

2017/18

# NORTHERN GRAMPIANS SHIRE COUNCIL BUDGET



#LIVEWORKINVESTVISIT





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# YOUR COUNCIL

## KARA KARA WARD



*Cr Tony Driscoll, Mayor*



*Cr Merrilee Reid*

## SOUTH WEST WARD



*Cr Jason Hosemans*

## CENTRAL WARD



*Cr Kevin Erwin*

## STAWELL WARD



*Cr Murray Emerson*



*Cr Karen Hyslop*

## BY THE NUMBERS

**AREA** - Approximately 5,918 square kilometres

**POPULATION** - 11,471 (Estimated Resident Population June 2016)

**ROAD LENGTH** - 3,350 km of local roads

**RATEABLE PROPERTIES** - 9,273

**RATES AND CHARGES REVENUE** - \$16.6 million

**TOTAL REVENUE (INC GRANTS)** - \$32.6 million

**INDUSTRY** - There are more than 720 businesses operating in the shire, with major activity based in the thriving tourism, manufacturing and agricultural industries.

**MAJOR ATTRACTIONS** - Stawell Easter Gift Festival, Grampians Grape Escape, Arts Trail, Grampians Wildflower Festival, Festival of St Arnaud, St Arnaud Country Music Festival, Great Western Rodeo, Stawell Gold Cup, St Arnaud Cup, Great Western Cup, Halls Gap Cup, Run the Gap, Stawell Gift Hall of Fame and Grampians National Park.



*Cr Rob Haswell*



# OUR SHIRE AT A GLANCE

Possessing some of the world's most spectacular natural scenery and a rich golden heritage, the Northern Grampians Shire has established an exceptional reputation as an ideal place to live, work, invest and visit.

**Location** - Located in the picturesque Grampians region of Victoria, the shire covers almost 6,000 square kilometres and services the major towns and villages of Stawell, St Arnaud, Great Western, Halls Gap, Navarre, Glenorchy, Marnoo and Stuart Mill.

**National Parks** - The Grampians National Park is one of Victoria's most iconic holiday destinations, attracting more than 1.5 million visitors each year. Renowned for its breathtaking views and unspoilt nature, the area is a noted rock climbing destination, popular among campers and bushwalkers. Declared in 1884, the 168,000 hectare park is rich in



Aboriginal culture, European heritage and stunning wildflower displays.

It is also home to almost a third of the state's plant species and an abundance of wildlife. The Kara Kara National Park spans 13,900 hectares of predominantly steep terrain and allows visitors to experience what the forests were like before the gold rushes. The park has one of the largest intact areas of Box-Ironbark vegetation and encompasses the former Kara Kara State Park and much of the St Arnaud Range State Forest.

**Industry** - The shire's economy is based on manufacturing, agriculture, tourism and wine production. The two main centres of Stawell and St Arnaud supply and service agricultural machinery and are home to industries including brick, steel fabrication and meat production.



# MESSAGE FROM THE MAYOR

Make no mistake - we are entering one of the most challenging periods in the history of the Northern Grampians Shire Council.

The introduction of rate capping measures, combined with the freeze on Federal Assistance Grants, means that we are facing a period of change, not only in terms of the services we offer to the community, but the ways in which we offer them.

However, Council is committed not to tackle this challenge with a negative mindset, but rather to meet it head-on, ensuring we are well-prepared, well-informed and positive about the direction in which we are headed. Some tough decisions will have to be made, but Council will ensure it considers all the potential outcomes before any major changes are made.

Already, we have begun to implement our four-year Council Plan, which sets out clear objectives for our future and the manner in which we will achieve and measure these successes. Projects such as the establishment of the Nectar Farms hydroponic project and the Stawell Underground Physics Laboratory point towards the fact that we are on the right path in terms of our commitment to economic development, which will in turn expand our population and our rate base, alleviating pressure upon our existing ratepayers.



Council also intends to make an increased effort to listen to the community, which is one of its major objectives throughout this entire process. An increased focus upon community engagement and consultation is integral to this type of decision making, and throughout the year, Council will call upon the community it was elected to represent to help us shape our collective future. In addition to this, we will pursue an increased level of funding from our State and Federal colleagues in order to make up the shortfall created by the various measures put in place by the higher tiers of government.

In addition to these new initiatives and investments, Council remains committed to the support of our resilient local businesses and our many and varied events, which make the NGSC a Victorian tourism hotspot. We will maintain our support of events such as the Stawell Gift, the Grampians Grape Escape, the Grampians Music Festival, the St Arnaud Festival, the St Arnaud Rodeo and all the other events which combine to make the Northern Grampians Shire such a diverse and vibrant tourism presence.

I know the communities which make up this region have previously banded together to rise above the challenges presented by trying times, and I am confident that they will do so again in order to ensure the future of this wonderful region.

A handwritten signature in white ink on a teal background. The signature is stylized and appears to read 'Tony Driscoll'.

Cr Tony Driscoll,  
Mayor,  
Northern Grampians Shire Council 2016/17



# MESSAGE FROM THE CEO

This budget is all about ensuring the Northern Grampians Shire Council is prepared for the future, and all the associated challenges it may bring with it. There will be changes to the services currently offered by Council, and we are working hard to ensure that we properly engage with you, the community, when it comes time to make some pivotal choices upon our future direction.

The introduction of both the State Government's rate capping measures and the Federal Government's freeze on grants funding comes at an inopportune time for our region, and will force our hand when it comes time to make some hard decisions.

Northern Grampians Shire Council is in a strong cash position but our longer term projections show that we do not have enough money to sustain the services we currently provide.

As a result we are reviewing all Council services over the next 3 years to ensure that the services provided align to what the community want and are willing to pay for.

Already, we have begun an internal review of our services, and we are dedicated to changing the services we deliver, and the manner in which we offer them. These reviews will involve a process of increased community engagement, and Council and

the public will need to engage in some crucial conversations over the next three-and-a-half years, which will be undertaken across a variety of mediums in order to ensure that we engage in as many consultation processes as possible.

During this time, we are also committed to continuing to focusing on further developing our economic benefits plan, driving up expected increases and providing support to local businesses.

We are acutely aware of the need to continue to attract and build upon the exciting projects currently underway in our region, such as the Nectar Farms development. These kinds of projects are crucial to our future growth, and while the benefits may not be immediately apparent, their success is integral to the future of the Northern Grampians Shire.

Our communities are strong, they are resilient and I am confident that together, we can continue to make the Northern Grampians Shire Council a fantastic place to live, work, invest and visit.



Michael Bailey  
Chief executive officer  
Northern Grampians Shire



# DEMOGRAPHICS AND BUDGET INFLUENCES

## POPULATION

The estimated resident population of the shire is 11,471 *Source* - Australian Bureau of Statistics, Annual Estimated Resident Population, as at June 2016.

## AGEING POPULATION

The population is ageing and the shire has a greater proportion of older people in comparison to the Victorian average. The age profile is similar to small rural council averages. Analysis of the service age groups of Northern Grampians Shire in the 2011 census compared to regional Victoria shows that there was a lower proportion of people in the younger age groups (0 to 17 years) and a higher proportion of people in the older age groups (60+ years). Overall, 21.4% of the population was aged between 0 and 17, and 28.4 per cent were aged 60 years and over, compared with 23.5% and 24.2% respectively for regional Victoria. The major differences between the age structure of Northern Grampians Shire and regional Victoria were:

- A larger percentage of empty nesters and retirees (14.1% compared to 11.9%)
- A larger percentage of seniors (11.4 compared to 10.0%)
- A larger percentage of older workers and pre-retirees (15.2% compared to 14.0%)
- A smaller percentage of young workforce (8.6% compared to 10.5%)

From 2006 to 2011, Northern Grampians Shire's population decreased by 68 people (0.6%). This represents an average annual population change of -0.11% per year over the period.

The largest changes in age structure in this area between 2006 and 2011 were in the age groups:

- Empty nesters and retirees (60 to 69) (+332 persons)
- Parents and homebuilders (35 to 49) (-230 persons)
- Secondary schoolers (12 to 17) (-142 persons)
- Tertiary education & independence (18 to 24) (+133 persons)

## CULTURAL DIVERSITY

Analysis of the ancestry responses of the population in Northern Grampians Shire in 2011 shows that the top five ancestries nominated were:

- English (5,184 people or 43.8%)
- Australian (5,021 people or 42.4%)
- Scottish (1,379 people or 11.6%)



- Irish (1,287 people or 10.9%)
- German (546 people or 4.6%)

In combination these five ancestries account for 13,417 responses in total. The major differences between the ancestries of the population in Northern Grampians Shire and regional Victoria were:

- A larger percentage of people with English ancestry (43.8% compared to 39.9%)
- A larger percentage of people with Australian ancestry (42.4% compared to 40.9%)

## HOUSEHOLDS

Analysis of the household/family types in Northern Grampians Shire in 2011 compared to regional Victoria shows that there was a lower proportion of couple families with child(ren) as well as a lower proportion of one-parent families. Overall, 23.2% of total families were couple families with child(ren), and 8.9% were one-parent families, compared with 26.9% and 10.5% respectively for regional Victoria. There was a higher proportion of lone person households and a higher proportion of couples without children. Overall, the proportion of lone person households was 29.4% compared to 26.8% in regional Victoria while the proportion of couples without children was 30.4% compared to 27.8% in regional Victoria. The number of households in Northern Grampians Shire increased by 84 between 2006 and 2011. The largest changes in family/household types in Northern Grampians Shire between 2006 and 2011 were: Couples with children (-104 households) Couples without children (+79 households) Lone person (+74 households)

## SNAPSHOT OF NORTHERN GRAMPIANS SHIRE

The Northern Grampians Shire is located in Central Western Victoria and has an economy based on agriculture, manufacturing, and tourism, with strong growth in the health and education service sectors. The shire covers an area of 5,918 square kilometres and comprises the towns of Stawell, St Arnaud, Great Western, Halls Gap, Glenorchy, Navarre, Marnoo, Stuart Mill and numerous smaller rural communities. Stawell is home to steel fabrication works, brick, textiles and meat production. The St Arnaud area is well-known for its cropping and intensive animal industries. The Grampians National Park, together with the Kara Kara National Park, plentiful wineries and the goldfields heritage throughout the shire means that Northern Grampians is a popular tourist destination, attracting more than one million visitors each year.

## OCCUPATION

The size of Northern Grampians Shire's labour force in 2011 was 5,435 persons, of which 2,006 were employed part-time and 3,045 were full time workers. Analysis of the employment status (as a percentage of the labour force) in Northern Grampians Shire in 2011 compared to regional Victoria shows that there was a similar proportion in employment, as well as a similar proportion unemployed. Overall, 95.3% of the labour force was employed (53.0% of the population aged 15+), and 4.7% unemployed (2.6% of the population aged 15+), compared with 94.8% and 5.2% respectively for regional Victoria. The labour force participation rate refers to the proportion of the population over 15 years of age that was employed or actively looking for work.

## EDUCATION

Analysis of the qualifications of the population in Northern Grampians Shire in 2011 compared to regional Victoria shows that there was a lower proportion of people holding formal qualifications (Bachelor or higher degree; Advanced Diploma or Diploma; or Vocational qualifications), and a higher proportion of people with no formal qualifications. Overall, 34.6% of the population aged 15 and over held educational qualifications, and 54.5% had no qualifications, compared with 40.5% and 48.4% respectively for regional Victoria. The major differences between qualifications held by the population of Northern Grampians Shire and regional Victoria were: A larger percentage of persons with no qualifications (54.5% compared to 48.4%) A smaller percentage of persons with Bachelor or Higher degrees (8.2% compared to 12.5%) A smaller percentage of persons with Advanced Diploma or Diplomas (6.1% compared to 7.2%) The largest changes in the qualifications of the population in Northern Grampians Shire between 2006 and 2011 were in those with: Vocational qualifications (+263 persons) No qualifications (-151 persons) Advanced Diploma or Diplomas (+105 persons) Bachelor or Higher degrees (+89 persons).

## EXTERNAL INFLUENCES

In preparing the 2017-2018 budget, a number of external influences have been taken into consideration as they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Funding and renewal gaps for assets, infrastructure and services.
- Impact of a changing and ageing demographic and the lessening of the community's capacity to pay.
- The impact of 'disaster' fatigue from repeated natural disasters including bushfire, flood, storm events, landslide, drought and pestilence.
- Increases in fuel, commodity, consumable and utility costs above the Consumer Price Index.
- Requirement to undertake 'additional' works in exchange for government funding.
- Regulatory and legislative changes resulting in increased costs.



- Operating within a rate capped environment.

## INTERNAL INFLUENCES

In addition to the external influences, there are a number of internal influences which impacted the preparation of the 2017-2018 Budget. These include the following:

Council's commitment to reviewing services and to provide sufficient resources to undertake works required in the Council Plan.

Salary costs in accordance with the Enterprise Bargaining Agreement (EBA).

## 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 and are outlined in the Budget Development and Management Policy. The principles include:

- Sustainable budgeting
- Cash management
- Rates and charges revenue
- User fees
- Grant revenue
- Borrowing
- Asset rationalisation and renewal
- New assets

## LEGISLATIVE REQUIREMENTS

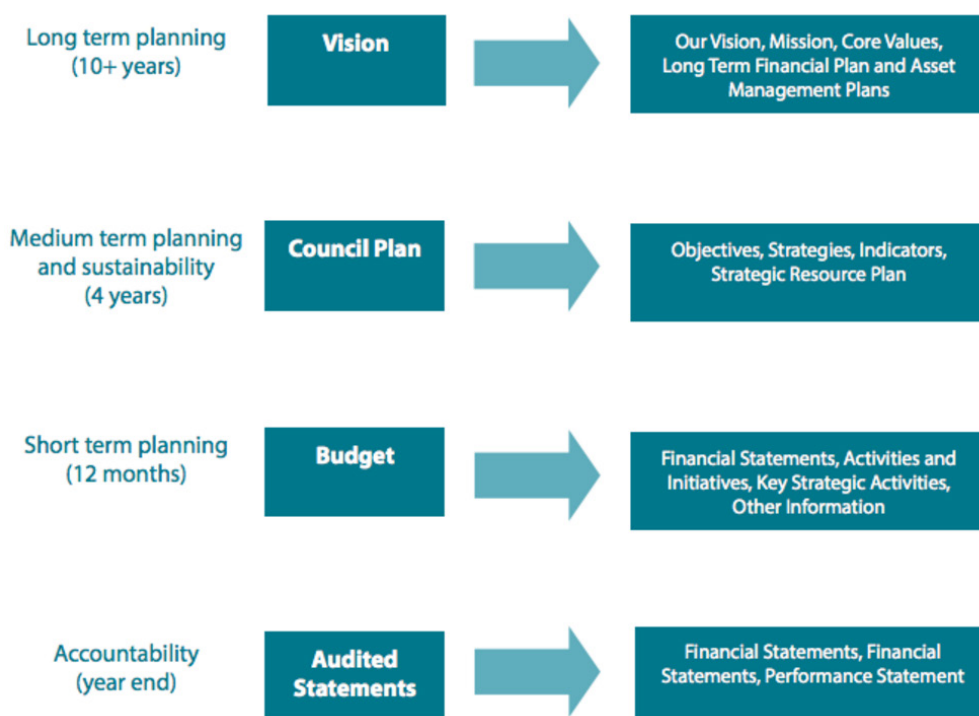
Under the Local Government Act 1989 (the Act), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy, as well as a range of other information required by the Local Government (Planning and Reporting) Regulations 2014 (Regulations') which support the Act. The 2017-2018 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being budgeted statements of Comprehensive Income, Cash Flows, Capital Works, Changes in Equity, Reserves, Human Resources and a Budgeted Balance Sheet. These statements have been prepared for the year ending 30 June 2018 in accordance with Accounting Standards and other mandatory professional reporting requirements. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

## COUNCIL PLAN LINKAGES

The Council's annual budget is linked directly to the implementation of the Council Plan. This is within an overall planning framework, guiding Council in identifying community needs and aspirations over the long term (Vision), medium term (Council Plan), and short term (Annual Budget) and then holding itself accountable (Audited Statements).

## STRATEGIC PLANNING FRAMEWORK

The Strategic Resource Plan, included in the Council Plan, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The annual budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the annual budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the strategic planning framework of Council.





