



**WEST
WIMMERA
SHIRE COUNCIL**



West Wimmera Shire Council

**DRAFT BUDGET
2019/20**

The best of country living

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Disclaimer

The information contained in this document is for general guidance only. It is not professional advice and should not be used, relied upon or treated as a substitute for specific professional advice. Given the changing nature of laws, rules and regulations, and the inherent hazards of electronic communication, there may be delays, omissions or inaccuracies in information contained in this document.

The model budget, including financial statements, has been prepared in accordance with the requirements of the *Local Government Act 1989* and the Local Government Planning and Reporting Regulations 2014. While every effort has been made to ensure that the information contained in this document has been accurate and complies to relevant Victorian legislation, each Council remains responsible to ensure that the budget they prepare is compliant with all statutory requirements.

CEO's Introduction

On behalf of the staff of West Wimmera Shire Council, it is my pleasure to present the 2019/20 financial year budget.

The document reflects the revenue that can be derived from the rate cap variation received by Council from the Minister for Local Government in 2017 to apply a rate slightly higher than the State Government set cap of 2.25%. It also reflects that this slight increase above the cap will be applied to the renewal of assets to assist in addressing long term sustainability challenges faced by small rural shires. The rate increase included in the 2019/20 budget is 3.5%.

With a clear emphasis placed on the renewal of large asset categories such as, roads, drainage and shire owned buildings, the budget will make a positive impact on addressing the backlog with respect to asset maintenance and renewal.

The 2019/20 budget calls for \$6.59 million capital expenditure on Council's road network, with \$6.14 million of this being renewal of Council's existing network and \$0.45 million set aside for upgrades. The budget also includes a further \$2.63 million in ongoing maintenance for roads on top of the capital spend.

Total capital expenditure will be \$9.20 million, with \$7.62 of this being renewal works on Council's existing community assets and a further \$0.84 million being allocated to upgrading assets.

Other major community projects included in the budget include \$0.60 million for the construction of a new Library facility at Edenhope, located in the new Edenhope Community Centre. This facility is being provided with assistance from the Victorian Government's Living Libraries fund.

Council intends to take out new borrowings of \$0.20 million during 2019/20 to fund stage 2 of the Edenhope & District Community Centre redevelopment. It is projected that these borrowings be repaid over a 5 year period.

Council continues to support development of our families with \$0.88 million allocated to Children's and family services.


The budget makes a commitment to maintaining support for our older residents, with \$0.67 million allocated to Aged and disability care. Council is committed to providing care services to our community and acknowledges the extension of block funding until 2022. Council continues to monitor developments in this area with interest.

The budget also allows for environmentally sustainable upgrades to Council buildings, aiding Council to reduce its greenhouse footprint.

The budget also contains a number of capital projects with funds to be rolled forward from the 2018/19 budget, into the 2019/20 financial year.

As most small rural shires are, West Wimmera is extremely dependant on external funding via grants. Whether that be annual recurrent grants or competitive funding rounds, the shire will rely heavily on the assistance provided by these varied funding streams.

West Wimmera Shire welcomes community comment and discussion on the budget and looks forward to implementing the various activities contained within it.



David Leahy
Chief Executive Officer

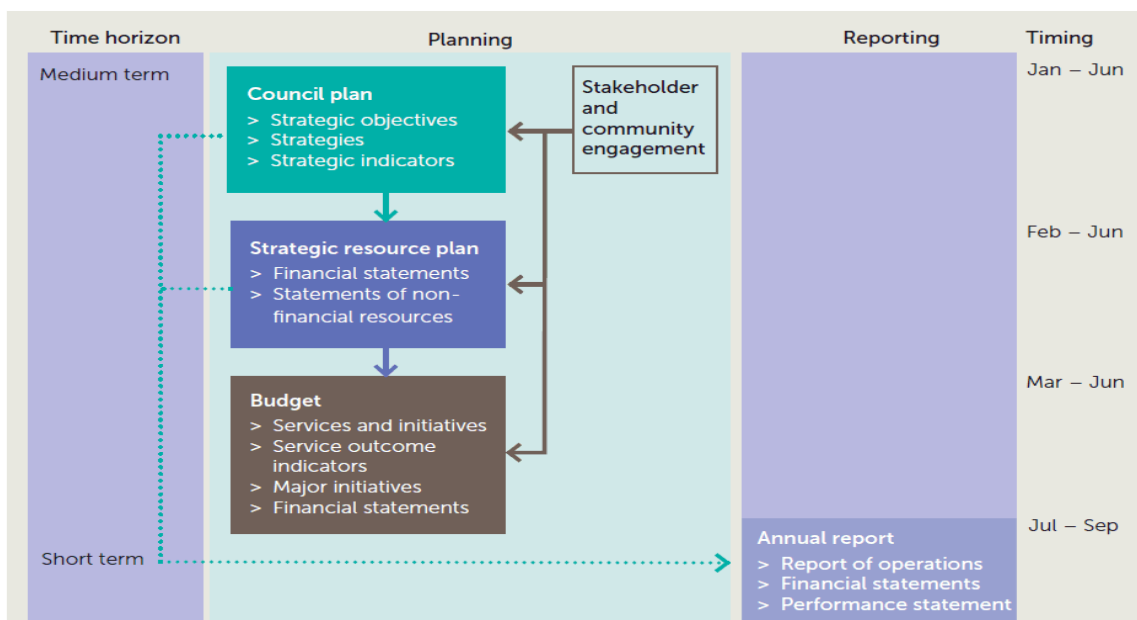


1. Link to the Council Plan

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

1.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, considering the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

In addition to the above, Council has a long term plan which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes.

1.2 Our purpose

Our vision

Our West Wimmera communities are healthy, thriving, diverse, prosperous and self-sustaining, with regional and global connectivity.

Our values

West Wimmera Shire Council values its resident population and its wellbeing. This will be demonstrated through the promotion of viable and sustainable communities, the retention of current population and support to grow communities.

West Wimmera Shire Council values good governance and transparent decision making. Supporting community groups and advocating on their behalf will enable open dialogue to occur with residents.

Representing the whole of the West Wimmera is valued highly by Councillors

A connected community, both via transport infrastructure and modern digital technology that enables us to be connected to the world for business and education.

Partnership (locally, regionally and with government) are valued as a way of ensuring sustainable service delivery.

1.3 Strategic objectives

Council delivers activities and initiatives under 36 major service categories. Each contributes to the achievement of one of the seven Strategic Objectives as set out in the Council Plan for the 2017-2021 years. The following is a list of the seven Strategic Objectives as described in the Council Plan.

