



**WEST
WIMMERA
SHIRE COUNCIL**



Revenue and Rating Plan

West Wimmera Shire Council

Abstract

This plan will explain how Council calculates the revenue needed to fund its activities, and how the funding burden will be apportioned between ratepayers and other users of Council facilities and services.

This plan will set out decisions that Council has made concerning rating options available to it under the Local Government Act 1989 and Local Government Act 2020 to ensure the fair and equitable distribution of rates across property owners. It will also set out principles that are used in decision-making for other revenue sources such as grant funding and the establishment of fees and charges.

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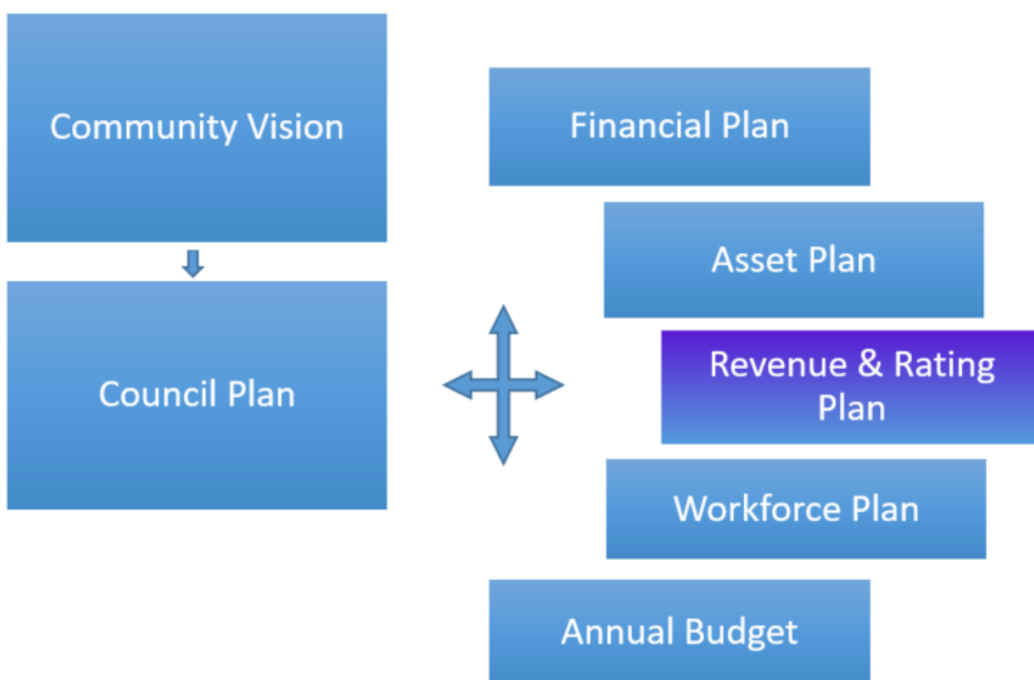
1 PURPOSE

The *Local Government Act 2020* s93 requires each council to prepare a Revenue and Rating Plan (the Plan) to cover a minimum period of four years following each Council election. The Plan establishes the revenue raising framework for Council.

The purpose of The Plan is to determine the most appropriate and affordable revenue and rating approach for West Wimmera Shire Council to adequately finance the objectives in the Council Plan.

The Plan is an important part of Council’s integrated planning framework, all of which is created to help Council achieve its Community Vision.

Strategies outlined in this plan align with the objectives contained in the Council Plan and will feed into our budgeting and Long-Term Financial Plan documents, as well as other strategic planning documents under our council’s strategic planning framework.



The Plan will explain how Council calculates the revenue needed to fund its activities, and how the funding burden will be apportioned between ratepayers and other users of Council facilities and services.

This plan will set out decisions that Council has made concerning rating options available to it under the *Local Government Act 1989* to ensure the fair and equitable distribution of rates across property owners. It will also set out principles that are used in decision-making for other revenue sources such as fees and charges.

It is important to note that this plan does not set revenue targets for Council, it outlines the strategic framework and decisions that inform how Council will go about calculating and collecting its revenue.

2 INTRODUCTION

West Wimmera Shire Council provides many services and facilities to our local community. Revenue is required from a variety of sources to cover the cost of providing these services and facilities. The revenue distribution from the most 2019/2020 annual report is presented in figure 1.

