



## **West Wimmera Shire Council**

### **Annual Budget Report – 2017/2018**

This Budget Report has been prepared with reference to Chartered Accountants ANZ “Victorian City Council Model Budget 2017/2018” a best practice guide for reporting local government budgets in Victoria.



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## Mayor's introduction

The Councillors and I are pleased to release the proposed Budget 2017/2018 to the Community for comment and public submissions. This budget builds on our Council Plan 2017-2021 vision which focuses on the following seven key areas:

- A proactive, well-governed, professional and financially sustainable organisation that encourages community participation
- Meaningful partnerships to support advocacy priorities and service provision
- Quality sustainable community infrastructure
- Building on our agricultural and business strengths and supporting economic development
- Thriving, safe and diverse local communities
- Participating in activities that address health and well being issues
- Providing access to, and promoting the natural environment

The Council Plan 2017-2021 (Year 1), sets out our strategic plan to deliver our vision over the full term of the Council. As this is the first year of the current Council term, the focus over the next year will be on planning and design activities to deliver our current commitments.

The proposed budget details the resources required over the next year to fund the large range of services we provide to the community. It also includes details of proposed capital expenditure allocations to improve and renew our Shire's physical infrastructure, buildings and operational assets as well as funding proposals for a range of operating projects.

As Councillors, it is our job to listen to community sentiment and understand your priorities. During and following the Council elections in 2016 we have consistently heard that Council's services are valued by the community, and that Council also needs to be financially responsible and keep its rates as low as possible. In response, Council has continued an enterprise wide approach to identify savings that don't impact on its services, to provide increased value for money to ratepayers. Council will continue to focus on identifying sustainable cost savings that will enable it to deliver on our Council Plan to deliver high quality, responsive and accessible services to the community

The proposed budget proposes a rate increase of 3.25 per cent. Council has obtained a variation to the published rate cap of 2.0% from the Essential Services Commission Victoria to allow this. Council has historically been amongst the lowest rating Councils in the state. This has led to a situation where we have become heavily dependent upon grants received from other tiers of government to maintain, renew and upgrade our asset base. The loss of significant grant funding streams in recent years, including the non-indexation of the Financial Assistance Grants (\$0.62 million loss to Council over three years) and the cessation of programs such as Country Roads and Bridges (\$1.0 million loss to Council per year), has led to Council being pressured severely to raise sufficient funds to renew our existing community infrastructure. Council has examined all other forms of funding and has reluctantly concluded that raising rates by 3.25% is our only option to meet asset renewal requirements.

To ease the impact on ratepayers and ensure users help pay for Council services, we are proposing to increase most fees and charges by 2.0 per cent, in line with projected inflation.

Council anticipates the delivery of a capital works program of \$14.84 million for 2017/18 - the largest in the shire's history. This demonstrates Council's commitment to maintaining our community assets and service levels. Of the \$14.83 million capital program, \$13.38 million will be spent on renewing Council's existing assets to ensure that we maintain their service levels.

Highlights of the capital program include:

- Roads (\$10.6 million) – including reconstructions, roads to recovery projects, resheeting, kerb and channel and flood recovery works;
- Buildings (\$1.75 million) – including Edenhope Community Hub (\$1.01 million), Kaniva Hall structural and upgrade works (\$0.33 million);
- Open space (\$1.09 million) – including Kaniva Wetlands project (\$0.68 million), Goroke Playspace (\$0.26 million);
- Bridges (\$0.27 million) – including upgrade works of \$0.20 million; and
- Plant and equipment (\$0.95 million) – including information technology, library materials and scheduled replacement of Council's fleet.

Flood recovery works remain a major focus over 2017-18, with total anticipated works of \$8.0 million, with \$5.62 million of this being capital works. It is anticipated that all of the \$8.0 million flood recovery works to be delivered during 2017-18 will be funded under Natural Disaster Relief and Recovery Arrangements funding.

We have also committed to maintaining existing service levels and funding other key priorities and initiatives including;

- Roads maintenance (\$2.51 million)
- Flood recovery works (non-capital) (\$2.38 million)
- Parks and gardens maintenance (\$0.40 million)
- Buildings maintenance (\$0.11 million)
- Lake Charlegrark facilities upgrade (\$0.24 million)
- Harrow recreation reserve project (\$0.24 million)

Our community strongly supports the maintenance of existing service levels and for these to be funded through a mix of rates revenue and user charges. Council will continue to focus on the identification of sustainable cost reductions to protect existing service levels. We will also explore new approaches for providing services to our community in a tighter fiscal environment and ensure that we engage with you on any planned changes.

The proposed budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. I encourage you to read the remainder of this document, in conjunction with our revised Council Plan 2017-2021 and I look forward to receiving your submission.

**Cr Bruce Meyer**  
**Mayor**

## Executive Summary

Council has prepared a Budget for 2017/2018 which is aligned to the vision in the Council Plan 2017-2021. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the State Government.

This Budget projects a surplus of \$6.98m for 2017/2018, however, it should be noted that the adjusted underlying result is a deficit of \$1.5m after adjusting for capital grants and contributions (refer Sections 5 and 10.1).

### 1. Key things we are funding

1) Ongoing delivery of services to the West Wimmera community funded by a budget of \$29.47m. These services are summarised in Section 2.1.

2) Continued investment in Infrastructure assets (\$14.83m) primarily for renewal works. This includes roads (\$10.6m); bridges (\$0.27m); footpaths and bicycle paths (\$0.05m); drainage (\$0.11m); recreational, leisure and community facilities (\$1.75m); parks, open space and streetscapes (\$1.1m); and plant and equipment (\$0.95m). The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.

### 2. The Rate Rise

a. The average rate will rise by 2.0% in line with the order by the Minister for Local Government on 19 December 2016 under the Fair Go Rates System.

#### b. Key drivers

- i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
- ii. To fund renewal of infrastructure and community assets
- iii. To cope with gradual ongoing decline in the population of West Wimmera residents
- iv. To cope with cost shifting from the State Government
- v. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant

c. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2018 (as amended by supplementary valuations).

d. The waste service charge incorporating kerbside collection and recycling will increase by 3.0% per property.

e. Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the State and Federal Governments.

f. Refer Section 7 for further Rates and Charges details.

### 3. Key Statistics

- Total Revenue: \$29.5M (2016/2017 - \$25.3M)
- Total Expenditure: \$22.7M (2016/2017 - \$21.8M)
- Accounting Result: \$6.8M Surplus (2016/2017 - \$3.5M Surplus)  
(Refer Income Statement in Section 3)
- Underlying operating result: Deficit of \$1.7M (2016/2017 - Deficit of \$3.0M)  
(Refer Analysis of operating Budget in Section 10.1)  
(Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital, from being allocated to cover operating expenses)
- Cash result: \$7.8M Surplus (2016/2017 - \$8.8M Surplus)  
(Refer Statement of Cash Flows in Section 3)  
This is the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
- Total Capital Works Program of \$14.8M (2016/2017 - \$10.2M)
  - o \$4.3M from Council operations (rates funded)
  - o \$0.0M from borrowings
  - o \$0.2M from asset sales
  - o \$10.3M from external grants and contributions

#### **4. Budget Influences**

##### **External Influences**

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government has introduced a cap on rate increases from 2016/2017. The cap for 2017/2018 has been set at 2.0% (2016/2017 - 2.5%).
- CPI for Victoria is forecast to be 2.0% for the 2017/2018 year (Victorian Department of Treasury & Finance, 2016-2017 Budget Update).
- The Victorian Wage Price Index is projected to be 2.5% in 2017/2018 (Victorian Department of Treasury & Finance, 2016-2017 Budget Update).
- Council must renegotiate a new Enterprise Bargaining Agreement during the 2017/2018 year for commencement on 1 July 2018.
- On going cost shifting. This occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all the Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.
- A write down of flood affected assets which is estimated at \$3.60 million in 2017/2018 and estimated repairs of \$14.0 million over two years. Compensation has been confirmed by the Natural Disaster Assistance Fund (NDAF). An advance payment of \$3.00 million from the NDAF was received in 2016/2017. Council is also eligible to claim the first \$0.03 million from the Victoria Grants Commission.

##### **Internal Influences**

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2017/2018 Budget. These matters have arisen from events occurring in the 2016/2017 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/2018 year. These matters and their financial impact are set out below:

- Council's commitment to maintaining services to at least current service levels and to provide sufficient resources to undertake works required to address the Council Plan.
- Increase salary costs in accordance with the Enterprise Bargaining Agreement (EBA) at minimum 2.7% per annum.

#### **5. Advocacy and support (State and Federal Government)**

Council will continue to advocate for:

- a. Local government infrastructure funding, including improved funding streams for:
  - Roads
  - Buildings
- b. Adequate funding to maintain arterial (C-class) roads
  - Routes to Portland harbour and freight facilities
- c. Water security for West Wimmera townships
- d. Sewering of Goroke township
- e. Walking tracks and paths
  - Township paths
  - Parks trails
- f. Funding for Regional Transport Strategy
- g. Funding for critical local infrastructure upgrades
  - Lillimur Graincorp terminal
- g. Shared services opportunities

## **6. Cost Shifting**

Cost shifting occurs when Commonwealth and State programs transfer responsibilities to local government with insufficient funding or grants which don't keep pace with delivery costs.

### *Type 1: Cost Shifting for Specific Services*

1. Home and Community Care (HACC) - The introduction of Commonwealth Home Support Program and pending regional roll out of the National Disability Insurance Scheme has affected Council's service delivery and created additional administration requirements
2. Library Services - the state governments contribution as a percentage of the whole of library funding has declined significantly over the past decade, placing a significantly greater financial burden on Council
3. School Crossing Supervision - \$100k from 2011/2012 to 2017/2018 - The State Government has recently announced it will start to honour the existing agreement to pay 50% of the costs for school crossing supervision. It acknowledges that payments to Councils in the past have not covered the agreed 50% of the cost. While this announcement is welcomed the details of the level of payments in future have not yet been provided.

### *Type 2: Loss of funding in General*

4. A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014/2015 budget that it will pause indexation of the total national pool of financial assistance grants to local government for three years (2014/2015, 2015/2016, 2016/2017). The cumulative impact on Victorian City Council for the three years totals \$0.62M and although the freeze has now been removed this is a permanent loss of revenue.

### *Type 3: Statutory fee that prohibits full cost recovery*

5. After freezing planning fees since 2009 the State Government in October 2016 increased the allowable fee that Council may charge for these services. While this belated action is welcomed the new fees still do not cover the full cost of providing the service hence rate payers are still forced to subsidise the activities of developers across the city.

## **7. Population Growth**

Councils population is forecast to decline from 3,933 in 2016 to 3,828 by 2021 and to 3,631 by 2031

## Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 16 of this report.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial Statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

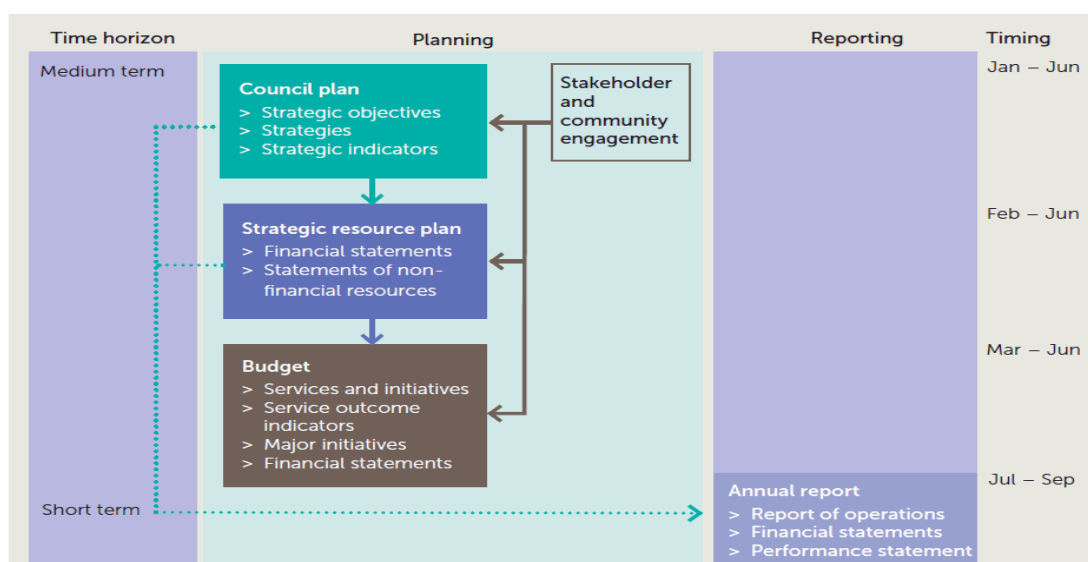


## 1. Link to the Council Plan

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, is part of and prepared in conjunction with the Council Plan, and 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, taking into account 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

The Council Plan articulates a community vision, mission and values.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

## 1.2 Our purpose

### Our vision

Our communities are thriving, diverse, self-sustaining and globally connected. West Wimmera is a wonderful place for a healthy and safe lifestyle.

### Our values

1. West Wimmera Shire values its resident population and its wellbeing. This will be demonstrated through the promotion of viable and sustainable communities, the retention of the current population and support to grow communities.
2. West Wimmera Shire values good governance and transparent decision making. Supporting Community Groups and advocating on their behalf will enable open dialogue to occur with residents.
3. Representing the whole of West Wimmera is valued highly by Councillors. Eliminating any perception of a geographical divide will greatly benefit everyone.
4. A connected community, both via transport infrastructure and modern digital technology that enables us to be connected to the world for business.
5. Partnerships both regionally and with government are valued as a way of ensuring sustainable service delivery.

## 1.3 Strategic objectives

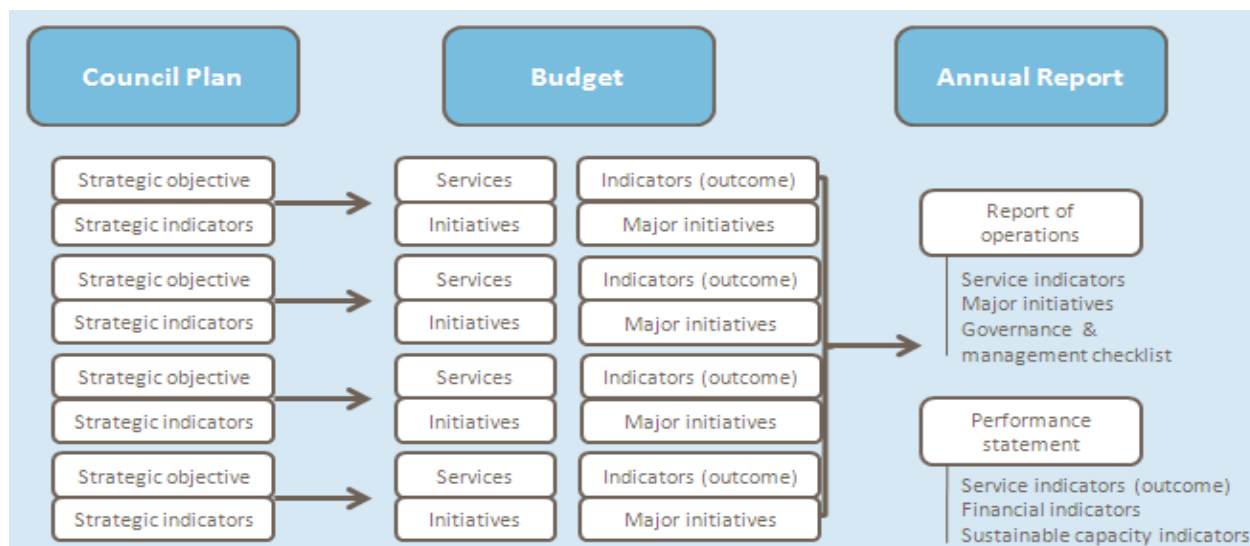
Council delivers activities and initiatives under 34 major service categories. Each contributes to the achievement of one of the seven Strategic Objectives as set out in the Council Plan for the 2017-2021 years. The following table lists the seven Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. A proactive, well governed, professional and financially sustainable organisation that encourages community participation.	<ul style="list-style-type: none"><li>• Improve Council's functionality and reputation</li><li>• Build the capacity of Council administration through professional development</li><li>• Continue to encourage local procurement</li><li>• Focus on shared services</li></ul>
2. Meaningful partnerships to support advocacy priorities and service provision.	<ul style="list-style-type: none"><li>• Develop advocacy policy and plan</li><li>• Improving digital connectivity</li><li>• Water security</li><li>• Energy capacity and reliability</li><li>• Transport (roads, access, public transport &amp; freight)</li><li>• Pest control</li><li>• Emergency management</li><li>• Community services</li></ul>
3. Quality sustainable community infrastructure.	<ul style="list-style-type: none"><li>• Mapping community assets to improve planning and efficiency</li><li>• Upgrade/repair community infrastructure</li><li>• Invest in quality infrastructure supported by community consultation and engagement</li><li>• Maintain the West Wimmera local road network</li></ul>
4. Building on our agricultural and business strengths and supporting economic development.	<ul style="list-style-type: none"><li>• Promote the benefits of West Wimmera to attract new business and jobs</li><li>• Support existing businesses to succeed and grow</li><li>• Promote opportunities that support our agricultural producers to diversify and/or value-add</li></ul>

Strategic Objective	Description
5. Thriving, safe and diverse local communities.	<ul style="list-style-type: none"> <li>• Community planning</li> <li>• Community education programs</li> <li>• Youth engagement</li> <li>• Place - making projects / initiatives that drive civic pride</li> <li>• Support volunteers</li> <li>• Fulfill our legislative responsibilities towards emergency management</li> </ul>
6. Participating in activities that address health and wellbeing issues.	<ul style="list-style-type: none"> <li>• Improve health and wellbeing services</li> <li>• Support preventative health programs</li> <li>• Improve walking / gopher paths in townships</li> </ul>
7. Providing access to and promoting the natural environment.	<ul style="list-style-type: none"> <li>• Targeted promotion of West Wimmera as a world-class destination</li> <li>• Foster eco-tourism development</li> <li>• Link our natural, cultural and historic assets to create a cohesive experience for visitors and residents</li> </ul>

## 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

Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are shown in **bold** and underlined in the following sections.