Strategic Objective 1: A proactive, well-governed, professional and financially sustainable organisation that encourages community participation

Strategic Objective 2: Meaningful partnerships to support advocacy priorities and service provision

Strategic Objective 3: Quality sustainable community infrastructure

Strategic Objective 4: Building on our agricultural and business strengths and supporting

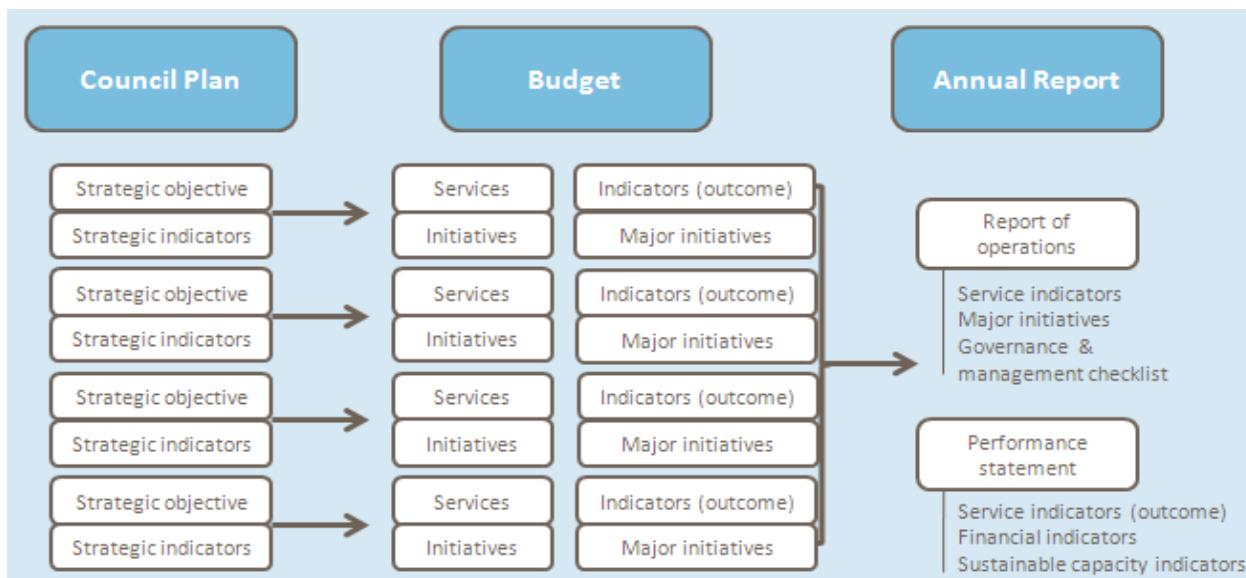
Strategic Objective 5: Thriving, safe and diverse local communities

Strategic Objective 6: Participating in activities that address health and well being issues

Strategic Objective 7: Providing access to, and promoting the natural environment

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/2018 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives, major initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

2.1 Strategic Objective 1: A proactive, well-governed, professional and financially sustainable organisation that encourages community participation

To achieve this objective, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Corporate Services	This service provides management and administration support to the corporate area of Council and includes the Human Resources, Risk Management and Occupational Health and Safety functions.	534 (10) 524
Customer Service	This service provides the main point of interaction between Council and the community. Services include over the counter advice, receipting, and administrative support to Council.	447 (18) 429

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Elected Members	This service provides for leadership from and support to the community's elected leaders	273 <u>(0)</u> 273
Finance and Rates	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, raising and collection of rates and charges and valuation of properties throughout the municipality.	868 <u>(3,622)</u> (2,754)
Governance	This service provides support and oversight to Council operations including the conduct of Council meetings. The Governance service also covers such items as customer satisfaction monitoring.	38 <u>0</u> 38
Information Technology	This service is responsible for the provision of information management services to Council and the community, including hardware and software solutions to enable Council to undertake its desired activities and to provide contact methodologies for our community.	378 <u>0</u> 378
Records Management	This service is responsible for providing and maintaining accurate and up to date record keeping facilities and archives.	166 <u>0</u> 166

Major Initiatives

- 1) Continue to identify and drive shared service opportunities within the region which may be of benefit to West Wimmera Shire Council.

Initiatives

- 2) Investigate and pursue involvement in Rural Council's Transformation Program
- 3) Investigate and pursue options for regional professional development program for Councillors and staff.

Service Performance Outcome Indicators

The following indicator outlines how we intend to measure achievement of service objectives.

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

2.2 Strategic Objective 2: Meaningful partnerships to support advocacy priorities and service provision

To achieve this objective, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
CEO Office	This service provides executive leadership and support to Council, and coordinates advocacy programs on behalf of the West Wimmera community.	613 <u>0</u> 613
Human Resources	This service provides the recruitment, training and performance evaluation of Council staff	119 <u>(71)</u> 48
Public Relations and Marketing	This service is responsible for the management and provision of advice on external communication, in consultation with relevant stakeholders, on behalf of Council.	88 <u>0</u> 88

Major Initiatives

- 4) Investigate opportunities to improve access to utilities (gas, NBN, water, telecommunications) for our West Wimmera community
- 5) Promote and advocate business case for rural pipeline water supply.

Initiatives

- 6) Advocate for suitable NBN service provision (fixed wireless rather than SkyMuster satellite)

2.3 Strategic Objective 3: Quality sustainable community infrastructure

To achieve this objective, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Buildings and Property	This service provides for management and maintenance of Council's building portfolio.	206 <u>0</u> 206
Cemeteries	This service provides management of the Kaniva, Edenhope and Goroke cemeteries.	5 <u>(2)</u> 3
Depot and Engineering Operations	This service provides Council with infrastructure management services, including works, engineering, contract management and inventory and stores control activities. It also includes Plant maintenance costs and all costs and income associated with plant usage.	9,170 <u>(2,202)</u> 6,968
Quarry Operations	This service provides for materials utilised by Council in its works and construction activities.	283 <u>(280)</u> 3
Roads, Bridges, Footpaths	This service provides for all maintenance and operational works undertaken on Council's roads, bridges and footpath network. It includes the contract works Council undertakes for VicRoads on state roads within the municipal boundaries.	4,655 <u>(4,624)</u> 31
Stormwater Drainage	This service provides for maintenance works on Council's stormwater drainage network.	57 <u>0</u> 57

Major Initiatives

- 7) Undertake mapping of Community Assets to maximise coverage and prioritise Council investment

Initiatives

- 8) Initiate investigation into economical road stabilising materials and techniques
- 9) Continue development of asset management registers

Service Performance Outcome Indicators

The following indicator outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

2.4 Strategic Objective 4: Building on our agricultural and business strengths and supporting economic development

To achieve this objective, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Aerodrome	This service area provides for maintaining the operation of the Edenhope Aerodrome.	7 (3) 4
Business and Economic Development	The business and economic development service assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.	484 (45) 439

Major Initiatives

10) Investigate cost effective ways to support local businesses.

