





TABLE OF CONTENTS

Your Council	4
Our Shire at a Glance	5
From the Mayor	6
From the CEO	7
Demographics/Budget Influences	8
Council Plan Linkages	13
Council Plan Overview	15
Budget Highlights	17
What We're Spending	19
Economic	21
Social, Community & Environment	23
Emergency & Risk	29
Data & Information	3
Waste	33
Assets	35
Red Tape Reduction	37
Financial Sustainability	39
Budget Details	40
Contact Us	7'

YOUR COUNCIL

STAWELL WARD



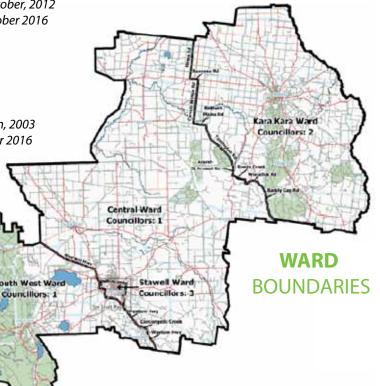
Mayor Cr Wayne Rice First elected: 26 November, 2005 Term expires: October 2016



Cr Murray Emerson First elected: 27 October, 2012 Term expires: October 2016



Cr Karen Hyslop First elected: 27 Ocotber, 2012 Term expires: October 2016



CENTRAL WARD



Cr Kevin Erwin First elected: 14 March, 2003 Term expires: October 2016





Cr Paul Russell First elected: 27 October, 2012 Term expires: October 2016

KARA KARA WARD



Cr Tony Driscoll First elected: 27 October, 2012 Term expires: October 2016



Cr Jim Anderson First elected: 27 October, 2012 Term expires: October 2016



ossessing 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 and invest.

Location

Located in the picturesque Grampians region of provincial 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.

St Arnaud Range 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, mining, 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, textile and meat production.

QUICK STATS:

Area: Approximately 5,918 square kilometres **Population:** Approximately 11,942 **Road Length:** 3,408km of local roads

Rateable Properties: 9,222

Rates and Charges Revenue: \$14.3 million
Total Revenue (inc grants): \$31.5 million
Industry: There are more than 720 businesses
operating in the shire, with major activity
based in the thriving tourism, mining, textile,
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
Cup, Stawell Cup, St Arnaud Cup, Halls Gap
Film Festival, Stawell Gift Hall of Fame and
Grampians National Park



FROM THE MAYOR

Putting together the Council budget is never an easy task and this year was no different. As a Council we must find a way to balance our visions with the financial resources available, while taking into account the needs of our communities.

This year we decided that a fresh approach was necessary to achieve the best possible outcomes for the shire. Our new Council Plan is driving this change by putting Council operations under the microscope. Over the next four years we will be scrutinising what we do and how we do it to ensure we are improving the social and economic viability of the shire and delivering targeted projects and core services.

As part of this commitment, the budget will balance a \$9.2million capital works program with \$4.8 million for infrastructure maintenance and a \$5.1 million allocation for children's services, aged care, recreation, leisure and libraries. Through a \$1.1 million investment we are also supporting businesses, creating a better lifestyle for residents and securing the Northern Grampians as a top place for growth and new enterprises.

Major investments in the next 12 months will include the commencement of the long-awaited stage 2 of the Halls Gap Community and Tourism Hub and the implementation of a major overhaul of waste services to meet our environmental objectives and to comply with government regulation. In addition, Council will undertake a significant Land Development Strategy looking at realistic opportunities for residential, commercial and industrial development throughout the shire.

Council has included a final \$2.3m to complete the vital flood recovery works across the shire and to deliver programs to assist with the personal and business flow-on from these major natural disasters.

This budget appreciates that the critical work we do today can save money in the long run. I encourage all residents to take a look at the attached document and provide your feedback to Council.

Cr Wayne Rice **Mayor**



FROM THE CEO

It will be of little surprise to residents and ratepayers that this year's budget has been a challenging one to construct. Northern Grampians faces similar constraints and issues to our neighbouring rural councils: small rate bases, ageing infrastructure, vast distances, dispersed populations and increasing regulation and compliance costs. Our communities have a good working relationship with Council, and Council has been diligent in listening to community and business needs and aspirations.

Since the elections in October 2012, Council has been drafting a new four year Council Plan. Each year the annual budget is constructed to provide the funds and resources to put that plan into action. The 2013-2014 budget is the first budget to support the delivery of the 2013-2017 Council Plan. The new Council has taken a fresh look at re-current problems, has questioned the status quo and has demonstrated a desire to enquire and understand better the workings of local government. This has seen a heightened focus on the level, standard and type of services provided by the organisation leading to two core questions; will this activity or service improve the economic and social viability of the shire, will it deliver core local government services or a targeted project? This budget sets Council on the path to answering both questions in the affirmative.

Justine Linley

CEO



DEMOGRAPHICS/ BUDGET INFLUENCES

Population

The estimated resident population of the shire is 11,942. Source: Australian Bureau of Statistics, Annual Estimated Resident Population, April 2013.

Ageing population

The population is ageing and the shire has a greater proportion of older people compared 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 2011 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% 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 & 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, or 113.29% of all responses. 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 were 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)



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 2013-2014 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, for example, management of domestic animals, mandatory four year old kinder and waste management compliance issues

Internal influences

In addition to the external influences, there are a number of internal influences which impacted the preparation of the 2013-2014 Budget. These include the following:

- Council's commitment to reviewing services and to provide sufficient resources to undertake works required in the Council Plan while still completing flood recovery and restoration works
- Increased salary costs in accordance with the Enterprise Bargaining Agreement (EBA). There are also several grant-funded positions

Budget principles

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

- Base all workings on evidence
- Outline services provided, the cost of service provision and level of service
- New revenue and government funding sources to be identified where possible
- Service levels to be reviewed with the aim to use less resources with an emphasis on innovation, productivity and efficiency
- Emphasis on legislation and compliance over discretionary services
- Work towards completing staged projects
- Align all activity to the Council Plan

Legislative requirements

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

The 2013-2014 budget, which is included in this report, is for the year 1 July 2013 to 30 June 2014 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ending 30 June 2014 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

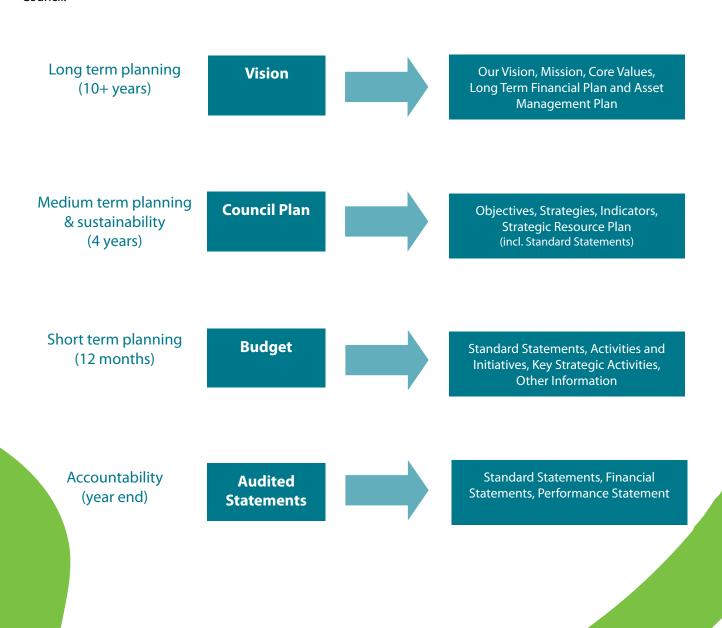


COUNCIL PLAN LINKAGES

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 2013-17

Council Plan Objectives

In four years' time we will have....

- 1. Improved the social and economic viability of the shire; and
 - 2. Delivered targeted projects and core services

Council Plan Strategies

- **1. Economic** we will develop the local economy and increase the industrial diversity of the Northern Grampians Shire
- **2. Social, Community & Environment** we will provide safe and usable assets and services to improve the quality of life for residents
- **3. Emergency & Risk** we will mitigate risk, plan for emergencies and community recovery
- **4. Data & Information** we will use technology and develop systems to improve accessibility and profitability for our community and businesses

- **5. Waste** we will implement a waste reduction action plan and promote better use and re-use of valuable resources
- **6. Assets** we will reduce the infrastructure renewal gap and manage our roads, buildings and structures for safety and optimal use
- **7. Red Tape Reduction** we will reduce unnecessary regulation and advocate for the removal of regulatory burdens from other tiers of government
- **8. Financial Sustainability** we will provide leadership and advocacy to improve the financial sustainability of the Northern Grampians Shire



BUDGET HIGHLIGHTS





Photograph: Peter Bennetts

Improving our liveability and viability

Council will balance a \$9.2m capital works program with \$4.8m for infrastructure maintenance and a \$5.1m allocation for children's services, aged care, recreation, leisure and libraries. Also included is a \$1.1m investment to create a better lifestyle for residents and businesses and to secure Northern Grampians as the top place for growth and new enterprises.

Investing in our future

Major investments include the commencement of the long-awaited stage 2 of the Halls Gap Community and Tourism Hub and the implementation of a major overhaul of waste services to meet our environmental objectives and to comply with government regulation. In addition, Council will undertake a significant Land Development Strategy looking at realistic opportunities for residential, commercial and industrial development throughout the shire.

Finishing flood recovery

Council has included a final \$2.3m to complete the vital flood recovery works across the shire and to deliver programs to assist with the personal and business flow-on from these major natural disasters.

Taking a fresh look

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? 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 2013-2014 budget plans a return to a more modest budget of \$33m across the Northern Grampians Shire. Responding directly to the new 2013-2017 Council Plan, the budget requires a rates and charges revenue increase of 5 per cent across the municipality to successfully deliver on key objectives.



WHAT WE'RE SPENDING

\$9.2 million ...

\$9.2m will be spent on capital works, parks, recreational areas, buildings and drainage works

\$2.3 million ...

\$2.3m for final flood recovery works (infrastructure and community)

\$7.1 million ...

\$7.1m on roads and bridges

\$5.1 million ...

