

Frankston City Council Annual Budget

2018 – 2019

Adopted on 12 June 2018



opportunity » growth » lifestyle



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Mayor's introduction

I am delighted to present to you the 2018-2019 Annual Budget – highlighting how Council will continue to responsibly deliver services and infrastructure in our community over the coming financial year.

This is the third year that Council has been faced with the monumental task of creating a budget capable of withstanding the Victorian Government's rate cap, but once again we have risen to the challenge.

On review of this document, you will see Council has focused on delivering services, maintaining assets and investing in new infrastructure to build a better future for Frankston City and its growing population with a view to becoming the Lifestyle Capital of Victoria.

You will also notice a rise in waste management charges due to the recently announced recycling import bans in China. Unfortunately, Frankston City is not immune to the state-wide impacts of these changes.

Council has been working to minimise the impact locally, and has managed to cap the increase at around \$32 annually per household, which is 50 per cent lower than some other local government areas.

Council will also continue to upgrade many of Frankston City's most utilised sports grounds to ensure facilities meet the needs of the community, particularly the increase of female participation in sports.

Around \$10.5 million has been allocated to the maintenance and improvement of local roads, including major works at Newton Avenue, Weerona Road and Warrandyte Road in Langwarrin, Hall Road in Carrum Downs and Skye Road in Frankston.

Overport Park in Frankston South will receive a new community pavilion, with \$1.7 million committed to its construction. A further \$845,000 will fund pavilion upgrades at the Skye Recreation Reserve.

The Carrum Downs Recreation Reserve on Wedge Road will receive a first-class synthetic oval, complementing the new state-of-the-art pavilion. A further \$850,000 will fund the installation of competitive lighting at Frankston Park, allowing for training and games at night.

Over \$1.87 million is being invested in footpath maintenance and construction, to ensure these vital networks remain safe and accessible.

Children and families will be pleased with a \$650,000 commitment to upgrade the popular Frankston Waterfront Playground, with new play experiences for all ages to enjoy.

This is the fifth year Peninsula Leisure Ltd, operators of PARC and Pines Forest Aquatic Centre, have been included in the overall Council Budget. Both centres continue to prove their worth through community participation and financial return.

The Frankston Regional Recycling and Recovery Centre has gone from strength to strength, with reports indicating a steady increase in visitation and regional recognition.

Frankston City has taken enormous steps forward in recent years; however we still have a journey ahead of us. Works on the new Frankston Train Station will soon commence, further propelling our city's appeal as an ideal place to live, work, study and invest.

The upcoming State Election will offer opportunities to capitalise on our strength as a key marginal seat, and Council will call on the community to raise their voices and help advocate alongside Council to get the most for our city.

As Frankston City Mayor I want to assure residents that this Council will not rest on its laurels, and will continue to work hard to ensure the best outcomes for our community.

Cr Colin Hampton
Mayor, Frankston City Council

Chief Executive Officer's Message

There is no doubt that the 2018-19 financial year (and future financial periods) will pose significant challenges to Frankston City Council in this current rate capped environment. This budget document endeavours to deal with these challenges in the most prudent financial manner but there remain many consequences of the rate capping which are yet to be fully understood by the broader community.

In providing this message, I would like in particular to highlight some of these key points.

Council is committed to achieving efficiencies in expenditures

Frankston City Council has been strongly committed to reducing operational spending over the past five years. These savings have allowed Council to continue to deliver the same level of services to the community with less money. Council will continue this approach but it should be noted that there is much less scope to make further reductions without a consequent impact on service levels.

Infrastructure spending impact on Council

Prior to the introduction of rate capping, Frankston City Council had significantly grown its funding for key Council infrastructure through responsible and stable rate increases of 5.50 per cent per annum. This placed Council in a financial position to deliver major infrastructure including the recent Peninsula Aquatic Recreation Centre (PARC), the Frankston Regional Resource and Recycling Centre (FRRRC) and the Frankston Yacht Club development.

Adverse impacts on Council due to other Victorian / Australian Government decisions

Whilst the rate capping regime directly limits Council's rate revenue (of which Council relies upon for 66 per cent of total revenue), there are a number of Victorian / Australian Government decisions which are further placing the Council financial position under duress. For many years the Australian and Victorian Governments have transferred responsibilities of their programs to local government with insufficient funding or grants which don't keep pace with delivery costs. The impact is that our community is further burdened with increased rate charges to fund the gap in order to maintain service levels.

Compliance with the rate cap

Frankston City Council has complied with the 2.25 per cent rate cap with total rates and municipal charges raised increasing from \$93,962,353 in 2017-2018 to \$96,073,612 in 2018-2019.

What has not been well communicated by the Victorian Government however is that this 2.25 per cent increase will rarely translate to an individual rate account. Individual rate accounts comprise of three components: State levies that Council collects on behalf of the Victorian Government (Landfill Levy, Fire Services Levy), Council's waste services charge and Council rates. Council has no control over State levies which have risen at an alarming rate during the past five years. The Landfill Levy has increased from \$28 per tonne in 2014-2015 to an estimated \$65 per tonne in 2018-2019. Council has not yet been advised of the 2018-2019 increase in the Fire Services Levy but it is expected that it will be well above 2.25 per cent.

Impact of Australia's waste recycling pressure

There had been a significant effect Australia wide on local government fees for recycling and rubbish collection. While most of Victoria's kerbside recycling material is processed locally, significant quantities are exported to China for processing.

All Victorian councils are now feeling the impact with recycling processing companies seeking to reset contractual arrangements. Until recently, up to a third of Australia's recycling was sent to China. Australia is one of around 20 western countries hit by China's import ban. This increased cost to Frankston City Council is expected to be \$2.50 million during 2018-2019 which will be passed on as an increase in the general waste charge of \$32 per annum (10 per cent increase).

Key Projects

Despite being challenged by the rate capping environment, Council has funded in this budget a number of key projects including:

- Jubilee Park Sports Complex
- Centenary Park Sporting Complex
- Oliver's Hill Coastal Breakwater and Frankston Coast Guard
- Frankston Park oval lighting
- Skye Recreation Reserve pavilion upgrade
- Shared path construction McClelland Drive
- Carrum Downs Recreation Reserve synthetic oval construction
- Station Street Mall upgrade
- Overport Park pavilion construction
- Ballam Park Soccer pavilion construction
- Belvedere Reserve pavilion construction
- Stormwater management works
- Warrandyte Road rehabilitation
- Seaford North Reserve change rooms construction

In closing, this Council will continue to manage its financial position responsibly and in the best interests of the Frankston community. Whilst continued low rate increases are popular with the general community, this will have a direct impact on the services and infrastructure that Council can provide in the coming years.

Dennis Hovenden
Chief Executive Officer

Executive Summary

Council has prepared a budget for 2018-2019 which is aligned to the vision in the Council Plan 2017-2021. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the Victorian Government.

This budget projects a surplus of \$20.611 million for 2018-2019, however, it should be noted that the adjusted underlying result is a surplus of \$11.891 million after adjusting for capital grants and contributions (refer Sections 4 and 10.1).

Capping of Council Rates

On 2 December 2015, the Victorian Government passed legislation to restrict Council from increasing rate income by more than the average cap set by the Minister for Local Government.

The Minister for Local Government announced on 19 December 2017 that Victorian council rate rises would be capped to the rate of inflation in the 2018-2019 financial year. That is, the Consumer Price Index (CPI) as published by the Victorian Department of Treasury and Finance, which is **2.25 per cent** for the 2018-2019 financial year.

Where the level of income raised under the rate cap is insufficient to meet specific needs, councils can apply to the Essential Services Commission for a higher cap. Frankston City Council has not elected to apply for variation to the rate cap in the 2018-2019 year.

During the 2017-2018 year, a revaluation of all properties within the municipality was undertaken and will apply from 1 July 2018 for the 2018-2019 year. The outcome of the general revaluation has been a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 38.86 per cent. Of this increase, residential properties have increased by 41.59 per cent, commercial properties by 24.12 per cent and industrial properties by 14.83 per cent. Due to the impact of the revaluation in the 2018-2019 year, the rate percentage charged will not be a consistent 2.25 per cent. On average, residential properties rates component will increase by 4.64 per cent, commercial properties will decrease by 8.3 per cent and industrial properties will decrease by 15.2 per cent.

Type or class of land	No. of Assessments	% movement in valuation	Change in Rates
Ordinary Rate	55,205	41.59%	4.64%
Retirement Villages	574	27.54%	(5.80%)
Commercial Land	2,122	24.12%	(8.31%)
Industrial Land	2,920	14.83%	(15.17%)
Vacant Residential Land	495	56.61%	15.70%
Acacia Heath	239	41.06%	10.71%
Farm Land	5	32.34%	(2.24%)
Derelict Land	2	74.36%	28.83%
Rateable recreational properties	5	51.30%	Various
Rate by agreement (including Baxter Village)	527	15.56%	Various
Total	62,094	38.86%	2.25%

In terms of the impact on the **average** residential property in Frankston City Council, the total rates and charges annual impact is \$94.02 or \$1.81 per week (includes waste charges).

Average general residential rate	2017-2018	2018-2019	Variance %	Variance \$
Median residential valuation in Frankston	\$ 428,139	\$ 606,240		
Residential rate in the dollar	0.002930	0.002165		
Total rates	\$ 1,254.45	\$ 1,312.77	4.65%	\$58.32
Municipal charge	\$ 155.60	\$ 159.10	2.25%	\$3.50
Council garbage charge (120L)(No GST)	\$ 321.50	\$ 353.70	10.02%	\$32.20
Total rates and charges median residential	\$ 1,731.55	\$ 1,825.57	5.43%	\$94.02

The annual impact on **average** commercial properties in Frankston City Council for total rates and charges is a reduction of \$271.64 or \$5.22 per week (includes waste charges).

Average commercial rate	2017-2018	2018-2019	Variance %	Variance \$
Median commercial valuation in Frankston	\$ 1,014,781	\$ 1,260,097	24.17%	
Commercial rate in the dollar	0.003664	0.002707		
Total rates	\$ 3,718.16	\$ 3,410.82	-8.27%	(\$307.34)
Municipal charge	\$ 155.60	\$ 159.10	2.25%	\$3.50
Council garbage charge (120L)	\$ 321.50	\$ 353.70	10.02%	\$32.20
Total rates and charges median commercial	\$ 4,195.26	\$ 3,923.62	-6.47%	(\$271.64)

The annual impact on **average** industrial properties in Frankston City Council for total rates and charges is a reduction of \$269.83 or \$5.19 per week (includes waste charges).

Average industrial rate	2017-2018	2018-2019	Variance %	Variance \$
Median industrial valuation in Frankston	\$ 491,803	\$ 564,742	14.83%	
Industrial rate in the dollar	0.003664	0.002707		
Total rates	\$ 1,801.97	\$ 1,528.64	-15.17%	(\$273.33)
Municipal charge	\$ 155.60	\$ 159.10	2.25%	\$3.50
Total rates and charges median industrial	\$ 1,957.57	\$ 1,687.74	-13.78%	(\$269.83)

The provision of waste services is based on a cost recovery basis. Green waste charges are increasing by CPI. Council's general waste charges have increased by 10 per cent due to the increased service cost resulting from the recent pressures impacting the recycling industry. China's 'National Sword Policy' has imposed restrictions on the importation of unsorted, dirty or contaminated plastics and mixed paper and cardboard. The policy has directly impacted kerbside recycling services and the new policy imposes much tighter contamination thresholds on these recyclable streams.

This, combined with an increased focus on stockpiling practices at recycling processing sites by the Victorian Government's joint taskforce, has created unique pressures on the industry.

Key drivers:

- To fund ongoing service delivery – business as usual (balanced against greater service demands from residents)
- To fund renewal of infrastructure and community assets
- To cope with growth in the population of the Frankston City residents
- To cope with cost shifting from the Victorian Government

Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the Victorian and Australian Governments. Refer Section 7 for further Rates and Charges details.

Rate capping will have a detrimental effect on Council's ability to provide community services and facilities in the future – leaving our services very vulnerable. The outcomes will have implications for future years and the Strategic Resource section of this budget document presents the cumulative impact in dollar terms of the forecast reduction in community services / capital spending to be realised. For the 2018-2019 financial year, the Victorian Government Minister for Local Government has announced a limit on the amount Victorian councils may increase rates. The cap for the 2018-2019 financial year is 2.25 per cent. The cap is based on the Consumer Price Index expected for the financial year.

Key things we are funding

- 1) Continued investment in Infrastructure assets \$33.35 million. This includes roads (\$8.74m); bridges (\$0.57m); footpaths and bicycle paths (\$3.21m); drainage (\$1.06m); waste management (\$0.05m); parks, open space and streetscapes (\$4.17m); recreational, leisure and community facilities (\$13.31m), other infrastructure (\$0.88m) and off street car parks (\$0.57m). The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.
- 2) The delivery of new and upgraded assets including sports pavilions (\$1.47m), sports oval lighting (\$2.94m), Carrum Downs synthetic surface (\$2.32m), new playgrounds (\$1.13m) and a forward design program (\$0.52m).

Long Term Community Outcome 1: A planned city

- 3) Complete preliminary studies and further community consultation for development of a breakwater and boat refuge.
- 4) Work with the Australian and Victorian Government to develop a business case to relocate departments to Frankston.

Long Term Community Outcome 2: A liveable city

- 5) Leverage the potential of McClelland Gallery and Sculpture Park to increase Frankston's art and sculptures across the city.
- 6) Implement and maintain a gateway and boulevard tree planting program to establish prominent entrances into the municipality.

Long Term Community Outcome 3: A well governed city

- 7) Work with the Municipal Monitor to improve the function of Council and the governance of the municipality.
- 8) Advocate for Frankston City in the lead up to the Victorian and Australian elections

Long Term Community Outcome 4: A well managed city

- 9) Implement priority organisational actions in the Digital Strategy, Customer Focused Strategy and Employee Engagement Survey
- 10) Integrate the Long Term Infrastructure Plan alongside the Long Term Financial Plan

Key Statistics

There are a number of key components of the Annual Budget 2018-2019 to highlight as covered in the below points:-

- Total revenue: \$183.68M (2017-2018 = \$185.33M)
- Total expenditure: \$163.07M (2017-2018 = \$148.80M)
- Accounting result: \$20.61M surplus (2017-2018 = \$36.53M surplus)
- Underlying operating result: \$11.89M surplus (2017-2018 = \$22.78M surplus)
(Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital, from being allocated to cover operating expenses.)
- Cash result: \$4.85M decrease (2017-2018 = \$12.289M increase)
Net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
- Capital works program: \$50.86M (2017-2018 = 52.07M)
 - \$39.511M from Council operations (rate funded)
 - \$4.495M from external grants
 - \$2.510M from external contributions
 - \$1.015M from asset sales
 - \$3.325M from cash and reserves
- The Annual Budget 2018-2019 is based on a rate capped average increase in Council rates of 2.25 per cent as prescribed by the Victorian Government.
- The Annual Budget is prepared with a 2.25 per cent increase in the green waste service charge and 10.00 per cent in the general waste incorporating kerbside collection and recycling. The increase of the general waste is essentially due to the recent pressures impacting the recycling industry. China has imposed restrictions on the importation of recycling materials that imposes much tighter contamination thresholds.
- A continued commitment to maintain the condition of community assets through asset renewal (\$25.31 million in 2018-2019)
- No further borrowings are planned in 2018-2019

This budget continues to deliver value to the Frankston community in the provision of services and capital works. This budget provides for:

- \$22.26 million invested in the preservation of local amenity and promotion of a safe, clean and attractive city through maintaining civil infrastructure, shopping centre precincts, natural resources, foreshore infrastructure and recreation reserves.
- \$18.71 million invested to provide strategies for the waste management needs of the municipality and the recovery and recycling facility (FRRRC)
- \$15.19 million to support and enhance the health and wellbeing of families, children and young people. Also supports other local providers of children's, family and youth services. Provides home and community based services and support to maintain dignity and independence of older people;
- \$13.51 million for the provision of indoor and outdoor aquatic centres to improve health and wellbeing in the community.
- \$8.41 million to stimulate activity in the municipality through events, festivals, arts and libraries;
- \$6.78 million to support the social, recreational, cultural and economic life of the community through innovative planning and development initiatives, delivering projects and managing quality public spaces. Provides traffic management solutions, strategic transportation planning, road safety programs, project and contract management for the design and construction of infrastructure projects in the capital works program;
- \$8.09 million to ensure the safety of the community;
- \$5.89 million to deliver, maintain and retire facility buildings in Frankston Council. Constructs new or develops old building facilities in the municipality provides cleaning, security and maintenance to about 300 Frankston City Council buildings;
- \$6.54 million to undertake research and implement policies and programs to enhance community wellbeing, social inclusion, participation, empowerment and resilience;
- \$25.308 million to be invested in maintaining and renewing existing community assets such as buildings, parks, footpaths and drains;
- \$16.655 million to invest in new capital works;
- \$5.776 million to invest in upgrading of assets; and
- \$3.117 million to invest in expansion of assets.

Key infrastructure projects included in the Annual Budget 2018-2019

A significant allocation of Capital Works funds have been allocated to Structured Recreation. Significant projects in this category include:

- \$2,500,000 Frankston Park oval lighting (Council contribution of \$850,000)
- \$2,320,000 Carrum Downs Recreation Reserve synthetic oval construction (\$1,820,000 Council Contribution)
- \$1,900,000 Overport Park Pavilion - Construction of a new pavilion (\$1,700,000 Council contribution)
- \$1,650,000 Ballam Park Soccer Pavilion – Increase the size of amenity to include female friendly change rooms, umpires rooms and kitchen areas to meet district level standards (\$1,650,000 Council contribution)
- \$1,040,000 Seaford North Reserve Change rooms – Design and Construction of additional change rooms (\$640,000 Council Contribution)
- \$650,000 Upgrade of playground at Frankston Waterfront (\$650,000 Council Contribution)
- \$900,000 Design funding for major sporting complexes at Jubilee Park and Centenary Park (\$900,000 Council Contribution).
- Other recreational hubs to obtain funds for new and upgrade works include; Skye Recreation Reserve pavilion and Pat Rollo Reserve.

Funds allocated for Roads and Bridges amount to \$9,310,000 (\$7,185,000 Council Contribution). The significant road projects include:

- Cranhaven Road , Langwarrin (Warrandyte Road to Lapwing Court) – Special Charge Scheme
- Newton Avenue and Weeroona Road, Langwarrin South – Special Charge Scheme
- Skye Road, Frankston
- Warrandyte Road, Langwarrin South
- McClelland Drive, Langwarrin South
- Hall Road (Frankston Dandenong Road to Lyrebird Drive (eastbound) and McCormicks Road to Lyrebird Drive (westbound)

An amount of \$880,000 funds has been allocated for Traffic Management and in particular to implement the findings for the Local Area Traffic Management study conducted in Woodlands precinct in Langwarrin.

The Central Activity Area (CAA) continues to see major developments being completed. Opportunities exist with anticipated grant funding from Victorian government and contributions from developers to improve streetscapes. The budget allocated for the CAA is \$575,000 and includes upgrade of Station Street mall and Ross Smith Avenue.

Funds allocated to improve Community and Child Care facilities amount to \$545,000. The facilities involved include improvements to Lyrebird Community Centre, Langwarrin Community Centre, Frankston North Community Centre, Seaford Community Centre and Orwil Street Community House.

There has been an allocation of \$255,000 for the design and investigation of a breakwater in front of the Oliver's Hill foreshore boat ramp. The breakwater is a rock wall with a road on top for emergency

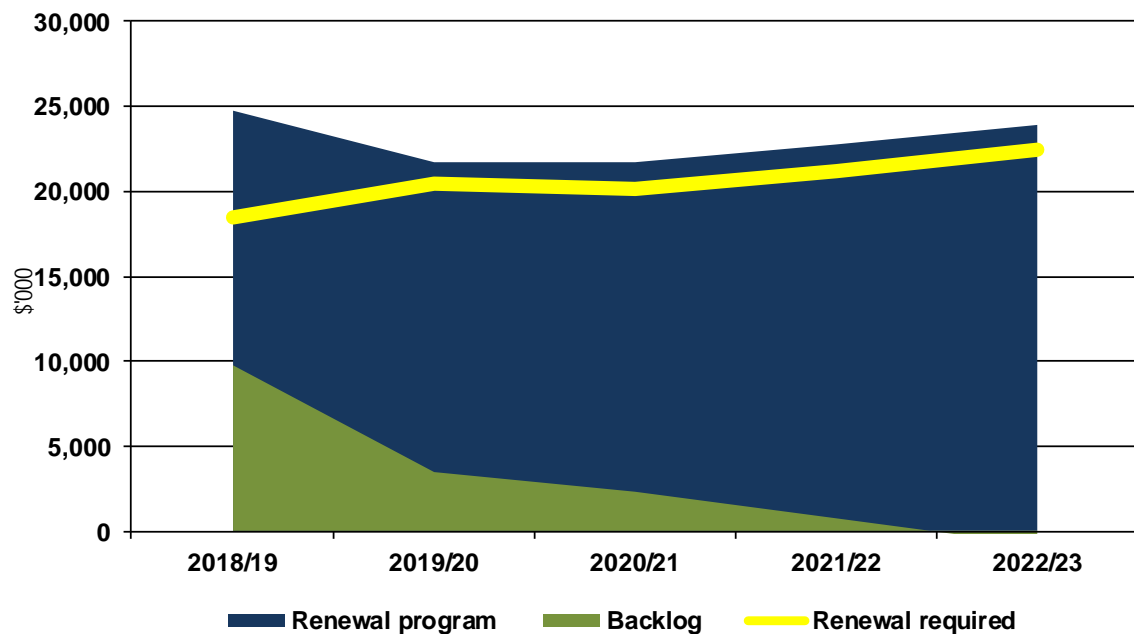
vehicles access and includes lighting and CCTV. It will also provide safe refuge for small recreation craft in heavy weather and a mooring for the Frankston Volunteer Coast Guard's main rescue vessel.

Maintaining the asset renewal challenge

Sound asset management requires Council to understand long term as well as short term financial obligations. The table included below highlights the estimated annual renewal requirements based on data from condition audits and the projections in the current Road, Drainage, Open Space and Building Asset Management Plans.

Over the next five years, \$112 million has been allocated to the renewal program to replace infrastructure, plant and equipment, information and communication technology assets as they become unserviceable or fail.

The table below shows our renewal funding strategy over the asset classes for the next five years.



- The challenge to fund the appropriate replacement of existing assets (roads, drains, buildings etc.) is one that City of Frankston shares with many other municipalities.
- Council has replenished its asset renewal spend in 2018-2019 and onwards to maintain the level of resources required to renewing our assets and address the renewal backlog.

Budget Reports

1. Linkage to Council Plan

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

1.1 Planning and accountability framework

The Strategic Resource Plan, included in the Council Plan, is a rolling five year plan that outlines the financial and non-financial resources that Council requires to achieve the long term community outcomes (strategic objectives), strategies and plans described in the Council Plan. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the services and initiatives, strategies and plans. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Figure 1: Local Government Planning and Accountability Framework. Source: Department of Transport, Planning and Local Infrastructure

In addition to the above, Council has a long term Community Plan, which articulates a community vision, mission and values. The Council Plan is prepared with reference to the 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 within six months or by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

The diagram below depicts Council’s planning framework.

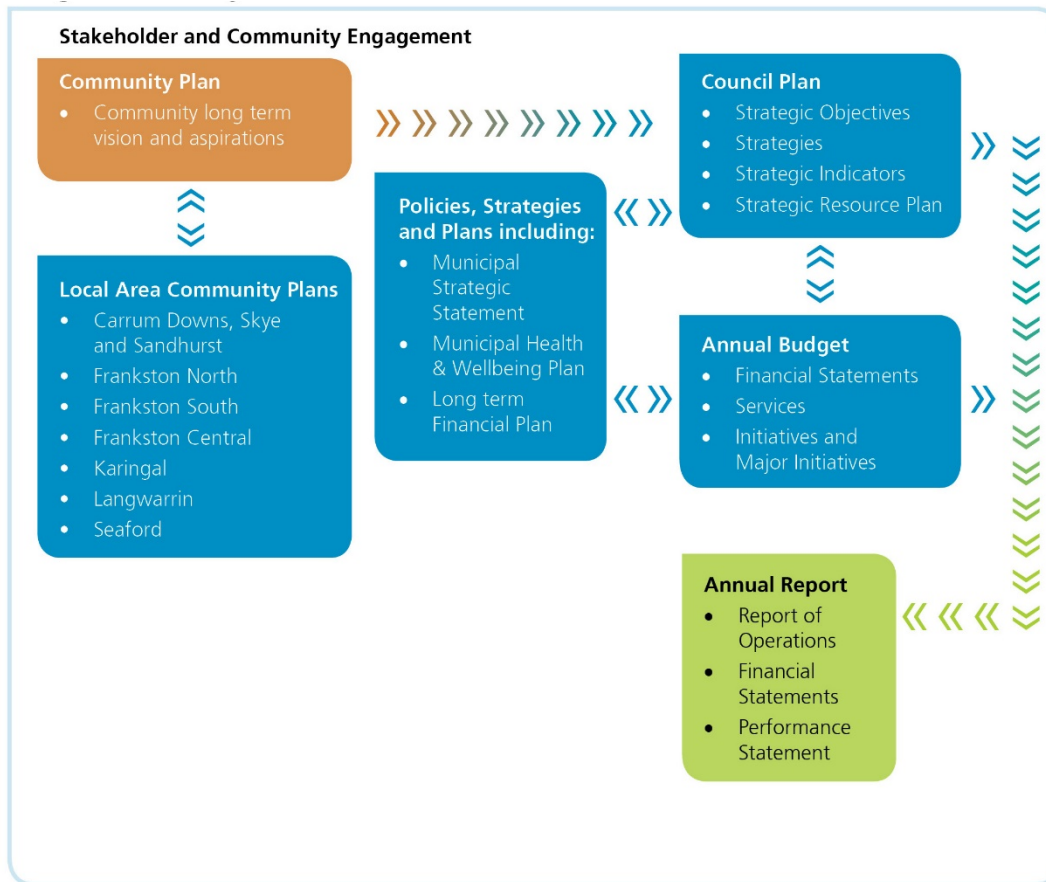


Figure 2: Council’s planning framework

1.2 Our purpose

Lifestyle Capital of Victoria

We are driven by the privilege of serving our community, providing leadership and visionary thinking to ensure Frankston is recognised as the lifestyle capital of Victoria.

1.3 Our values

- Community
- Respect
- Excellence
- Accountability
- Teamwork
- Integrity
- Sustainability

Long term community outcomes

The Council Plan details the long term community outcomes (these are known as strategic objectives in the *Local Government Act* (1989) that will drive Council's role in partnership with our community to achieve the vision and aspirations outlined in the Community Plan. The Council Plan identifies four long-term community outcomes under which Council's activity for the next four years will be delivered. The table below describes the four long term community outcomes described in the Council Plan.

Long term community outcome	Description
1. A Planned City	A vibrant city providing housing, stunning beaches, a beautiful natural environment and arts and cultural experiences. Everything you want at your doorstep – shopping, education, employment, recreation and a lifestyle the envy of others.
2. A Liveable City	Welcoming neighbourhoods, green streets and thoroughfares, parks and natural reserves, an active foreshore and vibrant town centres delivering a living environment that is second to none. An active and healthy community that is connected through participation in activities at our local and regional sporting facilities, events and festivals.
3. A Well Governed City	An elected Council that is driven by the privilege of serving its community and providing leadership and vision to ensure Frankston is recognised as the lifestyle capital of Victoria.
4. A Well Managed City	Proudly delivering services to improve our community's lifestyle. An organisation that is recognised amongst its peers as a leader in the sector, and one that is founded upon its engagement and connection to its community.

2. Services, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2018-2019 year and how these will contribute to achieving the long term community outcomes specified in the Council Plan. It also includes a number of initiatives, major initiatives and service performance outcome indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan (N.B. The Victorian Government’s diagram below references *Strategic Objectives*. These are the same as Frankston City Council’s Long Term Community Outcomes detailed in 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. Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are listed in a table at the end of each long term community outcome.

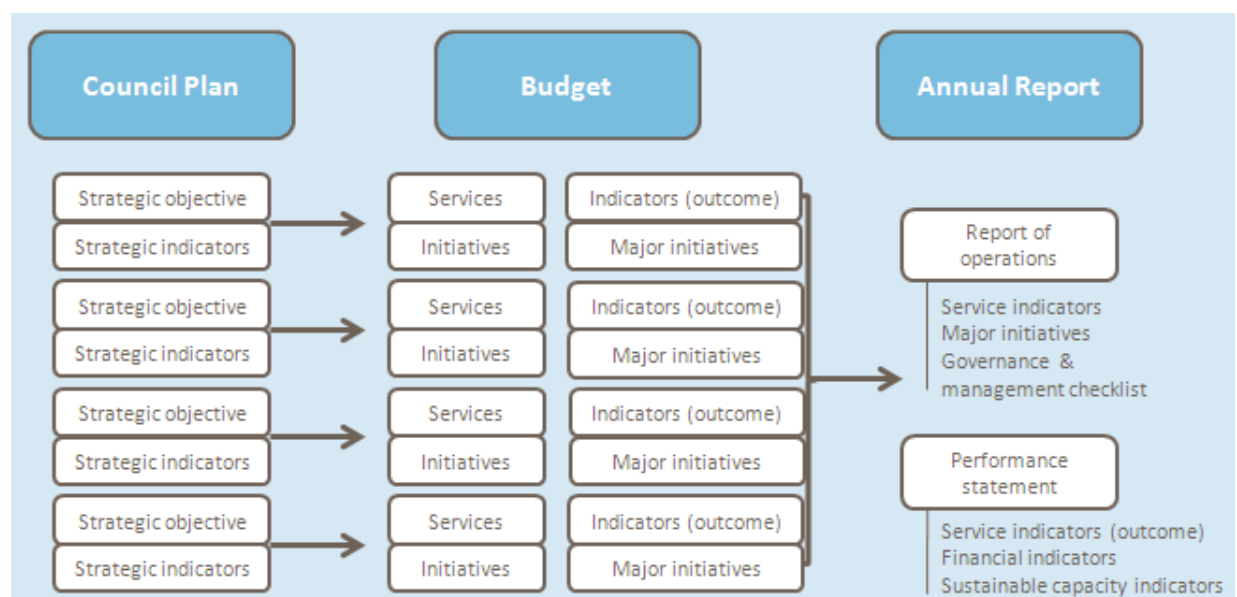


Figure 3: Relationship between the Budget, Council Plan and Annual Report. Source: Department of Transport, Planning and Local Infrastructure

Long term community outcome 1: A Planned City

To achieve our objective of a planned city we will have a city that is a preferred destination for investment and development. A vibrant city providing affordable housing, stunning beaches, a beautiful natural environment, and arts and cultural experiences. Everything you want at your doorstep – retail shopping, education, employment, recreation and a lifestyle the envy of others.