Initiatives

11) Facilitate marketing and promotion training for local businesses

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year / less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x 100

2.5 Strategic Objective 5: Thriving, safe and diverse local communities

To achieve this objective, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Arts and Culture	This service provides a varied ongoing program of arts and cultural events and activities, plans and develops arts and cultural facilities and infrastructure and develops policies and strategies to facilitate art practice.	30 <u>0</u> 30
Building	This service provides statutory building services to Council and the community including processing of building permits, investigations of complaints and illegal works.	165 <u>(38)</u> 127
Children, Youth and Family Services	This service provides a range of children and youth support activities, including pre-schools, Infant Welfare Centres, Freeza and youth engagement programs.	880 <u>(677)</u> 203
Fire Prevention and Emergency Services	This service provides for essential monitoring and management of vegetation in fire risk areas and also for the funding of emergency service activities provided by Council.	41 <u>(3)</u> 38
Community Services	This services provides management and administrative support to the community services area.	60 <u>(8)</u> 52
Planning	This service provides statutory planning services to Council and the community including processing of planning permits, investigations of complaints and illegal works.	383 <u>(30)</u> 353
Regulatory Services	This service provides all management and enforcement of Council's Local Laws, including animal registration, control and enforcement.	141 <u>(38)</u> 103
Sanitation	This service provides for street cleaning across Council's urban centres and for management and maintenance of Council's public amenities.	304 <u>0</u> 304
Street Lighting	This service provides for public lighting in Council's urban centres.	29 <u>0</u> 29
Traffic Management	This service provides for school crossing services.	14 <u>(6)</u> 8
Waste Management	This service provides for waste management solutions, including kerbside pickup, disposal and transfer station sites.	761 <u>(60)</u> 701

Major Initiatives

12) Prepare outline community needs analysis as a basis for developing future detailed community plans.

Initiatives

13) Prepare analysis of future provision of community care assessment services

14) Advocate for suitable and sustained support for access to early years services for our community

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

2.6 Strategic Objective 6: Participating in activities that address health and well being issues

To achieve this objective, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Aged and Disability Care Services	This service provides a range of home and community care services for the aged and disabled including home delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior citizen clubs.	672 (693) (21)
Libraries	This service provides public library services at Edenhope and Kaniva via a contribution to the Wimmera Regional Library Corporation.	175 <u>0</u> 175
Public Health	This service provides a range of public health related activities, including Environmental Health inspections and enforcement, and pest and weed control services.	177 (94) 83
Recreation, Sport, Leisure	This service provides maintenance and management of Council's public halls and swimming pools.	289 (7) 282
Sport and Recreation Facilities	This service provides for management and maintenance of sporting facilities across the municipality.	55 (21) 34

Major Initiatives

15) Continue to advocate for improved health services to our community, including mental health and general practitioner services

Initiatives

16) Advocate for improved access for our residents to aged care and disability care services

17) Prepare analysis of provision of Library Services to our Community

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service) Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100 [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.7 Strategic Objective 7: Providing access to, and promoting the natural environment

To achieve this objective, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue)
		Net Cost
		\$'000
Tourism and Events	This service promotes West Wimmera Shire's natural attractions and provides facilities for visitors to our region.	97
		<u>0</u>
		97
Parks and Reserves	This service provides maintenance and management of all parks and gardens across Council.	528
		<u>0</u>
		528

Major Initiatives

- 18) Produce Lake Wallace Management Plan

Initiatives

- 19) Invest in media promotion including Tourism Website

2.8 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017/2018 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.9 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
1. A proactive, well-governed, professional and financially sustainable organisation that encourages community participation.	(946)	2,704	(3,650)
2. Meaningful partnerships to support advocacy priorities and service provision.	749	820	(71)
3. Quality sustainable community infrastructure.	7,268	14,376	(7,108)
4. Building on our agricultural and business strengths and supporting economic development.	443	491	(48)
5. Thriving, safe and diverse local communities.	1,948	2,808	(860)
6. Participating in activities that address health and wellbeing issues.	553	1,368	(815)
7. Providing access to and promoting the natural environment.	625	625	0
Total services and initiatives	10,640	23,192	(12,552)
Other non-attributable	(83)		
Deficit before funding sources	10,557		
Funding sources:			
Rates & charges	7,766		
Capital grants	3,078		
Total funding sources	10,844		
Surplus for the year	287		

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2018/19 has been supplemented with projection to 2021/22 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the Local Government Act 1989 and the Local Government Planning and Reporting regulations 2014.

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

Comprehensive Income Statement

For the four years ending 30 June 2023

		Forecast Actual	Budget	Strategic Resource Plan Projections		
	NOTES	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Income						
Rates and charges	4.1.1	7,523	7,766	7,960	8,159	8,363
Statutory fees and fines	4.1.2	117	129	132	136	139
User fees	4.1.3	703	677	694	711	729
Grants - Operating	4.1.4	8,047	6,965	7,026	7,202	7,382
Grants - Capital	4.1.4	7,861	3,078	2,553	2,617	2,682
Contributions - monetary	4.1.5	114	86	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		90	90	150	150	150
Other income	4.1.6	2,670	2,631	2,697	2,764	2,833
Total income		27,125	21,422	21,212	21,739	22,279
Expenses						
Employee costs	4.1.7	7,066	7,707	7,827	8,101	8,384
Materials and services	4.1.8	7,542	6,156	6,249	6,405	6,565
Depreciation and amortisation	4.1.9	6,967	6,998	7,068	7,139	7,210
Borrowing costs		-	7	6	4	3
Other expenses	4.1.10	321	266	272	279	286
Total expenses		21,896	21,135	21,422	21,928	22,449
Surplus/(deficit) for the year		5,229	287	(209)	(189)	(170)
Other comprehensive income Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment /(decrement)		-	-	-	-	-
Total comprehensive result		5,229	287	(209)	(189)	(170)