\$5.1m for children's services, aged care, recreation, leisure services and libraries

\$1.5 million ...

\$1.5m to attract and encourage new and existing businesses and tourism

\$2.0 million ...

\$2.0m on waste management and environmental objectives

\$1.5 million ...

\$1.5m on stage 2 of the Halls Gap Community and Tourism Hub

\$1.4 million ...

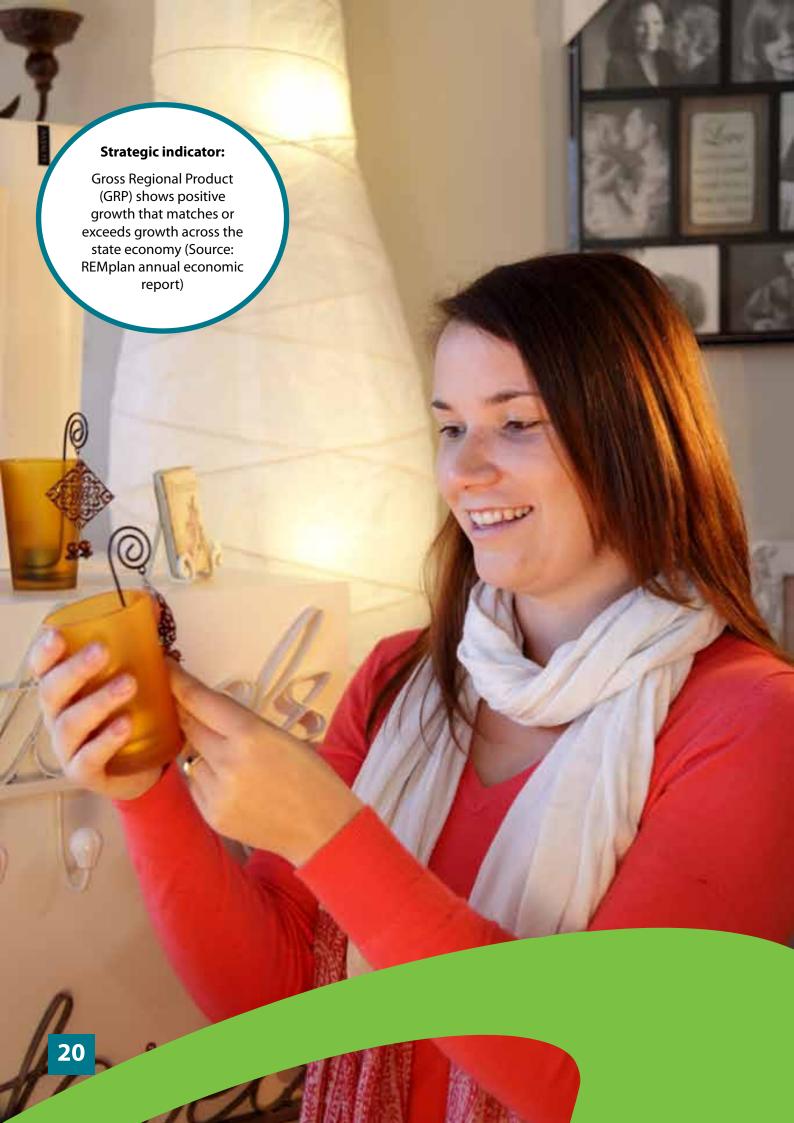
\$1.4m on maintenance and improvement of the shire's parks, gardens and open spaces

\$0.6 million ...

\$0.6m on major projects like St Arnaud Town Hall and Civic Precinct Stage 1 and Halls Gap Skate Park (subject to funding)

\$1.0 million ...

\$1.0m on major plant and equipment to keep our streets and infrastructure assets maintained



ECONOMIC

Economic Development Business Services

Council's Business Services unit prides itself on a strong relationship with its business community. As part of its ongoing support, it provides strategic planning and response to environmental, market and economic changes. The unit also works closely with dynamic business groups in Stawell, St Arnaud and Halls Gap to deliver a wide range of economic development initiatives that support existing businesses and attract new investment and residents. Other tasks undertaken by the Business Services unit include:

- Supporting arts and culture within the shire
- 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 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

Projects

The Business Services unit is involved in many projects which are designed to support the existing business community, encourage new investment and attract new residents. Business and networking events are regularly provided to offer support and advice for businesses across the shire. A diverse range of workshops are held on specific topics, such as social media, starting your business, business planning, budgeting and forecasting. New Resident Kits are used to provide vital information to people relocating to the shire, and to attract other potential new residents. Staff work with regional groups such as the Wimmera Development Association on a variety of projects and programs to assist the business community, and to promote the region through events like the Regional Victorian Living Expo.

Events

Council is committed to supporting existing events and promoting the development of new events within the shire. The Business Services unit offers support and assistance to community groups, and Council provides funding for events consistent with Council's grant policy. Annually there are a variety of events held in the shire, and

60-80 of these are registered through, and supported by Council's Projects and Events Officer. Many of these event organisers have successfully applied for funding through Council's Events Assistance Program. Public events provide a wide range of social, economic and cultural benefits to local communities. Many events held in the shire are a major drawcard, attract thousands of visitors to the region, and generate jobs in our local community. Major events supported by Council include the Stawell Athletic Club Easter Gift, the Grampians Jazz Festival, the Great Western Rodeo, the Grampians Grape Escape, the Festival of St Arnaud and the Stawell Racing Club Gold Cup.



Tourism

The three Visitor Information Centres in the Northern Grampians Shire provide tourists with valuable information to enhance their visit to the region and encourage overnight stay. Part-time staff work in Council's Visitor Information Centres, along with trained volunteers. Northern Grampians Shire Council also has an important alliance with Grampians Tourism which is responsible for marketing and development initiatives across the Grampians region. While Council continues to promote its own tourism industry, Grampians Tourism takes the lead on a collaborative approach. Major benefits include strengthened relationships and partnerships between all stakeholders, additional media exposure, activities to increase tourism and opportunities for workshops, training and education. During 2013 -2014 Council will review the way tourism services are provided, to ensure the best value for Council and the community, and in order to maximise the economic and social outcomes.



SOCIAL, COMMUNITY & ENVIRONMENT

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, and maximising community benefit is a major guiding principle. The program will ensure effective and sustainable management practices and infrastructure that 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:

- 6 recreation ovals
- 24 neighbourhood parks
- 22 traffic islands and roundabouts
- 15 landscaped areas
- 10 community facilities
- 17 playgrounds
- 10 stormwater harvesting systems
- 14 major town slashing areas
- Maintaining six rural towns
- Street trees throughout the shire

Planning and Building Services

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 Shire 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 building team ensures the safety, liveability 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.



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 include:

- Improving waste management
- Reducing energy consumption
- Utilising water efficiency
- Reducing greenhouse emissions fleets

Cemeteries

Northern Grampians Shire Council is the trust 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. Customer service staff in St Arnaud are responsible for maintaining records of burials at the St Arnaud cemetery.



Environmental Health

Environmental Health provides for community health and wellbeing through the implementation of:

- Immunisation and head lice management
- Registering and inspecting businesses that provide services to the community, such as food and accommodation
- Inspecting and issuing permits for waste water systems

The environmental health team is responsible for the registration and inspection of 177 registered food premises, 36 registered accommodation businesses, 24 registered hairdresser/beauty/skin penetration premises and nine 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.

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

Aged and Disabled

Council's Home and Community Care (HACC) services support members of the community who are frail, aged or have a disability. HACC contributes to the wellbeing of individuals and helps make the Northern Grampians Shire an attractive place to live and work. Without access to HACC services, residents would be significantly more vulnerable to isolation and less likely to receive early intervention into medical conditions. Programs like the shire's senior citizen clubs and community access advisory group enhance independence in the home and the community, while annual events including seniors' expos, fall prevention seminars and concerts help to promote health and wellbeing. Council delivers HACC services through a service agreement with the Department of Health, or under contract through other funded agencies. On an annual basis, Council provides approximately:

- 1,200 hours of assessments
- 22,000 Meals on Wheels
- 10,000 hours of domestic assistance
- 3,000 hours of personal care
- 300 hours of property maintenance
- 500 hours of respite

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

Children's Education

Council's Early Childhood Preschool (kindergarten) program is licensed by the Department of Education and Early Childhood Development. It provides early childhood learning services to children in St Arnaud and neighbouring towns. The St Arnaud Kindergarten's four-year-old program provides approximately 15 hours of preschool per child, which are delivered over four days during school terms. Enrolments in the program typically comprise 35-40 children per annum. The three-year-old program provides approximately 2.5 hours of social learning to each child. The program operates one day a week during the second, third and fourth terms. Enrolments in three-year-old kindergarten typically comprise around 20 children.

In order to deliver the government's 'universal access to 15 hours of early childhood education', Council will be seeking to expand the current facilities at St Arnaud during 2013/2014.

Children's Services

Council currently operates quality childcare services which provide flexible options for families throughout the shire. Taylors Gully Children's Centre in Stawell and the St Arnaud Children's Precinct provide both Long Day Care and Occasional Care and operate Monday to Friday for 50 weeks of the year. The Taylors Gully centre provides for placement of up to 49 children per day which can be expanded during busier periods of the year depending on demand. The St Arnaud Children's Precinct is licensed to provide up to 30 places for children as part of its program in addition to the kindergarten program offered at the centre.

Council's childcare facilities also host visiting specialists, conduct information sessions and provide other services at the centres to support families in our communities.

Annually, the Council service providers are subject to independent assessment against the National Framework for Early Childhood Development, and to ensure the services continue to provide best value for Council and the community, an ongoing improvement plan has been developed.



Maternal and Child Health

Maternal and Child Health provides support for parents and monitors the welfare and development of infants. As part of the program, Council provides:

- Outreach services for at risk children
- First home visits to all mothers and babies on discharge from hospital
- First parent group classes
- Opportunistic immunisations
- Referrals to other agencies as required
- Informative and educational classes for clients

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

During 2013, Council will participate in a state wide review of Maternal and Child Health Services consistent with the Victorian Government's reform agenda to improve outcomes for vulnerable children and young people. Council will be seeking to ensure that any changes to the service is matched with appropriate funding.

