



# Financial Plan

2021-31

Online Review Session



Northern Grampians Shire Council  
LIVE | WORK | INVEST | VISIT

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# Welcome

A welcome from Mayor Cr Emerson.



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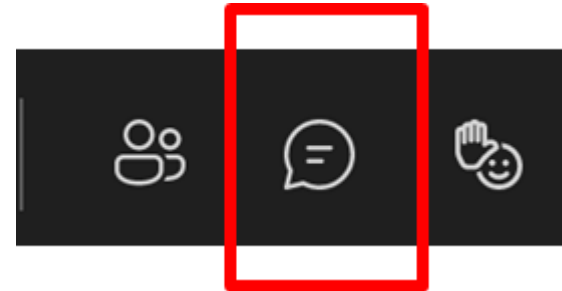
# Introduction

## The way we engage online:

- Please respect everyone on the call.
- Please use the 'chat' function to write and submit your question.
- Please don't call out your question or comment out of turn; we have time to hear and answer your questions in Part 4 of this presentation.

## Type your question in to the chat box

Please click the chat button and type your question in the box that pops up on the right of the screen.



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# Agenda

Item	Speaker	Duration
1. Welcome	Mayor	5 mins
2. Introduction	Manager Government Relations, Engagement & Advocacy	10 mins
3. What the Financial Plan is, and what it does ( <i>a <b>recap</b> of our Information Sessions</i> )		
4. We Asked ( <i>the Financial Plan survey</i> )	Manager Financial Services and Manager Government Relations, Engagement & Advocacy	5 mins
5. You Said ( <i>your feedback to this survey</i> )		10 mins
6. We Did ( <i>how your survey feedback informed the Financial Plan</i> )		10 mins
7. You Asked ( <i>an opportunity for community questions to be asked of our Panel in this Review Session</i> )	Community (mediated by Manager Government Relations, Engagement & Advocacy)	10 mins
8. What's Next?	Manager Government Relations, Engagement & Advocacy	5 mins



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# Approach

## Objective

The intention of the review session is to present the final draft of the Financial Plan to our community, alongside feedback received from our community, and identify areas where community feedback has informed aspects of the Financial Plan.

1. This review session is online to keep our staff and community compliant with COVID-19 restrictions.
2. This session follows two earlier information sessions provided online on Tuesday 14 and Wednesday 15 September 2021, and the commencement of our engagement with community on the Financial Plan, via a survey released 23 August 2021.
3. If you missed the earlier information sessions, or our responses to the first round of *Community Questions*, the presentation material used is on the Financial Plan 'Have Your Say' page of Council's website.
4. After the review session an additional two-week period for any written submissions to Council regarding the final draft of the Financial Plan commences.



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# Recap

## In our information sessions we...

1. Let you know what the Financial Plan is and what it is meant to do
2. Presented some of your thoughts on how money should be spent
3. Helped you understand how money is currently spent
4. Heard your thoughts about how this might need to change over the next 10 years
5. Let you know what happens next and how you can stay involved.

### Please note:

The Financial Plan is not the Revenue & Rating Plan. We will be arranging separate sessions to discuss the Revenue & Rating Plan in due course.

You can find out more information about how rates are calculated by visiting this link:  
<https://www.viccouncils.asn.au/what-councils-do/council-funding/council-rates>



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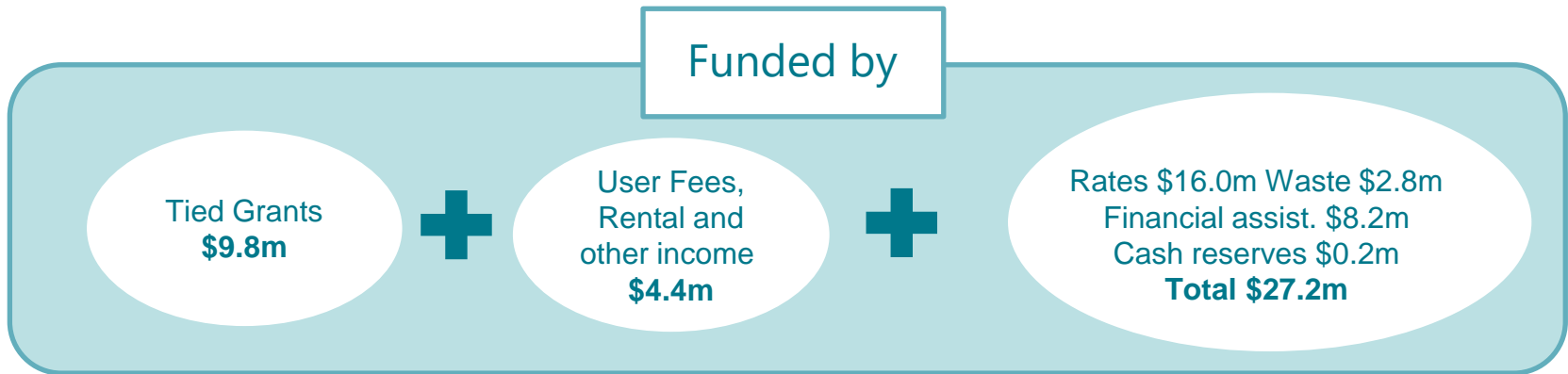
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# Recap

**In our information sessions we...** let you know that the Financial Plan reports what Council is projecting to spend over the course of the next 10 years in order to continue to deliver services, maintain and renew existing assets as well as build new infrastructure.

