.00	19.50
	Day Pass (8am - 6pm)	Monday – Friday *	17.00	17.50
	Season Boat Pass	December-March	195.00	200.00
	Half Day Pass (8am - 1pm or 1pm - 6pm)	Sat-Sun & Public Holidays	12.10	12.40
	Half Day Pass (8am - 1pm or 1pm - 6pm)	Monday – Friday	9.40	9.60

*Latrobe City residents no charge Monday to Friday, excluding public holidays. Full fees are applicable on Saturday and Sundays

INFRASTRUCTURE & RECREATION						
SERVICE TYPE		BASIS	2015/16		2016/17	
ASSET PROTECTION FEES			\$ (GST Inc)		Asset protection	
			Rural	Urban	Rural	Urban
Asset Protection Fees						
	Road Openings.	<i>Provision of traffic management.</i>	174.50	174.50	180.00	180.00
	Road Openings.	<i>No traffic management required.</i>	87.00	87.00	90.00	90.00
	Occupation of Parking Bays.	<i>Per bay per day</i>	41.00	41.00	45.00	45.00
	Road Occupations.	<i>Provision of traffic management.</i>	174.50	174.50	180.00	180.00
	Road Occupations.	<i>No traffic management required.</i>	87.00	87.00	90.00	90.00
	Building Site Asset Inspections:					
	Cost of Works < \$12,000	<i>Excluding all Reblocking, Urban Front</i>	Nil	Nil	Nil	Nil
	Cost of Works > \$12,000	<i>Including all Reblocking, Urban Front</i>	92.50	174.50	95.00	180.00
		<i>Fencing & Demolitions</i>				
		<i>Fencing & Demolitions</i>				
Asset Protection Fees for Service Installations in Areas by Parties Other Than Utilities or Their Agents						
	Road Length less than 100m.		174.50	174.50	180.00	180.00
	Each Additional 100m. of Road Length.		92.50	92.50	95.00	95.00
Asset Protection Fee for Vehicle Crossing Works						
			72.00	92.50	75.00	95.00
Asset Protection Fee for Drainage Tapping in Urban Areas at Drainage Easements and Nature Strips Including Provision of Legal Point of Discharge or Drainage Information						
			N/A	92.50	N/A	95.00
Security Deposit as Detailed in Clause 10 of the Vehicle Crossing Policy				1,500.00		1,500.00
Parking Headworks Charge as Defined in Clause 11 of the Vehicle Crossing Policy				3,500.00		3,500.00

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INFRASTRUCTURE & RECREATION				
SERVICE TYPE ASSET PROTECTION FEES		BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Security Bonds as Specified in Part D of Local Law No.3 Cost of Works < \$12,000:		Rural, Residential, Industrial and Commercial Building Sites for Builders with a 12 month Satisfactory Performance Record; Excluding all Reblocking, Front Fencing & Demolitions.	Nil	Nil
		Rural, Residential, Industrial and Commercial Building Sites for Builders with an Unsatisfactory Performance Record.	500.00	500.00
Cost of Works > \$12,000:		Including Reblocking, Residential Front Fences & Demolition Works		
Rural Building Site:			500.00	500.00
Residential Building Site:		No adjacent footpaths.	500.00	500.00
Residential Building Site:		With adjacent footpaths.	1,000.00	1,000.00
Residential Building Site:		Corner allotment, adjacent footpaths.	1,500.00	1,500.00
Residential Building Site:		Multiple units, adjacent footpaths.	2,000.00	2,000.00
Industrial Building Site:			2,500.00	2,500.00
Commercial Building Site:			5,250.00	5,250.00
Multiple Building Sites:		Builders with a 12 month Satisfactory Performance Record	10,500.00	10,500.00
Enquiries - Legal Point of Discharge or Drainage Information Urban Areas		Per enquiry	30.75	32.00
Charge for Restoration of Road Openings in Urban and Rural Areas			Actual cost plus 10% of the actual cost to cover administration expenses	Actual cost plus 10% of the actual cost to cover administration expenses
Asset Protection Penalty for Infringement Notice as Specified in Clause 18 of Local Law No.3		Set by Statute (State Government)	Penalty Units are defined by Section 5 of the Monetary Units Act 2004 147.61	Penalty Units are defined by Section 5 of the Monetary Units Act 2004 147.61
			2 Penalty Units	2 Penalty Units

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INFRASTRUCTURE & RECREATION					
SERVICE TYPE				Asset protection	
ASSET PROTECTION FEES	BASIS	2015/16 \$ (GST Inc)		2016/17 \$ (GST Inc)	
Fees for Utilities and Their Agents for Applications Under Schedule 7 to the Road Management Act 2004 for Municipal Roads on which the maximum speed limit for vehicles at any time is <u>more</u> than 50kms per hour	Set by Statute (State Government)	Fee Units are defined by Section 5 of the Monetary Units Act 2004 (as at 1/7/2013) 1 Fee Unit = 13.24		Fee Units are defined by Section 5 of the Monetary Units Act 2004 (as at 1/7/2013) 1 Fee Unit = 13.24	
Works, other than minor works conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	45	Fee Units	45	Fee Units
Works, other than minor works not conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	25	Fee Units	25	Fee Units
Minor works conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	11	Fee Units	11	Fee Units
Minor works not conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	5	Fee Units	5	Fee Units
Fees for Utilities and Their Agents for Applications Under Schedule 7 to the Road Management Act 2004 for Municipal Roads on which the maximum speed limit for vehicles at any time is <u>not more</u> than 50kms per hour	Set by Statute (State Government)	Fee Units are defined by Section 5 of the Monetary Units Act 2004		Fee Units are defined by Section 5 of the Monetary Units Act 2004	
Works, other than minor works conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	20	Fee Units	20	Fee Units
Works, other than minor works not conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	5	Fee Units	5	Fee Units
Minor works conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	11	Fee Units	11	Fee Units
Minor works not conducted on, or on any part of the roadway, shoulder or pathway.	Set by Statute (State Government)	5	Fee Units	5	Fee Units

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INFRASTRUCTURE & RECREATION				
Waste Management - Transfer Stations				
SERVICE TYPE			2015/16	2016/17
TRANSFER STATION FEES		BASIS	\$(GST Inc)	\$(GST Inc)
			General Waste	General Waste
Sedan/Wagon		Seat up.	10.00	11.00
		Seat down.	14.00	15.00
Utilities	Water line up to 1.8m Long Tray	Height to 30cm	14.00	15.00
	Water Line over 1.8m Long Tray	Height to 30cm	25.00	26.00
	Heaped up to 1.8m Long Tray	Height to 60cm	20.00	21.00
	Heaped over 1.8m Long Tray	Height to 60cm	30.00	32.00
Single Axle Trailers	Water Line up to 1.8m Long	Height to 30cm	18.00	20.00
	Water Line 1.8m to 2.75m Long	Height to 30cm	27.00	28.00
	Heaped up to 1.8m Long	Height to 60cm	27.00	28.00
	Heaped 1.8m to 2.75m Long	Height to 60cm	38.00	41.00
	Boxed up to 1.8m Long	Height to 90cm	38.00	41.00
	Boxed 1.8m to 2.75m Long	Height to 90cm	60.00	65.00
Tandem Axle Trailers	Water Line up to 2.75m Long	Height to 30cm	27.00	28.00
	Water Line 2.75m to 3.75m Long	Height to 30cm	43.00	45.00
	Heaped up to 2.75m Long	Height to 60cm	43.00	45.00
	Heaped 2.75m to 3.75m Long	Height to 60cm	76.00	80.00
	Boxed up to 2.75m Long	Height to 90cm	79.00	85.00
	Boxed 2.75m to 3.75m Long	Height to 90cm	107.00	110.00
Trucks Up To 4.5 tonne GVM	With Weighbridge Dockets.	Per tonne, GVM Deposit at municipal landfill.	Refer to landfill fees and charges	Refer to landfill fees and charges
Small Items	Mobile Garbage Bin (wheeled bin).	Per item	5.10	5.50
	Kitchen / Dining Chairs.	Up to three.	5.10	5.50
	Stools.	Up to three.	5.10	5.50
E-Waste (Electrical Items)	Hard drive-keyboard and mouse,laptop,DVD, video, hi fi etc	Per Unit	5.10	5.50
	Screens, monitors & TV	Per item	-	-
Mattresses	Single	Per item	12.50	15.00
	Double	Per item	18.50	21.00
	Queen	Per item	18.50	21.00
	King	Per item	18.50	21.00
Medium Items	Lounge Chairs.	Up to two	12.00	12.50
	Small Cupboards	HDL - 1.3m x 0.6m x 1.2m	12.00	12.50
	2 Seat Sofas.		12.00	12.50

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INFRASTRUCTURE & RECREATION			
Waste Management - Transfer Stations			
SERVICE TYPE TRANSFER STATION FEES	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Large Items Double Beds (excluding Mattresses) Large Cupboards. 3 Seat Sofa.	HDL - 2.5m x 0.7m x 1.6m.	Not Accepted 20.00 20.00	Not Accepted 22.00 22.00
Tyres Car and Motor Cycle. Light Truck & 4WD. Heavy Vehicle and Earth Moving.		5.00 10.00 Not Accepted	5.50 10.00 Not Accepted
Tyres on Rims Car. Light Truck and Fork Lifts. Heavy Vehicle and Earth Moving.		10.00 20.00 Not Accepted	10.50 20.50 Not Accepted
Recyclable Goods - Free of Charge (1) Car Batteries. Paper, Cardboard. Plastic Bottles. Aluminium Cans. Glass Bottles. Steel. White Goods. Car Bodies. Motor Oils.	folded flat (otherwise \$5 handling fee) Codes 1 - 7. Without tyres only at Morwell. Domestic quantities only.	No Charge	No Charge
Other Waste Management Domestic Waste Card (2) Synthetic Mineral Fibre (SMF) Plastic Bags	Per annum. Each	179.40 3.50	185.00 4.00

(1) Loads with large quantities of recyclable material will be assessed on the remaining load. This will require the recyclable material to be unloaded and the vehicle to be reassessed. Timber will be accepted in maximum lengths of 1.8 metres.