Services

Business area	Description of services provided	Strategy or plan	Expenditure (Revenue) Net Cost \$'000
Engineering services	Provides traffic management solutions, strategic transportation planning, road safety programs, management of public spaces and quality control on subdivisional and commercial developments including protection of Council's assets.	Integrated	3,202
		Transport	(279)
		Strategy	2,923
		Car Parking Precinct Plan	
Capital Works Delivery	Delivers project and contract management for the design and construction of infrastructure projects in the capital works program to provide quality services and facilities to the community. The projects include new, upgrades, expansions, renewals and compliance projects.		1,137 <u>(0)</u> 1,137
			Capital Works 50,856
Planning and Environment	Researches and prepares land use, development and environmental strategies for the municipality. Undertakes timely assessment of development, land use, subdivision and tree removal proposals. Develops and implements integrated nature conservation and biodiversity protection strategies and action plans. Educates and enforces (in close cooperation with Council's Community Safety officers) to ensure that all land use and development within Frankston fully complies with approvals and relevant legislation.	Municipal	3,583
		Strategic	(1,094)
		Statement	2,489
		Frankston Metropolitan Activity Centre Structure Plan	
		Housing Strategy	
Community Relations	Provides the first point of contact for our communities, including residents, visitors, businesses, investors, media and internal departments. Manages Frankston City's and the organisation's reputation, disseminates key messages to our communities and positions the municipality as the preferred place to live, learn, work, visit and invest.		3,006 <u>(5)</u> 3,001

Major initiatives

Council Plan Theme 1.1: Community Infrastructure

- 1) Complete preliminary studies and further community consultation for development of a breakwater and boat refuge
- 2) Work with the Australian and Victorian Governments to develop a business case to relocate departments to Frankston

Initiatives

Council Plan Theme 1.1: Community infrastructure

- 3) Continue to advocate to the Australian and Victorian governments for funding of key priorities
- 4) Identify potential sites for the relocation of the Operations Centre

Council Plan Theme 1.2: Development and housing

- 5) Improve architectural excellence outcomes through the review and revision of the Frankston Planning Scheme
- 6) Endorse the Developer Contribution Scheme Amendment for approval by the Minister

Council Plan Theme 1.3: Natural and sustainable environment

- 7) Work with the Victorian Government to find a long term solution to the management of silt at Kananook Creek
- 8) Develop and implement a policy to protect indigenous and native vegetation cover against increasing development and use
- 9) Implement priority actions in the Energy and Emissions Reduction Plan
- 10) Continue to develop the Frankston Regional Recycling and Recovery Centre (FRRRC) as the South East's regional solution for resource recovery
- 11) Complete and adopt Green Wedge Management Plan

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 not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100

Long term community outcome 2: A Liveable City

To achieve our objective of a liveable city, we will have welcoming neighbourhoods, green streets and thoroughfares, parks and natural reserves, an active foreshore, and vibrant town centres delivering a living environment that is second to none. An active and healthy community that is connected through participation in activities at our local and regional sporting facilities, events and festivals.

Services

Business area	Description of services provided	Strategy or plan	Expenditure (Revenue) Net Cost \$'000
Operations	Preserves local amenity and promotes a safe, clean and attractive city through maintaining civil infrastructure, shopping centre precincts, natural resources, foreshore infrastructure and recreation reserves. Provides services and strategies for emergency management.	Road Management Plan	22,270 <u>(1,508)</u> 20,762
Community Relations	Provides the first point of contact for our communities, including residents, visitors, businesses, investors, media and internal departments. Manages Frankston City's and the organisation's reputation, disseminates key messages to our communities and positions the municipality as the preferred place to live, learn, work, visit and invest.	Economic Development Strategy Frankston Destination Development Plan	1,470 <u>(125)</u> 1,345
Arts and Culture	Stimulates activity in the municipality through events, festivals, performing arts, public art, visual arts, libraries, library services and lifelong learning initiatives and community development programs. Provides facilities and services for events and functions.	Frankston Arts and Culture Strategic Plan	8,416 <u>(4,323)</u> 4,093
Aquatics	Provision of indoor and outdoor Aquatic Centres to improve health and wellbeing in the community.		13,510 <u>(13,455)</u> 55
Community Safety	Ensures the safety of the community by managing school crossing supervision, animal registration, parking services, building services, planning enforcement, crime prevention and foreshore patrols. Undertakes local law prosecutions, emergency management and illegal dumping responses.	Community Safety Strategy	8,401 <u>(7,679)</u> 722

Business area	Description of services provided	Strategy or plan	Expenditure (Revenue) Net Cost \$'000
Community Strengthening	Undertakes research and implements policies and programs to enhance community wellbeing, social inclusion, participation, empowerment and resilience. Community planning and engagement of local areas. Develops and implements the Municipal Health and Wellbeing Plan. Manages grants to support charities and community groups.	Health and Wellbeing Plan Community Plan Local Community Plans	6,567 <u>(796)</u> 5,771
Recycling	Frankston Regional Recycling and Recovery Centre (FRRRC) offers the community a quick, easy, affordable and sustainable way to get rid of waste and recyclables. FRRRC is also home to a Treasure Chest shop. It sells recovered furniture, household goods and bric-a-brac for bargain hunters and anyone who has a good eye for items that can be restored/up-cycled. Also provides strategies for the waste management needs of the municipality.	Waste Minimisation Strategy	18,716 <u>(3,772)</u> 14,944
Family Health Support	Supports and enhances the health and wellbeing of families, children and young people through maternal and child health and immunisation services, kindergarten infrastructure and central registration scheme for 3 and 4 year old kindergarten, childcare, youth services and advocacy. Supports other local providers of children's, family and youth services. Provides home and community based services and support to maintain dignity and independence of older people, people with disability and their carers, including supporting positive ageing, volunteering opportunities, meals on wheels, personal and home care, senior citizens, U3A, respite care and activity groups.	Municipal Early Years Plan Strategic framework for young people in Frankston City	15,187 <u>(9,235)</u> 5,952
Building and Facilities	Delivers, maintains and retires facility buildings in Frankston City. Constructs new or develops old building facilities in the municipality to provide, accommodate and/or house a range of community groups. Provides cleaning, security and maintenance		5,892 <u>(11)</u> 5,881

Business area	Description of services provided	Strategy or plan	Expenditure (Revenue) Net Cost \$'000
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to about 300 Frankston City Council buildings including the Civic Centre, Library, Art Centre, public toilets, sporting pavilions, pre-schools and other community buildings.

Major Initiatives

Council Plan Theme 2.2: Vibrant and engaged

- 12) Leverage the potential of McClelland Gallery and Sculpture Park to increase Frankston's art and sculptures across the city
- 13) Implement and maintain a gateway and boulevard tree planting program to establish prominent entrances into the municipality

Council Plan Theme 2.3: Health and well being

- 14) Position Frankston as the premier health and education precinct of Melbourne's south east

Initiatives

Council Plan Theme 2.1: Employment, education and economy

- 15) Deliver a range of business programs to increase employment opportunities and economic activity
- 16) Position Council's visitor services to meet emerging visitor trends and increase attraction opportunities

Council Plan Theme 2.2: Vibrant and engaged

- 17) Continue to enhance social inclusion through programs, events and promotion of Frankston's rich culture, diversity and history
- 18) Engage with local areas on Council's master plans and capital works program
- 19) Finalise a site feasibility study for an education and library hub in Langwarrin

Council Plan Theme 2.3: Health and well being

- 20) Complete an audit, functionality and usage review of sporting facilities
- 21) Implement Council's adopted position on the delivery of aged care services and ensure alignment with the Age Friendly Victoria Declaration
- 22) Complete annual evaluation and implement year two actions of the Health and Wellbeing Plan 2017-2021

Service performance outcome indicators

Service	Indicator	Performance measure	Computation
Maternal and Child Health	Participation	Participation in MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
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 outcome 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

Long term community outcome 3: A Well Governed City

To achieve our objective of a well governed city we will have an elected Council that is driven by the privilege of serving its community and providing leadership and visionary thinking to ensure Frankston is recognised as the lifestyle capital of Melbourne.

Services

Business area	Description of services provided	Strategy or plan	Expenditure (Revenue) Net Cost \$'000
Administration and Corporate Projects	Provides administrative support in areas of Governance including policies, procedures, elections, Local Laws, statutory processes, compliance, delegations, FOI, Privacy, Records and Cemetery management, in addition to working on a number of key organisation projects.		648 <u>(0)</u> 648
CEO Office	Build a strong flexible and forward thinking organisation that is ideally positioned to respond to current and future community needs. The CEO department is also striving to build cohesive, trusting partnerships between Councillors, the community and Council staff.		3,429 <u>(97)</u> 3,332

Major Initiatives

Council plan theme 3.1: Accountable governance

- 23) Work with the Municipal Monitor to improve the function of Council and the governance of the municipality
- 24) Advocate for Frankston City in the lead up to the state and federal elections

Initiatives

Council plan theme 3.1: Accountable governance

- 25) Implement changes to comply with the new Local Government Act, along with other recommendations made by the Ombudsman, the Local Government Inspectorate and the Office of Local Government
- 26) Review Council's policies to ensure equal opportunity, access, diversity and inclusion
- 27) Develop partnerships with stakeholders to enhance engagement with the community

Service performance outcome indicators

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

Long term community outcome 4: A Well Managed City

To achieve our objective of a well managed city, we will be proudly delivering services to improve our community's lifestyle. An organisation that is recognised amongst its peers as a leader in the sector, and one that is founded upon its engagement and connection to its community.

Services

Business area	Description of services provided	Strategy or plan	Expenditure (Revenue) Net Cost \$'000
Sustainable Assets	Delivers, maintains and manages municipal assets and services for current and future generations. Plans sustainable assets that perform to desired service outcomes, implementing best practice asset management, managing Council's Capital Works Program, managing Council fleet and supporting the efficient and sustainable use of natural resources. Also assists Council and the community to prepare for a changing climate.	Asset Management Strategy and Plans Integrated Water Management Plan	2,386 <u>(0)</u> 2,386
Financial and Corporate Planning	Ensures organisational financial sustainability through financial management, accounting services, rates and valuations. Manages corporate planning and performance reporting	Long Term Financial Plan Rating Strategy Council Plan	3,917 <u>(673)</u> 3,244
Commercial Services	Manages Council's property portfolio and provides business support and regulatory, contractual and policy compliance monitoring of business-related transactions and risk in all service areas. Ensures the organisation makes informed, transparent, ethical and justified decisions through the procurement of goods and services, Best Value, contract management, risk management, leases and licences, property acquisition and responsible divestment.		1,321 <u>(668)</u> 653

Business area	Description of services provided	Strategy or plan	Expenditure (Revenue) Net Cost \$'000
Business and Information Technology	Delivers and maintains technology, information systems and management to support Council in delivering services to the community.	Information Technology Strategy	4,469 <u>(0)</u> 4,469
Human Resources	Ensure the organisation has the required leadership, people, skills and capabilities and culture and environment available at the right time, in order to achieve and implement Council's priorities, deliver quality services and facilities to our community and meet all relevant statutory obligations and requirements.		1,806 <u>(0)</u> 1,806
Administration and Corporate Projects	Provides administrative support in areas of Governance including policies, procedures, elections, Local Laws, statutory processes, compliance, delegations, FOI, Privacy, Records and Cemetery management, in addition to working on a number of key organisation projects.		976 <u>(0)</u> 976
Corporate Development Management	Manage the services and activities of the Corporate Division. Provide advice & support to the CEO and Councillors on Governance & Financial matters.		1,064 <u>(0)</u> 1,064
Community Development Management	Community Development Management provides leadership, direction and general management of all departments within the Community Development division as well as community planning and social policy development.		511 <u>(0)</u> 511
Community Assets Management	Community Assets Management oversees the operations of the departments within the Community Assets Division whilst delivering the Long Term Infrastructure Plan. The division is primarily responsible for the management of Council's assets.		407 <u>(0)</u> 407

Major Initiatives

Council plan theme 4: Services · Systems · Resources · People

- 28) Implement priority organisational actions in the Digital Strategy, Customer Focused Strategy and Employee Engagement Survey
- 29) Integrate the Long Term Infrastructure Plan alongside the Long Term Financial Plan

Initiatives

Council plan theme 4: Services · Systems · Resources · People

- 30) Develop plans for delivery of services to the community including analysis and cost structures to inform business decisions
- 31) Determine future use and management of Belvedere precinct

Service performance outcome indicators

Service	Indicator	Performance measure	Computation
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.

2.4 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 2018-2019 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance 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.

2.5 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
A planned city	60,406	61,784	1,378
A liveable city	59,525	100,429	40,904
A well governed city	3,980	4,077	97
A well managed city	15,516	16,857	1,341
Total services and initiatives	139,427	183,147	43,720
Non attributable expenditure			
Depreciation	31,591		
Capital works program	(50,856)		
Finance costs	1,573		
Written down value of assets	497		
Other non attributable	(2,353)		
Deficit before funding sources	119,879		
Funding sources			
Rates and charges	121,455		
Victoria Grants Commission	8,450		
Investment income	650		
Proceeds from sale of assets	1,215		
Contributions - non monetary assets	800		
Contributions - monetary	915		
Capital funding	7,005		
Total funding sources	140,490		
Surplus for the year	20,611		

3. Financial statements

Budgeted Consolidated Comprehensive Income Statement

For the five years ended 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Income						
Rates and charges	116,823	121,455	124,450	127,519	130,663	133,881
Statutory fees and fines	6,086	5,867	5,926	5,985	6,045	6,105
User fees	23,057	25,021	25,455	26,435	27,058	27,974
Grants - operating	19,693	18,190	17,911	18,091	18,272	18,454
Grants - capital	5,178	4,495				
Contributions - monetary	1,539	3,425	915	915	915	915
Contributions - non-monetary	800	800	800	800	800	800
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2,096	715	802	740	783	820
Other income	4,831	3,710	3,448	3,516	3,587	3,448
Total income	180,103	183,678	179,707	184,001	188,123	192,397
Expenses						
Employee costs	68,116	72,284	74,159	76,033	78,293	80,620
Materials and services	50,162	53,848	52,592	54,801	56,005	57,631
Bad and doubtful debts	306	305	300	300	300	300
Depreciation and amortisation	30,635	31,591	32,360	33,191	34,136	35,353
Borrowing costs	1,870	1,573	1,481	1,455	1,431	1,404
Other expenses	3,435	3,466	2,441	2,518	2,597	2,679
<i>Reduced service levels</i>			<i>(363)</i>	<i>(373)</i>	<i>(383)</i>	<i>(393)</i>
Total expenses	154,524	163,067	162,970	167,925	172,379	177,594
Surplus/(deficit) for the year	25,579	20,611	16,737	16,076	15,744	14,803
Other comprehensive income						
Net asset revaluation increment /(decrement)						
Total comprehensive result	25,579	20,611	16,737	16,076	15,744	14,803

Note: The amount indicated for rates and charges includes an estimate of income from supplementary rates (i.e. properties newly subdivided or improved upon during the year) and therefore doesn't balance to the amounts indicated in Section 7 and the Declaration of Rates and Charges in Section 15.

Conversion to cash result

Conversion to cash result	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Surplus/(deficit) for the year	25,579	20,611	16,737	16,076	15,744	14,803
Add back non-cash items:						
Depreciation and amortisation	30,635	31,591	32,360	33,191	34,136	35,353
Contributions - non-monetary	(800)	(800)	(800)	(800)	(800)	(800)
Write down value of assets disposed	497	500	500	500	500	500
	30,332	31,291	32,060	32,891	33,836	35,053
Less non-operating cash items:						
Capital works expenditure	55,971	49,356	35,746	36,312	36,816	37,761
Transfers to/(from) reserves	16,988	(4,477)	12,731	12,310	12,394	11,703
Repayment of borrowings	773	7,023	320	345	370	392
	73,732	51,902	48,797	48,967	49,580	49,856
Cash surplus/(deficit) for the year	(17,821)					
Accumulated cash surplus/(deficit) b/fwd	18,321	500	500	500	500	500
Accumulated cash surplus/(deficit) c/fwd	500	500	500	500	500	500

Budgeted Consolidated Balance Sheet For the five years ended 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Assets						
Current assets						
Cash and cash equivalents	62,093	57,245	69,473	81,262	93,188	104,405
Trade and other receivables	14,684	15,080	15,547	16,029	16,526	17,038
Other financial assets	26,580	27,298	28,144	29,016	29,915	30,842
Inventories	207	213	220	227	234	241
Non current assets held for resale						
Other assets	771	792	817	842	868	895
Total current assets	104,335	100,628	114,201	127,376	140,731	153,421
Non-current assets						
Trade and other receivables	1,249	1,283	1,323	1,364	1,406	1,450
Intangible assets	2,631	2,733	2,883	3,033	3,183	3,333
Property, infrastructure, plant and equipment	1,385,076	1,403,040	1,406,576	1,409,848	1,412,678	1,415,236
Total non-current assets	1,388,956	1,407,056	1,410,782	1,414,245	1,417,267	1,420,019
Total assets	1,493,291	1,507,684	1,524,983	1,541,621	1,557,998	1,573,440
Liabilities						
Current liabilities						
Trade and other payables	13,693	14,001	14,351	14,710	15,078	15,455
Provisions	17,417	17,865	18,347	18,843	19,415	20,004
Interest-bearing loans and borrowings	429	320	345	370	392	427
Total current liabilities	31,539	32,186	33,043	33,923	34,885	35,886
Non-current liabilities						
Provisions	1,942	1,991	2,041	2,092	2,155	2,220
Interest-bearing loans and borrowings	34,661	27,748	27,403	27,034	26,642	26,215
Total non-current liabilities	36,603	29,739	29,444	29,126	28,797	28,435
Total liabilities	68,142	61,925	62,487	63,049	63,682	64,321
Net assets	1,425,148	1,445,759	1,462,496	1,478,572	1,494,316	1,509,119
Equity						
Accumulated surplus	659,314	684,402	688,408	692,174	695,524	698,624
Reserves	765,834	761,357	774,088	786,398	798,792	810,495
Total equity	1,425,148	1,445,759	1,462,496	1,478,572	1,494,316	1,509,119

Budgeted Consolidated Statement of Changes in Equity
For the five years ended 30 June 2023

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019				
Balance at beginning of the financial year	1,425,148	659,314	693,803	72,031
Comprehensive result	20,611	20,611		
Transfer to reserves		(9,971)		9,971
Transfer from reserves		14,448		(14,448)
Balance at end of the financial year	1,445,759	684,402	693,803	67,554
2020				
Balance at beginning of the financial year	1,445,759	684,402	693,803	67,554
Comprehensive result	16,737	16,737		
Transfer to reserves		(17,020)		17,020
Transfer from reserves		4,289		(4,289)
Balance at end of the financial year	1,462,496	688,408	693,803	80,285
2021				
Balance at beginning of the financial year	1,462,496	688,408	693,803	80,285
Comprehensive result	16,076	16,076		
Transfer to reserves		(16,599)		16,599
Transfer from reserves		4,289		(4,289)
Balance at end of the financial year	1,478,572	692,174	693,803	92,595
2022				
Balance at beginning of the financial year	1,478,572	692,174	693,803	92,595
Comprehensive result	15,744	15,744		
Transfer to reserves		(16,683)		16,683
Transfer from reserves		4,289		(4,289)
Balance at end of the financial year	1,494,316	695,524	693,803	104,989
2023				
Balance at beginning of the financial year	1,494,316	695,524	693,803	104,989
Comprehensive result	14,803	14,803		
Transfer to reserves		(15,992)		15,992
Transfer from reserves		4,289		(4,289)
Balance at end of the financial year	1,509,119	698,624	693,803	116,692

Budgeted Consolidated Statement of Cash Flows

For the five years ended 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
<i>Receipts</i>						
Rates and charges	116,823	121,455	124,450	127,519	130,663	133,881
Statutory fees and fines	6,086	5,867	5,926	5,985	6,045	6,105
User fees	23,057	25,021	25,455	26,435	27,058	27,974
Grants - operating	19,693	18,190	17,911	18,091	18,272	18,454
Grants - capital	5,178	4,495				
Contributions - monetary	1,539	3,425	915	915	915	915
Other receipts	12,429	3,339	2,945	2,995	3,119	2,962
<i>Payments</i>						
Employee costs	(68,116)	(72,284)	(74,159)	(76,033)	(78,293)	(80,620)
Materials and services	(50,468)	(54,153)	(52,892)	(55,101)	(56,305)	(57,931)
Other payments	(3,435)	(3,466)	(2,441)	(2,518)	(2,597)	(2,679)
<i>Reduced service levels</i>			363	373	383	393
Net cash provided by operating activities	62,786	51,889	48,473	48,661	49,260	49,454
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment	(55,971)	(49,356)	(35,746)	(36,312)	(36,816)	(37,761)
Proceeds from sale of property, infrastructure, plant and equipment	2,593	1,215	1,302	1,240	1,283	1,320
Net cash used in investing activities	(53,378)	(48,141)	(34,444)	(35,072)	(35,533)	(36,441)
Cash flows from financing activities						
Finance costs	(1,870)	(1,573)	(1,481)	(1,455)	(1,431)	(1,404)
Proceeds from borrowings						
Repayment of borrowings	(773)	(7,023)	(320)	(345)	(370)	(392)
Net cash used in financing activities	(2,643)	(8,596)	(1,801)	(1,800)	(1,801)	(1,796)
Net increase (decrease) in cash and cash equivalents	6,765	(4,848)	12,228	11,789	11,926	11,217
Cash and cash equivalents at the beginning of the period	55,328	62,093	57,245	69,473	81,262	93,188
Cash and cash equivalents at end of the year	62,093	57,245	69,473	81,262	93,188	104,405

Budgeted Consolidated Statement of Capital Works
For the five year ended 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Property						
Land	1,300					
Land improvements						
Buildings	16,643	13,261	6,668	6,470	6,190	6,332
Building improvements						
Total property	17,943	13,261	6,668	6,470	6,190	6,332
Plant and equipment						
Plant, machinery and equipment	2,519	2,215	2,270	2,327	2,385	2,445
Fixtures, fittings and furniture	1,060	50	51	53	54	55
Computers and telecommunications	3,139	2,030	2,081	2,133	2,186	2,241
Library books	700	700	718	735	754	773
Total plant and equipment	7,418	4,995	5,120	5,248	5,379	5,514
Infrastructure						
Roads	7,360	8,740	3,959	4,057	4,159	4,263
Bridges	1,708	570	584	599	614	629
Footpaths and cycleways	2,533	3,205	3,285	3,367	3,451	3,538
Drainage	1,707	1,060	1,087	1,114	1,142	1,170
Recreational, leisure and community facilities	6,736	13,305	13,638	13,979	14,328	14,686
Waste management	45	100	103	105	108	110
Parks, open space and streetscapes	7,728	4,170	1,317	1,350	1,384	1,419
Off street car parks	2,948	570	584	599	614	629
Other infrastructure	1,345	880	902	925	948	971
Total infrastructure	32,110	32,600	25,458	26,094	26,747	27,415
Total capital works expenditure	57,471	50,856	37,246	37,812	38,316	39,261
Represented by:						
Asset renewal expenditure	30,748	25,308	21,696	21,666	22,762	23,917
New asset expenditure	11,415	16,655	4,481	4,647	3,504	2,824
Asset upgrade expenditure	14,697	5,776	9,569	10,000	10,450	10,920
Asset expansion expenditure	611	3,117	1,500	1,500	1,600	1,600
Total capital works expenditure	57,471	50,856	37,246	37,812	38,316	39,261

Budgeted Consolidated Statement of Human Resources
For the five year ended 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure						
Employee Costs - operating	66,711	70,879	72,754	74,628	76,888	79,215
Employee Costs - capital	1,405	1,405	1,405	1,405	1,405	1,405
Total staff expenditure	68,116	72,284	74,159	76,033	78,293	80,620
	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers						
Employees	788	810	810	810	810	810
Total staff numbers	788	810	810	810	810	810

Department	Budget 2018/19 \$'000	Comprises	
		Permanent Full time \$'000	Permanent Part time \$'000
Chief Executive Officer	813	688	125
Human Resources	1,455	1,399	56
Corporate Management	431	431	-
Recycling Services	566	499	67
Business & Information Technology	2,341	2,003	338
Financial & Corporate Planning	2,404	2,152	252
Administration and Corporate Projects	1,310	1,082	228
Commercial Services	1,144	1,065	79
Assets Management	389	389	-
Communities Management	432	432	-
Community Strengthening	4,376	3,160	1,216
Family Health Support Services	13,503	2,780	10,723
Arts and Culture	5,280	2,999	2,281
Community Safety	6,102	4,708	1,394
Community Relations	3,394	1,428	1,966
Operations	11,288	11,243	45
Planning and Environment	2,770	2,487	283
Engineering Services	1,437	1,330	107
Facilities	1,363	1,363	-
Capital Works Delivery	1,943	1,943	-
Sustainable Assets	2,039	2,039	-
CAA Development	382	382	-
Peninsula Leisure Pty Ltd	2,852	2,292	560
Total permanent staff expenditure	68,014	48,294	19,720
Casual and other expenditure	5,938		
Capitalised labour costs	(1,668)		
Total expenditure	72,284		

Department	Budget 2018/19 FTE	Comprises	
		Permanent Full time FTE	Permanent Part time FTE
Chief Executive Officer	5.48	4.00	1.48
Human Resources	13.60	13.00	0.60
Corporate Management	2.00	2.00	-
Recycling Services	6.84	6.00	0.84
Business & Information Technology	20.23	17.00	3.23
Financial & Corporate Planning	22.70	20.00	2.70
Administration and Corporate Projects	13.75	11.00	2.75
Commercial Services	10.79	10.00	0.79
Assets Management	2.00	2.00	-
Communities Management	2.00	2.00	-
Community Strengthening	42.68	30.00	12.68
Family Health Support Services	143.80	27.00	116.80
Arts and Culture	56.22	29.00	27.22
Community Safety	69.45	49.00	20.45
Community Relations	36.31	13.00	23.31
Operations	137.67	137.00	0.67
Planning and Environment	27.11	24.00	3.11
Engineering Services	12.20	11.00	1.20
Facilities	11.00	11.00	-
Capital Works Delivery	17.00	17.00	-
Sustainable Assets	19.00	19.00	-
CAA Development	3.00	3.00	-
Peninsula Leisure Pty Ltd	36.60	27.00	9.60
Total permanent staff	711.43	484.00	227.43
Casual and other	98.45		
Total staff	809.88		

4. Financial performance indicators

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

Indicator	Notes	Indicator	Actual	Forecast	Budget	Strategic Resource Plan Projections				Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	↑→↓
<i>Operating position</i>										
Adjusted underlying result	1	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	15.0%	11.5%	7.4%	8.9%	8.3%	8.0%	7.3%	→
<i>Liquidity</i>										
Working capital	2	Current assets / current liabilities	334.9%	330.8%	312.6%	345.6%	375.5%	403.4%	427.5%	↑
Unrestricted cash		Unrestricted cash/ current liabilities	58.0%	112.5%	112.5%	143.3%	171.1%	197.3%	220.0%	↑
<i>Obligations</i>										
Loans and borrowings	3	Interest bearing loans and borrowings / rate revenue	31.5%	30.0%	23.1%	22.3%	21.5%	20.7%	19.9%	↓
Loans and borrowings		Interest and principal repayments on interest bearing loans and borrowings / rate revenue	2.9%	2.3%	7.1%	1.4%	1.4%	1.4%	1.3%	→
Indebtedness		Non-current liabilities / own source revenue	25.2%	23.9%	19.0%	18.4%	17.7%	17.1%	16.5%	↓
Asset renewal	4	Asset renewal expenses / depreciation	60.1%	95.8%	80.1%	67.0%	65.3%	66.7%	67.7%	↓
<i>Stability</i>										
Rates concentration	5	Rate revenue / adjusted underlying revenue	66.6%	66.9%	69.0%	69.6%	69.6%	69.8%	69.9%	→
Rates effort		Rate revenue / CIV of rateable properties in the municipality	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	→

Indicator	Notes	Indicator	Actual	Forecast	Budget	Strategic Resource Plan Projections				Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	↑→↓
<i>Efficiency</i>										
Expenditure level		Total expenses / no. of property assessments	\$2,340	\$2,492	\$2,630	\$2,596	\$2,562	\$2,606	\$2,640	→
Revenue level		Residential rate revenue / No. of residential property assessments	\$1,166	\$1,166	\$1,175	\$1,178	\$1,184	\$1,194	\$1,208	→
Workforce turnover		No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	14.90%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	→

Notes to indicators

- Adjusted underlying result** – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Financial performance expected to decline over the period which means a higher reliance on Council's cash reserves or increased debt to maintain services.
- Working capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to increase over the five year period, however will run down once funding the Council Plan strategic priorities are determined.
- Debt compared to rates** – Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.
- 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.
- Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will gradually become more reliant on rate revenue compared to all other revenue sources.

5. Other budget information (required by Regulations)

5.1 Grants - operating (\$1.50 million decrease)

Operating grants include all monies received from Victorian and Australian Government sources for the purposes of funding the delivery of Council's services to ratepayers. Included in this amount is grants received from the Victorian Grants Commission. This is a general purpose grant that is not tied to specific programs, and includes a component for roads maintenance. The 2018-2019 Budget amount is based on the grant funding advised by the Grants Commission. Operating grants included in the Annual Budget 2018-2019 are projected to decrease compared to 2017-2018 forecast.

A summary of the operational grants to be received by Frankston City Council is provided below.