# COUNCIL PLAN OVERVIEW

## 2017-2021

STRATEGIC OBJECTIVES	STRATEGIES FOR ACHIEVING OBJECTIVES
<b>ENHANCE LIFESTYLES AND COMMUNITY</b>	<ul style="list-style-type: none"> <li>Building community pride by engaging residents in our towns to participate in events and activities which will build a sense of pride.</li> <li>Creating happy, healthy and vibrant communities by providing opportunities and encouraging participation in healthy activities.</li> <li>Advocacy for increased education and training opportunities.</li> <li>Work with agencies to promote the benefits and value of recreational water.</li> </ul>
<b>BOOST ECONOMIC GROWTH</b>	<ul style="list-style-type: none"> <li>Increase new investment into the shire.</li> <li>Provide support to existing businesses to ensure long term sustainability.</li> <li>Workforce and investment attraction.</li> <li>Advocacy for regional development.</li> </ul>
<b>PROVIDING SUSTAINABLE INFRASTRUCTURE</b>	<ul style="list-style-type: none"> <li>Enhance the natural and built environment to improve lifestyles and visitation by ensuring capital works budget to be delivered within the timeframe.</li> <li>Advocating for better telecommunication for the region.</li> <li>Advocate for better transport links for the region.</li> <li>Advocacy for new and existing infrastructure.</li> </ul>
<b>IMPROVE ORGANISATIONAL EFFECTIVENESS</b>	<ul style="list-style-type: none"> <li>Streamline processes by reviewing internal processes to reduce red tape and increase efficiency.</li> <li>Public information and transparency by developing a plan for improved community engagement.</li> <li>Be more customer-focused by developing a plan to improve community interactions with council.</li> <li>Organisation viability by reviewing all services over three years.</li> </ul>

# WHAT WE'RE SPENDING

\$10.9 M ON CAPITAL WORKS, PARKS, RECREATIONAL AREAS, BUILDINGS AND DRAINAGE WORKS



\$9.0 M ON ROADS AND BRIDGES

\$2.9 M ON CHILDREN'S SERVICES, AGED CARE, RECREATION, LEISURE SERVICES AND LIBRARIES AND ECONOMIC GROWTH



\$1.8 M ON WASTE MANAGEMENT AND ENVIRONMENTAL OBJECTIVES



\$1.8 M ON MAINTENANCE AND IMPROVEMENT OF THE SHIRE'S PARKS, GARDENS AND OPEN SPACES



\$110K ON MAJOR PROJECTS LIKE THE STAWELL RESIDENTIAL LAND STRATEGY AND THE NEXT STAGE OF IMPLEMENTING THE HALLS GAP TOURISM RESORT TOWN MASTER PLAN

\$1.1 M ON MAJOR PLANT AND EQUIPMENT TO MAINTAIN OUR ROADS AND FOOTPATHS AND VEHICLES TO ENABLE STAFF TO PROVIDE SERVICES TO THE COMMUNITY





# BUDGET HIGHLIGHTS

## LIVE - IMPROVING OUR VIABILITY AND QUALITY OF LIVING

Council will balance a \$13.2 m capital works and project program with \$4.5 m for Council infrastructure maintenance and a \$2.9 m allocation for community and economic development services, for example, children's services, aged care, recreation, leisure and libraries.

## WORK - GETTING ON WITH THE JOB

Council is pleased to present a budget that invests in the future of its communities without shying away from the hard questions; what do we really need and how will it be paid for? The challenge for Local Government in the next few years is to ensure that services provided to the community can be matched to community expectations. The recent State Government policy on rate capping and variation and the Federal Government's freeze on Local Government funding have severely affected Northern Grampians Shire Council's capacity to meet the service demands of the shire. Council will continue to advocate for the interests of the local community in order to maintain services. However, despite ongoing cost-shifting by state and federal governments and the challenges that come with a small population versus a large geographical area, the critical work that Council is doing today will save money in the long run. The 2017/18 Budget is focused on delivering the new Council Plan. The \$34 million budget has a rates and charges revenue increase of 2.0% across the municipality. This is in line with the rate cap set by the State Government for 2017/18. This small increase makes it difficult for Council to deliver on key objectives and projects. Of the \$34 million budget for 2017/18, \$16,740,184 is proposed to be raised via rates and charges as follows:

General rate	\$8,659,331
Farm rate	\$4,297,884
Cultural & Recreational Land	\$13,618
Rates in Lieu	\$22,900
Municipal Charge	\$1,222,011
Annual Garbage Charge	\$1,605,400
Annual Recycling Charge	\$919,040
<b>TOTAL</b>	<b>\$16,740,184</b>

# BUDGET HIGHLIGHTS

## INVEST - INVESTING IN OUR FUTURE

Our major investment for 2017/18 is the continued support of the Nectar Farms project. In addition, Council has budgeted \$80,000 to continue with the implementation of the Halls Gap Tourism Resort Master Plan.

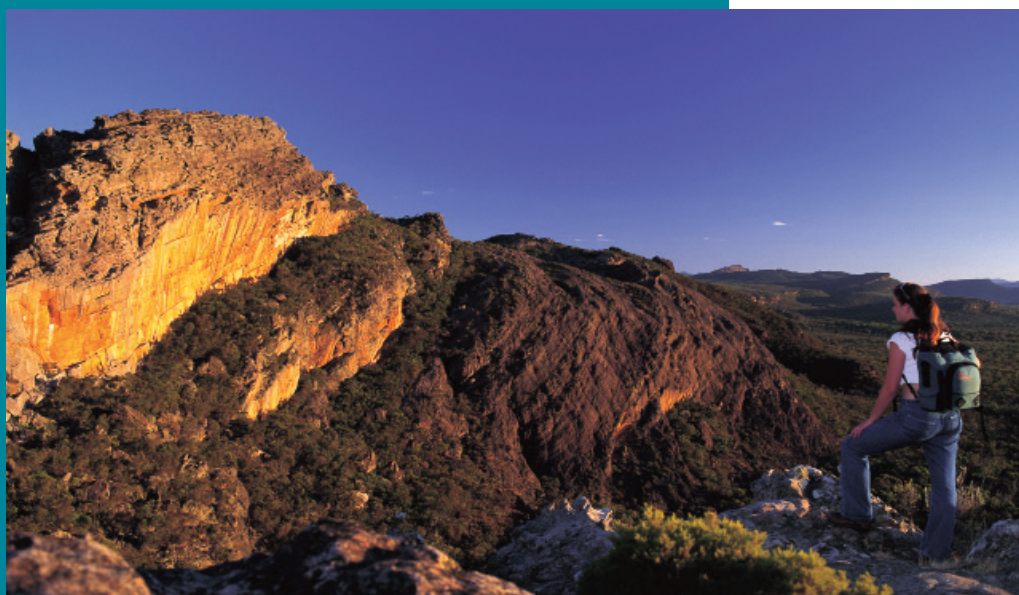


### NECTAR FARMS PROJECT

The Nectar Farms project will involve the construction of 10ha of high-tech crop-growing using leading-edge technologies, along with distribution process in partnership with the Costa Group, and is expected to generate up to 88 full and part-time local employment opportunities.

### HALLS GAP TOURISM RESORT MASTER PLAN

This three-stage project will bring together key stakeholders in order to develop increased pedestrian connectivity, analyse carparking demand and to create a vision for the future of the Halls Gap Village Centre. Stages two and three will focus on infrastructure and landscaping.



# BUDGET HIGHLIGHTS

**“COUNCIL IS COMMITTED TO MAKING NORTHERN GRAMPIANS SHIRE A GREAT PLACE TO VISIT.”**

**WITH ITS CONTINUED INVESTMENT IN THE HALLS GAP MASTER PLAN AND SUPPORT OF THE EASTER GIFT AND ST ARNAUD RODEO AND MANY OTHER EVENTS, COUNCIL IS ACTIVELY SHOWING ITS SUPPORT FOR PROJECTS AND EVENTS THAT KEEP OUR SHIRE A GREAT PLACE TO VISIT.**



# ECONOMIC GROWTH

Council delivers a range of projects and programs aimed at improving the community's economic well-being and quality of life. Council works in partnership with key stakeholders to facilitate and promote economic development in the shire through focused action and strong leadership. Council prides itself on a strong relationship with its business community. As part of its ongoing support, it provides strategic planning in response to environmental, market and economic changes. Council also works closely with business groups in Stawell, St Arnaud and Halls Gap to deliver a wide range of economic growth initiatives that support existing businesses and attract new investment and residents.

Implementation of strategic objectives includes:

- Raising the profile of the Northern Grampians Shire by marketing the municipality as a desirable place to live, work and invest.
- Fostering investment attraction.
- Attracting and supporting new residents.
- Providing support and assistance to business and tourism associations.
- Working with major employers to improve business sustainability and secure jobs.
- Research and implement targeted initiatives to drive sustainability and growth in key industry sectors.
- Working in partnership with planning and building to reduce red tape and encourage development.
- Work with Wimmera Development Association and other organisations to deliver regional projects to benefit the business community.

## INITIATIVES FOR 2017/18

- Business networking events.
- Jobs Expo.
- Hosting the Grampians Pyrenees Business Awards.
- Business workshops in Stawell and St Arnaud aimed at assisting businesses to build resilience and to grow.
- New resident kits and events to support the attraction and retention of a skilled workforce.
- Facilitating agriculture workshops and programs.
- Completion of Industry Sector Action Plans - an operational plan (action plan) that will see the implementation of key strategic objectives identified in the NGS Industry Sector Plans.
- Online business directory.
- New business profiling via local media.
- NGSC investment prospectus development.
- Investment in marketing and advertising opportunities.

# ECONOMIC GROWTH

- Contribution to Grampians Tourism Board and involvement in their marketing programs and digital strategies.
- Participation in regional economic development groups and forums.
- Business Assistance Scheme.
- Participation in trade shows and other new resident and/or investment attraction opportunities.



# PLANNING SERVICE

Council has a responsibility to plan for the use, development and protection of land within the shire according to the present and long-term interests of the community. The Northern Grampians Planning Scheme is a legal document that sets out the way land may be used or developed. It also regulates the permits granted under the planning scheme, settles disputes, enforces compliance with the planning laws, and deals with other related administrative procedures.

Council's Planning Services play a key role in giving effect to the strategic land use direction set out in the Council Plan and Municipal Strategic Statement. Planning Services ensure that land use and development is consistent with the Northern Grampians Planning Scheme and that the Scheme reflects Council strategic direction. Planning Services also contribute towards the strategic development of the municipality through monitoring existing and emerging land use issues for consideration by Council.

## INITIATIVES 2017/18

- Improve processes and systems to reduce the average number of days taken to decide a planning permit application.
- Develop community education and information programs that assist intending applicants complete development applications.
- Focus on strategic planning, future growth and development.
- Integrate and streamline Planning, Building and Environmental Health services application processes.



# INVESTMENT ATTRACTION

Council seeks to foster economic growth through the delivery of a number of investment attraction projects which aim to attract both public and private investment, and generate jobs. Council's Economic Growth team work with investors through regulatory processes, assist to source suitable land, buildings or facilities, provide potential investors with clear indications of Council's and the community's capacity to plan for and sustain new business opportunities and can provide financial assistance to secure investment in Northern Grampians Shire.

Council advocates for investment and support for projects from agencies such as Regional Development Victoria. Council is also a liaison between significant investors and other agencies to source funding which may be necessary to secure the investment.

A number of critical projects have been started and these projects will continue to be supported and monitored by Economic Growth staff.

## INITIATIVES FOR 2017/18

- Implement the Stawell Underground Physics Laboratory project.
- Support Nectar Farms to completion of the hydroponics development.
- Implement the Western Stawell Precinct Plan and Great Western Futures Plan.
- Implement the Halls Gap Master plan.

# AGED AND DISABILITY

Council's Aged and Disability services support members of the community who are frail, aged, or have a disability. The services are delivered through funding and service agreements with the Department of Health and Human Services (HACC Program for Younger People), Australian Government (My Aged Care), or under contract through other funded agencies. The Council continues to subsidise the service. The Council's HACC program provides services to more than 500 local residents, including (annually) approximately:

- 12,000 meals delivered
- 13,200 hours of domestic assistance including shopping support
- 3,500 hours of personal care
- 350 hours of home modifications/maintenance
- 1,350 hours of respite

The level of services that Council is able to provide is heavily dependent on government funding, and Council will continue to advocate for funding levels to keep pace with the costs of service provision and community needs.

Programs such as the Council's Senior Citizen clubs and Community Access Advisory Group enhance independence in the community, while annual events including seniors week activities and community concerts help to promote health and wellbeing.

## INITIATIVES FOR 2017/18

- Prepare and complete transition to NDIS for eligible clients.
- Long term strategic planning for the future delivery of home care services.
- Further reduction of rate subsidy.



# CHILDREN'S EDUCATION

The Early Childhood Preschool (Kindergarten) program, which is licensed by the Department of Education & Early Childhood Development, provides early childhood learning services to the children in St Arnaud (St Arnaud Children's Precinct) under the requirements of the Children's Services Act 1996 and Regulations. It provides early childhood learning services to children in St Arnaud and neighbouring towns.

A four year old kindergarten program providing for 15 hours of preschool per child over three days in 2017 during school terms operates out of the precinct, with 28 enrolments in 2017.

A three year old kindergarten program providing for three hours of social learning per child delivered over one day each week during school terms also operates at the precinct, with 14 enrolments for 2017.

## INITIATIVES FOR 2017/18

- Strategic and Financial Planning.
- Focus on integrated early years service provision.
- Strengthen partnerships with Parent Kinder Committee.
- Active community engagement.





# CHILDREN'S SERVICES

Council currently operates quality childcare services in St Arnaud which provide flexible options for families throughout the shire.

St Arnaud Children's Precinct provides up to 30 long day care places for children and also offers flexible occasional care and vacation care during school holidays. Council's childcare facilities house other children's services including Maternal and Child Health Nursing, immunisations, playgroup, kindergarten, visiting specialists and community information sessions. The two long day care rooms operate as 0 to 3 year old and 3 to 5 year old rooms with daily hours: 8am – 6pm from Monday – Friday, 50 weeks per year (Closed public holidays).

## INITIATIVES FOR 2017/18

- Enhanced community engagement.
- Strategic and Financial Planning.
- Early Years inclusion in the Municipal Public Health and Wellbeing Plan 2017-2021.



The Community Development team oversees the development and implementation of the Municipal Public Health and Wellbeing Plan (MPHWP) 2017-2021. The team works closely with community members and community groups to bring about local positive change, with particular focus on the priority areas of healthy eating and active living, and mental wellbeing. By building the capacity of individuals and organisations to deliver projects, community events and initiatives, our communities are empowered to bring vision to life.

The Community Development team provides the following support:

- Identifies grant opportunities, and assists in the application process
- Connects individuals and groups to achieve like goals
- Assists in project management
- Gives quality advice regarding good governance
- Inspires innovation and best practice in community initiatives
- Oversees the Youth Action Council, including implementing strategy actions.

The team administers and provides funding through a comprehensive community grants program including, youth, arts and culture, community events, and community projects.

## INITIATIVES FOR 2017/18

- Create an innovative community grants program.
- Develop a proactive community engagement model.
- Youth Action Council strategic directions.
- Lead the coordination of community development and health promotion activities.
- Develop local task forces to deliver MPHWP actions.

# ENVIRONMENTAL HEALTH

Environmental Health provides for community health and wellbeing. The environmental health team is responsible for the registration and inspection of 186 registered food premises, 33 registered accommodation businesses, 22 registered hairdresser/beauty/skin penetration premises and seven caravan parks within the municipality. In addition, Council works with other agencies to develop strategic plans for heat stress, infectious disease and public health issues.

Council has been providing a shared Environmental Health Service to the Ararat Rural City Council since July 2014.

## INITIATIVES 2017/18

- Develop community education and information programs that assist intending applicants complete development applications.





# MATERNAL AND CHILD HEALTH

Maternal and Child Health Nurses undertake comprehensive assessments to review your child's health, growth and development. Additionally, nurses discuss parental health and experience as a parent of a new baby or child. The service operates out of the childcare centres in Stawell and St Arnaud, all year round. Where required, the team will complete home visits and outreach.

As part of the program, Council provides:

- 10 key ages and stages consultations
- Outreach services for children
- Immunisation services
- First home visits to all mothers and babies on discharge from hospital
- First parent group classes
- Referrals to other agencies as required
- Informative and educational classes for parents
- Enhanced health program for Stawell residents (St Arnaud receive service via East Wimmera Health Service)

Staff also liaise with various organisations including hospitals, childcare centres and community groups to achieve the best possible outcomes for parents and their children.