(2) Domestic Waste Card - a voluntary service for property owners who do not receive Council's kerb side waste collection services. The card allows unlimited trips to transfer stations to dispose of domestic garbage and recyclable products that would normally be disposed of via the kerbside collection.

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INFRASTRUCTURE & RECREATION				
Waste Management - Landfill				
SERVICE TYPE			2015/16	2016/17
WASTE MANAGEMENT - LANDFILL (1)	BASIS		\$ (GST Inc)	\$ (GST Inc)
Clean Fill	(1) Clean Fill – Only if required at Landfill.	Per tonne – including landfill levy.	41.25	42.25
Putrescible Waste & Inert Waste		Per tonne (excluding contractual arrangements) Minimum charge 1 tonne (includes State Government Landfill Commercial Levy \$51.30 per tonne)	163.75	168.00
Dead Animals	Less than 30kg, Ex Vets	Per animal/ Per bag (max 30kg)	13.10 13.10	13.40 13.40
Prescribed Waste	Commercial Asbestos – Emergency situation only Commercial Asbestos – Emergency situation only Low Level Contaminated Soil Low Level Contaminated Soil	Minimum charge. Per tonne. Minimum charge. Per tonne. (Includes State Government Landfill Asbestos Prescribed Waste Levy \$30 per tonne)	Not Accepted Not Accepted Not Accepted Not Accepted	Not Accepted Not Accepted Not Accepted Not Accepted
Industrial Waste	Synthetic Mineral Fibre Wrapped - Domestic	Per cubic metre (m ³)	30.00	30.00
Hazardous Waste	Asbestos – Domestic. Latrobe City Residents Non-Latrobe City Residents	Per m ³ Per 20kg package (2) must be removed and deposited by the resident, otherwise prescribed waste rate.	40.00 40.00	50.00 50.00

(1) Dry clean fill can only be deposited by contractors by prior arrangement and will only be accepted if fill material is required. It will be charged at the rate of \$40 per tonne, which includes the increase in EPA Commercial levy. There is no public access to landfill.

(2) Maximum of 6 x 20kg packages correctly wrapped per customer.

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CITY DEVELOPMENT			
		<i>Health Services</i>	
SERVICE TYPE HEALTH SERVICES	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Septic Tanks – New Installations			
Sand Filters.		625.30	640.00
Aerated Treatment Plants.		625.30	640.00
Sub Soil Absorption/other Approved Systems.		625.30	640.00
Statutory Annual Assessment of Systems.		194.80	200.00
Inspections.	<i>In excess of two.</i>	133.30	135.00
Alteration – Major.		384.40	395.00
Alteration – Minor.		168.10	175.00
Search Fee.	<i>Maximum.</i>	61.50	63.00
Conveyancing Enquiry.		207.10	215.00
Extension to Septic Tank Application.	<i>More than two years old.</i>	322.90	330.00
Health Premises			
New Annual Registration	<i>Commercial Hairdressing-Low</i>	492.00	505.00
New Annual Registration	<i>Beauty Treatments-Medium</i>	492.00	505.00
New Annual Registration	<i>Mobile Home Hair Dressing etc-Low</i>	225.50	230.00
New Annual Registration	<i>Comm Skin Pen/Colonic-High</i>	502.30	515.00
New Annual Registration	<i>Ear-piercing Single Use-Medium</i>	276.80	285.00
New Annual Registration	<i>Combination or 2 or more services</i>	502.30	515.00
Renewal Annual Registration	<i>Commercial Hairdressing-Low</i>	379.30	390.00
Renewal Annual Registration	<i>Beauty Treatments-Medium</i>	420.30	430.00
Renewal Annual Registration	<i>Mobile Home Hair Dressing etc-Low</i>	174.30	180.00
Renewal Annual Registration	<i>Comm Skin Pen/Colonic-High</i>	492.00	505.00
Renewal Annual Registration	<i>Ear-piercing Single Use-Medium</i>	164.00	170.00
Renewal Annual Registration	<i>Combination or 2 or more services</i>	492.00	505.00
Commercial Accommodation			
New Registration.	<i>Includes motels and hostels.</i>	574.00	590.00
Annual Renewal.	<i>Includes motels and hostels.</i>	507.40	520.00
Late Payment of Annual Registration Fee			
Accommodation/Food/Health Premises.	<i>If not paid after one month from due date</i>	50% of Annual Renewal Fee	50% of Annual Renewal Fee

CITY DEVELOPMENT				
SERVICE TYPE HEALTH SERVICES		BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Caravan Parks and Movable Homes <i>(Statutory Fee)</i>	Government Fee determination under the	<i>Triennium Fees</i> 1-25 sites	231.00	TBA
	Statutory fees council cannot amend the fee set under the Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010	26-50 sites	462.00	TBA
		51-100 sites	924.00	TBA
		101-150 sites	1,400.00	TBA
Transfer of Registration	Food Process within 5 Days.	<i>Maximum.</i>	415.10	425.00
	Food Process within 10 Days.	<i>Maximum.</i>	358.80	370.00
	Health Process within 5 Days.	<i>Maximum.</i>	215.30	220.00
	Health Process within 10 Days.	<i>Maximum.</i>	158.90	165.00
Plan Approval Fee	Non compulsory inspection – Food Premises.	<i>Per hour</i>	123.00	126.00
	Health Premises.	<i>Per hour</i>	97.40	100.00
Food & Water Sample Administration Fee	Sample administration fee	<i>2nd non compliant follow up.</i>	189.60	195.00

CITY DEVELOPMENT				
SERVICE TYPE HEALTH SERVICES		BASIS	Health Services	
			2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
COMMERCIAL FOOD PREMISES				
Class 1 (Full Time)	New	Hospitals / Nursing Homes	697.00	715.00
	Renewal		635.50	650.00
Class 2A (Full Time)	New	Restaurants, Fast Food, Deli's	666.30	680.00
	Renewal		609.90	625.00
Class 2B (Part Time)	New	Supermarkets / Large Manufacturers	1,301.80	1,335.00
	Renewal		1,060.90	1,080.00
Class 2B (Part Time)	New	Minimal unpacked potential hazardous foods	440.80	450.00
	Renewal		389.50	400.00
Class 3A (Full Time)	New	Minimal unpacked potential hazardous foods	384.40	390.00
	Renewal		338.30	345.00
Class 3B (Part Time)	New	Water Carters	164.00	165.00
	Renewal		133.30	135.00
Class 3B (Part Time)	New	Food is secondary activity (e.g. Movie Theatre)	328.00	335.00
	Renewal		256.30	260.00
Class 4 Low Risk Packaged	New	Liquor Outlets, Video Stores, Newsagents, Pharmacies etc.	Exempt	Exempt
	Renewal		Exempt	Exempt
Additional Inspection Fee (non compliance after 2 visits)				
Class 1 (Full Time)		Per Hour (Minimum)	179.40	185.00
Class 2A (Full Time)		Per Hour (Minimum)	158.90	160.00
Class 2B (Part Time)		Per Hour (Minimum)	153.80	160.00
Class 3A (Full Time)		Per Hour (Minimum)	133.30	135.00
Class 3B (Part Time)		Per Hour (Minimum)	107.60	110.00