### 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) <b>Net Cost</b> \$'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.	1,038 <u>(478)</u> <b>560</b>
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.	465 <u>(17)</u> <b>448</b>

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	278
		<u>0</u>
		<b>278</b>
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.	901
		<u>(2,998)</u>
		<b>(2,097)</b>
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.	12
		<u>0</u>
		<b>12</b>
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.	390
		<u>0</u>
		<b>390</b>
Records Management	This service is responsible for providing and maintaining accurate and up to date record keeping facilities and archives.	95
		<u>0</u>
		<b>95</b>

#### Major Initiatives

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

#### Initiatives

- 2) Provide leadership training for Councillors and staff to build team ethos
- 3) Develop guidelines for personal advocacy

#### 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 co-ordinates advocacy programs on behalf of the West Wimmera community.	441 0 441
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.	69 0 69

### Major Initiatives

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

### Initiatives

- 6) Advocate for suitable NBN service provision (fixed wireless rather than SkyMuster satellite)
- 7) Lobby for fairer funding model for CHSP/HACC to better cover costs of rural service provision (i.e Travel costs)
- 8) Pursue mobile communication towers for small population locations.

### 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.	106 (200) (94)
Cemeteries	This service provides management of the Kaniva, Edenhope and Goroke cemeteries.	6 (8) (2)
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.	9,617 (2,218) 7,399
Quarry Operations	This service provides for materials utilised by Council in its works and construction activities.	264 (264) 0
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.	3,908 (4,224) (316)
Stormwater Drainage	This service provides for maintenance works on Council's stormwater drainage network.	34 0 34

#### Major Initiatives

- 9) Invest in addressing the infrastructure renewal gap by maintaining renewal funding to Council's assets
- 10) Create a prioritised Playground Strategy

#### Initiatives

- 11) Initiate discussions with users of Council's built infrastructure regarding the sharing of facilities, with an aim to rationalise and consolidate Councils assets
- 12) Create evidence based priorities for infrastructure investment

#### 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 0 7
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.	359 (60) 299

### Major Initiatives

13) Participate in the development of a business case for utility infrastructure, notably water and gas pipelines.

### Initiatives

14) Pursue the development of large manufacturing plants to process produce grown locally.

### 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.	31 (2) <b>29</b>
Building	This service provides statutory building services to Council and the community including processing of building permits, investigations of complaints and illegal works.	149 (29) <b>120</b>
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.	698 (518) <b>180</b>
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.	2,596 (2,399) <b>197</b>
Community Services	This services provides management and administrative support to the community services area.	59 0 <b>59</b>
Planning	This service provides statutory planning services to Council and the community including processing of planning permits, investigations of complaints and illegal works.	248 (19) <b>229</b>
Regulatory Services	This service provides all management and enforcement of Council's Local Laws, including animal registration, control and enforcement.	91 (33) <b>58</b>
Sanitation	This service provides for street cleaning across Council's urban centres and for management and maintenance of Council's public amenities.	250 0 <b>250</b>
Street Lighting	This service provides for public lighting in Council's urban centres.	21 0 <b>21</b>
Traffic Management	This service provides for school crossing services.	11 (5) <b>6</b>
Waste Management	This service provides for waste management solutions, including kerbside pickup, disposal and transfer station sites.	727 (58) <b>669</b>

### Major Initiatives

- 15) Continue with the development and implementation of a Youth Council.

## Initiatives

16) Support continuing education for residents to access MyAged Care.

17) Develop Community Plans settlements across the shire.

## 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.	702 (750) <b>(48)</b>
Libraries	This service provides public library services at Edenhope and Kaniva via a contribution to the Wimmera Regional Library Corporation.	165 0 <b>165</b>

Service area	Description of services provided	Expenditure (Revenue)
		Net Cost \$'000
Public Health	This service provides a range of public health related activities, including Environmental Health inspections and enforcement, and pest and weed control services.	255 (110) <b>145</b>
Recreation, Sport, Leisure	This service provides maintenance and management of Council's public halls and swimming pools.	279 (7) <b>272</b>
Sport and Recreation Facilities	This service provides for management and maintenance of sporting facilities across the municipality.	41 (14) <b>27</b>

### Major Initiatives

- 18) Complete wall, boat ramp and all access path around Lake Wallace.

### Initiatives

- 19) Support Drug and Alcohol awareness programs.  
 20) Partner with health care providers in the provision of preventative programs.  
 21) Support outreach programs, especially mental health.

### 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 a HACC service / Municipal population who receive a HACC target population for HACC service) Participation in HACC service by CALD people (Percentage of the municipal target Municipal target population in relation to CALD relation to CALD people for people who receive a HACC service) HACC services] x100	[Number of people that received a HACC service / Municipal 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) x100	[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

## 2.6 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.	51 0 <b>51</b>
Parks and Reserves	This service provides maintenance and management of all parks and gardens across Council.	408 0 <b>408</b>

### Major Initiatives

- 22) Create Eco-Tourism opportunities to develop a visitor economy.

### Initiatives

- 23) Invest in media promotion.  
24) Conduct an official opening of the Lake Wallace Foreshore investment.

## 2.7 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.

## 2.8 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.	(314)	3,179	(3,493)
2. Meaningful partnerships to support advocacy priorities and service provision.	510	510	0
3. Quality sustainable community infrastructure.	7,021	13,935	(6,914)
4. Building on our agricultural and business strengths and supporting economic development.	306	366	(60)
5. Thriving, safe and diverse local communities.	1,818	4,881	(3,063)
6. Participating in activities that address health and wellbeing issues.	561	1,442	(881)
7. Providing access to and promoting the natural environment.	459	459	0
<b>Total services and initiatives</b>	<b>10,361</b>	<b>24,772</b>	<b>(14,411)</b>
Other non-attributable	-		
<b>Deficit before funding sources</b>	<b>10,361</b>		
<b>Funding sources:</b>			
Rates & charges	7,163		
Capital grants	9,960		
<b>Total funding sources</b>	<b>17,123</b>		
<b>Surplus for the year</b>	<b>6,762</b>		

### **3. Financial Statements**

This section presents information in regard to the Financial Statements. The budget information for the years 2017/2018 to 2020/2021 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

### 3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Income</b>					
Rates and charges	6,996	7,245	7,476	7,735	8,003
Statutory fees and fines	114	115	119	121	123
User fees	575	582	604	619	635
Grants - Operating	6,564	8,815	6,289	6,503	6,629
Grants - Capital	8,395	9,960	3,183	2,227	2,372
Contributions - monetary	160	611	1,206	177	177
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	231	90	150	150	150
Other income	2,238	2,214	2,325	2,370	564
<b>Total income</b>	<b>25,273</b>	<b>29,632</b>	<b>21,352</b>	<b>19,902</b>	<b>18,653</b>
<b>Expenses</b>					
Employee costs	6,589	6,750	6,964	6,997	6,560
Materials and services	8,103	8,295	6,336	6,198	4,817
Bad and doubtful debts	-	-	10	7	6
Depreciation and amortisation	6,750	7,270	7,443	7,660	7,936
Borrowing costs	11	6	-	-	-
Other expenses	325	327	388	392	470
<b>Total expenses</b>	<b>21,778</b>	<b>22,648</b>	<b>21,141</b>	<b>21,254</b>	<b>19,789</b>
<b>Surplus/(deficit) for the year</b>	<b>3,495</b>	<b>6,984</b>	<b>211</b>	<b>(1,352)</b>	<b>(1,136)</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment /(decrement)	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-
<b>Items that may be reclassified to surplus or deficit in future periods</b>					
Asset Impairment	(3,621)	-	-	-	-
<b>Total comprehensive result</b>	<b>(126)</b>	<b>6,984</b>	<b>211</b>	<b>(1,352)</b>	<b>(1,136)</b>

### 3.2 Balance Sheet

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8,810	8,067	6,056	6,534	7,235
Trade and other receivables	589	591	543	367	270
Inventories	180	181	180	180	180
Non-current assets classified as held for sale	19	-	-	-	-
Other assets	100	150	100	100	100
<b>Total current assets</b>	<b>9,698</b>	<b>8,989</b>	<b>6,879</b>	<b>7,181</b>	<b>7,785</b>
<b>Non-current assets</b>					
Investments in associates and joint ventures	393	399	393	393	393
Property, infrastructure, plant & equipment	165,063	172,622	174,834	173,254	180,558
Investment property	-	-	-	-	-
Intangible assets	-	-	-	-	-
<b>Total non-current assets</b>	<b>165,456</b>	<b>173,021</b>	<b>175,227</b>	<b>173,647</b>	<b>180,951</b>
<b>Total assets</b>	<b>175,154</b>	<b>182,010</b>	<b>182,106</b>	<b>180,828</b>	<b>188,736</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	796	727	598	612	510
Trust funds and deposits	27	27	27	27	28
Provisions	1,832	1,886	1,925	1,973	2,022
Interest-bearing loans and borrowings	130	34	-	-	-
<b>Total current liabilities</b>	<b>2,785</b>	<b>2,674</b>	<b>2,550</b>	<b>2,612</b>	<b>2,560</b>
<b>Non-current liabilities</b>					
Provisions	521	538	547	561	575
Interest-bearing loans and borrowings	34	-	-	-	-
<b>Total non-current liabilities</b>	<b>555</b>	<b>538</b>	<b>547</b>	<b>561</b>	<b>575</b>
<b>Total liabilities</b>	<b>3,340</b>	<b>3,212</b>	<b>3,097</b>	<b>3,173</b>	<b>3,135</b>
<b>Net assets</b>	<b>171,814</b>	<b>178,798</b>	<b>179,009</b>	<b>177,655</b>	<b>185,601</b>
<b>Equity</b>					
Accumulated surplus	36,771	43,644	43,865	42,421	41,315
Reserves	135,043	135,154	135,144	135,234	144,286
<b>Total equity</b>	<b>171,814</b>	<b>178,798</b>	<b>179,009</b>	<b>177,655</b>	<b>185,601</b>



### 3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2016/2017 Forecast</b>				
Balance at beginning of the financial year	173,940	36,152	136,091	1,697
Surplus/(deficit) for the year	(126)	(126)	-	-
Net asset revaluation increment/(decrement)	(2,000)	-	(2,000)	-
Transfer to other reserves	-	(55)	-	55
Transfer from other reserves	-	800	-	(800)
<b>Balance at end of the financial year</b>	<b>171,814</b>	<b>36,771</b>	<b>134,091</b>	<b>952</b>
<b>2017/2018 Budget</b>				
Balance at beginning of the financial year	171,814	36,771	134,091	952
Surplus/(deficit) for the year	6,984	6,984	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(161)	-	161
Transfer from other reserves	-	50	-	(50)
<b>Balance at end of the financial year</b>	<b>178,798</b>	<b>43,644</b>	<b>134,091</b>	<b>1,063</b>
<b>2018/2019 Strategic Resource Plan</b>				
Balance at beginning of the financial year	178,798	43,644	134,091	1,063
Surplus/(deficit) for the year	211	211	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(40)	-	40
Transfer from other reserves	-	50	-	(50)
<b>Balance at end of the financial year</b>	<b>179,009</b>	<b>43,865</b>	<b>134,091</b>	<b>1,053</b>
<b>2019/2020 Strategic Resource Plan</b>				
Balance at beginning of the financial year	179,009	43,865	134,091	1,053
Surplus/(deficit) for the year	(1,352)	(1,352)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(90)	-	90
Transfer from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>177,655</b>	<b>42,421</b>	<b>134,091</b>	<b>1,143</b>
<b>2020/2021 Strategic Resource Plan</b>				
Balance at beginning of the financial year	177,655	42,421	134,091	1,143
Surplus/(deficit) for the year	(1,136)	(1,136)	-	-
Net asset revaluation increment/(decrement)	9,082	-	9,082	-
Transfer to other reserves	-	(20)	-	20
Transfer from other reserves	-	50	-	(50)
<b>Balance at end of the financial year</b>	<b>185,601</b>	<b>41,315</b>	<b>143,173</b>	<b>1,113</b>

### 3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	6,992	7,221	7,476	7,735	8,003
Statutory fees and fines	125	126	131	133	135
User fees	642	659	717	875	806
Grants - operating	7,221	8,815	6,893	7,018	7,032
Grants - capital	8,396	9,960	3,183	2,227	2,372
Contributions - monetary	160	611	1,206	175	177
Interest received	130	120	100	90	75
Dividends received	-	-	-	-	-
Trust funds and deposits taken	-	-	-	-	-
Other receipts	2,127	2,836	2,225	2,442	652
Net GST refund / payment	-	-	-	-	-
Employee costs	(6,400)	(6,679)	(6,916)	(6,997)	(6,560)
Materials and services	(9,222)	(9,606)	(7,493)	(7,290)	(5,984)
Trust funds and deposits repaid	(8)	-	-	-	1
Other payments	-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>10,163</b>	<b>14,063</b>	<b>7,522</b>	<b>6,408</b>	<b>6,709</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(10,113)	(14,901)	(9,749)	(6,180)	(6,258)
Proceeds from sale of property, infrastructure, plant and equipment	332	231	250	250	250
Payments for investments	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-
Loan and advances made	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	<b>(9,781)</b>	<b>(14,670)</b>	<b>(9,499)</b>	<b>(5,930)</b>	<b>(6,008)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(11)	(6)	-	-	-
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	(124)	(130)	(34)	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(135)</b>	<b>(136)</b>	<b>(34)</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>247</b>	<b>(743)</b>	<b>(2,011)</b>	<b>478</b>	<b>701</b>
Cash and cash equivalents at the beginning of the financial year	8,563	8,810	8,067	6,056	6,534
<b>Cash and cash equivalents at the end of the financial year</b>	<b>8,810</b>	<b>8,067</b>	<b>6,056</b>	<b>6,534</b>	<b>7,235</b>

### 3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Property</b>					
Buildings	676	1,758	850	700	744
<b>Total buildings</b>	676	1,758	850	700	744
<b>Total property</b>	676	1,758	850	700	744
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,299	821	961	985	1,010
Computers and telecommunications	23	130	93	118	70
<b>Total plant and equipment</b>	1,322	951	1,054	1,103	1,080
<b>Infrastructure</b>					
Roads	7,752	10,593	6,941	4,008	4,093
Bridges	148	270	112	155	106
Footpaths and cycleways	109	50	56	57	59
Drainage	-	110	-	-	-
Parks, open space and streetscapes	169	1,097	642	57	76
<b>Total infrastructure</b>	8,178	12,120	7,751	4,277	4,334
<b>Total capital works expenditure</b>	10,176	14,829	9,655	6,080	6,158
<b>Represented by:</b>					
New asset expenditure	344	747	286	232	265
Asset renewal expenditure	9,137	13,368	6,871	5,848	5,893
Asset expansion expenditure	-	-	-	-	-
Asset upgrade expenditure	695	714	2,498	-	-
<b>Total capital works expenditure</b>	10,176	14,829	9,655	6,080	6,158

### 3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	6,589	6,750	6,964	6,997	6,560
Employee costs - capital	950	982	890	790	810
<b>Total staff expenditure</b>	<b>7,539</b>	<b>7,732</b>	<b>7,854</b>	<b>7,787</b>	<b>7,370</b>
	EFT	EFT	EFT	EFT	EFT
<b>Staff numbers</b>					
Employees	87.0	90.7	85.3	84.3	82.3
<b>Total staff numbers</b>	<b>87.0</b>	<b>90.7</b>	<b>85.3</b>	<b>84.3</b>	<b>82.3</b>

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

Department	Budget 2017/18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
CEO & Governance	445	445	-
Corporate Services	1,110	579	599
Community Services	988	102	886
Infrastructure Development & Works	4,207	3,454	753
Total staff expenditure	6,750	4,580	2,238
Capitalised labour costs	982		
<b>Total expenditure</b>	<b>7,732</b>		

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

Department	Budget FTE	Comprises	
		Full Time	Part Time
CEO & Governance	4.0	4.0	-
Corporate Services	14.1	6.0	8.1
Community Services	13.9	1.0	12.9
Infrastructure Development & Works	58.7	48.0	10.7
Total	90.7	59.0	31.7
<b>Total staff</b>	<b>90.7</b>		

#### 4. 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 2015/16	Forecast Actual 2016/17	Budget 2017/18	Strategic Resource Plan Projections			Trend +/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-5.2%	-15.8%	-7.2%	-5.2%	-8.3%	-7.7%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	321.5%	348.2%	336.2%	269.8%	274.9%	304.1%	o
Unrestricted cash	Unrestricted cash / current liabilities		252.4%	127.2%	88.7%	95.9%	96.1%	96.3%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	4.2%	2.3%	0.5%	0.0%	0.0%	0.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		1.9%	1.9%	1.9%	0.5%	0.0%	0.0%	+
Indebtedness	Non-current liabilities / own source revenue		3.9%	5.6%	5.3%	5.2%	5.2%	6.2%	o
Asset renewal	Asset renewal expenditure / depreciation	4	85.1%	135.4%	183.9%	92.3%	76.3%	74.3%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	39.5%	27.9%	25.0%	37.1%	39.2%	43.3%	+
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$3,629	\$4,657	\$4,810	\$4,489	\$4,513	\$4,202	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$619	\$625	\$790	\$806	\$822	\$839	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		6.5%	9.3%	8.8%	8.4%	8.0%	7.6%	+

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** – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

**2 Working Capital** - The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2017/2018 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

**3 Debt compared to rates** - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

**4 Asset renewal** - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

**5 Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

## **5. Other budget information (required by the Regulations)**

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

#### 5.1.1 Grants operating - (\$2.25 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to increase by 34.3% or \$2.25 million compared to 2016/2017. The majority of this relates to flood recovery grant monies received, being partially offset by falls in non-recurrent projects, including the Mosquito Control Project and Pest and Weeds, for both of which funding ceases on 30 June 2017. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