## INITIATIVES FOR 2017/18

- Enhance the use of information technology to improve efficiency.
- Introduce a nurse team leader.
- Promote partnerships with local health services for strong clinical governance.
- Assist with the implementation of specific outcomes of the Municipal Public Health & Wellbeing Plan (MPHWP).

# LEISURE AND RECREATION SERVICES

The St Arnaud Swimming Pool and the Stawell Leisure Complex are utilised by our residents and visitors to the shire. The venues' wet programs include casual swims, water aerobics, swimming lessons and swimming clubs. The Stawell Leisure Complex also offers water slides, while diving boards are an attraction in St Arnaud. Dry indoor programs in Stawell include squash, basketball, soccer, badminton and racquetball. The Stawell Leisure Complex receives approximately 50,000 visitors per year. Both facilities are operated under the Lifesaving Victoria Guidelines, and significant improvements to the facilities and the operating plant have occurred over recent years.

Council's management of numerous recreation reserves (including Walkers Lake Reserve), in conjunction with sporting clubs and advisory groups, enables a broad range of participation in sport and passive recreation activities which contribute to the health and wellbeing of our residents.

## INITIATIVES FOR 2017/18

- Improved amenities and surrounds at the St Arnaud Swimming Pool and the Stawell Leisure Complex.
- Continued implementation of recommendations from Open Space, Sport & Recreation Strategy.
- Increase attendance and initiate new programs at the Stawell Leisure Complex.
- Continued involvement of Council's community recreation committees in the planning and management of reserves.
- Implementation of Walkers Lake Management Plan.
- Enhance community engagement to develop leisure programs and services that meet community needs.



# LIBRARIES

The shire's library services are provided as part of the Wimmera Regional Library Corporation (WRLC). Council contributes to the running costs of the library and is responsible for building construction and maintenance. Council's contribution to the WRLC is determined by the extent of service provided in each of the contributing shires. The Northern Grampians is home to two libraries, one in Stawell, and another in St Arnaud. In addition, a fortnightly mobile library service is provided to the Marnoo community and a 24-hour-a-day, seven-day-a week online branch offers digital services, including audio books. There are about 4,500 library members in the shire who borrow about 64,000 books, CDs and audio books each year.

## INITIATIVES FOR 2017/18

- Service review is to be conducted of the users of the library service and the broader community to determine if current levels of service meet the community expectations of resource allocations.



# LOCAL LAWS

Under the Local Government Act 1989, Council is empowered to provide peace, order and governance for the municipality. Local laws provide an opportunity for Council to create laws that take into account how the community wishes to live. Council develops local laws to help manage public activities and create a safer environment for residents. Areas of activity include:

- Domestic animal management.
- Public trading places.
- Control over waste and burning.
- Management of the use of public places.
- Promoting a safe environment to discourage activities including unsafe parking, wandering stock and graffiti.

## INITIATIVES FOR 2017/18

- Continual Improvement to the efficiency of the Local Laws processes and fee payment options.

# WASTE MANAGEMENT

Council's waste management service provides for kerbside collection and disposal of household garbage, household recyclables and some commercial requirements in the municipality. Included in the service is the collection and disposal of waste from litter bins located in streets within the shire's commercial precincts and various reserves throughout the municipality. The State Government has developed targets for the reduction of waste to landfill, and standards for the management and disposal of waste. The nine key waste services delivered by Council need to comply with these targets. Council has developed a strategic Waste Management Plan to improve health and environmental outcomes and equitable charging and access, reduce waste to landfill and improve efficiencies in the delivery of service. Through the waste program, Council works in partnership with adjoining municipalities to support community education and initiatives for waste management.

## INITIATIVES FOR 2017/18

- Continue to implement the Waste Management Strategy.
- Construction of the St Arnaud Transfer Station



# ROADS, BRIDGES, PATHS AND DRAINAGE

This service provides for maintenance on Council's infrastructure, incorporating roads, bridges, footpaths, drainage, kerb and channel, street furniture and signage. The service is aimed at providing the community with safe road, drainage and footpath networks which meet community expectations. Throughout the municipality, Council manages 3,350 kilometres of road network, 600 bridges and major culverts, 104 kilometres of footpaths, 140 kilometres of kerb and channel, 20,000 square metres of car park and a vast urban drainage network.

## INITIATIVES FOR 2017/18

- Upgrade part of Churchill Crossing Road, Black Range.
- Upgrade unsafe intersections at Sunraysia Hwy and Woolpack Road, St Arnaud and Stawell Avoca Road and Wimmera Downs Road, Greens Creek.
- Upgrade works on 13 of Council's bridges and major culverts. These works include upgrading of guardrail and repairing bridge defects which will increase road safety and the life of bridges and culverts across the road network.



# PARKS AND GARDENS

Council is committed to providing quality parks, garden areas and recreational ovals for Northern Grampians Shire residents and visitors. The program aims to deliver an accessible and connected network of public open spaces, maximising community benefit. The program ensures effective and sustainable management practices are implemented and infrastructure is matched to community needs. Within the municipality there are several types of open space that are used by residents and visitors for both active and passive recreational activities. These include:

- 8 recreation ovals
- 23 neighbourhood parks
- 34 traffic islands and roundabouts comprising 11,677m<sup>2</sup> of garden beds
- 86 back lanes are maintained throughout the shire
- 16 landscaped areas and community facilities which comprise 5,716m<sup>2</sup> of garden beds
- 19 playgrounds with 166 items of equipment
- Maintaining lawn cemeteries in Stawell and St Arnaud
- 1,013 park furniture items
- 18 stormwater harvesting facilities
- 244,685m<sup>2</sup> of urban town slashing areas
- 6 rural towns comprising 138,841m<sup>2</sup> of slashing areas

Expanding street tree planting program in Stawell and St Arnaud.

Providing additional support to Navarre, Great Western and Marnoo to assist in the maintenance of their reserves.

## INITIATIVES FOR 2017/18

- Review the services standards for the ovals.



# FACILITIES AND PUBLIC AMENITIES

Facilities across the shire are available for use by community groups under a booking system. Functions held in Council buildings include debutante balls, school concerts, performing arts concerts and private celebrations. Council provides access to public toilets in spaces such as the shire's central business districts, parks, gardens, major attractions and reserves. It also coordinates the ongoing repair and maintenance associated with running the public amenities and building assets.

It is Council's responsibility to provide adequate street lighting in urban areas, including Stawell, St Arnaud, Great Western, Halls Gap, Stuart Mill, Marnoo, Glenorchy and Navarre.

## INITIATIVES 2017/18

- Rationalisation and upgrade of public amenities, in particular the facilities available at North Park, Stawell.
- Ongoing installation of LED lighting in Council facilities.



# OTHER WORKS AND PRIVATE WORKS

Council currently manages both the Stawell and St Arnaud aerodromes, emergency water tanks, bores, standpipes, fire hydrants, strategic fire breaks and other minor facilities to provide better service to the community. The aerodromes are used by several emergency services to provide effective responses to emergencies including fires. There are three standpipes and 16 bores throughout the shire. The standpipes are for fire and Council use only. The bore services are provided free of charge to farming communities for fire prevention, road maintenance, stock water supplies and for non potable domestic supplies. There are also 18 emergency water tanks throughout the shire that provide water for fire control use and Council roadworks.

Council occasionally undertakes private works to generate additional income to optimise heavy plant resources. This income is generally not significant and not sought after by Council staff.

## INITIATIVES FOR 2017/18

- Investigate economic opportunities to capitalise on recent major upgrades to the Stawell Aerodrome.
- Investigate funding opportunities for a future Stage 5 project at the Stawell Aerodrome to implement further parts of the Master plan and to complement the four new aircraft hangars to be built.

## CEMETERIES

Northern Grampians Shire Council is the trustee for the St Arnaud and Stawell (Pleasant Creek) cemeteries. Council maintains the cemetery grounds and infrastructure at the sites, sets the fees and charges to be gazetted as required by the Department of Health and pre-digs the graves. Council staff are responsible for maintaining records of burials at the cemeteries.

## INITIATIVES FOR 2017/18

- Investigate the transition of cemetery management to a community trust for the Stawell cemetery.
- Establish a community trust for St Arnaud cemetery.
- Improve functionality of the site in the form of directional and informational signage for St Arnaud cemetery.



# EMERGENCY PLANNING

Emergency events will be inevitable and Council needs to build resilient communities. Under the Municipal Emergency Management Act, Council has statutory requirements to prepare and maintain a Municipal Emergency Management Plan (MEMP). The MEMP contains sub-plans that relate to specific emergency events, including fire, flood, pandemic and heatwaves. Under the Country Fire Act, Council is also required to appoint a Municipal Fire Prevention Officer and prepare and implement a Municipal Fire Management Plan.

## INITIATIVES FOR 2017/18

- Ensure that there are high levels of preparedness and compliance with emergency management and State Legislature requirements.
- Simplify Council fire inspection processes and procedures.



# BUILDING SERVICES

Council's building team ensures the safety, livability and sustainability of the shire's buildings by providing vision, advice and leadership to the local building industry. The team oversees building legislation, regulates building practices, advises applicants and provides services to consumers. The building control services provided by Council assist in protecting the community from major risks to life and property and contribute to the sustainability of the shire's built environment.

## INITIATIVES FOR 2017/18

- Develop community education and information programs that assist intending applicants complete development applications.
- Integrate and streamline Planning, Building and Environmental Health services application processes.



# SUSTAINABLE LIVING

Council adopted its Sustainable Living Strategy in 2011. The strategy identifies actions to improve the financial, social and environmental sustainability of the municipality. Council works in partnership with other agencies, community groups and organisations to implement actions in the strategy.

## INITIATIVES FOR 2017/18

- Ongoing energy efficiency improvements in public buildings.

# SHARED SERVICES

Shared services are the provision of all or part of the service by one Council to another. Northern Grampians Shire Council currently provides environmental health services to Ararat Rural City Council and engineering design services to Hindmarsh Shire Council and Pyrenees Shire Council. Service levels are determined by negotiation with the participating Council via a memorandum of understanding which details the obligations of both parties. As the services are designed to be cost neutral the services are provided at cost and do not generate either subsidy or a profit.

## INITIATIVES FOR 2017/18

- Council continues to look for opportunities to benefit from working collaboratively in our region.

# COUNCILLOR SERVICES

A high level of administrative and civic support is provided to the Mayor and Councillors. Services include diary coordination and travel arrangements, provision of support documents, research, protocols and presentations, civic events and ceremonies and coordination of Councillor communications and professional development.

## INITIATIVES 2017/18

- Continued roll out by the Mayor and Councillors of the 3, 16, 81 program to push for an appropriate balance of taxation between the three tiers of government and to get a bigger share of the taxation dollar to help deliver vital projects. Added to this argument is moving some of the wealth from city councils to rural councils.





The organisational structure for Northern Grampians is based on a three directorate model. Within that model each directorate is led and managed by a director and supported by department managers. The three directors work in Infrastructure and Environment, Economic and Community Development, and Corporate Services. There are eight department managers covering the areas of Infrastructure, Environment and Community Safety, Economic Growth, Community Strengthening, Governance and Civic Support, Financial Services, Business Transformation and Human Resources. These management positions are responsible for direct service provision and the management of more than 200 individuals, or about 160 full time equivalent employees who deliver services to our community.

## INITIATIVES FOR 2017/18

- Providing a consistent focus on customer service.
- Continue service reviews to ensure efficiency and effectiveness and appropriate level of service is provided to the residents and ratepayers.
- Advocate for a better funding deal for rural councils to enable the provision of key services and infrastructure to the community.



# ECONOMIC GROWTH ADMINISTRATION

Economic Growth Administration service ensures professional development and capacity building for Council's economic development and planning staff. Rural and regional economic development and land use planning skills and knowledge are maintained and enhanced by the service. This professional development supports staff in maintaining and building the skills necessary to develop and grow the projects, programs and services Council offers existing and potential businesses.

## INITIATIVES FOR 2017/18

- Economic Growth staff will be provided with professional development opportunities in Planning services in order to strengthen Council's capacity to assist new businesses through the planning process.

# INFRASTRUCTURE AND ASSET ADMINISTRATION

Council maintains roads, bridges, buildings, footpaths, kerb and channel and recreational facilities. These assets are critical to providing various services to the community. Council is committed to managing its buildings and assets and currently maintains 170 buildings across the shire. The infrastructure team is responsible for infrastructure management, traffic management, project management and engineering design. The department also covers development approvals including engineering plan approvals and subdivision construction supervision, Road Management Act compliance including asset inspections, liaison with VicRoads and other authorities, and a wide range of customer enquiries relating to the management of Council infrastructure. This service provides strategic advice, policy development, planning and direction for the implementation of Council's ongoing total life cycle asset management program including heavy plant management.

## INITIATIVES FOR 2017/18

- Carry out shared design services to other neighbouring councils.
- Implement new strategic maintenance planning software as a part of the asset management system, to better manage the large number of Council assets and maintenance requirements.



# BUILDING MAINTENANCE

Council maintains 170 buildings and structures across the shire. This includes office buildings, major monuments, leisure centres, sporting structures, grandstands, visitor information centres and historical buildings.

Depending on the community significance or utilisation of the building or structure, council varies the level of service provided. Historical buildings have a higher maintenance cost to maintain, due to their age or historical limitations.

## INITIATIVES FOR 2017/18

- Finalise a list of buildings that are no longer required by the community and investigate the possible disposal of these buildings.





# COUNCIL FACILITIES SUPPORT

Council facilities support is responsible for the administration of leases, licences and agreements for about 50 Northern Grampians Shire Council owned and controlled land, buildings and facilities.

Staff undertake property inspections and ensures appropriate records are kept to ensure compliance with the tenancy agreement, terms, essential services, insurance and maintenance requirements.

## INITIATIVES FOR 2017/18

- Prepare new lease, licence and management agreements where long term use arrangements of facilities have not been formalised.

## RECORDS ADMINISTRATION

Records administration captures and manages records of Council which are a major component of the organisation's corporate memory. Records are a vital asset that support ongoing operations and provide valuable evidence of business activities over time. This service is regulated by the Public Records Act 1973 and privacy and freedom of information legislation.

The service includes Council's participation in the MAV STEP Enterprise Content Management Program which is aimed at ensuring best practice in records management.

## INITIATIVES FOR 2017/18

- Plan and implement a compliant transfer program to ensure that hard copy Council Minutes from five Councils are identified and transferred to Public Records Office Victoria.

# GOVERNANCE ADMINISTRATION

Governance is about leadership, accountability, transparency and legislative compliance and the organisation relies on Governance administration for support, advice and assistance with the day to day activities of council and decision making. Governance establishes robust systems that ensures legislative and regulatory compliance and maintains responsive services and processes to help further good governance.

Services include meeting procedures, advocacy policies and practices, service quality protocols, councillor and officer conduct, delegations, insurances, information management and council elections.

## INITIATIVES FOR 2017/18

- Completion of post general election tasks to achieve legislative compliance.
- Meeting Procedure Local Law review and adoption.

## INSURANCE COSTS

Councils need to have insurance policies which adequately cover their risks and exposures. Insurances associated with Council's services across the shire include Professional Indemnity, Public Liability, Workcover, Motor Vehicle, Hangarkeepers Liability, Personal Accident, Corporate Travel and Commercial Crime. Council also has Public Liability insurance for various casual hirers of Council owned or controlled facilities; performers, stallholders, buskers and artists for their various activities whilst participating in Council events or programs and local traders for placement of advertising boards and other merchandise on footpaths or Council property under a Council permit. A Risk Committee meets regularly to monitor and plan for risk mitigation and reports to the Executive and Audit Committees on extreme and high level risks.

# CUSTOMER SUPPORT SERVICES

Customer support staff provide a principal point of contact between Council and the community in both Stawell and St Arnaud. Open between 8.30am and 4.45pm (Stawell) and 10.00am and 4.00pm (St Arnaud), five days a week, services provided from the centres include telephone, over the counter and online enquiries, receipting and VicRoads services.

## INITIATIVES FOR 2017/18

- Continued roll out of online forms to facilitate a seamless customer experience.
- Review of the hours and operations of customer support services at Stawell.
- Provide better customer experience through accurate data entry, improved process and practicing active listening and sound communication techniques.



# FINANCIAL SERVICES

Council is required to meet its reporting and accountability requirements throughout the year. The team is always working towards long term sustainability for the Council and improving the processes that are required.