CITY DEVELOPMENT			
		<i>Local Laws</i>	
SERVICE TYPE LOCAL LAWS	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Parking (In accordance with Road Safety Act 1986)	Parking Infringements. Section 1 Penalty Units are defined by Section 5 of the Monetary Units Act 2004	76.00-152.00	TBA
Dog & Cat Registration Fees (In accordance with Domestic Animal Act 1994)	Full Registration Pensioner Concession Where Microchipped and Desexed or Microchipped and Registered with applicable organisations as defined by the Domestic Animal Act 1994	38.00 19.00	39.00 19.50
Domestic Animal Business	Per annum	205.00	210.10
Dangerous, Menacing or renewals only for Restricted Dog Breeds	Full registration per animal	120.00	123.00
Dog & Cat Infringements (In accordance with Domestic Animal Act 1994)	Section 1 Penalty Units are defined by Section 5 of the Monetary Units Act 2004	76-303	TBA
Pound Release Fees – Domestic Animals Dog or cat release (where owner is identifiable by Council) Dog or cat release (where owner is unidentifiable by Council)	Per animal plus charges below Per animal plus charges below	31.00 105.00	31.80 107.60
In Addition to Release Fees – Where Applicable (In accordance with Domestic Animal Act 1994)	Subsequent Releases Food and keep fees Male dog desexing Female dog desexing Male cat desexing Female cat desexing Dog or cat microchipping	Per animal Per animal per day Per animal Per animal Per animal Per animal Per animal	113.00 15.00 185.00 300.00 100.00 180.00 55.00
Animal Sales (In accordance with Domestic Animal Act 1994)	Cat sale (including desexing fee) Dog sale (including desexing fee) Dog or cat sale (already desexed)	Per animal Per animal Per animal	205.00 350.00 155.00

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CITY DEVELOPMENT			
		<i>Local Laws</i>	
SERVICE TYPE LOCAL LAWS	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Livestock			
Pound Release Large (horse, cow, bull, etc)	Per animal	165.00	169.10
Pound Release Small (sheep, pig, goat etc)	Per animal	90.00	92.30
Food and Keep Fees	Per animal per day	25.00	25.60
Livestock Infringements	Penalties will be applied as per the livestock act.	295.00-590.00	TBA
Livestock attendance for VicRoads	Per Attendance	565.00	579.10
Other Fees/Infringements			
Disabled Parking First Permit.	Each	No Charge	No Charge
Disabled Parking Additional Permits.	Each.	5.00	5.10
Dog/Cat Replacements Tag	Each.	3.00	3.10
Shopping Trolley Release Fee.	Per trolley	160.00	164.00
Release fee for vehicles impounded in accordance with Schedule 11 of the Local Government Act	Per vehicle Plus tow fee per vehicle if applicable	615.00 240.00	630.40 246.00
Release fee for vehicles impounded in accordance with Schedule 11 of the Local Government Act.	Per vehicle Plus standard tow fee per vehicle Plus immediate tow fee per vehicle Plus weekly storage fee	325.00 150.00 260.00 12.00	333.10 153.80 266.50 12.30
School Crossing Flags.	Per set.	85.00	87.10
Fire Hazard infringement.	Set by Statute (State Government) Per penalty unit Penalty Units are defined by Section 5 of the Monetary Units Act 2004	2,260.50	TBA

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CITY DEVELOPMENT			
		<i>Local Laws</i>	
SERVICE TYPE LOCAL LAWS	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Other Fees/Infringements			
Litter Infringement. (In accordance with the Environment Protection Act 1970)	Set by Statute (State Government) Penalty Units are defined by Section 5 of the Monetary Units Act 2004	295.00-1,180.00	TBA
Local Laws Permit.	All Clauses otherwise specified	50.00	51.30
Local Law Infringements. (Local Law No 2)	Per penalty unit	105.00	100.00
Temporary outdoor eating facilities	Per annum fee (inclusive of permit application fee) Consisting of up to 4 tables and a maximum of 12 chairs.	140.00	143.50
Temporary outdoor eating facilities over four tables and/or over 12 chairs.	Per annum fee (inclusive of permit application fee) Consisting of over 4 tables and/or over 12 chairs.	280.00	287.00
Roadside Trading Permit	Clause 82 – Local Law No. 2	400.00	410.00
Caravans as Temporary Accommodation permit.	Clause 142 – Local Law No. 2 – Incorporates 6 month permit application for Health permit to reside in caravan.	310.00	317.80

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CITY DEVELOPMENT			
<i>Building Developments</i>			
SERVICE TYPE BUILDING PERMITS/FEEs	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Permit time extensions and inspections for lapsed permits	<i>Minimum</i>	150.00	150.00
Preparation of Section 173 Agreements <i>For building over easements</i>	<i>Per agreement</i>	400.00	410.00
Building File Search Fee	<i>Linked to statutory fee set by regulation 327</i>	50.00	50.00
Report and Consent	<i>Each</i>	240.00	250.00
<i>First</i>	<i>Each</i>	120.00	125.00
<i>Additional</i>	<i>Treated as a Report and Consent</i>	240.00	250.00
<i>Temporary Structure Siting Approvals</i>	<i>Treated as a Report and Consent</i>	240.00	250.00
<i>Prop - Occupancy Permits</i>			

*NOTE Statutory Fees can only be increased by the Minister for Planning. At the time of the budget preparation there was no indication of likely alteration to these statutory fees.

CITY DEVELOPMENT			
SERVICE TYPE	BASIS	2015/16	2016/17
PLANNING PERMITS		\$ (GST Inc)	Statutory Planning
		\$ (GST Inc)	\$ (GST Inc)
<p>Many of these fees are those prescribed under the Planning and Environment (Fees) Regulations 2000 and the Subdivision (Permit and Certification Fees) Regulations, but are not a complete representation of the Regulations. Reference should be made to the Regulations to obtain the complete wording of individual fee regulations (GST exempt).</p> <p>* NOTE - Statutory Fees are subject to change at the discretion of the Minister for Planning.</p>			
Planning Permit Application - Use Only		502.00	514.60
To develop land or to use and develop land for a single dwelling per lot, or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application is:	\$10,001 - \$100,000.	239.00	245.00
	More Than \$100,000.	490.00	502.30
To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:	Up to \$10,000.	102.00	104.60
	\$10,001 to \$250,000.	604.00	619.10
	\$250,001 to \$500,000.	707.00	724.70
	\$500,001 to \$1,000,000.	815.00	835.40
	\$1,000,001 to \$7,000,000.	1,153.00	1,181.80
	\$7,000,001 to \$50,000,000.	4,837.00	4,957.90
	\$10,000,001 to \$50,000,000.	8,064.00	8,265.60
	More Than \$50,000,000.	16,130.00	16,533.30
Subdivision	To Subdivide an Existing Building.	386.00	395.70
	To Subdivide Land into Two Lots.	386.00	395.70
	To effect a realignment of a common boundary between lots	386.00	395.70
	Consolidate two or more lots.	386.00	395.70
	To Subdivide Land.	781.00	800.50
	To remove a restriction (within the meaning of the Subdivision Act 1988) over land if the land has been used or developed for more than 2 years before the date of the applications in a manner which would have been lawful under the Planning and Environment Act 1987 but for the existence of the restriction.	249.00	255.20

CITY DEVELOPMENT			
SERVICE TYPE PLANNING PERMITS	BASIS	Statutory Planning	
		2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Subdivision To create, vary or remove a restriction within the meaning of the Subdivision Act 1958, or to create or remove a right of way. To create, vary or remove an easement other than a right of way; or to vary or remove a condition in the nature of an easement other than a right of way in a Crown grant. Supervision of Works Checking of Engineering Plans.	Statutory State Government Fees	541.00	554.50
	Statutory State Government Fees	404.00	414.10
		2.5% of value of works	2.5% of value of works
		2.5% of value of works	2.5% of value of works
To Amend an Application To amend an application for a permit after notice of the application has been given under Section 52.	Statutory State Government Fees	102.00	104.60
To Amend a Permit To amend an application to amend a permit after late notice of the application has been given under Section 52. To amend a permit to use land if that amendment is to change the use for which the land may be used. To change a statement of what the permit allows. To change any of all of the conditions which apply to the permit. In any way not otherwise provided for in this regulation. To amend a permit to develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of an additional development to be permitted by the amendment is:	Statutory State Government Fees	102.00	104.60
	Statutory State Government Fees	502.00	502.00
	Statutory State Government Fees	502.00	502.00
	Statutory State Government Fees	502.00	502.00
	Statutory State Government Fees	502.00	502.00
	Statutory State Government Fees	502.00	502.00
	\$10,000 - \$100,000	239.00	239.00
	> \$100,000	490.00	490.00

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CITY DEVELOPMENT			
SERVICE TYPE	BASIS	Statutory Planning	
		2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
PLANNING PERMITS			
To Amend A Permit (Continued)			
To amend a permit to develop land if the estimated cost of any additional development to be permitted by the amendment is \$10,000 or less.	Statutory State Government Fees	102.00	102.00
To amend a permit if the estimated cost of any additional development to be permitted by the amendment is:	Statutory State Government Fees		
	> \$10,001 to \$250,000;	604.00	604.00
	> \$250,001 to \$500,000;	707.00	707.00
	> \$500,001	815.00	815.00
To amend a permit to: Subdivide an existing building; Subdivide land into two lots; Effect a realignment of a common boundary Consolidate two or more lots.	Statutory State Government Fees	386.00	386.00
Combined Permit Applications Certification			
An application to certify a plan.	Statutory State Government Fees		
	Application fee plus amount per lot	100.00	100.00
		20.00	20.00
Procedural	Exempt subdivisions, consolidations etc.	100.00	100.00
Recertification		100.00	100.00
Certificates of Compliance			
The fee for a certificate under Section 97N.	Statutory State Government Fees	147.00	147.00
Satisfaction Matters			
The fee for determining a matter where a planning scheme specifies that the matter must be done to the satisfaction of a responsible authority or referral authority.	Statutory State Government Fees	102.00	102.00
Administration Charges			
Extend the Expiry Date of a Permit.	Per permit	134.50	137.90
Search for and Provide a copy of a permit	Per permit	134.50	137.90
Liquor Licence Applicant Information Requests	Per application	59.85	61.35
Written response to planning queries	Per response	59.85	61.35
	<i>This figure is based on average of Council fees across Councils</i>		
Secondary Consent	Per permit	104.55	107.15
Public Notification on behalf of Applicant.	Standard administration fee	33.60	34.40