Balance Sheet

For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
Cash and cash equivalents		9,908	8,539	8,684	7,886	7,821
Trade and other receivables		515	310	316	323	329
Inventories		200	200	200	200	200
Non-current assets classified as held for sale		14	-	-	-	-
Other assets		150	150	100	100	100
Total current assets	4.2.1	10,787	9,199	9,300	8,509	8,450
Non-current assets						
Trade and other receivables		160	130	110	90	70
Investments in associates, joint arrangement and subsidiaries		430	430	430	430	430
Property, infrastructure, plant & equipment		226,526	228,534	228,180	228,824	228,770
Total non-current assets	4.2.1	227,116	229,094	228,720	229,344	229,270
Total assets		237,903	238,293	238,020	237,852	237,720
Liabilities						
Current liabilities						
Trade and other payables		1,274	1,117	1,017	1,000	999
Trust funds and deposits		24	24	24	24	24
Provisions		1,784	1,856	1,912	1,969	2,028
Interest-bearing liabilities	4.2.3	-	38	39	41	45
Total current liabilities	4.2.2	3,082	3,035	2,992	3,034	3,096
Non-current liabilities						
Provisions		609	633	652	672	692
Interest-bearing liabilities	4.2.3	-	125	86	45	-
Total non-current liabilities	4.2.2	609	758	738	717	692
Total liabilities		3,691	3,793	3,730	3,751	3,788
Net assets		234,212	234,500	234,290	234,102	233,932
Equity						
Accumulated surplus		42,950	43,932	43,633	43,394	43,254
Reserves		191,262	190,568	190,658	190,708	190,678
Total equity		234,212	234,500	234,290	234,102	233,932

Statement of Changes in Equity

For the four years ending 30 June 2023

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018 Forecast Actual					
Balance at beginning of the financial year		228,983	34,476	190,130	4,377
Surplus/(deficit) for the year		5,229	5,229	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(201)	-	201
Transfers from other reserves		-	3,446	-	(3,446)
Balance at end of the financial year		234,212	42,950	190,130	1,132
2019 Budget					
Balance at beginning of the financial year		234,213	42,950	190,130	1,132
Surplus/(deficit) for the year		287	287	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	-	(120)	-	120
Transfers from other reserves	4.3.1	-	814	-	(814)
Balance at end of the financial year	4.3.2	234,500	43,932	190,130	437
2020					
Balance at beginning of the financial year		234,500	43,932	190,130	437
Surplus/(deficit) for the year		(209)	(209)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(90)	-	90
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		234,290	43,633	190,130	527
2021					
Balance at beginning of the financial year		234,290	43,633	190,130	527
Surplus/(deficit) for the year		(189)	(189)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(100)	-	100
Transfers from other reserves		-	50	-	(50)
Balance at end of the financial year		234,102	43,394	190,130	577
2022					
Balance at beginning of the financial year		234,102	43,394	190,130	577
Surplus/(deficit) for the year		(170)	(170)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(20)	-	20
Transfers from other reserves		-	50	-	(50)
Balance at end of the financial year		233,932	43,254	190,130	547

Statement of Cash Flows

For the four years ending 30 June 2023

Notes	Forecast	Budget	Strategic Resource Plan Projections		
	Actual 2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	7,513	7,759	7,950	8,148	8,353
Statutory fees and fines	117	125	132	136	139
User fees	882	971	790	807	828
Grants - operating	8,047	6,965	7,026	7,202	7,382
Grants - capital	7,861	3,078	2,553	2,617	2,682
Contributions - monetary	114	86	-	-	-
Interest received	150	180	120	120	120
Trust funds and deposits taken	(8)	-	-	-	-
Other receipts	2,520	2,487	2,577	2,644	2,714
Employee costs	(7,094)	(7,612)	(7,752)	(8,024)	(8,306)
Materials and services	(9,112)	(6,646)	(6,643)	(6,772)	(6,927)
Net cash provided by/(used in) operating activities 4.4.1	10,990	7,393	6,753	6,878	6,985
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(12,926)	(9,190)	(6,864)	(7,933)	(7,306)
Proceeds from sale of property, infrastructure, plant and equipment	240	272	300	300	300
Net cash provided by/ (used in) investing activities 4.4.2	(12,686)	(8,918)	(6,564)	(7,633)	(7,006)
Cash flows from financing activities					
Finance costs	(1)	(7)	(6)	(4)	(3)
Proceeds from borrowings	-	200	-	-	-
Repayment of borrowings	(33)	(37)	(38)	(39)	(41)
Net cash provided by/(used in) financing activities 4.4.3	(34)	156	(44)	(43)	(44)
Net increase/(decrease) in cash & cash equivalents	(1,730)	(1,369)	145	(798)	(65)
Cash and cash equivalents at the beginning of the financial year	11,638	9,908	8,539	8,684	7,886
Cash and cash equivalents at the end of the financial year	9,908	8,539	8,684	7,886	7,821

Statement of Capital Works

For the four years ending 30 June 2023

	NOTES	Strategic Resource Plan Projections				
		2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Property						
Land		-	-	-	-	78
Total land		-	-	-	-	78
Buildings		2,688	962	700	744	481
Total buildings		2,688	962	700	744	481
Total property		2,688	962	700	744	559
Plant and equipment						
Plant, machinery and equipment		958	1,020	985	1,010	1,035
Computers and telecommunications		25	15	118	70	-
Total plant and equipment		983	1,035	1,103	1,080	1,035
Infrastructure						
Roads		7,122	6,590	4,642	5,718	5,502
Bridges		776	325	155	106	-
Footpaths and cycleways		167	85	57	59	60
Drainage		169	50	-	-	-
Parks, open space and streetscapes		863	149	57	76	-
Total infrastructure		9,097	7,199	4,911	5,959	5,562
Total capital works expenditure	4.5.1	12,768	9,196	6,714	7,783	7,156
Represented by:						
New asset expenditure		80	137	232	265	-
Asset renewal expenditure		12,054	7,617	6,482	7,518	7,156
Asset upgrade expenditure		634	1,442	-	-	-
Total capital works expenditure	4.5.1	12,768	9,196	6,714	7,783	7,156
Funding sources represented by:						
Grants		3,430	3,678	2,553	2,617	2,682
Contributions		142	353	-	-	-
Council cash		9,196	4,965	4,161	5,166	4,474
Borrowings		-	200	-	-	-
Total capital works expenditure	4.5.1	12,768	9,196	6,714	7,783	7,156

Statement of Human Resources

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	7,066	7,707	7,827	8,101	8,384
Employee costs - capital	1,378	1,141	1,175	1,210	1,247
Total staff expenditure	8,444	8,848	9,002	9,311	9,631
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	88.6	91.5	88.0	88.0	88.0
Total staff numbers	88.6	91.5	88.0	88.0	88.0

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

Department	Budget	Comprises	
	2019/20	Full Time	Part time
	\$'000	\$'000	\$'000
CEO & Governance	451	434	17
Corporate Services	1,953	972	981
Community Services	1,305	121	1,184
Infrastructure Development & Works	3,998	3,298	700
Total staff expenditure	7,707	4,825	2,882
Capitalised labour costs	1,141		
Total expenditure	8,848		

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

Department	Budget	Comprises	
	2019/20	Full Time	Part time
CEO & Governance	3.3	3.0	0.3
Corporate Services	20.5	10.0	10.5
Community Services	13.5	1.0	12.5
Infrastructure Development & Works	54.2	46.0	8.2
Total staff	91.5		

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2018/19 the FGRS cap has been set at 2.25%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges. However Council has received approval from the Minister for Local Government to vary the rate cap for 2019/20 to allow for a rate increase of up to 3.5%.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 3.5% in line with the rate cap variation granted to Council by the Minister for Local Government.