Community Development

Northern Grampians Shire Council is committed to providing proactive and positive linkages between itself and the community through youth, sport, recreation and community organisations. This is facilitated by the development and delivery of services that meet the needs of the community and strengthen social connectedness. As part of its Community Development program, Council is involved in:

- Identifying grant opportunities
- Servicing community assets
- Educating volunteer groups
- Supporting community events through grants and ideas
- Assisting with project management
- Attending community meetings and forums
- Overseeing internal and external grants from project identification to delivery and acquittal
- Supporting emergency relief and recovery
- Organising and delivering community events including Walktober and Volunteer Week
- Administering and providing funding through Community and Youth Grants

In 2013, Council established a Youth Action Council to provide input to Council, and oversee the development

of a Youth Strategy for the Northern Grampians Shire. Council will be seeking to develop and implement the strategy over the coming year.

Libraries

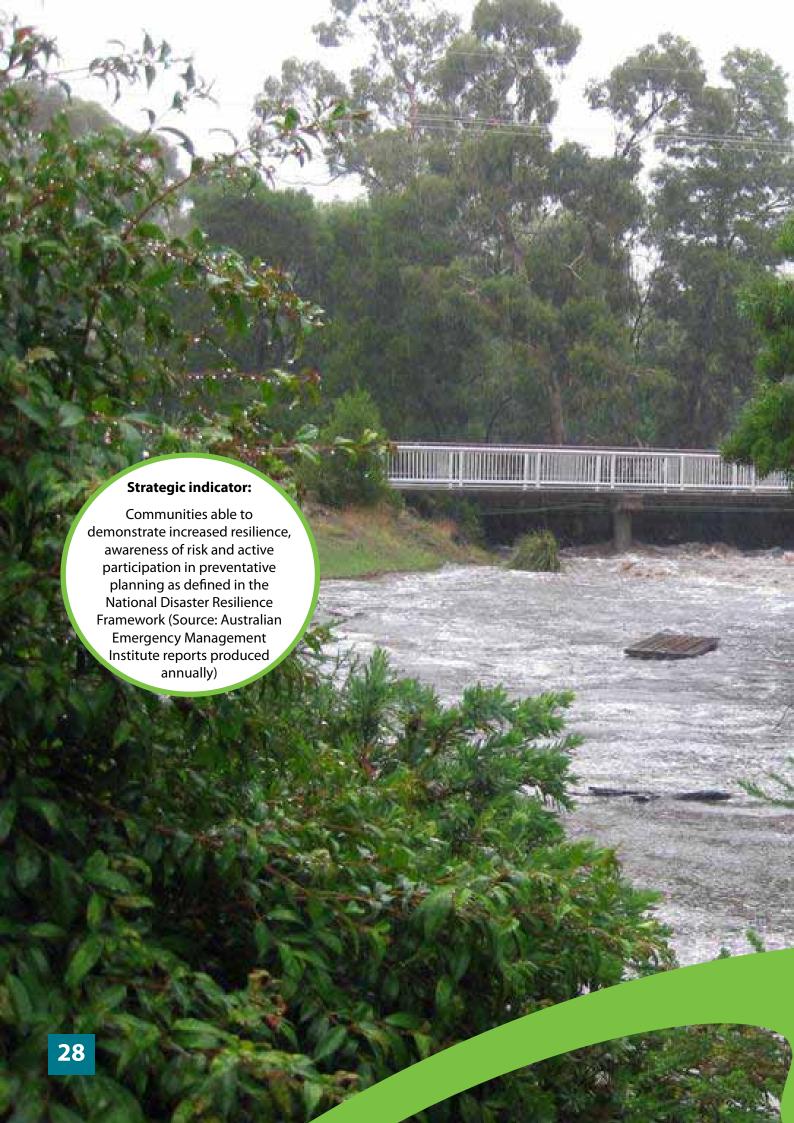
The shire's library services are provided as part of the Wimmera Regional Library Corporation (WRLC). Council contributes to the running costs of the library and is responsible for building construction and maintenance. Council's contribution to the WRLC is determined by the extent of service provided 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 in 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 5,000 library members in the shire who borrow about 55,000 books, CDs and audio books each year.



Leisure Services

The St Arnaud Swimming Pool and the Stawell Leisure Complex are utilised by residents throughout the shire. The centres' wet programs include casual swims, water aerobics, swimming lessons, swimming club and junior lifeguard. The Stawell Leisure Complex also offers spa facilities and water slides, while diving boards are an attraction in St Arnaud. Dry programs in Stawell include squash, basketball, soccer, cricket, racquetball and ed gym. The 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.

During 2012 and 2013 the services have been the subject of ongoing review and continuous improvement to ensure best value outcomes are achieved for Council and the community within Council's financial limits.



EMERGENCY & RISK

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.

Flood Recovery Winding Up

Flood recovery work is only now beginning to wrap up in the Northern Grampians Shire following the devastating rain events of 2010 and 2011. After two and a half years the recovery plan objectives for the floods of 2010 and early 2011 are almost complete. The damage inflicted by flooding and storms in the south-east of the shire in December 2011 was significant and repair work in this area is still in progress. This will be the most visual focus of the recovery program in 2013.

Projects to Deliver

The flood recovery team will be completing the remaining road and bridge works over the next six months. A complete repair of the athletics track at North Park will also be undertaken, restoring the facility to current standards. This will see a facility of regional benchmark provided for our athletic clubs, schools and recreational users by early 2014. In addition, the team will be completing work on any remaining halls and community infrastructure affected by the floods, and celebrating their re-opening with residents.

Repairing Damaged Infrastructure

The damage bill for the September 2010, January 2011 and December 2011 floods totalled around \$30 million, more than three times the Council's annual capital works budget. The three floods created over 2,000 individual repair projects on Council infrastructure including roads, bridges, drains and major culverts. This restoration program is the biggest infrastructure program in the history of the Northern Grampians Shire, and is expected to be completed in the 2013-2014 financial year.

Smart Business

With operations beginning to wind up, the ongoing benefit of the flood recovery work will be integrated into the 'normal business' of Council, in areas such as infrastructure, environment, community and economic development.

Many lessons have been learnt throughout the flood recovery process and it is vital that Northern Grampians Shire Council documents and captures the work that has been done. While we hope never to experience floods like these in the shire again, this information will be invaluable in times of emergency and recovery.

The final stage of the process will involve acquitting the grants and funds received from state and federal government and reflecting on what has been a successful two and a half years of work.



DATA & INFORMATION





Information Services

Council is committed to providing appropriate technologies for staff to increase efficiency and improve service delivery to the community. An updated Information Communication and Technology Strategy was developed during 2012-13 identifying a number of recommendations for improvement which will be progressively implemented over the next few years.

During 2013/14 the 'www.ngshire.vic.gov.au' website will be redesigned to automatically display on the variety of devices now available to improve public access to Council's electronic information.

2013/14 will also see Stage 1 of the Public Wi-FI Access project commence, with public Wi-Fi planned for the main retail precinct of Stawell to provide improved accessibility for our community, businesses and visitors.



WASTE



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 litterbins 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.



ASSETS

Infrastructure and Asset Management

Council maintains roads, bridges, buildings, footpaths, kerb and channel and other 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.

Aerodromes

Council currently manages both the Stawell and St Arnaud aerodromes 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.

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 and performing arts concerts. Council provides access to public toilets in spaces such as the shire's central business districts, parks, gardens, major attractions and reserves. It also maintains building assets and coordinates the ongoing repair and maintenance associated with running the public

amenities. 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



Roads and Bridges

This service provides for maintenance on Council's infrastructure, incorporating roads, bridges, drainage, footpaths, kerb and channel, street furniture, line marking and signage. This service also includes the program of road inspections as part of the Road Management Act and Council's Road Management Plan for Council managed local roads.

Throughout the municipality, Council manages 3,480 kilometres of road network, 600 bridges and major culverts, 102 kilometres of footpaths, 145 kilometres of kerb and channel, 17,000 square metres of car park and vast network drainage.



RED TAPE REDUCTION



Regulation

Throughout the course of the year Councillors and Council Officers will continue to liaise with both Federal and State Government bodies to investigate opportunities to reduce bureaucratic 'road blocks' in Council administration and service delivery functions.

During 2013/14 work will commence on identification and implementation of an appropriate customer relationship and complaint management system.

Council will also further streamline planning and building application processes.



FINANCIAL SUSTAINABILITY





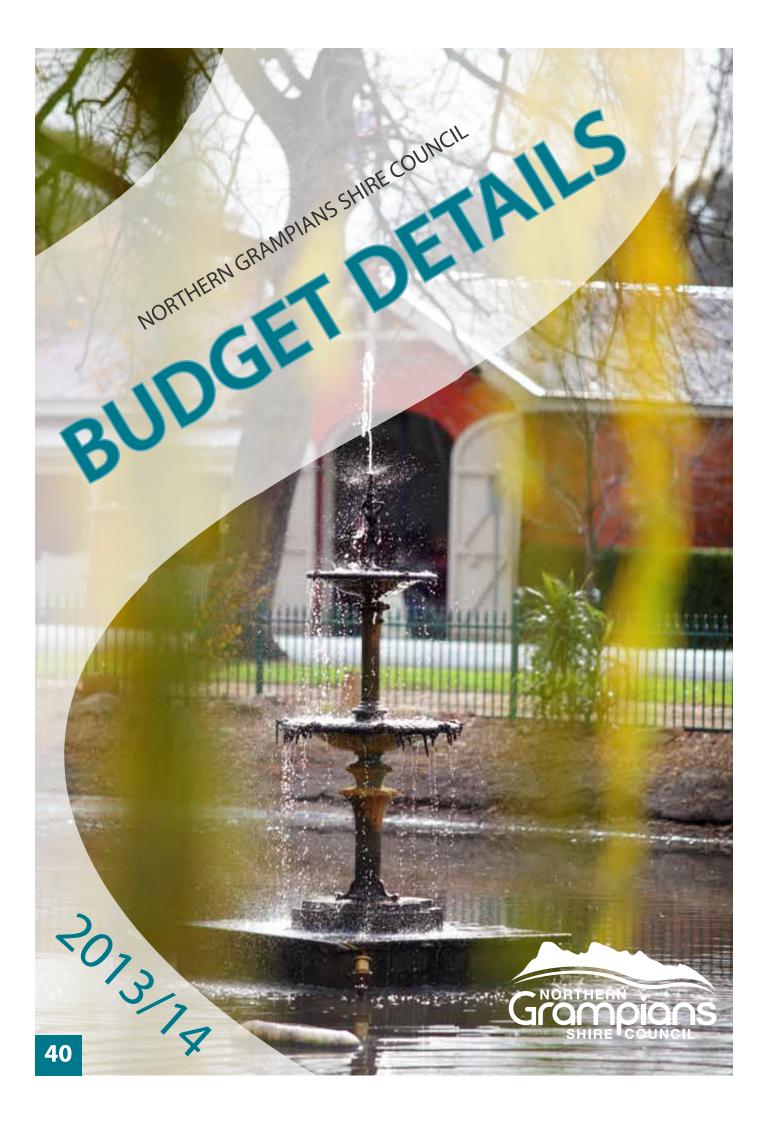
Financial Services

Council will continue to meet its reporting and accountability requirements, with plans underway to work towards long term sustainability.