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CITY DEVELOPMENT			
		<i>Statutory Planning</i>	
SERVICE TYPE PLANNING PERMITS	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
<i>Photocopying Charges on Behalf of Applicant</i>			
	<i>Black & White A4 per sheet</i>	0.25	0.25
	<i>Colour A4 per sheet</i>	1.20	1.20
	<i>Black and White A3 per sheet</i>	0.50	0.50
	<i>Colour A3 per sheet</i>	1.55	1.55
	<i>Black & White A01 per sheet</i>	8.40	8.60
	<i>Colour A01 per sheet</i>	10.55	10.85
	<i>Black & White A1 per sheet</i>	6.85	7.05
	<i>Colour A1 per sheet</i>	8.40	8.60
	<i>Black & White A2 per sheet (plotter)</i>	5.25	5.35
	<i>Colour A2 per sheet (plotter)</i>	6.35	6.55

*NOTE Statutory Fees can only be increased by the Minister for Planning. At the time of the budget preparation there was no indication of likely alteration to these statutory fees.

CITY DEVELOPMENT				
SERVICE TYPE		BASIS	<i>Strategic Planning</i>	
AMENDMENTS TO PLANNING SCHEMES			2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Stage One	Considering a request to amend the planning scheme; and Taking action required by Division 1 of Part 3 of the Planning and Environment Act 1987; and Considering any submissions which do not seek a change to the amendment; and If applicable, abandoning the amendment in accordance with Section 28.	Statutory State Government Fees	798.00	798.00
Stage Two	Considering submissions which seek a change to an amendment, and where necessary referring the submissions to a panel; and Providing assistance to a panel in accordance with Section 158; and Making a submission in accordance with Section 24(b); and Considering the report in accordance with Section 27; and After considering submissions and the report in accordance with Section 27, if applicable, abandoning the amendment in accordance with Section 28.	Statutory State Government Fees	798.00	798.00
Stage Three	Adopting the amendment or part of the amendment in accordance with Section 29; and Submitting the amendment for approval in accordance with Section 31.	Statutory State Government Fees	524.00	524.00
Stage Four	Considering a request to approve an amendment in accordance with Section 35; and Giving notice of approval of an amendment in accordance with Section 36.	Statutory State Government Fees	798.00	798.00

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CITY DEVELOPMENT				
SERVICE TYPE			Strategic Planning	
AMENDMENTS TO PLANNING SCHEMES		BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Combined Permit Application & Planning Scheme Amendment				
The fee for an application for a planning permit combined with a request for amendment of a planning scheme, made in accordance with Section 96a, is the sum arrived at by adding the higher of the fees plus 50% of the lower of the fees which would have applied if separate application had been made.				
If the application for a planning permit is for any combination of use, development other than subdivision, subdivision and any matter referred to in Classes 16, 17 or 18, the fee for the planning permit for the purpose of this calculation is the higher of the fees which would have applied if separate application for planning permits had been made.				
Administration Charges				
General written advice of planning scheme amendment histories.			62.00	62.00
Costs and expenses for a Planning Panel to be appointed, hear and consider submissions, and prepare a report under Part 5 of the Planning and Environment Act 1967.		Full fee recovery of government charges	Various	Various

*NOTE Statutory Fees can only be increased by the Minister for Planning. At the time of the budget preparation there was no indication of likely alteration to these statutory fees.

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CITY DEVELOPMENT				
<i>Latrobe Regional Gallery</i>				
SERVICE TYPE		BASIS	2015/16	2016/17
LATROBE REGIONAL GALLERY			\$ (GST Inc)	\$ (GST Inc)
Community Access Gallery	Commercial Rental	Per week	292.00	299.30
	Community Rental	Per week	162.00	166.10
	Bond		185.00	189.60
Meeting Room : Room with board table	Commercial Rental	Half day	105.00	107.60
		Full day	185.00	189.60
	Community Rental	Half day	49.00	50.20
		Full day	93.00	95.30
Meeting Room 2 - Friends Room: Room with kitchen table and lounge	Commercial Rental	Half day	105.00	107.60
		Full day	185.00	189.60
	Community Rental	Half day	49.00	50.20
		Full day	93.00	95.30
Studio Workshop - Commercial	Rental	Half day	105.00	107.60
		Full day	224.00	229.60
		Evening	279.00	286.00
Studio Workshop - Community	Rental	Half day	49.00	50.20
		Full day	103.00	105.60
		Evening	142.00	145.60

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CITY DEVELOPMENT					
Performing Arts Centre					
SERVICE TYPE	BASIS	2015/16		2016/17	
PERFORMING ARTS CENTRE		\$ (GST Inc)		\$ (GST Inc)	
Performing Arts Centre - Commercial Rate					
<i>(Professional live performances, professional workshops/seminars, exhibitions and trade shows)</i>					
Town Hall	8am – 5pm daytime – per hour.	104.00		108.00	
	5pm-midnight –evening –per session.	996.00		1,023.00	
	8am-midnight –all day –per session.	1,612.00		1,652.00	
	Weekly hire rate (5-7 days)	6,414.00		6,574.00	
Little Theatre	8am – 5pm daytime – per hour.	52.00		53.00	
	5pm-midnight –evening –per session.	504.00		517.00	
	8am-midnight –all day –per session.	814.00		834.00	
	Weekly hire rate (5-7 days)	3,125.00		3,203.00	
Whole Complex	8am – 5pm daytime – per hour.	148.00		152.00	
	5pm-midnight –evening –per session.	1,377.00		1,410.00	
	8am-midnight –all day –per session.	2,185.00		2,240.00	
	Weekly hire rate (5-7 days)	8,825.00		9,045.00	
Performing Arts Centre - Community Rate					
<i>(Bazaars, Fairs, Stalls, Presentation Nights, School Concerts, Weddings, Social Events, Meetings)</i>					
Town Hall	8am – 5pm daytime – per hour.	76.00	39.00	77.90	40.00
	5pm-midnight –evening –per session.	630.00	325.00	645.80	333.10
	8am-midnight –all day –per session.	763.00	508.00	782.10	520.70
	Weekly hire rate (5-7 days)	4,684.00	N/A	4,801.10	N/A
Little Theatre	8am – 5pm daytime – per hour.	40.00	22.00	41.00	22.00
	5pm-midnight –evening –per session.	368.00	190.00	377.20	194.80
	8am – midnight – all day – per session.	519.00	259.00	532.00	265.50
	Weekly hire rate (5-7 days)	2,489.00	N/A	2,530.70	N/A
Whole Complex	8am – 5pm daytime – per hour.	98.00	49.00	100.50	50.20
	5pm-midnight –evening –per session.	899.00	450.00	921.50	461.30
	8am-midnight –all day –per session.	1,591.00	795.00	1,630.80	814.90
	Weekly hire rate (5-7 days)	6,354.00	N/A	6,512.90	N/A

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CITY DEVELOPMENT				
SERVICE TYPE COMMUNITY HALLS		BASIS	<i>Community Halls</i>	
			2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Kemot Hall – Commercial Rate (Professional live performances, professional workshops/seminars, exhibitions and trade shows)	Hall 1.	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session. Weekly hire rate.	89.00 693.00 1,387.00 5,521.00	91.20 915.30 1,421.70 5,659.00
	Hall 2.	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session. Weekly hire rate.	46.00 470.00 699.00 2,763.00	47.20 481.80 716.50 2,832.10
	Whole Hall.	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session. Weekly hire rate.	136.00 1,192.00 1,844.00 7,470.00	139.40 1,221.60 1,890.10 7,666.80
	Whole Complex.	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session. Weekly hire rate.	168.00 1,629.00 2,642.00 10,222.00	172.20 1,689.70 2,708.10 10,477.60
	Foyer.	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session.	89.00 563.00 940.00	70.70 577.10 563.50
	Kitchen.	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session.	42.00 272.00 436.00	43.10 278.80 448.90