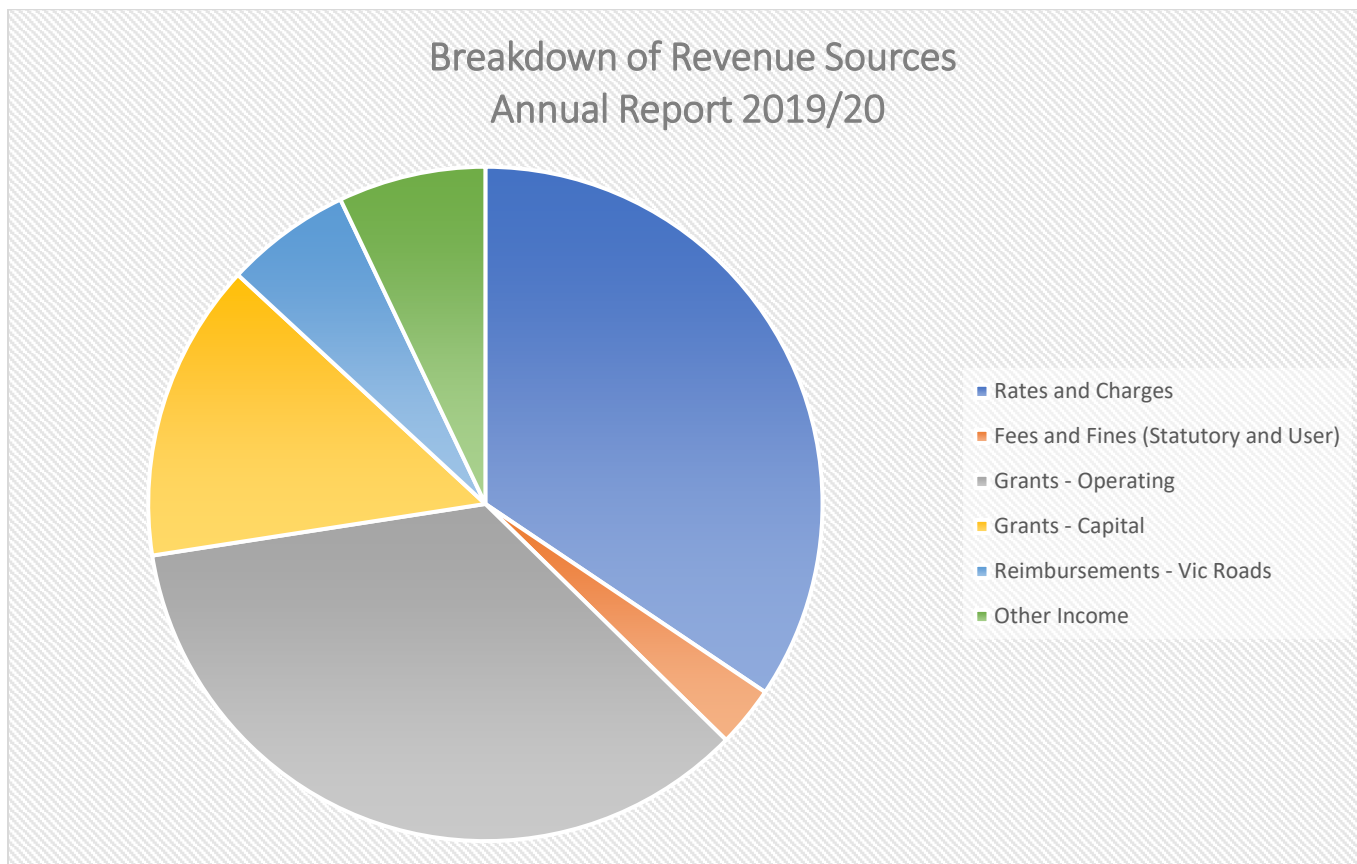


Figure 1: Revenue source distribution.

Council's revenue sources include:

- Rates and Charges
- Waste and garbage charges
- Grants from other levels of Government (Operating and Capital)
- Statutory Fees and Fines
- User Fees
- Cash and non-cash contributions from other parties (i.e., developers, community groups)
- Interest from investments
- Sale of assets
- Reimbursements from Vicroads

Rates and operating grants are the most significant revenue sources for Council and both comprise 30-35% of annual income.

The introduction of rate capping under the Victorian Government's Fair Go Rates System (FGRS) has brought a renewed focus to Council's long-term financial sustainability. The FGRS restricts Council's ability to raise revenue above the rate cap unless an application is made to the Essential Services Commission for a variation. Maintaining service delivery levels and investing in community assets remain key priorities for Council.

Council provides a wide range of services to the community, often for a fee or charge. The nature of these fees and charges depends on whether they relate to statutory or discretionary services. Some of these, such as statutory planning fees are set by State Government statute and are commonly known as regulatory fees. In these cases, councils usually have no control over service pricing. For other services, Council can set a fee or charge and will set that fee based on the principles outlined in this Revenue and Rating Plan.