This will raise total rates and charges for 2019/20 of \$7.787 million.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	Forecast Actual \$'000	Budget \$'000	Change \$'000	%
General rates*	6,561	6,790	229	3.49%
Municipal charge*	434	449	15	3.46%
Waste management charge	519	532	13	2.45%
Interest on rates and charges	17	12	- 5	-27.06%
Total rates and charges	7,531	7,783	252	3.35%

*These items are subject to the rat cap established under the FGRS
(Note: the amount listed as Rates & Charges in the Comprehensive Income Statement includes allowances for losses and write-offs and as such may not equal the amount shown in table 4.1.1(a))

4.1.1(b) The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2018/19 cents/\$CIV	2019/20 cents/\$CIV	Change
General rate for rateable properties	0.003126	0.002642	-15.47%

(* Use CIV or NAV depending on the valuation basis used by the Council)

4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
General	6,561	6,790	229	3.49%
Total amount to be raised by general rates	6,561	6,790	229	3.49%

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	Number	Number	\$'000	%
General	4,746	4,729	-	17
Total number of assessments	4,746	4,729	-	17

4.1.1(e) The basis of valuation to be used is the Capital Improved Value

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
General	2,096,864	2,569,904	473,040	22.56%
Total value of land	2,096,864	2,569,904	473,040	22.56%

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2018/19	2019/20		
	\$	\$	\$	%
Municipal	147	153	5.2	3.50%

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2018/19	2019/20	Change	
	\$' 000	\$' 000	\$	%
Municipal	432	449	17	3.98%

4.1.1(i) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2018/19	2019/20	\$	%
Waste Management	305	313	8	2.49%
Total	305	313	8	2.49%

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

Type of Charge	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
Waste Management	511	532	21	4.05%
Total	511	532	21	4.05%

4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
General rates	6,562	6,790	228	3.47%
Municipal charge	434	449	15	3.46%
Waste management charge	519	532	13	2.45%
Total Rates and charges	7,515	7,771	256	3.40%

4.1.1(l) Fair Go Rates System Compliance

West Wimmera Shire Council is fully compliant with the State Government's Fair Go Rates System

	2018/19	2019/20
Total Rates	\$ 6,994,559	\$ 7,239,368
Number of rateable properties	4,729	4,729
Base Average Rates	\$ 1,479.08	\$ 1,530.85
Maximum Rate Increase (set by the State Government)	3.50%	3.50%
Capped Average Rate	\$ 1,479.08	\$ 1,530.85
Maximum General Rates and Municipal Charges Revenue	\$ 6,994,569	\$ 7,239,368
Budgeted General Rates and Municipal Charges Revenue	\$ 6,994,569	\$ 7,239,368

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

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

- The making of supplementary valuations (2019/20: estimated \$nil and 2018/19: \$11,302.00)
- 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
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(n) Differential rates

Council institutes a uniform rate across all properties within the shire. All rateable properties are charged at the general rate in the dollar of \$0.0026437

4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual	2019/20	\$'000	%
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Animal Management Fees	33	35	2	6.02%
Building Fees	36	36	-	0.00%
Permits	19	20	1	5.26%
Town Planning Fees	23	29	6	26.67%
Other	6	9	3	48.82%
Total statutory fees and fines	117	129	12	10.65%

Statutory fees and fines is anticipated to increase over 2019/20 by \$12,000 or 10.65%. The majority of this (\$7,000) of this is expected to result from increased town planning fees.

4.1.3 User fees

	Forecast	Budget	Change	
	Actual	2019/20	\$'000	%
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Community services user charges	263	281	17	6.60%
Private and contract works	88	25	-	-71.61%
Refuse disposal fees	40	38	-	-4.99%
User charges	17	18	1	5.88%
Caravan park fees	22	26	4	18.18%
Other fees and charges	273	289	16	5.88%
Total user fees	703	677	-	-3.79%

User fees are budgeted overall to decline by \$27,000 or 3.79% over 2019/20. Whilst some fees are budgeted to increase, such as Community services charges as a result of greater provision of packaged care services, Private works is anticipated to decline significantly as Council concentrates on completing its own capital and maintenance programs

4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's annual budget.

	Forecast		Budget		Change	
	Actual		Budget			
	2018/19		2019/20		\$'000	%
	\$'000		\$'000		\$'000	%
Grants were received in respect of the following:						
Summary of grants						
Commonwealth funded grants	12,780		7,642	-	5,138	-40%
State funded grants	3,128		2,239	-	888	-28%
Total grants received	15,908		9,881	-	6,027	-38%
(a) Operating Grants						
Recurrent - Commonwealth Government						
Financial Assistance Grants	5,751		5,763		13	0%
Commonwealth Home Support Program	391		351	-	40	-10%
Recurrent - State Government						
Community Safety	7		6	-	1	-18%
Aged care	127		137		11	8%
Public Health	5		6		1	12%
Maternal and child health	167		260		93	56%
Youth Services	290		332		42	14%
Total recurrent grants	6,738		6,855		117	2%
Non-recurrent - Commonwealth Government						
Recreation	200		-	-	200	-100%
Non-recurrent - State Government						
Administration	41		43		1	2%
Recreation	1,000		-	-	1,000	-100%
Environment	68		68	-	0	100%
Total non-recurrent grants	1,309		110	-	1,199	-92%
Total operating grants	8,047		6,965	-	1,082	-13%
(b) Capital Grants						
Recurrent - Commonwealth Government						
Roads to recovery	1,446		1,528		82	6%
Total recurrent grants	1,446		1,528		82	6%
Non-recurrent - Commonwealth Government						
Flood Recovery (NDRRA)	4,293		-	-	4,293	-100%
Buildings	700		-	-	700	-100%
Bridges	-		162		162	100%
Non-recurrent - State Government						
Bridges	283		-	-	283	-100%
Buildings	625		50	-	575	-92%
Parks, Open Space & Streetscapes	3		50		47	1567%
Roads	511		1,288		777	152%
Total non-recurrent grants	6,415		1,550	-	4,865	-76%
Total capital grants	7,861		3,078	-	4,783	-61%
Total Grants	15,908		10,043	-	5,865	-37%

Operating grants are budgeted to decline by \$1.082 million over 2019/20. The major anticipated variances when compared to 2018/19 include:

→ a decline of \$1.0 million in non-recurrent State Government project grants (Harrow Recreation Reserve forecast to be received during 2018/19)

→ a decline of \$0.20 million in non-recurrent Federal Government project grants (Harrow Recreation Reserve and Lake Charlegrark projects received during 2018/19)

→ These are offset by smaller increases in Maternal Child Health, Youth Services and Aged Care grants

→ note: Council has allowed for the probable 50% prepayment of the 2019/20 Financial Assistance Grants in its 2018/19 projected actuals and them budgeted for a further prepayment of the 2020/21 grant in its 2019/20 budget

Capital Grants are anticipated to decline by 76% or some \$4.783 million for the 2019/20 year. Capital grants are often difficult to compare as they often relate to non-recurrent projects which may vary considerably from year to year. Some of the major variances between the two years include:

→ A decline in \$4.293 Flood Recovery funding under NDRRA. The flood recovery program was completed during the 2018/19 year.