Council has an Audit Committee that monitors the Council's performance, risk management, financial and governance responsibilities and provides assurance to the Council. This committee is made up of Councillors and independent members.

The financial services team provides services directly to the community through paying suppliers, providing property and rating information, issuing rates notices and raising invoices so clients can pay for services. e.g. aged and disability services. Rates create more than 54% of the Council's total revenue.

## INITIATIVES FOR 2017/18

- Increase electronic rates and animal renewal notice take up. This saves money for Council in postage costs which means the savings can be spent on providing services to the community.
- Introduce regular resident community surveys to enable an increased focus on community satisfaction.



Information and communication technology (ICT) is increasingly becoming an integral part of service delivery and is changing at a rapid pace with new solutions offering opportunities to improve operational efficiency.

Council is committed to reviewing what and how it provides services to the community. To enable this, the Business Transformation team works with staff across the organisation to improve processes and the use of both new and available technology to increase efficiency and enhance customer service and user experience.

There are growing community expectations that services will move to be available online, however Business transformation is not just about technology but also the redesign of services. This involves multi-disciplinary teams working together to transform the experience for users to deliver change that makes a genuine difference.

## INITIATIVES FOR 2017/18

- Improve online transactions including making forms available in true digital formats.
- Review Planning services with a focus on customer experience.
- Undertake a major review of website content to improve the customer online experience.

# HUMAN RESOURCES

Human resources department (HR) provides human resources services to the organisation including occupational health and safety, payroll services, recruitment, organisational culture, performance management, training and development, workforce planning and industrial relations.

HR ensures the organisation operates efficiently and employees have a safe work environment. HR supports organisational changes to improve employee satisfaction and thereby reducing the costs associated with employee turnover. HR protects the organisation by working with employees to improve processes, ensure they are appropriately qualified and trained in the work they undertake, identifying work issues, and working to resolve them.

## INITIATIVES FOR 2017/18

- The Human Resources department will work closely with the Business Transformation department to identify and facilitate the implementation of efficiencies through streamlining processes and the use of technology across the organisation. The business unit will seek opportunities to provide human resources services to regional shires.

# DEPOT OPERATIONS

Council's outdoor staff currently work out of two depots located in Stawell and St Arnaud. The two depots enable staff to effectively cross the shire assets and deliver the programs. Allowances cater for staff, including staff training and personal protective equipment.

Allowances need to be made to cater for general operating costs including water supplies, fuel, land licences, minor equipment maintenance and any facility maintenance.

## INITIATIVES FOR 2017/18

- Implement a dedicated tree maintenance team to reduce operating costs in the elevated platform vegetation clearing program.
- Implement strategic maintenance planning software that recognises scheduled work to the individual assets.

# FLEET OPERATIONS

The majority of the many services provided by council require vehicles. In total there are 40 vehicles which are used to deliver services such as maintenance of our parks and gardens, providing aged and disability services, maternal and child health, immunisations, local law enforcement, road maintenance, building maintenance, emergency management and recovery and business development.

## INITIATIVES FOR 2017/18

- Maximise available efficiencies in the running costs of our vehicles.
- Undertake a review of current fleet booking systems.
- Review vehicle types and monitor the benefits of including hybrid vehicles in the fleet.



# BUDGET DETAILS

# 2017/18



  
NORTHERN  
**Grampians**  
SHIRE COUNCIL

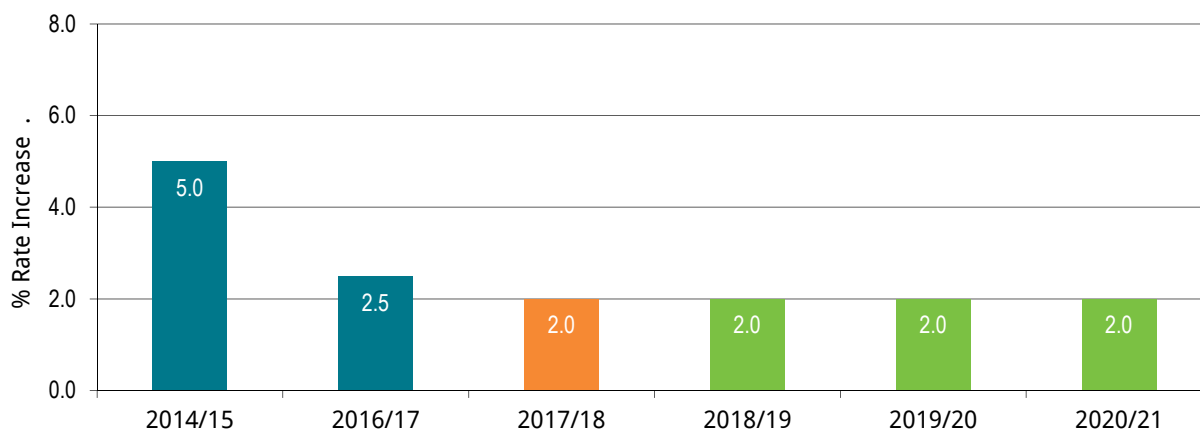


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## Budget Summary

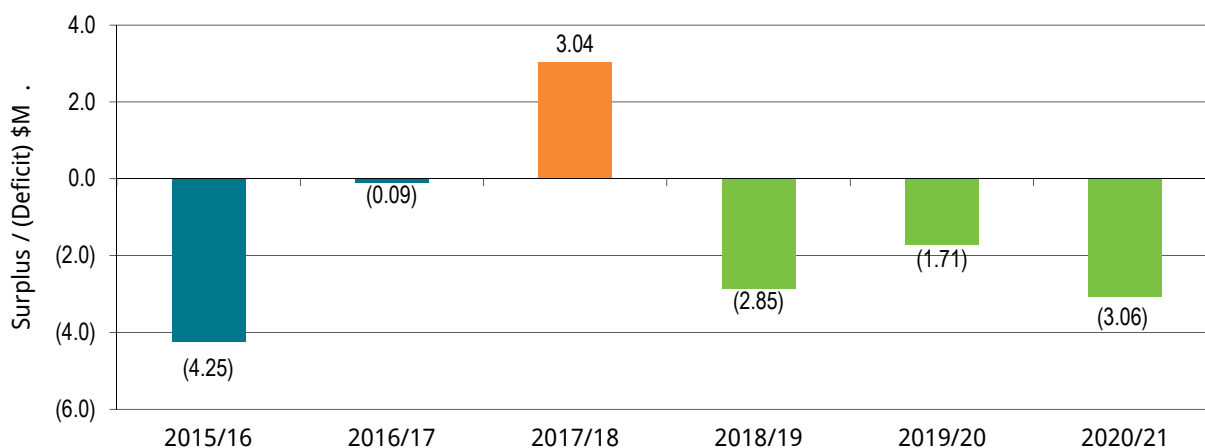
Council has prepared a budget for the 2017/18 financial year which seeks to balance the community demand for services, the requirement for infrastructure and the limited funds available. Key budget information is provided below about the rate increase, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

### 1. Rates



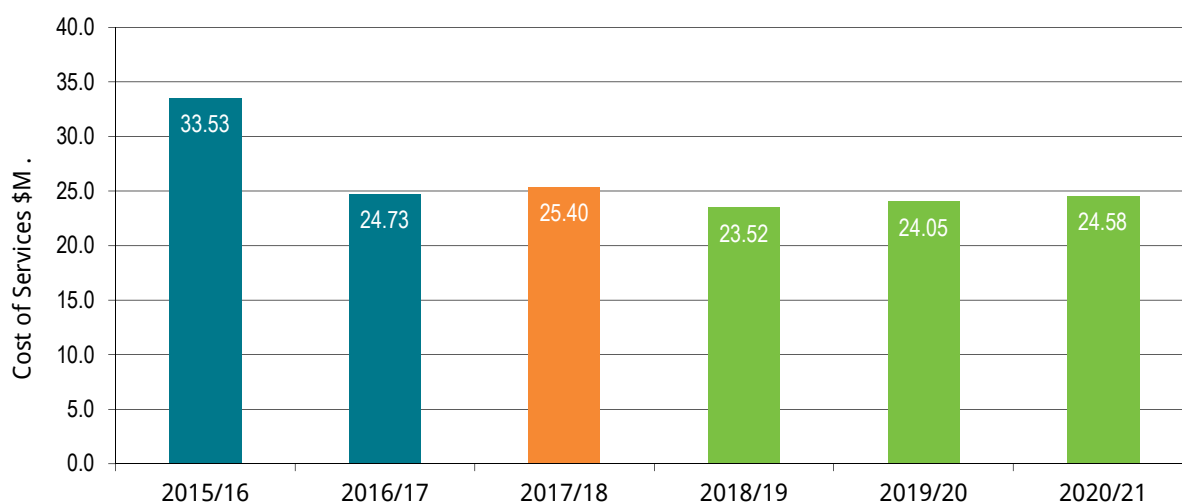
It is proposed that rates increase by 2% for the 2017/18 year, raising total rates of \$14.2 million. (The rate increase for the 2016/17 year was 2.5%).

### 2. Operating Result



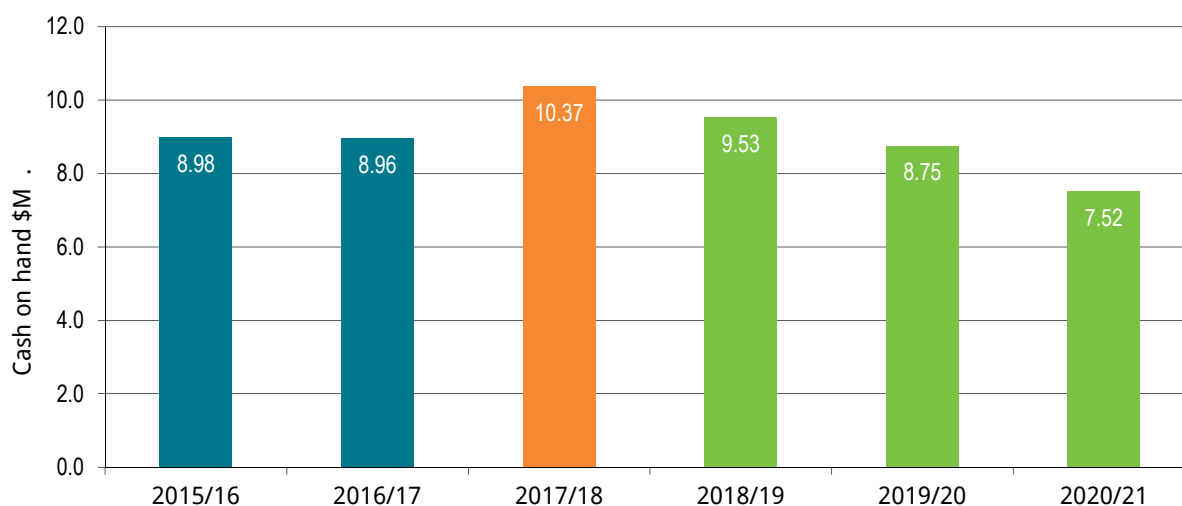
The expected operating result for the 2017/18 year is a surplus of \$3.0 million, which is an improvement of \$3.1 million over 2016/17. The improved operating result compared to 2016/17 is due to the receipt of \$3.9 million in grant funding for restoration of flood damaged infrastructure. The future years plan shows that Council continues to struggle to be sustainable, with operating results indicating that Council is unable to renew its assets at the required rate with the current level of funding. The projected results exist despite service level reviews and service rationalisation undertaken to date and this work will continue with the aim of achieving sustainability in the future.

### 3. Services



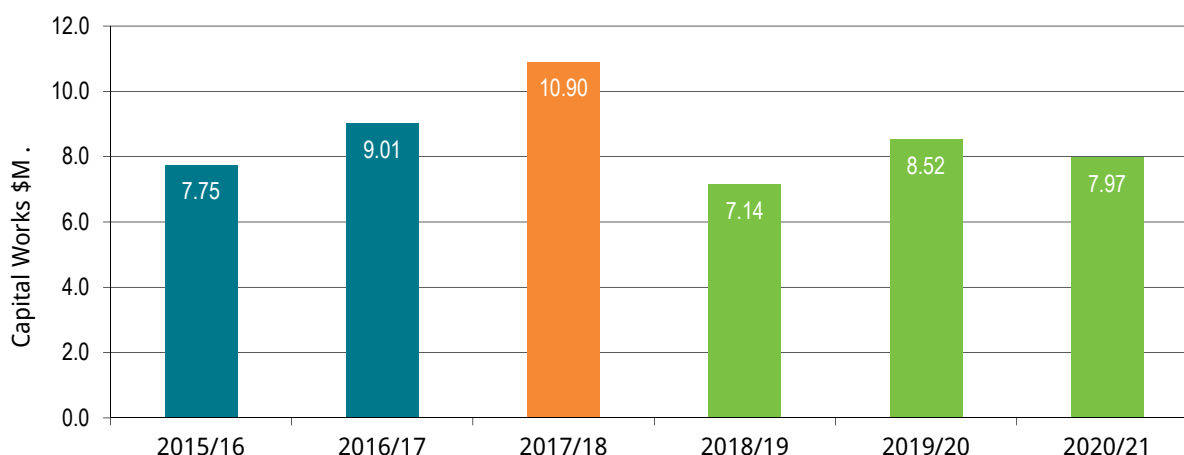
The cost of services delivered to the community for the 2017/18 year is expected to be \$25.4 million which is an increase of \$0.7 million over 2016/17. Service levels will continue to be reviewed during 2017/18 and future years. (The forecast cost for the 2016/17 year is \$24.73 million).

### 4. Cash and Investments



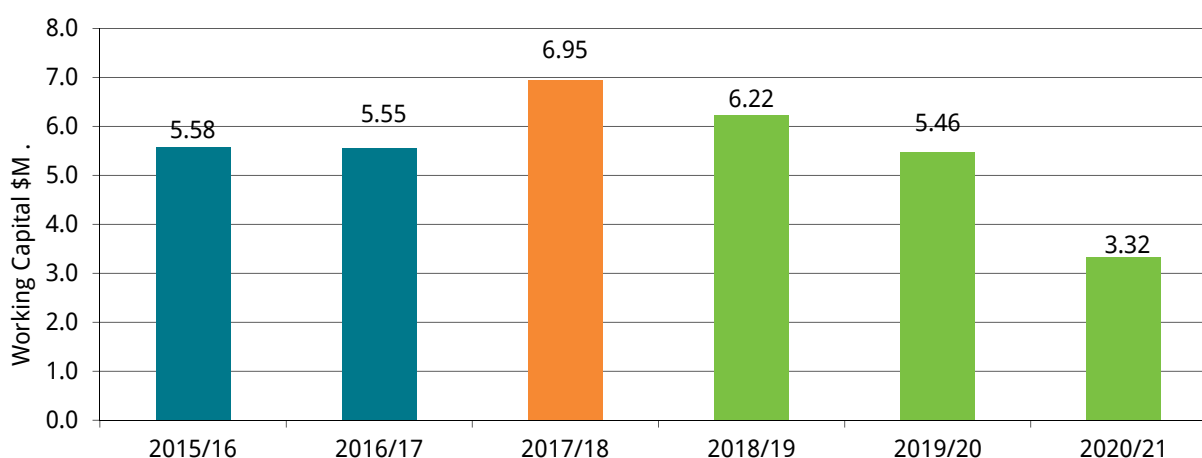
Cash and investments are expected to increase by \$1.41 million during the year to \$10.37 million as at 30 June, 2018. This increase is mainly the result of Council being approved to receive \$1.0 million in additional funding from the State government for Roads to Market project. Additionally Council has increased its cash reserve holdings by \$0.3 million to meet future loan repayment commitments.

## 5. Capital Works



The capital works program for the 2017/18 year is expected to be \$10.9 million. The capital expenditure program has been set and prioritised based on a process of consultation that has enabled Council to assess needs and develop sound business cases for each project. In addition to spending \$4.6 million on the renewal of Community assets and essential infrastructure the 2017/18 capital works program includes \$2.4 million for the upgrade of existing infrastructure assets as well as \$3.9 million for flood restoration works.