The Financial Plan allocates a total of **\$41.4m** spending (in 2021).



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# Recap

**In our information sessions we...**described how the Financial Plan is a 'balancing act' between the amount of money and where this money comes from that comes in, and how much and where the money goes out.

## **Secure income through three major streams:**

- Rates and Charges – income from ratepayers
- Government Grants – funding from Commonwealth and State Government
- User Fees, Rentals and Fines – income from service users and the community

## **Expend money to deliver services in a cost-effective way within the following four categories:**

- Discretionary services
- Core services (expected)
- Capital investment
- Enabling functions (support activities)



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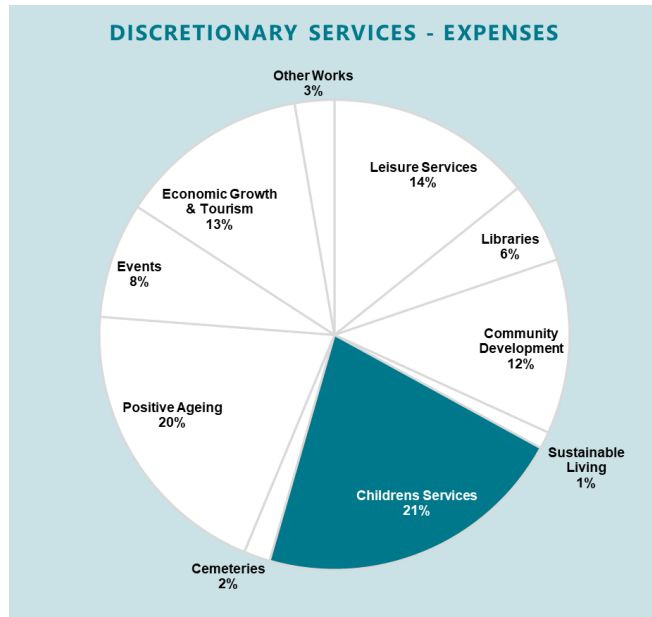
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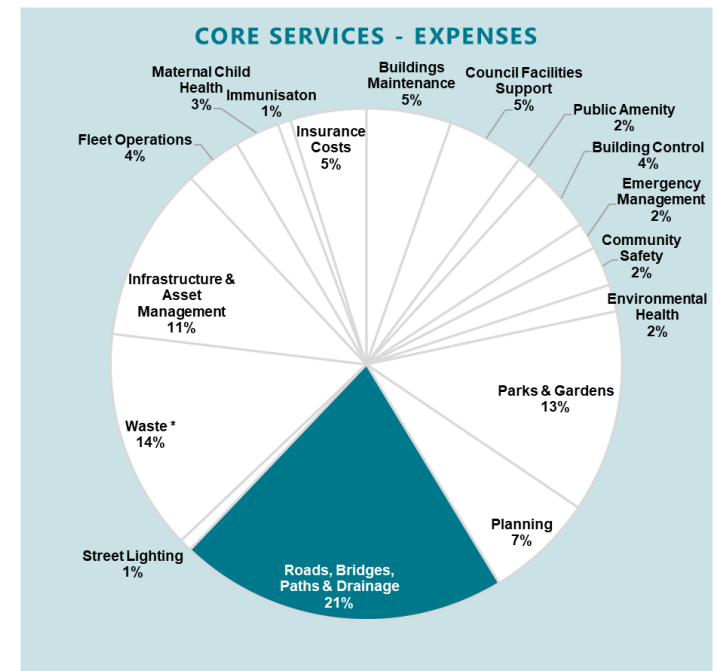


# Recap

In our information sessions we...identified four pathways the \$41.4m spending is allocated:



**Discretionary services** that Council can scale up, scale down or remove. Increase in the service scope or service standard would require additional expenditure with a corresponding increase in income such as rates, or a reallocation (reduction) in expenditure from an alternate service.



**Core services** are expected activities of Council. They may be scaled up or, in some cases scaled down, but generally cannot be removed.