An annual internal audit plan will be developed through the Audit Committee to provide assurance regarding Council's performance, risk management, financial and governance responsibilities.

Opportunities for regional collaboration will be sought to gain efficiencies in costs and service provision.

Council will continue to advocate for constitutional recognition for local government and improved funding opportunities.

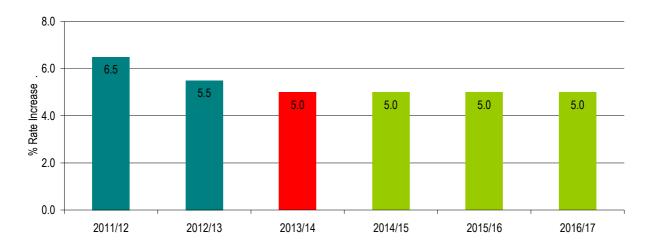


Co	ontents	Page
Вι	udget Summary	42
Вι	udget Analysis	
1.	Analysis of Operating Budget	47
2.	Budgeted Cash Position	50
3.	Analysis of Capital Budget	51
Lo	ong Term Strategies	
4.	Strategic Resource Plan and Key Financial Indicators	54
5.	Rates and Charges	56
6.	Borrowings	58
7.	Asset Management	58
Αŗ	ppendices	
Α	Budgeted Standard Statements	61
В	Statutory Disclosures	67
С	Capital Works Program	71
D	Key Strategic Activities	74

Budget Summary

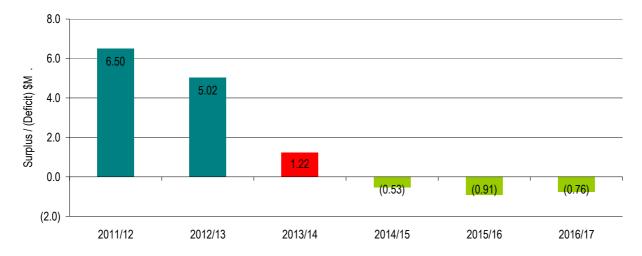
Council has prepared a budget for the 2013/14 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council.

1. Rates



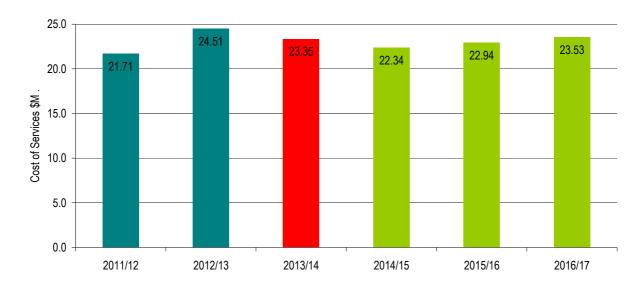
It is proposed that general rates increase by 5.0% for the 2013/14 year, raising total rates of \$12.09 million. (The rate increase for the 2012/13 year was 5.5%).

2. Operating result



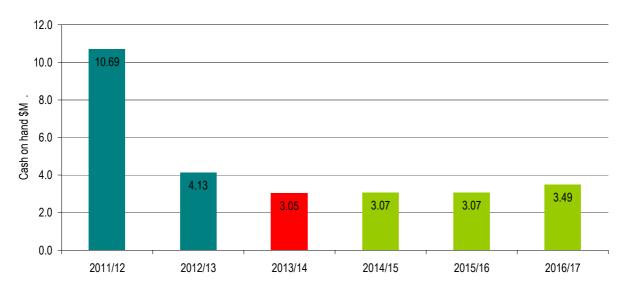
The expected operating result for the 2013/14 year is a surplus of \$1.2 million, which is a decrease of \$3.8 million over 2012/13. The reduced operating result compared to 2012/13 is mainly due to external funding for capital works to restore flood damaged infrastructure in the previous years. (The forecast operating result for the 2012/13 year is a surplus of \$5.0 million). The restoration of flood damaged infrastructure is budgeted to take until mid 2013/14, and this continues to distort Council's operating surplus. The future years plan shows that Council continues to struggle to be sustainable, with operating deficits indicating that Council is unable to renew its assets at the required rate with the current level of funding. The projected deficits 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



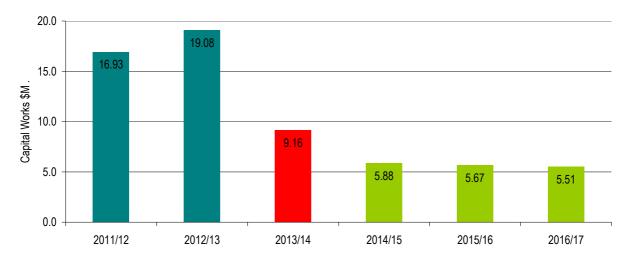
The cost of services delivered to the community for the 2013/14 year is expected to be \$23.3 million which is a decrease of \$1.2 million over 2012/13. For the 2013/14 year, service levels have been reviewed and some reductions proposed, with further service reviews to be undertaken during 2013/14 and future years. (The forecast cost for the 2012/13 year is \$24.5 million). This does not include the provision of flood recovery services.

4. Cash and investments



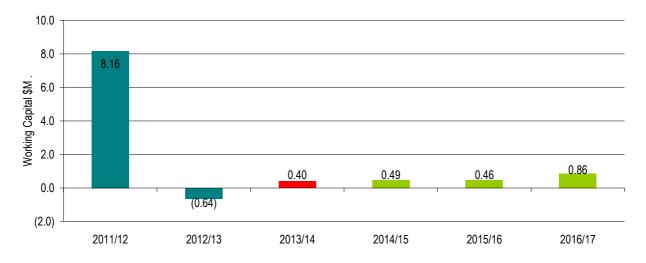
Cash and investments are expected to decrease by \$1.1 million during the year to \$3.05 million as at 30 June, 2014. This reduction is the result of a large capital works program in 2013/14, funded in part from cash on hand. (Cash and investments are forecast to be \$4.1 million as at 30 June, 2013).

5. Capital works



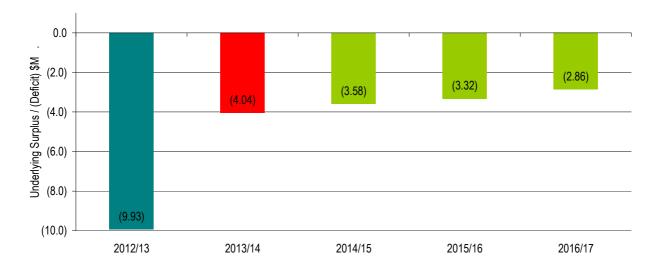
The capital works program for the 2013/14 year is expected to be \$9.2 million of which \$1.9 million relates to the restoration of flood damaged infrastructure. The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. The capital works program between 2012/13 and 2013/14 is still influenced by flood damage restoration. In addition to asset renewal and flood restoration work is the major project to rejuvenate Halls Gap Hub community facility, however the North Park Redevelopment Project has been deferred until grant funding can be sourced. (Capital works are forecast to be \$19.1 million for the 2012/13 year of which \$10.4 million relates to flood restoration works).

6. Financial position



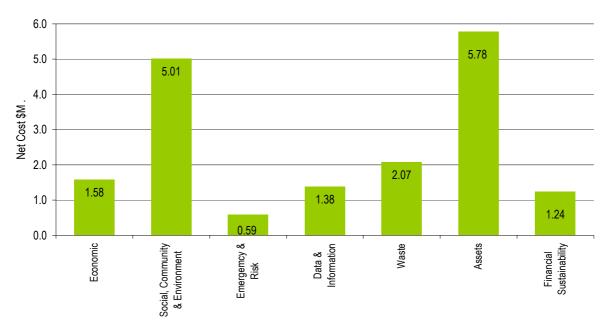
Net assets are expected to improve by \$1.2 million to \$262.2 million, with net current assets (working capital) increasing by \$1.0 million as at June 2014. This is mainly due to the reduction in current liabilities following the payment of the defined benefits additional call of \$2.1 million using loan funding, offset by the use of cash on hand to fund the capital works program. (Total equity is forecast to be \$261.0 million as at 30 June, 2013).

7. Financial sustainability



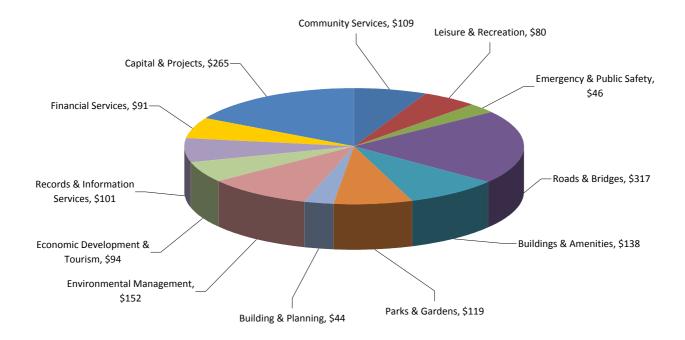
A high level Strategic Resource Plan for the years 2013/14 to 2016/17 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. While the Plan projects that Council's operating result in 2013 and to some extent in 2014 will be inflated due to the impacts of flood recovery, 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 stock of 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 2013-2017. 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 2013/14 year.