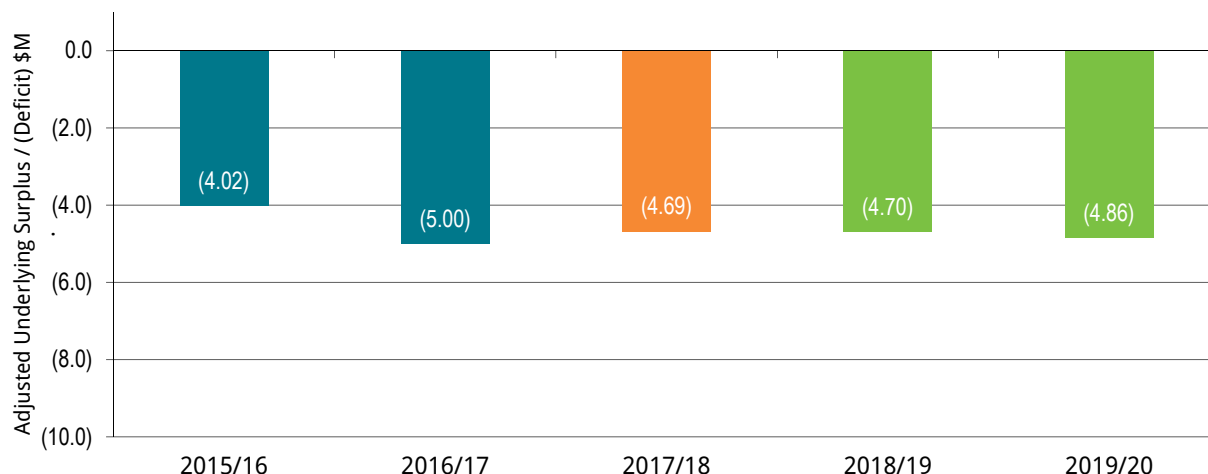
## 6. Financial Position



Net assets are expected to increase by \$3.0 million to \$415.6 million, with net current assets (working capital) increasing by \$1.4 million as at June 2017. This is tied to the cash on hand expected at 30 June 2017 as explained above. (Total equity is forecast to be \$412.6 million as at 30 June, 2016).

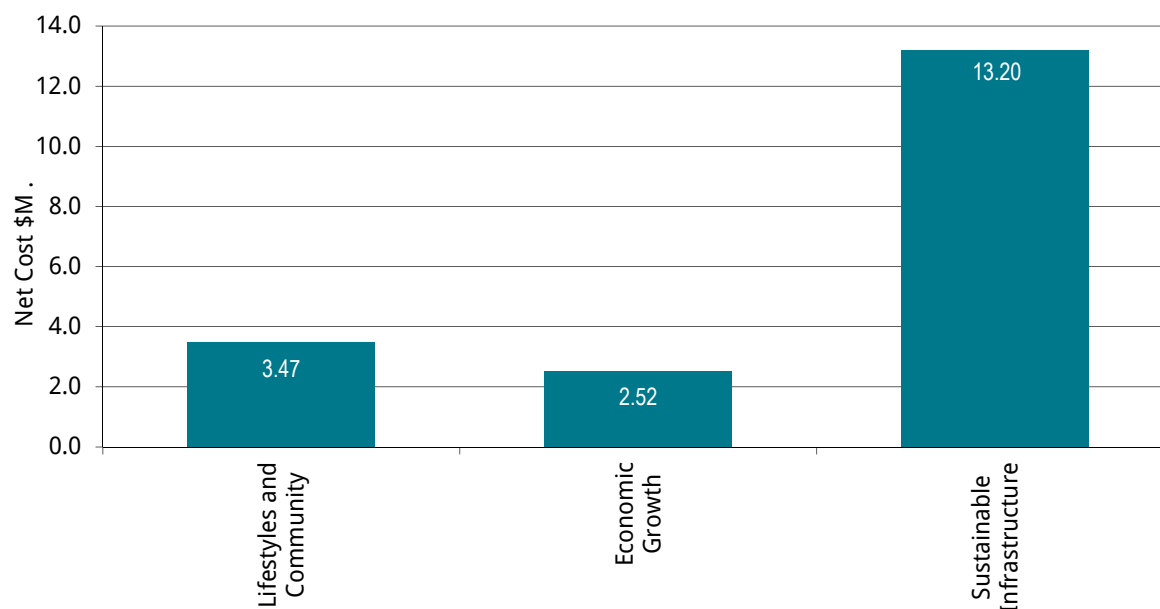


## 7. Financial Sustainability



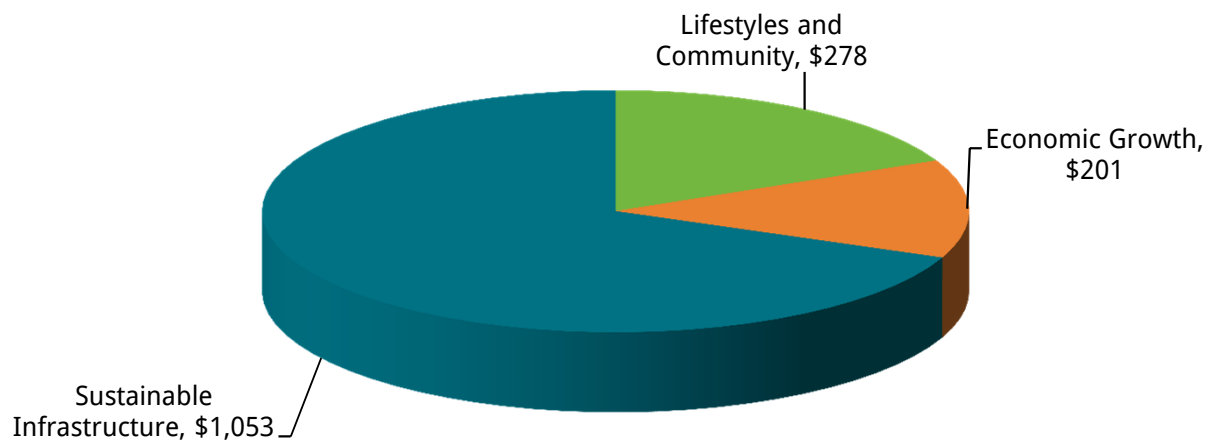
A high level Strategic Resource Plan for the years 2017/18 to 2020/21 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The Plan projects that the underlying result, which is a measure of financial sustainability, shows a steady deficit over the four year period. The deficit includes depreciation which indicates that Council is unable to renew its assets with the existing levels of funding.

## 8. Strategic Objectives



The Annual Budget includes a range of activities and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan 2017-2021. The above graph shows the net level of funding allocated to services in the budget to achieve the strategic objectives as set out in the Council Plan for the 2017/18 year.

## 9. Where rates are spent



The above chart provides an indication of how Council allocates its rates expenditure across the strategies contained within the Council Plan. It shows how much is allocated to each strategy based on the capped average rate per assessment of \$1,531.

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

## 1. Analysis of Operating Budget

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

### 1.1 Budgeted Income Statement

	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Total Income	1.2	33,756	37,521	3,765
Total Expenses	1.3	(33,846)	(34,478)	(632)
<b>Surplus (Deficit) for the Year</b>		<b>(90)</b>	<b>3,043</b>	<b>3,133</b>
Grants – Non-recurrent Capital	1.2.5	(3,847)	(3,828)	19
Grants - Emergency Operations - Capital	1.2	(1,172)	(3,900)	(2,728)
<b>Adjusted Underlying Surplus (Deficit)</b>	<b>1.1.1</b>	<b>(5,109)</b>	<b>(4,685)</b>	<b>424</b>

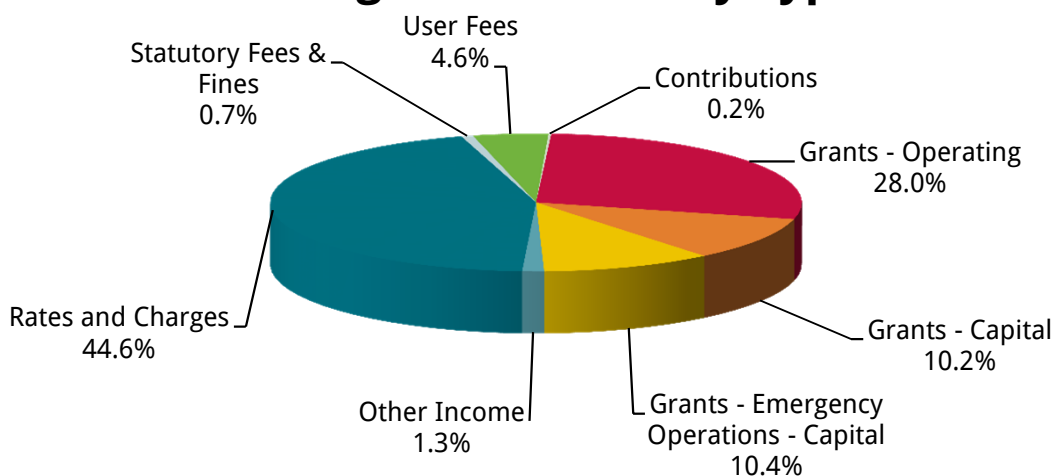
#### 1.1.1 Adjusted Underlying Deficit (\$0.42 million decrease)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants. It is a measure of financial sustainability as it is not impacted by capital income items which mask the operating result. The adjusted underlying result measures Council's capacity to meet its asset renewal needs. The budgeted adjusted underlying result for the 2017/18 year is a deficit of \$4.69 million which is a decrease of \$0.42 million over the 2016/17 year.

### 1.2 Income

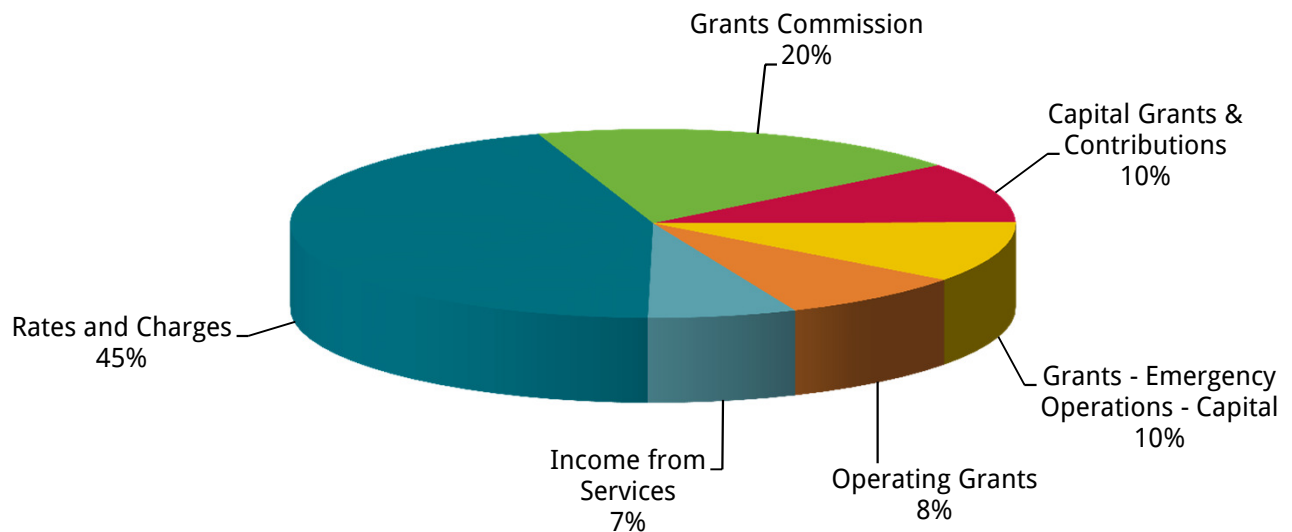
Income Types	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Rates and Charges	1.2.1	16,370	16,741	371
Statutory Fees & Fines	1.2.2	253	269	16
User Fees	1.2.3	1,764	1,720	(44)
Contributions		329	64	(265)
Grants - Operating	1.2.4	9,500	10,503	1,003
Grants - Capital	1.2.5	3,847	3,828	(19)
Grants - Emergency Operations - Capital	1.2.6	1,172	3,900	2,728
Other Income		521	496	(25)
<b>Total Income</b>		<b>33,756</b>	<b>37,521</b>	<b>3,765</b>

### Budget % Income by Type



## 1.2 Income (continued)

### Budget % Income by Service/Source



#### 1.2.1 Rates and Charges (\$0.37 million increase)

It is proposed that rates and charges income be increased by \$0.37 million over 2016/17 to \$16.7 million. The *Rating Strategy* includes a more detailed analysis of the rates and charges to be levied for 2017/18.

#### 1.2.2 Statutory Fees & Fines (\$0.02 million increase)

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

#### 1.2.3 User Fees (\$0.05 million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include the use of leisure, entertainment and other community facilities and the provision of human services such as home help services. In setting the budget, Council is trying to move to a greater user pays system therefore taking the subsidy off the ratepayers.



## 1.2 Income (continued)

### 1.2.4 Grants - Operating (\$1.0 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services. The \$1.0 million increase is due to expected funding for the Stawell Underground Physics Lab.

Grants - operating	Forecast Actual 2016/17	Budget 2017/18	Variance
	\$'000	\$'000	\$'000
<b><i>Recurrent</i></b>			
Commonwealth Government	7,255	7,351	96
State Government	908	692	(216)
<b>Total Recurrent Grants</b>	<b>8,163</b>	<b>8,043</b>	<b>(120)</b>
<b><i>Non-recurrent</i></b>			
Commonwealth Government	1,035	2,420	1,385
State Government	162	40	(122)
Other	140	-	(140)
<b>Total Non-recurrent Grants</b>	<b>1,337</b>	<b>2,460</b>	<b>1,123</b>
<b>Total Grants - Operating</b>	<b>9,500</b>	<b>10,503</b>	<b>1,003</b>

## 1.2 Income (continued)

### 1.2.5 Grants - Capital (\$0.02 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has increased by \$2.71 million compared to 2016/17. The focus of the capital budget is renewal of existing infrastructure using funding from other levels of government. The *Analysis of Capital Budget* section includes a more detailed analysis of the grants and contributions expected to be received during the 2017/18 year.

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<b>Grants - capital</b>			
<b><i>Recurrent - Commonwealth Government</i></b>			
Roads to Recovery	3,716	2,780	(936)
<b>Total Recurrent Grants</b>	<b>3,716</b>	<b>2,780</b>	<b>(936)</b>
<b><i>Non-recurrent State Government</i></b>			
Roads to Market	-	1,048	1,048
<b><i>Non-recurrent Other</i></b>			
Other Grants	131	-	(131)
<b>Total Non-recurrent Grants</b>	<b>131</b>	<b>1,048</b>	<b>917</b>
<b>Total Grants - Capital</b>	<b>3,847</b>	<b>3,828</b>	<b>(19)</b>

### 1.2.6 Grants -Emergency Operations - Capital (\$2.73 million increase)

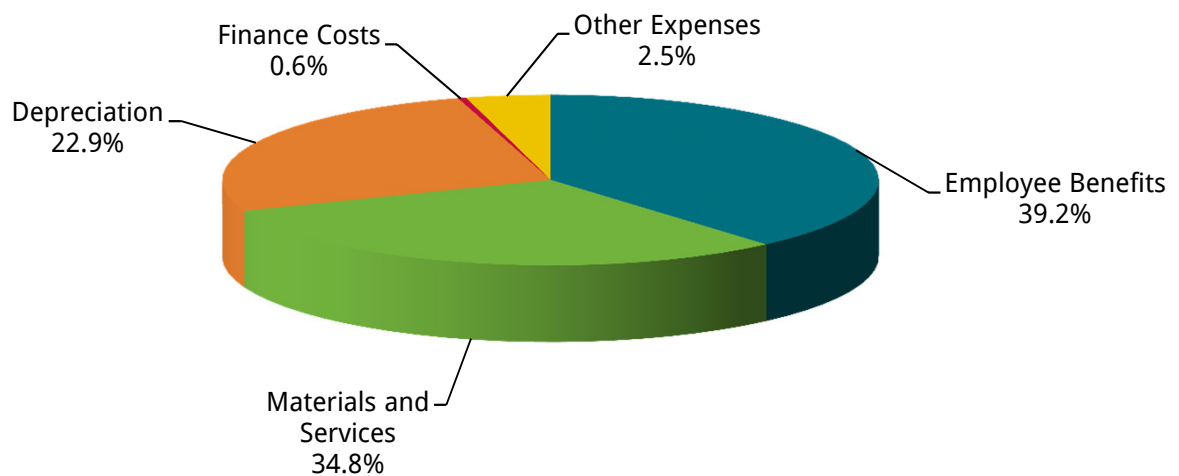
Emergency Capital grants includes federal grant funding for infrastructure restoration activities relating to the 2016 Flood event. The *Analysis of Capital Budget* section includes a more detailed analysis of the grants and contributions expected to be received during the 2017/18 year.