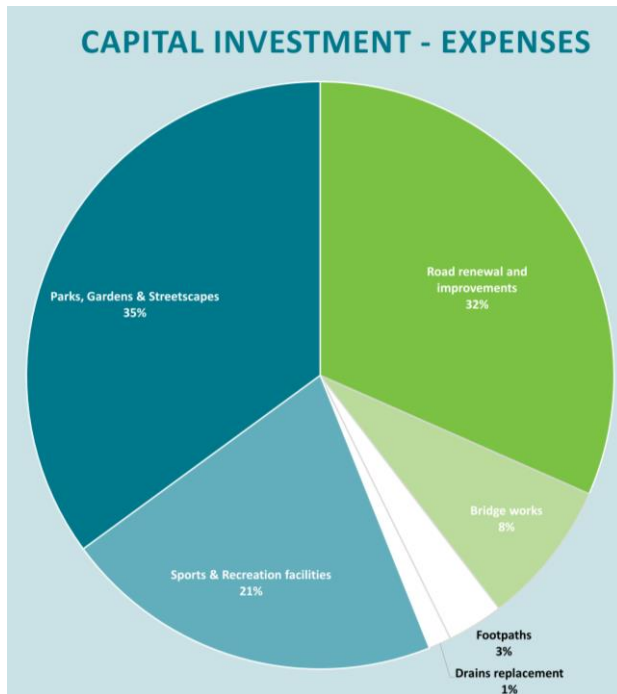
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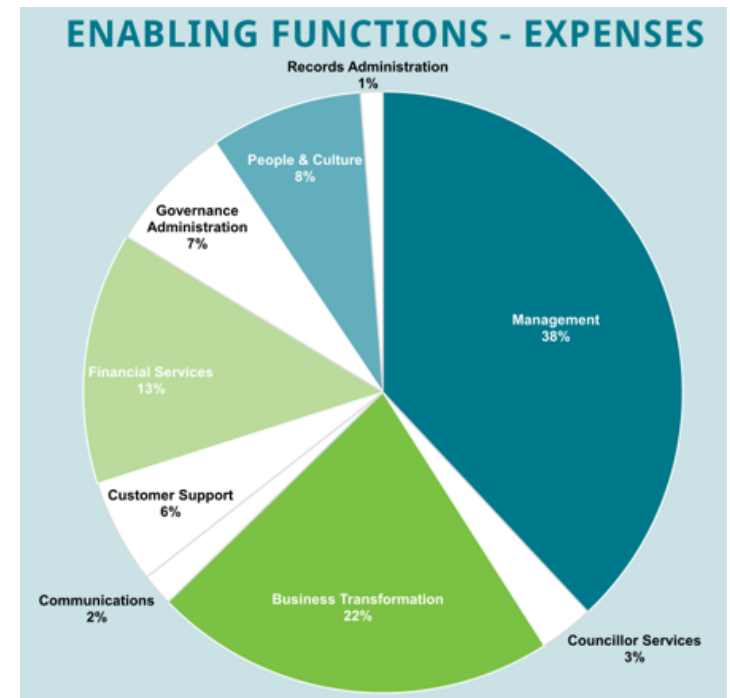
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# Recap

In our information sessions we...identified four pathways the \$41.4m spending is allocated:



**Capital investment** is required to renew and maintain existing assets as well as to build new assets and community infrastructure.



**Enabling functions** are required for the day-to-day operation and often legislated activities of Council.



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# We asked

The eight question Financial Plan survey was designed to enable our community to provide their initial feedback on key areas of expenditure quickly and easily. The survey opened on **23 August** and closed on **22 September**. In total **38 responses** were received.

The questions we used were modelled off the Financial Plan survey used by the Rural City of Wangaratta. Detailed financial information was provided in the second stage of our community engagement (our Information Sessions). This approach allows people who don't 'have a head for numbers' to provide their feedback in the first stage.

1. Are you a ratepayer? (Choose all that apply)

- ☐ Residential rates
- ☐ Business rates
- ☐ Farming rates
- ☐ I don't pay rates
- ☐ Prefer not to say

2. The Financial Plan supports the delivery of the priorities and actions from the Community Vision 2021-2041 and the Council Plan 2021-25. Are you aware of the Community Vision 2021-2041?

- a. Yes
- b. No

3. The Financial Plan supports the delivery of the priorities and actions from the Community Vision 2021-2041 and the Council Plan 2021-25. Are you aware of the Council Plan 2021-25?

- a. Yes
- b. No

# We asked

4. Would you support a rate rise to partly fund any of the following initiatives?

Initiative	Yes	No
Expand footpath and cyclepath networks	<input type="checkbox"/>	<input type="checkbox"/>
Aged disability and children's services	<input type="checkbox"/>	<input type="checkbox"/>
Upgrade local roads	<input type="checkbox"/>	<input type="checkbox"/>
New / upgraded sporting facilities	<input type="checkbox"/>	<input type="checkbox"/>
Improve environmental sustainability and reduce carbon footprint	<input type="checkbox"/>	<input type="checkbox"/>
Enhance streetscapes and public areas	<input type="checkbox"/>	<input type="checkbox"/>
Attract visitors, businesses and investors through spending on marketing and brand development	<input type="checkbox"/>	<input type="checkbox"/>

5. Below is a list of some activities that Council provides. Do you think Council should spend either more dollars, less dollars or about the same dollars for the following activities?