<b>Grants - operating</b>	<b>Forecast Actual 2016/17 \$'000</b>	<b>Budget 2017/18 \$'000</b>	<b>Variance \$'000</b>
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission	4,899	4,992	93
Aged Care	324	412	88
<i>Recurrent - State Government</i>			
Community safety	69	25	(44)
Aged care	183	155	(28)
Public health	6	6	-
Maternal and child health	165	160	(5)
Youth services	255	292	37
<b>Total recurrent grants</b>	<b>5,901</b>	<b>6,042</b>	<b>141</b>
<i>Non-recurrent - Commonwealth Government</i>			
Flood Recovery	-	2,378	2,378
<i>Non-recurrent - State Government</i>			
Administration	39	40	1
Recreation	385	350	(35)
Environment	66	-	(66)
Economic and community development	98	5	(93)
Public health	75	-	(75)
<b>Total non-recurrent grants</b>	<b>663</b>	<b>2,773</b>	<b>2,110</b>
<b>Total operating grants</b>	<b>6,564</b>	<b>8,815</b>	<b>2,251</b>



### 5.1.2 Grants capital (\$1.56 million increase)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has increased by 18.6% or \$1.56 million compared to 2016/2017 due mainly to specific funding for some large capital works projects, including Flood Recovery, the Kaniva Wetlands and the Edenhope Community Hub. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2017/2018 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - capital	Forecast		
	Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	2,085	2,065	(20)
<i>Recurrent - State Government</i>	-	-	-
Total recurrent grants	<b>2,085</b>	<b>2,065</b>	<b>(20)</b>
<i>Non-recurrent - Commonwealth Government</i>			
Buildings	105	150	45
Bridges	-	135	135
Flood Recovery	6,000	5,622	(378)
<i>Non-recurrent - State Government</i>			
Roads	58	513	455
Parks, Open Space, Streetscapes	147	775	628
Buildings	-	700	700
Total non-recurrent grants	<b>6,310</b>	<b>7,895</b>	<b>1,585</b>
<b>Total capital grants</b>	<b>8,395</b>	<b>9,960</b>	<b>1,565</b>

### 5.1.3 Statement of Borrowings

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

	2016/17 \$'000	2017/18 \$'000
Total amount borrowed as at 30 June of the prior year	288	<b>164</b>
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(124)	<b>(130)</b>
Total amount of borrowings as at 30 June	164	<b>34</b>

## 6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2017/2018 year.

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

- Works for 2017/2018

## Capital works program

For the year ending 30 June 2018

### 6.1 Capital Works

Capital Works Area	Project cost	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>PROPERTY</b>									
<b>Buildings</b>									
Community Infrastructure	120,000	-	120,000	-	-	-	-	120,000	-
Calico & Candles Repairs	36,000	-	36,000	-	-	-	-	36,000	-
Edenhope Cultural & Community Hub	900,000	-	900,000	-	-	500,000	200,000	200,000	-
Kaniva Wetlands Project - Disabled Toilet (including connection to sewer & water services)	90,000	90,000	-	-	-	90,000	-	-	-
Kaniva Wetlands Project - Shelter (including BBQ, 2 x tables/chairs and drinking fountain)	45,000	45,000	-	-	-	45,000	-	-	-
Kaniva Wetlands Project - Birdhide	15,000		15,000	-	-	15,000	-	-	-
Kaniva Wetlands Project - Lookout (Roughly 1m off ground & 25m2 including ramp)	25,000	25,000	-	-	-	-	-	25,000	-
Band Park Kaniva Fence	5,000	-	-	5,000	-	-	-	5,000	-
Kaniva Hall Structural Repairs	200,000	-	200,000	-	-	200,000	-	-	-
<b>Total Buildings</b>	<b>1,436,000</b>	160,000	1,271,000	5,000	-	850,000	200,000	386,000	-
<b>TOTAL PROPERTY</b>	<b>1,436,000</b>	160,000	1,271,000	5,000	-	850,000	200,000	386,000	-

Capital Works Area	Project cost \$	Asset expenditure type				Summary of funding sources			
		New \$	Renewal \$	Upgrade \$	Expansion \$	Grants \$	Contributions \$	Council cash \$	Borrowings \$
<b>PLANT AND EQUIPMENT</b>									
<b>Plant, Machinery and Equipment</b>									
Motor vehicles and plant	820,730	-	820,730	-	-	-	191,000	629,730	-
<b>Total Plant, Machinery and Equipment</b>	<b>820,730</b>	-	820,730	-	-	-	191,000	629,730	-
<b>Fixtures, Fittings and Furniture</b>	-	-	-	-	-	-	-	-	-
<b>Computers and Telecommunications</b>									
Total Station/GPS Survey Equipment Renewal	50,000	-	50,000	-	-	-	-	50,000	-
Information technology: PCs and servers	60,000	-	60,000	-	-	-	-	60,000	-
Information technology: Corporate System renewal	20,000	-	20,000	-	-	-	-	20,000	-
<b>Total Computers and Telecommunications</b>	<b>130,000</b>	-	130,000	-	-	-	-	130,000	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>950,730</b>	-	950,730	-	-	-	191,000	759,730	-

Capital Works Area	Project cost	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
Brooks Rd, Serviceton Reconstruction: Ch.170m - Ch.1,625m x 6.2m Seal	45,000	-	45,000	-	-	45,000	-	-	-
Murrawong Rd Reconstruction: Ch.1,115m - Ch.2,455m x 6.2m Seal	40,000	-	40,000	-	-	40,000	-	-	-
Diapur Rd Reconstruction/Curve Widening: Ch.1,150m - Ch.1,550m x 6.2m Seal	15,000	-	15,000	-	-	15,000	-	-	-
Charam Wombelano Rd Reseal Ch.1850m - Ch.2,590m x 3.8m & Reconstruction Ch.2,590m - Ch.3,590m x 6.2m	45,000	-	45,000	-	-	45,000	-	-	-
Kybybolite Road Reconstruction/Widening: Ch.3,700m - Ch.4,730m x 4.0m Seal	25,000	-	25,000	-	-	25,000	-	-	-
Lake St, Edenhope Construction: (Wimmera Hwy to Dundas St) x 8.0m Seal including reseal totalling 250m x 12m Seal	15,000	-	15,000	-	-	-	-	15,000	-
Powers Creek Construction: Ch.14,100m - Ch.14,600m x 4.0m Seal & Ch.15,600m - Ch.16,100m x 6.2m Seal	25,000	-	25,000	-	-	25,000	-	-	-
Scrubby Lake Rd Reconstruction: Ch.1,710m - Ch.2,150m X 4.6m & Ch.2,150m - Ch.2,760m x 4.0m, & Reseal Ch.1,395m - Ch.1,710m x 4.6m & Ch.2,760m - Ch.3,765m	40,000	-	40,000	-	-	40,000	-	-	-
Miram South Rd (Nth) Reconstruction: Ch.1,220m - Ch.1,770m x 6.2m	20,000	-	20,000	-	-	20,000	-	-	-
Apsley Natimuk Rd Reconstruction: Ch.8,060m - Ch.11,185m x 6.2m Seal	750,000	-	750,000	-	-	750,000	-	-	-
Murrawong Rd Reconstruction: Ch.2,455m - Ch.3,810m x 6.2m Seal	270,000	-	270,000	-	-	270,000	-	-	-
Sandsmere Hall Rd Reconstruction: Ch.0m - Ch.2,300m x 4.0m Seal	300,000	-	300,000	-	-	300,000	-	-	-
Minimay Goroke Rd Construction: Ch.760m - Ch.1050m x 5.6m Seal	75,000	-	53,500	21,500	-	75,000	-	-	-
Minimay Goroke Rd Reconstruction: Ch.2,370m - Ch.3,125m x 4.0m Seal	140,000	-	140,000	-	-	140,000	-	-	-

Capital Works Area	Project cost \$	Asset expenditure type				Summary of funding sources			
		New \$	Renewal \$	Upgrade \$	Expansion \$	Grants \$	Contributions \$	Council cash \$	Borrowings \$
<b>Roads (Continued)</b>									
Minimay Goroke Rd Reconstruction: Ch.4,470m - Ch.4,710m x 4.0m Seal	<b>45,000</b>	-	45,000	-	-	45,000	-	-	-
Lillimur Graincrop Site Development Project - Lillimur Station Rd Construction/Widening: Ch.0m - Ch.900m x 7.0m Seal including asphalt intersections & project management (\$2:\$1 Local Roads to Market Funding)	<b>510,000</b>	-	291,400	218,600	-	340,000	-	170,000	-
Lillimur Graincrop Site Development Project - Feders Collins Rd Extention & Service Rd Construction: 1250m x 5m x 150mm thick Pavement includes signage & project management (\$2:\$1 Local Roads to Market Funding)	<b>120,000</b>	-	40,000	80,000	-	80,000	-	40,000	-
Lillimur Graincrop Site Development Project: Additional Components	<b>120,000</b>	-	120,000	-	-	80,000	-	40,000	-
Leeor Rd Reconstruction: Ch.4,725m - Ch.5,750m x 5.6m Seal	<b>230,000</b>	-	230,000	-	-	230,000	-	-	-
Kaniva Wetlands Project: Road Construction (not including the kerb & channel)	<b>70,000</b>	-		70,000	-	-	-	70,000	-
Reseals	<b>600,000</b>	-	600,000	-	-	-	-	600,000	-
Shoulder Resheeting	<b>300,000</b>	-	300,000	-	-	-	-	300,000	-
Resheeting	<b>690,000</b>	-	690,000	-	-	-	-	690,000	-
Boundary Rd Resheeting (4km's)	<b>160,000</b>	-	160,000	-	-	-	80,000	80,000	-
Yanac South Rd Resheeting (Broughton-Kaniva Rd to F Wheatons Rd) (Length of 3.345km)	<b>160,000</b>	-	160,000	-	-	-	80,000	80,000	-
Elliotts & Brandts Rd: Fire Access Grant	<b>11,200</b>	-	-	11,200	-	9,800		1,400	-
Lake Rascastle Fire Tank: Fire Access Grant	<b>5,200</b>	-	-	5,200	-	3,467	-	1,733	-
Flood Recovery	<b>5,621,538</b>	-	5,621,538	-	-	5,621,538	-	-	-
Harrow Rd, Edenhope Kerb & Channel Reconstruction: Petrol Station to Bridge (60m)	<b>20,000</b>	-	20,000	-	-	-	-	20,000	-

Capital Works Area	Project cost \$	Asset expenditure type				Summary of funding sources			
		New \$	Renewal \$	Upgrade \$	Expansion \$	Grants \$	Contributions \$	Council cash \$	Borrowings \$
<b>Roads (Continued)</b>									
Barrack St, Goroke Kerb & Channel Reconstruction: Mill St to Camp St (210m both sides)	85,000	-	85,000	-	-	-	-	85,000	-
Kaniva Wetlands Project - Kerb & Channel Construction: Extention of service lane to wetland (Total length of 200m)	40,000	40,000		-	-	-	-	40,000	-
<b>Total roads</b>	<b>10,592,938</b>	40,000	10,146,438	406,500	-	8,199,805	160,000	2,233,133	-
<b>Bridges</b>									
Powers Creek Rd Bridge Strengthening/Upgrade (Ch.9,670m)	100,000	-	25,000	75,000	-	50,000	-	50,000	-
Derholm - Powers Creek Rd Major Box Culvert Renewal (Ch.11,300m)	100,000	-	25,000	75,000	-	50,000	-	50,000	-
Derholm - Powers Creek Rd Major Box Culvert Renewal (Ch.13,500m)	70,000	-	17,500	52,500	-	35,000	-	35,000	-
<b>Total Bridges</b>	<b>270,000</b>	-	67,500	202,500	-	135,000	-	135,000	-

Capital Works Area	Project cost \$	Asset expenditure type				Summary of funding sources			
		New \$	Renewal \$	Upgrade \$	Expansion \$	Grants \$	Contributions \$	Council cash \$	Borrowings \$
<b>Footpaths and Cycleways</b>									
Lake Wallace Walking Track	10,000		10,000					10,000	
Kaniva Wetlands Project - Footpath Construction: Linking Madden St to Fauna Park (265m x 1.5m)	40,000	40,000	-	-	-	-	-	40,000	-
<b>Total Footpaths and Cycleways</b>	<b>50,000</b>	40,000	10,000	-	-	-	-	50,000	-
<b>Drainage</b>									
Orme St, Edenhope Drainage Renewal (40m x 375mm RCP)	20,000	-	20,000	-	-	-	-	20,000	-
Webb St, Kaniva Drainage Construction: Progress St to Railway Line (100m x 375mm RCP)	40,000	-	10,000	30,000	-	-	-	40,000	-
Minor Culvert Renewal's	50,000	-	40,000	10,000	-	-	-	50,000	-
<b>Total Drainage</b>	<b>110,000</b>	-	70,000	40,000	-	-	-	110,000	-
<b>Parks, Open Space and Streetscapes</b>									
Lake Wallace Foreshore Wall Reconstruction: Jetty to Boat Ramp	80,000	-	80,000	-	-	-	-	80,000	-
Goroke Little Desert Nature Playspace Playground Equipment	262,000	262,000	-	-	-	224,925	27,075	10,000	-
West Wimmera Recreational Trails Strategy (Planning)	15,000		15,000	-	-	-	-	15,000	-
West Wimmera Recreational Trails Strategy (Planning)	30,000	-	30,000	-	-	30,000	-	-	-
Kaniva Wetland Project - Playground (including softfall area)	80,000	80,000	-	-	-	80,000	-	-	-
Kaniva Wetland Project - Flying Fox (Including softfall area)	35,000	35,000	-	-	-	35,000	-	-	-
Kaniva Wetland Project - 3 Fitness Stations	35,000	35,000	-	-	-	35,000	-	-	-
Kaniva Wetland Project - Open Grasses Area (Includes underground watering system)	50,000	50,000	-	-	-	50,000	-	-	-
Kaniva Wetland Project - Post & Rail Fence along South side of road	20,000	-	20,000			20,000	-	-	-



Capital Works Area	Project cost	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$	\$	\$	\$	\$	\$	\$	\$
Parks, Open Space and Streetscapes (Continued)									
Kaniva Wetland Project - Fauna Park Fencing (including removal of old)	60,000			60,000				60,000	
Kaniva Wetland Project - Boardwalk (80m x 1.5m)	35,000		35,000			35,000			
Kaniva Wetland Project - Footbridges (2 x 10m x 1.5m)	20,000		20,000			20,000			
Kaniva Wetland Project - Viewing Platforms (Includes handrails, seating & signs) (2 x 20m2)	25,000	25,000				25,000			
Kaniva Wetland Project - Wetland works/earthworks (including dredging, weed control, re-grading and leveling of site)	110,000		110,000			110,000			
Kaniva Wetland Project - Wetland Vegetation Planting (includes fruit forest, Fauna )	110,000		110,000			110,000			
Kaniva Wetland Project - Pathway throughout wetlands and enclosure	60,000		60,000					60,000	
Kaniva Wetland Project - Design Fees	50,000		50,000					50,000	
Kaniva Wetland Project - Additional items (Signs, etc.)	20,000	20,000						20,000	
Total Parks, Open Space and Streetscapes	1,097,000	507,000	530,000	60,000	-	774,925	27,075	295,000	-

Capital Works Area	Project cost \$	Asset expenditure type				Summary of funding sources			
		New \$	Renewal \$	Upgrade \$	Expansion \$	Grants \$	Contributions \$	Council cash \$	Borrowings \$
<b>TOTAL INFRASTRUCTURE</b>	<b>12,119,938</b>	587,000	10,823,938	709,000	-	9,109,730	187,075	2,823,133	-
<b>TOTAL NEW CAPITAL WORKS 2017/2018</b>	<b>14,506,668</b>	747,000	13,045,668	714,000	-	9,959,730	578,075	3,968,863	-

## 6.2 Works carried forward from the 2016/2017 year

Capital Works Area	Project cost	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$	\$	\$	\$	\$	\$	\$	\$
PROPERTY									
Buildings									
Kaniva Hall Structural Repairs	130,000	-	130,000	-	-	-	-	130,000	-
Calico & Candles Repairs	82,000		82,000					82,000	
Edenhope Cultural & Community Hub	110,000	-	110,000	-	-	-	-	110,000	-
Total Buildings	322,000	-	322,000	-	-	-	-	322,000	-
TOTAL PROPERTY	322,000	-	322,000	-	-	-	-	322,000	-
TOTAL CARRIED FORWARD WORKS 2016/2017	322,000	-	322,000	-	-	-	-	322,000	-
Capital Works Area	Project cost	New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
	\$	\$	\$	\$	\$	\$	\$	\$	\$
6.2 Summary									
PROPERTY	1,758,000	160,000	1,593,000	5,000	-	850,000	200,000	708,000	-
PLANT AND EQUIPMENT	950,730	-	950,730	-	-	-	191,000	759,730	-
INFRASTRUCTURE	12,119,938	587,000	10,823,938	709,000	-	9,109,730	187,075	2,823,133	-
TOTAL CAPITAL WORKS	14,828,668	747,000	13,367,668	714,000	-	9,959,730	578,075	4,290,863	

## 7. Rates and charges

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's annual budget

### Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 24% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2017/2018 the FGRS cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges. Council has received an exemption to this cap from the Essential Services Commission Victoria and has been allowed to increase rates by 3.25% for the 2017-18 year.

The additional rate income generated by the 3.25% increase will be utilised by Council to fund its capital renewal program, which restores Council's community assets and ensures service delivery to our community.

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 West Wimmera community.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and municipal charge will increase by 2.0% in line with the rate cap. Kerbside collection charge by 3.0%. Council's Kerbside collection charge has increased by more than the general rate due to an increase in collection and disposal to landfill contract costs and transfer station operating costs.