9. Where rates are spent



The above chart provides an indication of how Council allocates its rates expenditure across the main services that it delivers. It shows how much is allocated to each service area based on the average rates paid of \$1,556.

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

1. Analysis of Operating Budget

This section analyses the operating budget including expected income and expenses of the Council for the 2013/14 year.

1.1 Budgeted Income Statement

	Ref	Forecast Actual 2012/13	Budget 2013/14	Variance
		\$'000	\$'000	\$'000
Total Income	1.2	38,980	31,532	(7,448)
Total Expenses	1.3	(33,961)	(30,315)	3,646
Surplus (Deficit) for the year	_	5,019	1,217	(3,802)
Grants – Capital	1.2.4	(14,949)	(5,252)	9,697
Underlying Surplus (Deficit)	1.1.1	(9,930)	(4,035)	5,895

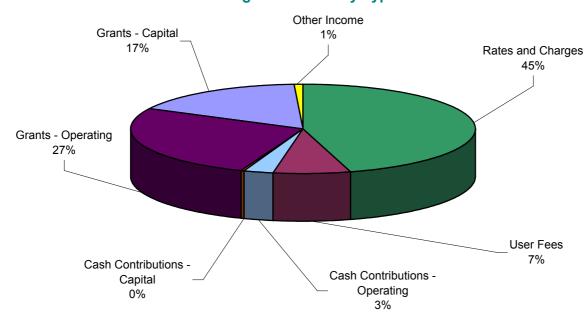
1.1.1 Underlying Deficit (\$5.9 decrease)

The underlying result is the net surplus or deficit for the year adjusted for capital grants. It is a measure of financial sustainability as it is not impacted by capital grants which mask the operating result. The underlying result measures Council's capacity to meet its asset renewal needs. The budgeted underlying result for the 2013/14 year is a deficit of \$4.0 million which is an decrease of \$5.9 million over the 2012/13 year. This is due to distortions in the 2012/13 year resulting from high levels of flood recovery grants and works carried forward from the previous year and the timing of advance payments of financial assistance grants. Regardless of the distortions between years, the underlying deficit indicates that Council is unable to renew its assets at appropriate levels without funding assistance.

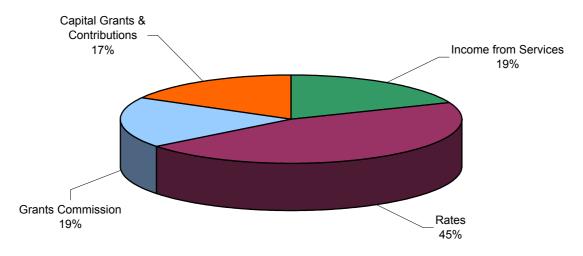
1.2 Income

Income Types	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Rates and Charges	1.2.1	13,663	14,348	685
User Fees	1.2.2	2,264	2,279	15
Cash Contributions - Operating		730	872	142
Cash Contributions - Capital		249	100	(149)
Grants - Operating	1.2.3	6,637	8,422	1,785
Grants - Capital	1.2.4	14,949	5,252	(9,697)
Other Income		488	259	(229)
Total Income		38,980	31,532	(7,448)

Budget % Income by Type



Budget Income by Service/Source



1.2.1 Rates and Charges (\$0.7 million increase)

It is proposed that rates and charges income be increased by \$0.7 million over 2013/14 to \$14.3 million. The *Rating Strategy* includes a more detailed analysis of the rates and charges to be levied for 2013/14.

1.2.2 User Fees

User charges contribute to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure facilities and the provision of human services such as childcare and home care services.

1.2.3 Grants - Operating (\$1.8 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 \$1.8 million increase is the result of adjustments for the timing of Victorian Grants Commission payments and grants for one off non capital projects, offset by the reduction in operating grants compared to 2012/13, received for flood recovery works.

	Forecast Actual	Budget	Variance
Grant Funding Types	2012/13	2013/14	Variance
	\$'000	\$'000	\$'000
Victorian Grants Commission	2,778	5,885	3,107
Flood Recovery	2,059	382	(1,677)
Aged & Disability	632	641	9
Non Capital Projects	343	740	397
Children's Services	345	339	(6)
Emergency Management	205	120	(85)
Other	275	315	40
Total Grants - Operating	6,637	8,422	1,785

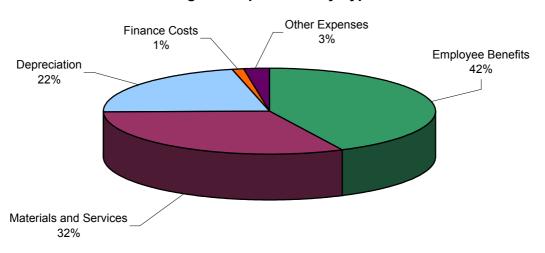
1.2.4 Grants - Capital (\$9.7 million decrease)

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 decreased by \$9.7 million compared to 2012/13, due to the high level of grants in 2012/13 for asset restoration following flood events. The *Analysis of Capital Budget* section includes a more detailed analysis of the grants and contributions expected to be received during the 2013/14 year.

1.3 Expenses

Expense Types	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Employee Benefits	1.3.1	12,695	12,997	302
Materials and Services	1.3.2	13,903	9,643	(4,260)
Depreciation	1.3.3	6,394	6,587	193
Finance Costs	1.3.4	148	307	159
Other Expenses		821	781	(40)
Total expenses		33,961	30,315	(3,646)

Budget % Expenditure by Type



1.3.1 Employee Benefits (\$0.3 million increase)

Employee costs include all labor related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, workcover and training.

Employee costs are forecast to increase by \$0.3 million compared to 2012/13. This increase relates to renegotiation of Council's Enterprise Bargaining Agreement (EBA), offset by savings to be realised following service level reviews and the reduction in employees required for flood recovery works.

Budgeted staff numbers are as follows:

	Ref	Budget 2012/13	Budget 2013/14	Variance
		EFTs	EFTs	EFTs
Equivalent Full Time Employees	1.3.1	186.7	180.9	(5.8)

1.3.2 Materials and Services (\$4.3 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by \$4.3 million compared to 2012/13.

The decrease in materials and services is due to inflated costs in 2012/13 related to flood recovery works including the costs to restore public assets, and reductions budgeted in 2013/14 following service level reviews.

1.3.3 Depreciation and Amortisation (\$0.2 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 (\$0.2 million increase)

Borrowing costs relate to interest charged by financial institutions on borrowed funds. The increase in borrowing costs results from increased loan funds required to pay the defined benefits additional superannuation call, and to fund Council's contribution towards the priority Halls Gap Hub community asset project.

2. Budgeted Cash Position

This section presents the expected cash flows from the operating, investing and financing activities of Council for the 2013/14 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 include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

2.1 Budgeted Cash Flow Statement

	Forecast		
	Actual	Budget	Variance
	2012/13	2013/14	
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts			
Rates and charges	13,663	14,348	685
Grants - operating	6,637	8,422	1,785
Grants - capital	14,949	5,252	(9,697)
Contributions - operating	730	872	142
Contributions - capital	249	100	(149)
Interest	363	181	(182)
User fees	2,264	2,279	15
Other	125	78	(47)
	38,980	31,532	(7,448)
Payments			
Employee benefits	(12,695)	(12,998)	(303)
Superannuation call on defined benefits	0	(2,099)	0
Other	(14,872)	(10,731)	4,141
	(27,567)	(25,828)	3,838
Net cash provided by operating activities	11,413	5,704	(3,610)
Cash flows from investing activities			
Proceeds from sales of property, plant & equipment	500	339	(161)
Payments for property, plant and equipment	(19,081)	(9,164)	9,917
Net cash used in investing activities	(18,581)	(8,825)	9,756
Cash flows from financing activities			
Proceeds from borrowings	1,000	2,600	1,600
Repayment of borrowings	(392)	(553)	(161)
Net cash used in financing activities	608	2,047	1,439
Net decrease in cash and cash equivalents	(6,560)	(1,074)	5,486
Cash and cash equivalents at the beginning of the year	10,687	4,127	(6,560)
Cash and cash equivalents at end of the year	4,127	3,053	(1,074)

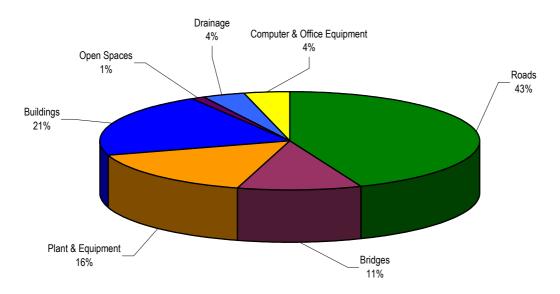
3. Analysis of Capital Budget

This section analyses the planned capital expenditure budget for the 2013/14 year and the sources of funding for the capital budget.

3.1 Capital Works

Capital Works Areas	Ref	Forecast 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
Roads	3.1.1	11,647	3,976	(7,671)
Bridges	3.1.2	1,914	965	(949)
Plant & Equipment	3.1.3	1,860	1,430	(430)
Buildings	3.1.4	1,466	1,925	`459
Open Spaces	3.1.5	1,307	90	(1,217)
Drainage	3.1.6	549	335	(214)
Computer & Office Equipment	3.1.7	338	347	9
Land & Land Improvements	3.1.8	0	96	96
Total Capital Works		19,081	9,164	(9,917)
Represented by:				
Asset Renewal	3.1.8	16,509	7,258	(9,251)
New Assets	3.1.8	770	100	(670)
Asset Expansion/Upgrade	3.1.8	1,802	1,806	4
Total Capital Works		19,081	9,164	(9,917)

Budgeted Capital Works



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

3.1.1 Roads (\$4.0 million)

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

For the 2013/14 year \$4.0 million will be expended on road projects. This is a \$7.7 million decrease on 2012/13 due to the high level of road restoration in 2012/13 following the floods in 2010/11, but still higher than normal due to completion of flood restoration works estimated at \$1.2 million in 2013/14.