	Forecast 2017-2018 \$'000	Budget 2018-2019 \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Victoria grants commission	8,678	8,450	(228)
Family health support	5,321	5,162	(159)
Recurrent - State Government			
Family health support	2,683	2,624	(59)
Arts and culture	905	863	(42)
Community strengthening	439	264	(175)
Community safety	410	369	(41)
CAA development	369	97	(272)
Operations	50	50	
Planning and environment	4	-	
Total recurrent grants	18,859	17,879	(980)
Non-recurrent - Commonwealth Government			
Family health support	40	40	
Non-recurrent - State Government			
Family health support	218	-	(218)
Recycling services	145	145	
Community strengthening	174	81	(93)
Arts and culture		20	20
Community safety	121	-	(121)
Other grants	136	25	(111)
Total non-recurrent grants	834	311	(523)
Total operating grants	19,693	18,190	(1,503)

5.2 Grants - capital (\$0.68 million decrease)

Capital grants include all monies received from Victorian, Australian and community sources for the purposes of funding the capital works program. Section 6 "Analysis of Capital Budget" includes a more detailed analysis of the grants expected to be received during the 2018-2019 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

	Forecast 2017-2018 \$'000	Budget 2018-2019 \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Roads to Recovery	1,030	215	(815)
Total recurrent grants	1,030	215	(815)
Non-recurrent - Commonwealth Government			
Buildings	611	400	(211)
Recreational, leisure and community facilities	504	1,650	1,146
Computer and telecommunications	76	-	(76)
Plant, machinery and equipment	11	-	(11)
Parks, open space and streetscapes	381	-	(381)
Roads	274	-	(274)
Non-recurrent - State Government			
Buildings	1,764	100	(1,664)
Recreational, leisure and community facilities	319	1,750	1,431
Computer and telecommunications	193	-	(193)
Other infrastructure	15	150	135
Parks, open space and streetscapes	-	230	230
Total non-recurrent grants	4,148	4,280	132
Total capital grants	5,178	4,495	(683)

5.3 Statement of borrowings

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

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
New borrowings						
Principal paid	773	7,023	320	345	370	392
Interest paid	1,870	1,573	1,481	1,455	1,431	1,404
Balance 30 June	35,091	28,068	27,748	27,403	27,033	26,641

6. Detailed list of capital works

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
PROPERTY									
Buildings									
Arts and Library Facilities	1,840	263	1,420	157	-	-	-	1,840	-
Pavilions	5,540	1,479	1,714	948	1,399	100	100	5,340	-
Centenary Park Sporting Complex (Major Project)	400	360	-	40	-	-	-	400	-
Civic Facilities	1,410	20	1,340	50	-	-	-	1,410	-
Community Facilities	1,615	50	1,497	17	51	-	-	1,615	-
Recreation Facilities	1,405	367	211	510	317	400	-	1,005	-
Jubilee Netball Centre (Major Project)	500	450	-	50	-	-	-	500	-
Public Toilet Program	400	-	240	160	-	-	-	400	-
Solar Initiatives	151	151	-	-	-	-	-	151	-
Total Buildings	13,261	3,140	6,422	1,932	1,767	500	100	12,661	-
TOTAL PROPERTY	13,261	3,140	6,422	1,932	1,767	500	100	12,661	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
PLANT AND EQUIPMENT									
Plant, machinery and equipment									
Motor vehicles and plant	2,215	-	2,215	-	-	-	-	2,215	-
Total plant, machinery and equipment	2,215	-	2,215	-	-	-	-	2,215	-
Fixtures, fittings and furniture	50	-	50	-	-	-	-	50	-
Computers and telecommunications									
Learning management solution	125	125	-	-	-	-	-	125	-
Human resources and payroll system	425	213	-	212	-	-	-	425	-
Corporate Performance Reporting solution	195	195	-	-	-	-	-	195	-
Installation of CCTV cameras	80	80	-	-	-	-	-	80	-
GIS Mapping Renewal	50	-	50	-	-	-	-	50	-
Mobile Device Management Renewal	50	-	50	-	-	-	-	50	-
Remote Access Renewal	50	-	50	-	-	-	-	50	-
WiFi Replacement	150	-	150	-	-	-	-	150	-
Payroll/ HR system Renewal	10	-	10	-	-	-	-	10	-
Finance system enhancements	25	-	25	-	-	-	-	25	-
Document management system maintenance	10	-	10	-	-	-	-	10	-
Smart City Transition	120	120	-	-	-	-	-	120	-
Data quality, reporting, security	220	176	-	44	-	-	-	220	-
Integration Program	220	220	-	-	-	-	-	220	-
Customer focused web improvements	200	100	-	100	-	-	-	200	-
Mobile/ Pop-up Visitor Services	100	100	-	-	-	-	-	100	-
Total computers and telecommunications	2,030	1,329	345	356	-	-	-	2,030	-
Library books	700	-	700	-	-	-	-	700	-
TOTAL PLANT AND EQUIPMENT	4,995	1,329	3,310	356	-	-	-	4,995	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
INFRASTRUCTURE									
Roads									
Warrandyte Road widening and reconstruction	1,000	-	1,000	-	-	-	-	1,000	-
McClelland Drive Road Rehabilitation - Robinsons Road to Golf Links Road	540	-	540	-	-	-	-	540	-
Hall Road overlay (Lyrebird Road to McCormicks Road)	900	-	900	-	-	-	-	900	-
Skye Road rehabilitation	800	-	800	-	-	-	-	800	-
Special charge scheme - Cranhaven Road, Langwarrin (Warrandyte Road to Lapwing Crt)	235	47	-	188	-	-	235	-	-
Special charge scheme - Newton Avenue and Weeroona Road, Langwarrin South	1,675	335	-	1,340	-	-	1,675	-	-
Kerb renewal	575	-	575	-	-	-	-	575	-
Road renewal	3,015	-	3,015	-	-	215	-	2,800	-
Total roads	8,740	382	6,830	1,528	-	215	1,910	6,615	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
Footpaths and cycleways									
Ballarto Road Bicycle Facilities	60	60	-	-	-	-	-	60	-
Ballarto Road Pathway	370	370	-	-	-	-	-	370	-
City Wide Pathway and Cycle Way Plan Development -	750	750	-	-	-	-	-	750	-
Cranbourne Road Pathway	150	150	-	-	-	-	-	150	-
Footpath Renewal Program	700	-	700	-	-	-	-	700	-
McClelland Drive - Missing Link north side of Log Cabin	70	70	-	-	-	-	-	70	-
McCormicks Road Pathway	200	200	-	-	-	-	-	200	-
Mooroduc Highway Bicycle Facilities	70	70	-	-	-	-	-	70	-
Pathway Development Plan - Design Program	45	45	-	-	-	-	-	45	-
Pathway Link - Baxter Street to the Frankston War Me	40	40	-	-	-	-	-	40	-
Pathway Renewal - Council Reserves	500	-	500	-	-	-	-	500	-
Recreational Connections	60	30	-	30	-	-	-	60	-
Robinsons Road Pathway	50	50	-	-	-	-	-	50	-
Sanders Road	60	60	-	-	-	-	-	60	-
Shared Path Renewals	80	-	80	-	-	-	-	80	-
Total footpaths and cycleways	3,205	1,895	1,280	30	-	-	-	3,205	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
Recreational, leisure and community facilities									
Carrum Downs Oval 3 - Synthetic Surface	2,320	2,320	-	-	-	500	-	1,820	-
Centenary Park Golf Course	150	-	-	150	-	-	-	150	-
New Playgrounds	1,135	1,135	-	-	-	-	-	1,135	-
Cricket Net Replacement Program	700	-	560	140	-	100	-	600	-
Frankston BMX Track	850	-	-	-	850	-	-	850	-
Frankston Park Oval 1 lighting	2,500	2,500	-	-	-	1,650	-	850	-
Frankston Skate Park Audit	10	-	10	-	-	-	-	10	-
Langwarrin Community Centre - Shade Sails	45	45	-	-	-	-	-	45	-
Langwarrin Netball Courts Renewal	800	-	800	-	-	-	-	800	-
Overport Park bike track design and construction	20	20	-	-	-	-	-	20	-
PARC plant room access	25	25	-	-	-	-	-	25	-
Pat Rollo Reserve Sports Lighting	440	440	-	-	-	100	-	340	-
Pines Forest Aquatics Carnival & Regional Meets	30	30	-	-	-	-	-	30	-
Pines Forest Aquatics Centre Shade sails	35	-	-	35	-	-	-	35	-
Playground Strategy Implementation	940	-	755	185	-	-	-	940	-
Relocation of Sporting Clubs from RF Miles to Belvedere Reserve - Pavilion Renewal (LXRA Co-Contribution)	1,050	315	525	210	-	1,050	-	-	-
Renewal of Irrigation and Drainage Systems	500	-	500	-	-	-	-	500	-
Sporting Ground - Renewal Program	1,175	-	1,175	-	-	-	-	1,175	-
Sports Lighting at Lloyd Park - Oval 2	280	-	-	-	280	-	-	280	-
Sports Lighting Renewal Program	300	-	300	-	-	-	-	300	-
Total recreational, leisure and community facilities	13,305	6,830	4,625	720	1,130	3,400	-	9,905	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
Bridges									
Bridges and culverts	570	-	570	-	-	-	-	570	-
Total bridges	570	-	570	-	-	-	-	570	-
Drainage									
Drainage renewal	1,060	153	653	254	-	-	-	1,060	-
Total drainage	1,060	153	653	254	-	-	-	1,060	-
Waste management									
Waste management	100	50	50	-	-	-	-	100	-
Waste management	100	50	50	-	-	-	-	100	-
Parks, open space and streetscapes									
Parks and open space	1,695	435	980	280	-	-	-	1,695	-
Fit-Out of the Frankston Yacht Club	700	700	-	-	-	-	500	200	-
Forward Design Program	515	515	-	-	-	-	-	515	-
Oliver's Hill Coastal Breakwater & Coast Guard	255	255	-	-	-	-	-	255	-
Public artwork	100	-	100	-	-	-	-	100	-
Streetscapes	605	161	-	444	-	130	-	475	-
Trees	300	240	-	60	-	100	-	200	-
Total parks, open space and streetscapes	4,170	2,306	1,080	784	-	230	500	3,440	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
Off Street Car Parks									
Carpark at Quality Street - PARC	220	-	-	-	220	-	-	220	-
Carpark Renewal Program	350	-	350	-	-	-	-	350	-
Total Off Street Car Parks	570	-	350	-	220	-	-	570	-
Other Infrastructure									
Road related infrastructure	880	570	138	172	-	150	-	730	-
Total Other Infrastructure	880	570	138	172	-	150	-	730	-
TOTAL INFRASTRUCTURE	32,600	12,186	15,576	3,488	1,350	3,995	2,410	26,195	-
TOTAL NEW CAPITAL WORKS 2017-2018	50,856	16,655	25,308	5,776	3,117	4,495	2,510	43,851	-
2. Summary									
PROPERTY	13,261	3,140	6,422	1,932	1,767	500	100	12,661	-
PLANT AND EQUIPMENT	4,995	1,329	3,310	356	-	-	-	4,995	-
INFRASTRUCTURE	32,600	12,186	15,576	3,488	1,350	3,995	2,410	26,195	-
TOTAL CAPITAL WORKS	50,856	16,655	25,308	5,776	3,117	4,495	2,510	43,851	-

Capital works program

For the year ending 30 June 2019

6.2. Works carried forward from the 2017-2018 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
PROPERTY									
Buildings									
Seaford Child & Family Centre	92	92	-	-	-	-	-	92	-
Centenary Park Sporting Complex	100	-	-	100	-	-	-	100	-
Overport Park Pavilion	100	100	-	-	-	100	-	-	-
Ballam Park Soccer Pavilion	300	300	-	-	-	-	-	300	-
Seaford North Reserve - Change Rooms	100	-	-	100	-	100	-	-	-
Beauty Park Toilets	177	177	-	-	-	177	-	-	-
Total Buildings	869	669	-	200	-	377	-	492	-
TOTAL PROPERTY	869	669	-	200	-	377	-	492	-
PLANT AND EQUIPMENT									
Computers and Telecommunications									
Software upgrade and renewal	256	180	76	-	-	-	-	256	-
Computers and Telecommunications									
Fixtures Fittings and Furniture	10	-	-	10	-	-	-	10	-
TOTAL PLANT AND EQUIPMENT	266	180	76	10	-	-	-	266	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
INFRASTRUCTURE									
Roads									
Cranhaven Road, Langwarrin (Warrandyte Road to Lapwing Court) - Special Charge	131	-	-	131	-	-	-	131	-
Newton Avenue and Weeroona Road, Langwarrin South - special charge scheme	693	-	-	693	-	-	-	693	-
Valley Road	560	-	-	560	-	-	-	560	-
Total roads	1,384	-	-	1,384	-	-	-	1,384	-
Bridges									
Bridges and culverts	200	-	200	-	-	-	-	200	-
Total bridges	200	-	200	-	-	-	-	200	-
Drainage									
Drainage	190	-	190	-	-	-	-	190	-
Total drainage	190	-	190	-	-	-	-	190	-
Car Parks									
Off Street Car Parks	650	-	-	650	-	-	-	650	-
Total Car Parks	650	-	-	650	-	-	-	650	-
Other Infrastructure									
Other Infrastructure	40	40	-	-	-	-	-	40	-
Total Other Infrastructure	40	40	-	-	-	-	-	40	-

Capital works program

For the year ending 30 June 2019

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
Recreational, Leisure and Community Facilities									-
Playground Renewals	400	-	400	-	-	-	-	400	-
RF Miles Reserve Change Rooms	149	-	-	149	-	100	-	49	-
Total Recreational, Leisure and Community Facilities	549	-	400	149	-	100	-	449	-
Parks, Open Space and Streetscapes									
Station Street Mall Upgrade	400	-	-	400	-	-	-	400	-
Baxter Park Upgrade of landscape and furniture	100	-	-	100	-	-	-	100	-
Bulk Tree Planting	200	-	-	200	-	-	-	200	-
Playgrounds	548	-	548	-	-	-	8	540	-
Breakwater at Olivers Hill	128	128	-	-	-	128	-	-	-
Total Parks, Open Space and Streetscapes	1,376	128	548	700	-	128	8	1,240	-
TOTAL INFRASTRUCTURE	4,389	168	1,338	2,883	-	228	8	4,153	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2017-2018	5,524	1,017	1,414	3,093	-	605	8	4,911	-
2. Summary									
PROPERTY	869	669	-	200	-	377	-	492	-
PLANT AND EQUIPMENT	266	180	76	10	-	-	-	266	-
INFRASTRUCTURE	4,389	168	1,338	2,883	-	228	8	4,153	-
TOTAL CAPITAL WORKS	5,524	1,017	1,414	3,093	-	605	8	4,911	-

7. Rates and charges

In developing the Strategic Resource Plan (referred to in Section 3), rates and charges were identified as an important source of revenue, accounting for 66 per cent of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Victorian Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2018-2019 the FGRS cap has been set at 2.25 per cent. 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 Frankston community.

It is predicted that the 2018-2019 operating position will be significantly impacted by wages growth and reductions in government funding. The average general rate and the municipal charge will increase by 2.25 per cent in line with the rate cap, the green waste charge by 2.25 per cent and the general waste charge by 10.0 per cent. This will raise total rates and charges for 2018-2019 of \$121.45 million, including \$0.75 million generated from supplementary rates. Council's general waste charges have increased due to the recent recycling crisis in China resulting in an increase in waste disposal expenditure of \$2.50 million.

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	2017-2018 cents/\$CIV	2018-2019 cents/\$CIV	Change
Ordinary Rate	0.2930	0.2165	(26.09%)
Rate for Retirement Villages	0.2199	0.1624	(26.14%)
Rate for Commercial Land	0.3664	0.2707	(26.12%)
Rate for Industrial Land	0.3664	0.2707	(26.12%)
Rate for Vacant Residential Land	0.3664	0.2707	(26.12%)
Rate for Acacia Heath	0.3113	0.2300	(26.13%)
Rate for Farm Land	0.2345	0.1732	(26.13%)
Rate for Derelict Land	0.8792	0.6496	(26.11%)
properties	various	various	-
Rate by agreement (including Baxter Village)	various	various	-

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	Budget 2017-2018 \$	Annualised rates levied 2017-2018 \$	Budget 2018-2019 \$	Change
Ordinary Rate	68,698,824	69,256,703	72,471,472	4.64%
Retirement Villages	266,821	266,821	251,335	(5.80%)
Commercial Land	7,972,245	7,893,652	7,237,755	(8.31%)
Industrial Land	5,083,186	5,261,740	4,463,623	(15.17%)
Vacant Residential Land	928,577	769,220	889,965	15.70%
Acacia Heath	451,074	447,837	469,200	4.77%
Farm Land	39,162	39,162	38,285	(2.24%)
Derelict Land	10,902	10,287	13,252	28.83%
Rateable recreational properties	217,259	217,259	242,001	11.39%
Rate by agreement (including Baxter Village)	137,379	137,379	117,029	(14.81%)
Total amount to be raised by general rates	83,805,428	84,300,060	86,193,917	2.25%

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

Type or class of land	2017-2018 Number	2018-2019 Number	Change
Ordinary Rate	54,882	55,205	0.59%
Retirement Villages	574	574	-
Commercial Land	2,316	2,122	(8.38%)
Industrial Land	2,586	2,920	12.92%
Vacant Residential Land	632	495	(21.68%)
Acacia Heath	240	239	(0.42%)
Farm Land	5	5	-
Derelict Land	3	2	(33.33%)
Rateable recreational properties	5	5	-
Rate by agreement (including Baxter Village)	527	527	-
Total number of assessments	61,770	62,094	0.52%

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	2017-2018 \$	2018-2019 \$	Change
Ordinary Rate	23,637,100,000	33,467,474,001	41.59%
Retirement Villages	121,337,500	154,755,000	27.54%
Commercial Land	2,154,381,000	2,673,925,500	24.12%
Industrial Land	1,436,064,500	1,649,046,500	14.83%
Vacant Residential Land	209,940,000	328,790,000	56.61%
Acacia Heath	144,640,000	204,035,000	41.06%
Farm Land	16,700,000	22,100,000	32.34%
Derelict Land	1,170,000	2,040,000	74.36%
Rateable recreational properties	108,395,000	164,000,000	51.30%
Rate by agreement (including Baxter Village)	90,180,000	104,210,000	15.56%
Total value of land	27,919,908,000	38,770,376,001	38.86%

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

Type of Charge	Per Rateable Property 2017-2018 \$	Per Rateable Property 2018-2019 \$	Change
Municipal	155.60	159.10	2.25%

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

Type of Charge	2017-2018 \$	Annualised 2017-2018 \$	2018-2019 \$	Change
Municipal	9,611,474	9,662,293	9,879,695	2.25%

7.8 The 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	Per Rateable	Change
	Property 2017-2018	Property 2018-2019	
	\$	\$	
Residential Bin 240L	483.90	532.30	10.0%
Residential Bin 120L	321.50	353.70	10.0%
Residential Bin 80L	256.00	281.60	10.0%
Residential Bin 120L (Fortnightly Pickup)	301.10	331.20	10.0%
Residential Bin 80L (Fortnightly Pickup)	235.60	259.20	10.0%
Green Waste Bin (incl tenants)	135.50	138.55	2.25%
Commercial Bin 120L	321.50	353.70	10.0%
Commercial Bin 80L	256.00	281.60	10.0%
Commercial Recycling Bin	171.80	189.00	10.0%
Additional Recycling Bin	50.00	50.00	-

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	2017-2018	Annualised		Change
		2017-2018	2018-2019	
	\$	\$	\$	
Residential Bin 240L	7,259	5,807	6,388	10.0%
Residential Bin 120L	12,403,342	12,339,813	13,575,713	10.0%
Residential Bin 80L	4,449,792	4,510,464	4,961,510	10.0%
Residential Bin 120L (Fortnightly Pickup)	107,794	101,772	111,946	10.0%
Residential Bin 80L (Fortnightly Pickup)	77,748	72,800	80,093	10.0%
Green Waste Bin (incl tenants)	5,256,849	5,320,814	5,440,581	2.25%
Commercial Bin 120L	299,317	308,640	339,552	10.0%
Commercial Bin 80L	56,576	55,808	61,389	10.0%
Commercial Recycling Bin	13,572	14,259	15,687	10.0%
Additional Recycling Bin	34,194	36,944	38,320	3.7%
Total	22,706,443	22,767,121	24,631,179	8.2%

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

Type of Charge	2017-2018	Annualised		Change
		2017-2018	2018-2019	
	\$	\$	\$	
Rates and charges	116,123,345	116,729,474	120,704,791	3.4%

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

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

- The making of supplementary valuations (2018-2019: estimated \$750,000, 2017-2018: \$700,000)
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

Differential rates

Rates to be levied

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

- A general rate of 0.2166% for all rateable Other Land;
- A general rate of 0.1624% for all rateable Retirement Village Land; and
- A general rate of 0.2707% for all rateable Commercial Land; and
- A general rate of 0.2707% for all rateable Industrial Land; and
- A general rate of 0.2707% for all rateable Vacant Residential Land; and
- A general rate of 0.2299% for all rateable Acacia Heath Properties; and
- A general rate of 0.1732% for all rateable Farm Land; and
- A general rate of 0.6497% for all rateable Derelict Land.

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.

1. Other Land

Definitions/Characteristics:

Any land that is developed or vacant which is not Retirement Village Land, Industrial Land, Vacant Residential, Acacia Estate Properties, Derelict Land, Farm Land or Commercial Land.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health & community services; and
3. Provision of general support services.
4. Requirement to ensure that Council has adequate funding to undertake its strategic, statutory, and service provision obligations.

Types and Classes:

Rateable land having the relevant characteristics described in the definition / characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2018-2019 Financial Year.

2. Retirement Village Land

Definitions/Characteristics:

Any land which is used primarily for the purposes of a retirement village.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health & community services; and
3. Provision of general support services; and
4. Requirement to ensure that Council has adequate funding to undertake its strategic, statutory, and service provision obligations; and
5. Recognition of expenditures made by Council on behalf of the retirement village sector.

Types and Classes:

Rateable land having the relevant characteristics described in the definition/ characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2018-2019 Financial Year.

3. Commercial Land

Definitions/Characteristics:

Any land which is used primarily for the purposes of a commercial land including developed and vacant land.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health & community services; and
3. Provision of general support services; and
4. Enhancement of the economic viability of the commercial and industrial sector through targeted programs and projects; and
5. Encouragement of employment opportunities; and
6. Promotion of economic development; and
7. Requirement to ensure that street scaping and promotional activity is complementary to the achievement of industrial and commercial objectives.

Types and Classes:

Rateable land having the relevant characteristics described in the definition/ characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2018-2019 Financial Year.

4. Industrial Land

Definitions/Characteristics:

Any land which is used primarily for the purposes of an industrial land including developed and vacant land.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health & community services; and
3. Provision of general support services; and
4. Enhancement of the economic viability of the commercial and industrial sector through targeted programs and projects; and
5. Encouragement of employment opportunities; and
6. Promotion of economic development; and
7. Requirement to ensure that street scaping and promotional activity is complementary to the achievement of industrial and commercial objectives.

Types and Classes:

Rateable land having the relevant characteristics described in the definition/ characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2018-2019 Financial Year.

5. Vacant Residential Land

Definitions/Characteristics:

Any land which is zoned residential under the relevant Planning Scheme and on which there is no building that is occupied or adapted for occupation.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Encouragement of development on land; and
2. Construction and maintenance of public infrastructure; and
3. Development and provision of health & community services; and
4. Provision of general support services; and
5. Requirement to ensure that Council has adequate funding to undertake its strategic, statutory, and service provision obligations.

Types and Classes:

Rateable land having the relevant characteristics described in the definition/ characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

6. Acacia Heath Land

Definitions/Characteristics:

Any land in the Acacia Heath precinct (as defined in plans of subdivision 446669/70, 448786/7/8, 512750, 531862/63, 537447 and 546857/58).

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Recommendation and which otherwise would not be classed as derelict land.

Use and Level of Differential Rate:

The differential rate will be used to offset the costs of works associated each year with the protection and management of public open space and expanded road reserves in the subdivision, approved under Planning Permit No. 01020.

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

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2018-2019 Financial Year.

7. Farm Land

Definitions/Characteristics:

Farm Land is any land which does not have the characteristics of general land or vacant sub-standard land or commercial land or industrial land; which is:

- “farm land’ within the meaning of Section 2(1) of the ***Valuation of Land Act 1960***

Objective:

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

1. Construction and maintenance of infrastructure assets
2. Development and provision of health and community services
3. Provision of general support services.

Types and Classes:

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

Use and Level of Differential Rate:

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

Geographic Location:

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

Use of Land:

The use of the land within this category is any use of land permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

The types of buildings on the land within this category are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2018-2019 financial year.

8. Derelict Land

Definitions/Characteristics:

Derelict Land is any land that meets one or more of the following criteria:

- The building or land is destroyed, decayed, deteriorated, or fallen into partial ruin especially through neglect or misuse. This may include but not be limited to excessive dirt; peeling paint; broken windows, elements of the facade or advertising signs; loose or broken fittings, fixtures; or faulty lighting.
- The building or land constitutes a danger to health or property. This may include but not limited to:
 - The existence on the property of vermin, litter, fire or other environmental hazards
 - A partially built structure where there is no reasonable progress of the building permit
- Provides an opportunity to be used in a manner that may cause a nuisance or become detrimental to the amenity of the immediate area.
- Is in such a state of repair that would prohibit its occupation.
- The condition of the property or land has a potential to affect the value of other land or property in the vicinity.
- There is excessive growth of grass and or noxious weeds or undergrowth.
- Affects the general amenity of adjoining land or neighbourhood by the appearance of graffiti, any stored unregistered motor vehicles, machinery (or parts thereof), scrap metal, second hand timber and or building materials, waste paper, rags, bottles, soil or similar materials.

Objective:

To ensure that the incidence of dilapidated properties reduce in the municipality and all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Recommendation.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

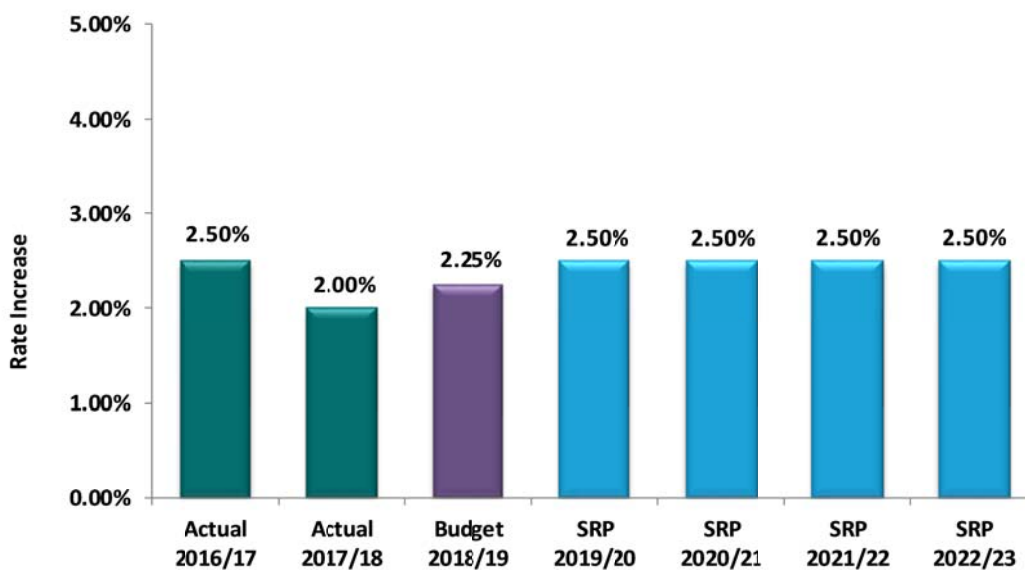
All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2018-2019 Financial Year.

Budget Analysis

8. Summary of financial position

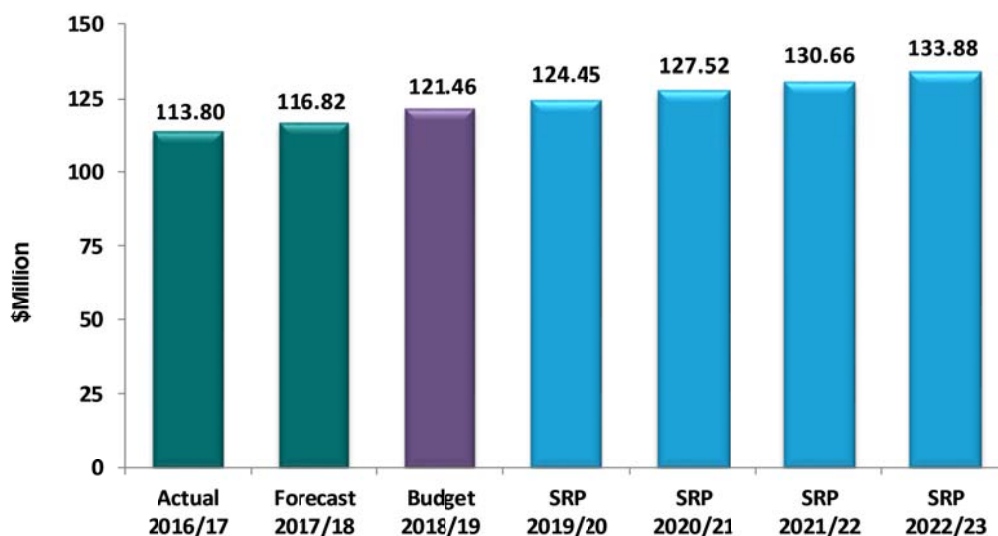
Council has prepared a Annual Budget for the 2018-2019 financial year which seeks to balance the demand for services and infrastructure with the community’s capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

8.1 Rate percentage increase



SRP - Strategic Resource Plan estimates

Total rates and charges



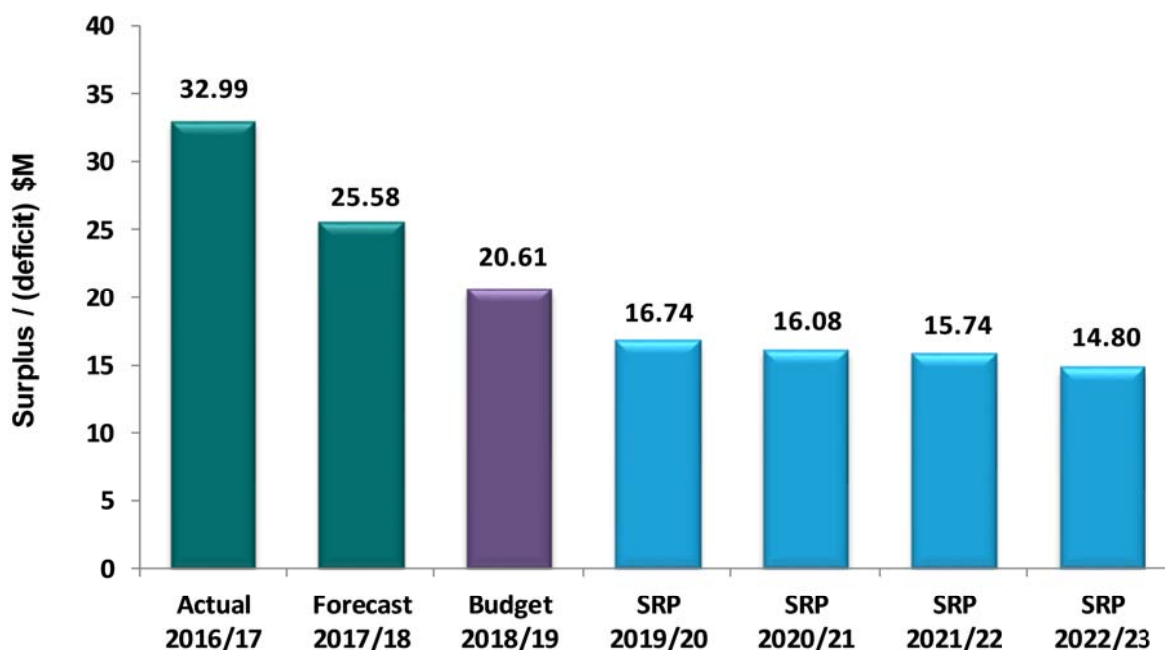
SRP - Strategic Resource Plan estimates

In 2018-2019 rates will increase by 2.25 per cent raising total rates and charges of \$121.46 million, including \$0.75 million generated from supplementary rates on new and redeveloped properties. The Victorian Government passed legislation to implement rate capping that restricts Council from increasing rate income by more than the average cap set by the Minister for Local Government.