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

Type or class of land	2016/2017 cents/\$CIV	2017/2018 cents/\$CIV	Change
General rate for rateable properties	0.3445	0.3557	3.25%

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

Type or class of land	2016/2017 \$	2017/2018 \$	Change
Residential	547,302	565,089	3.25%
Commercial/Industrial	52,227	53,491	2.42%
Rural	5,524,327	5,703,315	3.24%
<b>Total amount to be raised by general rates</b>	<b>6,123,856</b>	<b>6,321,895</b>	<b>3.23%</b>

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

Type or class of land	2016/17 Number	2017/18 Number	Change
Residential	1,742	1,731	-0.63%
Commercial/Industrial	154	159	3.25%
Rural	2,780	2,819	1.40%
<b>Total number of assessments</b>	<b>4,676</b>	<b>4,709</b>	<b>0.71%</b>

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

7.5 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	2016/2017 \$	2017/2018 \$	Change
Residential	158,868,505	158,868,400	0.00%
Commercial/Industrial	15,160,232	15,038,400	-0.80%
Rural	1,603,578,229	1,603,422,900	-0.01%
<b>Total value of land</b>	<b>1,777,606,967</b>	<b>1,777,329,700</b>	<b>-0.02%</b>

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

Type of Charge	Per Rateable Property 2016/2017 \$	Per Rateable Property 2017/2018 \$	Change
Municipal	137.97	142.45	3.25%

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

Type of Charge	2016/2017 \$	2017/2018 \$	Change
Municipal	409,357	422,661	3.25%

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

Type of Charge	Per Rateable Property 2016/2017 \$	Per Rateable Property 2017/2018 \$	Change
Kerbside collection	277.10	285.41	3.00%
<b>Total</b>	<b>277.10</b>	<b>285.41</b>	<b>3.00%</b>

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

Type of Charge	2016/2017 \$	2017/2018 \$	Change
Kerbside collection	369,374	380,456	3.00%
<b>Total</b>	<b>369,374</b>	<b>380,456</b>	<b>3.00%</b>

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

Type of Charge	2016/2017 \$	2017/2018 \$	Change
General rates	6,123,856	6,321,895	3.23%
Municipal charge	409,357	422,661	3.25%
Kerbside collection and recycling	369,374	380,456	3.00%
<b>Rates and charges</b>	<b>6,902,587</b>	<b>7,125,012</b>	<b>3.22%</b>

**7.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges**

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

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

**7.12 Uniform rate**

Council applies a uniform rate to all properties within the municipal boundary.

**Rates to be levied**

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.3514% (0.3514 cents in the dollar of CIV) for all rateable properties

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

Council considers that the general rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below.

**7.13 Fair Go Rates System Compliance**

Victoria City Council is fully compliant with the State Governments Fair Go Rates System.

Base Average Rates (2016/2017)	\$	1,387.19
Maximum Rate Increase (set by the State Government)		3.25%
Capped Average Rate (2017/2018)	\$	1,432.27
Maximum General Rates and Municipal Charges Revenue	\$	6,744,556
Budgeted General Rates and Municipal Charges Revenue	\$	6,744,556

## Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

This section includes the following analysis and information.

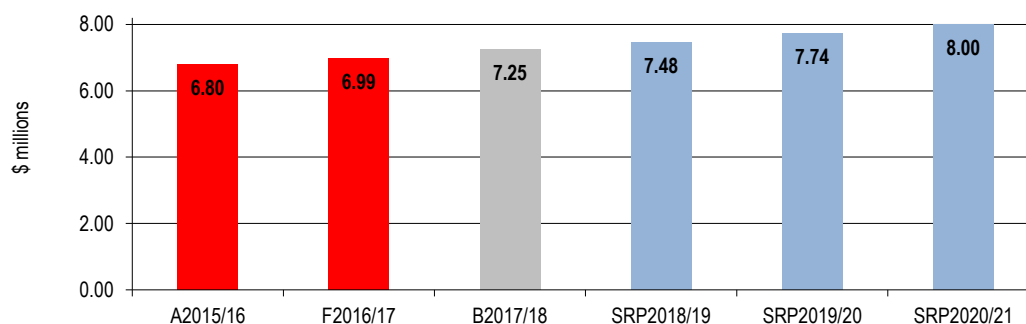
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

## 8. Summary of financial position

Council has prepared a Budget for the 2017/2018 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, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

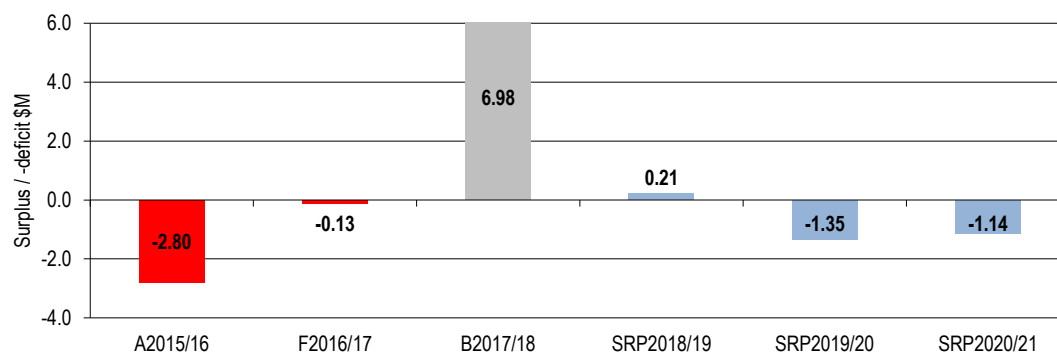
A= Actual F= Forecast B= Budget SRP= Strategic Resource Plan estimates

### 8.1 Rates and charges



It is proposed that the average rates increase by 3.25% for the 2017/18 year, raising total rates and charges of \$7.25 million. Council applies this increase in rates and charges to maintaining existing service levels as well as funding its capital works program, with a specific intent to renew existing assets. This rate increase is in line with the rate cap set by the Minister for Local Government and the variance granted to Council by the Minister on advice from the Essential Services Commission Victoria. (The rate increase for the 2016/2017 year was 2.50%). Refer Sections 7 and 10 for more information.

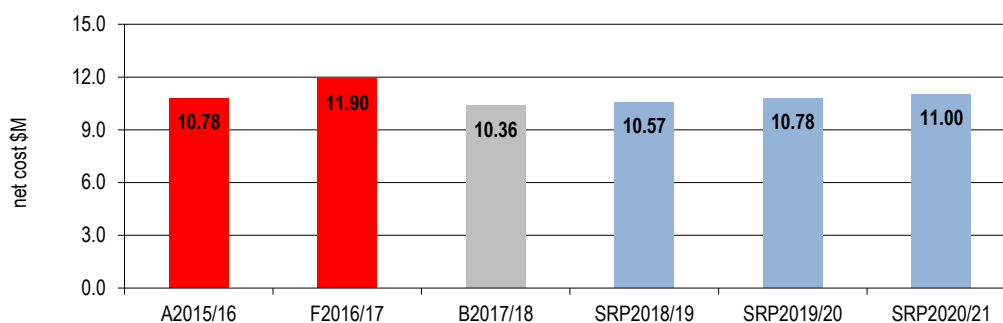
### 8.2 Operating Result



The expected operating result for the 2017/2018 year is a surplus of \$6.98 million, which is an increase of \$7.0 million over 2016/17. The improved operating result is due mainly to external funding for capital works which is forecast to increase by \$1.56 million to \$9.96 million. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a significant deficit of \$1.5million, which is an decrease of \$1.5 million over 2016/2017. This highlights Council dependence upon external funding sources and the restricted ability Council has to raise additional revenue from an extremely small rate base.

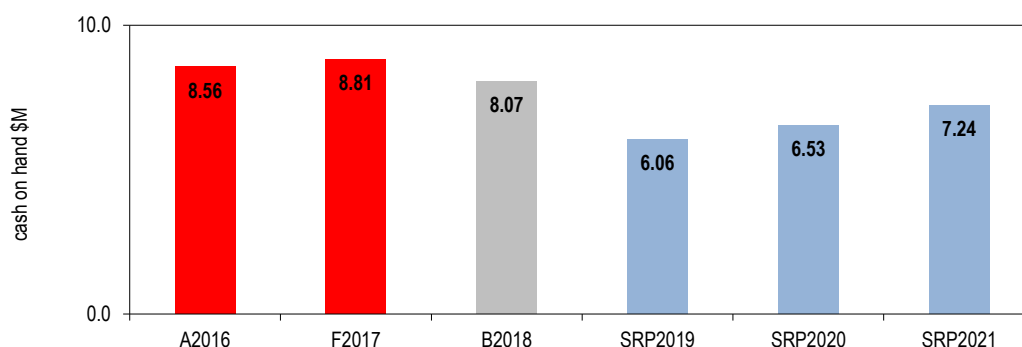


### 8.3 Services



The net cost of services delivered to the community for the 2017/18 year is expected to be \$10.36 million which is a decrease of \$1.54 million over 2016/17. A key influencing factor in the development of the 2017/18 budget has been the recently released results of the community satisfaction survey conducted by Council. The survey results show that while there is a relatively high level of satisfaction with most services provided by Council, there are some areas of concern where there is a clear message that ratepayers want improved service levels. For the 2017/18 year, service levels have been maintained and a number of initiatives proposed. (The forecast net cost for the 2016/17 year is \$11.90 million). Refer Section 2 for a list of services.

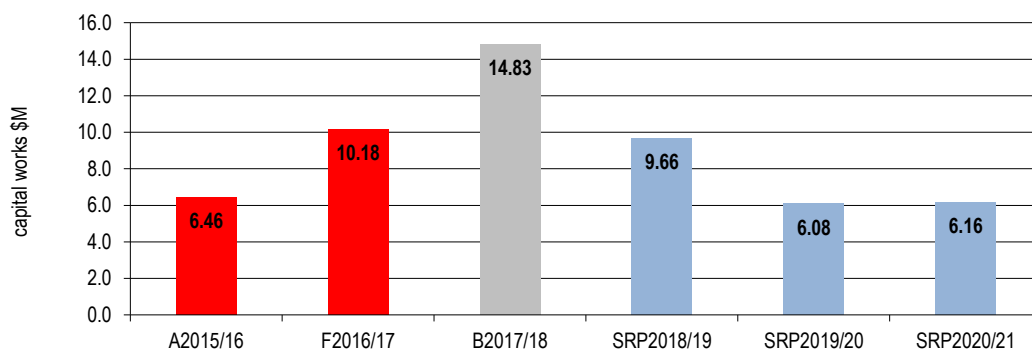
### 8.4 Cash and investments



Cash and investments are expected to decrease by \$0.82 million during the year to \$7.99 million as at 30 June 2018. This is due mainly to the increased cash spending on the capital works program.

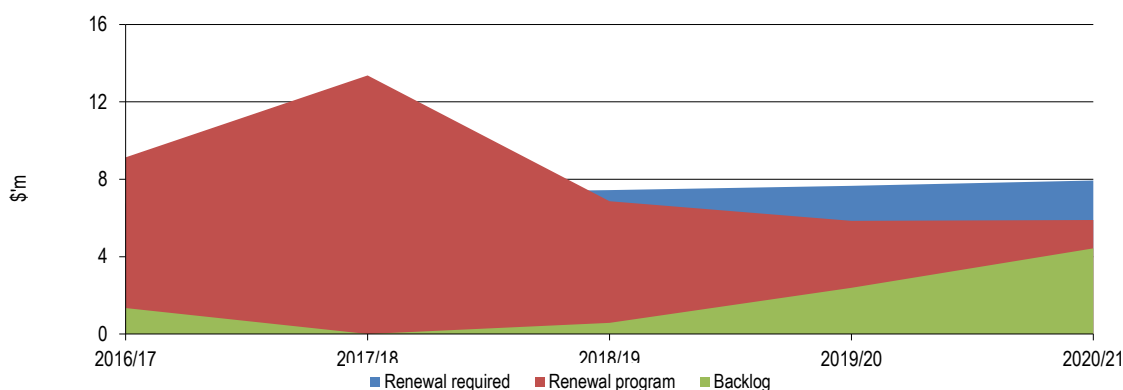
Refer also Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

## 8.5 Capital works



The capital works program for the 2017/2018 year is expected to be \$14.83 million of which \$5.6 million relates to flood recovery projects (funded under the Natural Disaster Relief and Recovery Arrangements). Of the \$14.84 million of capital funding required, \$9.96 million will come from external grants, \$0.39 million from contributions, \$0.19 million from the sale of assets, with the balance of \$4.29 million from Council cash. The Council cash amount comprises cash held at the start of the year (\$0.32 million) and cash generated through operations in the 2017/18 financial year (\$3.97 million). 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.

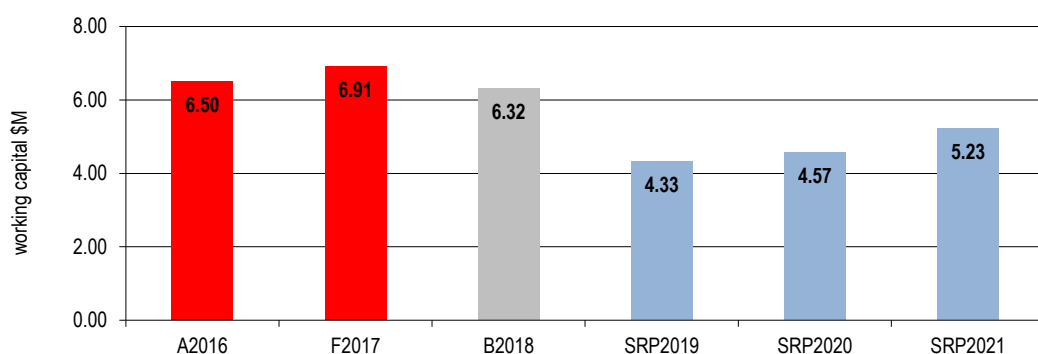
The graph below sets out the required and actual asset renewal over the life of the current Strategic Resource Plan and the renewal backlog.



The asset renewal program has been increased to \$13.40 million (including flood works) in the 2017/2018 year which will lead to a reduction of the immediate backlog. However as Council's cash holdings come under pressure from falling revenues, cash available for renewal falls significantly, resulting in an anticipated renewal gap of \$4.43 million by 30 June 2021.

Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

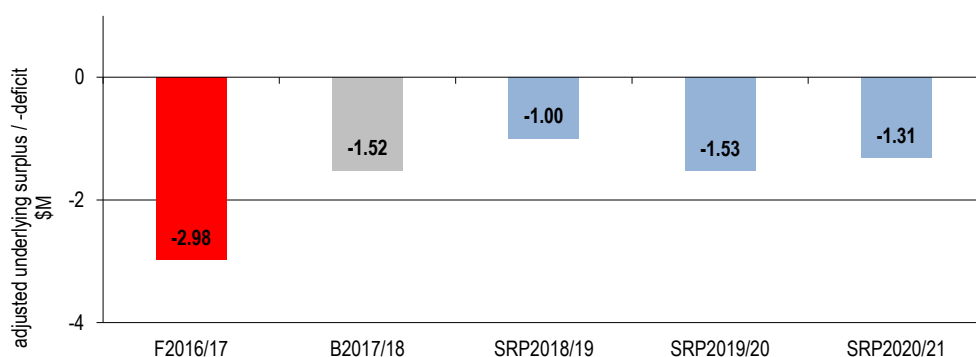
## 8.6 Financial position



Council's financial position is expected to improve with net assets (net worth) to increase by \$6.9 million to \$178.7 million although net current assets (working capital) will reduce by \$0.59 million to \$6.32 million as at 30 June 2017. This is mainly due to the use of cash reserves to fund the capital works program. (Total equity is forecast to be \$178.7 million as at 30 June 2018).

Refer also Section 4 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

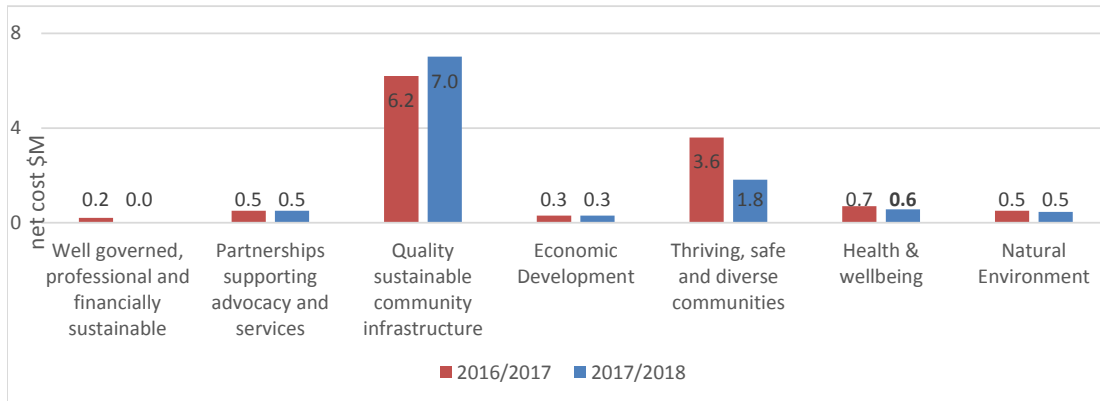
## 8.7 Financial sustainability



A high level Strategic Resource Plan for the years 2017/2018 to 2020/2021 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a stable deficit over the four year period.

Refer Section 14 for more information on the Strategic Resource Plan.

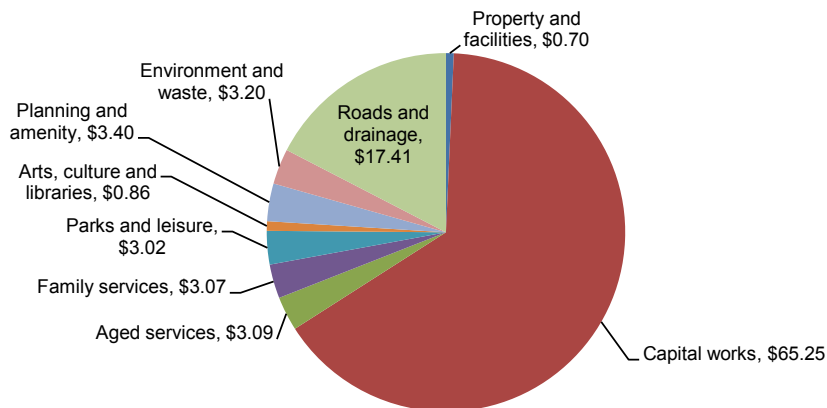
## 8.8 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2017/2018 year.

The services that contribute to these objectives are set out in Section 2

## 8.9 Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends. Council overheads, governance costs and administrative costs are allocated to our external facing services using an internal overhead allocation model.

## 9. Budget influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

### 9.1 Snapshot of West Wimmera Shire Council

West Wimmera Shire Council is located in far Western Victoria bordering the South Australian State border. The regional economy is primarily based on agriculture with strong sectors in health, education and retail. The Shire covers an area of 9,256 square kilometres and includes the townships of Apsley, Edenhope and Harrow to the South of the Shire and Goroke, Kaniva and Serviceton to the North.