Council revenue can also be adversely affected by changes to funding from other levels of government. Some grants are tied to the delivery of council services, whilst many are tied directly to the delivery of new community assets, such as roads or recreational facilities. It is important for Council to be clear about what grants it intends to apply for, and the obligations that grants create in the delivery of services or infrastructure.

3 STRATEGIC OBJECTIVES OF COUNCIL

The Revenue and Rating Plan is required to support and progress the strategic objectives set out in the Council Plan 2021-2025.

4 OVERARCHING GOVERNANCE PRINCIPLES OF THE LOCAL GOVERNMENT ACT 2020

Section 9(1) of the Local Government Act 2020 states that a Council must in the performance of its role give effect to the overarching governance principles. This Plan gives effect to these by:

Principle	a) Council decisions are to be made and actions taken in accordance with the relevant law.
Action	The Plan and strategies within are developed in compliance with all legislative requirements.
Principle	b) priority is to be given to achieving the best outcomes for the municipal community, including future generations.
Action	The Plan ensures that community engagement practices are undertaken, and that council officers are compliant, act with integrity and act in the best interests of Council and the community. The Plan supports the Long-Term Financial Plan, Community Vision and Council Plan, ensuring consideration of the municipal community and future generations.
Principle	c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.
Action	Ensuring revenue is available to support waste management requirements and economic, social and environmental targets set out in the Council Plan and Annual Budget.

Principle	d) the municipal community is to be engaged in strategic planning and strategic decision making.
Action	The Plan is subjected to Community consultation in line with the Community Engagement Plan as detailed in section 5.
Principle	e) innovation and continuous improvement is to be pursued.
Action	The Plan is subjected to 4 yearly review and innovation and improvements opportunities will be identified, researched and integrated as appropriate.
Principle	f) collaboration with other Councils and Governments and statutory bodies is to be sought.
Action	Best Practice Guidelines, regulations and the revenue and rating plans of other municipalities were considered in the development of the Plan.
Principle	g) the ongoing financial viability of the Council is to be ensured.
Action	The Plan establishes transparent and predictable revenue and rating strategies, supporting high quality forecasting and long-term viability.
Principle	h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making.
Action	Relevant plans and policies are considered in the development of the Plan.
Principle	i) the transparency of Council decisions, actions and information is to be ensured.
Action	The Plan sets the framework for revenue and rating activities ensuring transparency, consistency and predictability in related council actions.

Section 9(3) of the Local Government Act 2020 states that a Council must take into account the supporting principles. This Plan takes these into account by:

Principle	a) the community engagement principles (s56)
Action	The Plan is subject to community consultation as defined by Council's Community Engagement Policy.
Principle	b) the public transparency principles (s58)
Action	The Plan will be publicly available and accessible to members of the municipal community through Council's website and shire offices.
Principle	c) the strategic planning principles (s89)
Action	The Plan supports the delivery of strategic objectives defined in the Council Plan.
Principle	d) the financial management principles (s101)
Action	The Plan provides stability and predictability in the financial impact on the municipal community by transparently detailing how and where revenue will be raised.
Principle	e) the service performance principles (s106)
Action	The Plan ensures service performance is maintained and accessible by ensuring fees and charges are set to continue service viability and delivery.

5 COMMUNITY ENGAGEMENT

The Plan outlines Council's decision-making process on how rates and revenue are calculated and collected. The following public consultation process was followed to ensure due consideration and feedback is received from relevant stakeholders.

Revenue and Rating Plan community engagement process:

Level of Community Engagement: Consult - To obtain feedback and analysis, alternatives and/or decisions

Type of Community Engagement: Participatory Engagement – Plan published for comment

- Draft Revenue and Rating Plan prepared by officers;
- Draft Revenue and Rating Plan placed on public exhibition following decision at 19 May 2021 Council Meeting until 5pm 30 May 2021;
- Community engagement through website publication, local newspapers and social media;
- Draft Revenue and Rating Plan following considerations presented to June Council meeting for adoption.

6 RATES AND CHARGES

Rates are property taxes that allow Council to raise revenue to fund essential public services to cater to their municipal population. Council rates are defined as a tax, and not a fee for service. Importantly, the rating taxation system includes flexibility for councils to utilise different tools in the rating structure to accommodate issues of equity and to ensure fairness in rating for all ratepayers.