The Minister for Local Government announced on 19 December 2017 that the rate cap for the 2018-2019 financial year will be 2.25 per cent. That is, the CPI as published by the Victorian Department of Treasury and Finance, which is 2.25 per cent for the 2018-2019 year.

Where the level of income raised under the rate cap is insufficient to meet specific needs, councils can apply to the Essential Services Commission for a higher cap. Frankston City Council has not elected to apply for variation to the rate cap in the 2018-2019 year.

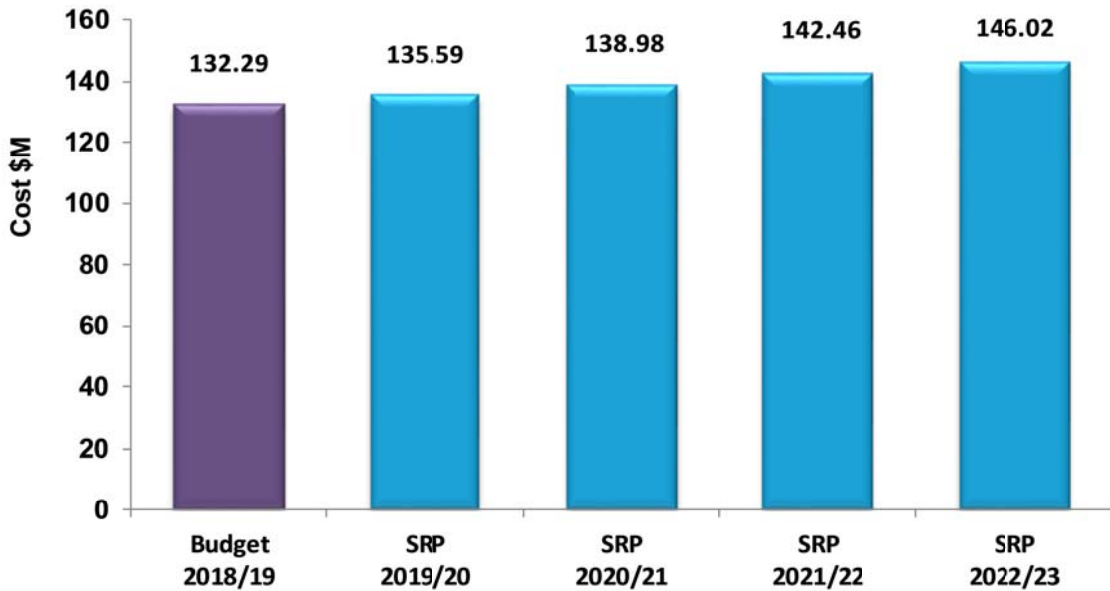
8.2 Operating Result



SRP - Strategic Resource Plan estimates

The expected operating result for the 2018-2019 year is a surplus of \$20.61 million, which is a decrease of \$4.97 million over 2017-2018. The decrease in operating result is due mainly to the increase in utility costs (\$0.93 million), funding year 2 Council Plan initiatives (\$1.47 million), depreciation (\$0.96 million) and insurance (\$0.50 million). The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a surplus of \$11.89 million, which is a decrease of \$6.17 million over 2017-2018 – refer to Section 7 of this summary for further information. (The forecast operating result for the 2017-2018 year is a surplus of \$25.58 million).

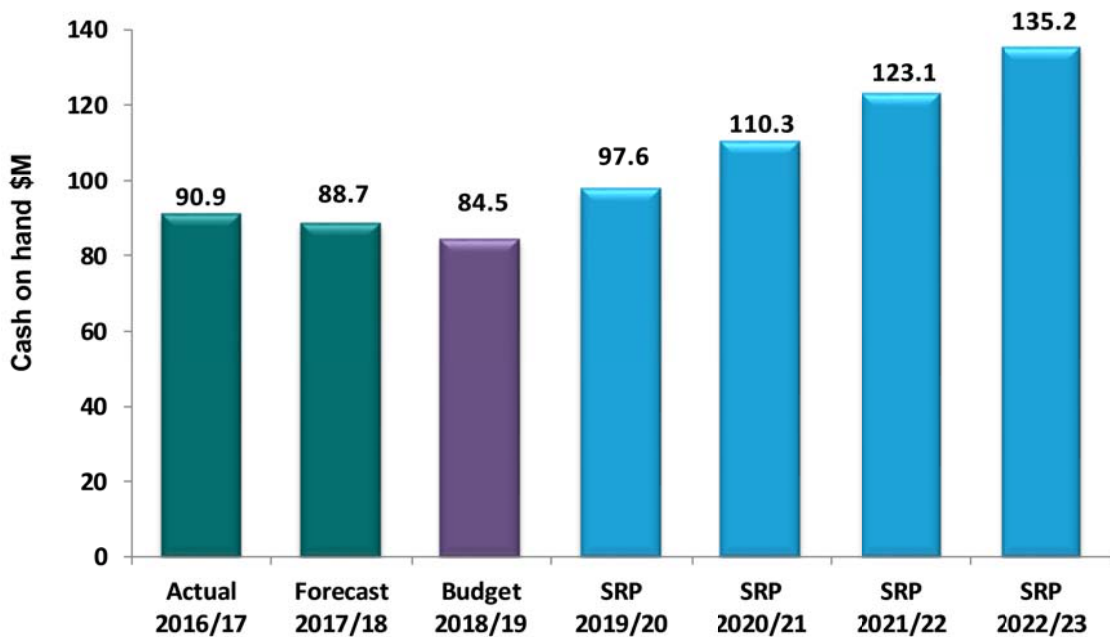
8.3 Services



SRP - Strategic Resource Plan estimates

The recently released results of the community satisfaction survey conducted by Council show that while there is a relatively high level of satisfaction with most services provided by Council, there are some areas of concern where there is a clear message that ratepayers want improved service levels.

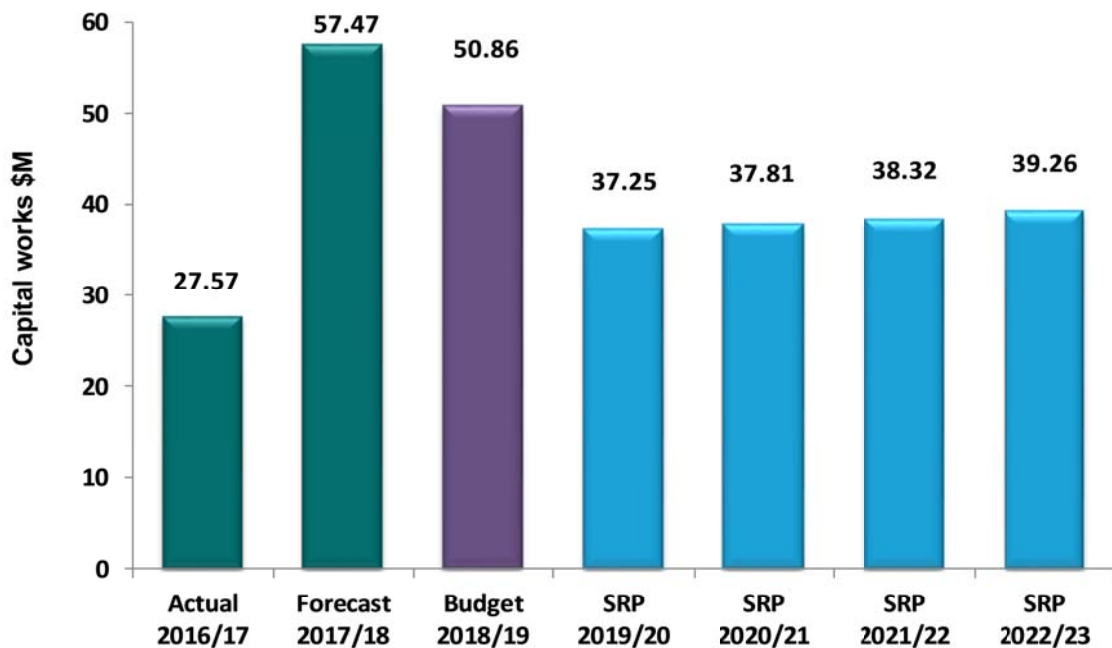
8.4 Cash and Investments



SRP - Strategic Resource Plan estimates

Cash and investments (including investments for Long Service Leave provision) are expected to increase to \$84.5 million as at 30 June 2019. Refer also Section 3 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

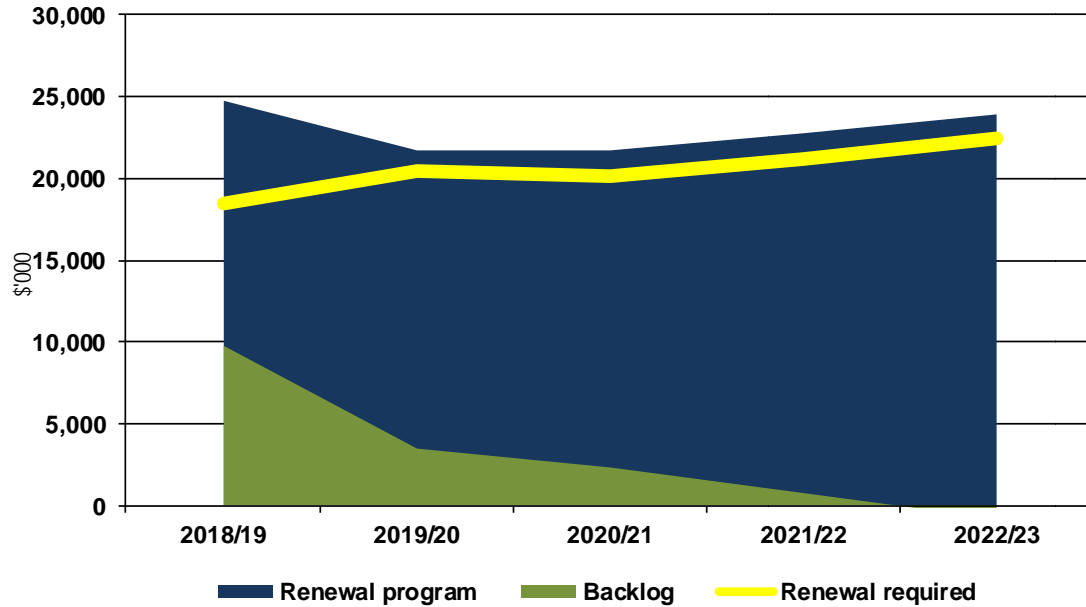
8.5 Capital Works



SRP - Strategic Resource Plan estimates

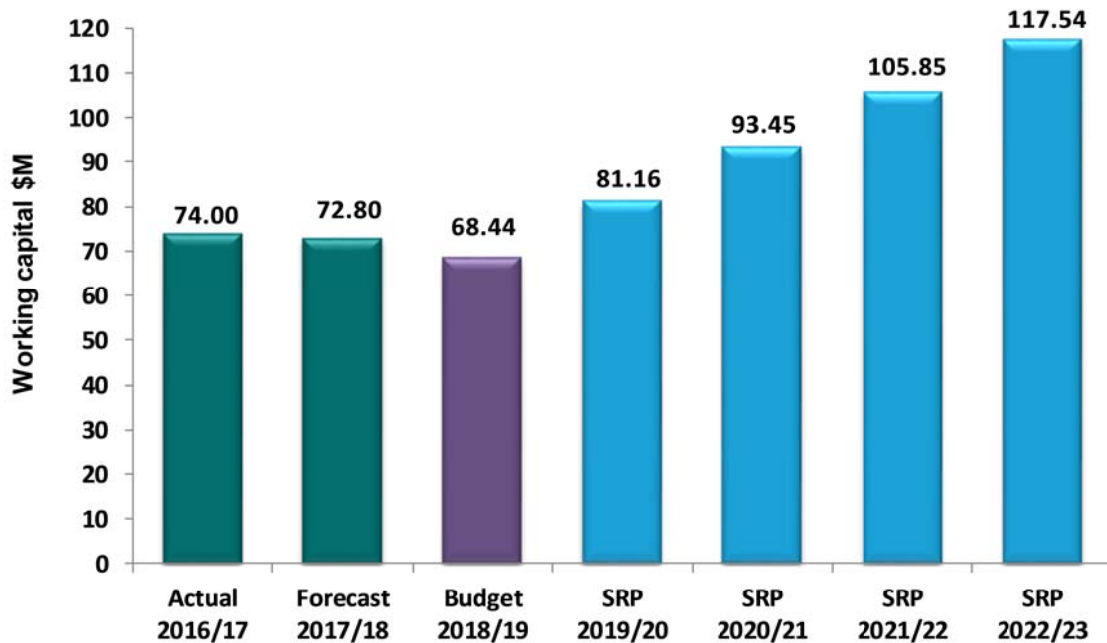
The capital works program for the 2018-2019 year is expected to be \$50.86 million. Of the \$50.86 million of capital funding required, \$7.00 million will come from external grants and contributions with the balance of \$43.85 million from Council cash. The Council cash amount comprises asset sales (\$1.02 million), cash held at the start of the year (\$3.33 million) and cash generated through operations in the 2018-2019 financial year (\$39.51 million). The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. (Capital works is forecast to be \$57.47 million including \$5.52 million carry forwards for the 2017-2018 year).

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



The asset renewal program has been increased to \$25.32 million in the 2018-2019 year. Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

8.6 Financial Position

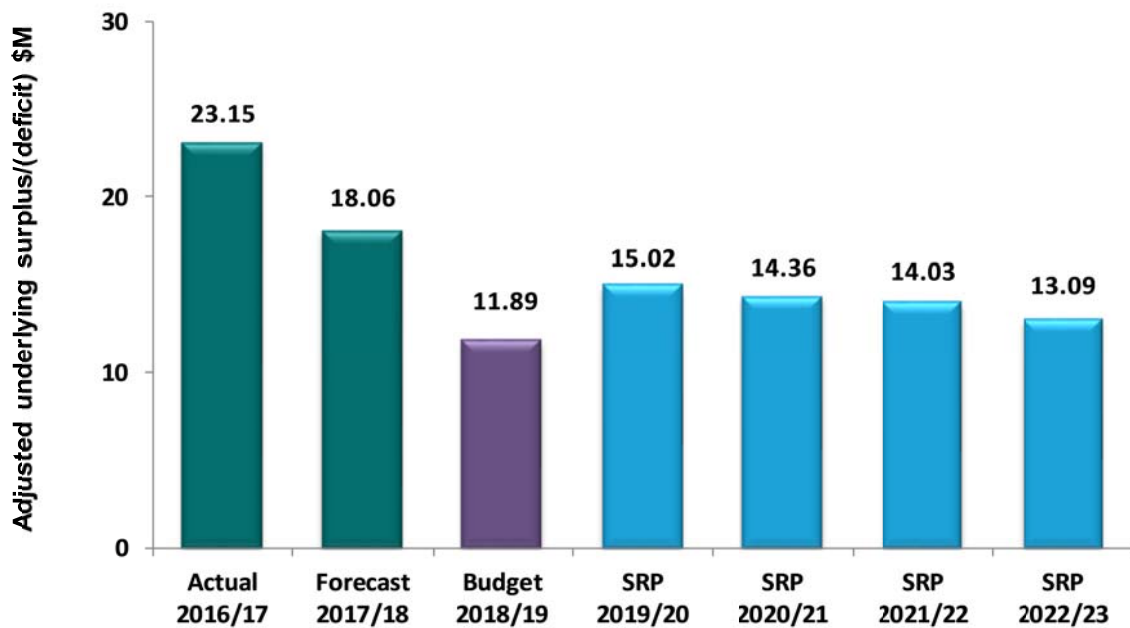


SRP - Strategic Resource Plan estimates

Council's overall financial position is expected to improve with net assets (net worth) to increase by \$21.00 million to \$1.45 billion although net current assets (working capital) will decrease by \$4.35 million to \$68.44 million as at 30 June 2019. This is mainly due to the allocation of funds to cash reserves for future capital works projects. (Net assets is forecast to be \$1.43 billion as at 30 June 2018).

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

8.7 Financial Sustainability



SRP - Strategic Resource Plan estimates

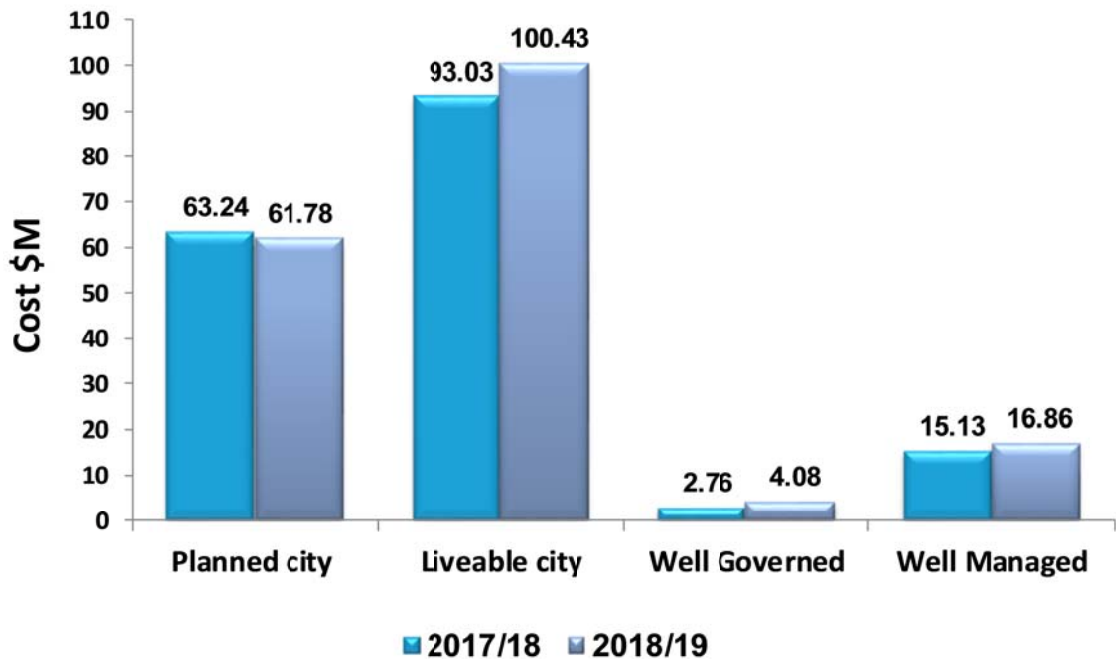
The underlying result, which excludes items such as capital grants and contributions, is a surplus of \$11.89 million. (The forecast underlying result for the 2017-2018 year is a surplus of \$18.06 million). The Underlying Operating Result is one of Council's key indicators of financial performance as it measures Council's day to day operating activities. It excludes one off items such as capital grants and contributions as well as non-monetary assets.

The Underlying Operating Result is of most concern as Council's long term financial viability depends on its ability to make an operating surplus on a day to day basis in order to fund the replacement of assets and to fund new projects. Council's 2018-2019 budget has been built on embedding long term financial sustainability and this graph indicates that Frankston's future financial position will support the delivery of its Council Plan and medium term community outcomes. However, the introduction of rate capping has resulted in an unsustainable future financial position in the long term.

A high level Strategic Resource Plan for the years 2018-2019 to 2022-2023 has been developed to assist Council in adopting a budget within a longer term prudent financial framework.

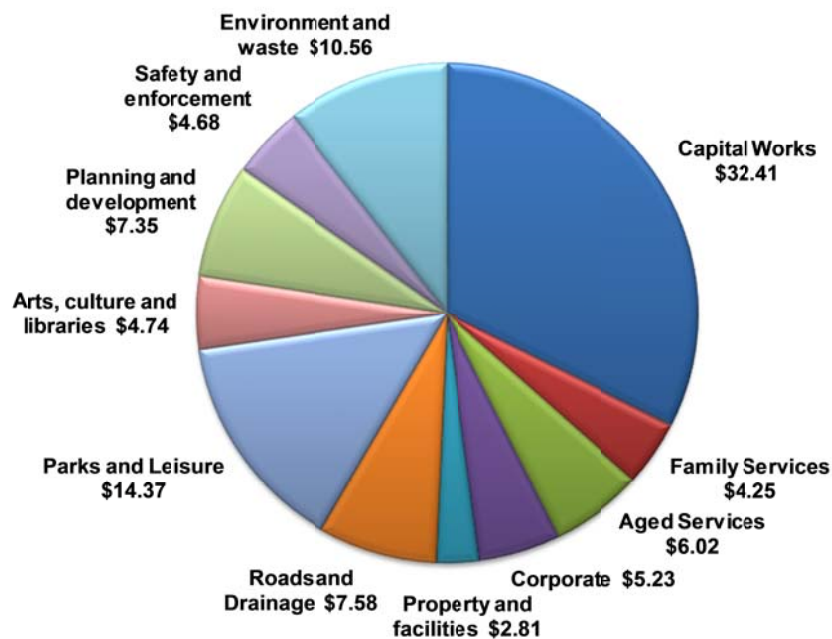
Refer Section 14 for more information on the Strategic Resource Plan.

8.8 Strategic objectives



The Annual Budget 2018-2019 includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2018-2019 year.

8.9 Council expenditure allocations



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

9. Budget influences

9.1 Frankston City...at a glance

Frankston City is striving to be the preferred place to live, learn, work, visit and invest, offering incentives such as:

- vibrant and diverse communities with a potential catchment of over 328,000 people
- a unique lifestyle
- 11 kilometres of beautiful coastline, award winning clean foreshore and beaches
- cutting-edge arts and culture facilities and excellent restaurants and cafés
- world-class health and education facilities
- proactive commercial, retail and clean manufacturing business environment
- varied tourism experiences throughout Frankston City and the broader Mornington Peninsula region, which attracts 1.4 million overnight visitors and 2.9 million day trippers visiting annually.

Our Place

Frankston City is situated on the eastern shores of Port Phillip Bay approximately 40 kilometres south of Melbourne. The municipality covers an area of approximately 131 square kilometres from Seaford Wetlands in the north, to Mount Eliza in the south, and the Western Port Highway in the east. The western boundary of the city is made up of about 11 kilometres of beautiful coastline, clean foreshore and beaches along Port Phillip Bay.

Frankston City is strategically placed as the regional capital for the Mornington Peninsula and the nearby south east growth corridor of Melbourne. Currently, Frankston City provides regional shopping, education, health, community service, financial, recreation and leisure and entertainment facilities for a population catchment far greater than its municipal boundaries.

Frankston City is more than just the suburb of Frankston. It comprises the suburbs of Frankston central, Carrum Downs, Frankston North, Frankston South, Langwarrin, Seaford, Karingal, Sandhurst and Skye.

Our People

The population of Frankston City is 141,704 (ABS Census 2016) and is predicted to grow to approximately 157,073 by 2036. Frankston City has a young population, with nearly 26 per cent of residents under the age of 19 and 46 per cent aged 34 years or younger.

Overall, 21.4 per cent of the population were born overseas and 11 per cent came from countries where English was not their first language, compared with 33.8 per cent and 27.0 per cent respectively for Greater Melbourne.

Whilst Frankston City has been a predominantly Anglo-Australian community, the city has a strong and growing Aboriginal and Torres Strait Islander community, making up 1 per cent of the population (1,338 people). The cultural diversity of the city is developing. From 2011 to 2016 there has been small increases in the number of Frankston residents born in India (1,295 to 1,712 people), the Philippines (from 855 to 1,071 people), China (607 to 891 people), and Sri Lanka (from 577 to 593 people).

Our labour force comprises 67,774 individuals. Of these 57.8 per cent were employed full time, 30.8 per cent were employed part-time and 6.4 per cent were unemployed. There are 63,409 employed individuals in labour force. Frankston City residents contribute to the wellbeing of their community through a significant amount of unpaid work, including volunteering and unpaid childcare. There are 16,805 people in Frankston City who volunteer their time (19.2 per cent of the adult population), an increase of 2,759 people from 2011-2016.

Overall, 48.3 per cent of the population held educational qualifications compared to 42.1 per cent in 2011. There have been increases in all post-secondary qualification types - including people with a Bachelor or higher degree at 14.5 per cent in 2016 compared to 10.9 per cent in 2011, and with a vocational qualification at 30.6 per cent in 2016 from 21.7 per cent in 2011. The percentage of people who have no qualifications has declined from 46.7 per cent in 2011 to 41.2 per cent in 2016. Creating employment and improving access to education are key priorities for Council, with unemployment remaining above the state and national averages despite recent improvements.

In 2016, Frankston City contained 56,870 dwellings, 77.5 per cent of which were separate houses. Owning a home is important to people living in Frankston City, with 38.5 per cent in the process of buying their own home, while 25.1 per cent own their own homes. Rental tenure has increased from 26.6 per cent in 2011 to 28.7 per cent in 2016.

9.2 External influences

In preparing the Annual Budget 2018-2019, a number of external influences have been taken into consideration. These include:

- **Council's general waste charges have increased by 10 per cent** due to the increased service cost resulting from the recent pressures impacting the recycling industry. China's 'National Sword Policy' has imposed restrictions on the importation of unsorted, dirty or contaminated plastics and mixed paper and cardboard. The policy has directly impacted kerbside recycling services and the new policy imposes much tighter contamination thresholds on these recyclable streams.
This, combined with an increased focus on stockpiling practices at recycling processing sites by the Victorian Government's joint taskforce, has created unique pressures on the industry.
- Consumer Price Index (CPI) – Melbourne increases on goods and services of 2.2 per cent through the September quarter 2017 (ABS release 25 October 2017). State-wide CPI is forecast to be 2.25 per cent for the 2018-2019 year increasing to 2.5 per cent and 2.5 per cent in the subsequent two years (Victorian Budget Papers 2017-2018).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2017 was 1.8 per cent (ABS release 17 August 2017). The wages price index in Victoria is projected to be 2.75 per cent per annum in 2018-2019 increasing to 3 per cent and 3.25 per cent in the subsequent two years (Victorian Budget Papers 2017-2018).
- Reduction of \$0.23 million in Victoria Grants Commission funding compared to the prior year.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the Victorian and Australian Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervision, Library services and Home and Community Care for aged residents. In all these services the level of payment received by Council from the Victorian Government does not reflect the real cost of providing the service to the community.

- Councils across Australia raise approximately 3.5 per cent of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30 per cent of the all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the Victorian Government with the introduction of the Fire Services Property Levy Act 2012.
- Council received notification that a review of the Vested Benefit Index (VBI) was within the superannuation prudential standards. At this stage no restoration plan is required as the VBI meets the required threshold, however Council needs to manage this issue to dampen the impact of a potential future defined benefit superannuation shortfall.

9.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2018-2019 Budget. These matters have arisen from events occurring in the 2017-2018 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2018-2019 year. These matters and their financial impact are set out below:

- The purchase of the Frankston Regional Resource and Recycling Centre provides residents with an "all year round" facility for the disposal of hard and other waste. Council has budgeted for a blanket hard waste collection in 2018-2019 and will retain an "at call" service for the convenience of residents and ratepayers. The provision of all services have increased costs to Council which has been passed on to ratepayers by way of a 2.25 per cent increase to green waste charges and 10 per cent increase to general waste charges. The recent recycling crisis has led to the 10 per cent increase in general waste charges, otherwise it was anticipated that the increase would have been in line with CPI.
- Peninsula Aquatic Recreation Centre (PARC) is fully operating as a separate entity and the operations of this facility are included in the Annual Budget 2018-2019. Similarly, at the end of the financial year, Council will consolidate the financial results with the annual financial statements of Frankston City Council.
- The salary and wages for the Annual Budget 2018-2019 has been developed based on a 2.00 per cent plus 0.50 per cent banding increments based on Enterprise Agreement 8 which applies for a three year period commencing in April 2016. The cost of provision of Council services is very heavily based on labour costs which account for approximately 44 per cent of total operational spending.

9.4 Budget principles

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

- Existing fees and charges to be reviewed and adjusted to in line with Council's policy, market levels and an equitable amount for each service/item.
- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained at 2017-2018 levels with the aim to use less resources with an emphasis on innovation and efficiency.

- Contract labour to be minimised.
- New initiatives or employee proposals which are not cost neutral to be justified through a business case.
- Real savings in expenditure and increases in revenue identified in 2017-2018 to be preserved.
- Operating revenues and expenses arising from completed 2017-2018 capital projects to be included.

In terms of the direct parameters upon which the Annual Budget 2018-2019 is based, the below table tabulates the assumptions:

Key Assumptions	2018-2019
Consumer Price Index	2.25%
Wage Price Index	3.00%
Cost Escalation - Local Government	2.70%
Rate Increase	2.25%
Green Waste Charges	2.25%
General Waste Charges	10.00%
Fees - Set by Council	Various
Fees and Charges (Statutory)	1.00%
Other Recurrent Grants	1.00%
Grants Commission Grants	1.00%
Employee Costs	2.50%
Contracts & Materials	2.25%
Gas	40.00%
Water	2.25%
Electricity	40.00%
Insurance	3.80%

10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2018-2019 year.