The West Wimmera Shire was created through an order of the Governor in Council on 20 January 1995, consisting of an amalgamation of the former Kaniva Shire with parts of the former Kowree, Glenelg and Arapiles Shires.

#### Population

In 2015, the estimated resident population of the Shire was 3,879 people. In the 10 years from 2005 to 2015, our population has declined by approximately 704 people. (Source: Australian Bureau of Statistics, Regional Population Growth table 3218.0). Shire population is predicted to continue to decline with an estimated population by 2031 of just 3,631.

#### Ageing population

The population is ageing and the Shire has a greater proportion of older people compared to the Victorian average. The proportion of people aged 20-44 is significantly lower than the Victorian average. The median age of people in the Shire is 49 years. Children aged 0-14 years make up 18.2% of the population and people aged 65 years and over make up 23.9% of the population. (Source: Australian Bureau of Statistics, Census of Population and Housing 2011).

#### Births

Despite an ageing population, approximately 40 babies have been born each year since 2003. In 2016, 32 babies were born in the municipality.

#### Cultural diversity

In West Wimmera, 89.3% of people were born in Australia. The most common countries of birth other than Australia are England 1.8%, New Zealand 0.9%, Germany 0.5%, United States of America 0.2% and Netherlands 0.2%. (Source: Australian Bureau of Statistics, Census of Population and Housing 2011).

#### Housing

The 2016 municipal revaluation returned that there were 1,742 residential dwellings within the shire. This was an increase of 18 from the 2014 municipal valuation.

## Education and occupation

There are 5 schools located across the shire servicing over 500 students.

People in West Wimmera are becoming better educated. The proportion of residents who have non-school qualifications is increasing. Many more residents in 2011 had completed a non-school qualification than in 2006. (Source: Australian Bureau of Statistics, Census of Population and Housing).

The most common occupations in West Wimmera include Managers 40.4%, Labourers 13.7%, Professionals 11.0%, Technicians and Trades Workers 7.5%, and Clerical and Administrative Workers 7.3%. The Shire has significantly more Managers than the Victorian average.

## 9.2 External influences

- Consumer Price Index (CPI) increases on goods and services of 1.4% through the year to the September quarter 2016. State-wide CPI is forecast to be 2.0% for the 2017/2018 year (Victorian Budget Papers 2016/17).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2015 was 3.4% (ABS release 18 August 2016). The wages price index in Victoria is projected to be 2.5% per annum in 2017/2018 increasing to 3.0% and 3.5% in the subsequent two years (Victorian Budget Papers 2016/2017). Council must renegotiate a new Enterprise Bargaining Agreement during the 2017/2018 year for commencement on 1 July 2018.
- The effect of the September 2016 floods have been significant on Council. Council has costed the damage to its infrastructure to total \$14 million. Restoration works will be ongoing over the 2017/18 year. The cost of these works will be funded from the Commonwealth Natural Disaster Relief and Recovery Arrangements (NDRRA).
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervisors, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

### 9.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2017/2018 Budget. These matters have arisen from events occurring in the 2016/2017 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/2018 year. These matters and their financial impact are set out below:

- Existing fees and charges to be increased in line with CPI or market levels
- Grants to be based on confirmed funding levels
- Salaries and wages to be increased based on Council Enterprise Bargaining Agreement (2.7%+ grading movements), and any vacant positions to be filled only following rigorous evaluation of requirements.
- New revenue sources to be identified where possible
- Service levels to be maintained at 2016/2017 levels with the aim to use less resources with an emphasis on innovation and efficiency
- Salaries and wages to be increased in line with Average Weekly Earnings
- Contract labour to be minimized
- Construction and material costs to increase in line with the Engineering Construction Index
- New initiatives or new employee proposals to be justified through a business case
- Real savings in expenditure and increases in revenue identified in 2016/2017 to be preserved
- Operating revenues and expenses arising from completed 2016/17 capital projects to be included.

### 9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2017/2018 to 2020/2021 (Section 14.), Rating Information (Section 15.) and Other Long Term Strategies (Section 16.) including borrowings, infrastructure and service delivery.

## 10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2017/2018 year.

### 10.1 Budgeted income statement

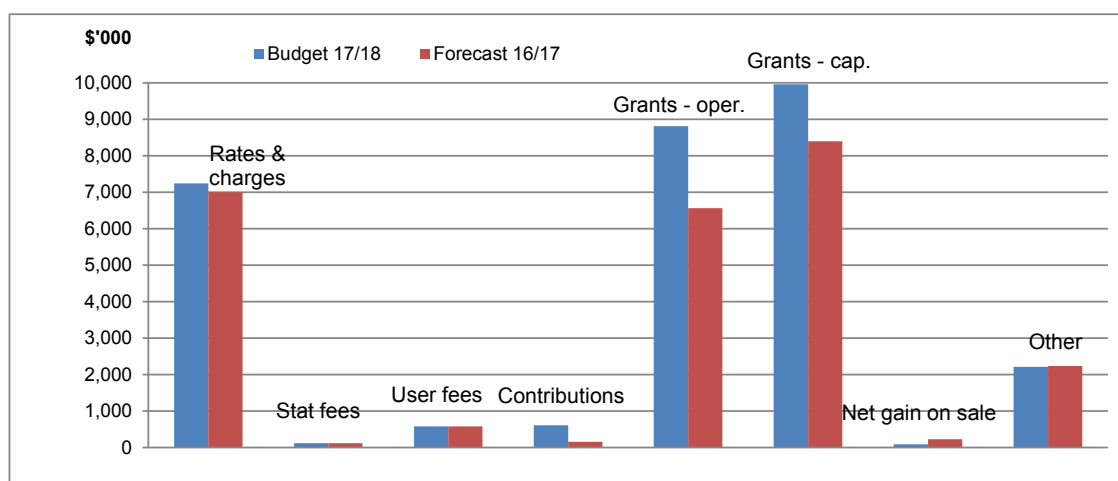
	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Total income	10.2	25,273	29,632	4,359
Total expenses	10.3	(21,778)	(22,648)	(870)
<b>Surplus (deficit) for the year</b>		<b>3,495</b>	<b>6,984</b>	<b>3,489</b>
Grants – capital non-recurrent	10.2.6	(6,310)	(7,895)	(1,585)
Contributions - non-monetary assets		0	0	0
Capital contributions - other sources	10.2.4	(160)	(611)	(451)
<b>Adjusted underlying surplus (deficit)</b>	<b>10.1.1</b>	<b>(2,975)</b>	<b>(1,522)</b>	<b>1,453</b>

#### 10.1.1 Adjusted underlying deficit (\$1.5 million decrease)

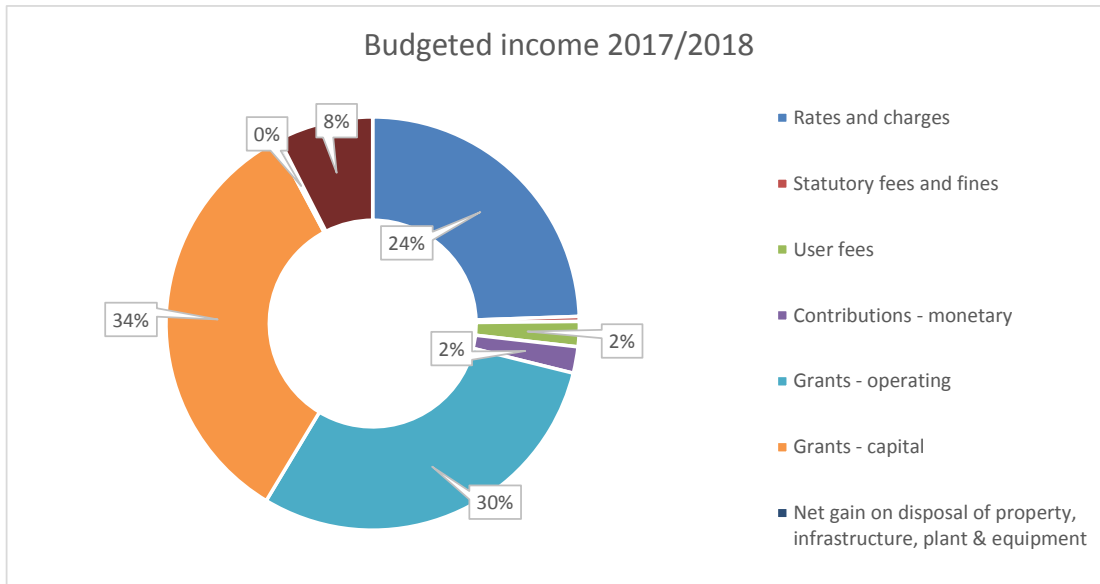
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/2018 year is a substantial deficit of \$1.5 million which is an improvement of \$1.5 million from the 2016/2017 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

### 10.2 Income

Income Types	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Rates and charges	10.2.1	6,996	7,245	249
Statutory fees and fines	10.2.2	114	115	1
User fees	10.2.3	575	582	7
Contributions - monetary	10.2.4	160	611	451
Grants - operating	5.1.1	6,564	8,815	2,251
Grants - capital	5.1.2	8,395	9,960	1,565
Net gain on disposal of property, infrastructure, plant & equipment	10.2.5	231	90	(141)
Other income	10.2.6	2,238	2,214	(24)
<b>Total income</b>		<b>25,273</b>	<b>29,632</b>	<b>4,359</b>







#### **10.2.1 Rates and charges (\$0.25 million increase)**

It is proposed that income raised by all rates and charges be increased by \$0.25 million to \$7.25 million. This includes an increase in general rates of 3.25%, the Municipal Charge of 3.25%; kerbside waste collection and recycling of 3.0%.

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017/2018 and the rates and charges specifically required by the Regulations.

#### **10.2.2 Statutory fees and fines (\$0.001 million increase)**

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

Statutory fees are forecast to increase by 0.9% or \$0.001 million compared to 2016/2017.

A detailed listing of statutory fees is included in Appendix A.

#### **10.2.3 User fees (\$0.007 million increase)**

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include the use of leisure, entertainment and other community facilities and the provision of human services such as home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels.

User charges are projected to increase by 1.2% or \$0.007 million over 2016/2017.

A detailed listing of fees and charges is included in Appendix A.

#### **10.2.4 Contributions - monetary (\$0.45 million increase)**

Contributions relate to monies contributed by third parties to particular projects or programs.

Contributions are projected to increase by \$0.45 million or 282% compared to 2016/2017. Major projects which include contributions funding for 2017/18 include:

- Harrow Recreation Reserve upgrade (\$25,000)
- Kaniva Wetlands project (\$25,000)
- Aboriginal Cricketers Centenary (\$25,000)
- Lake Charlegrark upgrade (\$90,000)
- Edenhope Community Hub (\$200,000)
- Little Desert Playspace (\$13,500)

#### **10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$0.14 million decrease)**

Proceeds from the disposal of Council assets is forecast to be \$0.23 million for 2017/2018 and relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet.

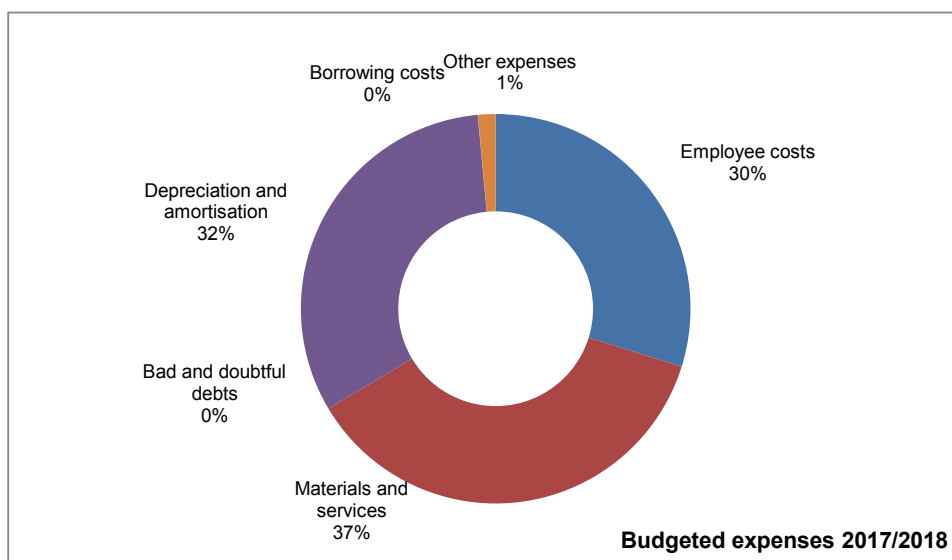
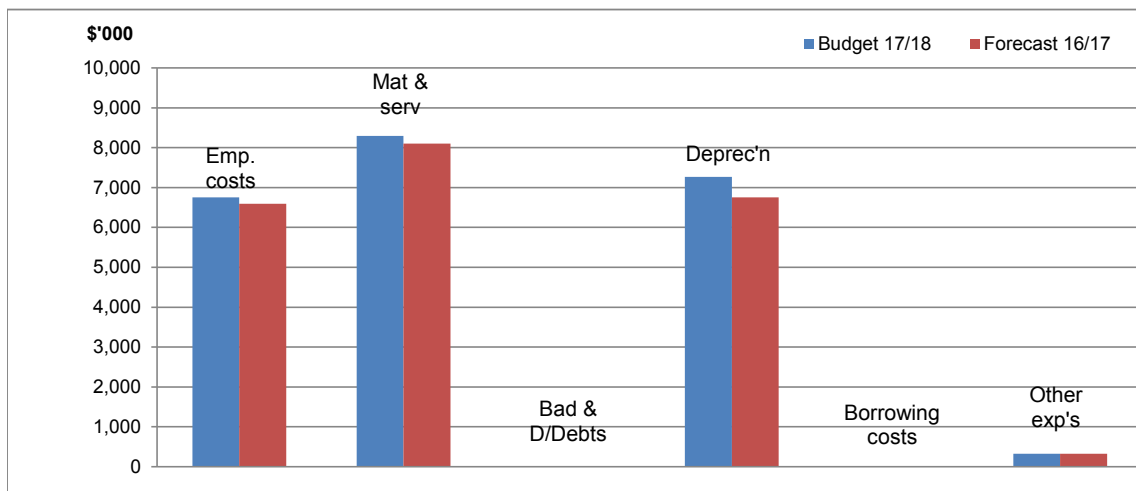
#### **10.2.6 Other income (\$0.02 million decrease)**

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to decrease by 1.0% or \$0.02 million compared to 2016/2017. Interest on investments is forecast to decline by 7.7% or \$0.01 million compared to 2016/2017. This is mainly due to a forecast reduction in Council's available cash reserves during 2017/2018 to fund major infrastructure projects.

### 10.3 Expenses

Expense Types	Ref	Forecast	Budget 2017/2018 \$'000	Variance \$'000
		Actual 2016/2017 \$'000		
Employee costs	10.3.1	6,589	6,750	161
Materials and services	10.3.2	8,103	8,295	192
Bad and doubtful debts	10.3.3	0	0	0
Depreciation and amortisation	10.3.4	6,750	7,270	520
Borrowing costs	10.3.5	11	6	(5)
Other expenses	10.3.6	325	327	2
<b>Total expenses</b>		<b>21,778</b>	<b>22,648</b>	<b>870</b>



### 10.3.1 Employee costs (\$0.23 million increase)

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

Employee costs are forecast to increase by \$0.16 million compared to 2016/2017. This increase is in line with Council's Enterprise Bargaining Agreement.

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

Department	Budget 2017/2018 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
CEO & Governance	445	445	0
Corporate Services	1,100	579	599
Community Services	988	102	886
Infrastructure Development & Works	4,207	3,454	753
Total staff expenditure	6,740	4,580	2,238
Capitalised labour costs	992		
<b>Total expenditure</b>	<b>7,732</b>		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
CEO & Governance	4	4	-
Corporate Services	14	6	8.1
Community Services	14	1	12.9
Infrastructure Development & Works	59	48	10.7
Total	90.7	59	31.7
<b>Total staff</b>	<b>90.7</b>		

#### **10.3.2 Materials and services (\$0.19 million increase)**

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 increase by 2.3% or \$0.19 million compared to 2016/2017.

Consumables is forecast to decrease by \$0.74 million or 2.2% compared to 2016/2017 and relates mainly to a decrease in the purchase of materials required for the provision of various services across the Shire.

External contracts are forecast to increase by 17.0% or \$0.51 million compared to 2016/2017. The main areas contributing to this increase are Valuation Services (\$0.09 million) due to the required revaluation during the financial year and Contractors (\$0.46 million) due to additional contract staff required to meet anticipated increases in demand for the services.

#### **10.3.3 Bad and doubtful debts**

No bad and doubtful debts anticipated during the 2017/2018 financial year.

#### **10.3.4 Depreciation and amortisation (\$0.52 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. The increase of \$0.52 million for 2017/2018 is due mainly to the completion of the 2017/2018 capital works program and the full year effect of depreciation on the 2016/2017 capital works program. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/2018 year.

#### **10.3.5 Borrowing costs (\$0.005 million decrease)**

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to the repayment of principal in accordance with loan agreements.

#### **10.3.6 Other expenses (\$0.002 million increase)**

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to increase by 0.6% or \$0.002 million compared to 2016/2017.

## 11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/2018 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 analysis 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.