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<b>Grants - Emergency Operations - Capital</b>			
<b><i>Non-recurrent - Commonwealth Government</i></b>			
Emergency Flood Restoration Works	1,172	3,900	2,728
<b>Total Non-recurrent Grants</b>	<b>1,172</b>	<b>3,900</b>	<b>2,728</b>
<b>Total Grants - Capital</b>	<b>1,172</b>	<b>3,900</b>	<b>2,728</b>

### 1.3 Expenses

Expense Types	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Employee Benefits	1.3.1	12,471	13,314	843
Materials and Services	1.3.2	10,467	10,506	39
Depreciation	1.3.3	9,108	9,082	(26)
Finance Costs	1.3.4	179	138	(41)
Other Expenses		1,613	1,438	(175)
<b>Total Expenses</b>		<b>33,838</b>	<b>34,478</b>	<b>640</b>

### Budget % Expenditure by Type



### 1.3 Expenses (continued)

#### 1.3.1 Employee Benefits (\$0.8 million increase)

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

Employee costs are expected to increase by \$0.8 million compared to 2016/17 forecast. Council's 2016/17 budgeted employee costs was \$12.6 million, this was forecasted down \$0.15 million during the 2016/17 financial year because of the large number of vacancies over the Christmas period. The application of such a forecast variation is a yearly occurrence due to standard staff turnover.

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

Department	Comprises		
	Budget 2017/18 \$'000	Permanent Full time \$'000	Permanent Part time \$'000
Corporate Services	3,392	3,163	229
Economic & Community	3,471	1,669	1,802
Infrastructure & Environment	5,665	5,431	234
Total Permanent Staff Expenditure	12,528	10,263	2,265
Casuals and Other Expenditure	607		
<b>Total Expenditure</b>	<b>13,135</b>		

Note: the variance of \$179,000 between the above total staff expenditure and total employee costs per 1.3 Expenses Summary is due to Mayor and Councillor allowances which are not factored into departmental human resources

#### 1.3.2 Materials and Services (\$0.04 million increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials & services are set to slightly increase by \$0.04 million (or 0.4%) compared to 2016/17. Council is making a significant effort to keep its costs down due to the long term financial sustainability concerns for the Shire. All services will be reviewed over the next 3 years.

#### 1.3.3 Depreciation (\$0.03 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains.

#### 1.3.4 Finance Costs (\$0.04 million decrease)

Borrowing costs relate to interest charged by financial institutions on borrowed funds. The marginal decrease is the interest expected to be charged on existing loans. There are no new borrowings budgeted for 2017/18 therefore a decrease in the finance costs is expected.



## 2. Budgeted Cash Position

This section presents the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

### 2.1 Budgeted Cash Flow Statement

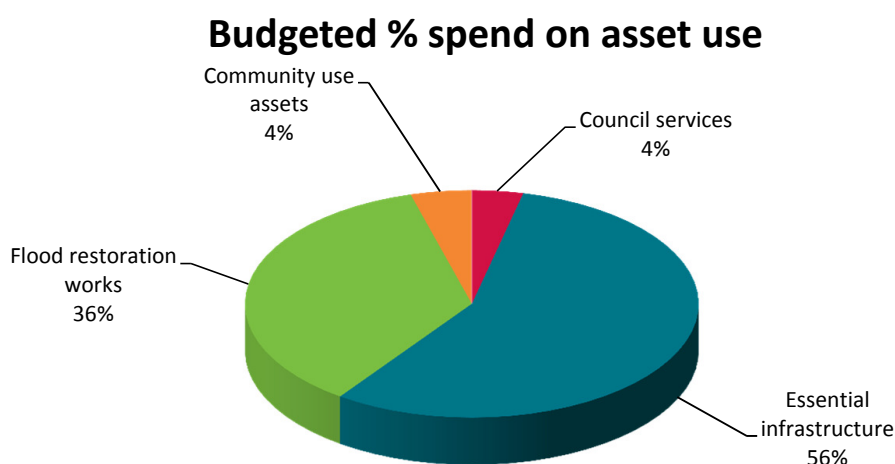
	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Rates and charges	16,370	16,741	371
Statutory fees and fines	253	269	16
User fees	1,764	1,720	(44)
Grants - operating	9,500	10,503	1,003
Grants - capital	3,847	3,828	(19)
Contributions - monetary	64	64	-
Interest received	173	167	(6)
Other receipts	348	329	(19)
	<b>32,319</b>	<b>33,621</b>	<b>1,302</b>
<i>Payments</i>			
Employee benefits	(12,471)	(13,314)	(843)
Materials and services	(10,462)	(10,506)	(44)
Other payments	(1,613)	(1,439)	174
	<b>(24,546)</b>	<b>(25,259)</b>	<b>(713)</b>
<i>Emergency Flood Activities</i>			
Grants - capital	1,172	3,900	2,728
Materials and services	(8)	-	8
	<b>1,164</b>	<b>3,900</b>	<b>2,736</b>
<b>Net cash provided by operating activities</b>	<b>8,937</b>	<b>12,262</b>	<b>3,325</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of property, plant & equipment	251	476	225
Payments for property, plant and equipment	(7,836)	(6,998)	838
Capital Contributions	265	-	(265)
Repayment of loans and advances	16	16	-
	<b>(7,304)</b>	<b>(6,506)</b>	<b>798</b>
<i>Emergency Flood Activities</i>			
Payments for property, plant and equipment	(1,172)	(3,900)	(2,728)
	<b>(1,172)</b>	<b>(3,900)</b>	<b>(2,728)</b>
<b>Net cash used in investing activities</b>	<b>(8,476)</b>	<b>(10,406)</b>	<b>(1,930)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	(300)	(309)	(9)
Finance costs	(179)	(138)	41
<b>Net cash used in financing activities</b>	<b>(479)</b>	<b>(447)</b>	<b>32</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(18)</b>	<b>1,409</b>	<b>1,427</b>
Cash and cash equivalents at the beginning of the year	8,981	8,963	(18)
<b>Cash and cash equivalents at end of the year</b>	<b>8,963</b>	<b>10,372</b>	<b>1,409</b>

### 3. Analysis of Capital Budget

This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget.

#### 3.1 Capital Works

Capital Works Areas	Ref	Forecast 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Roads	3.1.1	4,196	4,592	396
Roads - flood	3.1.1	1,172	3,900	2,728
Bridges	3.1.2	476	492	16
Footpaths	3.1.3	206	113	(93)
Plant & Equipment	3.1.4	1,330	1,110	(220)
Buildings	3.1.5	797	250	(547)
Parks, Open Space and Streetscapes	3.1.6	497	225	(272)
Drainage	3.1.7	108	95	(13)
Computer and Office Equipment	3.1.8	51	-	(51)
Land and Land Improvements	3.1.9	175	120	(55)
<b>Total Capital Works</b>		<b>9,008</b>	<b>10,897</b>	<b>1,889</b>
<b>Represented by:</b>				
New Asset Expenditure	3.1.10	235	-	(235)
Asset Renewal Expenditure	3.1.10	6,341	8,509	2,168
Asset Expansion Expenditure	3.1.10	-	-	-
Asset Upgrade Expenditure	3.1.10	2,432	2,388	(44)
<b>Total Capital Works</b>		<b>9,008</b>	<b>10,897</b>	<b>1,889</b>



A more detailed listing of capital works is included in Appendix C.

##### 3.1.1 Roads (\$8.49 million)

Roads includes local roads, car parks, kerb & channel and street furniture.

For the 2017/18 year \$8.4 million will be expended on road projects. This includes \$3.9 million of flood road restoration works. Council has focused on maintaining existing assets to ensure the level of service currently provided doesn't deteriorate.

Capital Works - Roads	Forecast 2016/17 \$'000	Budget 2017/18 \$'000
Roads	4,196	4,592
Roads - flood	1,172	3,900
<b>Total Capital Works - Roads</b>	<b>5,368</b>	<b>8,492</b>

### 3.1.2 Bridges (\$0.5 million)

Bridges includes major culverts and floodways.

For the 2017/18 year, \$0.5 million will be expended on bridge projects. Council will focus on maintaining the existing bridge network in 2017/18.

### 3.1.3 Footpaths (\$0.1 million)

The footpath program includes renewal and improvement to footpaths and shared paths.

### 3.1.4 Plant & Equipment (\$1.1 million)

Plant & Equipment includes heavy plant and engineering equipment, and motor vehicles.

For the 2017/18 year, \$1.1 million will be expended on plant & equipment renewal, as set out in Council's 10 Year Plant Replacement Program.

### 3.1.5 Buildings (\$0.25 million)

Buildings includes community facilities, municipal offices, sports facilities, pavilions.

For the 2017/18 year, \$0.25 million will be expended on building projects. The most significant project is the continuation of the upgrading of toilet facilities in the shire.

### 3.1.6 Open Spaces (\$0.2 million)

Open Spaces includes passive and active reserves.

For the 2017/18 year \$0.2 million will be expended on open spaces. This includes rehabilitation of the netball courts at Lord Nelson Park.

### 3.1.7 Drainage (\$0.1 million)

For the 2017/18 year, \$0.1 million will be expended on drainage and pit works as per Council's drainage improvement program.

### 3.1.8 Computer & Office Equipment (\$0)

Historically, this program provides for the scheduled replacement of computer equipment and office furniture.

For the 2017/18 year, Council is purchasing ICT equipment which is less expensive and therefore captured under operating expenditure and not capitalised.

### 3.1.9 Land Improvements (\$0.1 million)

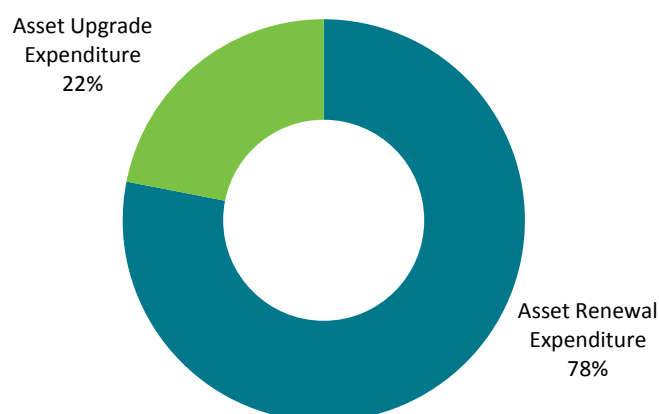
Land Improvements are works to the land itself. This includes landfill rehabilitation and transfer station works.

The increase from 2016/17 is due to funded works that are scheduled for the Marnoo transfer station.

### 3.1.10 New Assets (\$0.0m), Asset Renewal (\$8.5m), Asset Expansion (\$0.0m) and Asset Upgrade (\$2.4m)

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

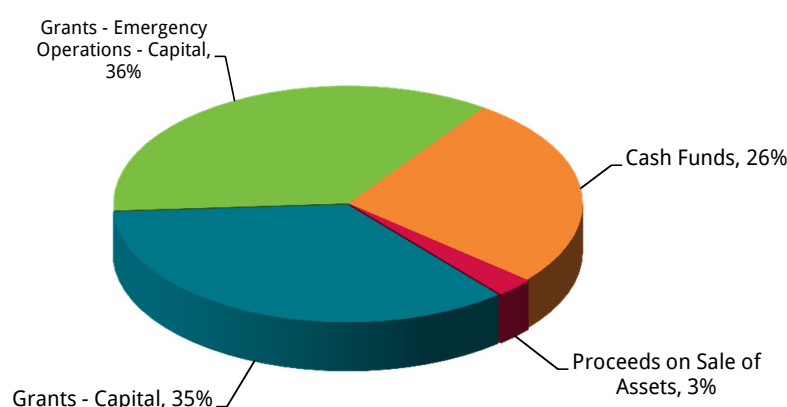
## Budgeted % New / Renewal / Expansion / Upgrade Works



## 3.2 Funding Sources

Sources of Funding	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<b>External</b>				
Grants - Capital	3.2.1	3,847	3,828	(19)
Grants - Emergency Operations - Capital		1,172	3,900	2,728
Proceeds on Sale of Assets	3.2.2	251	291	40
		<b>5,270</b>	<b>8,019</b>	<b>2,749</b>
<b>Internal</b>				
Cash Funds		3,738	2,878	(860)
	3.2.3	<b>3,738</b>	<b>2,878</b>	<b>(860)</b>
<b>Total capital works</b>		<b>9,008</b>	<b>10,897</b>	<b>1,889</b>

### Budget % Capital Funding by Source



Source: Appendix A

#### 3.2.1 Grants - Capital (\$3.8 million)

Capital grants include monies received from State and Federal sources for the purposes of funding the capital works program.

#### 3.2.2 Grants - Emergency Operations - Capital (\$3.9 million)

Emergency Capital grants includes federal grant funding for infrastructure restoration activities relating to the 2016 Flood event

#### 3.2.3 Proceeds from Sale of Assets (\$0.3 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal program, and sales of heavy plant in accordance with the plant renewal program.

#### 3.2.3 Cash Funds (\$2.7 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. In addition to this, Council has cash reserves set aside for specific purposes. In 2017/18 it is proposed to have no new borrowings.

## 4. Strategic Resource Plan and Key Financial Indicators

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

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

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

- Review existing service levels in order to work towards sustainability
- Maintain a net capital expenditure program of at least \$5 million per annum
- Achieve a balanced budget on a cash basis.

In preparing the SRP, the 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.

### 4.2 Financial Resources

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

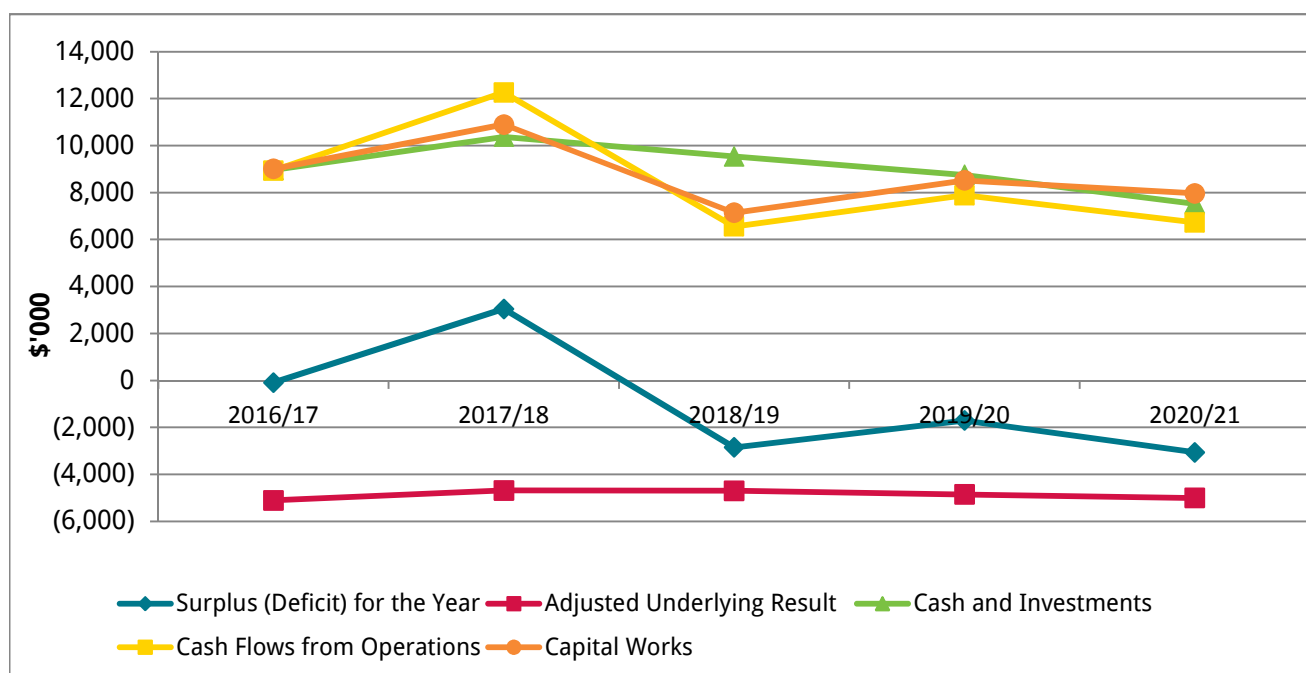
	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2016/17	2017/18	2018/19	2019/20	2020/21	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus (Deficit) for the Year	(90)	3,043	(2,848)	(1,707)	(3,061)	-
Adjusted Underlying Result	(5,109)	(4,685)	(4,698)	(4,857)	(5,001)	-
Cash and Investments	8,962	10,372	9,531	8,753	7,524	-
Cash Flows from Operations	8,937	12,262	6,558	7,887	6,724	-
Capital Works	9,008	10,897	7,140	8,516	7,966	-

Key to Forecast Trend:

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



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



The key outcomes of the Plan are as follows:

- Financial Sustainability**  
 The general financial indicators show a clear picture. The Council will struggle to be a sustainable entity with current service levels. The underlying result in particular is an indicator of financial sustainability and is an important measure as one off items can often mask the operating result. The deficit includes depreciation which indicates that Council is unable to renew its stock of assets with the existing levels of funding.
- Rating Principle**  
 Council has opted to calculate the Strategic Resource Plan based on compliance with the new rate capping framework. With this in mind the rate increases are forecast at the current rate cap of 2.0% over the four years.
- Service Delivery Principle**  
 Service levels will be reviewed throughout the four year period.
- Borrowing Principle**  
 Borrowings are forecast to reduce from \$3.3 million to \$2.2 million over the four year period. There are no new proposed borrowings in 2017/18.
- Asset Management Principle**  
 Capital expenditure over the four year period will total \$34.5 million at an average of \$8.6 million per year.