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CITY DEVELOPMENT						
SERVICE TYPE		BASIS	2015/16		2016/17	
COMMUNITY HALLS			\$(GST Inc)		\$(GST Inc)	
			* Peak	* Off Peak	* Peak	* Off Peak
Kermot Hall – Community Rate						
(Bazaars, Fairs, Stalls, Presentation Nights, School Concerts, Weddings, Social Events, Meetings)						
	Hall 1.	8am – 5pm – daytime – per hour.	84.00	32.00	85.80	32.80
		5pm –midnight –evening –per session.	568.00	282.00	582.20	288.10
		8am –midnight –all day –per session.	894.00	444.00	916.40	455.10
	Hall 2.	8am – 5pm – daytime – per hour.	38.00	21.00	39.00	21.50
		5pm –midnight –evening –per session.	310.00	158.00	317.80	162.00
		8am –midnight –all day –per session.	460.00	227.00	471.50	232.70
	Whole Hall.	8am – 5pm – daytime – per hour.	82.00	41.00	84.10	42.00
		5pm –midnight –evening –per session.	780.00	389.00	795.50	398.70
		8am –midnight –all day –per session.	1,271.00	636.00	1,302.80	651.90
	Whole Complex.	8am – 5pm – daytime – per hour.	120.00	60.00	123.00	61.50
		5pm –midnight –evening –per session.	1,088.00	536.00	1,092.70	549.40
		8am –midnight –all day –per session.	1,655.00	828.00	1,696.40	848.70
		Weekly hire rate (5-7days)	4,150.00	N/A	4,253.80	N/A
	Foyer.	8am – 5pm – daytime – per hour.	46.00	26.00	47.20	26.70
		5pm –midnight –evening –per session.	358.00	178.00	367.00	182.50
		8am –midnight –all day –per session.	630.00	316.00	645.80	323.80
	Kitchen.	8am – 5pm – daytime – per hour.	26.00	14.00	26.70	14.40
		5pm –midnight –evening –per session.	184.00	92.00	188.80	94.30
		8am –midnight –all day –per session.	289.00	148.00	296.20	151.70

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CITY DEVELOPMENT						
SERVICE TYPE COMMUNITY HALLS		BASIS	2015/16 \$ (GST Inc)		Community Halls 2016/17 \$ (GST Inc)	
Moe Town Hall – Commercial Rate (Professional live performances, professional workshops/seminars, exhibitions and trade shows)		Main Hall	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session.	84.00 783.00 1,140.00		86.10 802.60 1,168.50
		Exhibition Hall	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session.	57.00 388.00 562.00		58.40 397.70 576.10
		Whole Complex	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session.	136.00 1,087.00 1,629.00		130.40 1,114.20 1,669.70
Moe Town Hall – Community Rate (Bazaars, Fairs, Stalls, Presentation Nights, School Concerts, Weddings, Social Events and Meetings)		Main Hall	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session.	* Peak 61.00 519.00 746.00	* Off Peak 32.00 254.00 373.00	* Peak 62.90 532.00 764.70
		Exhibition Hall	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session.	38.00 252.00 373.00	20.00 126.00 138.00	39.00 258.30 382.30
		Whole Complex	8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session. 8am –midnight –all day –per session. Weekly hire rate.	76.00 714.00 1,045.00 3,100.00	38.00 358.00 520.00 N/A	77.90 731.90 1,071.10 N/A
Newborough Public Hall – Community Rate (Bazaars, Fairs, Stalls, Presentation Nights, School Concerts, Weddings, Social Events and Meetings)			8am – 5pm – daytime – per hour. 5pm –midnight –evening –per session.	* Peak 31.00 254.00	* Off Peak 18.00 134.00	* Peak 31.80 260.40
Ronald Reserve Hall – Community Rate (Bazaars, Fairs, Stalls, Presentation Nights, School Concerts, Weddings, Social Events and Meetings)			Per hour.	18.00	18.00	18.50
Churchill Community Hall – Community Rate (Bazaars, Fairs, Stalls, Presentation Nights, School Concerts, Weddings, Social Events and Meetings)			Per hour.	18.00	18.00	18.50

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CITY DEVELOPMENT						
SERVICE TYPE COMMUNITY HALLS		BASIS	2015/16 \$ (GST Inc)		2016/17 \$ (GST Inc)	
			* Peak	* Off Peak	* Peak	* Off Peak
Traralgon Court House – Court Room	Community Rate	Per day (8am - 5pm)	56.00	29.00	57.40	29.70
	Commercial Rate	Per day (8am - 5pm)	86.00	N/A	88.20	N/A
Loy Yang Power Latrobe Community Sound Shell – Commercial Rate		Plus clean up costs. Refunded after satisfactory clean up.	316.00		323.90	
Hire Bond/Deposit			578.00		592.50	
Loy Yang Power Latrobe Community Sound Shell - Community Rate		Usage – up to 5.00pm. Usage – after 5.00pm. Refunded after satisfactory clean up.	No Charge		No Charge	
Daytime			No Charge		No Charge	
Evening Bond/Deposit			274.00		280.80	
Traralgon East Community Centre	Hall Hire	Per hour	18.00		18.50	
Kath Teychenne Centre – Meeting Room	ity and Not For Profit Groups. Commercial.	Per hour Per hour	No Charge 28.00		No Charge 28.70	

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CITY DEVELOPMENT			
SERVICE TYPE		Community Halls	
COMMUNITY HALLS	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Lighting			
Standard			
Kemot Hall & Moe Town Hall (Standard Rig Open White)	Initial 1-3 shows per season	140.00	143.00
Kemot Hall & Moe Town Hall (Standard Rig Open White)	Subsequent 4th-6th show per season	136.00	139.40
Kemot Hall & Moe Town Hall (Standard Rig Open White)	Subsequent 7th+ show per season	134.00	137.40
Kemot Hall & Moe Town Hall (Standard Rig Colour-2 specials)	Initial 1-3 shows per season	168.00	172.20
Kemot Hall & Moe Town Hall (Standard Rig Colour-2 specials)	Subsequent 4th-6th show per season	163.00	167.10
Kemot Hall & Moe Town Hall (Standard Rig Colour-2 specials)	Subsequent 7th+ show per season	160.00	164.00
Loy Yang Power Lobe Community Sound Shell (Standard Rig)	Per session	751.00	769.80
Performing Arts Centre (Standard Rig White/Colour-2 specials)	Initial 1-3 shows per season + Technician fees	210.00	215.30
Performing Arts Centre (Standard Rig White/Colour-2 specials)	Subsequent 4th-6th show per season+ Technician fees	204.00	209.10
Performing Arts Centre (Standard Rig White/Colour-2 specials)	Subsequent 7th+ show per season+ Technician fees	200.00	205.00
Non Standard			
Performing Arts Centre	Initial 1-3 shows per season + Technician Fees	264.00	270.60
Performing Arts Centre	Subsequent 4th-6th show per season+ Technician fees	256.00	262.40
Performing Arts Centre	Subsequent 7th+ show per season+ Technician fees	251.00	257.30
Technician Fees	2 x Technicians per hour (min 3 hours)	84.00	88.10
Portable 5 x 400 watt lights	Per Day (including 3 hours of Technician)	242.00	248.10
Piano			
Within hire period	First session/day (includes tuning)	257.00	263.40
	subsequent usage per session/day.	89.00	91.20
Technician			
Commercial (minimum 3 hours)	Per technician per hour.	48.00	49.20
Community (minimum 3 hours)	Per technician per hour.	42.00	43.10
Front Of House			
Commercial Usher/Merchandise Seller	Per hour.	42.00	43.10
Community Usher/Merchandise Seller	Per hour.	37.00	37.90
Front of House Manager	Per hour.	48.00	49.20

CITY DEVELOPMENT				
SERVICE TYPE COMMUNITY HALLS		BASIS	Community Halls	
			2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Miscellaneous				
	Sale of Goods	<i>Payment in lieu of rates (per day)</i>	160.00	172.20
	PA System	<i>All venues initial 1-3 shows per season</i>	148.00	151.70
	PA System	<i>Subsequent 4th-6th show per season</i>	143.00	146.60
	PA System	<i>Subsequent 7th+ show per season</i>	140.00	143.50
	Penalty Rate	<i>After midnight – per hour</i>	135.00	138.40
	Bond	<i>Per Event</i>	304.00	311.60
	Kiosk	<i>Per hour</i>	25.00	25.60
	Test and tag electrical equipment	<i>Per item</i>	8.50	8.70
	Folding tables – wooden	<i>Per item</i>	11.00	11.30
	Chairs – plastic	<i>Per item</i>	3.00	3.10
	Replacement soft disc	<i>Per item</i>	25.00	25.00
	Excess rubbish removal (> 3m ² per hire)	<i>each additional 3m²</i>	105.00	105.00
Hall Hires Public/Products Liability Insurance				
	\$10m cover with \$250 excess (subject to policy terms & conditions)	<i>Per hire up to 52 times per year</i>	16.00	16.40
	Performers/Stall holders/Artists/Street stallholders/Buskers/Tutors and Instructors – Available to uninsured, non-high risk applicants, involved in Council event/program/facility/permit holders.	<i>Per hire</i>	35.00	35.90
Ticketing				
	Commercial - All Venues (including Sounds)	<i>Per ticket sold. Per complimentary ticket issued. Credit card transactions.</i>	3.90 0.70 Bank Fee	3.90 0.70 Bank Fee
	Community - All Venues	<i>Per ticket sold. Per complimentary ticket issued. Credit card transactions.</i>	2.80 0.70 No Charge	2.90 0.70 No Charge
Ticket Printing				
	Venue	<i>Less than 250 seats</i>	152.00	155.80
	Venue	<i>251- 520 seats</i>	254.00	260.40
	Venue	<i>Greater than 521 seats</i>	314.00	321.90
Merchandise Commission				
	Commercial - All Venues	<i>Total Sales</i>	12.50%	12.50%

*Peak – Friday to Sunday plus Public Holidays / Off Peak – Monday to Thursday excluding Public Holidays

Required public liability insurance is the responsibility of the individual hirers

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CITY DEVELOPMENT			
<i>Latrobe Regional Airport</i>			
SERVICE TYPE LATROBE REGIONAL AIRPORT	BASIS	2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Airport Annual Licence Fees	Recreational Light Commercial Commercial	142.30 709.50 1,421.20	145.90 727.20 1,486.70

These fees are set annually by the Latrobe Regional Airport Board and therefore the proposed 2015/16 fees may be subject to amendment following that process.