3.1.2 Bridges (\$1.0 million)

Bridges includes major culverts and floodways.

For the 2013/14 year, \$1.0 million will be expended on bridge projects. This is higher than normal due to completion of flood restoration works estimated at \$0.6 million in 2013/14.

3.1.3 Plant & Equipment (\$1.4 million)

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

For the 2013/14 year, \$1.4 million will be expended on plant & equipment renewal, as set out in Council's 5 Year Plant Replacement Program.

3.1.4 Buildings (\$1.9 million)

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

For the 2013/14 year, \$1.9 million will be expended on building projects. The most significant projects are the Halls Gap Hub and commencement of the St Arnaud Town Hall and Civic Precinct projects, both dependent on receiving grant funding.

3.1.5 Open Spaces (\$0.1 million)

Open Spaces includes passive and active reserves.

For the 2013/14 year \$0.1 million will be expended on open spaces. This includes work on the wicket table at Central Park, renewal of furniture at Cato Park and continuing work on Council's playground renewal program.

3.1.6 Drainage (\$0.3 million)

For the 2013/14 year, \$0.3 million will be expended on drainage works. This includes the completion of restoration works following the 2010/11 floods.

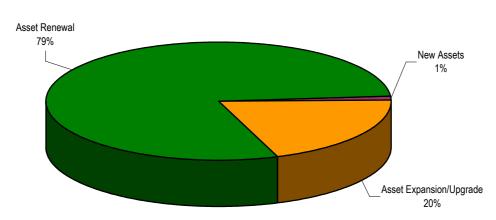
3.1.7 Computer & Office Equipment (\$0.3 million)

This program provides for the scheduled replacement of computer equipment and office furniture.

For the 2013/14 year, \$0.3 million will be expended on computer and office equipment to facilitate service delivery. This includes implementation of a system to assist management and long term financial planning for Council's \$400 million assets, and stage one of the Public Wi-Fi project, providing public Wi-Fi in Stawell Main Street.

3.1.8 Asset Renewal (\$7.3m), New Assets (\$0.1m) and Expansion/Upgrade (\$1.8m)

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

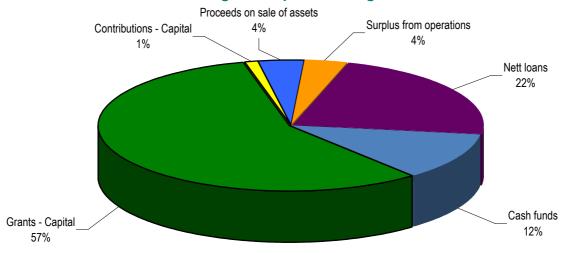


New / Renewal / Expansion Capital Works

3.2 Funding Sources

Sources of Funding	Ref	Forecast Actual 2012/13 \$'000	Budget 2013/14 \$'000	Variance \$'000
External				
Grants - Capital	3.2.1	14,949	5,252	(9,697)
Contributions - Capital		249	100	(149)
Proceeds on Sale of Assets	3.2.2	500	339	(161)
		15,698	5,691	(10,007)
Internal				
Surplus from Operations		(3,785)	352	4,137
Nett Loans		608	2,047	1,439
Cash Funds		6,560	1,074	(5,486)
	3.2.3	3,383	3,473	(5,486)
Total capital works		19,081	9,164	(15,493)

Budgeted Capital Funding Sources



Source: Appendix A

3.2.1 Grants - Capital (\$5.3 million)

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

Grants are significantly lower in 2013/14 due to the inflated level of grants received previously for flood restoration works. Lower levels of grants are still budgeted to be received for the restoration of flood damaged infrastructure, in addition to Roads to Recovery and state allocated funds under the Country Roads and Bridges initiative and Local Governement Infrastructure Program. It is anticipated that grant funding will be received for the Halls Gap Hub project in 2013/14.

3.2.2 Proceeds from Sale of Assets (\$0.34 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 (\$3.5 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 and in 2013/14 it is proposed to borrow \$0.5 million to fund the Halls Gap Hub project.

4. Strategic Resource Plan and Key Financial Indicators

This section considers the long term financial projections of the Council. The Act requires a Strategic Resource Plan to be prepared covering both financial and non-financial resources, and including key financial indicators for at least the next four financial years to support the Council Plan.

4.1 Plan Development

Council has prepared a Strategic Resource Plan (SRP) for the four years 2013/14 to 2016/17 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 Plan, is financial sustainability in the medium to long term, whilst still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the Long Term Financial Plan, are:

- Review existing service levels in order to work towards sustainability
- Maintain a 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.

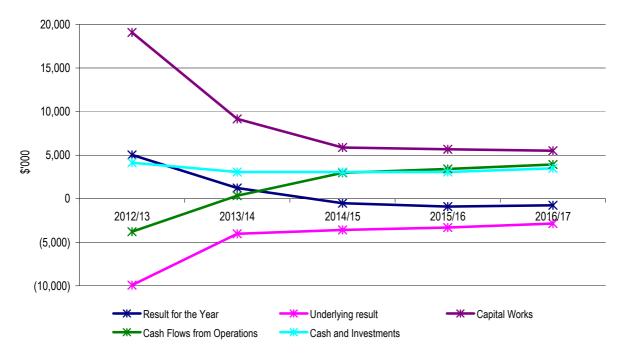
The Plan is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

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 2013/14 to 2016/17. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

	Forecast Actual	Budget	Strategic Resource Plan Projections		Plan	
	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	
Result for the Year	5,019	1,217	(526)	(911)	(763)	
Underlying Result	(9,930)	(4,035)	(3,581)	(3,317)	(2,857)	
Cash and Investments	4,127	3,053	3,067	3,070	3,490	
Cash Flows from Operations	(3,785)	352	2,972	3,408	3,930	
Capital Grants & Contributions	15,198	5,352	3,155	2,406	2,094	
Capital Works	19,081	9,164	5,878	5,671	5,509	

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



The key outcomes of the Plan are as follows:

- Financial Sustainability Cash and investments is forecast to remain steady over the four year period, which indicates a balanced budget on a cash basis in each year.
- Rating Principle Modest rate increases are forecast over the four years at an average of 5% in future years.
- Service Delivery Principle Service levels will be reviewed throughout the four year period. An operating surplus is forecast in 2013/14 as a result of capital grant revenue being received to fund the flood recovery and restoration program. However, excluding the effects of non-operating items such as capital contributions, the underlying result is ae deficit remaining steady over the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off items can often mask the operating result.
- **Borrowing Principle** Borrowings are forecast to reduce from \$4.8 million to \$3.2 million over the four year period. There are proposed new borrowings of \$2.6 million in 2013/14.
- Asset Management Principle Capital expenditure over the four year period will total \$26.2 million, including \$1.9 million of capital flood restoration works.

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 following table summarises the non-financial resources for the next four years.

			Strategic Resource Plan		
Indicator	Budget	Budget	t Projections		
	2012/13	2013/14	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee Costs	12,695	12,997	12,483	12,827	13,101
Full Time Equivalent Employees	186.6	180.9	173.2	173.2	173.2

Employee numbers are projected to decrease following service level reviews to be undertaken during the period resulting in service rationalisation in order to work towards achieving sustainability in the future.

5. Rates and Charges

This section considers the Council's rating principles and assumptions underlying the current year rate increase and rating structure.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for 45.5% of the total revenue to be received by Council in 2013/14. (This measure continues to be distorted as a result of additional funding for flood recovery.) Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases.

5.1 Current Year Rate Increase

In order to provide services and a undertake the capital expenditure program, general rates will increase by 5.0% in 2013/14 raising a total rate revenue of \$12.1 million (\$14.3 million total rates and charges). This total includes the Municipal Charge, which will increase by \$7 per assessment. The following table sets out future proposed rate increases and total rates to be raised, based on the forecast financial position of Council as at 30 June 2013.

Year	Rate Increase %	Total Rates Raised \$'000
2012/13	5.5	13,663
2013/14	5.0	14,348
2014/15	5.0	15,065
2015/16	5.0	15,819
2016/17	5.0	16,610

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 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 & cultural land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act, and in accordance with the Ministerial Guidelines with regards to 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 collection charge and a recycling charge as allowed under the Act.

The following table summarises the rates to be determined for the 2013/14 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	2012/13	2013/14
General rates	Cents/\$ CIV	0.6417	0.6738
Farm rates	Cents/\$ CIV	0.4171	0.4380
Recreational & Cultutal rates	Cents/\$ CIV	0.3721	0.3908
Municipal charge	\$/ property	\$125.00	\$132.00
Kerbside collection charge - 80L	\$/ property	\$194.00	N/A
Kerbside collection charge - 120L	\$/ property	\$250.00	\$235.00
Kerbside collection charge - 240L	\$/ property	\$387.00	N/A
Recycling charge	\$/ property	\$90.00	\$135.00

5.3 General Revaluation of Properties

A general revaluation of all properties within the Council's municipal district occurs every two years. (The last general revaluation was carried out as at 1 January, 2012 and took effect on 1 July, 2012.)

The distribution of rates and charges in the 2013/14 budget will not be impacted by the general revaluation. Council has not made any changes to the existing rate differential.

5.4 Fire Services Property Levy

From July 2013 the State Government is introducing a property based levy to fund both metropolitan and country fire services (MFB and CFA), following a recommendation by the Victorian Bushfire Royal Commission. Until now fire service contributions have been made through insurance premiums on property. This will no longer be the case from 1 July, 2013, with a fire service levy being charged on Council rates notices instead. There will be both a fixed component and variable component calculated as a percentage of the capital improved value of the property, and all funds collected by Council will be transferred to the State Government.

Please go to www.firelevy.vic.gov.au for further information regarding the fire services property levy.