### 4.3 Non-financial Resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. The Statement of Human Resources summarises the non-financial resources for the next four years (refer Financial Statements).

Employee numbers are projected to stay consistent. However, Council is committed to undertaking regular service level reviews during the period, which may result in service rationalisation in order to work towards achieving sustainability in the future.

## 5. Rating Information

This section considers the Council's rating levels and structure and the impact of changes in property valuations.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for 44.6% of the total revenue to be received by Council in 2017/18. Planning for future rate income has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase subscribed rates and charges in a year. For 2017/2018 the FGRS cap has been set at 2.0%. The cap applies to both general rates (excluding cultural and recreational land and rates in lieu) 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 community.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and municipal charge will increase by 2.0% in line with the rate cap. Kerbside collection charge will increase by 2% and the recycling charge by 2%. This will raise total rates for 2017/18 of \$16.74 million.

### 5.1 Current Year Rate Increase

In order to provide services and undertake the capital expenditure program within the rate cap general rates will increase by 2.0% in 2017/18 raising a total rate revenue of \$13.0 million (\$16.7 million total rates and charges). This total includes the Municipal Charge, which will increase by \$3 per instance of the charge. The following table sets out future proposed rate increases and total rates and charges to be raised, based on the forecast financial position of Council as at 30 June 2017.

Year	Rate Increase %	Total Rates and Charges Raised \$'000
2016/17	2.5	16,370
2017/18	2.0	16,741
2018/19	2.0	17,276
2019/20	2.0	17,622
2020/21	2.0	17,974

Future rate increases have been set by Council with regard to both the community's service expectation and their capacity to pay.

### 5.2 Rating Structure

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

- property values, which reflect capacity to pay and form the central basis of rating under the *Local Government Act 1989*,
- a 'user pays' component to reflect use of certain services provided by Council, and
- a fixed municipal charge per applicable property.

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

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.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for farming purposes or recreational and cultural purposes, in order to distribute the rate burden accordingly.

The existing rating structure comprises a general rate, a farm land differential rate and a rate concession for recreational and cultural land. These rates are structured in accordance with the requirements of section 161 of the Act and the Ministerial Guidelines for the setting of differential rates. Under the *Cultural and Recreational Lands Act 1963*, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Act. The farming rate is set at 65% of the general residential rate and the concession rate for recreational land is set at 58% of the general residential rate. Council also has a municipal charge, a kerbside garbage collection charge and a kerbside recycling collection charge as allowed under the Act.

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

Rate Type	How Applied	2016/17	2017/18
General Rates	Cents/\$ CIV	0.7162	0.7306
Farm Rates	Cents/\$ CIV	0.4655	0.4749
Recreational and Cultural Rates	Cents/\$ CIV	0.4154	0.4237
Municipal Charge	\$/ property	\$150.00	\$153.00
Kerbside Garbage Collection Charge	\$/ property	\$266.00	\$271.00
Additional Kerbside Garbage Collection Charge	\$/ property	\$153.00	\$156.00
Kerbside Recycling Collection Charge	\$/ property	\$153.00	\$156.00

Council has adopted a formal *Revenue and Rating Strategy* that contains further information regarding Council's rating structure.

## 6. Borrowings

This section considers the Council's borrowing principles and sets out the borrowings that have been incorporated into the Strategic Resource Plan.

In developing the Strategic Resource Plan, borrowings were identified as an important funding source for capital works programs. In the past, Council has borrowed to finance large infrastructure projects.

For the 2017/18 year, Council has decided not to take out any new borrowings therefore, after making loan repayments of \$0.3 million, will decrease its total borrowings to \$3.3 million as at 30 June, 2017. It is likely that in the longer term, further borrowings may be required to fund future infrastructure initiatives. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June, 2017.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	-	300	179	3,282
2017/18	-	309	138	2,973
2018/19	-	323	141	2,651
2019/20	-	210	143	2,440
2020/21	-	218	146	2,222

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

	2016/17 \$'000	2017/18 \$'000
Total amount borrowed as at 30 June of the prior year	3,546	3,282
Total amount to be borrowed	-	-
Total amount projected to be redeemed	300	309
Total amount proposed to be borrowed as at 30 June	3,282	2,973

## 7. Asset Management

This section considers the Council's asset management principles and sets out the capital expenditure that has been incorporated into the Strategic Resource Plan.

The Council has developed an Asset Management Strategy based on the knowledge provided from the various Asset Management Plans, which sets out the capital expenditure requirements of the Council for the next six years by class of asset and is a key input to the long term financial plan. It predicts infrastructure consumption and renewal needs and considers infrastructure needs to meet future community service expectations. The Strategy has been developed through a process of consultation and evaluation.

The key aspects of the process are as follows:

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

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

Currently, Council is similar to most rural municipalities in that it is currently unable to fully fund asset renewal requirements identified in the Asset Management Strategy. While the Asset Management Strategy is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, in future years the required asset renewal demand is not being met creating an asset renewal gap and increasing the level of backlog. Backlog is the renewal works that Council has not been able to fund over the past years and is equivalent to the accumulated asset renewal gap.

Council is currently working on accurately assessing its backlog and future renewal gap.

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

Year	Total Capital Program \$'000	Grants & Contribution \$'000	Borrowings \$'000	Asset Sales \$'000	Cash Funds \$'000
2016/17	9,008	5,019	-	251	3,738
2017/18	10,897	7,728	-	291	2,878
2018/19	7,140	1,850	-	190	5,100
2019/20	8,516	3,150	-	190	5,176
2020/21	7,966	3,150	-	330	4,486

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



## Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 7 of this report.

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

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Financial Statements	74
B	Rates and Charges	81
C	Capital Works Program	85
D	Performance Reporting	87

## Appendix A Financial Statements



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

The appendix includes the following budgeted information:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

# Comprehensive Income Statement

For the four years ending 30 June 2021



	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and Charges	16,370	<b>16,741</b>	17,276	17,622	17,974
Statutory Fees and Fines	253	<b>269</b>	274	280	286
User Fees	1,764	<b>1,720</b>	1,754	1,789	1,825
Grants - Operating	9,500	<b>10,503</b>	8,204	8,368	8,535
Grants - Capital	3,847	<b>3,828</b>	1,850	3,150	1,940
Contributions - Monetary	329	<b>64</b>	66	67	68
Other Income	521	<b>496</b>	506	515	526
<b>Total Income</b>	<b>32,584</b>	<b>33,621</b>	<b>29,930</b>	<b>31,791</b>	<b>31,154</b>
<b>Expenses</b>					
Employee Costs	12,471	<b>13,314</b>	13,635	13,908	14,186
Materials and Services	10,467	<b>10,506</b>	8,272	8,503	8,720
Depreciation	9,108	<b>9,082</b>	9,263	9,448	9,637
Borrowing Costs	179	<b>138</b>	141	143	146
Other Expenses	1,613	<b>1,438</b>	1,467	1,496	1,526
<b>Total Expenses</b>	<b>33,838</b>	<b>34,478</b>	<b>32,778</b>	<b>33,498</b>	<b>34,215</b>
<b>Emergency Operation Income</b>					
Capital Grants	1,172	<b>3,900</b>	-	-	-
<b>Total Emergency Operation Income</b>	<b>1,172</b>	<b>3,900</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Emergency Operation Expenses</b>					
Materials & Services	8	-	-	-	-
<b>Total Emergency Operation Expenses</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) for the Year</b>	<b>(90)</b>	<b>3,043</b>	<b>(2,848)</b>	<b>(1,707)</b>	<b>(3,061)</b>
<b>Comprehensive Result</b>	<b>(90)</b>	<b>3,043</b>	<b>(2,848)</b>	<b>(1,707)</b>	<b>(3,061)</b>

## Balance Sheet

For the four years ending 30 June 2021



	Forecast Actual 2016/17	Budget 2017/18	Strategic Resource Plan Projections		
	\$'000	\$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	8,962	<b>10,372</b>	9,531	8,753	7,524
Trade and Other Receivables	1,531	<b>1,532</b>	1,532	1,564	1,525
Inventories	21	<b>21</b>	21	21	21
Other Assets	39	<b>39</b>	39	39	39
<b>Total Current Assets</b>	<b>10,553</b>	<b>11,964</b>	<b>11,123</b>	<b>10,377</b>	<b>9,109</b>
<b>Non-current Assets</b>					
Trade and Other Receivables	90	<b>74</b>	58	9	-
Investments in associates	878	<b>878</b>	878	878	878
Property, Infrastructure, Plant & Equipment	410,594	<b>411,934</b>	409,621	408,498	406,497
<b>Total Non-current Assets</b>	<b>411,562</b>	<b>412,886</b>	<b>410,557</b>	<b>409,385</b>	<b>407,375</b>
<b>Total Assets</b>	<b>422,115</b>	<b>424,850</b>	<b>421,680</b>	<b>419,762</b>	<b>416,484</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and Other Payables	1,503	<b>1,503</b>	1,504	1,502	1,503
Trust Funds and Deposits	8	<b>8</b>	8	8	8
Provisions	3,152	<b>3,152</b>	3,152	3,152	3,152
Interest-bearing Loans and Borrowings	342	<b>356</b>	243	251	1,125
<b>Total Current Liabilities</b>	<b>5,005</b>	<b>5,019</b>	<b>4,907</b>	<b>4,913</b>	<b>5,788</b>
<b>Non-current Liabilities</b>					
Provisions	318	<b>318</b>	318	318	318
Interest-bearing Loans and Borrowings	2,940	<b>2,617</b>	2,408	2,189	1,097
Land Improvement Liability	1,283	<b>1,283</b>	1,283	1,283	1,283
<b>Total Non-current Liabilities</b>	<b>4,541</b>	<b>4,218</b>	<b>4,009</b>	<b>3,790</b>	<b>2,698</b>
<b>Total Liabilities</b>	<b>9,546</b>	<b>9,237</b>	<b>8,916</b>	<b>8,703</b>	<b>8,486</b>
<b>Net Assets</b>	<b>412,569</b>	<b>415,613</b>	<b>412,764</b>	<b>411,059</b>	<b>407,998</b>
<b>Equity</b>					
Accumulated Surplus	134,164	<b>136,994</b>	133,608	130,790	128,996
Reserves	278,405	<b>278,619</b>	279,156	280,269	279,002
<b>Total Equity</b>	<b>412,569</b>	<b>415,613</b>	<b>412,764</b>	<b>411,059</b>	<b>407,998</b>

**Statement of Changes in Equity**  
For the four years ending 30 June 2021



	<b>Total \$'000</b>	<b>Accumulated Surplus \$'000</b>	<b>Revaluation Reserve \$'000</b>	<b>Other Reserves \$'000</b>
<b>2018</b>				
Balance at Beginning of the Financial Year	412,571	134,164	276,472	1,935
Comprehensive Result	3,043	3,043	-	-
Transfer to Reserves	(1)	279	-	(280)
Transfer from Reserves	-	(492)	-	492
<b>Balance at End of the Financial Year</b>	<b>415,613</b>	<b>136,994</b>	<b>276,472</b>	<b>2,147</b>
<b>2019</b>				
Balance at Beginning of the Financial Year	415,613	136,994	276,472	2,147
Comprehensive Result	(2,848)	(2,848)	-	-
Transfer to Reserves	-	81	-	(81)
Transfer from Reserves	(1)	(619)	-	618
<b>Balance at End of the Financial Year</b>	<b>412,764</b>	<b>133,608</b>	<b>276,472</b>	<b>2,684</b>
<b>2020</b>				
Balance at Beginning of the Financial Year	412,764	133,608	276,472	2,684
Comprehensive Result	(1,707)	(1,707)	-	-
Transfer to Reserves	-	-	-	-
Transfer from Reserves	2	(1,111)	-	1,113
<b>Balance at End of the Financial Year</b>	<b>411,059</b>	<b>130,790</b>	<b>276,472</b>	<b>3,797</b>
<b>2021</b>				
Balance at Beginning of the Financial Year	411,059	130,790	276,472	3,797
Comprehensive Result	(3,061)	(3,061)	-	-
Transfer to Reserves	-	1,316	-	(1,316)
Transfer from Reserves	-	(49)	-	49
<b>Balance at End of the Financial Year</b>	<b>407,998</b>	<b>128,996</b>	<b>276,472</b>	<b>2,530</b>



## Statement of Cash Flows

For the four years ending 30 June 2021



	2016/17 \$'000 Inflows (Outflows)	2017/18 \$'000 Inflows (Outflows)	2018/19 \$'000 Inflows (Outflows)	2019/20 \$'000 Inflows (Outflows)	2020/21 \$'000 Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and Charges	16,370	<b>16,741</b>	17,276	17,622	17,974
Statutory Fees and Fines	253	<b>269</b>	274	280	286
User Fees	1,764	<b>1,720</b>	1,754	1,789	1,825
Grants - Operating	9,500	<b>10,503</b>	8,204	8,368	8,535
Grants - Capital	3,847	<b>3,828</b>	1,850	3,150	1,940
Contributions - Monetary	64	<b>64</b>	66	67	68
Interest Received	173	<b>167</b>	170	173	177
Other Receipts	348	<b>329</b>	336	342	349
Employee Costs	(12,471)	<b>(13,314)</b>	(13,635)	(13,908)	(14,186)
Materials and Services	(10,462)	<b>(10,506)</b>	(8,270)	(8,500)	(8,718)
Other Payments	(1,613)	<b>(1,439)</b>	(1,467)	(1,496)	(1,526)
	<u>7,773</u>	<u>8,362</u>	<u>6,558</u>	<u>7,887</u>	<u>6,724</u>
<b>Emergency restoration operating</b>					
Grants - Capital	1,172	<b>3,900</b>	-	-	-
Materials and Services	(8)	-	-	-	-
	<u>1,164</u>	<u>3,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash provided by operating activities</b>	<u>8,937</u>	<u>12,262</u>	<u>6,558</u>	<u>7,887</u>	<u>6,724</u>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(7,836)	<b>(6,998)</b>	(7,138)	(8,518)	(7,966)
Proceeds from sale of property, infrastructure, plant and equipment	251	<b>476</b>	190	190	330
Capital Contributions	265	-	-	-	-
Payments of loans and advances	16	<b>16</b>	16	16	48
	<u>(7,304)</u>	<u>(6,506)</u>	<u>(6,932)</u>	<u>(8,312)</u>	<u>(7,588)</u>
<b>Emergency restoration investing activities</b>					
Payments for property, infrastructure, plant and equipment	(1,172)	<b>(3,900)</b>	-	-	-
	<u>(1,172)</u>	<u>(3,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(8,476)</u>	<u>(10,406)</u>	<u>(6,932)</u>	<u>(8,312)</u>	<u>(7,588)</u>
<b>Cash flows from financing activities</b>					
Finance Costs	(179)	<b>(138)</b>	(141)	(143)	(146)
Repayment of Borrowings	(300)	<b>(309)</b>	(323)	(210)	(218)
<b>Net cash provided by financing activities</b>	<u>(479)</u>	<u>(447)</u>	<u>(464)</u>	<u>(353)</u>	<u>(364)</u>
Net (Decrease) / Increase in Cash and Cash Equivalents	(18)	<b>1,409</b>	(838)	(778)	(1,228)
Cash and Cash Equivalents at Beginning of the Financial Year	8,981	<b>8,963</b>	10,372	9,534	8,756
<b>Cash and Cash Equivalents at End of the Financial Year</b>	<u>8,963</u>	<u>10,372</u>	<u>9,534</u>	<u>8,756</u>	<u>7,528</u>