### 11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	11.1.1			
<i>Receipts</i>				
Rates and charges		6,992	7,221	229
User fees and fines		767	785	18
Grants - operating		7,221	8,815	1,594
Grants - capital		8,396	9,960	1,564
Interest		130	120	(10)
Other receipts		2,287	3,447	1,160
		<b>25,793</b>	<b>30,348</b>	<b>4,555</b>
<i>Payments</i>				
Employee costs		(6,400)	(6,679)	(279)
Other payments		(9,230)	(9,606)	(376)
		<b>(15,630)</b>	<b>(16,285)</b>	<b>(655)</b>
<b>Net cash provided by operating activities</b>		<b>10,163</b>	<b>14,063</b>	<b>3,900</b>
<b>Cash flows from investing activities</b>	11.1.2			
Payments for property, infrastructure, plant & equip.		(10,113)	(14,901)	(4,788)
Proceeds from sale of property, infrastructure, plant & equipment		332	231	(101)
Payments for investments		-	-	-
Proceeds from investments		-	-	-
Loans and advances made		-	-	-
Repayments of loans and advances		-	-	-
<b>Net cash used in investing activities</b>		<b>(9,781)</b>	<b>(14,670)</b>	<b>(4,889)</b>
<b>Cash flows from financing activities</b>	11.1.3			
Finance costs		(11)	(6)	5
Proceeds from borrowings		-	-	-
Repayment of borrowings		(124)	(130)	(6)
<b>Net cash used in financing activities</b>		<b>(135)</b>	<b>(136)</b>	<b>(1)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>247</b>	<b>(743)</b>	<b>(990)</b>
Cash and cash equivalents at the beginning of the year		8,563	8,810	247
<b>Cash and cash equivalents at end of the year</b>	11.1.4	<b>8,810</b>	<b>8,067</b>	<b>(743)</b>

#### 11.1.1 Operating activities (\$3.90 million increase)

The increase in cash inflows from operating activities is due mainly to a \$1.6 million increase in capital grants to fund the capital works program, \$1.6 million in operating grants and a \$0.22 million increase in rates and charges.

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>3,495</b>	<b>6,984</b>	<b>3,489</b>
Depreciation	6,750	7,270	520
Loss (gain) on disposal of property, infrastructure, plant & equipment	(231)	(90)	141
Finance costs	11	6	(5)
Net movement in current assets and liabilities	138	(175)	(313)
<b>Cash flows available from operating activities</b>	<b>10,163</b>	<b>13,995</b>	<b>3,832</b>

#### 11.1.2 Investing activities (\$4.90 million increase)

The large increase in payments for investing activities represents the planned large increase in capital works expenditure disclosed in section 10 of this budget report.

#### 11.1.3 Financing activities (\$0.001 million increase)

For 2017/2018 the total of principal repayments is \$0.13 million and finance charges is \$0.006 million.

#### 11.1.4 Cash and cash equivalents at end of the year (\$0.82 million decrease)

Overall, total cash and investments is forecast to decrease by \$0.82 million to \$7.99 million as at 30 June 2018, reflecting Council's strategy of using excess cash and investments to enhance existing and create new infrastructure. This is consistent with Council's Strategic Resource Plan (see Section 8), which forecasts a significant reduction in the capital works program from 2017/2018 onwards to balance future cash budgets.

### 11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2018 it will have cash and investments of \$7.99 million, which has been restricted as shown in the following table.

		Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>8,810</b>	<b>8,067</b>	<b>(743)</b>
Restricted cash and investments				
- Statutory reserves	11.2.1	0	0	0
- Cash held to fund carry forward capital works	11.2.2	(322)	0	322
- Trust funds and deposits		(27)	(27)	0
<b>Unrestricted cash and investments</b>	11.2.3	<b>8,461</b>	<b>8,040</b>	<b>(421)</b>
- Discretionary reserves	11.2.4	(952)	(1,063)	(111)
<b>Unrestricted cash adjusted for discretionary reserves</b>	11.2.5	<b>7,509</b>	<b>6,977</b>	<b>(532)</b>

#### **11.2.1 Statutory reserves (\$0.0 million)**

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes. No Statutory Reserves are held by Council.

#### **11.2.2 Cash held to fund carry forward capital works**

There is no amount shown as cash held to fund carry forward works at 30 June 2018, as it is expected that the capital works budget in the 2017/2018 financial year will be fully completed. An amount of \$0.32 million is forecast to be held at 30 June 2017 to fund capital works budgeted but not completed in the 2016/2017 financial year. Section 6.2 contains further details on capital works funding.

#### **11.2.3 Unrestricted cash and investments (\$8.0 million)**

The amount shown is in accordance with the definition of unrestricted cash included in the Regulations. These funds are free of statutory reserve funds and cash to be used to fund capital works expenditure from the previous financial year.

#### **11.2.4 Discretionary reserves (\$1.06 million)**

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2017/2018 year \$0.16 million is budgeted to be transferred to and \$0.05 million from Discretionary Reserves. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

#### **11.2.5 Unrestricted cash adjusted for discretionary reserves (\$6.97 million)**

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.



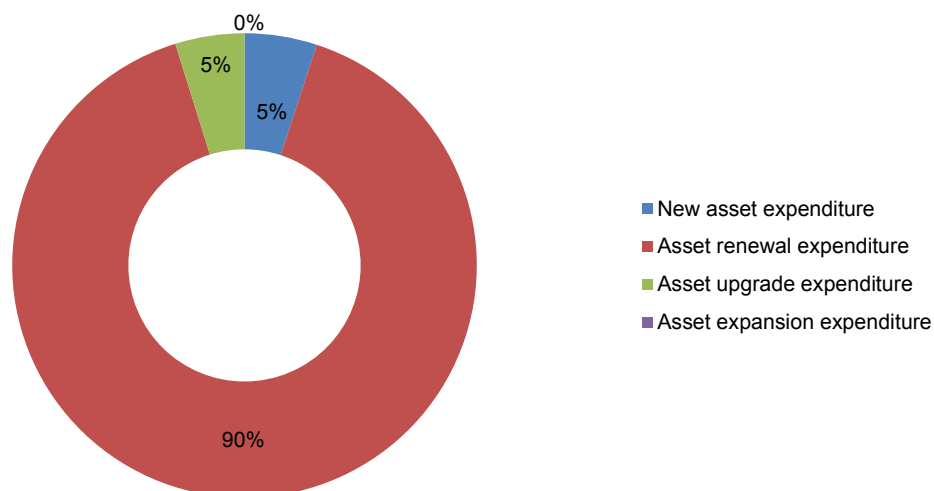
## 12. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

### 12.1 Capital works

Capital Works Areas	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
<b>Works carried forward</b>	12.1.1			
<b>Property</b>				
Buildings		20	322	302
<b>Total buildings</b>		20	322	302
<b>Total property</b>		20	322	302
<b>Infrastructure</b>				
Parks, open space and streetscapes		113	-	(113)
<b>Total infrastructure</b>		113	-	(113)
<b>Total works carried forward</b>		133	322	189
<b>New works</b>				
<b>Property</b>	12.1.2			
Buildings		656	1,436	780
<b>Total buildings</b>		656	1,436	780
<b>Total property</b>		656	1,436	780
<b>Plant and equipment</b>	12.1.3			
Plant, machinery and equipment		1,299	821	(478)
Computers and telecommunications		23	130	107
<b>Total plant and equipment</b>		1,322	951	(371)
<b>Infrastructure</b>	12.1.4			
Roads		7,752	10,593	2,841
Bridges		148	270	122
Footpaths and cycleways		109	50	(59)
Drainage		-	110	110
Parks, open space and streetscapes		56	1,097	1,041
<b>Total infrastructure</b>		8,065	12,120	4,055
<b>Total new works</b>		10,043	14,507	4,464
<b>Total capital works expenditure</b>		10,176	14,829	4,653
<b>Represented by:</b>				
New asset expenditure	12.1.5	344	747	403
Asset renewal expenditure	12.1.5	9,137	13,368	4,231
Asset upgrade expenditure	12.1.5	695	714	19
Asset expansion expenditure	12.1.5	-	-	-
<b>Total capital works expenditure</b>		10,176	14,829	4,653

### Budgeted capital works 2017/2018



Source: Section 3. A more detailed listing of capital works is included in Section 6.

#### 12.1.1 Carried forward works (\$0.32 million)

At the end of each financial year there are likely to be projects which are either incomplete or not commenced. For the 2016/2017 year it is forecast that \$0.32 million in building works will be incomplete and be carried forward into the 2017/2018 year.

#### 12.1.2 Property (\$1.75 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2017/2018 year, \$1.75 million will be expended on building and building improvement projects. The more significant projects include: Kaniva Hall (\$0.33 million), Calico and Candles Repairs (\$0.12 million), Edenhope Cultural & Community Hub (\$1.01 million) and the Kaniva Wetlands project (\$0.17 million).

#### 12.1.3 Plant and equipment (\$0.95 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, and library books.

For the 2017/2018 year, \$0.95 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$0.82 million), upgrade and replacement of information technology (\$0.13 million).

#### 12.1.4 Infrastructure (\$12.13 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2017/2018 year, \$10.6 million will be expended on road projects. The more significant projects include local road reconstructions (\$0.6 million), Flood Recovery (\$5.6 million), federally funded Roads to Recovery projects (\$2.6 million) and Reseals and Resheeting (\$1.6 million).

\$0.11 million will be expended on drainage renewal, drainage construction and minor culverts.

\$1.1 million will be expended on parks, open space and streetscapes for the completion of the Kaniva Wetland project.

Other infrastructure expenditure includes \$0.27 million on bridges, \$0.05 million on footpaths and cycleways.

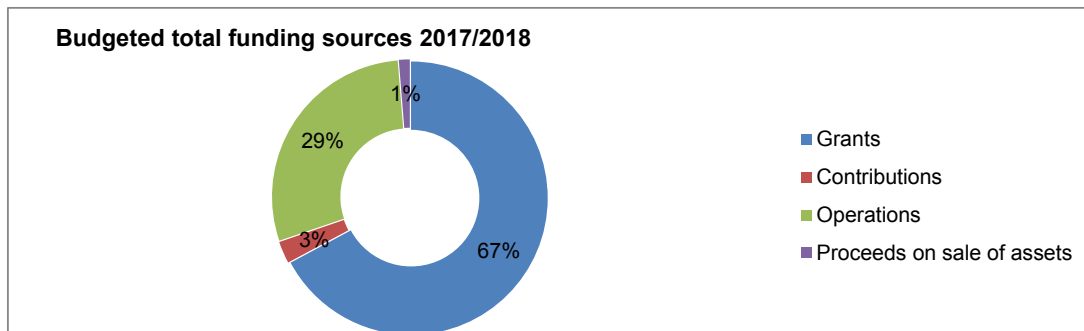
#### 12.1.5 Asset renewal (\$13.37 million), new assets (\$0.74 million), upgrade (\$0.71 million) and expansion (\$0.00 million)

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

The projects included in the above categories, which constitute expenditure on new assets, are the Kaniva Wetlands project (\$0.48 million) and the Goroke Little Desert Nature Playspace (\$0.26 million). The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

### 12.2 Funding sources

Sources of funding	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<b>Works carried forward</b>				
<b>Current year funding</b>				
Grants		-	-	-
Contributions		-	-	-
Borrowings		-	-	-
Council cash				
- operations		-	-	-
- proceeds on sale of assets		-	-	-
- reserve cash and investments		133	322	189
- unrestricted cash and investments		-	-	-
<b>Total works carried forward</b>	12.2.1	<b>133</b>	<b>322</b>	<b>189</b>
<b>New works</b>				
<b>Current year funding</b>				
Grants	12.2.2	8,395	9,960	1,565
Contributions		160	387	227
Borrowings		-	-	-
Council cash				
- operations	12.2.3	1,156	3,969	2,813
- proceeds on sale of assets	12.2.4	332	191	(141)
- reserve cash and investments		-	-	-
- unrestricted cash and investments		-	-	-
<b>Total new works</b>		<b>10,043</b>	<b>14,507</b>	<b>4,464</b>
<b>Total funding sources</b>		<b>10,176</b>	<b>14,829</b>	<b>4,653</b>



#### 12.2.1 Carried forward works (\$0.32 million)

At the end of each financial year there are likely to be projects which are either incomplete or not commenced. For the 2016/2017 year it is forecast that \$0.32 million in building works will be incomplete and be carried forward into the 2017/2018 year.

#### 12.2.2 Grants - Capital (\$10.35 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Kaniva Wetlands project (\$0.67 million), Roads to Recovery projects (\$2.1 million), Edenhope Cultural & Community Hub (\$0.50 million) and Flood Recovery (\$5.62 million).

#### 12.2.3 Council cash - operations (\$3.97 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$3.97 million will be generated from operations to fund the 2017/2018 capital works program.

#### 12.2.4 Council cash - proceeds from sale of assets (\$0.19 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.19 million.

### 13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/2017 and 2017/2018. It also considers a number of key financial performance indicators.

#### 13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Current assets</b>	13.1.1			
Cash and cash equivalents		8,810	8,067	(743)
Trade and other receivables		589	591	2
Financial assets		-	-	-
Other assets		299	331	32
<b>Total current assets</b>		<b>9,698</b>	<b>8,989</b>	<b>(709)</b>
<b>Non-current assets</b>	13.1.1			
Trade and other receivables		-	-	-
Investments in associates and joint ventures		393	399	6
Property, infrastructure, plant and equipment		165,063	172,622	7,559
<b>Total non-current assets</b>		<b>165,456</b>	<b>173,021</b>	<b>7,565</b>
<b>Total assets</b>		<b>175,154</b>	<b>182,010</b>	<b>6,856</b>
<b>Current liabilities</b>	13.1.2			
Trade and other payables		796	727	69
Trust funds and deposits		27	27	-
Provisions		1,832	1,886	(54)
Interest-bearing loans and borrowings		130	34	96
<b>Total current liabilities</b>		<b>2,785</b>	<b>2,674</b>	<b>111</b>
<b>Non-current liabilities</b>	13.1.2			
Provisions		521	538	(17)
Interest-bearing loans and borrowings		34	-	34
<b>Total non-current liabilities</b>		<b>555</b>	<b>538</b>	<b>17</b>
<b>Total liabilities</b>		<b>3,340</b>	<b>3,212</b>	<b>128</b>
<b>Net assets</b>		<b>171,814</b>	<b>178,798</b>	<b>6,984</b>
<b>Equity</b>	13.1.4			
Accumulated surplus		36,771	43,644	6,873
Reserves		135,043	135,154	111
<b>Total equity</b>		<b>171,814</b>	<b>178,798</b>	<b>6,984</b>

Source: Section 3

#### 13.1.1 Current Assets (\$0.71 million decrease) and Non-Current Assets (7.6 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$0.74 million during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non current) relating to loans to community organisations will increase by \$0.002 million in accordance with agreed repayment terms.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles and equipment which has been built up by Council over many years. The \$7.5 million increase in this balance is attributable to the net result of the capital works program (\$14.8 million of new assets), depreciation of assets (\$7.2 million) and the sale of property, plant and equipment (\$0.2 million).

### 13.1.2 Current Liabilities (\$0.11 million decrease) and Non Current Liabilities (\$0.02 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2016/2017 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are only expected to increase marginally due to more active management of entitlements despite factoring in an increase for Collective Agreement outcomes.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$130,000 over the year.

### 13.1.3 Working Capital (\$0.83 million decrease)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast		
	Actual	Budget	Variance
	2017	2018	
	\$'000	\$'000	\$'000
<b>Current assets</b>	9,698	8,989	709
<b>Current liabilities</b>	2,785	2,674	111
<b>Working capital</b>	6,913	6,315	598
Restricted cash and investment current assets			
- Statutory reserves	-	-	-
- Cash used to fund carry forward capital works	(322)	-	(322)
- Trust funds and deposits	(27)	(27)	-
<b>Unrestricted working capital</b>	<b>6,591</b>	<b>6,315</b>	<b>276</b>

In addition to the restricted cash shown above, Council is also projected to hold \$1.06 million in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

#### **13.1.4 Equity (\$6.9 million increase)**

Total equity always equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. \$6.8 million of the \$6.9 million increase in accumulated surplus results directly from the surplus for the year. An amount of \$0.1 million (net) is budgeted to be transferred from other reserves to accumulated surplus. This reflects the usage of investment cash reserves to partly fund the capital works program. This is a transfer between equity balances only and does not impact on the total balance of equity.

#### **13.2 Key assumptions**

In preparing the Budgeted Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 98.5% of total rates and charges raised will be collected in the 2017/2018 year (2016/2017: 97.8% forecast actual)
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days
- Other debtors and creditors to remain consistent with 2016/2017 levels
- Employee entitlements to be increased by the Enterprise Bargaining Agreement outcome offset by the impact of a more active management of leave entitlements of staff
- Repayment of loan principal to be \$0.13 million
- Total capital expenditure to be \$14.8 million
- A total of \$0.1 million to be transferred from reserves to accumulated surplus, representing the internal funding of the capital works program for the 2017/2018 year.

## Long Term Strategies

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies



## 14. Strategic resource plan

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

### 14.1 Plan development

The Act requires a Strategic Resource Plan (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared an SRP for the four years 2017/2018 to 2020/2021 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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

- Maintain existing service levels,
- Reduce operating deficits
- Maintain a capital expenditure program of at least \$6 million per annum, and
- Achieve a balanced budget on a cash basis over the 4 years.

In preparing the SRP, 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, and
- Provide full, accurate and timely disclosure of financial information.