Initiative	Spend less	About the same	Spend more
Aquatic centres	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Libraries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Children's services – Early Learning / Kindergarten	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Aged & Disability – in home support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pound and animal management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Road maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emergency Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Health (eg food premises)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Toilets – maintenance works	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Major events, tourism and economic growth and business investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks & Gardens – maintaining parks, ovals and open spaces	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Street lighting – maintenance and electricity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# We asked

6. We are committed to ensuring we can maintain essential and critical services and deliver infrastructure investment, while also ensuring we are financially prudent - in other words, carefully managing our funds and borrowings. We have 5 ways to achieve this but are limited by how much we can use each one. How comfortable you are with each of these?

Initiative	Very uncomfortable	Somewhat uncomfortable	Neutral	Somewhat comfortable	Comfortable to very comfortable
Increase borrowing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase rates so every ratepayer contributes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase user fees so only the service users pay more	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce a service so the savings can be reallocated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rationalise an asset, such as a property, that Council owns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Should we plan to include a fixed percentage of our annual operating costs to respond to climate change?

- ☐ Yes - this should be prioritised, and savings made elsewhere if needed
- ☐ Yes - so long as it doesn't impact on the ability to provide existing services
- ☐ No - I don't think Council should do this
- ☐ Unsure

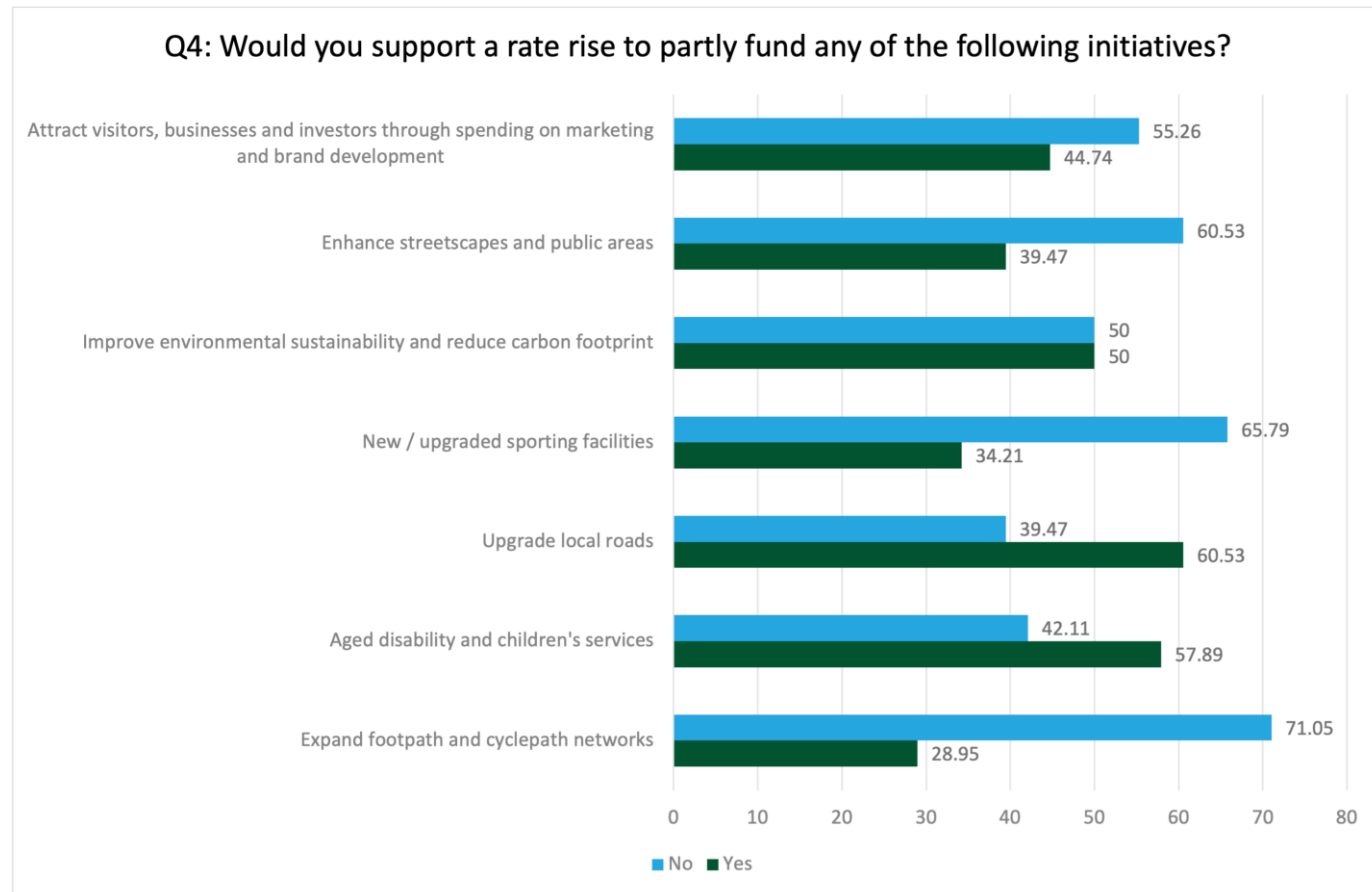
8. The Financial Plan looks at the flow of money in two ways; the first way, which is “Where does the money come from?” and the second way, which is “Where does the money go?” What ideas do you have to increase where the money comes from?