PLANNING & ECONOMIC SUSTAINABILITY			
Visitor Information Centre			
SERVICE TYPE			
VISITORS INFORMATION CENTRE		2015/16 \$ (GST Inc)	2016/17 \$ (GST Inc)
Brochure Racking Fee	Operators within Gippsland region wishing to display their brochure in the visitor centre	Annual	85.00
			87.00
Public Internet Printing	Black and White A4	Per page	0.30
	Colour A4	Per page	1.30
Photocopying	Black and White A4	Per page	0.30
	Colour A4	Per page	1.30
Fax	1st Page	Per page	2.70
	Additional Pages	Per page	1.00

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CORPORATE SERVICES			
<i>Contracts & Tendering</i>			
SERVICE TYPE	BASIS	2015/16 \$(GST Inc)	2016/17 \$(GST Inc)
CONTRACTS TENDERING			
Tender Documentation Refundable Fee for hard copy Tender Documents	Per tender	55.00	56.40

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CORPORATE SERVICES				
SERVICE TYPE		BASIS	<i>Property & Legal</i>	
PROPERTY AND LEGAL			2015/16	2016/17
			\$ (GST Inc)	\$ (GST Inc)
Property and Legal				
	Sale of Land Application Fee.	Per application	143.50	150.00
	Road Discontinuance/Closure Application Fee	Per application	143.50	150.00
	Annual Lease/License Charge Non Commercial or Community & Non Profit Organisation.	Per lease or licence per annum	70.70	75.00
Off Street Car Parks				
Seymour Street Car Park (Traralgon)				
	Car park space leases	Per space per annum	1,230.00	1,230.00
	After Hours Call out Fee – Seymour Street Car Park	Per callout	54.30	55.70
	Reissue of Permit Sticker Permit	Per replacement permit sticker	20.50	21.00
Commercial Road Car Park (Morwell)				
	Car park space leases	Per space per annum	806.70	828.90
	Reissue of Permit Sticker Permit	Per replacement permit sticker	20.50	21.00

* New fee is set in accordance with the regulations and incorporates a CPI based escalation which is not available until June.

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CORPORATE SERVICES				
SERVICE TYPE		BASIS	2015/16	2016/17
GOVERNANCE			\$ (GST Inc)	\$ (GST Inc)
Freedom of Information		Application Fee	* As per regulations	* As per regulations
		Access Charges	As per regulations	* As per regulations

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Draft 2016/2017 Budget Budget Process

Budget processes

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

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

The 2016/17 budget, which is included in this report, is for the year 1 July 2016 to 30 June 2017 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2017 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. Financial projections for at least four years are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with Officers preparing the operating and capital components of the annual budget from November through to December. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during January and February. A proposed budget is prepared in accordance with the Act and submitted to Council in March for approval in principle. Council is then required to give public notice that it intends to adopt the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

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

Draft 2016/2017 Budget Budget Process

Budget process	Timing
1. Officers update Council's long term financial projections	Sep - Nov
2. Officers prepare operating and capital budgets	Nov - Jan
3. Council considers draft budgets at informal briefings	Feb
4. Council's Audit Committee review draft budget	Mar
5. Proposed budget submitted to Council for approval	Mar
6. Public notice advising intention to adopt budget	Mar
7. Budget available for public inspection and comment	Mar/Apr
8. Submissions period closes (28 days)	Apr
9. Submissions considered by Council/Committee	May
10. Budget and submissions presented to Council for adoption	May
11. Copy of adopted budget submitted to the Minister	June

LATROBE CITY COUNCIL

DRAFT STRATEGIC RESOURCE PLAN

2016-2020

The Strategic Resource Plan identifies the resources that will be required by Latrobe City Council over the next four years for the implementation of the Council Plan 2013-2017.

Comprehensive Income Statement

For the four years ending 30 June 2020

	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Income				
Rates and charges	74,568	76,952	79,409	81,941
Grants - Operating	22,756	22,825	22,997	23,171
Grants - Capital	7,045	13,842	12,957	5,192
Statutory Fees & Fines	1,932	1,980	2,030	2,081
User Charges	13,579	13,918	14,266	14,623
Contributions - Monetary	41	42	43	44
Contributions - Non-Monetary	3,000	3,000	3,000	3,000
Net gain on disposal of property, infrastructure, plant & equip.	0	0	0	0
Other Income	3,406	3,502	3,612	3,726
Total income	126,327	136,061	138,314	133,778
Expenses				
Employee costs	52,159	53,868	55,754	57,705
Materials and services	37,343	35,082	35,614	37,248
Bad and doubtful debts	15	15	16	17
Depreciation and amortisation	24,271	25,037	26,541	27,236
Borrowing Costs	918	878	939	904
Other Expenditure	3,137	3,206	3,277	3,350
Total expenses	117,842	118,086	122,141	126,460
Surplus / (deficit) for the year	8,485	17,975	16,173	7,318
Other comprehensive income				
Net Asset Revaluation movement	23,450	24,130	24,972	25,734
Total comprehensive result	31,935	42,105	41,145	33,052

The Standard Income Statement shows what is expected to happen over the next four years in terms of revenues, expenses and other gains/losses.

The 'bottom line' shows the movement in Council's financial position during the next four years which is reflected in the movement in net assets/total equity in the Standard Balance Sheet.

Key Assumptions

- The wage rate rise each year is 3.00% p.a. as per the current Enterprise Bargaining Agreement, which was renewed in 2015/16.
- Overall rates and charges will increase by 2.30% in 2016/17 raising total rates of \$74.568 million, including \$0.300 million generated from supplementary rates. General rates and municipal charge increase by 2.5% or \$1.300 million while garbage charges increase by \$7.00 per service which equates to 2.30% or \$0.240 million. In addition the State Government imposed Landfill levy increases by 2.56%. In the following 3 years rates are projected to increase by 2.5% per annum based on the current rate cap under the Fair Go Rate System.
- User charges will increase by 2.5 percent annually in accordance with CPI.
- Recurrent operating grants and contributions are increased by 1.5 percent annually (CPI less 1%) except where actual funding is already known.
- Materials and consumables will increase by 2.5 percent annually.
- Finance costs vary according to Council's loan repayment schedules and for new borrowings, an interest rate of 5.0 percent is assumed.
- Projected increases in net surplus from operations will primarily be used to meet the requirements in capital renewal to address the projected infrastructure gap.

Balance Sheet

For the four years ending 30 June 2020

	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
Assets				
Current assets				
Cash and cash equivalents	14,648	12,331	14,515	12,415
Trade and other receivables	8,405	9,064	9,252	8,974
Other financial assets	30,000	30,000	30,000	30,000
Financial Assets	2,460	2,522	2,585	2,649
Total current assets	55,514	53,917	56,352	54,038
Non-current assets				
Property, infrastructure, plant and equipment	1,205,261	1,247,748	1,286,804	1,317,070
Other financial assets	2	2	2	2
Intangible assets	505	2,760	1,656	552
Total non-current assets	1,205,768	1,250,510	1,288,462	1,317,624
Total assets	1,261,282	1,304,428	1,344,814	1,371,662
Liabilities				
Current liabilities				
Trade and other payables	13,838	13,707	13,935	14,426
Provisions	16,427	16,346	16,843	15,156
Interest bearing loans and borrowings	2,035	1,864	9,854	1,380
Trust funds & deposits	2,665	2,731	2,800	2,870
Total current liabilities	34,964	34,648	43,432	33,831
Non-current liabilities				
Provisions	12,550	11,770	8,181	6,743
Interest bearing loans and borrowings	16,215	18,352	12,397	17,232
Total non-current liabilities	28,765	30,122	20,578	23,975
Total liabilities	63,729	64,770	64,010	57,806
Net Assets	1,197,553	1,239,658	1,280,804	1,313,856
Equity				
Accumulated surplus	664,997	682,931	699,062	706,335
Asset revaluation reserve	530,219	554,349	579,321	605,055
Other Reserves	2,336	2,378	2,421	2,466
Total equity	1,197,553	1,239,658	1,280,804	1,313,856

The Standard Balance Sheet provides a snapshot of the Council's expected financial position at the end of each of the next four years. The 'bottom line' of this statement is net assets/total equity which is the net worth of Council.

