

6.2 BUDGET PARAMETERS

General

To facilitate alignment of services with strategic objectives, no service unit funding restrictions have been imposed. Managers should, be mindful to minimise the difficulties associated with delivering a balanced budget. Organisational service costs should be constrained to the budget parameters provided. Use the parameters supplied below to compile Services Plan and Service Variation costings.

Revenue Estimates (new)

Fees & Charges: 4.5% increase to be applied

The increase is formulated using a weighted average of salaries and materials. The increase reflects Council's increasing business costs.

Expenditure Estimates

When structuring their 2008/2009 estimates, Service Units must provide for the following resource cost movements:

Salaries and Wages: 3.75% to be applied

- By Groups to salary and wages expenditure calculations where appropriate
- For incorporation into unit rate estimate calculations for engineering works

An employee overhead rate of 15.8% on ordinary labour hours will apply for the recovery of superannuation expense and Long Service Leave (LSL) and LSL lump sum termination payments. A casual's overhead also applies and this is at a rate of 9.61%. Please ensure that your salary and wages estimates are adjusted accordingly.

Plant

Internal and external hourly hire rates for vehicles and plant utilisation for 2008/2009 have been recalculated taking into consideration consumable increases, depreciation expense and equipment residual values.

Stores and Materials

Estimates have been formulated by the Supply Team having regard to forecast CPI movements, finalisation of bi-annual tenders, enhanced supplier relationships and consumption patterns of a range of stores and materials. Broad categorisations with appropriate allowances are:

- Road Surface Materials 3.9%
- Landscape Materials 3.9%
- Other Stores & Materials 3.9%
- Printing & Stationery 3.5%

Consumer Price Index - (CPI)

3.0% to be applied.