•<free text field for words>

# You said – Q4

The majority of respondents said:

- **No** you wouldn't support a rate rise to expand footpath and cyclepath networks (N: 71.05%), new / upgraded sporting facilities (N: 65.79%), enhance streetscapes and public areas (N: 60.53%) or to attract visitors, businesses and investors through spending on marketing and brand development (N: 55.26%)
- **Yes** you would support a rate rise to upgrade local roads (Y: 60.53%) and for aged disability and children's services (Y: 57.89%)



# You said – Q5

The Top 3 areas the majority of respondents said:

Council should **spend more (SM)** on:

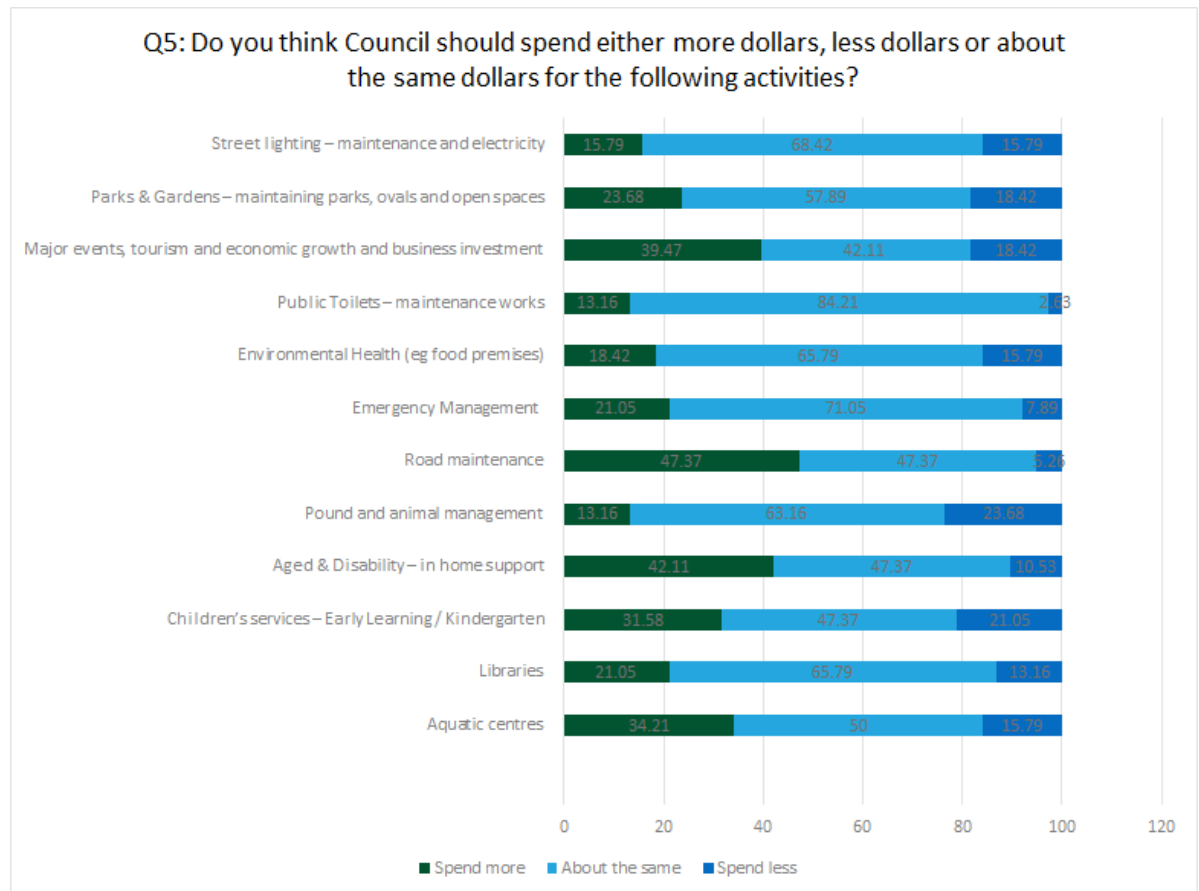
Road maintenance (SM: 47.37%); Aged & Disability - in home support (SM: 42.11%); Major events, tourism and economic growth and business investment (SM: 39.47%)

Council should spend **about the same (ATS)** on:

Emergency Management (ATS: 71.05%); Street lighting - maintenance and electricity (ATS: 68.42%); Libraries (ATS: 65.79%); Environmental Health (ATS: 65.79%);