## Statement of Capital Works

For the four years ending 30 June 2021



Capital Works Areas	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Property</b>					
Land Improvements	175	120	15	-	-
Buildings	797	250	530	2,450	500
<b>Total Property</b>	<b>972</b>	<b>370</b>	<b>545</b>	<b>2,450</b>	<b>500</b>
<b>Plant and Equipment</b>					
Plant, Machinery and Equipment	1,330	<b>1,110</b>	1,050	1,060	2,040
Computers and Telecommunications	51	-	-	-	-
<b>Total Plant and Equipment</b>	<b>1,381</b>	<b>1,110</b>	<b>1,050</b>	<b>1,060</b>	<b>2,040</b>
<b>Infrastructure</b>					
Roads	4,196	<b>4,592</b>	4,851	4,084	4,221
Roads - flood	1,172	<b>3,900</b>	-	-	-
Bridges	476	<b>492</b>	414	432	445
Footpaths	206	<b>113</b>	120	130	160
Drainage	108	<b>95</b>	160	200	-
Parks, Open Space and Streetscapes	497	<b>225</b>	-	160	600
<b>Total Infrastructure</b>	<b>6,655</b>	<b>9,417</b>	<b>5,545</b>	<b>5,006</b>	<b>5,426</b>
<b>Total Capital Works Expenditure</b>	<b>9,008</b>	<b>10,897</b>	<b>7,140</b>	<b>8,516</b>	<b>7,966</b>
<b>Represented by:</b>					
New Asset Expenditure	235	-	15	160	-
Asset Renewal Expenditure	6,341	<b>8,509</b>	4,755	6,086	6,106
Asset Expansion Expenditure	-	-	-	-	-
Asset Upgrade Expenditure	2,432	<b>2,388</b>	2,370	2,270	1,860
<b>Total Capital Works Expenditure</b>	<b>9,008</b>	<b>10,897</b>	<b>7,140</b>	<b>8,516</b>	<b>7,966</b>

**Statement of Human Resources**  
For the four years ending 30 June 2021



	Forecast	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
	Actual		2018/19	2019/20	2020/21
	2016/17 \$'000		\$'000	\$'000	\$'000
<b>Staff Expenditure</b>					
Employee costs - operating	12,471	<b>13,314</b>	13,635	13,908	14,186
Employee costs - capital	1,326	<b>1,353</b>	1,380	1,408	1,436
<b>Total Staff Expenditure</b>	<b>13,797</b>	<b>14,667</b>	<b>15,015</b>	<b>15,316</b>	<b>15,622</b>

	FTE	FTE	FTE	FTE	FTE
<b>Staff Numbers</b>					
Employees	160.8	<b>160.8</b>	160.8	160.8	160.8
<b>Total Staff Numbers</b>	<b>160.8</b>	<b>160.8</b>	<b>160.8</b>	<b>160.8</b>	<b>160.8</b>

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

Department	Budget 2017/18 \$'000	Comprises		
		Full Time \$'000	Part Time \$'000	Casual \$'000
Corporate Services	3,419	3,163	229	27
Economic & Community Development	3,770	1,669	1,802	299
Infrastructure & Environment	5,946	5,431	234	281
<b>Total staff expenditure</b>	<b>13,135</b>	<b>10,263</b>	<b>2,265</b>	<b>607</b>
Capitalised labour costs	1,353			
<b>Total expenditure</b>	<b>14,488</b>			

**Note:** the variance of \$179,000 between the above total staff expenditure and total employee costs per the Comprehensive Income Statement is due to Mayor and Councillor allowances.

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

Department	Budget FTE	Comprises		
		Full Time FTE	Part Time FTE	Casual FTE
Corporate Services	35.4	32.0	3.1	0.3
Economic & Community Development	45.0	17.2	23.7	4.1
Infrastructure & Environment	80.4	74.5	2.1	3.8
<b>Total staff</b>	<b>160.8</b>	<b>123.7</b>	<b>28.9</b>	<b>8.2</b>

## Appendix B Rates and Charges



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

### 1. Rates and Charges

#### 1.1 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 of Property	2016/17 cents/\$CIV	2017/18 cents/\$CIV	Change
General rate for rateable residential properties	0.7162	<b>0.7306</b>	<b>2.0%</b>
General rate for rateable commercial properties	0.7162	<b>0.7306</b>	<b>2.0%</b>
General rate for rateable industrial properties	0.7162	<b>0.7306</b>	<b>2.0%</b>
General rate for rateable farm properties	0.4655	<b>0.4749</b>	<b>2.0%</b>
Rate concession for rateable recreational properties	0.4154	<b>0.4237</b>	<b>2.0%</b>

#### 1.2 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 of Property	2016/17 \$000's	2017/18 \$000's	Change
Residential	7,209	<b>7,369</b>	<b>2.2%</b>
Commercial	931	<b>950</b>	<b>2.0%</b>
Industrial	334	<b>341</b>	<b>2.0%</b>
Farm	4,214	<b>4,298</b>	<b>2.0%</b>
Recreational	14	<b>14</b>	<b>0.7%</b>
<b>Total amount to be raised by general rates</b>	<b>12,701</b>	<b>12,972</b>	<b>2.1%</b>

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

Type of Property	2016/17	2017/18	Change
Residential	6,371	<b>6,398</b>	<b>0.4%</b>
Commercial	428	<b>425</b>	<b>(0.7%)</b>
Industrial	211	<b>210</b>	<b>(0.5%)</b>
Farm	2,247	<b>2,232</b>	<b>(0.7%)</b>
Cultural and Recreational	8	<b>8</b>	<b>0.0%</b>
<b>Total number of assessments</b>	<b>9,265</b>	<b>9,273</b>	<b>0.1%</b>

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

#### 1.5 The estimated total value of each type of property and the estimated total value compared with the previous financial year

Type of Property	2016/17 \$000's	2017/18 \$000's	Change
Residential	1,000,158	<b>1,008,562</b>	<b>0.8%</b>
Commercial	131,076	<b>129,976</b>	<b>(0.8%)</b>
Industrial	46,851	<b>46,698</b>	<b>(0.3%)</b>
Farm	905,902	<b>905,008</b>	<b>(0.1%)</b>
Cultural and Recreational	3,199	<b>3,214</b>	<b>0.5%</b>
<b>Total value of land</b>	<b>2,087,186</b>	<b>2,093,458</b>	<b>0.3%</b>

## 1. Rates and Charges (continued)



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

Type of Charge	Per Rateable Property		Change
	2016/17 \$	2017/18 \$	
Municipal Charge	150	153	2.0%

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

Type of Charge	2016/17 \$000's	2017/18 \$000's	Change
Municipal Charge	1,199	1,222	1.9%

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

Type of Charge	Per Serviced Property		Change
	2016/17 \$	2017/18 \$	
Kerbside Collection	266	271	1.9%
Additional Kerbside Collection	153	156	2.0%
Recycling	153	156	2.0%
<b>Total</b>	572	583	1.9%

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

Type of Charge	2016/17 \$000's	2017/18 \$000's	Change
Kerbside Collection	1,529	1,566	2.5%
Additional Kerbside Collection	39	39	0.4%
Recycling	902	919	1.9%
<b>Total</b>	2,470	2,524	2.2%

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

Type of Charge	2016/17 \$000's	2017/18 \$000's	Change
General rates	12,701	12,972	2.1%
Municipal charge	1,199	1,222	1.9%
In lieu of rates (wind farm)	-	23	100.0%
Kerbside collection and recycling	2,470	2,524	2.2%
<b>Rates and charges</b>	16,370	16,741	2.3%

### 1.11 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
- The variation of returned levels of value (e.g. valuation appeals) and
- 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.



## 2. Differential Rates



### 2.1 Rates to be Levied

Council has a general rate for all rateable properties, a farm land differential rate for eligible farm properties, and a concession rate for eligible rateable recreational properties. The eligibility criteria for each category is detailed

- a general rate of 0.7306% (0.7306 cents in the dollar of CIV) for all rateable properties and
- a farm rate of 0.4749% (0.4749 cents in the dollar of CIV) for all rateable farm properties and
- a general rate of 0.4237% (0.4237 cents in the dollar of CIV) for all rateable recreational properties.

The differential rate for eligible rateable farm properties is set at 65% of the general rate for all other rateable properties.

The concession rate for eligible rateable recreational properties is set at 58% of the general rate for all other rateable properties.

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

In accordance with the *Local Government Legislation Amendment (Miscellaneous) Act 2012*, Council has considered the Ministerial Guidelines with regards to the setting of differential rates and believes its farm land differential rate to be consistent with the guidelines. Council considers that the differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of the differential rate and the types of classes of land which are subject to the differential rate and the uses of the differential rate, are set out below.

### 2.2 General Rate Land

General Rate Land means any rateable land which is not farm land or recreational and cultural land.

The purpose of the General Rate is to ensure that Council has adequate funding to undertake its strategic and statutory service provision and community services obligations.

### 2.3 Farm Rate Land

Farm Rate Land is any rateable land, which is all of the following:

- is two or more hectares in area;
- qualifies as a farm under the definition of Farm Land as prescribed in the *Valuation of Land Act 1960*;
- qualifies as a farm land in accordance with Council's *Farm Rate Differential Policy*.

Farm land under the Act, means land that it is not less than 2 hectares in area and is used primarily for grazing (including agistment), dairying, pig farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities.

In addition the Act clearly states that the property must be used by a business that has a significant and commercial purpose or character and seeks to make a profit on a continuous or repetitive basis from its activities on the land, and that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land.

Council's *Farm Rate Differential Policy* further states that some farm land could not be used as a substantial commercial purpose on small holdings and specifies property sizes for some types of farm activities.

The purpose of the Farm Rate is to assist farmers who, unlike other businesses, require a large amount of land to generate their income. Farm profitability is affected by the vagaries of weather and international markets and agricultural producers are unable to pass on increases in costs like other businesses. In this sense farms are seen to be more susceptible or fragile than other commercial and industrial operations.

### 2.4 Recreation & Cultural Rate Land

Recreational and Cultural Rate Land is any rateable land which is within the Shire and eligible in accordance with the Cultural and Recreational Lands Act 1963.

### 3 Fair Go Rates System Compliance



Northern Grampians Shire Council is fully compliant with the State Governments Fair Go Rates System.

Base Average Rates (2016/2017)	1,501
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017/2018)	1,531
Maximum General Rates and Municipal Charges Revenue	\$ 14,180,985
Budgeted General Rates and Municipal Charges Revenue	\$ 14,180,215

## Appendix C Capital Works Program



This appendix presents a listing of the capital works projects that will be undertaken for the 2017/18 year grouped by class.

### Capital Works Program For the year ending 30 June 2018

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	Loan Funds \$'000
<b>Property</b>									
<b>Land Improvements</b>									
Marnoo Transfer Station Rehabilitation	120	-	120	-	-	-	-	120	-
<b>Total Land Improvements</b>	120	-	120	-	-	-	-	120	-
<b>Buildings</b>									
Toilet Renewal/Replacement Program	250	-	250	-	-	-	-	250	-
<b>Total Buildings</b>	250	-	250	-	-	-	-	250	-
<b>Total Property</b>	370	-	370	-	-	-	-	370	-
<b>Plant and Equipment</b>									
<b>Plant, Machinery and Equipment</b>									
Light Fleet	350	-	350	-	-	-	91	259	-
Heavy Fleet	710	-	710	-	-	-	200	510	-
Minor Plant	50	-	50	-	-	-	-	50	-
<b>Total Plant, Machinery and Equipment</b>	1,110	-	1,110	-	-	-	291	819	-
<b>Total Plant and Equipment</b>	1,110	-	1,110	-	-	-	291	819	-
<b>Infrastructure</b>									
<b>Roads</b>									
Final Seal Program	302	-	302	-	-	-	-	302	-
Kerb & Channel Program	160	-	160	-	-	150	-	10	-
Resealing Program	937	-	937	-	-	937	-	-	-
Resheeting Program	800	-	800	-	-	493	-	307	-
Rural & Residential Program	403	-	-	403	-	333	-	70	-
Town Street Sealing Program	20	-	-	20	-	20	-	-	-
Urban Rd Improvement Program	70	-	-	70	-	-	-	70	-
Rehabilitation Program	100	-	100	-	-	100	-	-	-
B Double Route Upgrade	400	-	-	400	-	200	-	200	-
Community Access Plan	20	-	-	20	-	-	-	20	-
Roads to Market	1,380	-	-	1,380	-	913	-	467	-
Emergency Flood Restoration Works	3,900	-	3,900	-	-	3,900	-	-	-
<b>Total Roads</b>	8,492	-	6,199	2,293	-	7,046	-	1,446	-
<b>Bridges</b>									
Bridge Renewal Program	316	-	316	-	-	316	-	-	-
Major Culvert Renewal Program	176	-	176	-	-	136	-	40	-
<b>Total Bridges</b>	492	-	492	-	-	452	-	40	-
<b>Footpaths</b>	113	-	113	-	-	-	-	113	-
<b>Drainage</b>	95	-	-	95	-	95	-	-	-

**Capital Works Program (continued)**  
For the year ending 30 June 2018



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	Loan Funds \$'000
Infrastructure (continued)									
Parks, Open Space and Streetscapes									
LNP Netball Court Upgrade	195	-	195	-	-	120	-	75	-
Netball Court Development Plan	30	-	30	-	-	15	-	15	-
Total Parks, Open Space and Streetscapes	225	-	225	-	-	135	-	90	-
Total Infrastructure	9,417	-	7,029	2,388	-	7,728	-	1,689	-
Total Capital Works 2017/18	10,897	-	8,509	2,388	-	7,728	291	2,878	-
Summary									
Property	370	-	370	-	-	-	-	370	-
Plant and Equipment	1,110	-	1,110	-	-	-	291	819	-
Infrastructure	9,417	-	7,029	2,388	-	7,728	-	1,689	-
Total Capital Works	10,897	-	8,509	2,388	-	7,728	291	2,878	-

## Appendix D Performance Reporting



The service performance outcome indicators detailed below are prescribed indicators and measures of performance for services. The Performance Statement will also include reporting on prescribed indicators of financial performance as detailed below.

### Council Plan Strategies Economic Growth

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

### Lifestyles and Community

Service	Indicator	Performance Measure	Computation
Animal Management	Health and Safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

Service	Indicator	Performance Measure	Computation
Food safety	Health and Safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in the 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

Service	Indicator	Performance Measure	Computation
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100

Service	Indicator	Performance Measure	Computation
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100

Service	Indicator	Performance Measure	Computation
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



## Appendix D - Performance Reporting (continued)



### Sustainable Infrastructure

Service	Indicator	Performance Measure	Computation
Waste Collection	Waste Diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
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.

### Organisational Effectiveness

Indicator	Measure	Computation	
Operating Position	Adjusted Underlying Result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	
Liquidity	Working Capital	Current assets / current liabilities	
Liquidity	Unrestricted Cash	Unrestricted cash / current liabilities	
Obligations	Loans and Borrowings	Interest bearing loans and borrowings / rate revenue	
Obligations	Loans and Borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	
Obligations	Indebtedness	Non-current liabilities / own source revenue	
Obligations	Asset renewal	Asset renewal expenses / depreciation	
Stability	Rates Concentration	Rate revenue / adjusted underlying revenue	
Stability	Rates Effort	Rate revenue / CIV of rateable properties in the municipality	
Efficiency	Expenditure Level	Total expenditure / no. of property assessments	
Efficiency	Revenue Level	Residential rate revenue / No. of residential property assessments	
Efficiency	Workforce Turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	
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 how Council has performed in making decisions in the interests of the community

The Performance Statement will also include reporting on prescribed indicators of 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 earlier in this document will be reported in the Annual Report in the form of a statement of progress in the report of operations.