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

### 14.2 Financial resources

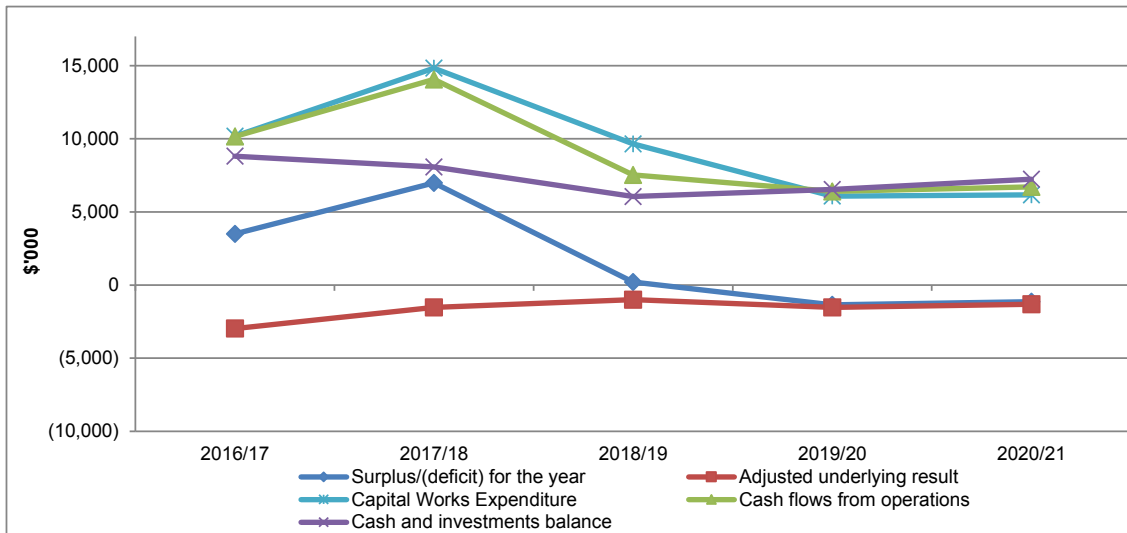
The following table summarises the key financial results for the next four years as set out in the SRP for the years 2017/2018 to 2020/2021. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2016/17	2017/18	2018/19	2019/20	2020/21	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	3,495	6,984	211	(1,352)	(1,136)	-
Adjusted underlying result	(2,975)	(1,522)	(995)	(1,529)	(1,313)	o
Cash and investments balance	8,810	8,067	6,056	6,534	7,235	-
Cash flows from operations	10,163	14,063	7,522	6,408	6,709	-
Capital works expenditure	10,176	14,829	9,655	6,080	6,158	-

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

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



The key outcomes of the Plan are as follows:

- **Financial sustainability (Section 11)** - Cash and investments is forecast to decrease significantly over the four year period from \$7.8 million to \$5.6 million, which indicates declining non council sourced revenue.
- **Rating levels (Section 15)** – Modest rate increases are forecast over the four years at an average of 2.0%.
- **Service delivery strategy (section 16)** – Service levels have been maintained throughout the four year period. Despite this, an operating surplus is forecast in 2017/2018 as a result of significant capital grant revenue being received to fund the annual capital works program. Years 2018/2019, 2019/2020 and 2020/2021 forecast operating deficits. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a deficit over the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$0.13 million to \$0.0 million over the four year period.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$36.73 million at an average of \$9.18 million.

## 15. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

### 15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 24.3% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. 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 West Wimmera community.

### 15.2 Future rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2017, and proposed rate caps set by the State Government.

Year	General Rate Increase %	Municipal Charge Increase \$'000	Garbage Charge Increase \$'000	Total Rates Raised \$'000
2016/17	2.50	2.50	2.50	6,996
2017/18	3.25	3.25	3.00	7,245
2018/19	3.50	3.50	3.00	7,476
2019/20	3.50	3.50	3.00	7,735
2020/21	3.50	3.50	3.00	8,003

### 15.3 Rating structure

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

- Property values form the central basis of rating under the *Local Government Act 1989*,
- A user pays component to reflect usage of certain services provided by Council, and
- A fixed municipal charge per property to cover some of the administrative costs of the Council.

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. There are currently no plans to change that basis.

The existing rating structure comprises one uniform rate. Council also levies a municipal charge, and a kerbside collection charge as allowed under the Act.

The following table summarises the rates to be determined for the 2017/2018 year. A more detailed analysis of the rates to be raised is contained in Section 7 Rates and Charges.

Rate type	How applied	2016/17	2017/18	Total Raised \$'000's	Change
Residential rates	Cents/\$ CIV	0.3445	0.35570	565,089	3.25%
Commercial rates	Cents/\$ CIV	0.3445	0.35570	53,491	2.42%
Rural rates	Cents/\$ CIV	0.3445	0.35570	5,703,315	3.24%
Municipal charge	\$/ property	\$138	\$142	422,661	3.25%
Kerbside collection charge	\$/ property	\$277	\$285	380,456	3.00%

## 16. Summary of other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

### 16.1 Borrowings

In developing the Strategic Resource Plan SRP (see Section 14), borrowings was identified as a funding source for the capital works programs. In the past, Council has not borrowed heavily but rather use its own funds to maintain its capital base. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain the capital works programs. Council has only one remaining loan currently on its books and it's anticipated to be fully repaid by 30 June 2019.

For the 2017/2018 year, Council has decided not to take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$0.13 million, will reduce its total borrowings to \$0.03 million as at 30 June 2018. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2018.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	-	124	11	164
2017/18	-	130	6	34
2018/19	-	34	-	-
2019/20	-	-	-	-
2020/21	-	-	-	-

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

	2016/2017 \$	2017/2018 \$
Total amount borrowed as at 30 June of the prior year	288,000	164,000
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(124,000)	(130,000)
Total amount of borrowings as at 30 June	164,000	34,000

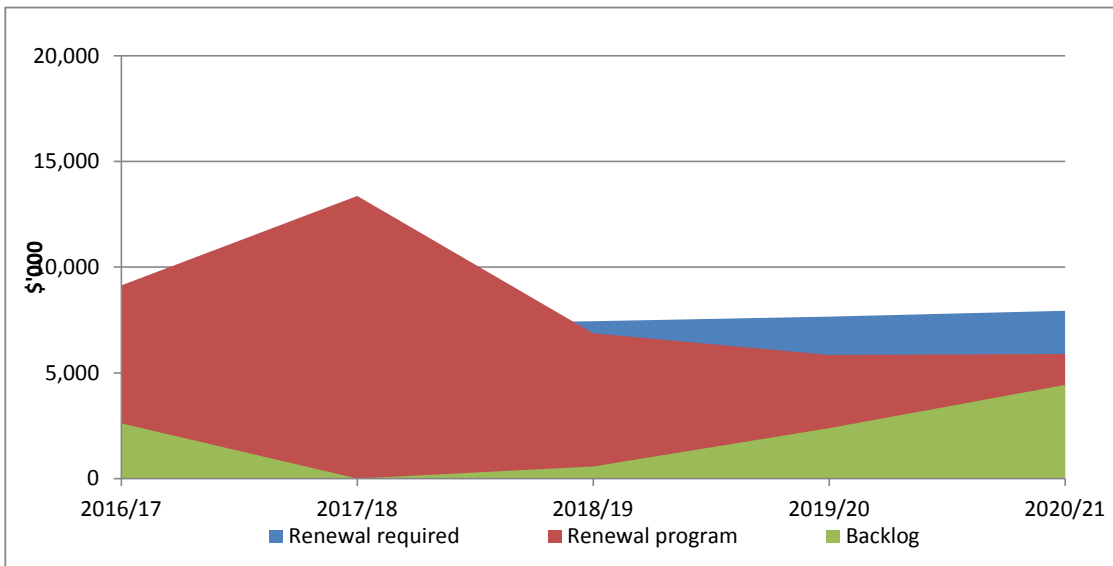
### 16.2 Infrastructure

The Council has developed an Infrastructure Strategy based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, 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, and
- Business Case template for officers to document capital project submissions.

A key objective of the Infrastructure 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.

The graph below sets out the required and actual asset renewal over the life of the current SRP and the renewal backlog.



At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in the Infrastructure Strategy. While the Infrastructure Strategy is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, the above graph indicates that in later years the required asset renewal is not being addressed 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. In the above graph it is anticipated that the backlog will be \$4.43 million at the end of the period.

In updating the Infrastructure Strategy for the 2017/2018 year, the following influences have had a significant impact:

- Reduction in the amount of cash and investment reserves to fund future capital expenditure programs.
- Availability of significant Federal funding for upgrade of roads.
- The enactment of the *Road Management Act 2004* removing the defence of non-feasance on major assets such as roads.
- Availability of Natural Disaster Assistance funds to repair flood affected infrastructure.

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

Year	Summary of funding sources				
	Total Capital Program \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2016/17	10,176	8,395	492	1,289	-
2017/18	14,829	9,960	578	4,291	-
2018/19	9,655	3,183	-	6,472	-
2019/20	6,080	2,227	-	3,853	-
2020/21	6,158	2,372	-	3,786	-

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These 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, and include contributions to car parking, drainage and public resort and recreation. 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.

### 16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve a breakeven operating result within five to six years. The Rating Information (see Section 15.) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2017/2018	2018/2019	2019/2020	2020/2021
	%	%	%	%
Consumer Price Index	2.00	2.25	2.25	2.50
Average Weekly Earnings	3.66	3.75	3.75	3.75
Engineering Construction Index	0.47	2.00	2.00	2.00
Non-residential Building Index	0.15	2.00	2.00	2.00
Rate increases	2.00	2.00	2.00	2.00
Property growth	1.00	1.00	1.00	0.60
Wages growth	3.50	3.50	3.50	3.50
Government funding	2.00	2.00	2.00	2.00
Statutory fees	2.00	2.00	2.00	2.00
Investment return	2.50	2.50	2.50	2.50

As well as the general influences, there are also a number specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

### Transfer Station

Waste tipping fees for inert waste are expected to rise further as the State Government has increased the levy payable upon disposal of waste at landfill. Following increases of \$53.33 per tonne since 2008/2009, the fee will rise a further \$1.24 per tonne (2.3%) in 2017/2018. The financial impact will be to increase tipping fee costs at the Transfer Station. The pricing structure currently in place for Transfer Station users will be adjusted to absorb all future cost increases.

### Aged & Disability Services

Government funding for aged and disability services is expected to increase by approximately \$0.14 million from 2016/2017. This includes General Home Care, Personal Care, Respite Care and Meals. Council remains in the midst of transition from the State-based HACC (Home And Community Care) program to the Commonwealth funded CHSP (Commonwealth Home Support Program).

### Valuation Services

The Council is required to revalue all properties within the municipality every two years. The last general revaluation was carried out as at 1 January 2016 effective for the 2016/17 year and the next revaluation will be undertaken as at 1 January 2018. An allowance of \$0.08 million has been made every two years commencing in 2017/2018 to meet the additional cost of resources to complete the revaluation process.

The service delivery outcomes measured in financial terms are shown in the following table.

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2016/17	3,495	(2,975)	(11,896)
2017/18	6,984	(1,522)	(10,361)
2018/19	211	(995)	(10,568)
2019/20	(1,352)	(1,529)	(10,780)
2020/21	(1,136)	(1,313)	(10,995)

## **Appendix A**

### **Fees and charges schedule**

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2017/2018 year.





# WEST WIMMERA SHIRE COUNCIL

## SCHEDULE OF FEES & CHARGES

### 2017/2018



	Description	Basis	Nature of Fee	GST	2016-17 INC GST \$	2017-18 INC GST \$
<b>1</b>	<b>Registration Fees - Dogs, cats and Domestic Animals</b>					
	<b>2017/18 Fees (10/4/17 to 9/4/18)</b>					
	<b>Maximum Fee applicable to dogs and cats under Domestic Animals Act 1994</b>					
1.1	Category A - Maximum Fee	Annual fee per animal	Council	Non Taxable	\$102.00	\$108.00
1.2	Category B - Maximum Fee Pensioner	Annual fee per animal	Council	Non Taxable	\$51.00	\$54.00
1.3	Category C - Reduced Fee	Annual fee per animal	Council	Non Taxable	\$34.00	\$36.00
1.4	Category C - Reduced Fee Pensioner	Annual fee per animal	Council	Non Taxable	\$17.00	\$18.00
1.5	Micro chipping fee - financial year	Per animal	Council	Non Taxable	\$50.00	\$55.00
1.6	Dangerous/Menacing dog registration fee	Per animal	Council	Non Taxable		\$180.00
1.7	Planned Microchipped days	Per animal	Council	Non Taxable		\$30.00
<b>2</b>	<b>Health Registration Fees</b>					
	<b>2017/18 Fees (Billing period 1/5/2017 to 30/4/18)</b>					
	<b>Charge classes are as defined under the Food Act 1984</b>					
2.1	Class 1 Registration - (Hospitals/age care/child care)	Annual fee	Council	Non Taxable	\$275.00	\$290.00
2.2	Class 2 Registration - (Restaurants/cafes/prep of food)	Annual fee	Council	Non Taxable	\$225.00	\$240.00
2.3	Class 3 Registration - (Low risk food prep/package food)	Annual fee	Council	Non Taxable	\$150.00	\$165.00
2.4	Class 4 Registration - (Newsagents)		Council	Non Taxable	\$0.00	\$0.00
2.5	Fee for limited operation (operate less than 3 days or under 25 hours per week)		50% of annual Class 2 and 3			
2.6	Fee for full operations of Club or Community Organisation	Annual fee	Council	Non Taxable	\$78.00	\$8.00
	<u>Fee for temporary Food Permit:</u>					
2.7	Community Group - up to 2 events p.a.				\$0.00	\$0.00
2.8	Community Group - up to 12 events p.a. (annual charge)	Annual fee	Council	Non Taxable	\$23.00	\$25.00
2.9	General Food Business - up to 2 events p.a. (per event charge)	Annual fee	Council	Non Taxable	\$16.00	\$18.00
2.10	General Food Business - up to 12 events p.a. (annual charge)	Annual fee	Council	Non Taxable	\$58.00	\$60.00
2.11	Transfer of registration (including prescribed accommodation/hairdressing/beauty)		50% of annual Class 2 and 3			
2.12	Penalty for late payment of Health Registration fees		Prescribed fee plus 50%			
2.13	Septic tank applications - per financial year	Per application	Council	Non Taxable	\$297.00	\$305.00
2.14	Septic tank alterations - per financial year	Per instance	Council	Non Taxable	\$164.00	\$170.00
2.15	Caravan park registration - less than 25 sites (3 yearly registration fee)	Per caravan park	Statutory Fee	Non Taxable	\$229.50	Stat Fee
2.16	Caravan park registration 26-50 sites (3 yearly registration fee) - Expire 30/4/2020	Per caravan park	Statutory Fee	Non Taxable	\$459.00	Stat Fee
2.17	Caravan park registration 51-100 sites (3 yearly registration fee)	Per caravan park	Statutory Fee	Non Taxable	\$918.00	Stat Fee
2.18	Caravan park transfer of proprietor	Per instance	5 fee units			
2.19	Prescribed Accommodation	Annual fee	Council	Non Taxable	\$236.00	\$240.00
2.20	Hair & Beauty premises	Annual fee	Council	Non Taxable	\$162.00	\$165.00
<b>3</b>	<b>Disabled Persons Permit</b>					
	Disabled Persons Permit	Per permit 3 years	Council	Non Taxable	\$9.00	\$9.00
<b>4</b>	<b>Community Bus</b>					
	Hire Fee (Community Group)	Per kilometre	Council	Taxable	\$0.50	\$0.50
	Note: Fuel at cost of hirer; bus must be returned with full tank of fuel					
	Hirers to be charged per km based on where the bus is located at that time and to be charged from pick up point					



# WEST WIMMERA SHIRE COUNCIL

## SCHEDULE OF FEES & CHARGES

### 2017/2018



	Description	Basis	Nature of Fee	GST	2016-17 INC GST \$	2017-18 INC GST \$
5	<b>Home Care &amp; Meals on Wheels</b>					
	<b>Fees charged for all private home care in accordance with the DHS guidelines</b>					
5.1	Meals on Wheels	Per meal	Council	Non Taxable	\$10.00	\$10.00
5.2	Centre based meals	Per meal	Council	Non Taxable	\$12.00	\$12.00
5.3	PAC and Linkages	Per meal	Council	Taxable	\$15.27	\$16.80
6	<b>Kindergartens</b>					
6.1	Kindergarten Fees 4 year olds - \$306 per term per child (2018 calendar year)	Per year	Council	Non Taxable	\$1,200.00	\$1,224.00
6.2	Kindergarten Fees 3 year olds - \$306 per term per child (2018 calendar year)	Per year	Council	Non Taxable	\$1,200.00	\$1,224.00
7	<b>Photocopying</b>					
	<b>All photocopying black and white only on plain paper</b>					
7.1	A4	Per page	Council	Taxable	\$1.10	\$1.10
7.2	A3	Per page	Council	Taxable	\$1.10	\$1.10
7.3	Large document - per document up to 100 pages		Council	Taxable	\$27.50	\$27.50
7.4	Large document - per document up to 100 pages		Council	Taxable	\$44.00	\$44.00
8	<b>Caravan Park Weekly Fees</b>					
	<b>Powered Site</b>					
8.1	Caravan, trailer or like vehicle, or tent or like construction - weekly fee	Per site	Council	Taxable	\$130.00	\$135.00
8.2	Occupied (maximum of two persons) - per night	Per site	Council	Taxable	\$25.00	\$26.00
8.3	Each additional person (Children under 6 exempted) - per night	Per site	Council	Taxable	\$8.00	\$8.00
	<b>Unoccupied - no tenants</b>					
8.4	Caravan, trailer or like vehicle, or tent or like construction - weekly fee	Per site	Council	Taxable	\$42.00	\$43.00
	<b>Unpowered Site</b>					
8.5	Caravan, trailer or like vehicle, or tent or like construction - weekly fee	Per site	Council	Taxable	\$100.00	\$100.00
8.6	Occupied (maximum of two persons) - per night	Per site	Council	Taxable	\$20.00	\$21.00
8.7	Each additional person (Children under 6 exempted) - per night	Per site	Council	Taxable	\$7.00	\$7.00
9	<b>Kaniva &amp; Edenhope Shire Hall Charges</b>					
9.1	Security deposit for licensed functions (refundable)	Per event	Council	Non Taxable	\$125.00	\$128.00
9.2	Insurance - functions without alcohol	Per event	Council	Taxable	\$90.00	\$92.00
9.3	Insurance - functions with alcohol	Per event	Council	Taxable	\$125.00	\$128.00
9.4	Sounds System (PA System & microphones) - Bond	Per event	Council	Non Taxable	\$100.00	\$100.00
	<b>Shire Halls including supper room and kitchen</b>					
	<b>Commercial Hire</b>					
	<u>Auction sales, Elections, Commercial displays, business/professional visits</u>					
9.5	up to 12 hours	Per occasion	Council	Taxable	\$309.00	\$317.00
9.6	from 12 to 24 hours	Per occasion	Council	Taxable	\$515.00	\$528.00
	<b>Public/Private Hire - Non Commercial Hire</b>					
	<u>Weddings, Dinners, Funerals, Parties, Parades, Farewells</u>					
9.6	up to 12 hours	Per occasion	Council	Taxable	\$103.00	\$105.00
9.7	12 to 24 hours	Per occasion	Council	Taxable	\$155.00	\$159.00
9.8	24 hours to 3 days	Per occasion	Council	Taxable	\$309.00	\$317.00
	<b>Rehearsals, Religious services</b>					
9.9	up to 12 hours	Per occasion	Council	Taxable	\$30.00	\$31.00
9.10	12 to 24 hours	Per occasion	Council	Taxable	\$55.00	\$56.00
	<b>Kitchen Hire Only</b>					
9.11	up to 6 hours	Per occasion	Council	Taxable	\$20.00	\$21.00
9.12	up to 12 hours	Per occasion	Council	Taxable	\$40.00	\$41.00