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 2013/14 year, Council has decided to take out any new borrowings of \$2.6 million to fund the defined benefits additional call (\$2.1 million) and the capital works program (Halls Gap Hub \$0.5 million) and therefore, after making loan repayments of \$0.55 million, will reduce its total borrowings to \$4.8 million as at 30 June, 2014. It is likely that in the longer term, further borrowings will 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, 2013.

	New	Principal	Interest	Balance
Year	Borrowings	Paid	Paid	30 June
	\$'000	\$'000	\$'000	\$'000
2012/13	1,000	392	148	2,792
2013/14	2,600	553	307	4,839
2014/15	0	565	306	4,274
2015/16	0	515	268	3,759
2016/17	0	550	233	3,209

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 7 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 rigorous process of consultation and evaluation.

The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes.
- 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.
- Business Case template for officers to document capital project submissions.

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

At present, 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 endeavoring 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, following extensive road restoration works undertaken in response to the major flood events that occurred in 2010 and 2011.

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 & Contributions \$'000	Borrowings \$'000	Asset Sales \$'000	Cash Funds \$'000
2012/13	19,081	15,198	1,000	500	2,383
2013/14	9,164	5,352	500	339	2,973
2014/15	5,878	3,155	0	330	2,393
2015/16	5,671	2,406	0	375	2,890
2016/17	5,509	2,094	0	455	2,960

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.

Appendix A includes a Statement of Reserves.

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.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
Α	Budgeted Standard Statements	61
В	Stautory Disclosures	67
С	Capital Works Program	71
D	Key Strategic Activities	74

Appendix A Budgeted Standard Statements



This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2013/14 to 2016/17 has been extracted from the Strategic Resource Plan.

At the end of each financial year Council is required to report back to the community a comparison of actual financial results against these Budgeted Standard Statements and provide an explanation of significant variances. The Standard Statements together with the Performance Statement provide a clear, concise and understandable report of Council's activities for the year from both a financial and non-financial perspective particularly for those users who do not have a financial background.

The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Reserves

Budgeted Standard Income StatementFor the four years ending 30 June 2017



		Forecast		Strateg	ic Resource	Plan
		Actual	Budget	F	Projections	
		2012/13	2013/14	2014/15	2015/16	2016/17
		\$'000	\$'000	\$'000	\$'000	\$'000
Operating Activities						
Operating Revenue						
Rates & Charges		13,663	14,348	15,065	15,819	16,610
Grants - Capital		14,949	5,252	3,055	2,406	2,094
Grants - Operating		4,578	8,040	7,174	7,281	7,430
Fees & User Charges		2,264	2,279	2,078	2,215	2,364
Contributions - Operating	ng	730	872	733	755	779
Contributions - Capital		249	100	100	0	0
Interest Revenue		323	181	183	185	187
Other Revenue		125	78	81	85	88
	Operating Revenue	36,881	31,150	28,469	28,746	29,552
_						
Operating Expenses						
Employee Benefits		12,339	12,860	12,483	12,827	13,101
Materials & Services		11,197	9,398	8,773	9,043	9,374
Depreciation		6,394	6,587	6,653	6,719	6,787
Borrowing Costs		148	307	306	268	233
Other Expenses	_	821	781	780	800	820
	Operating Expenses	30,899	29,933	28,995	29,657	30,315
Flood Operating Activ	itios					
Interest Revenue	illes	40	0	0	0	0
Operating Grants		2,059	382	0	0	0
	od Operating Revenue	2,099	382	0	0	0
	_	,				
Employee Benefits		356	137	0	0	0
Materials & Services		2,706	245	0	0	0
	d Operating Expenses	3,062	382	0	0	0
	- · <u>-</u>					
O	/Deficial for the	5 O1O	4 247	(EDE)	(011)	(762)
Surpius	(Deficit) for the year _	5,019	1,217	(526)	(911)	(763)

Budgeted Standard Balance SheetFor the four years ending 30 June 2017



	Forecast		Strateg	ic Resource	Plan
	Actual	Budget	_	Projections	
	2012/13	2013/14	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash Assets	3,127	2,053	2,067	3,070	3,490
Receivables	1,639	1,637	1,639	1,628	1,629
Inventories	50	50	50	50	50
Prepayments	55	55	55	55	55
Total Current Assets	4,871	3,795	3,811	4,803	5,224
Non-current Assets					
Receivables	75	53	30	17	3
Property, Plant & Equipment	263,689	265,927	264,822	263,398	261,667
Financial Assets	1,007	1,007	1,007	0	0
Other	674	674	674	674	674
Total Non-current Assets	265,445	267,661	266,533	264,089	262,344
Total Assets	270,316	271,456	270,344	268,892	267,568
Current Liabilities					
Payables	1,187	1,162	1,142	1,116	1,104
Superannuation Call on Defined Benefits	2,099	0	, 0	, 0	0
Interest Bearing Liabilities	553	565	515	550	588
Employee Benefits	2,645	2,645	2,645	2,645	2,645
Other	30	30	30	30	30
Total Current Liabilities	6,514	4,402	4,332	4,341	4,367
Non-current liabilities					
Interest Bearing Liabilities	2,239	4,274	3,759	3,209	2,622
Employee Benefits	316	² 316	316	316	316
Land Improvement Liability	275	275	275	275	275
Total Non-current Liabilities	2,830	4,865	4,350	3,800	3,213
Total Liabilities	9,344	9,267	8,682	8,141	7,580
	222.272		004.000	222 == 4	
Net Assets_	260,972	262,189	261,662	260,751	259,988
Equity					
Accumulated Surplus	129,422	130,305	129,654	128,755	127,654
Asset Revaluation Reserve	129,623	129,623	129,623	129,623	129,623
General Reserves	1,927	2,261	2,385	2,373	2,711
Total Equity_	260,972	262,189	261,662	260,751	259,988

Budgeted Standard Cash Flow StatementFor the four years ending 30 June 2017



	Forecast		Strate	gic Resource	Plan
	Actual	Budget		Projections	1 Idii
	2012/13	2013/14	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities					
Receipts	10.000		4= 00=	4= 040	40.040
Rates & Charges	13,663	14,348	15,065	15,819	16,610
Operating Grants	4,578	8,040	7,174	7,281	7,430
Fees & User Charges	2,264	2,279	2,077	2,215	2,364
Contributions - Operating	730 323	872 181	733 183	755 185	779 187
Interest Revenue	323 125	78	81	85	88
Other Revenue					
Barranta	21,683	25,798	25,313	26,340	27,458
Payments Sanafita	(40.220)	(40.004)	(40, 400)	(40.007)	(42.404)
Employee Benefits	(12,339)	(12,861)	(12,482)	(12,827)	(13,101)
Superannuation Call on Defined Benefits Materials & Services	0 (11,197)	(2,099)	0 (8,773)	0 (9,037)	0 (9,374)
Borrowing Costs	(11,197)	(9,398) (307)	(306)	(268)	(233)
Other Expenses	(821)	(781)	(780)	(800)	(820)
Other Expenses		(25,446)	(22,341)	(22,932)	
	(24,505)	(25,446)	(22,341)	(22,932)	(23,528)
Flood operating activities Receipts					
Interest Revenue	40	0	0	0	0
Operating Grants	2,059	382	0	0	0
operating oranis	2,099	382	0	0	0
Payments	2,099	302			
Employee Benefits	(356)	(137)	0	0	0
Materials & Services	(2,706)	(245)	0	0	0
	(3,062)	(382)	0	0	0
	(0,002)	(002)			
Net cash provided by operating activities	(3,785)	352	2,972	3,408	3,930
Cash flows from investing activities					
Capital Expenditure	(8,678)	(7,239)	(5,878)	(5,671)	(5,509)
Capital Grants	4,477	3,327	3,055	2,406	2,094
Capital Contributions	249	100	100	0	0
Capital Income	500	339	330	375	455
Net cash used in investing activities	(3,452)	(3,473)	(2,393)	(2,890)	(2,960)
Cash flows from flood restoration investing	activities				
Capital Expenditure	(10,403)	(1,925)	0	0	0
Capital Grants	10,472	1,925	0	0	0
Net cash used in flood investing activities	69	0	0	0	0
Net dash ased in nood investing activities					
Cash flows from financing activities					
Proceeds from Borrowings	1,000	2,600	0	0	0
Repayment of Borrowings	(392)	(553)	(565)	(515)	(550)
Net cash provided from financing activities	608	2,047	(565)	(515)	(550)
Not decrease in each 0 and 1 1 1	(0.500)	/4 6= A	4.4		400
Net decrease in cash & cash equivalents	(6,560)	(1,074)	14	3 067	420
Cash & cash equivalents at beginning of year	10,687	4,127	3,053	3,067	3,070
Cash & cash equivalents at end of year	4,127	3,053	3,067	3,070	3,490

Budgeted Standard Capital Works Statement

For the four years ending 30 June 2017



	Forecast		Strategic Resource Plan		
	Actual	Budget_	Projections		
	2012/13	2013/14	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Works Areas					
Roads	11,647	3,976	2,900	3,531	3,339
Bridges & Culverts	1,914	965	100	0	200
Plant And Equipment	1,860	1,430	1,390	1,560	1,500
Buildings	1,466	1,925	920	70	115
Open Spaces	1,307	90	30	30	30
Drainage	549	335	130	50	100
Computer & Office Equipment	338	347	100	100	115
Land & Land Improvements	0	96	308	330	110
Total Capital Works	19,081	9,164	5,878	5,671	5,509
Represented by:					
Asset Renewal	16,509	7,258	5,458	4,250	4,295
New Assets	770	100	70	70	70
Asset Expansion/Upgrade	1,802	1,806	350	1,351	1,144
Total Capital Works	19,081	9,164	5,878	5,671	5,509

Reconciliation of net movement in property, plant infrastructure and equipment

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2012/13	2013/14	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Capital Works	19,081	9,164	5,878	5,671	5,509
Assets Disposed Depreciation	(500) (6,394)	(339) (6,587)	(330) (6,653)	(375) (6,719)	(455) (6,787)
Net movement in property, infrastructure, plant & equipment	12,187	2,238	(1,105)	(1,423)	(1,733)

Budgeted Statement of ReservesFor the four years ending 30 June 2017



	Forecast		Strategic Resource Plan		
	Actual	Budget_	Projections		
	2012/13	2013/14	2014/15	2015/16	2016/17
	\$'000	\$'000	\$'000	\$'000	\$'000
Plant Replacement	935	978	998	903	948
St Arnaud Cemetery	0	0	0	0	0
Stawell Cemetery - Pleasant Creek	23	0	0	0	0
Gravel Pits Restoration	122	122	122	122	122
Community Loans	202	226	248	271	284
Waste Management	280	460	432	382	552
Long Service Leave	265	275	285	295	305
Defined Benefits	100	200	300	400	500
Total Reserves	1,927	2,261	2,385	2,373	2,711

Appendix B Statutory Disclosures



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

The appendix includes the following budgeted information:

- Borrowings
- Rates and Charges
- Differential Rates.