The change in net assets/total equity is the result of the total comprehensive result shown in the Standard Income Statement.

Statement of Changes in Equity

For the four years ending 30 June 2020

	Total \$'000	Accumulate d Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016/17				
Balance at beginning of the financial year	1,165,618	656,394	506,770	2,454
Surplus for the year	8,485	8,485	0	0
Net asset revaluation increment	23,450	0	23,450	0
Transfer to reserves	0	(41)	0	41
Transfer from reserves	0	159	0	(159)
Balance at end of the financial year	1,197,553	664,997	530,219	2,336
2017/18				
Balance at beginning of the financial year	1,197,553	664,997	530,219	2,336
Surplus for the year	17,975	17,975	0	0
Net asset revaluation increment	24,130	0	24,130	0
Transfer to reserves	0	(42)	0	42
Transfer from reserves	0	0	0	0
Balance at end of the financial year	1,239,656	682,930	554,349	2,378
2018/19				
Balance at beginning of the financial year	1,239,656	682,931	554,349	2,378
Surplus for the year	16,173	16,173	0	0
Net asset revaluation increment	24,972	0	24,972	0
Transfer to reserves	0	(43)	0	43
Transfer from reserves	0	0	0	0
Balance at end of the financial year	1,280,802	699,061	579,321	2,421
2019/20				
Balance at beginning of the financial year	1,280,804	699,062	579,321	2,421
Surplus for the year	7,318	7,318	0	0
Net asset revaluation increment	25,734	0	25,734	0
Transfer to reserves	0	(45)	0	45
Transfer from reserves	0	0	0	0
Balance at end of the financial year	1,313,856	706,335	605,055	2,466

Statement of Cash Flows

For the four years ending 30 June 2020

	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Rates and charges	74,435	76,562	79,289	82,104
Grants - operating	22,657	22,751	23,005	23,262
Grants - capital	7,032	13,772	12,937	5,202
Statutory Fees & Fines	1,929	1,970	2,027	2,085
User Charges	13,555	13,848	14,245	14,652
Interest	1,412	1,454	1,518	1,586
Contributions - monetary	41	42	43	44
Other Receipts	2,046	1,988	2,045	2,104
Employee costs	(52,639)	(55,041)	(56,604)	(57,960)
Materials and services	(41,424)	(37,723)	(37,690)	(39,693)
Trust Funds and Deposits	65	67	68	70
Other Payments	(3,126)	(3,206)	(3,277)	(3,350)
Net cash from operating activities	25,983	36,485	37,608	30,106
Cash flows from investing activities				
Proceeds from property, plant and equipment	747	600	600	600
Proceeds from sale of investments	0	0	0	0
Payments for property, plant and equipment	(31,851)	(40,490)	(37,121)	(28,263)
Net cash used in investing activities	(31,104)	(39,890)	(36,521)	(27,663)
Cash flows from financing activities				
Finance costs	(918)	(878)	(939)	(904)
Proceeds from borrowings	2,100	4,000	3,900	3,000
Repayment of borrowings	(1,883)	(2,035)	(1,864)	(6,640)
Net cash provided by (used in) financing activities	(701)	1,087	1,097	(4,544)
Net increase/(decrease) in cash & cash equivalents	(5,822)	(2,319)	2,184	(2,101)
Cash & cash equivalents at beginning of year	20,469	14,648	12,329	14,513
Cash & cash equivalents at end of year	14,648	12,329	14,513	12,412

The Standard Cash Flow Statement shows the expected movement in cash over the next four years.

- The net cash flows from operating activities shows the expected cash available after providing services to the community. Surplus funds have been allocated to fund ongoing capital requirements.
- The decrease in the 'cash held' forecast in 2016/17 is principally a result of grant funding received in one financial year to be spent in the following year, together with capital projects commenced in one year and completed the next.

Statement of Capital Works

For the four years ending 30 June 2020

	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
Property				
Land	0	0	0	0
Buildings	7,559	16,150	17,767	3,621
Heritage Buildings	0	0	0	0
Total Property	7,559	16,150	17,767	3,621
Plant and Equipment				
Plant, Machinery & Equipment	1,672	2,120	2,120	2,120
Fixtures, Fittings & Furniture	10	10	10	10
Computers & Telecommunications	624	658	683	600
Artworks	15	15	15	15
Total Plant and Equipment	2,321	2,803	2,828	2,745
Infrastructure				
Roads	14,743	11,991	11,097	11,423
Footpaths & Cycleways	1,461	4,192	2,412	1,432
Bridges & Culverts	391	404	415	421
Off Street Carparks	105	150	160	165
Drainage	1,389	1,750	2,237	8,256
Recreational, Leisure & Community Facilities	1,237	0	0	0
Parks, Open Space & Streetscapes	494	250	175	180
Waste Management	2,150	2,800	30	20
Other Infrastructure	0	0	0	0
Total Infrastructure	21,971	21,537	16,526	21,897
Total capital works expenditure	31,851	40,490	37,121	28,263
Represented by:				
New asset expenditure	5,294	17,565	16,115	7,715
Asset renewal expenditure	19,620	18,111	18,444	18,536
Asset expansion expenditure	1,222	262	262	262
Asset upgrade expenditure	5,715	4,552	2,300	1,750
Total capital works expenditure	31,851	40,490	37,121	28,263

Statement of Human Resources

For the four years ending 30 June 2020

	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
Staff expenditure				
Employee costs - operating	52,159	53,868	55,754	57,705
Employee costs - capital	1,500	1,545	1,591	1,639
Total staff expenditure	53,659	55,413	57,345	59,344
	FTE	FTE	FTE	FTE
Staff numbers				
Employees	576.3	576.3	576.3	576.3
Total staff numbers	576.3	576.3	576.3	576.3

Other Information

For the four years ended 30 June 2020

1. Summary of planned capital works expenditure

	Asset Expenditure Types					Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2016/17										
Property										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	7,559	3,718	2,378	1,464	0	7,559	457	0	5,002	2,100
Building Improvements	0	0	0	0	0	0	0	0	0	0
Heritage Buildings	0	0	0	0	0	0	0	0	0	0
Total Property	7,559	3,718	2,378	1,464	0	7,559	457	0	5,002	2,100
Plant and Equipment										
Plant, Machinery & Equipment	1,672	0	1,672	0	0	1,672	0	0	1,672	0
Fixtures, Fittings & Furniture	10	0	10	0	0	10	0	0	10	0
Computers & Telecommunications	624	0	624	0	0	624	0	0	624	0
Artworks	15	15	0	0	0	15	0	0	15	0
Total Plant and Equipment	2,321	15	2,306	0	0	2,321	0	0	2,321	0
Infrastructure										
Roads	14,743	0	10,949	3,794	0	14,743	6,098	0	8,645	0
Footpaths & Cycleways	1,461	294	905	0	262	1,461	0	0	1,461	0
Bridges & Culverts	391	0	391	0	0	391	0	0	391	0
Off Street Carparks	105	0	105	0	0	105	0	0	105	0
Drainage	1,389	0	221	209	960	1,389	0	0	1,389	0
Recreational, Leisure & Community Facilities	1,237	1,237	0	0	0	1,237	490	0	747	0
Parks, Open Space & Streetscapes	494	0	245	249	0	494	0	0	494	0
Waste Management	2,150	30	2,120	0	0	2,150	0	0	2,150	0
Total Infrastructure	21,971	1,561	14,936	4,252	1,222	21,971	6,588	0	15,382	0
Total capital works expenditure	31,851	5,294	19,620	5,716	1,222	31,851	7,045	0	22,705	2,100

1. Summary of planned capital works expenditure (continued)

	Asset Expenditure Types					Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2017/18										
Property										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	16,150	14,300	985	865	0	16,150	9,850	0	2,300	4,000
Building Improvements	0	0	0	0	0	0	0	0	0	0
Heritage Buildings	0	0	0	0	0	0	0	0	0	0
Total Property	16,150	14,300	985	865	0	16,150	9,850	0	2,300	4,000
Plant and Equipment										
Plant, Machinery & Equipment	2,120	0	2,120	0	0	2,120	0	0	2,120	0
Fixtures, Fittings & Furniture	10	0	10	0	0	10	0	0	10	0
Computers & Telecommunications	658	0	658	0	0	658	0	0	658	0
Artworks	15	15	0	0	0	15	0	0	15	0
Total Plant and Equipment	2,803	15	2,788	0	0	2,803	0	0	2,803	0
Infrastructure										
Roads	11,991	0	9,929	2,062	0	11,991	1,192	0	10,799	0
Footpaths & Cycleways	4,192	3,000	930	0	262	4,192	2,800	0	1,392	0
Bridges & Culverts	404	0	404	0	0	404	0	0	404	0
Off Street Carparks	150	0	150	0	0	150	0	0	150	0
Drainage	1,750	0	200	1,550	0	1,750	0	0	1,750	0
Recreational, Leisure & Community Facilities	0	0	0	0	0	0	0	0	0	0
Parks, Open Space & Streetscapes	250	0	175	75	0	250	0	0	250	0
Waste Management	2,800	250	2,550	0	0	2,800	0	0	2,800	0
Total Infrastructure	21,537	3,250	14,338	3,687	262	21,537	3,992	0	17,545	0
Total capital works expenditure	40,490	17,565	18,111	4,552	262	40,490	13,842	0	22,648	4,000