10.1 Budgeted income statement

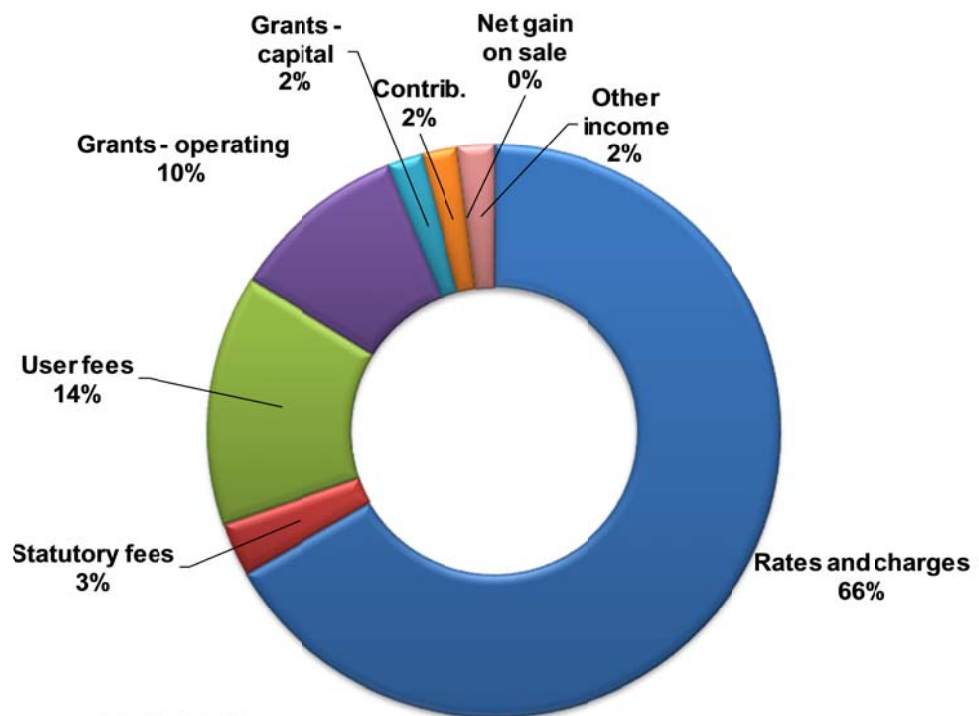
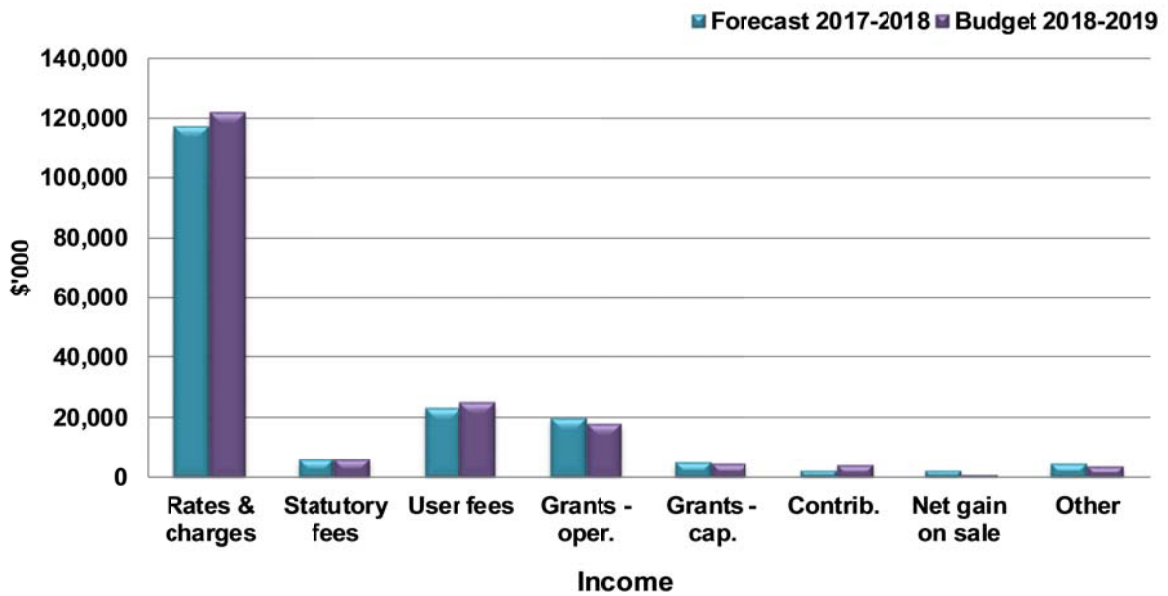
	Ref	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Total income	10.2	180,103	183,678	3,575
Total expenses	10.3	(154,524)	(163,067)	(8,543)
Surplus/(deficit) for the year		25,579	20,611	(4,968)
Grants - capital (non-recurrent)	5.1.2	(5,178)	(4,495)	683
Contributions - non-monetary		(800)	(800)	-
Capital contributions - other sources	10.2.6	(1,539)	(3,425)	(1,886)
Adjusted underlying surplus/(deficit)	10.1.1	18,062	11,891	(6,171)

10.1.1 Adjusted underlying surplus (\$6.171 million decrease)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, contributions of non-monetary assets and other once-off adjustments. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not affected by non-recurring or once-off items of income and expenses which can often mask the operating result. The adjusted underlying result for the 2018-2019 year is a surplus of \$11.89 million which is a decrease of \$6.17 million over the 2017-2018 year. In calculating the underlying result, Council has excluded grants received for capital purposes as funding for the capital works program is once-off and usually non-recurrent. 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	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Rates and charges	10.2.1	116,823	121,455	4,632
Statutory fees and fines	10.2.2	6,086	5,867	(219)
User fees	10.2.3	23,057	25,021	1,964
Grants - operating	5.1.1	19,693	18,190	(1,503)
Grants - capital	5.1.2	5,178	4,495	(683)
Contributions - monetary	10.2.4	1,539	3,425	1,886
Contributions - non-monetary	10.2.5	800	800	-
Net gain on disposal of property, infrastructure, plant and equipment	10.2.6	2,096	715	(1,381)
Other income	10.2.7	4,831	3,710	(1,121)
Total income		180,103	183,678	3,575



Budgeted income 2018-2019

10.2.1 Rates and charges (\$4.63 million increase)

The Annual Budget 2018-2019 includes a capped increase in the average base rate of 2.25 per cent or \$4.63 million over 2017-2018 to \$121.45 million.

Supplementary rates, for new rateable assessments or properties completing improvement works during the financial year, are forecast to provide \$0.75 million in rate revenue over 2018-2019. Section 7, "Rating Information" provides a detailed analysis of the rates and charges to be levied for 2018-2019.

10.2.2 Statutory fees and fines (\$0.22 million decrease)

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

A detailed listing of statutory fees and fines are included in Appendix A to this report.

	Forecast 2017-2018 \$'000	Budget 2018-2019 \$'000	Variance \$'000
Building and town planning fees	1,315	1,080	(235)
Infringements and costs	4,634	4,660	26
Land information certificates	137	127	(10)
Total statutory fees and fines	6,086	5,867	(219)

10.2.3 User fees (\$1.96 million increase)

Fees and charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. The principal sources of fee income arise from services such as child care, pre-schools, recreational facilities, home care, entertainment and other community facilities. The increase in user fees income is mainly due to:

- Arts centre fees are expected to increase by \$0.52 million mainly due to the improved performance of the Arts Centre and the increased income from car parking.
- Peninsula Aquatic Recreation Centre expected to increase by \$1.91 million due to growth in trading operations.

	Forecast 2017-2018 \$'000	Budget 2018-2019 \$'000	Variance \$'000
Aged care services (incl home care and meals on wheels)	924	953	29
Arts centre	2,729	3,249	520
Building permits and other charges	210	243	33
Childcare/ children's program fees	301	343	42
Events and festivals	155	151	(4)
Other fees and charges	1,738	1,539	(199)
Parking fees	1,952	1,940	(12)
Peninsula Leisure Centre	9,702	11,608	1,906
Recreation and leisure	1,240	995	(245)
Rental/lease	348	62	(286)
Transportation and developments	263	279	16
Valuations and fire service levy fees	160	77	(83)
Waste management	3,334	3,582	248
Total fees and charges	23,057	25,021	1,964

A detailed listing of user fees is included in Appendix A to this report. To diminish Council's reliance on rate income, a review of user fees and charges will continue in 2018-2019.

10.2.4 Contributions – monetary (\$1.89 million increase)

Contributions for capital works in the Annual Budget 2018-2019 has increased by \$1.89 million from the 2017-2018 forecast primarily due to the one off contribution in 2018-2019 for the Special Charge Scheme - Newton Avenue and Weeroona Road, Langwarrin South. Revenues from this income stream are closely linked to the projects that are included in the capital works program.

Cash contributions are charges paid by developers in regard to recreational lands, drainage and car parking in accordance with planning permits issued for property development. Cash contributions in the Annual Budget 2018-2019 are projected to remain constant with the 2017-2018 forecast due to the completion of property developments within the municipality during the 2018-2019 year.

10.2.5 Contributions – non-monetary (Nil change)

Non-monetary contributions represent assets which transfer to Council from property developers at the completion of subdivisional work. The assets generally consist of land used for public open space or infrastructure assets. Council recognises these new assets at 'fair value'. No cash is transferred but the fair value of the assets is recorded as revenue.

10.2.6 Net gain on disposal of property, infrastructure, plant and equipment (\$1.38 million decrease)

Net gain on sale of Council assets is forecast to be \$0.72 million for 2018-2019 and relates to the planned cyclical replacement of part of the plant and vehicle fleet together with a sale of small parcel of land.

10.2.7 Other income (\$1.12 million decrease)

Other income in Annual Budget 2018-2019 is projected to be \$3.70 million.

Interest earnings relate to proceeds from cash investments or interest charges levied as a penalty for late rate payments.

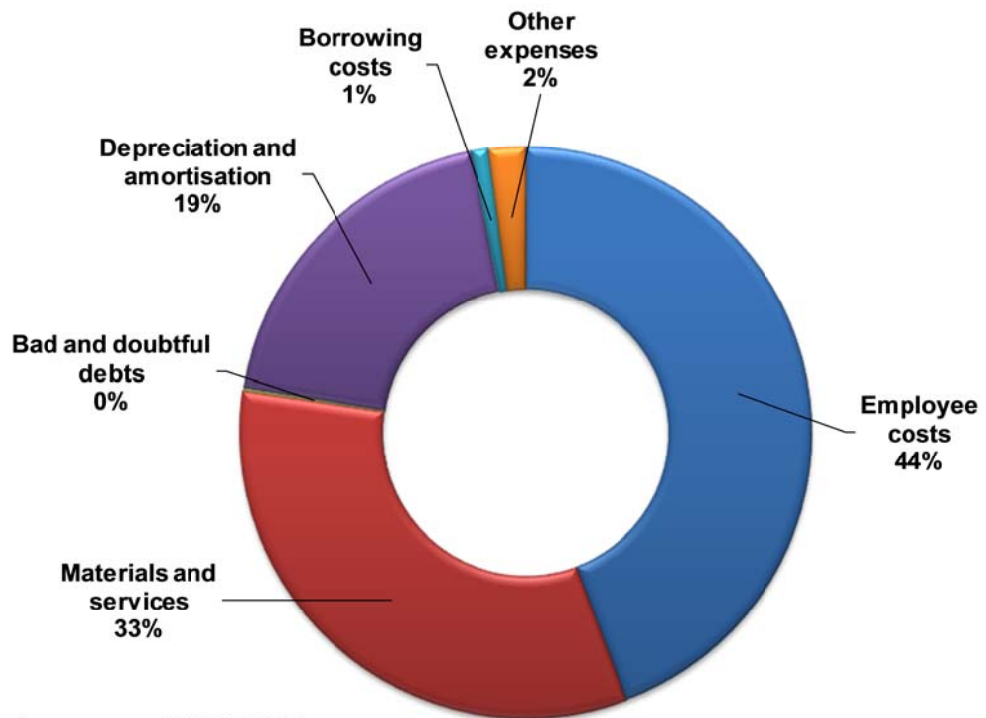
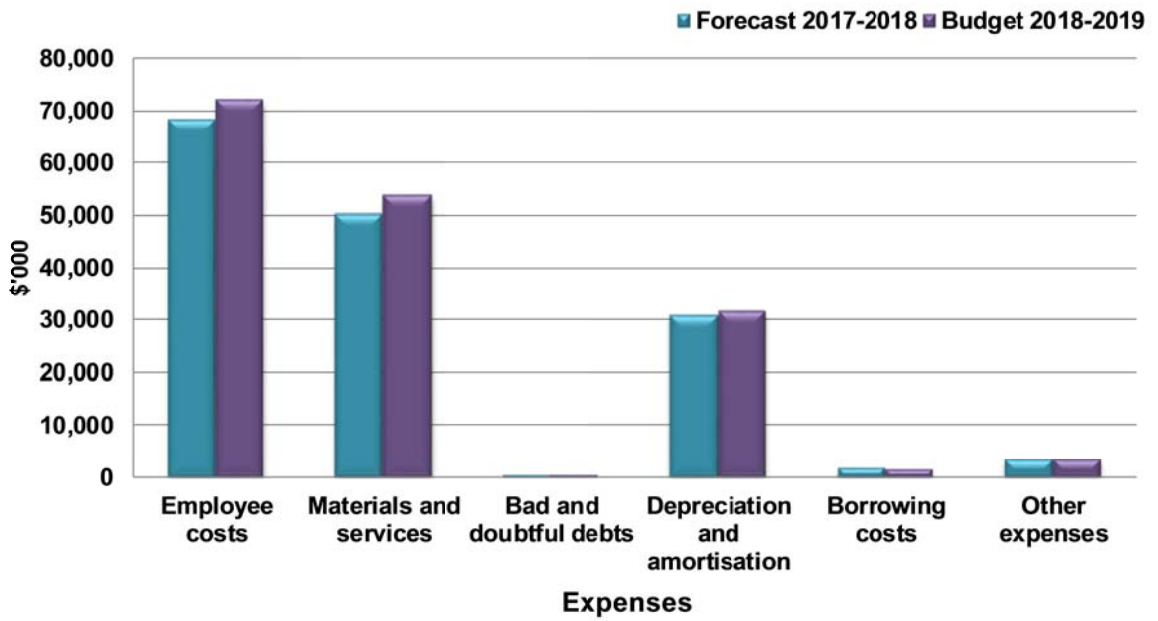
Interest on investments is forecast to decline compared to 2017-2018 due to a reduction in Council's available cash reserves during 2018-2019 to fund major infrastructure projects and lower interest rates. Interest on unpaid rates is forecast to increase compared to 2018-2019 due to an expected increase in the level of unpaid rates during 2018-2019.

10.3 Operating Expenditure

Expense Types	Ref	2017-2018	2018-2019	Variance
		Forecast \$'000	Budget \$'000	
Employee costs	10.3.1	68,116	72,284	4,168
Materials and services	10.3.2	50,162	53,848	3,686
Bad and doubtful debts	10.3.3	306	305	(1)
Depreciation and amortisation	10.3.4	30,635	31,591	956
Borrowing costs	10.3.5	1,870	1,573	(297)
Other expenses	10.3.6	3,435	3,466	31
Total expenses		154,524	163,067	8,543

When comparing operating expenditure from the Annual Budget 2017-2018 to the Annual Budget 2018-2019 (refer to table below), an overall increase of 5.53 per cent has been achieved.

Operating Expenditure Movement	Budget	Budget	Variance
	2017-2018	2018-2019	
	\$'000	\$'000	%
Expenses	154,524	163,067	5.53%



Budgeted expenses 2018-2019

10.3.1 Employee costs (\$4.17 million increase)

Employee costs include all labour related expenditure inclusive of oncosts such as WorkCover insurance, superannuation, leave loading and long service leave entitlements. At the time of preparing the Annual Budget 2018-2019 Council's Enterprise Agreement has been finalised. An increase of 2.50 per cent has been allowed to cover EBA increases, superannuation guarantee increases and periodic increases that occur as staff progress through the employee banding structure provided for in Awards.

Employee costs are forecast to increase in the Annual Budget 2018-2019 by \$4.17 million or 6.1 per cent compared to 2017-2018. This relates to the EBA increase together with the increased trading activity at the Peninsula Aquatic Recreation Centre where casual salaries vary directly with income. Council's workcover premium has also increase from \$1 million to \$1.5 million.

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

Department	Budget 2018/19 \$'000	Permanent Full time \$'000	Permanent Part time \$'000
Chief Executive Officer	813	688	125
Human Resources	1,455	1,399	56
Corporate Management	431	431	-
Recycling Services	566	499	67
Business & Information Technology	2,341	2,003	338
Financial & Corporate Planning	2,404	2,152	252
Administration and Corporate Projects	1,310	1,082	228
Commercial Services	1,144	1,065	79
Assets Management	389	389	-
Communities Management	432	432	-
Community Strengthening	4,376	3,160	1,216
Family Health Support Services	13,503	2,780	10,723
Arts and Culture	5,280	2,999	2,281
Community Safety	6,102	4,708	1,394
Community Relations	3,394	1,428	1,966
Operations	11,288	11,243	45
Planning and Environment	2,770	2,487	283
Engineering Services	1,437	1,330	107
Facilities	1,363	1,363	-
Capital Works Delivery	1,943	1,943	-
Sustainable Assets	2,039	2,039	-
CAA Development	382	382	-
Peninsula Leisure Pty Ltd	2,852	2,292	560
Total permanent staff expenditure	68,014	48,294	19,720
Casual and other expenditure	5,938		
Capitalised labour costs	(1,668)		
Total expenditure	72,284		

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

Department	Budget 2018/19 FTE	Comprises	
		Permanent Full time FTE	Permanent Part time FTE
Chief Executive Officer	5.48	4.00	1.48
Human Resources	13.60	13.00	0.60
Corporate Management	2.00	2.00	-
Recycling Services	6.84	6.00	0.84
Business & Information Technology	20.23	17.00	3.23
Financial & Corporate Planning	22.70	20.00	2.70
Administration and Corporate Projects	13.75	11.00	2.75
Commercial Services	10.79	10.00	0.79
Assets Management	2.00	2.00	-
Communities Management	2.00	2.00	-
Community Strengthening	42.68	30.00	12.68
Family Health Support Services	143.80	27.00	116.80
Arts and Culture	56.22	29.00	27.22
Community Safety	69.45	49.00	20.45
Community Relations	36.31	13.00	23.31
Operations	137.67	137.00	0.67
Planning and Environment	27.11	24.00	3.11
Engineering Services	12.20	11.00	1.20
Facilities	11.00	11.00	-
Capital Works Delivery	17.00	17.00	-
Sustainable Assets	19.00	19.00	-
CAA Development	3.00	3.00	-
Peninsula Leisure Pty Ltd	36.60	27.00	9.60
Total permanent staff	711.43	484.00	227.43
Casual and other	98.45		
Total staff	809.88		

10.3.2 Materials and services (\$3.69 million increase)

Materials and services include the purchase of consumables and payments to contractors for the provision of services. Materials and services are forecast to increase by \$3.69 million in the Annual Budget 2018-2019 compared to the 2017-2018 forecast, primarily due to the recycling crisis in China resulting in an increase in waste disposal expenditure of \$2.50 million. This increase in materials and services is offset by increased general waste income of 10 per cent. There is also a significant increase in utility costs (\$0.93 million).

However a robust review was conducted by Councillors and management during the budget process which resulted in limited growth of costs in other areas of the budget.

10.3.3 Bad and doubtful debt (Nil increase)

Bad and doubtful debts are not projected to move in 2018-2019.

10.3.4 Depreciation and amortisation (\$0.96 million increase)

Depreciation relates to the usage of Council's property, plant and equipment and infrastructure assets including roads and drains. It is an accounting measure which attempts to allocate the value of an asset over its useful life. The increase of \$0.96 million for 2018-2019 is due mainly to the completion of the 2017-2018 capital works program and the full year effect of depreciation on the 2017-2018 capital works program. Refer to 'section 12. Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2018-2019 year.

10.3.5 Borrowing costs (\$0.30 million decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. Interest expense is budgeted to be \$1.57 million reflecting the agreed borrowing arrangements in 2018-2019 to fund capital works projects. Council are not proposing any further borrowings during 2018-2019.

10.3.6 Other expenses

Other expenses relate to a range of administration and professional services including audit services, operating leases, contributions to community groups and other miscellaneous expenditure items. Other expenses are forecast to remain constant.

	Forecast 2017-2018 \$'000	Budget 2018-2019 \$'000	Variance \$'000
Seminars, staff training and development	750	803	(53)
Court Lodgement Fees	319	356	(37)
Councillor Expenses	377	386	(9)
Director and committee member fees	352	368	(16)
External Auditor remuneration	125	132	(7)
Grants and contributions	949	854	95
Internal Auditor	165	145	20
Operating Leases	399	422	(23)
Total other expenses	3,436	3,466	(30)

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2018-2019 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained. The analysis is based on three main categories of cash flows:

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

11.1 Budgeted cash flow statement

	Ref	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		116,823	121,455	4,632
Statutory fees and fines		6,086	5,867	(219)
User fees		23,057	25,021	1,964
Grants - operating		19,693	18,190	(1,503)
Grants - capital		5,178	4,495	(683)
Contributions - monetary		1,539	3,425	1,886
Other receipts		12,429	3,339	(9,090)
<i>Payments</i>				
Employee costs		(68,116)	(72,284)	(4,168)
Materials and services		(50,468)	(54,153)	(3,685)
Other payments		(3,435)	(3,466)	(31)
Net cash provided by operating activities		62,786	51,889	(10,897)
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant and equipment		(55,971)	(49,356)	6,615
Proceeds from sale of property, infrastructure, plant and equipment		2,593	1,215	(1,378)
Net cash used in investing activities		(53,378)	(48,141)	5,237
Cash flows from financing activities	11.1.3			
Finance costs		(1,870)	(1,573)	297
Proceeds from borrowings				
Repayment of borrowings		(773)	(7,023)	(6,250)
Net cash used in financing activities		(2,643)	(8,596)	(5,953)
Net increase/(decrease) in cash and cash equivalents		6,765	(4,848)	(11,613)
Cash and cash equivalents at the beginning of the financial year		55,328	62,093	6,765
Cash and cash equivalents at end of the year	11.1.4	62,093	57,245	(4,848)

11.1.1 Operating activities (\$10.90 million decrease)

The \$10.90 million decrease in cash inflows from operating activities is due mainly to a \$4.16 million decrease in employee costs and materials & services \$3.68 million, \$1.96 million increase in user fees as a result of improved trading at Peninsula Aquatic Recreation Centre and movements in current assets and liabilities.

The net cash flows from operating activities does not equal the operating result 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.

	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Surplus (deficit) for the year	25,579	20,611	(4,968)
Depreciation and amortisation	30,635	31,591	956
Net gain on disposal of property, infrastructure, plant and equipment	(2,096)	(715)	1,381
Borrowing costs	1,870	1,573	(297)
Contributions - non monetary	(800)	(800)	-
Net movement in current assets and liabilities	7,598	(371)	(7,969)
Cash flows available from operating activities	62,786	51,889	(10,897)

11.1.2 Investing activities (\$5.24 million decrease)

The increase in net cash outflows from investing activities of \$5.24 million is primarily due to the decrease in capital works expenditure.

11.1.3 Financing activities (\$5.95 million decrease)

The decrease in net cash outflows from financing activities of \$5.95 million is primarily due to Council decision to redeem a loan in 2018-2019.

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 2019 it will have cash and investments of \$84.54 million, which has been restricted as shown in the following table.

	Ref	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Total cash and investments		88,673	84,543	(4,130)
Restricted cash and investments				
- Statutory reserves	11.2.1	(5,080)	(4,880)	200
- Cash held to fund carry forward capital		(5,524)		5,524
- Trust funds and deposits	11.2.2	(5,777)	(5,933)	(156)
Unrestricted cash and investments		72,292	73,730	1,438
- Discretionary reserves	11.2.3	(66,951)	(62,674)	4,277
Unrestricted cash adjusted for discretionary reserves	11.2.4	5,341	11,056	5,715

11.2.1 Statutory reserves (\$4.88 million)

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

11.2.2 Trusts and Deposits (\$5.93 million)

These are monies held in trust and are to be refunded, and mainly constitute developer monies relating to the two major Development Contribution Plans which are refunded upon the completion of capital works.

11.2.3 Discretionary reserves (\$62.67 million)

Discretionary Reserves are funds set aside by Council for a specific purpose or project but not protected by statute.

11.2.4 Unrestricted cash and investments (\$11.06 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, 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.

11.3 Reserve fund balances for 2018-2019

The table below highlights Council's Reserve funds and the projected balance at 30 June 2019.

Reserve Balances	Forecast July 2018 Opening Balance	Forecast Transfers To Reserve	Forecast Transfers From Reserve	Budget June 2019 Closing Balance
Public resort and recreation	4,156	915	(1,115)	3,956
Native revegetation	707	-	-	707
Subdivision roadworks	133	-	-	133
Infrastructure assets	74	-	-	74
Carparking	10	-	-	10
Unexpended grant	10,217	4,289	(4,289)	10,217
Capital projects reserve	4,515	-	(1,822)	2,693
Strategic asset	28,814	750	(400)	29,164
PARC asset management sinking fund	6,000	3,187	(187)	9,000
Resource efficiency	57	-	-	57
Loan sinking fund	15,542	830	6,635	9,737
PARC asset management reserve	1,280	-	-	1,280
PARC strategic reserve	526	-	-	526
Totals	72,031	9,971	(14,448)	67,554

11.4. Impact of current year (2017-2018) on the Annual Budget 2018-2019

This section of the report highlights the impact that outcomes in 2017-2018 have had on the Annual Budget 2018-2019. The figures utilised in this section adjust the net operating result calculated in accordance with accounting standards to include cash costs such as capital works and exclude non-cash transactions such as depreciation to reach an underlying cash result. The table below illustrates that Council is forecasting to complete 2018-2019 with an accumulated cash surplus outcome of \$0.50 million.

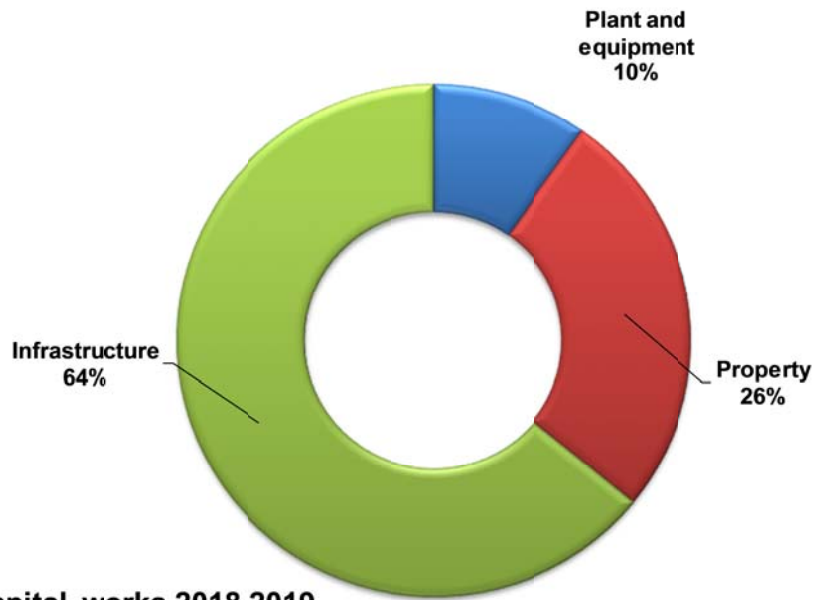
	Forecast 2017-2018 \$'000	Budget 2018-2019 \$'000	Variance \$'000
Surplus/(deficit) for the year	25,579	20,611	(4,968)
<i>Add back non-cash items:</i>			
Depreciation and amortisation	30,635	31,591	956
Contributions - non-monetary	(800)	(800)	
Write down value of assets disposed	497	500	3
	30,332	31,291	959
<i>Less non-operating cash items:</i>			
Capital works expenditure	55,971	49,356	(6,615)
Transfers to/(from) reserves	16,988	(4,477)	(21,465)
Proceeds from borrowing			
Repayment of borrowings	773	7,023	6,250
	73,732	51,902	(21,830)
Cash surplus/(deficit) for the year	(17,821)		17,821
Accumulated cash surplus/(deficit) b/fwd	18,321	500	(17,821)
Accumulated cash surplus/(deficit) c/fwd	500	500	

12. Analysis of capital budget

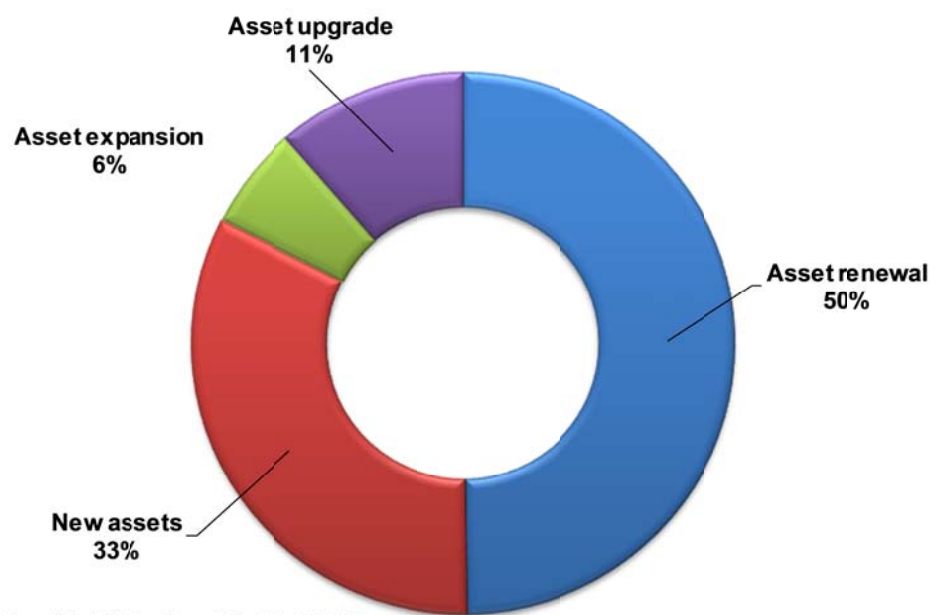
This section analyses the planned capital expenditure budget for the 2018-2019 year and the sources of funding for the capital budget.

12.1 Capital works

	Ref	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
New Works				
Property				
	12.1.1			
Land		1,300	-	(1,300)
Buildings		16,643	13,261	(3,382)
Building improvements		-	-	
Total property		17,943	13,261	(4,682)
Plant and equipment				
	12.1.2			
Plant, machinery and equipment		2,519	2,215	(304)
Fixtures, fittings and furniture		1,060	50	(1,010)
Computers and telecommunications		3,139	2,030	(1,109)
Library books		700	700	
Total plant and equipment		7,418	4,995	(2,423)
Infrastructure				
	12.1.3			
Roads		7,360	8,740	1,380
Bridges		1,708	570	(1,138)
Footpaths and cycleways		2,533	3,205	672
Drainage		1,707	1,060	(647)
Recreational, leisure and community facilities		6,736	13,305	6,569
Waste management		45	100	55
Parks, open space and streetscapes		7,728	4,170	(3,558)
Off street car parks		2,948	570	(2,378)
Other infrastructure		1,345	880	(465)
Total infrastructure		32,110	32,600	490
Total new works		57,471	50,856	(6,615)
Total capital works expenditure		57,471	50,856	(6,615)
Represented by:				
Asset renewal expenditure	12.1.4	30,748	25,308	(5,440)
New asset expenditure	12.1.4	11,415	16,655	5,240
Asset upgrade expenditure	12.1.4	14,697	5,776	(8,921)
Asset expansion expenditure	12.1.4	611	3,117	2,506
Total capital works expenditure		57,471	50,856	(6,615)



Budgeted capital works 2018-2019



Budgeted Capital Works 2018-2019

12.1.1 Property (\$13.261 million)

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

Significant projects include:

- Overport Park Pavilion construction - \$1,900,000 (*\$1,700,000 Council contribution*)
- Ballam Park Soccer Pavilion construction - \$1,650,000 (*\$1,650,000 Council contribution*)
- Seaford North Reserve Change Rooms - \$1,040,000 (*\$640,000 Council contribution*)
- Skye Recreation Reserve Pavilion - \$845,000 (*\$845,000 Council contribution*)

12.1.2 Plant and equipment (\$4.995 million)

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

Significant projects include:

- Plant & Equipment Replacement - \$1,065,000 (*\$1,065,000 Council contribution*)
- Light Vehicle Replacement - \$1,200,000 (*\$400,000 Council contribution*)
- Library Collection - \$700,000 (*\$700,000 Council contribution*)
- Computers and Telecommunications - \$2,030,000 (*\$1,470,000 Council contribution*)

12.1.3 Infrastructure (\$32.600 million)

Infrastructure includes roads, bridges, footpaths and cycle ways, drainage, parks, open space and streetscapes, car parks and other structures.