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

- **General Rates** – Based on property values (using the Capital Improved Valuation methodology) form the central basis of rating under the *Local Government Act 1989*;
- **Municipal Charge** - A ‘fixed rate’ portion per property to cover some of the administrative costs of Council.
- **Service Charges** - A ‘user pays’ component for council services to reflect benefits provided by Council to ratepayers who benefit from a service

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

6.1 RATING LEGISLATION

As at May 2021, the legislative provisions that govern rates and charges are still contained in the *Local Government Act 1989*. There is likely a pending transition to the *Local Government Act 2020* however no time frames, or detail has been released at the time of the Plans development.

The legislative framework set out in the *Local Government Act 1989* determines Council’s ability to develop a rating system. The framework provides significant flexibility for Council to tailor a system that suits its needs and ensure an equitable solution for the municipality.

Section 155 of the *Local Government Act 1989* provides that a Council may declare the following rates and charges on rateable land:

- General rates under Section 158
- Municipal charges under Section 159
- Service rates and charges under Section 162
- Special rates and charges under Section 163

The recommended strategy in relation to municipal charges, service rates and charges and special rates and charges are discussed later in this document.

Council is required to primarily use the valuation of the rateable property to levy rates. Section 157 (1) of the *Local Government Act 1989* provides Council with three choices in terms of which valuation base to utilise. They are: Site Valuation, Capital Improved Valuation (CIV) and Net Annual Value (NAV).

The advantages and disadvantages of the respective valuation basis are discussed further in this document. Whilst this document outlines Council's strategy regarding rates revenue, rates data will be contained in the Council's Annual Budget as required by the *Local Government Act 2020*.

Section 94(2) of the *Local Government Act 2020* states that Council must adopt a budget by 30 June each year (or at another time fixed by the Minister) to include:

- a) the total amount that the Council intends to raise by rates and charges;
- b) a statement as to whether the rates will be raised by the application of a uniform rate or a differential rate;
- c) a description of any fixed component of the rates, if applicable;
- d) if the Council proposes to declare a uniform rate, the matters specified in section 160 of the *Local Government Act 1989*;
- e) if the Council proposes to declare a differential rate for any land, the matters specified in section 161(2) of the *Local Government Act 1989*;

Section 94(3) of the *Local Government Act 2020* also states that Council must ensure that, if applicable, the budget also contains a statement –

- a) that the Council intends to apply for a special order to increase the Council's average rate cap for the financial year or any other financial year; or
- b) that the Council has made an application to the ESC for a special order and is waiting for the outcome of the application; or
- c) that a special Order has been made in respect of the Council and specifying the average rate cap that applies for the financial year or any other financial year.

This plan outlines the principles and strategic framework that Council will use in calculating and distributing the rating burden to property owners, however, the quantum of rate revenue and rating differential amounts will be determined in the annual West Wimmera Shire Council budget.

In 2019 the Victorian State Government conducted a Local Government Rating System Review. The Local Government Rating System Review Panel presented their final report and list of recommendations to the Victorian Government in March 2020. The Victorian Government subsequently published a response to the recommendations of the Panel's report. However, at the time of publication of this plan the recommended changes have not yet been implemented, and timelines to make these changes have not been announced.

6.2 RATING TAXATION PRINCIPLES

When developing a rating strategy, with reference to determining whether to apply uniform or differential rates, a Council should consider the following good practice taxation principles:

- Wealth Tax
- Equity
- Efficiency
- Simplicity
- Benefit
- Capacity to Pay
- Diversity.

Wealth Tax

The “wealth tax” principle implies that the rates paid are dependent upon the value of a ratepayer’s controlled real property and have no correlation to the individual ratepayer’s consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.

Equity

Horizontal equity – ratepayers in similar situations should pay similar amounts of rates (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).

Vertical equity – those who are better off should pay more rates than those worse off (the rationale applies for the use of progressive and proportional income taxation. It implies a “relativity” dimension to the fairness of the tax burden).

Efficiency

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by rates.

Simplicity

How easily a rates system can be understood by ratepayers and the practicality and ease of administration.

Benefit

The extent to which there is a nexus between consumption/benefit and the rate burden.

Capacity to Pay

The capacity of ratepayers or groups of ratepayers to pay rates.

Diversity

The capacity of ratepayers within a group to pay rates.

The rating challenge for Council therefore is to determine the appropriate balancing of competing considerations. In conjunction with the principles of taxation, Rates and Charges Revenue Principles must be considered. Property rates will:

- be reviewed annually;
- not change dramatically from one year to next; and
- be sufficient to fund current expenditure commitments and deliverables outlined in the Council Plan, Financial Plan and Asset Plan.