Council should **spend less (SL)** on:

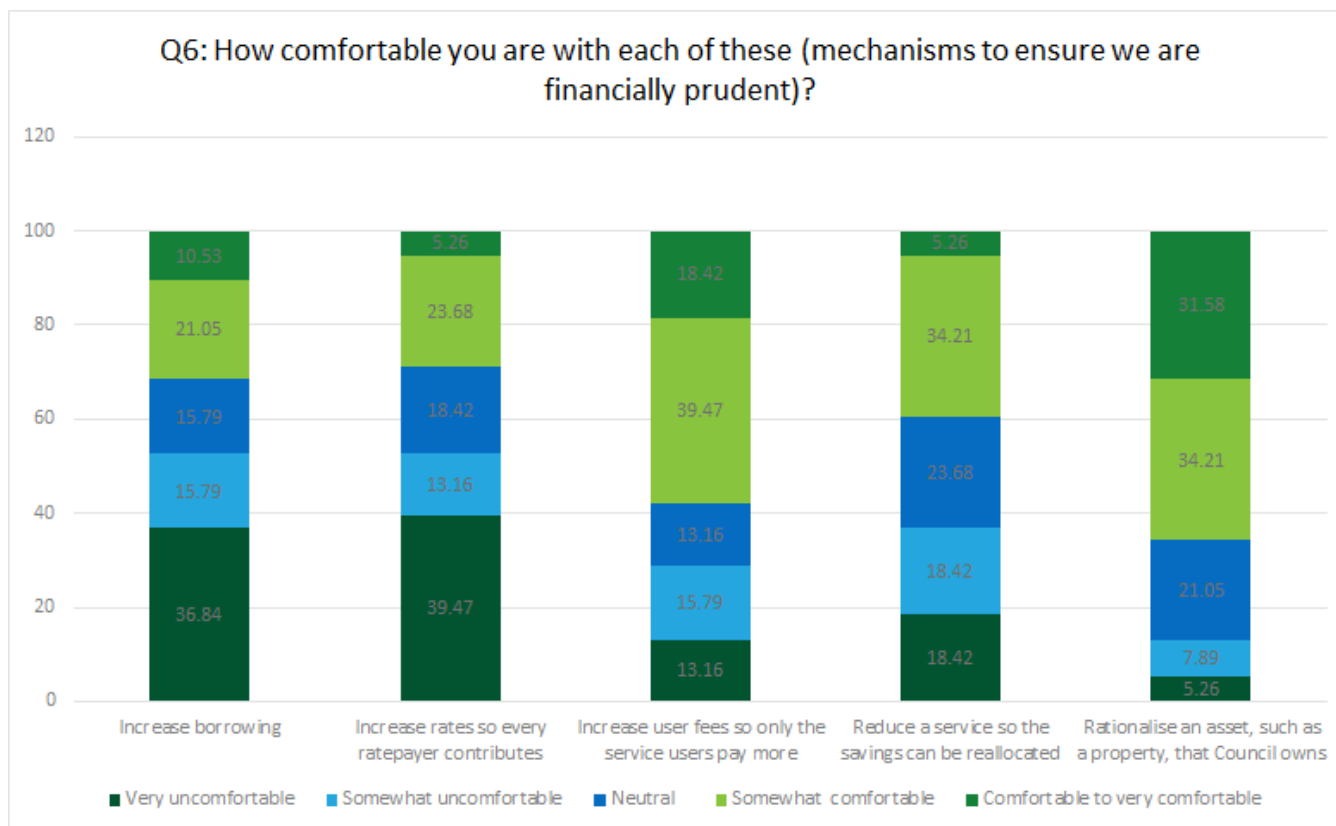
Pound and animal management (SL: 23.68%); Children's services - Early Learning / Kindergarten (SL: 21.05%); and Parks & Gardens - maintaining parks, ovals and open spaces (SL: 18.42%)



# You said - Q6

The majority of respondents are:

- Very uncomfortable (39.47%) with increasing rates so every ratepayer contributes
- Somewhat uncomfortable (15.49%) with increasing borrowing\*
- Neutral (23.68%) with reducing a service so the savings can be reallocated
- Somewhat comfortable (39.47%) with increasing user fees so only the service users pay more
- Comfortable to very comfortable with rationalising an asset that Council owns (31.58%)