Significant projects include:

- Funds allocated for Roads and Bridges amount to \$9,310,000 (*\$7,185,000 Council Contribution*). These roads include:
 - Cranhaven Road , Langwarrin (Warrandyte Road to Lapwing Court) – Special Charge Scheme
 - Newton Avenue and Weeroona Road, Langwarrin South – Special Charge Scheme
 - Skye Road, Frankston
 - Warrandyte Road, Langwarrin South
 - McClelland Drive, Langwarrin South
 - Hall Road (Frankston Dandenong Road to Lyrebird Drive (eastbound) and McCormicks Road to Lyrebird Drive (westbound)
- Budget allocation to pathways including footpaths and shared pathways amount to \$3,205,000. Projects include the construction of a shared path on McClelland Drive and bicycle facilities on Ballarto Road and Mooroduc Highway (*\$2,355,000 Council contribution*)
- The budget allocated for the Central Activity Area (CAA) is \$575,000 and includes upgrade of Station Street Mall and Ross Smith Avenue East (*\$445,000 Council contribution*)
- Local Area Traffic Management including the Woodlands Precinct has a budget allocation of \$780,000 (*\$630,000 Council Contribution*)
- Construction of a synthetic surface oval at Carrum Downs Recreation Reserve \$2,320,000 (*\$1,820,000 Council contribution*)

12.1.4 Asset renewal (\$25.308 million), new assets (\$16.655 million), asset upgrade (\$5.776 million) and asset expansion (\$3.117 million)

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

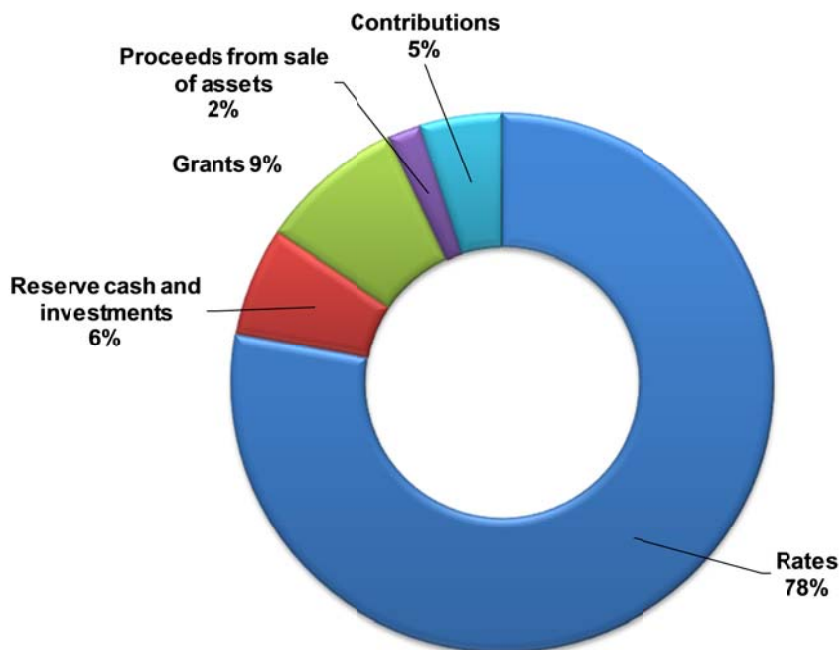
Significant renewal projects funded from Council contributions include:

- Road Renewal Program - \$6.83 million
- Facilities Renewal Program - \$5.435 million
- Bridge Renewal Program - \$0.57 million
- Footpath Renewal Program - \$1.28 million
- Park and Open Space renewal - \$6.375 million
- Plant, Fleet & Equipment Replacement - \$2.22 million
- Library Collection - \$0.70 million
- Drainage Renewal - \$0.55 million

12.2 Funding sources

The table below highlights the source of funds for the various total expenditure amounts. It highlights that funding from rate revenue for capital expenditure in 2018-2019 is \$39.97 million.

Sources of funding	Ref	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Works carried forward				
<i>Current year funding</i>				
Grants		605	-	(605)
Contributions		8	-	(8)
Council cash		-	-	-
- operations		4,911	-	(4,911)
- proceeds from sale of assets		-	-	-
- reserve cash and investments		-	-	-
Total works carried forward	12.2.3	5,524	-	(5,524)
New works				
<i>Current year funding</i>				
Grants	12.2.1	4,573	4,495	(78)
Contributions	12.2.2	616	2,510	1,894
Council cash				
- operations	12.2.4	42,575	39,511	(3,064)
- proceeds from sale of assets	12.2.5	1,036	1,015	(21)
- reserve cash and investments	12.2.6	3,147	3,325	178
Total new works		51,947	50,856	(1,091)
Total funding sources		57,471	50,856	(6,615)



Budgeted total funding sources 2018-2019

12.2.1. Grants - capital (\$4.49 million)

Capital grants include all monies received from Victorian, Australian and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by \$0.68 million compared to 2017-2018.

Significant grants included in the 2018-2019 Annual Budget are:

• Frankston Park oval lighting	\$1,650,000
• Relocation of sporting clubs from RF Miles Reserve	\$1,050,000
• Carrum Downs Oval 3 – synthetic surface	\$500,000
• Seaford North Reserve – Change rooms	\$400,000
• Road Renewal Program	\$215,000
• Station Street Mall Upgrade	\$130,000
• LATM studies and implementation	\$150,000
• Overport Park pavilion	\$100,000
• Bulk street tree planting – Nepean Highway	\$100,000
• Pat Rollo Reserve sports lighting	\$100,000
• Cricket net replacement program	\$100,000

12.2.2 Contributions (\$2.51 million)

Contributions represent contributions by developers and other parties in relation to capital works. A significant contribution is included in the Annual Budget 2018-2019:

• Special charge scheme Newton Avenue and Weeroona Road, Langwarrin	\$1,675,000
• Fit out of the Frankston Yacht Club	\$500,000
• Special charge scheme – Cranhaven Road, Langwarrin	\$235,000
• Overport Park pavilion	\$100,000

12.2.3 Carry forwards (\$5.52 million)

Currently, Council has identified \$5.52 million of carry forward projects. Significant projects include:

These carry forward projects are funded by grants \$605,000, contributions \$8,000 and council cash \$4,911,000

12.2.4 Council cash - operations (\$39.511 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$39.51 million will be generated from operations to fund the 2018-2019 capital works program. This amount is funded from cash generated from operating activities represented in the Cash Flow Statement (\$51.89 million) as set out in Section 4 of this budget.

12.2.4 Council cash - proceeds from sale of assets (\$1.015 million)

Proceeds from sale of assets include the sale of heavy plant and motor vehicles in accordance with Council's fleet renewal policy.

12.2.6 Council cash - reserve cash and investments (\$3.325 million)

The Annual Budget 2018-2019 utilises available reserve funds for the funding of various capital projects, including the following significant application:

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2017-2018 and 2018-2019. It also considers a number of key performance indicators.

13.1 Budgeted balance sheet

	Ref	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		62,093	57,245	(4,848)
Trade and other receivables		14,684	15,080	396
Other financial assets		26,580	27,298	718
Inventories		207	213	6
Other assets		771	792	21
Total current assets		104,335	100,628	(3,707)
Non-current assets	13.1.1			
Trade and other receivables		1,249	1,283	34
Intangible assets		2,631	2,733	102
Property, infrastructure, plant and equipment		1,385,076	1,403,040	17,964
Total non-current assets		1,388,956	1,407,056	18,100
Total assets		1,493,291	1,507,684	14,393
Current liabilities	13.1.2			
Trade and other payables		13,693	14,001	308
Provisions		17,418	17,865	447
Interest-bearing loans and borrowings		429	320	(109)
Total current liabilities		31,540	32,186	646
Non-current liabilities	13.1.2			
Provisions		1,942	1,991	49
Interest-bearing loans and borrowings		34,661	27,748	(6,913)
Total non-current liabilities		36,603	29,739	(6,864)
Total liabilities		68,143	61,925	(6,218)
Net assets		1,425,148	1,445,759	20,611
Equity	13.1.3			
Accumulated surplus		659,314	684,402	25,088
Reserves		765,834	761,357	(4,477)
Total equity		1,425,148	1,445,759	20,611

13.1.1 Current assets (\$3.707 million decrease) and Non-Current Assets (\$18.100 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected remain constant throughout the 2018-2019 year. Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Other assets include items such as prepayments for expenses that Council has paid in advance of service delivery and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles and equipment which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program, contribution of non-monetary assets, depreciation of assets and through the sale of property, plant and equipment.

13.1.2 Current Liabilities (\$0.646 million increase) and Non-Current Liabilities (\$6.864 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2017-2018 levels.

Provisions include accrued long service leave, annual leave. These employee entitlements are only expected to increase marginally due to more active management of entitlements.

Interest-bearing loans and borrowings are borrowings of Council.

13.1.3 Equity (\$20.611 million increase)

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase in accumulated surplus of \$25.09 million results directly from the surplus for the year.

Working Capital (\$4.353 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.

	2017-2018 Forecast \$'000	2018-2019 Budget \$'000	Variance \$'000
Current Assets	104,335	100,628	(3,707)
Current Liabilities	31,540	32,186	646
Working Capital	72,795	68,442	(4,353)
Restricted cash and investment current assets			
- Statutory reserves	(5,080)	(4,880)	200
- Trust funds and deposits	(5,777)	(5,933)	(156)
Unrestricted working capital	56,414	57,629	1,215

* Unrestricted working capital may also be committed to completion of carry forward capital works. Refer to table 6.2 for funding of capital works carried forward.

13.2 Key assumptions

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

- A total of 95.0 per cent of total rates and charges raised will be collected in the 2018-2019 year
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days
- Other debtors and creditors to remain consistent with 2017-2018 levels
- Employee entitlements to be increased by the Enterprise Bargaining Agreement outcome offset by the impact of more active management of leave entitlements of staff
- Repayment of loan principal to be \$7.023 million
- Total capital expenditure to be \$50.86 million

Long term strategies

14. Strategic resource plan

Council is required by the Local Government Act to develop a Strategic Resource Plan (SRP) which includes an indicative four year budget. Sections 14 to 16 of this budget (set out on the following pages) explain a possible long term financial plan. However it should be noted that this draft has not been adopted by Council and the indicative rating and debt strategies it contains have not been endorsed by Council.

During the next four years, Council will face considerable pressure on its financial position particularly in the face of ongoing cost-shifting by Victorian and Australian Governments in addition to the reduction in Victorian and Australian Government grants to the entire Victorian local government sector that is predicted over the coming years. This will push all Victorian councils to consider greater reliance on rates to fund existing and new services and programs.

It is noted that the Victorian Government has introduced legislation that prevents Councils from raising rates above inflation levels from 1 July 2016. Victorian councils will be forced to cap rates at the consumer price index (CPI) which has been declared for 2018-2019 at 2.25 per cent. The CPI (based on a basket of common household goods and services that Council purchases very little of) is a very poor index of the cost of providing Council services that is very heavily based on labour costs.

14.1 Plan development

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

Council has prepared a SRP for the five years 2018-2019 to 2022-2023 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next five years.

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

- The achievement of a prudent balance between meeting the service needs of the Frankston City community and remaining financially sustainable for future generations.
- An enhanced funding level for capital works in general and meet the asset renewal requirements as outlined in asset management planning.
- To maintain a sustainable Council in an environment where Council must either constrain its net operational costs or reduce funds available to capital expenditure due to the capping of Council rates and low increases in government grant funding.
- 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.

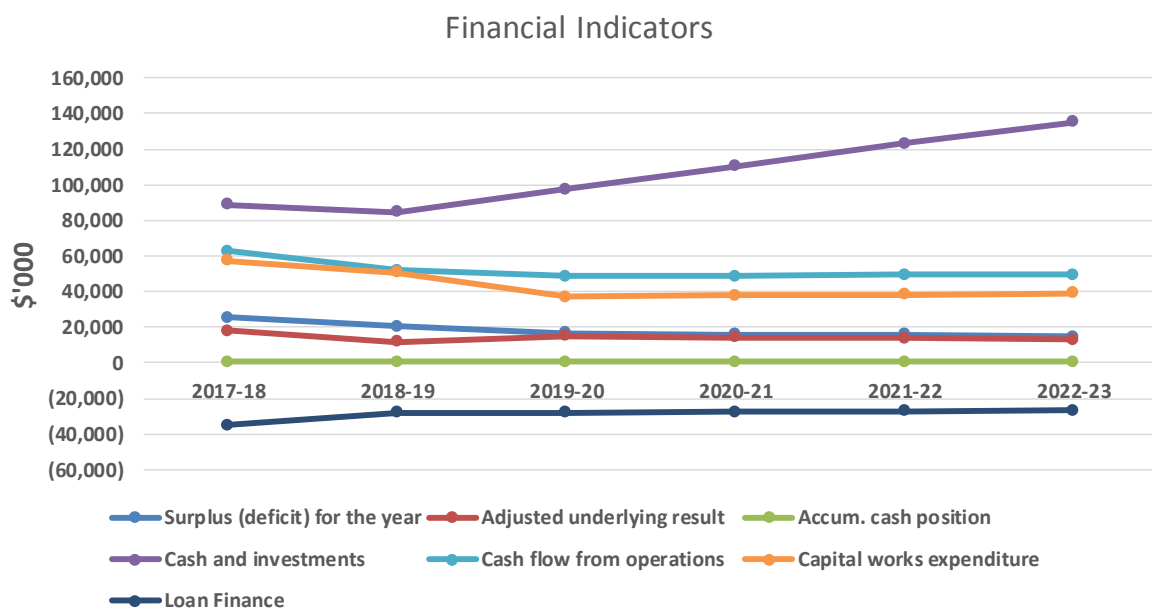
The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

14.2 Financial resources

The following table summarises the key indicative financial results for the five years 2018-2019 to 2022-2023. Section 3 includes a more detailed analysis of the financial resources to be used over the five year period.

Indicator	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Surplus (deficit) for the year	25,579	20,611	16,737	16,076	15,744	14,803
Adjusted underlying result	18,062	11,891	15,022	14,361	14,029	13,088
Accum. cash position	500	500	500	500	500	500
Cash and investments	88,673	84,543	97,617	110,278	123,103	135,247
Cash flow from operations	62,786	51,889	48,473	48,661	49,260	49,454
Capital works expenditure	57,471	50,856	37,246	37,812	38,316	39,261
Loan Finance	(35,090)	(28,068)	(27,748)	(27,404)	(27,034)	(26,642)

Frankston City Council is continually reviewing and ensuring that appropriate service levels are provided to the Frankston City community. A focus of the budget development has been on doing the same for less. Any increase in expenditure / service levels has been offset with savings in areas with discretionary spending.



The key outcomes of the SRP are as follows:

- **Financial position (Section 11)** - Cash and investments is forecast to increase over the five year period from \$84.5 million to \$135.2 million.
- **Rating levels (Section 15)** – Modest rate increases are forecast over the five years at an average of 2.5%.
- **Service delivery strategy (Section 16)** – Service levels have been maintained throughout the five year period. Despite this, operating surpluses are forecast during this period however the surplus reduces as a result of rate capping. By excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a surplus and again reduces over the five year period. The adjusted underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result
- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$28.07 million to \$26.64 million over the five year period. This is on the basis that there are no new borrowings during the term of the LTFP.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the five year period is expected to total \$203.5 million at an average of \$40.8 million per year.

15. Rating Information

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

15.1 Rating context

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for 66% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The 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 Frankston community.

Where considered appropriate, Council will utilise the range of rates and charges prescribed under Section 155 of the Act to spread the rate burden across the municipality to recover the costs for the provision of specific services. This will include the annual declaration of a municipal charge to cover some of the administrative costs of Council and a service charge for the full cost recovery of the collection and disposal of refuse.

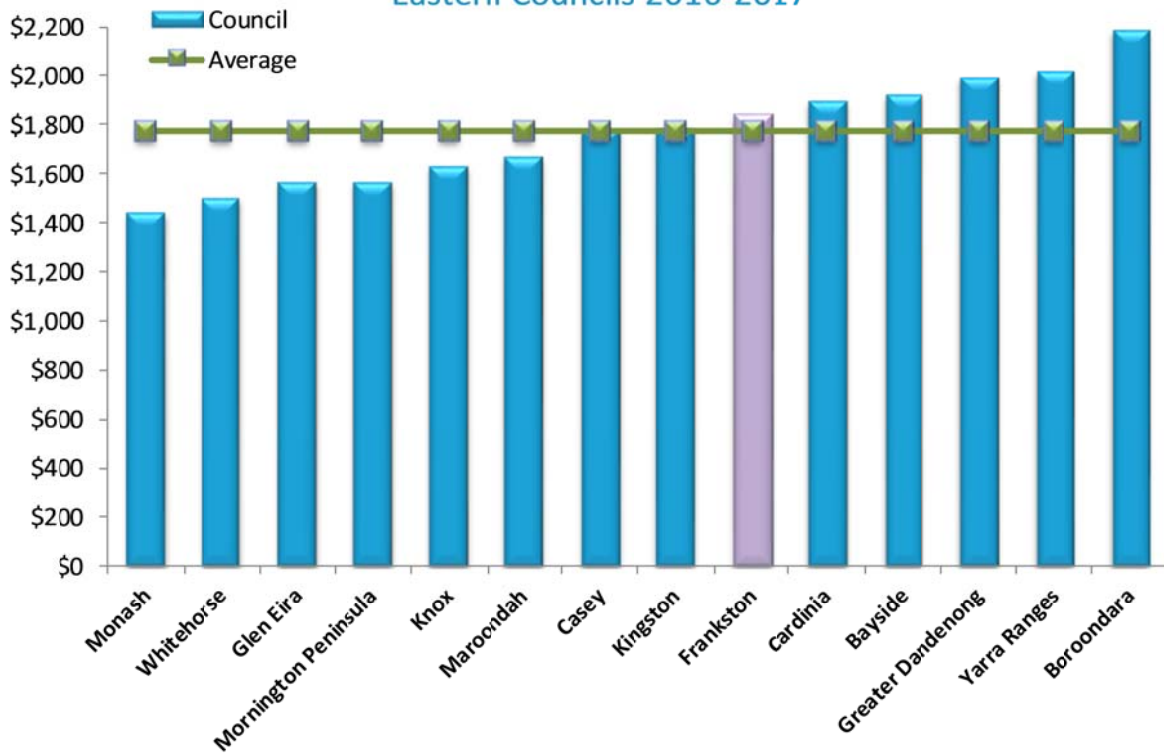
However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly every second year when applying new valuations to all properties within the municipality which results in individual rate payers facing varied increases in their rate payments.

Council needs to increase its revenue contributions from rates if it is in the long term to continue to provide services which are at least of a standard comparable to those offered elsewhere in the Melbourne metropolitan area. Otherwise it will not be able to meet the challenge of being able to be an outstanding Victorian regional capital on the bay.

The following highlights benchmark data comparing Frankston City Council's level of rating to that of fourteen comparable Eastern Melbourne Councils and the likely future percentage increases in the quantum of Council's rate revenue.

Benchmark data highlights that Frankston City Council has a slightly higher rating compared to its regional grouping. The below graph displays that on a rates per assessment basis (for the 2016/17 financial year), Council's \$1,841 per assessment is the sixth highest of the group and higher than the average amount of \$1,771 per assessment.

Rates per Assessment Eastern Councils 2016-2017



The figures highlighted above are drawn from the 2016-2017 Annual Reports of the various Councils and given Council's rate increase in 2018-2019 of 2.25 per cent, the variance amount below the average figure is expected to have been maintained.

15.2 Current year rates and charges

It will be necessary to achieve future revenue growth while containing costs in order to maintain robust capital works programs and achieve a financially sustainable position in the future.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the general rate and municipal charge will increase by 2.25 per cent, green waste charge by 2.25 per cent and the general waste collection charge by 10.00 per cent. This will raise total rate and charges for 2018-2019 of \$121.45 million, including \$0.75 million generated from supplementary rates.

The table over-page highlights the indicative rate increase over the forward 5 year period. These forward indexes are indicative only, are reviewed on an annual basis, and are subject to change. The remaining years of the SRP includes base rate increases aligned to the proposed rate cap of consumer price index.

Year	General Rate %	Municipal Charge %	General Waste Charge %	Green Waste Charge %	Total Rates Raised \$'000
2017/18	2.00	2.00	2.00	2.00	116,823
2018/19	2.25	2.25	10.00	2.25	121,455
2019/20	2.50	2.50	2.50	2.50	124,450
2020/21	2.50	2.50	2.50	2.50	127,519
2021/22	2.50	2.50	2.50	2.50	130,663
2022/23	2.50	2.50	2.50	2.50	133,881

15.3 Rating Structure

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

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

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

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used. In previous financial years, Frankston City Council has established a general rate in the dollar to be applied to the valuation of all residential assessments in order to levy rates. It has further raised a number of differential rates that vary from the general rate in respect of certain rating types. This distinction is based on the concept that business should pay a fair and equitable contribution to rates, taking into account the benefits those properties derive from the local community. The table below highlights the variance from the general rates for the 2017-2018 financial year.

Differential Type	% Difference to General Rate 2018/19	% Difference to General Rate 2017/18
Rate for Retirement Villages	- 25.00%	- 25.00%
Rate for Commercial Land	+ 25.00%	+ 25.00%
Rate for Industrial Land	+ 25.00%	+ 25.00%
Rate for Vacant Residential Land	+ 25.00%	+ 25.00%
Rate for Acacia Estate	+6.20%	+6.20%
Rate for Farm Land	- 20.00%	- 20.00%
Rate for Derelict Land	+ 200.00%	+ 200.00%

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

The existing rating structure also comprises a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under

the Cultural and Recreational Lands Act 1963, provision is made for a Council to levy the rate for recreational lands at “such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands”. Council also levies a municipal charge and a waste collection charge as allowed under the Act.

The following table summarises the rates to be made for the 2018-2019 year. A more detailed analysis of the rates to be raised is contained in Section 7 “Rates and charges”.

Rate Type	How applied	2017-2018	2018-2019	Total Raised \$'000	Change
Ordinary Rate	Cents in \$ of CIV	0.2930	0.2165	72,471	-26.09%
Rate for Retirement Villages	Cents in \$ of CIV	0.2199	0.1624	251	-26.14%
Rate for Commercial Land	Cents in \$ of CIV	0.3664	0.2707	7,238	-26.12%
Rate for Industrial Land	Cents in \$ of CIV	0.3664	0.2707	4,464	-26.12%
Rate for Vacant Residential Land	Cents in \$ of CIV	0.3664	0.2707	890	-26.12%
Rate for Acacia Heath	Cents in \$ of CIV	0.3113	0.2300	469	-26.13%
Rate for Farm Land	Cents in \$ of CIV	0.2345	0.1732	38	-26.13%
Rate for Derelict Land	Cents in \$ of CIV	0.8792	0.6496	13	-26.11%
Rate for Cultural & Recreational	Cents in \$ of CIV	various	various	242	various
Rate by agreement (including Baxter Village)	Cents in \$ of CIV	various	various	117	various
Municipal Charge	\$ per property	\$155.60	\$159.10	9,880	2.25%
Residential Bin 240L	\$ per property	\$483.90	\$532.30	6	10.0%
Residential Bin 120L	\$ per property	\$321.50	\$353.70	13,576	10.0%
Residential Bin 80L	\$ per property	\$256.00	\$281.60	4,962	10.0%
Residential Bin 120L (Fortnightly Pickup)	\$ per property	\$301.10	\$331.20	112	10.0%
Residential Bin 80L (Fortnightly Pickup)	\$ per property	\$235.60	\$259.20	80	10.0%
Green Waste Bin	\$ per property	\$135.50	\$138.55	5,441	2.25%
Commercial Bin 120L	\$ per property	\$321.50	\$353.70	340	10.0%
Commercial Bin 80L	\$ per property	\$256.00	\$281.60	61	10.0%
Commercial Recycling Bin	\$ per property	\$171.80	\$189.00	16	10.0%
Additional Residential Recycling Bin	\$ per property	\$50.00	\$50.00	38	-

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

16. Other long term strategies

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

16.1 Borrowings

The use of debt funding for the provision of major community assets that will provide community benefit over a number of years is considered sound practice and governments at all levels have regularly enacted this approach. The use of debt funding enables the cost of community assets to be spread inter-generationally and smooths the impact of the borrowings on the long term financial structure for the Council.

Frankston City Council has clearly endorsed policies in relation to the undertaking of borrowings to fund major projects which have been reviewed and endorsed by Council. This includes clear definition of the types of projects that can be funded and the financial governance ratios that must be met in undertaking any borrowings. The Victorian Government principles on loan borrowing are also referenced for further validation of any proposed borrowings.

The table below sets out proposed / future borrowings, based on the forecast position of Council as at 30 June 2019.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2017/18	-	773	1,870	35,091
2018/19	-	7,023	1,573	28,068
2019/20	-	320	1,481	27,748
2020/21	-	345	1,455	27,403
2021/22	-	370	1,431	27,033
2022/23	-	392	1,404	26,641

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

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
New borrowings						
Principal paid	773	7,023	320	345	370	392
Interest paid	1,870	1,573	1,481	1,455	1,431	1,404
Balance 30 June	35,091	28,068	27,748	27,403	27,033	26,641

16.2 Infrastructure

The management of Council's assets is an integral component of Council's Long Term Financial Plan and one that poses significant challenges, not only for this Council, but for all Victorian municipalities. Council is developing an Asset Management Strategy for its long-term infrastructure based on the knowledge provided by various Asset Management plans which sets out the capital expenditure requirements of the Council for the next 10 years by class of assets and is a key input

into its long term financial plan. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations.

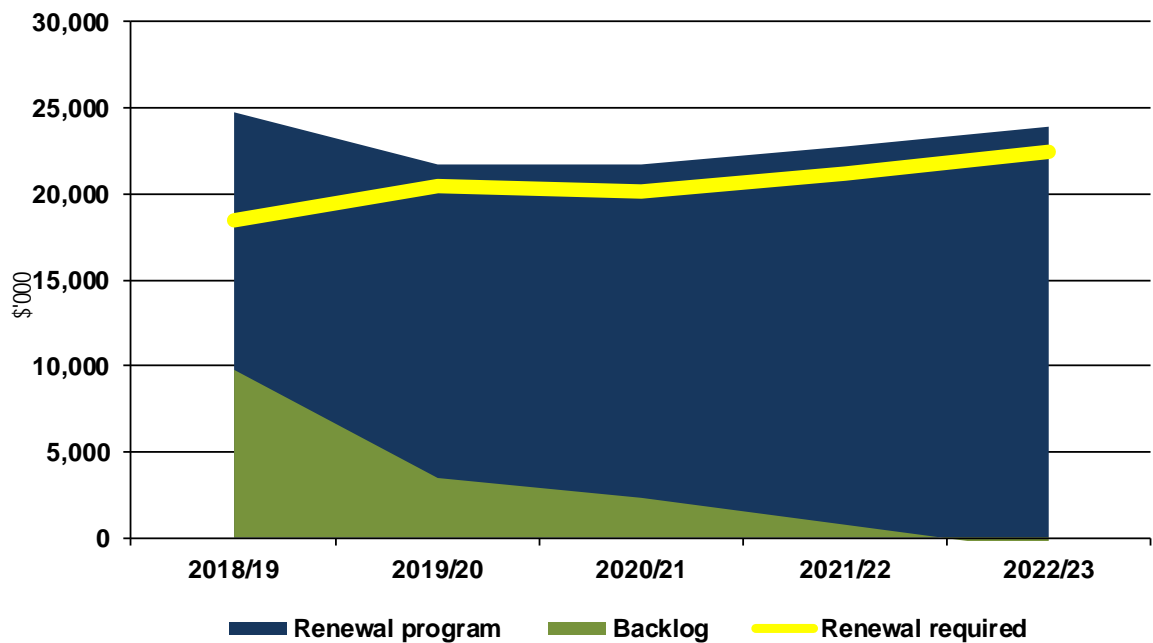
The strategy has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long-term capital planning process which integrates with the Council Plan, the long-term financial plan and the annual budget process.
- Identification of capital projects through the preparation of asset management plans.
- Prioritisation of capital projects within classes of assets on the basis of evaluation criteria.
- Methodology for allocating annual funding to classes of capital projects.
- Business Case templates for officers to document capital project submissions.

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 assist renewal, then Council’s investment in those assets will reduce, along with the capacity to deliver services to the community.

Future asset renewal requirements

Council is committed to providing a sufficient level of annual funding to meet ongoing asset renewal needs. The backlog will be addressed within the 10 year Capital Program and no additional levy or rate increase is required from 2018-2019 onwards for this purpose. The graph below sets out the required and actual asset renewal from 2018-2019 to 2022-2023.



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

	Forecast	Budget	Strategic Resource Plan Projections			
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Grants	5,178	4,495				
Contributions	624	2,510				
Proceeds from sale of assets	1,036	1,015	1,302	1,240	1,283	1,320
Borrowings						
Investment reserves	3,147	3,325				
Carry forward funding						
Council operations	47,486	39,511	35,944	36,572	37,033	37,941
Total capital program	57,471	50,856	37,246	37,812	38,316	39,261



Annual Budget 2018-2019

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in Sections 1 to 11 of this report.

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

The contents of the appendices are summarised below:

Appendix A	Fees and charges schedule
Appendix B	Budget process
Appendix C	Detailed capital projects



Annual Budget 2018-2019

Appendix A

Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charges in respect to various goods and services provided during the 2018-2019 year.