→ A decline of \$0.700 million in Commonwealth funding for building works, relating to the winding up of the Drought Relief Program funding made available to Council.

→ An decline of \$0.600 million in State Government funded building grants, representing the redevelopment of the Edenhope Library under the Living Libraries funding stream. The funding for this was received in the 2018/19 year, whilst the expenditure will occur during 2019/20.

→ An increase of \$0.775 million in State Government roads funding under the Rural Roads Victoria program

4.1.5 Contributions

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Monetary	114	86	- 28	-24.33%
Total contributions	114	86	- 28	-24.33%

Contributions for 2019-20 include \$80,000 from neighbouring municipalities for shared boundary road reconstructions

4.1.6 Other income

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Interest	150	180	30	20.00%
Reimbursements	2,232	2,301	69	3.09%
Other revenue	288	150	- 138	-47.92%
Total other income	2,670	2,631	- 39	-1.46%

Other sundry income is anticipated to decrease overall by \$39,000. This is largely due to Council no longer being able to sell rating information to the Valuer General as Council transitions to the new centralised valuation scheme. This is partially offset by increase anticipated interest income and reimbursements income

4.1.7 Employee costs

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Wages and salaries	6,229	6,796	567	9.10%
WorkCover	128	144	16	12.27%
Superannuation	635	706	70	11.09%
Fringe Benefits tax	73	61	- 12	-16.09%
Total employee costs	7,066	7,707	641	9.08%

Employee expenses are budgeted to increase by 9.08% (\$0.641million). The major increase here relates to wages and salaries which equates to a \$0.567million increase. Along with Enterprise Bargaining Agreement rises, the reasons for this increase include:

- \$0.1 million relates to a new position created for Human Resources Manager (shared with Yarriambiack Shire Council). Council employs and pays for this position full time and then charges Yarriambiack Shire 50% of the costs (shown in income).
- \$0.09 million relating to maternity leave backfill for Council's Manager of Business and Economic
- \$0.07 million relating to maternity leave backfill for Council's Early Years Co-Ordinator
- \$0.05 million to employ a Planning Manager for the full year (previously position was vacant for half of the budget year)
- \$0.05 million for new fixed term position to enable Council to digitise its paper records.

4.1.8 Materials and services

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000		
Contract payments	4,474	3,028	- 1,446	-32.33%
Plant and equipment maintenance	764	887	123	16.12%
Utilities	349	353	4	1.05%
Office administration	54	52	- 1	-2.24%
Information technology	153	153	0	0.30%
Insurance	351	346	- 6	-1.62%
Consultants	184	179	- 5	-2.77%
Other materials and services	1,213	1,158	- 55	-4.53%
Total materials and services	7,542	6,156	- 1,386	-18.38%

Materials and Services are budgeted to decline by \$1,386 million during 2019/20. This is largely a reduction in flood recovery related contract payments as the Flood recovery program has concluded during the 2018/19 year. Included in the 2019/20 budget is a \$0.03 million allocation to planning for a Wetlands Centre of Excellence within the Shire.

4.1.9 Depreciation and amortisation

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000		
Property	845	856	11	1.28%
Plant & equipment	969	944	- 25	-2.54%
Infrastructure	5,153	5,198	45	0.87%
Total depreciation and amortisation	6,967	6,998	31	0.44%

A full independent infrastructure revaluation was undertaken in June 2018 was undertaken in May 2018. Council anticipates no significant changes to its depreciation period or values over the 2019/20 year.

4.1.10 Other expenses

Add additional tables for each material components of the Comprehensive Income Statement

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000		
Councillors' allowances	145	145	- 0	-0.23%
Operating lease rentals	32	9	- 23	-73.19%
Auditor remuneration - VAGO	39	40	1	2.04%
Auditor remuneration - other	50	22	- 28	-56.57%
Other	54	51	- 3	-5.44%
Total other expenses	320	266	- 54	-16.78%

Operating Lease rentals are budgeted to decline by \$0.023 million as leases for IT equipment and office furniture utilised in the flood recovery project come to a conclusion.

Auditor remuneration - other is anticipated to reduce by \$0.028 million. This reflects the inclusion of a separate Asbestos audit undertaken during 2018/19 which will not be required during 2019/20

4.2 Balance Sheet

4.2.1 Assets

4.2.1.1 Cash and Cash Equivalents

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000		Change \$'000	%
Cash and Cash Equivalents	9,908	8,539	-	1,369	-13.82%

Council anticipates to draw down on cash reserves by \$1.369 million over 2019/20. This is mainly a result of two factors. The first being the receipt of \$0.600 million in capital grants relating to the construction of the new Library facility in Edenhope in late 2018/19 this funding relates to expenditure which is budgeted to occur during 2019/20. The second item affecting cash represents transfers from cash reserves (\$0.694 million) maintained in previous years to fund plant replacements and capital expenditure (see reserves section 4.3.1 for more detail)

4.2.1.2 Property, Infrastructure Plant and Equipment

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000		Change \$'000	%
Property, infrastructure, plant & equipment	226,526	228,534		2,008	0.89%

Property, Infrastructure, Plant and Equipment represents all of Council's infrastructure assets used to provide services to our community. It includes Roads, Bridges, Footpaths, Drains as well as public buildings and open space and plant and equipment needed for use by Council.

Council's investment in Property, Infrastructure, Plant and Equipment is anticipated to increase by \$2.008 million over the 2019/20 year, in line with Council's Capital Works program minus depreciation. For more information on Council's Capital Works program refer to section 4.5 Capital Works

4.2.2 Liabilities

Council's overall liabilities are anticipated to increase marginally over the 2019/20 year, largely due to the addition of new borrowings and a slight increase in provisions, predominately those for employee benefits in line with increasing EBA rates. These are somewhat offset by an anticipated decline in trade creditors at balance date as the use of contractors declines due to the winding up of the flood recovery program.