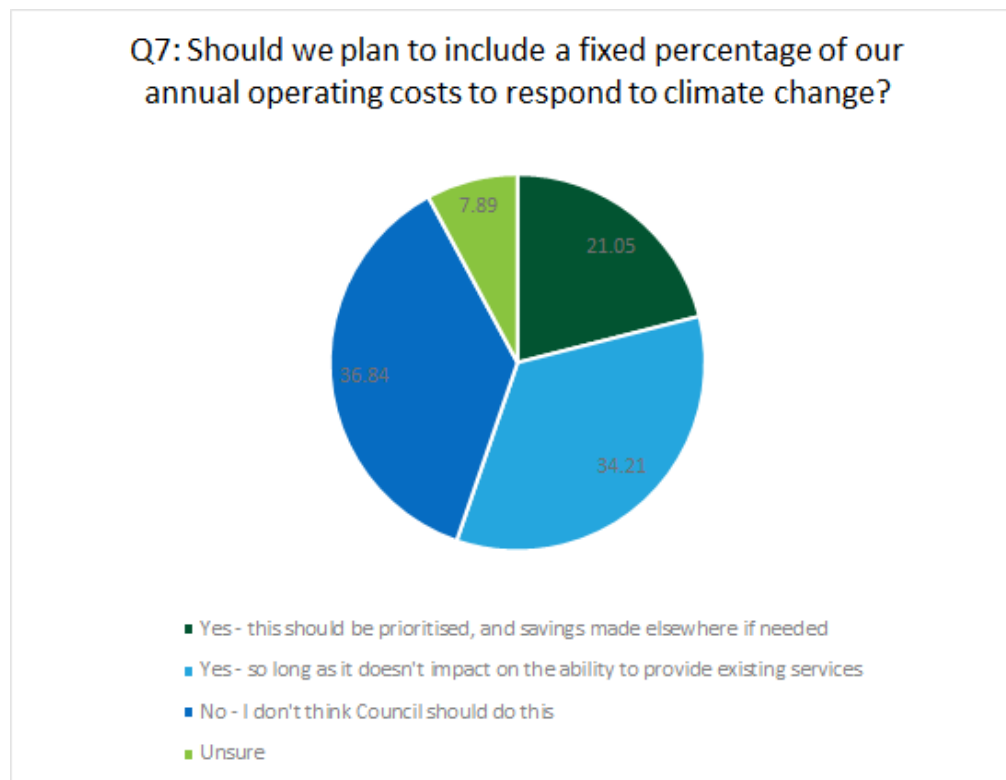




# You said - Q7

The majority of respondents said:

- **Yes** (55.26%) Council should plan to include a fixed percentage of our annual operating costs to respond to climate change. 34.21% say so long as it does not impact on the ability to provide existing services and the remaining 21.05% say it should be prioritised and savings made elsewhere if needed).



# You said - Q8

## 8. What ideas do you have to increase where the money comes from?

Suggestion	We did
<i>"Philanthropic, government or other external grants."</i>	"The draft Financial Plan documents strategic actions including the need to continually target increased advocacy for additional government grants to both offset the cost of rate subsidy as well as fund infrastructure replacement."
<i>"I believe that we should be looking at more user pay systems so that expenditure can be cut."</i>	"The draft Financial Plan's strategic actions will be amended to include a reference to optimising income from user pays to, where possible, limit the burden on ratepayers."
<i>"Council run events that attract a regional audience, and not depend on Melbourne or interstate travellers. This may include markets, shows, music events, etc. With a bit of creative thinking, these can be managed in a COVID-safe environment."</i>	"The 21/22 Budget and the Financial Plan includes increased spending in the areas of events, tourism and investment in order to attract business and regional audiences to the municipality."



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# You said - Q8

## 8. What ideas do you have to increase where the money comes from?

Suggestion	We did
<i>"Review what is actually needed and cut down costs that way. I'm sure some management roles can go. It's the workers doing the work."</i>	"Council is scheduled to complete service reviews of its key activities and business units to ensure the organisation continues to operate as efficiently as possible."
<i>"Sell assets that don't provide a use or benefit to the community." / "Decrease the number of assets council owns."</i>	"Where appropriate Council will investigate additional revenue options, including the sale of surplus assets, to partly offset the cost of capital investment and/or the cost of service delivery."
<i>"Increase advocacy for investment from the state."</i>	"The draft Financial Plan documents strategic actions including the need to continually target increased advocacy for additional government grants."
<i>"Fix the rating system."</i>	"Rating matters are addressed in the Revenue & Rating Plan that was adopted June 21 and is now the subject of further review in preparation for the 2022/23 rating year. Council rates are controlled by the state government rate cap that restricts annual increases to a maximum of CPI"



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# We couldn't

Here are some examples of feedback that could not be incorporated into the plan.

*"The rates paid are high enough as is. Maybe look at restructure of staffing in the council offices as they seem very over staffed."*

Council rates are controlled by the state government rate cap that restricts annual increases to a maximum of CPI. Council staffing was restructured in September 2021 to ensure the organisation continues to operate as efficiently as possible.

*"Take it from those who aren't paying rates but are still using council facilities and services. They seem to be able to afford cars, boats, motor bikes but don't pay rates."*

State government legislation dictates the properties that are exempt and therefore do not pay rates. There is some capacity to collect revenue from people who do not pay rates however this is generally restricted to services that have a user pays contribution.