Frankston City Council

2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Community Strengthening				
Community Development				
Ebdale Community Hub: Community Groups Room Hire	PER HALF	58.00	60.00	3.45%
Ebdale Community Hub: Community Groups Room Hire	PER DAY	80.00	84.00	5.00%
Ebdale Community Hub: Corporate Group Meeting Room Hire	PER HALF	91.00	95.00	4.40%
Ebdale Hub: Community Groups Community Room Hire	PER HOUR	28.00	30.00	7.14%
Ebdale Hub: Corporate Group Meeting Room Hire	PER BKNG	140.00	146.00	4.29%
Frankston North Community Centre Casual Hire - Annex	PER HOUR	26.00	27.00	3.85%
Frankston North Community Centre Casual Hire - Computer Room	PER HOUR	20.00	20.00	0.00%
Frankston North Community Centre Casual Hire - Jack Verity Hall Weekday inc. Sat before 3pm	PER HOUR	36.00	37.00	2.78%
Frankston North Community Centre Casual Hire - Kitchen Sun-Fri, Sat before 3pm	PER HOUR	26.00	27.00	3.85%
Frankston North Community Centre Casual Hire - Meeting Rooms	PER HOUR	26.00	27.00	3.85%
Frankston North Community Centre Concession (grcup) Hire - Jack Verity Hall Block Rate Sat 3pm - 1.30am	PER BKNG	270.00	280.00	3.70%
Frankston North Community Centre Concession (grcup) Hire - Meeting Rooms	PER HOUR	7.50	7.50	0.00%
Frankston North Community Centre Concession (grcup) Hire - Jack Verity Hall Sun-Fri, Sat before 3pm	PER HOUR	7.50	7.50	0.00%
Frankston North Community Centre Hire - Full Day Community - Computer Room	PER DAY	100.00	101.00	1.00%
Frankston North Community Centre Integrated Services Hub Small Office	PER HOUR	10.00	11.00	10.00%
Frankston North Community Centre Integrated Services Hub Small Office	PER DAY	80.00	84.00	5.00%
Frankston North Community Centre Permanent Hire - Annex	PER HOUR	21.00	22.00	4.76%
Frankston North Community Centre Permanent Hire - Jack Verity Hall Sun-Fri, Sat before 3pm	PER HOUR	26.00	27.00	3.85%
Frankston North Community Centre Permanent Hire - Meeting Rooms	PER HOUR	21.00	22.00	4.76%
Frankston South Community & Rec. Centre				
Energise room Hire Commercial	PER HOUR	25.00	26.00	4.00%
Energise room Hire Community	PER HOUR	22.00	23.00	4.55%
Meeting Room 1 Hire Commercial	PER HOUR	24.00	26.00	8.33%
Meeting Room 1 Hire Community	PER HOUR	21.00	22.00	4.76%
Meeting Room 2 Hire Commercial	PER HOUR	24.00	25.00	4.17%
Meeting Room 2 Hire Community	PER HOUR	21.00	22.00	4.76%

Frankston City Council

2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Relaxation Room Hire Commercial	PER HOUR	22.00	23.00	4.55%
Relaxation Room Hire Community	PER HOUR	20.00	21.00	5.00%
Stadium Hire commercial	PER HOUR	35.00	37.00	5.71%
Stadium Hire Community	PER HOUR	30.00	31.00	3.33%
Public & Community Halls				
Bruce Park - Block Hire 3.00pm - 12.00am	PER BOOK	290.00	303.00	4.48%
Bruce Park - Hourly Hire Casual Community	PER HOUR	31.00	32.00	3.23%
Bruce Park - Hourly Hire Casual Retail/Commercial	PER HOUR	44.00	46.00	4.55%
Bruce Park - Hourly Hire Permanent Community	PER HOUR	20.00	21.00	5.00%
Bruce Park - Hourly Hire Permanent Retail/Commercial	PER HOUR	29.00	30.50	5.17%
Bruce Park - Senior Rate	PER HOUR	6.50	6.50	0.00%
Bruce Park Hall - Liquor surcharge	PER BKNG	68.00	71.00	4.41%
Cleaning surcharge - Public holiday	PER BKNG	32.00	33.50	4.69%
Dame Elizabeth Murdoch Arboretum after 5pm Saturdays	PER HOUR	44.00	46.00	4.55%
Dame Elizabeth Murdoch Arboretum prior to 5pm Saturdays	PER HOUR	22.00	23.00	4.55%
Hall Weekend Surcharge - Casual Hire	PER BKNG	44.00	46.00	4.55%
Langwarrin Hall - Block hire 3.00pm - 1.00am	PER BOOK	280.00	295.00	5.36%
Langwarrin Hall - Hourly Hire Casual Community	PER HOUR	28.00	29.00	3.57%
Langwarrin Hall - Hourly Hire Permanent Community	PER HOUR	19.00	20.00	5.26%
Langwarrin Hall - Hourly hire Retail/Commercial - Casual	PER HOUR	42.00	44.00	4.76%
Langwarrin Hall - Hourly hire Retail/Commercial - Permanent	PER HOUR	26.00	28.00	7.69%
Langwarrin Hall - Liquor surcharge	PER BKNG	68.00	71.00	4.41%
Leawarra House - Casual Community	PER HOUR	28.00	29.00	3.57%
Leawarra House - Casual Retail/Commercial	PER HOUR	44.00	46.00	4.55%
Leawarra House - Liquor Surcharge	PER BKNG	68.00	71.00	4.41%
Leawarra House - Permanent Community	PER HOUR	20.00	21.00	5.00%
Leawarra House - Permanent Retail/Commercial	PER HOUR	29.00	30.00	3.45%
Leawarra House - Senior Rate	PER HOUR	6.50	7.00	7.69%
Mechanics - Main Hall - Liquor Surcharge	PER BKNG	110.00	115.00	4.55%
Mechanics - Main Hall Block Hire - Commercial 3.00pm - 12.00am	PER BKNG	633.00	661.50	4.50%
Mechanics - Main Hall Block Hire - Community 3.00pm - 12.00am	PER BKNG	355.00	371.00	4.51%
Mechanics - Main Hall Commercial Rate	PER HOUR	55.00	57.50	4.55%
Mechanics - Main Hall Community Rate	PER HOUR	38.00	40.00	5.26%
Mechanics - Main Hall Weekend Hire - Commercial (3.00pm Friday to 5.00pm Sunday)	PER BKNG	2,110.00	2,205.00	4.50%
Mechanics - Main Hall Weekend Hire - Community (3.00pm Friday to 5.00pm Sunday)	PER BKNG	1,477.00	1,500.00	1.56%
Mechanics - Meeting Room - Liquor Surcharge	PER BKNG	110.00	115.00	4.55%
Mechanics - Meeting Room Commercial Rate Casual	PER HOUR	40.00	42.00	5.00%
Mechanics - Meeting Room Community Rate Casual	PER HOUR	28.00	29.50	5.36%
Rubbish Removal Charge (Penalty after Hire - Major)	PER BKNG	157.00	164.00	4.46%
Rubbish Removal Charge (Penalty after Hire - Minor)	PER BKNG	52.00	54.50	4.81%
Seaford Hall - Block hire 3.00pm - 1.00am	PER BOOK	355.00	371.00	4.51%
Seaford Hall - Hall Hourly hire Permanent Retail/Commercial	PER HOUR	35.00	37.00	5.71%
Seaford Hall - Hourly Hire Casual Community	PER HOUR	38.00	39.00	2.63%
Seaford Hall - Hourly Hire Casual Retail/Commercial	PER HOUR	55.00	57.50	4.55%
Seaford Hall - Hourly Hire Permanent Community	PER HOUR	24.00	25.00	4.17%
Seaford Hall - Liquor surcharge	PER BKNG	83.00	87.00	4.82%

Frankston City Council

2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Seaford Hall - Meeting Room Hourly hire Casual Community	PER HOUR	28.00	29.00	3.57%
Seaford Hall - Meeting Room Hourly hire Casual Retail/Commercial	PER HOUR	40.00	42.00	5.00%
Seaford Hall - Meeting Room Hourly hire Permanent Community	PER HOUR	20.00	21.00	5.00%
Seaford Hall - Meeting Room Hourly hire Permanent Retail/Commercial	PER HOUR	26.00	27.50	5.77%
Seaford Hall - Senior rates	PER HOUR	8.00	8.00	0.00%
Seaford Meeting Room - Liquor surcharge	PER BKNG	83.00	87.00	4.82%
Seaford Meeting Room - Senior Rates	PER HOUR	8.00	8.00	0.00%
Talbot Hall - Casual Community	PER HOUR	28.00	29.00	3.57%
Talbot Hall - Casual Retail/Commercial	PER HOUR	42.00	44.00	4.76%
Talbot Hall - Liquor Surcharge	PER BKNG	68.00	71.00	4.41%
Talbot Hall - Permanent Community	PER HOUR	19.00	20.00	5.26%
Talbot Hall - Permanent Retail/Commercial	PER HOUR	27.00	28.00	3.70%
Talbot Hall - Senior Rate	PER HOUR	6.50	7.00	7.69%

Family Health Support Services

Home Personal & Respite Care

CHSP - Home Care Fees & Charges (average)	PER HOUR	6.66	7.00	5.11%
CHSP - Personal Care Fees & Charges (average)	PER HOUR	4.75	5.00	5.26%
CHSP - Respite Care Fees & Charges (average)	PER HOUR	3.20	3.30	3.12%
HACC - Home Care Fees & Charges (average)	PER HOUR	6.70	7.00	4.48%
HACC - Personal Care Fees & Charges (average)	PER HOUR	5.30	5.50	3.77%
HACC - Respite Care Fees & Charges (average)	PER HOUR	3.02	3.20	5.96%

Brokerage Services

Aged Care Packages (Average)	PER HOUR	56.40	59.00	4.61%
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Home Maintenance

CHSP - Home Maintenance Fees (average)	PER HOUR	10.60	11.00	3.77%
CHSP - Home Modification Fees (average)	PER HOUR	11.00	11.50	4.55%
HACC - Home Maintenance Fees (average)	PER HOUR	11.00	11.50	4.55%

Planning & Positive Ageing

Social Inclusion Program	PER ACT	-	4.00	new
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Meals on Wheels

CHSP - Meals on Wheels Fees (average)	PER MEAL	6.35	6.60	3.94%
HACC - Meals on Wheels Fees (average)	PER MEAL	7.10	7.40	4.23%

PAG/ Community Transport

CHSP - PAG Fees & Charges (average)	PER HOUR	2.30	2.40	4.35%
HACC - PAG Fees & Charges (average)	PER HOUR	2.30	2.40	4.35%

Kindergarten Registration

Pre-school Fees	PER APPL	24.00	26.00	8.33%
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Mahogany Rise Child and Family Centre

Mahogany Rise Child Care Daily Fee	PER DAY	98.00	105.00	7.14%
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Community Buses

Fees for Bus	PER DAY	120.00	125.00	4.17%
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Frankston City Council

2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Arts and Culture				
Events				
Circus (large over 600 seats) - per day	PER PERM	525.00	540.00	2.86%
Circus (large over 600 seats) - per week	PER PERM	2,650.00	2,700.00	1.89%
Circus (small 600 seats or under) - per day	PER PERM	315.00	330.00	4.76%
Circus (small 600 seats or under) - per week	PER PERM	1,500.00	1,500.00	0.00%
Commercial Events - City Centre - per day	PER PERM	1,100.00	1,130.00	2.73%
Commercial Events - City Centre - per week	PER PERM	3,870.00	3,990.00	3.10%
Commercial Events - Parks, Beaches and Reserves - per day	PER PERM	830.00	855.00	3.01%
Commercial Events - Parks, Beaches and Reserves - per week	PER PERM	1,650.00	1,700.00	3.03%
Commercial Events - Frankston Waterfront (grassed area) - per day	PER PERM	1,650.00	1,700.00	3.03%
Commercial Events - Frankston Waterfront (grassed area) - per week	PER PERM	5,515.00	5,680.00	2.99%
Frankston Waterfront Festival - Beverage and Snack Stall 3m x 3m site	PER SITE	400.00	410.00	2.50%
Frankston Waterfront Festival - Beverage and Snack Stall 3m x 6m site	PER SITE	600.00	620.00	3.33%
Frankston Waterfront Festival - Food Stall 3m x 3m Site	PER SITE	575.00	590.00	2.61%
Frankston Waterfront Festival - Food Stall 6m x 3m Site	PER SITE	890.00	920.00	3.37%
Frankston Waterfront Festival - Food Stall 9m x 3m Site	PER SITE	1,570.00	1,620.00	3.18%
Frankston Waterfront Festival - Licenced Beverage Stall 3m x 3m site	PER SITE	1,300.00	1,340.00	3.08%
Frankston Waterfront Festival - Market Stall 3m x 3m site	PER SITE	105.00	110.00	4.76%
Frankston Waterfront Festival - Market Stall 3m x 6m site	PER SITE	185.00	190.00	2.70%
Frankston's Christmas Festival of Lights - Beverage and Snacks Stall 3m x 3m Site	PER SITE	400.00	410.00	2.50%
Frankston's Christmas Festival of Lights - Beverage and Snacks Stall 3m x 6m Site	PER SITE	600.00	620.00	3.33%
Frankston's Christmas Festival of Lights - Food Stall 3m x 3m Site	PER SITE	575.00	590.00	2.61%
Frankston's Christmas Festival of Lights - Food Stall 6m x 3m Site	PER SITE	890.00	920.00	3.37%
Frankston's Christmas Festival of Lights - Food Stall 9m x 3m Site	PER SITE	1,050.00	1,080.00	2.86%
Frankston's Christmas Festival of Lights - Market Stall 3m x 3m Site	PER SITE	105.00	110.00	4.76%
Frankston's Christmas Festival of Lights - Market Stall 6m x 3m Site	PER SITE	185.00	190.00	2.70%
Late Lodgement Fee - Commercial Events	PER APPL	-	400.00	new
Late Lodgement Fee - Community Events	PER APPL	-	250.00	new
Late Lodgement Fee - Filming, Photography	PER APPL	-	150.00	new
Mayor's Picnic - Beverage and snack 3m x 3m	PER SITE	200.00	210.00	5.00%
Mayor's Picnic - Market Stall 3m x 3m Site - Large Business	PER SITE	210.00	220.00	4.76%
Mayor's Picnic - Market Stall 3m x 3m Site - Small Business	PER SITE	45.00	50.00	11.11%
Mayor's Picnic - Market Stall 3m x 6m Site	PER SITE	75.00	80.00	6.67%
Mayor's Picnic - Market Stall 3m x 6m Site - Large Business	PER SITE	250.00	260.00	4.00%
Mayor's Picnic - Market Stall 3m x 6m Site - Small Business	PER SITE	70.00	75.00	7.14%
Party in the Park - Commercial Business 3m x 3m site	PER SITE	105.00	110.00	4.76%
Party in the Park - Commercial Business 3m x 6m Site	PER SITE	210.00	220.00	4.76%
Pets' Day Out - Beverage and Snack Stall 3m x 3m Site	PER SITE	210.00	215.00	2.38%
Pets' Day Out - Beverage and Snack Stall 3m x 6m Site	PER SITE	265.00	275.00	3.77%
Pets' Day Out - Food Stall 3m x 3m Site	PER SITE	260.00	270.00	3.85%
Pets' Day Out - Food Stall 3m x 6m Site	PER SITE	345.00	355.00	2.90%

Frankston City Council
2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Pets' Day Out - Market Stall 3m x 3m Site	PER SITE	135.00	140.00	3.70%
Pets' Day Out - Market Stall 3m x 6m Site	PER SITE	185.00	190.00	2.70%
Pets' Day Out - NFP Stall 3m x 3m Site	PER SITE	45.00	50.00	11.11%
Pets' Day Out - NFP Stall 3m x 6m Site	PER SLID	55.00	60.00	9.09%
Pets' Day Out Food Stall 3m x 9m Site	PER SITE	460.00	475.00	3.26%

Arts Operations

Fees Theatre Rental - Standard rate (5hr Performance)	PER BOOK	2,535.00	2,055.00	-18.93%
Fees Theatre Rental - Per hour (Rehearsal)	PER HOUR	230.00	180.00	-21.74%
Fees Theatre Rental - Additional Performance Hours	PER HOUR	460.00	360.00	-21.74%
Fees Recovery - Casual Labour Technical	PER HOUR	58.00	64.00	10.34%
Fees Recovery - Casual Labour FOH	PER HOUR	53.00	56.00	5.66%
Fees Recovery - Permanent Labour Technical	PER HOUR	58.00	64.00	10.34%
Fees Venue Hire - Main Studios Cube 37	PER BKNG	275.00	275.00	0.00%
Fees Venue Hire - Labs Cube 37	PER HOUR	35.00	35.00	0.00%
Fees Venue Hire - Labs Cube 37	PER DAY	160.00	160.00	0.00%
Fees Venue Hire - Cube 37 Gallery Exhibition	PER HIRE	750.00	750.00	0.00%
Fees Venue Hire - Main Studios Cube 37	PER HOUR	60.00	60.00	0.00%
Fees Theatre Rental - Standard Theatre Rental (5hr Rehearsal)	PER BKNG	-	1,145.00	new
Fees Venue Hire - Cube 37 Studio (5hr Performance)	PER BKNG	-	932.00	new

Frankston Arts Centre Carparking

Frankston Arts Centre Car Parking - Casual Hourly	PER HOUR	1.10	2.00	81.82%
Frankston Arts Centre Car Parking - Casual Daily	PER DAY	5.50	6.50	18.18%
Frankston Arts Centre Car Parking - Permanent Quarterly (early birds in before 10am, out by 7pm)	PER QUAR	292.50	292.50	0.00%
Frankston Arts Centre Car Parking - Permanent Yearly (early birds in before 10am, out by 7pm)	PER ANN	1,170.00	1,170.00	0.00%
Frankston Arts Centre Car Parking - Permanent Quarterly (24 hour access)	PER QUAR	465.25	465.25	0.00%
Frankston Arts Centre Car Parking - Permanent Yearly (24 hour access)	PER ANN	1,861.00	1,861.00	0.00%

Frankston City Council

2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Library Services				
A4 B&W	PER COPY	0.25	0.25	0.00%
A3 B&W	PER COPY	0.30	0.30	0.00%
A3 Colour	PER COPY	2.40	2.40	0.00%
A4 Colour	PER COPY	1.20	1.20	0.00%
Bookclub Membership	PER MPY	95.00	150.00	57.89%
Charges for Children's holiday programs	PER ACT	870.00	900.00	3.45%
Community Groups Room Hire - Full Day	PER BKNG	90.00	95.00	5.56%
Community Groups Room Hire - Half Day	PER BKNG	60.00	63.00	5.00%
Community Groups Room Hire - One Hour	PER BKNG	30.00	32.00	6.67%
Corporate Groups Room Hire - Full Day	PER BKNG	200.00	210.00	5.00%
Corporate Groups Room Hire - Half Day	PER BKNG	145.00	152.00	4.83%
Debt Recovery	PER FINE	7.00	7.00	0.00%
Inter-library loans - Library fee	PER BOOK	2.75	2.85	3.64%
Inter-library loans - Set National Library charges	PER BOOK	16.50	16.50	0.00%
Lost items processing fees / charges for lost parts	PER ITEM	9.50	9.50	0.00%
Miscellaneous charges	PER ANN	150.00	150.00	0.00%
Overdue fees	PER BOOK	0.30	0.30	0.00%
Replacement library items - average item cost	PER BOOK	28.00	28.00	0.00%
Replacement Membership Card	PER MBPM	4.50	4.50	0.00%

Community Safety				
Health Services				
Caravan Park Registration Fee	PER SITE	-	14.22	new
Food Act - Home Based Kitchen Fee - Class 2	PER PERMIT	340.00	345.00	1.47%
Food Act - Home Based Kitchen Fee - Class 3	PER PERMIT	290.00	295.00	1.72%
Food Act - Streatrader - Ad Hoc Fee	PER PERMIT	2,500.00	2,550.00	2.00%
Food Act - Streatrader - Mobile Class 2	PER PERMIT	405.00	410.00	1.23%
Food Act - Streatrader - Mobile Class3	PER PERMIT	295.00	300.00	1.69%
Food Act - Streatrader - Temporary Class 2	PER PERMIT	155.00	160.00	3.23%
Food Act - Streatrader - Temporary Class 3	PER PERMIT	110.00	115.00	4.55%
Food Act Plan Approval Fee - Community Group	PER PERMIT	70.00	75.00	7.14%
Food Act Plan Approval Fee - Home Based Kitchen	PER PERMIT	100.00	105.00	5.00%
Food Act Plan Approval Fee - Standard	PER PERMIT	150.00	155.00	3.33%
Food Act Transfer Registration Fee - Standard	PER PERMIT	300.00	310.00	3.33%
Food Transfer Express Service Fee	PER PERMIT	100.00	105.00	5.00%
Health Act Plan Approval Fee - High Risk	PER PERMIT	150.00	155.00	3.33%
Health Act Plan Approval Fee - Medium Risk	PER PERMIT	100.00	105.00	5.00%
Health Act Prescribed Accommodation Plan Approval <20 Beds	PER PERMIT	100.00	105.00	5.00%
Health Act Prescribed Accommodation Plan Approval >40 Beds	PER PERMIT	180.00	185.00	2.78%
Health Act Prescribed Accommodation Plan Approval 20-40 Beds	PER PERMIT	150.00	155.00	3.33%
Health Act Transfer Registration Fee - High Risk	PER PERMIT	200.00	205.00	2.50%
Health Act Transfer Registration Fee - Low Risk	PER PERMIT	100.00	105.00	5.00%
Health Act Transfer Registration Fee - Medium Risk	PER PERMIT	150.00	155.00	3.33%
Health Act Transfer Registration Fee - Rooming House	PER PERMIT	250.00	255.00	2.00%
Health Act Transfer Registration Prescribed Accommodation Fee - <20 beds	PER PERMIT	150.00	155.00	3.33%
Health Act Transfer Registration Prescribed Accommodation Fee - >40 beds	PER PERMIT	250.00	255.00	2.00%
Health Act Transfer Registration Prescribed Accommodation Fee - 20-40 beds	PER PERMIT	200.00	205.00	2.50%
Health Transfer Express Service Fee	PER PERMIT	50.00	55.00	10.00%
Registration fee - Class 1A premises	PER PERMIT	1,360.00	1,370.00	0.74%
Registration fee - Class 1B premises	PER PERMIT	505.00	510.00	0.99%
Registration fee - Class 2 Large Scale Bakery	PER PERMIT	1,550.00	1,560.00	0.65%
Registration fee - Class 2A premises	PER PERMIT	650.00	655.00	0.77%
Registration fee - Class 2B premises	PER PERMIT	405.00	410.00	1.23%

Frankston City Council

2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Registration fee - Class 2C premises	PER PERMIT	150.00	155.00	3.33%
Registration fee - Class 3 premises	PER PERMIT	295.00	300.00	1.69%
Registration fee - Health Act - High Risk	PER PERMIT	285.00	290.00	1.75%
Registration fee - Health Act - Low Risk - One Off Set Up	PER PERMIT	245.00	250.00	2.04%
Registration fee - Health Act - Medium Risk	PER PERMIT	265.00	270.00	1.89%
Registration fee - Prescribed Accommodation <20 beds	PER PERMIT	245.00	250.00	2.04%
Registration fee - Prescribed Accommodation 20 - 40 beds	PER PERMIT	265.00	270.00	1.89%
Registration fee - Prescribed Accommodation >40 beds	PER PERMIT	285.00	290.00	1.75%
Registration fee - Rooming House - 10 rooms	PER PERMIT	1,050.00	1,070.00	1.90%
Registration fee - Rooming House - 11 rooms	PER PERMIT	1,150.00	1,180.00	2.61%
Registration fee - Rooming House - 3-5 rooms	PER PERMIT	550.00	560.00	1.82%
Registration fee - Rooming House - 6 rooms	PER PERMIT	650.00	660.00	1.54%
Registration fee - Rooming House - 7 rooms	PER PERMIT	750.00	770.00	2.67%
Registration fee - Rooming House - 8 rooms	PER PERMIT	850.00	870.00	2.35%
Registration fee - Rooming House - 9 rooms	PER PERMIT	950.00	970.00	2.11%
Registration fee - Supermarkets	PER PERMIT	525.00	530.00	0.95%
Septic Tank Permit - New Commercial Installation	PER PERMIT	-	510.00	new
Septic Tank Permit Alteration Fee	PER PERMIT	-	215.00	new
Septic Tank Permit Fee	PER PERMIT	420.00	430.00	2.38%

Fire Safety

Burning off periods - Commercial	ANNUALCH	260.00	270.00	3.85%
Burning off Permits - Residential	ANNUALCH	60.00	65.00	8.33%
Hazard Removal	PER APPL	150.00	155.00	3.33%

Compliance & Enforcement Services

Advertising Signage - A frames Annual Fee	ANNUAL CHARGE	150.00	150.00	0.00%
Advertising Signage - Application fee	PER APPL	160.00	165.00	3.13%
Advertising Signage - Mobile A frames Annual Fee	ANNUAL CHARGE	550.00	550.00	0.00%
Animal Registration Fees	PER ANIM	50.00	55.00	10.00%
Animal Registration Fees - Concession	PER ANIM	25.00	27.00	8.00%
Bulk Bins Annual Permit Fee	ANNUAL CHARGE	720.00	720.00	0.00%
Bulk Bins Roadway Casual Permit Fee	PER DAY	25.00	30.00	20.00%
Bulk Bins Weekly Permit Fee	PER WEEK	70.00	75.00	7.14%
Containers on Roads	PER APPL	8,500.00	8,500.00	0.00%
Daily Storage Fee - Seized Vehicles	PER VEHICLE	40.00	45.00	12.50%
Display of Goods	ANNUAL CHARGE	330.00	330.00	0.00%
Display of goods - application fee	PER APPL	-	115.00	new
Domestic Animal Boarding, Breeding & Training	PER PERMIT	230.00	230.00	0.00%
Excess Animal Fee	PER PERMIT	110.00	115.00	4.55%
Heavy Duty Vehicle Application	PER APPL	110.00	120.00	9.09%
Heavy Vehicle Permit - High Tonnage	PER PERMIT	550.00	550.00	0.00%
Heavy Vehicle Permit - Light Truck	PER PERMIT	210.00	215.00	2.38%
Impound Fee - A frame Signs	PER ITEM	210.00	210.00	0.00%
Impound Fee - Motor Bikes	PER VEHI	250.00	250.00	0.00%
Impound Fee - Shopping Trolley	PER ITEM	40.00	45.00	12.50%
Keast Park Horse Permit Fee	ANNUAL CHARGE	370.00	375.00	1.35%
Miscellaneous Vehicle Permit Fees	PER APPL	80.00	85.00	6.25%
Outdoor Dining - Application Fee	PER APPL	110.00	110.00	0.00%
Outdoor Dining - Chairs - Licensed	PER CHAIR	42.00	45.00	7.14%
Outdoor Dining - Chairs - Non Licensed	PER CHAIR	35.00	35.00	0.00%
Outdoor Dining - Tables - Licensed	PER TABLE	85.00	85.00	0.00%
Outdoor Dining - Tables - Non Licensed	PER TABLE	65.00	65.00	0.00%
Pet Shop Registration	PER PERMIT	230.00	300.00	30.43%
Pound Release Fee - cats	PER ANIM	80.00	85.00	6.25%
Pound Release Fee - dogs	PER ANIM	175.00	180.00	2.86%
Pound Release Fee - livestock	PER ANIM	-	200.00	new
Pound Release Fee - Motor Bikes	PER VEHICLE	850.00	860.00	1.18%
Pound Release Fee - Motor Bikes - 2nd Offence	PER VEHICLE	1,100.00	1,200.00	9.09%
Pound Release Fee - Motor Vehicles	PER VEHICLE	370.00	375.00	1.35%
Pound Release Fee - small animals/birds	PER ANIM	-	50.00	new
Pound Release Fee - Trolleys & Miscellaneous	PER ITEM	60.00	65.00	8.33%

Frankston City Council

2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Rec. Vehicle Application	PER APPL	75.00	100.00	33.33%
Rec. Vehicle Permit	PER PERM	75.00	100.00	33.33%
Restricted, Menacing and Dangerous Dogs	PER ANIM	300.00	350.00	16.67%
Sale of abandoned vehicles	ANNUAL CHARGE	225.00	230.00	2.22%
Service Request - Compliance	PER REQU	75.00	80.00	6.67%

Charged Car Parking

Foreshore Parking Meters	PER HOUR	3.20	3.20	0.00%
Foreshore Parking Permit - Additional	PER PERM	-	80.00	new
Foreshore Parking Permit - Replacement	PER PERM	-	60.00	new
Frankston House Car Parking (per Quarter)	PER PERM	345.00	350.00	1.45%
Parking Fee daily	PER DAY	6.50	6.50	0.00%
Parking Fee hourly	PER HOUR	2.00	2.00	0.00%
Private Parking Agreement Application Fee	PER PERM	200.00	250.00	25.00%

Building Services

Building Lodgement Fees	PER PERM	38.30	39.10	2.09%
Building over Street Alignment & other (Reg 513, 515 & 604)	PERCLAUS	257.00	262.10	1.98%
Building Regulation Siting Dispensations	PERCLAUS	257.00	262.10	1.98%
Lapsed Permit Inspections outside FCC	PER HOUR	160.00	165.00	3.13%
Lapsed Permit Inspections within FCC	PER APPL	295.00	300.00	1.69%
Lodgement Fee (Administration)	PER APPL	38.30	39.10	2.09%
Major Variation to Building Permit	PER HOUR	-	165.00	new
Minor Variation to Building Permit	PER PERM	-	350.00	new
Permit - Above ground & barrier (pools & spas)	PER APPL	400.00	410.00	2.50%
Permit - Additional Inspections	PER APPL	295.00	300.00	1.69%
Permit - Barrier/fencing only (pools & spas)	PER APPL	390.00	400.00	2.56%
Permit - Below ground & barrier (pools & spas) < \$20K	PER APPL	820.00	830.00	1.22%
Permit - Below ground & barrier (pools & spas) > \$20K	PER APPL	1,120.00	1,120.00	0.00%
Permit - Commercial Project - \$100K - \$200K	PER APPL	2,300.00	2,320.00	0.87%
Permit - Commercial Project - \$15K - \$30K	PER APPL	1,010.00	1,025.00	1.49%
Permit - Commercial Project - \$200K - \$300K	PER APPL	2,900.00	2,920.00	0.69%
Permit - Commercial Project - \$300K - \$400K	PER APPL	3,800.00	3,820.00	0.53%
Permit - Commercial Project - \$30K - \$60K	PER APPL	1,400.00	1,420.00	1.43%
Permit - Commercial Project - \$400K - \$500K	PER APPL	4,200.00	4,220.00	0.48%
Permit - Commercial Project - \$60K - \$100K	PER APPL	1,750.00	1,780.00	1.71%
Permit - Commercial Project - up to \$15K	PER APPL	890.00	890.00	0.00%
Permit - Commercial Project > \$500K	PER HOUR	160.00	165.00	3.13%
Permit - Demolition - Commercial Basic	PER APPL	845.00	855.00	1.18%
Permit - Demolition - Commercial Complex	PER HOUR	-	165.00	new
Permit - Demolition - Residential Basic	PER APPL	590.00	600.00	1.69%
Permit - Demolition - Residential Complex	PER APPL	740.00	750.00	1.35%
Permit - Extension of time < \$50K	PER APPL	160.00	165.00	3.13%
Permit - Extension of time > \$50K	PER APPL	590.00	595.00	0.85%
Permit - Fences - Minor Works	PER APPL	390.00	395.00	1.28%
Permit - Minor Works - \$2,500 - \$5K	PER APPL	585.00	595.00	1.71%
Permit - Residential - Major Works - \$100K - \$200K	PER APPL	1,680.00	1,700.00	1.19%
Permit - Residential - Major Works - \$15K - \$30K	PER APPL	990.00	990.00	0.00%
Permit - Residential - Major Works - \$200K - \$300K	PER APPL	2,570.00	2,570.00	0.00%
Permit - Residential - Major Works - \$300K - \$400K	PER APPL	3,320.00	3,320.00	0.00%
Permit - Residential - Major Works - \$30K - \$60K	PER APPL	1,340.00	1,350.00	0.75%
Permit - Residential - Major Works - \$60K - \$100K	PER APPL	1,570.00	1,590.00	1.27%
Permit - Residential - Minor Works - \$10K - \$15K	PER APPL	1,000.00	1,000.00	0.00%
Permit - Residential - Minor Works - \$5K - \$10K	PER APPL	810.00	825.00	1.85%
Permit - Residential - Minor Works < \$2,500	PER APPL	375.00	380.00	1.33%
Permit - residential (1 - 10) - Muti building up to \$200K & 300sqm	PERBUILD	1,300.00	1,310.00	0.77%
Permit Residential 1-10 over \$40K (Per \$1 cost of works)	PERBUILD	0.01	0.01	0.00%