4.2.3 Borrowings

	2018/19 \$'000	2019/20 \$'000
Amount borrowed as at 30 June of the prior year	-	-
Amount proposed to be borrowed	-	200
Amount projected to be redeemed	-	(37)
Amount of borrowings as at 30 June	-	163

The budget proposes that Council source borrowings of \$0.20 million during 2019/20, for the purposes of completing stage 2 of the Edenhope Community Centre development. It is anticipated that this borrowing be taken over a 5 year loan period.

4.3 Statement of changes in Equity

4.3.1 Reserves

Council holds a number of cash reserves intended to set aside cash for future known expenditure. Council anticipates to draw down \$0.694 million from reserves over the 2019/20 budget year. The following table summarises Council's reserves and purposes:

Reserve Name	Purpose of Reserve
Plant Replacement Reserve	To set aside funding for future major plant purchases
Quarry Restoration Reserve	To set aside funds to cover the future costs of rehabilitation to Council controlled quarries
Capital Improvement Reserve	To set aside funds to assist with future capital works projects
Rates Revaluation Reserve	To set aside funds to cover future property revaluation costs for rating purposes, including supplemental valuations
Elections Reserve	To set aside funds to cover the costs of future municipal elections

The following table shows budgeted reserve movements for 2019/20:

	Opening Balance \$'000	Transfer to \$'000	Transfer From \$'000	Closing Balance \$'000
Plant Replacement Reserve	499	62	499	62
Quarry Restoration Reserve	112	3	-	115
Capital Improvement Reserve	301	-	301	-
Rates Revaluation Reserve	187	5	14	178
Elections Reserve	70	50	-	120
	1,169	120	814	475

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

Council is budgeting to receive a net cash inflow from operating activities of \$7.423 million. This represents a decline of \$2.967 million from the projected 2018/19 result. This is largely due to the reduction in grant funding relating to the completion of the Flood Recovery program.

4.4.2 Net cash flows provided by/used in investing activities

Council anticipates a net cash outflow of \$8.918 million over the 2019-20 financial year, representing Council's capital expenditure program. This shows a decline in outflows of \$3.597 million over the previous year due to a reduction on capital expenditure, largely based upon the culmination of the flood recovery program and major projects such as the Kaniva Cultural and Tourism Precinct, Kaniva Shire Hall, and reduced expenditure on the Edenhope Hall redevelopment project (due to staged completion).

4.4.3 Net cash flows provided by/used in financing activities

The budget proposes an additional \$0.2 million be borrowed during the 2019/20 financial year for the purposes of funding stage 2 construction of the Edenhope Community Centre.

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2018/19 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	%
Property	2,688	362	- 2,326	-86.53%
Plant and equipment	983	1,035	52	5.29%
Infrastructure	9,097	7,199	- 1,898	-20.86%
Total	12,768	8,596	- 4,172	-32.67%

Capital expenditure is budgeted to decline by \$4.377 million for the 2019/20 year when compared to 2017/18. This is largely in the Property and Infrastructure areas.

Property capital expenditure is budgeted to decline by \$2.326 million for 2019/20. This is a result of the bulk of works at the Edenhope & District Community Centre being budgeted for in 2018/19 but not 2019/20 (although a further \$600,000 is anticipated to be carried forward into 2019/20 - see section 4.5.3 below), as well as works on the Kaniva Hall restoration and Kaniva Cultural and Tourism Precinct buildings being forecast to be completed during 2018/19.

Infrastructure capital expenditure is anticipated to reduce by \$1.903 million for 2019/20. The majority of this relates to road culvert works carried out during 2018/19 under the flood recovery program (funded by the Natural Disaster Relief and Recovery Arrangements scheme). With the flood recovery works coming to a conclusion no further works will be budgeted for. Also included here is the anticipated completion of the open space works component of the Kaniva Cultural and Tourism Precinct which are budgeted to be complete in 2018/19.

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	362	-	12	350	-	50	-	112	200
Plant and equipment	1,035	-	1,035	-	-	-	273	763	-
Infrastructure	7,199	137	6,570	492	-	3,029	80	4,090	-
Total	8,596	137	7,617	842	-	3,079	353	4,965	200