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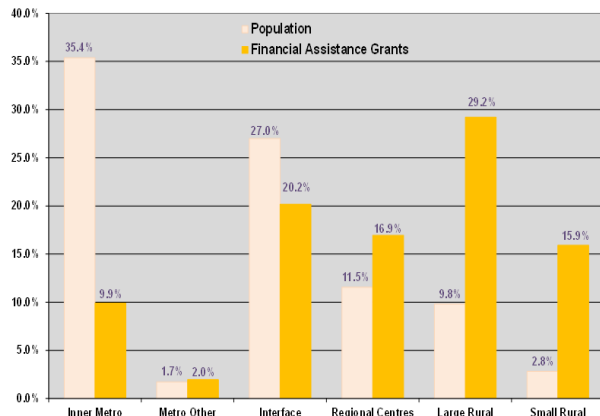
# We couldn't

Here are some examples of feedback that could not be incorporated into the plan.

*"A greater share of taxation revenue raised by either State or Federal Governments... The amount allocated by the Grants Commission for financial assistance is also very low when you look at how much money is contributed to the federal coffers from this community, whether it is by individuals or businesses."*

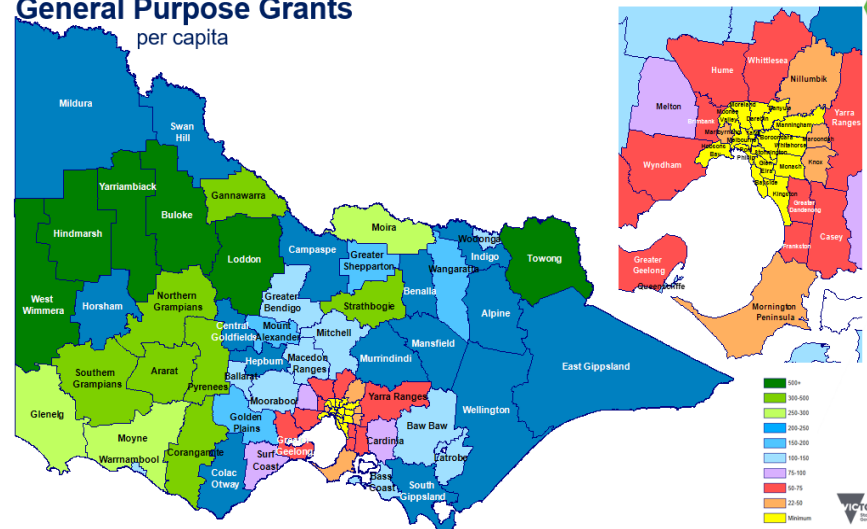
Rural Councils (Northern Grampians Shire is classified as a 'Small Rural Council') currently comprise 12.6% of Victoria's population but receive 45.1% of the financial assistance grants pool. Northern Grampians receives \$300-500 per capita (source: data from Local Government Grants Commission, Department of Jobs, Precincts and Regions)

## Grants by Council Groupings



Rural councils currently comprise **12.6%** of Victoria's population but receive **45.1%** of the financial assistance grants pool

## General Purpose Grants per capita



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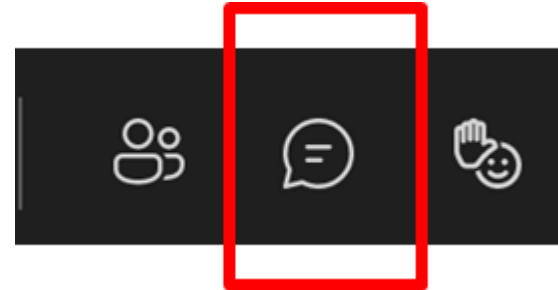
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# You asked

Have a question about the Financial Plan?

## Type your question in to the chat box

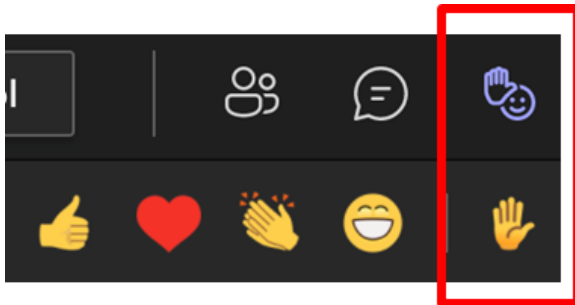
Please click the chat button and type your question in the box that pops up on the right of the screen



OR

## Raise your hand to speak

Please click on the 'raise hand' button to notify the mediator that you have a question you would like to ask. Please click the chat button and type your question in the box that pops up on the right of the screen



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# What's next?

- The second draft of the Financial Plan incorporates community feedback and is also on the website: <https://www.ngshire.vic.gov.au/Have-Your-Say/Financial-Plan-2021-31>
- After this Review Session a further two-week period commences for any submissions to be received by Council in relation to the final draft of the Financial Plan, to be received by 21 October at the very latest.
- The Financial Plan needs to be adopted by Council by 31 October 2021



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# Thank you.



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