# WEST WIMMERA SHIRE COUNCIL

## SCHEDULE OF FEES & CHARGES

### 2017/2018



	Description	Basis	Nature of Fee	GST	2016-17 INC GST \$	2017-18 INC GST \$
	<b>Supper room hire only</b>					
9.13	Commercial use - up to 12 hours	Per occasion	Council	Taxable	\$84.00	\$86.00
9.14	Community use including - not for profit fundraising - up to 12 hours	Event with alcohol present	Council	Taxable	\$20.00	\$21.00
9.15	Community use including - not for profit fundraising - up to 12 hours	No alcohol event	Council	Taxable	\$1.00	\$1.05
9.16	Community use including - not for profit (Monthly fee)	Regular users per occasion	Council	Taxable	\$55.00	\$56.00
9.17	Community use including - not for profit (i.e. Yoga/dance/karate etc) (Yearly fee)	Regular users per occasion	Council	Taxable	\$220.00	\$220.00
10	<b>Kaniva Showgrounds and Recreation Reserve</b>					
10.1	Kaniva Hockey Club	Annual Charge	Council	Taxable	\$515.00	\$528.00
10.2	Kaniva A & P Society	Annual Charge	Council	Taxable	\$515.00	\$528.00
10.3	Kaniva Cricket Club	Annual Charge	Council	Taxable	\$257.50	\$264.00
10.4	Kaniva/Leeor United Football/Netball Club	Annual Charge	Council	Taxable	\$4,635.00	\$4,751.00
10.5	Auctions - Commercial	Per event	Council	Taxable	\$257.50	\$264.00
10.6	Miscellaneous Oval Hire - Not for profit	Per event	Council	Taxable	\$1.00	\$1.05
10.7	Miscellaneous Oval Hire	Per day	Council	Taxable	\$120.00	\$123.00
10.8	Miscellaneous Oval Hire	Per half day	Council	Taxable	\$70.00	\$72.00
10.9	Circus	Day of circus	Council	Taxable	\$464.00	\$475.50
11	<b>Planning Fees (Statutory)</b>					
	<b>Applications for Permits (Regulation 7)</b>					
	11.1 Class 1 Change or allow a new use of the land		Statutory	Non Taxable	\$502.00	\$1,241.00
Single Dwelling	To develop land, or to use and develop land for a single dwelling per lot, or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of the development is :					
	11.2 Class 2 up to \$10,000		Statutory	Non Taxable	\$239.00	\$188.00
	11.3 Class 3 \$10,000 to \$100,000		Statutory	Non Taxable	\$490.00	\$592.00
	11.4 Class 4 \$100,000 to \$500,000		Statutory	Non Taxable	\$102.00	\$1,213.00
	11.5 Class 5 \$500,000to \$1 million		Statutory	Non Taxable	\$604.00	\$1,310.00
	11.6 Class 6 \$1 million to \$2 million		Statutory	Non Taxable	\$707.00	\$1,408.00
Vic Smart	A permit that is subject of a VicSmart application if the estimated cost of development is:					
	11.7 Class 7 Up to \$10,000		Statutory	Non Taxable	\$815.00	\$188.00
	11.8 Class 8* More than \$10,000		Statutory	Non Taxable	\$1,153.00	\$404.00
	11.9 Class 9 VicSmart application to subdivide or consolidate land		Statutory	Non Taxable	\$4,837.00	\$188.00
All other development	To develop land if the estimated cost of the development is:					
	11.10 Class 10 Up to \$100,000		Statutory	Non Taxable	\$8,064.00	\$1,080.00
	11.11 Class 10 Up to \$100,000 Native Vegetation Removal Only		Statutory	Non Taxable	\$8,064.00	\$200.00
	11.12 Class 11 \$100,000 to \$1 million		Statutory	Non Taxable	\$16,130.00	\$1,457.00
	11.13 Class 12 \$1 million to \$5 million		Statutory	Non Taxable	\$386.00	\$3,213.00
	11.14 Class 13 \$5 million to \$15 million		Statutory	Non Taxable	\$386.00	\$8,190.00
	11.15 Class 14 \$15 million to \$50 million		Statutory	Non Taxable	\$386.00	\$24,151.00
	11.16 Class 15 More than \$50 million (to be charged at 50% until 13/10/2017)		Statutory	Non Taxable	\$781.00	\$54,282.00
	11.17 Class 16 Subdivide an existing building		Statutory	Non Taxable	\$249.00	\$1,241.00
	11.18 Class 17 Subdivide land into 2 lots		Statutory	Non Taxable	\$541.00	\$1,241.00
	11.19 Class 18 Realignment of a common boundary between 2 lots or to consolidate 2 or more lots		Statutory	Non Taxable	\$404.00	\$1,241.00



# WEST WIMMERA SHIRE COUNCIL

## SCHEDULE OF FEES & CHARGES

### 2017/2018



	Description	Basis	Nature of Fee	GST	2016-17 INC GST \$	2017-18 INC GST \$
11.20	<b>Class 19</b> To subdivide land (\$1,241 for each 100 lots created)		Statutory	Non Taxable		\$1,241.00
11.21	<b>Class 20</b> To create or vary or remove a restriction within the meaning of the Subdivision Act 1988; or to create or move a Right of Way; or to create, vary or remove an easement other than a right of way; or to vary or remove a condition of the nature of an easement other than a right of way in a Crown grant.					\$1,241.00
11.22	<b>Class 21</b> A permit not otherwise provided for in this Regulation					\$1,241.00
	<b>Permit Applications for more than one Class</b>					
11.23	1. An application for more than one class of permit set out in the above table: 2. An application to amend a permit in more than one class set out in the above table:	The sum of: The highest of the fees which would have been applied if separate applications were made; and 50% of each of the other fees which would have applied if separate applications were made.				
	<b>Amendments to Planning Schemes (To be charged at 50% until 13/10/2017)</b>					
11.24	<b>Stage 1</b> a) Considering a request to amend a planning scheme; and b) Exhibition and notice of the amendment; and c) Considering any submissions which do not seek to change the amendment; and d) If applicable, abandoning the amendment.		Statutory	Non Taxable		\$2,872.00
11.25	<b>Stage 2</b> a) Considering submissions which seek a change to an amendment, and where necessary referring the submissions to a panel		Statutory	Non Taxable		
11.26	i) Up to 10 Submissions					\$14,233.00
11.27	ii) 11 to 20 submissions					\$28,438.00
11.28	iii) More than 20 submissions		Statutory	Non Taxable	\$798.00	\$30,014.00
11.29	<b>Stage 3</b> a) Adopting an amendment or a part of an amendment; and b) submitting the amendment for approval by the Minister; and c) giving notice of the approval of the amendment		Statutory	Non Taxable	\$524.00	\$453.00
11.30	<b>Stage 4</b> a) Consideration by the Minister of a request to approve the amendment; and b) Giving notice of approval of an amendment		Statutory	Non Taxable		\$453.00
12	<b>Building Fees</b>					
	<b>New houses</b>					
12.1	\$120,000 minimum fees		Council	Non Taxable	\$1,387.00	\$1,421.68
12.2	\$120,000 - \$200,000		Council	Non Taxable	\$1,667.00	\$1,708.68
12.3	\$200,000 - \$320,000		Council	Non Taxable	\$2,115.00	\$2,167.88
12.4	> \$320,000		Council	Non Taxable	Value/130	Value/130
	<b>Alterations to Houses</b>					
12.5	Up to \$5,000		Council	Non Taxable	\$320.00	\$328.00
12.6	\$5,001 - \$12,000		Council	Non Taxable	\$617.00	\$632.43
12.7	\$12,001 - \$20,000		Council	Non Taxable	\$735.00	\$753.38
12.8	\$20,001 - \$80,000		Council	Non Taxable	\$856.00	\$877.40
12.9	\$80,001 - \$120,000		Council	Non Taxable	\$1,333.00	\$1,366.33
12.10	\$120,001 - \$200,000		Council	Non Taxable	\$1,669.00	\$1,710.73
12.11	\$200,001 - \$300,000		Council	Non Taxable	\$2,112.00	\$2,164.80
12.12	> \$320,001		Council	Non Taxable	Value/130	Value/130
	<b>Garages</b>					
12.13	Up to \$5,000		Council	Non Taxable	\$320.00	\$328.00
12.14	\$5,001 - \$12,000		Council	Non Taxable	\$444.00	\$455.10
12.15	\$12,001 - \$20,000		Council	Non Taxable	\$569.00	\$583.23
12.16	\$20,001 - \$80,000		Council	Non Taxable	\$708.00	\$725.70
12.17	> \$80,000		Council	Non Taxable	Value/130	Value/130



# WEST WIMMERA SHIRE COUNCIL

## SCHEDULE OF FEES & CHARGES

### 2017/2018



	Description	Basis	Nature of Fee	GST	2016-17 INC GST \$	2017-18 INC GST \$
	<b>Swimming &amp; Fence</b>					
12.18	Up to \$5,000		Council	Non Taxable	\$320.00	\$328.00
12.19	\$5,001 - \$12,000		Council	Non Taxable	\$569.00	\$583.23
12.20	\$12,001 - \$20,000		Council	Non Taxable	\$686.00	\$703.15
12.21	\$20,001 - \$80,000		Council	Non Taxable	\$808.00	\$828.20
12.22	> \$80,001		Council	Non Taxable	\$933.00	\$956.33
	<b>Demolition</b>					
12.23	Class 1 or 10 building		Council	Non Taxable	\$273.00	\$279.83
12.24	Other class buildings		Council	Non Taxable	\$546.00	\$559.65
	<b>Commercial</b>					
12.25	Up to \$5,000		Council	Non Taxable	\$320.00	\$328.00
12.26	\$5,001 - \$20,000		Council	Non Taxable	\$580.00	\$594.50
12.27	\$20,001 - \$100,000		Council	Non Taxable	\$ value @ 1% + \$353	\$ value @ 1% + \$353
12.28	\$100,001 - \$500,000		Council	Non Taxable	\$ value @ 3% + \$1,175	\$ value @ 3% + \$1,175
12.29	\$500,001 - \$2,000,000		Council	Non Taxable	\$ value @ 1% + \$2,590	\$ value @ 1% + \$2,590
	Site Permit		Council			\$220.00
	Public Place of entertainment		Council			\$350.00
12.30	* Government Levy - Building Administration Fund (*Statutory Charge)			Non Taxable	\$ value @ 0.00128	\$ value @ 0.00128
	* Consult & report for Variations		VBA			
	* <i>Extend currency of Permit</i>		VBA			
	Private building Surveyor Lodgement Fees		VBA		\$38.30	
	Info Request reg 326 (1) Permit Info, Final Certificates, Current Orders or Notices		VBA		\$51.10	
	Info Request reg 326 (2) Flooding, Termite, Bushfire, Snowfall, Designated		VBA		\$51.10	
	Info Request reg 326 (3) Mandatory notification states, inspection dates		VBA		\$51.10	
	Info Request with Plan copies (includes 306 (1))		VBA		\$61.50	
	Request for search of Building Permit Plans		VBA		\$61.50	
	* <i>Report &amp; Consent</i>		VBA			
	Planning Authority for Demolition Section 29a of the Act		VBA		\$64.10	
	Building over Council Easement Reg 312 (3)		VBA		\$64.10	
	Requests Under Part 4, 5 or 8 of the Reg 604 (4)		VBA		\$256.90	
	Requests for Legal point of discharge for Stormwater Reg 610 (2)		VBA		\$64.10	
	* <i>Admin Fees for illegal building process</i>		VBA			
	New houses		VBA			
	Outbuildings		VBA			
	Additions to houses		VBA			
	(includes alterations, pergolas & verandas)		VBA			
12.31	* <i>Security Deposit for Relocation of Buildings</i>					\$100.00 per square metre (max \$4,000)
	External Inspections i.e. Private building surveyor etc					
12.32	Addition Inspection			Non Taxable	\$134.00	\$137.35
12.33	Contract Inspection - Foundations, Reinforcement & Finals			Non Taxable	\$204.00	\$209.10
12.34	Contract Inspection - Frame			Non Taxable	\$221.00	\$226.50
12.35	Building Notices/Orders			Non Taxable	Building fee + 25%	Building Fee + 50%
13.36	Travel time & Vehicle cost where more than 5km from office			Non Taxable	\$1.10/km + \$84.00	\$1.10/km + \$84.00



# WEST WIMMERA SHIRE COUNCIL

## SCHEDULE OF FEES & CHARGES

### 2017/2018



	Description	Basis	Nature of Fee	GST	2016-17 INC GST \$	2017-18 INC GST \$
<b>13</b>	<b>Transfer Station Fees</b>					
	<u>Green Waste</u>					
	Car boot load				No charge	No charge
	Single axle trailer (flush with sides)				No charge	No charge
	Utility load (flush with sides)				No charge	No charge
	Per cubic metre				No charge	No charge
<b>13.1</b>	Contaminated Green Waste per cubic metre	Per cubic metre	Council	Taxable	\$26.00	\$26.00
	<u>Hard Waste</u>					
<b>13.2</b>	General Waste	Per cubic metre	Council	Taxable	\$26.00	\$26.00
<b>13.3</b>	Passenger car tyre	Per item	Council	Taxable	\$11.00	\$11.00
<b>13.4</b>	Light truck tyre	Per item	Council	Taxable	\$16.00	\$16.00
<b>13.5</b>	Heavy truck tyre	Per item	Council	Taxable	\$24.00	\$24.00
<b>13.6</b>	Small tractor tyre	Per item	Council	Taxable	\$24.00	\$24.00
<b>13.7</b>	Large tractor tyre	Per item	Council	Taxable	\$42.00	\$42.00
<b>13.8</b>	Loads Concrete/Builders Rubble etc	Per cubic metre	Council	Taxable	\$80.00	\$80.00
<b>13.9</b>	Clean concrete	Per cubic metre	Council	Taxable	\$55.00	\$55.00
	Recyclables				\$0.00	\$0.00
<b>13.10</b>	120 litre bin collection - to deposit waste at the transfer station	Per item	Council	Taxable	\$5.00	\$5.00
<b>13.11</b>	Commercial 240 litre bin collection	Per item	Council	Taxable	\$7.00	\$7.00
	<u>Mattresses/Couches</u>					
<b>13.12</b>	Single	Per item	Council	Taxable	\$16.00	\$16.00
<b>13.13</b>	Double or larger	Per item	Council	Taxable	\$32.00	\$32.00
<b>13.14</b>	Prescribed waste (Asbestos - must be wrapped)	Per 10m <sup>2</sup>	Council	Taxable	\$12.00	\$12.00
<b>14</b>	<b>Waste Collection</b>					
<b>14.1</b>	Rural 120 litre bin collection - annual charge - weekly collection	Yearly Fee	Council	Non Taxable	\$280.00	\$290.00
<b>14.2</b>	Commercial 240 litre bin collection - annual charge - weekly collection	Yearly Fee	Council	Non Taxable	\$380.00	\$390.00
<b>14.3</b>	Cost of 120 litre bin - new and replacement	Per bin	Council	Taxable	\$55.00	\$55.00
<b>14.4</b>	Cost of 240 litre bin - new and replacement	Per bin	Council	Taxable	\$88.00	\$88.00
<b>14.5</b>	Recycling bins	Per bin	Council	Taxable	\$45.00	\$45.00
<b>15</b>	<b>Pound Fees</b>					
<b>15.1</b>	Pound Release Fees	Per occasion	Council	Taxable	\$35.00	\$45.00
	Pound Release Fees Registered dog/cat - within 12 months from first impoundment		Council	Taxable		\$20.00
<b>15.2</b>	Subsequent Pound Release Fee per cat/dog	Per occasion	Council	Taxable	\$70.00	\$90.00
	<u>Daily Food Fee</u>					
<b>15.3</b>	Dogs and Cats	Per animal per day	Council	Taxable	\$5.00	\$6.00
<b>15.4</b>	Livestock - Small Animal (sheep or equivalent)	Per animal per day	Council	Taxable	\$5.00	\$6.00
<b>15.5</b>	Livestock - Large Animal (cow or equivalent)	Per animal per day	Council	Taxable	\$10.00	\$12.00
	<u>Surrendered Animals</u>					
	Registered				No charge	No charge
<b>15.6</b>	Unregistered	Per animal	Council	Non Taxable	\$50.00	\$50.00
	Feral Cat				No charge	No charge
<b>16</b>	<b>Local Laws</b>					
	Local Law Permit - droving livestock, excess animal numbers, alcohol permit for hotels for consumption of alcohol outside of hotel					
<b>16.1</b>	Yearly	Yearly	Council	Non Taxable	\$55.00	\$60.00
	Daily - one off event - (e.g. street stall)	No charge			\$0.00	No charge
	Local Law Admin fee/fire admin/impounding livestock act, domestic animals					
<b>16.2</b>	Breach of a notice to comply		Council	Non Taxable	\$125.00	\$150.00

## Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Local Government Act 1989 (the Act) and Local Government (Planning and Reporting) Regulations 2014 (the Regulations).

Under 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 Regulations which support the Act.

The 2017/2018 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the State Governments Rate Capping legislation in 2015 Councils are now unable to determine the level of rate increase and instead must use a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year.

If a Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Ministers maximum rate increase and the Council's required rate increase.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget process	Timing
1. Minister of Local Government announces maximum rate increase	Dec
2. Officers update Council's long term financial projections	Dec/Jan
3. Council to advise ESC if it intends to make a rate variation submission	Jan/Feb
4. Council submits formal rate variation submission to ESC	Mar
5. Officers prepare operating and capital budgets	Jan/Feb
6. Councillors consider draft budgets at informal briefings	Mar/Apr
7. Proposed budget submitted to Council for approval to advertise	May
8. Public notice advising intention to adopt budget	May
9. Budget available for public inspection and comment	May
10. Public submission process undertaken	May/Jun
11. Submissions period closes (28 days)	Jun
12. Submissions considered by Council/Committee	Jun
13. Budget and submissions presented to Council for adoption	Jun-Aug
14. Copy of adopted budget submitted to the Minister	Aug
15. Revised budget where a material change has arisen	