4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Edenhope Pound - Upgrade due to compliance issues.	50	-	-	50	-	-	-	50	-
Local Govt. Energy Saver Program.	100	-	-	100	-	50	-	50	-
Edenhope & District Community Centre	200	-	-	200	-	-	-	-	200
Kaniva Swimming Pool painting	6	-	6	-	-	-	-	6	-
Goroke Swimming Pool painting	6	-	6	-	-	-	-	6	-
TOTAL PROPERTY	362	-	12	350	-	50	-	112	200
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Plant	834	-	834	-	-	-	188	647	-
Motor Vehicles	186	-	186	-	-	-	85	101	-
Computers and Telecommunications									
Computers/laptops	15	-	15	-	-	-	-	15	-
TOTAL PLANT AND EQUIPMENT	1,035	-	1,035	-	-	-	273	763	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Roads									
Apsley Natimuk Rd Reconstruction: Ch. 4185m - Ch.4985m x 6.2m Seal	27	-	27	-	-	-	-	27	-
Ullswater Mortat Rd Reconstruction: Ch.0m-Ch.2,800m x 4.0m Seal	62	-	62	-	-	-	-	62	-
Lillimur Yearinga Rd Reconstruction Ch.0m-Ch.1,840m x 6.2m Seal	63	-	63	-	-	-	-	63	-
Leeor Rd Reconstruction: Ch.7515m - Ch.9315m x 5.6m Seal	55	-	55	-	-	-	-	55	-
Cove Estate Rd Reconstruction: Ch.7,700 - Ch.9,700m x 4.0m Seal	44	-	44	-	-	-	-	44	-
Cemetery Rd, Kaniva Reconstruction: Ch.1,750m - 2,650m x 4.0m Seal	20	-	20	-	-	-	-	20	-
Harrow Casterton Rd Reconstruction: Ch.3950 - Ch.5495 x 6.4m seal	54	-	54	-	-	-	-	54	-
Ozenkadnook - Mortat Rd. Reconstruction & Widening Ch. 1740 - Ch. 4100 x 6.2m Seal	80	-	80	-	-	-	-	80	-
Comaum Rd Reconstruction Ch. 5000m - Ch. 6540m x 4.0m Seal	234	-	234	-	-	234	-	-	-
Newlands Settlement Rd. Reconstruction Ch. 9340m - Ch. 10380m x 3.8m Seal	158	-	158	-	-	158	-	-	-
Kybybolite Rd. Reconstruction Ch. 1300m - 3000m x 4.0m Seal	252	-	252	-	-	252	-	-	-
Leeor Rd Reconstruction: Ch. 2240m - Ch. 4725m x 5.6m Seal, Ch. 5790m - 7500m	940	-	940	-	-	940	-	-	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Roads (Contd.)									
Brooks Rd. Reconstruction Ch. 6110m - Ch. 7110m x 4.0m Seal	160	-	160	-	-	160	-	-	-
Serviceton South Road Ch. 1935m - Ch. 3255m x 4.0m	211	-	211	-	-	87	-	124	-
Douglas St, Ch. 00m - 450m x 6.0m seal	70	-	70	-	-	-	-	70	-
Kadnook - Connewirricoo Rd.Ch. 4700m - Ch. 5300m, Ch. 9600m - Ch. 11000 x 6.0m seal	504	-	302	202	-	504	-	-	-
Ozenkadnook Mortat Rd Ch. 15570m - Ch.17370m (incl bend near Barbettie's)	469	-	281	187	-	469	-	-	-
Border Road Construction Ch. 20,115m (Dorodong Rd.) - Ch. 21,880m (Old Telegraph Rd.)	125	-	125	-	-	-	-	125	-
Reseals	1,200	-	1,200	-	-	-	-	1,200	-
Additional Reseal/Linemarking	10	-	10	-	-	-	-	10	-
Shoulder Resheeting	400	-	400	-	-	-	-	400	-
Resheeting	1,200	-	1,200	-	-	-	-	1,200	-
Boundary Rd	160	-	160	-	-	-	80	80	-
Elizabeth St. and Boundary Rd. Serviceton	7	-	-	7	-	-	-	7	-
Lake Booroopki Access Track on northern end	5	5	-	-	-	-	-	5	-
Cormacks Road - Fire Access Grant	14	-	14	-	-	12	-	2	-
FryYarrook St. Intersection incl. K&C	56	-	-	56	-	-	-	56	-
Various Kerb and Channel renewal projects. To be identified.	10	-	10	-	-	-	-	10	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bridges									
Kadnook Connewerico Bridge, Deck overlay and Guardrail	325	-	325	-	-	163	-	162	-
Footpaths and Cycleways									
Wallace Street between Langford St. and Elizabeth St, Edenhope	20	20	-	-	-	-	-	20	-
Phillips Street between Camp and Farmers St., Kaniva	40	40	-	-	-	-	-	40	-
Lake Wallace Walking Track	5	5	-	-	-	-	-	5	-
Footpath/pram crossing replacements for DDA	20	-	20	-	-	-	-	20	-
Drainage									
Minor Culvert Renewal's	50	-	40	10	-	-	-	50	-
Parks, Open Space and Streetscapes									
Lake Wallace Foreshore (Henley Park) automatic watering system	12	-	12	-	-	-	-	12	-
Kaniva Township watering system, Commercial Street between Camp and Webb Sts.	20	-	-	20	-	-	-	20	-
Goroke Playspace watering system	-	-	-	-	-	-	-	-	-
Playgrounds, soft fall top up, mtce, inspections	10	-	10	-	-	-	-	10	-
Playgrounds - Rogerson St Playground Equipment	10	-	-	10	-	-	-	10	-
Playgrounds - Henley Park Playground equipment	20	-	20	-	-	-	-	20	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parks, Open Space and Streetscapes (Contd.)									
Kaniva Rec. Reserve - Replace northern fence	10	-	10	-	-	-	-	10	-
Tourism Signage	-								
Aboriginal Cricket Trail Signage	67	67	-	-	-	50	-	17	-
TOTAL INFRASTRUCTURE	7,199	137	6,570	492	-	3,029	80	4,090	-
TOTAL CAPITAL WORKS	8,596	137	7,617	842	-	3,079	353	4,965	200

4.5.3 Works carried forward from the 2017/18 year

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY									
Buildings									
Edenhope & District Community Centre Redevelopment	600	-	-	600	-	600	-	-	-
TOTAL PROPERTY	600	-	-	600	-	600	-	-	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2017/18	600	-	-	600	-	600	-	-	-

5. Financial performance indicators

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

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-51.0%	-6.3%	-6.8%	-8.3%	-8.0%	-7.7%	-
Liquidity									
Working Capital	Current assets / current liabilities	2	273.7%	350.0%	303.1%	310.9%	280.4%	272.9%	-
Unrestricted cash	Unrestricted cash / current liabilities		144.9%	264.5%	266.2%	271.8%	240.1%	234.2%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	0.5%	0.0%	2.1%	1.6%	1.1%	0.5%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		1.9%	0.5%	0.6%	0.6%	0.5%	0.5%	o
Indebtedness	Non-current liabilities / own source revenue		2.5%	5.5%	6.8%	6.4%	6.1%	5.7%	o
Asset renewal	Asset renewal expenses / Asset depreciation	4	81.9%	173.0%	108.8%	91.7%	105.3%	99.2%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	33.9%	36.5%	39.3%	37.5%	37.5%	37.5%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$6,454	\$4,614	\$4,469	\$4,514	\$4,620	\$4,730	+
Revenue level	Residential rate revenue / no. of residential property assessments		\$654	\$766	\$739	\$754	\$769	\$784	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		4.4%	19.2%	8.0%	8.0%	8.0%	8.0%	-

Key to Forecast Trend:

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

Notes to indicators

1. Adjusted underlying result

The 2017-18 actual figure included a significant amount of non-recurrent expenditure incurred as a part of the flood recovery program. This result will improve significantly with the completion of that program and then gradually decline as Council's own sourced recurrent revenue declines due to a combination of declining population and the application of the rate cap.

2. Working Capital

Working capital is anticipated to decline over the four years as cash declines slightly and employee provisions increase slightly over the period.

3. Unrestricted Cash

Unrestricted cash remains relatively steady over the period, with fluctuations from cash held at the end of each year. The significantly lower figure from 2017/18 reflected a larger amount of cash held to carry future works.

4. Debt compared to rates

Loans and borrowings as a percentage of rates reduces to zero as Council extinguishes all debt and has no plans to take on any new debt over the period.

5. Asset renewal

Asset renewal varies from year to year as Council's capital expenditure program fluctuates depending upon. Overall over the period the ratio remains at or close to 100.

6. Rates concentration

Council's rates concentration level increases from 33.9% to 39.3% over the period in which Council has received a rate cap variation from the Essential Services Commission. It then declines and remains steady at around 37.5% for the following 3 years where Council applies the rate cap (estimated at 2.5%). This figure remains well below the average of other similar Councils 51.93% source: Knowyourcouncil.vic.gov.au).