Statutory disclosures





2012/13	2013/14
\$'000	\$'000
New borrowings (other than refinancing) 1,000	2,600
Debt redemption 392	533

2. Rates and Charges

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

Type of Property	2012/13	2013/14
Type of Froperty	cents/\$CIV	cents/\$CIV
General rate for rateable residential properties	0.6417	0.6738
General rate for rateable industrial properties	0.6417	0.6738
General rate for rateable commercial properties	0.6417	0.6738
General rate for rateable farming properties	0.4171	0.4380
Rate concession for rateable recreational properties	0.3721	0.3908

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

Tune of Bronorty	2012/13	2013/14
Type of Property	\$'000	\$'000
Residential	6,091	6,437
Commercial/Industrial	975	1,020
Farming	3,408	3,584
Recreational	12	12

2.3 The estimated total amount to be raised by rates

	2012/13	2013/14
	\$	\$
Total rates to be raised	10,486	11,053

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

	2012/13	2013/14
Type of Property	Change	Change
	%	%
Residential	0.2	5.0
Commercial/Industrial	0.2	5.0
Farming	0.2	5.0
Recreational	0.2	5.0

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

Type of Property	2012/13	2013/14
Residential	6,312	6,263
Commercial/Industrial	557	649
Farming	2,326	2,302
Recreational	8	8
Total number of assessments	9,203	9,222

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



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

Type of Property	2012/13	2013/14
	\$'000	\$'000
Residential	949,259	941,460
Commercial/Industrial	151,887	171,654
Farming	817,201	816,621
Recreational	3,254	3,084
Total	1,921,601	1,932,819

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

Type of Charge	Per Rateable Property 2012/13	Per Rateable Property 2013/14
	\$	\$
Municipal	125.00	132.00
Kerbside Collection 80 litre	194.00	N/A
Kerbside Collection 120 litre	250.00	235.00
Kerbside Collection 240 litre	387.00	N/A
Recycling	90.00	135.00

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

Type of Charge	2012/13	2013/14
	\$'000	\$'000
Municipal	988	1,039
Kerbside Collection	1,665	1,435
Recycling	465	821
Total	3,118	3,295

2.10 The estimated total amount to be raised by rates and charges:

	2012/13	2013/14
	\$'000	\$'000
Rates Revenue	10,486	11,053
Charges Revenue	3,118	3,295
Total	13,604	14,348

- 2.11 There are no known significant changes, which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:
- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes farming land and vice versa.

3. Differential rates

3.1 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 below. The rate and amount of rates payable in relation to land in each category are as follows:

- a general rate of 0.6738% (0.6738 cents in the dollar of CIV) for all rateable properties; and
- a farm rate of 0.4380% (0.4380 cents in the dollar of CIV) for all rateable farm properties, and
- a general rate of 0.3908% (0.3908 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.

3.2 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.

3.3 Farm Rate Land

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

- is 2 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.

3.4 Recreation & Cultural Rate Land

Recreational & Cultural Rate Land is any rateable land which:

• is within the Shire and eligible in accordance with the Cultural and Recreational Lands Act 1963.

Appendix C

Capital Works Program



This appendix presents a listing of the capital works projects that will be undertaken for the 2013/14 year.

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

- New Capital Works for 2013/14
- Non Capital Projects for 2013/14.

Capital Works ProgramFor the year ending 30 June 2014



Project Name	Project Cost	Grants	Other Contributions	Sale of Assets	Loans	Rate Revenue Transfe fron Reserves
D. W. W.						
Buildings	4.500	750			500	050
Halls Gap Community & Tourism Hub	1,500	750			500	250
St Arnaud Town Hall & Civic Precinct Pool Renewals Works	180	173				8
	90	90				-
Stawell Entertainment Centre renewal	60	45				15
Western Highway Heritage Precinct	30					30 20
Energy Efficiency in Buildings						
Community Access Plan Implementation	20					20
St Arnaud Works Depot Maintenance Marnoo Toilet	15					15
Marnoo Tollet	10	£4.050	***	*	\$500	10
	\$1,925	\$1,058	\$0	\$0	\$500	\$368
Land & Land Improvement Program						
Glenorchy Transfer Station Rehabilitation	33					33
Marnoo Transfer Station Rehabilitation	30					30
St Arnaud Transfer Station	22					22
Great Western Transfer Station Rehabilitation	11					11
	\$96	\$0	\$0	\$0	\$0	\$90
Duides 9 Maior Culvent						
Bridge & Major Culvert	000	000				
Bridge & Major Culverts (Flood Restoration)	600	600				-
Bridge Renewal Program	215 150	215 150				-
Major Culvert Renewal Program	\$965	\$ 965	\$0	\$0	\$0	- \$(
Computer & Office Equipment						
IT Program	197	15				182
Asset Management System	150					150
	\$347	\$15	\$0	\$0	\$0	\$332
Open Space						
Wicket Table at Central Park Stawell	30	30				-
Playground Renewals	30	30				-
Replacement of Park Furniture at Cato Park	20	20				-
Other Shire Assets	10	10				-
	\$90	\$90	\$0	\$0	\$0	\$(
Diant & Equipment						
Plant & Equipment Heavy Plant	1,025			218		807
Light Vehicle Fleet	290			121		169
Engineering Equipment	50			121		50
Minor Plant Replacement	50					50
Furniture & Equipment	15					15
т инпште & Едиритет	\$1,430	\$0	\$0	\$339	\$0	\$1,09
		-	·		-	
Drainage Program						
Drainage Program	260					260
Dams (Flood Restoration Works)	75	75	*-	*-	*-	-
	\$335	\$75	\$0	\$0	\$0	\$26

Capital Works ProgramFor the year ending 30 June 2014



Project Name	Project Cost	Grants	Other Contributions	Sale of Assets	Loans	Rate Revenue/ Transfer from Reserves
Roads						
Roads Program	2,675	1,748	100			827
Roads & Street Networks (Flood Restoration)	1,240	1,240				-
Gt Western Township Streetscape and Public Space	61	61				-
	\$3,976	\$3,049	\$100	\$0	\$0	\$827
TOTAL CAPITAL WORKS	\$9,164	\$5,252	\$100	\$339	\$500	\$2,974
Major Projects						
Halls Gap Skate Park	400	300	100			_
Western Commercial Industrial Precinct Plan	250	200				50
Golden Heritage Centre Feasibility Study	195	115	30			50
Stawell Town Hall Renewal (exterior painting)	100	100				-
Residential Land Realisation Project	50	25				25
Improved Street Numbering & Signage	10					10
	\$1,005	\$740	\$130	\$0	\$0	\$135
TOTAL CAPITAL WORKS & PROJECTS	\$10,169	\$5,992	\$230	\$339	\$500	\$3,109

Appendix D - Key Strategic Activities



The Key Strategic Activities (KSA) detailed below are derived from the Council Plan. The KSA's, their performance measures, targets and results are audited at the end of the year and are included in the Performance Statement as required by the section 132 of the Local Government Act 1989. The Annual Report for 2013/14 will include the audited Performance Statement which is presented to the Minister for Local Government and the local community.

Strategic Activity	Performance Measure	Performance Target
Develop a Land Development Strategy in order to identify opportunities for residential, commercial and industrial	Time: Develop Land Development Strategy within timeframe	June 2014
development throughout the shire.	Quality: Identify development opportunities within each land classification	≥ 2
Strategic Activity	Performance Measure	Performance Target
Complete Roads Infrastructure Capital Program to ensure assets are provided and maintained at an appropriate level.	Quantity: The proportion of forecasted capital works projects completed at the conclusion of the financial year	≥ 90%
	Cost: Proportion of capital works completed within forecast	≥ 90%
Strategic Activity	Performance Measure	Performance Target
Identify an appropriate asset management	Time: System is identified	March 2014
software system and develop a plan to implement it.	Time: Implementation plan is developed and project is commenced	June 2014
Strategic Activity	Performance Measure	Performance Target
Identify an appropriate customer	Time: System is identified	March 2014
relationship management software system and develop a plan to implement it.	Time: Implementation plan is developed and project is commenced	June 2014
Strategic Activity	Performance Measure	Performance Target
Implement a responsive website design in order to improve electronic public access to Northern Grampians Shire Council	Time: Implement a responsive website design within timeframe	June 2014
information using current technologies.	Cost: Complete responsive website design within budget	
Strategic Activity	Performance Measure	Performance Target
Implement public Wi-Fi in the main retail precinct of Stawell in order to provide	Time: Implement public Wi-Fi access within timeframe	June 2014
improved accessibility for our community, businesses and visitors.	Quality: Businesses trained in use and promotion of public Wi-Fi	> 5

Council Office Locations

Customer Service Centres are open Monday to Friday between 8.15am and 4.45pm.

Stawell

Town Hall, Main Street, Stawell Victoria 3380

St Arnaud

Napier Street, St Arnaud Victoria, 3478

Visitor Information Centres

Stawell: Freecall 1800 330 080 St Arnaud: Freecall 1800 014 455 Halls Gap: Freecall 1800 065 599

Emergency After Hours (All Areas)

Phone: (03) 5358 8700

Postal Address

PO Box 580, Stawell Victoria 3380 Phone: (03) 5358 8700

Fax: (03) 5358 4151

Email: ngshire@ngshire.vic.gov.au Website: www.ngshire.vic.gov.au