Frankston City Council
2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Plan Copies - Commercial (over 50 sheets)	PER APPL	200.00	210.00	5.00%
Plan Copies - Commercial (up to 50 sheets)	PER APPL	100.00	110.00	10.00%
Plan copies - Industrial & commercial up to A0	PER COPY	-	19.00	new
Plan copies - Industrial & commercial up to A1	PER COPY	-	13.00	new
Plan Copies - Residential	PER APPL	55.00	60.00	9.09%
Plan Search Fee	PER APPL	55.00	60.00	9.09%
POPE Occupancy Permit - Building	PER APPL	980.00	980.00	0.00%
POPE Occupancy Permit - Place	PER APPL	550.00	550.00	0.00%
Precautions over street alignment (Reg 604)	PERCLAUS	257.00	262.10	1.98%
Provision of Information - Building Permits 326 (1)	PER APPL	51.20	52.20	1.95%
Provision of Information - Building Permits 326 (1) - 24 hour turnaround	PER APPL	120.00	140.00	16.67%
Provision of Information - Property 326 (2)	PER APPL	51.20	52.20	1.95%
Request for Documentation (Permits etc)	PER APPL	55.00	60.00	9.09%
Temporary Structure Siting Consent	PER ADMI	300.00	305.00	1.67%
Victoria Building Authority BC Levy (per \$1,000 of work in excess of \$10,000)	PERBUILD	1.28	1.28	0.00%

Operations

Foreshore Reserve Maintenance

Boat Launching Fees - Non resident	PER PERM	170.00	170.00	0.00%
Boat Launching Fees - Replacement permits	PER PERM	15.00	15.00	0.00%
Boat Launching Fees - Resident	PER PERM	95.00	95.00	0.00%
Boat Launching Fees - Resident Discounted 3 yr in Advance Payment	PER APPL	230.00	230.00	0.00%
Ticket Machines	PER DAY	15.00	15.00	0.00%

Sporting Reserves Maintenance

CAA -Minor event fees - Bond	PER BKNG	1,045.00	1,050.00	0.48%
CAA- Minor event fees - half day	PER HALF	96.00	98.00	2.08%
CAA-Minor event fees Full day	PER DAY	160.00	165.00	3.13%
Commercial Fitness Provider - Passive Open Space	PER HOUR	5.75	6.00	4.35%
Sports Ground Fees - Community Group outside FCC Bond if required	PER PERMIT	1,045.00	1,050.00	0.48%
Sports Ground Fees - Community Group outside FCC Full Day	PER DAY	255.00	260.00	1.96%
Sports Ground Fees - Community Group outside FCC Half Day	PER HALF	156.00	160.00	2.56%
Sports Ground Fees -Commercial Bond if required	PER PERMIT	1,045.00	1,050.00	0.48%
Sports Ground Fees Commercial Fees	PER HOUR	98.00	102.00	4.08%
Sports Ground Fees -Commercial Full Day	PER DAY	730.00	760.00	4.11%
Sports Ground Fees -Commercial Half Day	PER HALF	365.00	370.00	1.37%
Sports Ground Fees FCC Schools	PER HOUR	38.00	39.00	2.63%
Sports Ground Fees FCC Schools Full Day 9-3	PER BKNG	160.00	163.00	1.88%
Sports Ground Fees FCC Schools Half Day 9-12 / 12-3	PER BKNG	96.00	98.00	2.08%

Centenary Park Golf Course

18 holes- Mid week	18 HOLES	27.00	28.00	3.70%
18 holes- Mid week Concession	18 HOLES	22.00	23.00	4.55%
18 holes- Weekend	18 HOLES	33.00	34.00	3.03%
18 holes- Weekend Junior	18 HOLES	23.00	24.00	4.35%
9 holes- Mid week	9 HOLES	22.00	23.00	4.55%
9 holes- Mid week Concession	18 HOLES	18.00	19.00	5.56%
9 holes- Weekend	9 HOLES	24.00	25.00	4.17%
9 holes- Weekend Junior	9 HOLES	20.00	21.00	5.00%
Off Peak - Unlimited Golf	PER ADMI	17.00	18.00	5.88%
Season Tickets - Senior Resident	SEASON T	790.00	805.00	1.90%
Season Tickets- Adult (play Saturday or Sunday)	SEASON T	1,045.00	1,065.00	1.91%
Season Tickets- Junior/Student	SEASON T	370.00	375.00	1.35%
Season Tickets- Pensioner (Weekdays)	SEASON T	710.00	725.00	2.11%

Frankston City Council
2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Planning and Environment				
Street Tree Removal				
Guidelines for street tree removal - indigenous self sown - large	PER APPL	7,482.00	7,820.00	4.52%
Guidelines for street tree removal - indigenous self sown - medium	PER APPL	3,000.00	3,135.00	4.50%
Guidelines for street tree removal - indigenous self sown - small	PER APPL	1,590.00	1,662.00	4.53%
Guidelines for street tree removal - large	PER APPL	4,321.00	4,515.00	4.49%
Guidelines for street tree removal - medium	PER APPL	1,830.00	1,910.00	4.37%
Guidelines for street tree removal - small	PER APPL	1,024.00	1,070.00	4.49%
Local Law 22 Pruning Application Fee	PER APPL	65.00	68.00	4.62%
Local Law 22 Removal Application Fee - additional trees	PER APPL	38.50	40.00	3.90%
Local Law 22 Removal Application Fee - up to 3 trees	PER APPL	115.00	120.00	4.35%
Local Law 22 Works within TPZ Application Fee	PER APPL	65.00	68.00	4.62%
Replanting Fee	PER SERV	300.00	310.00	3.33%
Statutory Planning				
A0 Sheets	PER COPY	16.50	17.00	3.03%
A1 Sheets	PER COPY	12.00	12.50	4.17%
A3 Sheets	PER COPY	1.70	1.80	5.88%
A4 Sheets	PER COPY	1.70	1.80	5.88%
Advertising additional letters	PER APPL	6.00	6.50	8.33%
Advertising up to 10 letters - no sign	PER APPL	100.00	105.00	5.00%
plus sign	PER APPL	45.00	47.00	4.44%
Amendment of certified plan	PER APPL	132.40	132.40	0.00%
Certificate of Compliance	PER APPL	307.00	307.00	0.00%
Copy of Permit	PER REQU	30.00	31.00	3.33%
Copy of Permit and Plans	PER REQU	140.00	147.00	5.00%
Create vary or remove a restriction	PER APPL	1,240.70	1,240.70	0.00%
Development \$1,000,001 - \$5,000,000	PER APPL	3,213.20	3,213.20	0.00%
Development \$100,001 - \$1,000,000	PER APPL	1,456.70	1,456.70	0.00%
Development \$15,000,001-\$50,000,000	PER APPL	24,151.10	24,151.10	0.00%
Development \$5,000,001-\$15,000,000	PER APPL	8,189.80	8,189.80	0.00%
Development <\$10,000	PER APPL	188.20	188.20	0.00%
Development >\$50,000,000	PER APPL	54,282.40	54,282.40	0.00%
Development <\$100,000	PER APPL	1,080.40	1,080.40	0.00%
Ext. of Time	PER APPL	250.00	500.00	100.00%
Per application	PER APPL	164.50	164.50	0.00%
preparation of advert fee & sign	PER APPL	300.00	313.00	4.33%
Preparation of Section 173	PER REQU	860.00	1,300.00	51.16%

Frankston City Council
2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
recertification fee	PER APPL	104.60	104.60	0.00%
Request to end or vary an existing Section 173 Agreement	PER REQU	620.30	632.80	2.02%
Satisfaction Matters	PER APPL	307.00	307.00	0.00%
Secondary Consent	PER APPL	250.00	500.00	100.00%
Single Dwelling \$1,000,001 - \$2,000,000	PER APPL	1,408.90	1,408.90	0.00%
Single Dwelling \$10,000-\$100,000	PER APPL	592.50	592.50	0.00%
Single Dwelling \$100,001 - \$500,000	PER APPL	1,212.80	1,212.80	0.00%
Single Dwelling \$500,001 - \$1,000,000	PER APPL	1,310.40	1,310.40	0.00%
Subdivision - up to 100 lots	PER APPL	1,240.70	1,240.70	0.00%
Subdivision (boundary realignment)	PER APPL	1,240.70	1,240.70	0.00%
Subdivision (two lots)	PER APPL	1,240.70	1,240.70	0.00%
Subdivision of an existing building	PER APPL	1,240.70	1,240.70	0.00%
Use Application & any other application not in regs	PER APPL	1,240.70	1,240.70	0.00%
VicSmart - To subdivide land	PER APPL	188.30	188.30	0.00%
VicSmart <=\$:0,000	PER APPL	188.20	188.20	0.00%
VicSmart >:\$:0,001	PER APPL	404.30	404.30	0.00%
Written Confirmation	PER APPL	115.00	120.00	4.35%

Strategic Planning

Planning Scheme Amendment Stage 1	PER APPL	2,871.00	2,871.00	0.00%
Planning Scheme Amendment Stage 2 a) i.	PER ACT	14,232.00	14,375.00	1.00%
Planning Scheme Amendment Stage 2 a) ii.	PER ACT	28,437.60	28,437.60	0.00%
Planning Scheme Amendment Stage 2 a) iii.	PER ACT	38,014.40	38,014.40	0.00%
Planning Scheme Amendment Stage 3	PER APPL	453.10	458.00	1.08%
Regulation 7 fee	PER APPL	3,763.00	3,763.00	0.00%
Regulation 8 fee	PER APPL	906.10	906.10	0.00%

Corporate Management

Frankston Regional Recycling & Recovery

Hard Waste per cubic metre Resident	PER ITEM	70.00	75.00	7.14%
Hard Waste per cubic metre Non Resident	PER ITEM	80.00	85.00	6.25%
Soil/Concrete/Bricks per cubic metre	PER ITEM	60.00	62.70	4.50%
Green Waste per cubic metre	PER ITEM	35.00	36.58	4.51%
Tyres Car	PER ITEM	9.00	9.00	0.00%
Tyres Car with rim	PER ITEM	15.00	15.00	0.00%
Tyre Light Truck	PER ITEM	15.00	15.00	0.00%
Tyre Light Truck with rim	PER ITEM	20.00	20.00	0.00%
Tyre Large Truck	PER ITEM	25.00	25.00	0.00%
Tractor	PER ITEM	100.00	100.00	0.00%
Christmas Tree	PER ITEM	5.00	5.00	0.00%
Mattresses	PER ITEM	25.00	25.00	0.00%

Financial Services

Rates & Valuations

Land Information Certificate (standard 5 days)	PER CERT	24.80	25.90	4.44%
Urgent Land Information Certificate (24 hours)	PER CERT	75.00	75.00	0.00%
Dishonour Fee	PER ACT	35.00	35.00	0.00%

Frankston City Council
2018-2019 Fees and charges



Type of Fees and Charges	Unit Charge Rate	Adopted 2017/18 Fee (GST Incl.)	Proposed 2018/19 Fee (GST Inc.)	Fee Increase %
Administration and Corporate Projects				
Governance				
Freedom of information Application Fee	PER APPL	28.40	28.40	0.00%
A4 Copy - Black & White	PER COPY	0.20	0.20	0.00%
A3 Copy - Black & White	PER COPY	0.40	0.40	0.00%
A4 Copy - Colour	PER COPY	0.40	0.40	0.00%
A3 Copy - Colour	PER COPY	0.80	0.80	0.00%
Commercial Services				
Property, Leases and Licences				
Boat shed/Bathing Box fees	ANNUALCH	850.00	875.00	2.94%
New Licence (Boat Shed/Bathing Box)	PER ACT	500.00	500.00	0.00%
Infrastructure				
Infrastructure Developments				
Drainage Tappings (Roads & Easements)	PER APPL	220.00	225.00	5.00
Flood Plain Building Approval	PER APPL	135.00	140.00	5.00
Fees -Building Over Easements	PER APPL	85.00	85.00	-
Occupation of Council Land Fees - within FMAC (per metre)	PER APPL	6.00	6.00	-
Occupation of Council Land Fees - outside FMAC (per metre)	PER APPL	4.00	4.00	-
RMA Fees - VC, Naturestrips, Road Openings	PER APPL	140.00	143.00	3.00
Asset Protection Permit	PER APPL	215.00	220.00	5.00
Legal Point Of Discharge	PER APPL	62.55	65.35	2.80
Application Fee	PER APPL	-	55.00	55.00
Location Fee	PER APPL	-	110.00	110.00
Hoarding/Fencing & Awnings	PER APPL	-	90.00	90.00
Mobile Crane/Travel Tower - Under 10 Tonne	PER APPL	-	55.00	55.00
Mobile Crane/Travel Tower - Over 10 Tonne	PER APPL	-	110.00	110.00
Traffic & Transport				
Dispensation Corner Fencing	PER APPL	-	125.00	125.00



Annual Budget 2018-2019

Appendix B Budget processes

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 Annual Budget 2018-2019, which is included in this report, is for the year 1 July 2018 to 30 June 2019 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2019 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

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 during January and February. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during March and April.

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

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

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

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

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



Annual Budget 2018-2019

Appendix C

Detailed capital works projects

This appendix presents a listing of the capital works projects that will be undertaken for the 2018-2019 year.

The capital works projects are grouped by type include the following:

- Buildings
- Drainage
- Footpaths and cycleways
- Parks, open space and streetscapes
- Recreational, leisure and community facilities
- Roads

2018-2019 Capital works program



Project Code	Project Name	2018-2019 Budget Allocation	Rates Funded	Other Funding Source
Bridges				
PR-1551	Minor Bridge & Pedestrian Structures Renewal Program (Level 2 R€	150,000	150,000	-
PR-1749	Major Bridge Renewal Program	350,000	350,000	-
PR-1750	Design & Scoping for Bridges & Pedestrian Structures Renewal Proj	70,000	70,000	-
Bridges Total		570,000	570,000	-
Buildings				
AC1	Bird Protection system Upgade - Frankston Arts Precinct	225,000	225,000	-
AC2	Frankston Arts Precinct Expansion	165,000	165,000	-
CF1	Seaford Community Centre - Upgrade and Expansion	50,000	50,000	-
CF4	Orwil Street Community House extension	35,000	35,000	-
PR-1252	Frankston Arts Centre - Technical Equipment Renewal	150,000	150,000	-
PR-1273	Communities Facilities Renewal Program	310,000	310,000	-
PR-1281	Civic & Operations Facilities Renewal Program	810,000	810,000	-
PR-1301	Structured Recreation Pavilions Renewal Program	795,000	795,000	-
PR-1667	Family Support & Aged Services Facilities Renewal Program	1,020,000	1,020,000	-
PR-1668	Arts and Library Facilities Renewal Program	1,300,000	1,300,000	-
SI1	Solar PV: Lloyd Park Junior AFL/Cricket Pavilion (Langwarrin Junior Football Club, Langwarrin Cricket Club), Lloyd Park (Ovals 2 & 3)	26,000	26,000	-
SI10	Solar PV feasibility assessment and detailed design study for Council facilities	30,000	30,000	-
SI2	Solar PV: Bruce Park Pavilion (Frankston Rovers Junior Football Club and Heatherhill Cricket Club), Bruce Park (aka Norm Jardine Pavilion)	11,000	11,000	-
SI4	Solar PV: East Seaford Football/Cricket Pavilion (Frankston Women's Cricket Club, Seaford Junior Football Club), East Seaford Reserve	13,000	13,000	-
SI5	Solar PV: Soccer Pavilion (Langwarrin Soccer Club), Lawton Reserve	45,000	45,000	-
SI6	Solar PV: Overport Park Tennis Club, Overport Park	13,000	13,000	-
SI7	Solar PV: Bruce Park Tennis Pavilion, Bruce Park	13,000	13,000	-
SI9	Install recommendations from the Frankston City Reserves Irrigation Study	50,000	50,000	-
SR10	Pat Rollo Reserve Pavilion (Major Project)	100,000	100,000	-
SR13	Monterey Soccer Pavilion	100,000	100,000	-
SR17	Eric Bell Reserve netball change facility	15,000	15,000	-
SR2	Centenary Park Sporting Complex (Major Project)	400,000	-	400,000
SR3	Jubilee Netball Centre (Major Project)	500,000	500,000	-
SR4	Overport Park Pavilion	1,900,000	1,700,000	200,000
SR5	Seaford North Reserve - Change Rooms	1,040,000	640,000	400,000
SR6	Ballam Park Soccer Pavilion	1,650,000	1,650,000	-
SR8	Skye Recreation Reserve Soccer Pavilion	845,000	845,000	-
(blank)	Facilities Painting Renewal Programme	250,000	250,000	-
	Facility Maintenance Contract Renewal Program	250,000	250,000	-
CF5	Langwarrin Child, Family & Library Centre	50,000	50,000	-
SR22	Kevin Collopy Pavilion - Jubilee Park	50,000	50,000	-
New	Belveder Bowls Club	50,000	50,000	-
New	Bruce Park Pavilion Extension	50,000	50,000	-
New	Pines Netball Club	50,000	50,000	-
New	Linen House Future Use Planning	150,000	150,000	-
SR23	Belvedere Precinct - Linen House, Davey Richardson Pavilion and Belvedere Bowls Club - Design	100,000	100,000	-
UR5	Frankston Visitor Information Centre (VIC)	100,000	100,000	-
PR-1253	Public Amenities Renewal Program	400,000	400,000	-
PR-1254	Frankston North Community Centre	150,000	150,000	-
Buildings Total		13,261,000	12,261,000	1,000,000

2018-2019 Capital works program



Project Code	Project Name	2018-2019 Budget Allocation	Rates Funded	Other Funding Source
Computers and telecommunications				
IS1	Learning management solution	125,000	125,000	-
IS2	Human resources and payroll system reimplementation	425,000	425,000	-
IS4	Corporate Performance Reporting solution	195,000	195,000	-
PF1	Installation of CCTV cameras	80,000	80,000	-
PR-1464	GIS Mapping Renewal	50,000	50,000	-
PR-1468	Mobile Device Management Renewal	50,000	50,000	-
(blank)	Remote Access Renewal	50,000	50,000	-
PR-1469	WiFi Replacement	150,000	150,000	-
PR-1470	Payroll/ HR system Renewal	10,000	10,000	-
PR-1465	Finance system enhancements	25,000	25,000	-
PR-1466	Document management system maintenance	10,000	10,000	-
IS5	Smart City Transition	120,000	-	120,000
IS6	Data quality, reporting, security	220,000	-	220,000
IS7	Integration Program	220,000	-	220,000
IS8	Customer focused web improvements	200,000	200,000	-
UR6	Mobile/ Pop-up Visitor Services	100,000	100,000	-
Computers and telecommunications Total		2,030,000	1,470,000	560,000
Drainage				
PR-1647	Drainage pipes & pits renewal/upgrade - Aged-based asset condition evaluation & replacement	100,000	100,000	-
SW1	Minor Drainage Works	50,000	50,000	-
SW2	Drainage Upgrade - 9 William Street - Frankston South - Frankston South Drainage Strategy	310,000	310,000	-
SW3	Drainage Upgrade - David Street Stage 2 - Dandenong Road East Drainage Strategy	50,000	50,000	-
SW4	Drainage Upgrade - 13-21 Jasper Terrace - Frankston South - Frankston South Drainage Strategy	50,000	50,000	-
SW5	Drainage Upgrade - 2-8 Warringa Road Frankston - Frankston South Drainage Strategy	50,000	50,000	-
SW7	Drainage Upgrade - 6 Nolan St Street Frankston	50,000	50,000	-
PR-1648	Easement Drainage Pit Alterations	150,000	150,000	-
PR-1649	Gatic Pit Lid Renewal Program	150,000	150,000	-
PR-1650	Drainage Renewal Works in Council Reserves	100,000	100,000	-
Drainage Total		1,060,000	1,060,000	-
Fixtures, fittings and furniture				
PR-1492	Office Furniture & Equipment Renewal	50,000	50,000	-
Fixtures, fittings and furniture Total		50,000	50,000	-
Footpaths and cycleways				
3101	City Wide Pathway and Cycle Way Plan Development - McClelland Drive Shared Path	750,000	-	750,000
BF2	Ballarto Road Bicycle Facilities	60,000	60,000	-
BF3	Mooroduc Highway Bicycle Facilities	70,000	70,000	-
OS6	Recreational Connections - Foreshore	20,000	-	20,000
OS7	Recreational Connections - Frankston	20,000	-	20,000
OS8	Recreational Connections - Baxter Park	20,000	-	20,000
P1	Robinsons Road Pathway	50,000	50,000	-
P2	McCormicks Road Pathway	200,000	200,000	-
P3	Ballarto Road Pathway	370,000	370,000	-
P4	Cranbourne Road Pathway	150,000	150,000	-
P7	Sanders Road	60,000	60,000	-
PR-1353	Footpath Renewal Program	700,000	700,000	-
PR-1637	Pathway Renewal - Council Reserves	500,000	500,000	-
PR-1638	Shared Path Renewals	80,000	80,000	-
P11	Pathway Development Plan - Design Program	45,000	45,000	-
P12	McClelland Drive - Missing Link north side of Log Cabin Park (Skye Road)	70,000	70,000	-
P13	Pathway Link - Baxter Street to the Frankston War Memorial	40,000	-	40,000
Footpaths and cycleways Total		3,205,000	2,355,000	850,000

2018-2019 Capital works program



Project Code	Project Name	2018-2019 Budget Allocation	Rates Funded	Other Funding Source
Library Books				
PR-1481	Library Collection	700,000	700,000	-
Library Books Total		700,000	700,000	-
Off street car parks				
PR-1339	Carpark Renewal Program	350,000	350,000	-
SR20	Carpark at Quality Street - PARC	220,000	220,000	-
Off street car parks Total		570,000	570,000	-
Other infrastructure				
PR-1372	Traffic Management Devices - Renewal Programme	50,000	50,000	-
TM1	Street Lighting Upgrades	20,000	20,000	-
TM2	Minor Traffic Treatments - Various Locations	30,000	30,000	-
TM3	LATM - Woodlands Precinct	480,000	480,000	-
TM4	LATM Precinct Studies and Implementation - TAC Safe travel In Local Streets Programme	300,000	150,000	150,000
Other infrastructure Total		880,000	730,000	150,000
Parks, open space and streetscapes				
CAA1	Station Street Mall Upgrade (Stage 1 - west of Clyde Street) - Tender and Construction	515,000	385,000	130,000
CAA2	Station Street Mall Upgrade (Stage 2 - east of Clyde Street)	20,000	20,000	-
CAA4	Ross Smith Avenue East Upgrade	40,000	40,000	-
OS1	Ballam Park Master Plan Implementation	150,000	150,000	-
OS14	Kananook Creek Dredging Feasibility Study and Entrance Redesign	50,000	50,000	-
OS2	Carrum Downs Recreation Reserve Master Plan Implementation	200,000	-	200,000
OS5	Recreational Connections - Seaford Wetlands	20,000	-	20,000
PA2	Laneway activation	140,000	140,000	-
PR-1412	Open Space Renewal Program	250,000	250,000	-
PR-1414	Fencing Replacement Program - Boundary Fences - Council Reserves	120,000	120,000	-
PR-1415	Foreshore Pedestrian Trails and Beach Entrances Renewal Program	50,000	50,000	-
PR-1421	Fence Replacement Program - Internal Fences at Council Reserves	130,000	130,000	-
PR-1423	Risk Management Works within Council Reserves	50,000	50,000	-
PR-1426	Various Reserves - Signage	50,000	50,000	-
PR-1435	Erosion Control Fence Renewal - Seaford Wetlands & Frankston/ Seaford Foreshore	150,000	150,000	-
PR-1702	Public Artworks Renewal Program	100,000	100,000	-
S3	Evelyn Street Stage 3 Streetscape	30,000	30,000	-
UR1	Oliver's Hill Coastal Breakwater & Frankston Coast Guard	255,000	255,000	-
UR2	Boulevards & Gateway Treatments - Boulevards	200,000	-	200,000
UR3	Bulk Street Tree Planting - Boulevards - Nepean Highway	100,000	-	100,000
PR-1337	Street Lighting Renewal Program	30,000	30,000	-
PR-1338	Barrier & Guard Rail Renewal Programme	150,000	150,000	-
BF4	Green Wall Infrastructure - Proof of Concept	55,000	55,000	-
OS3	Susona Friendship Garden - Hastings Road	75,000	-	75,000
OS4	Community Garden - Kananook Area	25,000	-	25,000
OS15	Forward Design Program	515,767	260,767	255,000
UR4	Fit-Out of the Frankston Yacht Club	700,000	200,000	500,000
Parks, open space and streetscapes Total		4,170,767	2,665,767	1,505,000

2018-2019 Capital works program



Project Code	Project Name	2018-2019 Budget Allocation	Rates Funded	Other Funding Source
Plant, machinery and equipment				
PR-1486	Light vehicles Replacement	1,200,000	400,000	800,000
PR-1487	Minor Plant & Equipment Replacement	40,000	35,000	5,000
	Plant & Equipment Replacement	950,000	740,000	210,000
PR-1493	Litter Bin Replacement Program - Throughout Municipality	25,000	25,000	-
Plant, machinery and equipment Total		2,215,000	1,200,000	1,015,000
Recreational, leisure and community facilities				
AQ2	Pines Forest Aquatics Centre Shade sails	35,000	35,000	-
AQ3	Pines Forest Aquatics Centre Carnival and Regional Meets	30,000	30,000	-
AQ4	PARC plant room access	25,000	25,000	-
PP1	Yamala Reserve - New Local Playground Installation	120,000	-	120,000
PP10	Lloyd Park - Toddler playground with fencing	15,000	15,000	-
PP2	Wisewould Reserve - New Local Playground Installation	120,000	120,000	-
PP3	Flame Robin Reserve - New Local Playground Installation	120,000	-	120,000
PP4	Clifton Grove/Pagett Road Reserve Playground	50,000	50,000	-
PP5	Weatherstone Reserve - New Local Playground - Design	20,000	20,000	-
PP6	North Reserve - New Local Playground Installation	20,000	20,000	-
PP7	Dunsterville Reserve - New Sub-Local Playground Installation -	20,000	20,000	-
PR-1389	Playground Strategy Implementation - Renewal of Playgrounds in Local, Regional & District Parks	850,000	850,000	-
PR-1415	Playground Improvements/Demolition	50,000	50,000	-
PR-1420	Playground Undersurfacing Renewal Program	40,000	40,000	-
PR-1445	Sporting Ground - Pitch Cover Renewal	20,000	20,000	-
PR-1446	Sporting Ground - Goal Post Replacement Program	30,000	30,000	-
PR-1447	Sporting Grounds - Playing Surface Renewal Program	1,125,000	1,125,000	-
PR-1732	Cricket Net Replacement Program	700,000	600,000	100,000
PR-1739	Renewal of Irrigation and Drainage Systems at Council Reserves	500,000	500,000	-
SR12	Centenary Park Golf Course - Masterplan Implementation	150,000	150,000	-
SR15	Frankston Park Oval 1 lighting	2,500,000	850,000	1,650,000
SR18	Overport Park bike track design and construction	20,000	20,000	-
SR7	Pat Rollo Reserve Sports Lighting	440,000	340,000	100,000
SR9	Carrum Downs Oval 3 - Synthetic Surface (Major Project)	2,320,000	1,820,000	500,000
PR-1416	Frankston Skate Park Audit	10,000	10,000	-
PR-1417	Relocation of Sporting Clubs from RF Miles to Belvedere Reserve - Pavilion Renewal (LXRA Co-Contribution)	1,050,000	-	1,050,000
CF6	Langwarrin Community Centre - Shade Sails	45,000	45,000	-
PP11	Frankston Waterfront Playground	650,000	650,000	-
SR19	Frankston BMX Track	850,000	350,000	500,000
SR21	Sports Lighting at Lloyd Park - Oval 2	280,000	280,000	-
PR-1448	Langwarrin Netball Courts Renewal	800,000	800,000	-
PR-1449	Sports Lighting Renewal Program	300,000	300,000	-
Recreational, leisure and community facilities Total		13,305,000	9,165,000	4,140,000

2018-2019 Capital works program



Project Code	Project Name	2018-2019 Budget Allocation	Rates Funded	Other Funding Source
Roads				
3908	Special Charge Scheme - Cranhaven Road, Langwarrin (Stage 2) Warrandyte Road to Lapwing Court Design /Award 2017/18. Construct 18/19	235,000	-	235,000
3909	Special Charge Scheme - Newton Avenue and Weeroona Road, Langwarrin South Design 17/18, Construct 18/19 (carry Forward Funds)	1,675,000	-	1,675,000
PR-1331	Road Renewal Program	2,965,000	2,750,000	215,000
PR-1620	Kerb Renewal Program	575,000	575,000	-
PR-1332	Road Renewal Research & Development	50,000	50,000	-
PR-1333	Hall Road Rehabilitation - Frankston Dancenong Road to Lyrebird Dve (eastbound) and McCormicks Road to Lyrebird Drive (westbound)	900,000	900,000	-
PR-1334	Stage 2 - Warrandyte Road Widening & Reconstruction (South) - 450 Warrandyte Road to Golf Links Road	1,000,000	1,000,000	-
PR-1335	McClelland Drive Road Rehabilitation - Robinsons Road to Golf Links Road	540,000	540,000	-
PR-1336	Skye Road Rehabilitation	800,000	800,000	-
Roads Total		8,740,000	6,615,000	2,125,000
Waste Management				
PR-1413	Frankston Tip Risk Management Strategy Implementation	100,000	100,000	-
Waste Management Total		100,000	100,000	-
Grand Total		50,856,767	39,511,767	11,345,000



**FRANKSTON CITY
COUNCIL**

30 Davey Street
Frankston VIC 3199
Australia

PO Box 490
Frankston VIC 3199

Phone 1300 322 322
frankston.vic.gov.au