1. Summary of planned capital works expenditure (continued)

	Asset Expenditure Types					Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2018/19										
Property										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	17,767	14,900	2,367	500	0	17,767	11,000	0	2,867	3,900
Building Improvements	0	0	0	0	0	0	0	0	0	0
Heritage Buildings	0	0	0	0	0	0	0	0	0	0
Total Property	17,767	14,900	2,367	500	0	17,767	11,000	0	2,867	3,900
Plant and Equipment										
Plant, Machinery & Equipment	2,120	0	2,120	0	0	2,120	0	0	2,120	0
Fixtures, Fittings & Furniture	10	0	10	0	0	10	0	0	10	0
Computers & Telecommunications	683	0	683	0	0	683	0	0	683	0
Artworks	15	15	0	0	0	15	0	0	15	0
Total Plant and Equipment	2,828	15	2,813	0	0	2,828	0	0	2,828	0
Infrastructure										
Roads	11,097	0	10,247	850	0	11,097	1,192	0	9,905	
Footpaths & Cycleways	2,412	1,200	950	0	262	2,412	765	0	1,647	0
Bridges & Culverts	415	0	415	0	0	415	0	0	415	0
Off Street Carparks	160	0	160	0	0	160	0	0	160	0
Drainage	2,237	0	1,287	950	0	2,237	0	0	2,237	0
Recreational, Leisure & Community Facilities	0	0	0	0	0	0	0	0	0	0
Parks, Open Space & Streetscapes	175	0	175	0	0	175	0	0	175	0
Waste Management	30	0	30	0	0	30	0	0	30	0
Total Infrastructure	16,526	1,200	13,264	1,800	262	16,526	1,957	0	14,569	0
Total capital works expenditure	37,121	16,115	18,444	2,300	262	37,121	12,957	0	20,264	3,900

1. Summary of planned capital works expenditure (continued)

	Asset Expenditure Types					Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2019/20										
Property										
Land	0	0	0	0	0	0	0	0	0	0
Buildings	3,621	1,500	2,121	0	0	3,621	0	0	2,121	1,500
Building Improvements	0	0	0	0	0	0	0	0	0	0
Heritage Buildings	0	0	0	0	0	0	0	0	0	0
Total Property	3,621	1,500	2,121	0	0	3,621	0	0	2,121	1,500
Plant and Equipment										
Plant, Machinery & Equipment	2,120	0	2,120	0	0	2,120	0	0	2,120	0
Fixtures, Fittings & Furniture	10	0	10	0	0	10	0	0	10	0
Computers & Telecommunications	600	0	600	0	0	600	0	0	600	0
Artworks	15	15	0	0	0	15	0	0	15	0
Total Plant and Equipment	2,745	15	2,730	0	0	2,745	0	0	2,745	0
Infrastructure										
Roads	11,423	0	10,573	850	0	11,423	1,192	0	10,231	0
Footpaths & Cycleways	1,432	200	970	0	262	1,432	0	0	1,432	0
Bridges & Culverts	421	0	421	0	0	421	0	0	421	0
Off Street Carparks	165	0	165	0	0	165	0	0	165	0
Drainage	8,256	6,000	1,356	900	0	8,256	0	4,000	2,756	1,500
Recreational, Leisure & Community Facilities	0	0	0	0	0	0	0	0	0	0
Parks, Open Space & Streetscapes	180	0	180	0	0	180	0	0	180	0
Waste Management	20	0	20	0	0	20	0	0	20	0
Total Infrastructure	21,897	6,200	13,685	1,750	262	21,897	1,192	4,000	15,205	1,500
Total capital works expenditure	28,263	7,715	18,536	1,750	262	28,263	1,192	4,000	20,071	3,000

Summary of planned human resources expenditure				
	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
Office of the Chief Executive				
- Permanent full time	561	580	600	621
- Permanent part time	0	0	0	0
Total Office of the Chief Executive	561	580	600	621
City Development				
- Permanent full time	6,539	6,754	6,990	7,235
- Permanent part time	1,395	1,440	1,491	1,543
Total City Development	7,934	8,194	8,481	8,777
Corporate Services				
- Permanent full time	6,069	6,268	6,488	6,715
- Permanent part time	700	723	749	775
Total Corporate Services	6,770	6,992	7,236	7,490
Infrastructure & Recreation				
- Permanent full time	10,886	11,243	11,637	12,044
- Permanent part time	2,078	2,146	2,221	2,299
Total Infrastructure & Recreation	12,964	13,389	13,858	14,343
Community Services				
- Permanent full time	7,796	8,051	8,333	8,625
- Permanent part time	11,231	11,599	12,006	12,426
Total Community Services	19,027	19,651	20,339	21,050
Capital Works				
- Permanent full time	1,500	1,545	1,591	1,639
- Permanent part time	0	0	0	0
Total Capital Works	1,500	1,545	1,591	1,639
Total casuals and other	4,903	5,063	5,241	5,424
Total staff expenditure	53,659	55,413	57,345	59,344
	FTE	FTE	FTE	FTE
Office of the Chief Executive				
- Permanent full time	4.0	4.0	4.0	4.0
- Permanent part time	-	-	-	-
Total Office of the Chief Executive	4.0	4.0	4.0	4.0
City Development				
- Permanent full time	66.0	66.0	66.0	66.0
- Permanent part time	18.0	18.0	18.0	18.0
Total City Development	84.0	84.0	84.0	84.0
Corporate Services				
- Permanent full time	60.6	60.6	60.6	60.6
- Permanent part time	6.9	6.9	6.9	6.9
Total Corporate Services	67.5	67.5	67.5	67.5
Infrastructure & Recreation				
- Permanent full time	122.2	122.2	122.2	122.2
- Permanent part time	28.7	28.7	28.7	28.7
Total Infrastructure & Recreation	150.8	150.8	150.8	150.8
Community Services				
- Permanent full time	79.7	79.7	79.7	79.7
- Permanent part time	153.5	153.5	153.5	153.5
Total Community Services	233.2	233.2	233.2	233.2
Capital Works				
- Permanent full time	15.0	15.0	15.0	15.0
- Permanent part time	-	-	-	-
Total Capital Works	15.0	15.0	15.0	15.0
Total casuals and other	21.8	21.8	21.8	21.8
Total staff FTE	576.3	576.3	576.3	576.3

Financial Performance Indicators

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

Indicator	Measure	Budget 2016/17	Strategic Resource Plan Projections			Trend +/-
			2017/18	2018/19	2019/20	
Operating Position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	2.0%	1.9%	1.1%	0.3%	-
Liquidity						
Working Capital	Current assets / current liabilities	158.8%	155.6%	129.7%	159.7%	o
Unrestricted Cash	Unrestricted cash / current liabilities	27.6%	20.8%	21.4%	20.9%	+
Obligations						
Loans & Borrowings	Interest bearing loans and borrowings / rate revenue	24.5%	26.3%	28.0%	22.7%	o
Loans & Borrowings	Interest and principal repayments / rate revenue	3.8%	3.8%	3.5%	9.2%	+
Indebtedness	Non-current liabilities / own source revenue	30.8%	31.3%	20.7%	23.4%	-
Asset renewal	Asset renewal expenditure / depreciation	83.1%	73.8%	72.5%	70.9%	-
Stability						
Rates concentration	Rate revenue / adjusted underlying revenue	62.0%	63.9%	64.3%	64.6%	+
Rates effort	Rate revenue / property values (CIV)	0.7%	0.7%	0.7%	0.7%	-
Efficiency						
Expenditure level	Total expenditure / no. of assessments	\$3,139	\$3,146	\$3,254	\$3,369	+
Revenue level	Residential rate revenue / No. of residential assessments	\$1,582	\$1,622	\$1,662	\$1,704	-
Workforce turnover	No. of resignations & terminations / average no. of staff	11.5%	11.5%	11.5%	11.5%	o

Key to Forecast Trend:

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



LATROBE CITY COUNCIL

*Information within this document was correct at time of print
and is subject to change without prior notice.*

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To obtain this information in languages other than
English, or in other formats (including audio, electronic,
Braille or large print), please contact Latrobe City on
1300 367 700.