6.3 DETERMINING WHICH VALUATION BASE TO USE

The *Local Government Act 1989* and the *Valuation of Land Act 1960* are the principal Acts in determining property valuations and their use for rates. The purpose of this section is to outline the different methods that Council can use to value land and the issues that Council must consider in making its decision on the valuation method.

Under the *Local Government Act 1989*, Council has three options as to the valuation base it elects to use. They are:

- **Capital Improved Value (CIV)** – Value of land and improvements upon the land.
- **Site Value (SV)** – Value of land only.
- **Net Annual Value (NAV)** – Rental valuation based on CIV. For residential and farm properties, NAV is calculated at 5 per cent of the Capital Improved Value. For commercial and industrial properties, NAV is calculated as the greater of the estimated annual rental value or 5 per cent of the CIV.

Capital Improved Value (CIV)

CIV is the most used valuation base by local government with over 90% of Victorian councils applying this methodology. Based on the value of both land and all improvements on the land, it is generally easily understood by ratepayers as it equates to the market value of the property.

Section 161 of the *Local Government Act 1989* provides that a Council may raise any general rates by the application of a differential rate if –

- a) It uses the capital improved value system of valuing land; and
- b) It considers that a differential rate will contribute to the equitable and efficient carrying out of its functions.

The use of CIV valuation provides Council with the most flexibility to apply a rates differential.

Advantages of using CIV

- CIV includes all property improvements, and hence is often supported on the basis that it more closely reflects market value and correlates to the capacity to pay taxation principle.
- The CIV rating method considers the full development value of the property, and hence better meets the equity criteria than SV and NAV.
- With annual revaluations the market values are more predictable and there is a low level of objection to valuation.
- The concept of the market value of property is more easily understood with CIV rather than NAV or SV.
- Most councils in Victoria have now adopted CIV which makes it easier to compare relative movements in rates and valuations across councils.
- The use of CIV allows council to apply differential rates which may add to council's ability to equitably distribute the rating burden based on ability to afford council rates.
- Using CIV for Council rates is consistent with the Fire Services Property Levy valuation base (*Fire Services Property Levy Act 2012*).

Disadvantages of using CIV

The main disadvantage with CIV is the fact that rates are based on the total property value which may not necessarily reflect the income level of the property owner as with pensioners and low-income earners.

Site Value (SV)

There are currently no Victorian councils that use this valuation base. SV is based simply on the valuation of land and with only very limited ability to apply differential rates. The implementation of SV in West Wimmera Shire Council context would cause a shift in rate burden from the residential, commercial and industrial sectors onto the farm sectors and would hinder Council's objective of a fair and equitable rating system.

Advantages of SV

- There is a perception that under SV, a uniform rate would promote development of land, particularly commercial and industrial developments. There is, however, little evidence to prove that this is the case.
- Scope for possible concessions for urban farmland and residential use land.

Disadvantages of using SV

- SV is a major burden on property owners that have large areas of land. For example, smaller/older dwellings on larger land areas will pay more in rates than well-developed, higher value dwellings on smaller blocks. A typical example is flats, units, or townhouses which will all pay low rates compared to traditional housing styles.
- The use of SV can place pressure on council to give concessions to categories of ratepayers on whom the rating burden is seen to fall disproportionately. Large ratepayers, such as farmers for example, are disadvantaged by SV.
- SV will reduce Council's rating flexibility and options to deal with any rating inequities due to the removal of the ability to levy differential rates.
- The community may have greater difficulty understanding the SV on their rate notices.

Net Annual Value (NAV)

NAV, in concept, represents the annual rental value of a property. However, in practice, NAV is linked to CIV for residential and farm properties with valuers deriving NAV directly as 5 per cent of CIV.

In contrast to the treatment of residential and farm properties, NAV for commercial and industrial properties are assessed regarding actual market rental. This differing treatment of commercial versus residential and farm properties has led to some suggestions that all properties should be valued on a rental basis.

Overall, the use of NAV is not largely supported. For residential and farm ratepayers, actual rental values pose some problems. The artificial rental estimate used may not represent actual market value, and means the base is the same as CIV but is harder to understand.

Recommended valuation base

West Wimmera Shire Council applies Capital Improved Valuation as the valuation base for the following reasons

- CIV is considered the closest approximation to an equitable basis for distribution of the rating burden.
- CIV provides Council with the option to levy a full range of differential rates if required. Limited differential rating is available under the other rating bases.
- It should be noted that most of the 79 Victorian Councils apply CIV as their rating base and as such, it has a wider community acceptance and understanding than the other rating bases.

6.4 PROPERTY VALUATIONS

The *Valuation of Land Act 1960* is the principal legislation in determining property valuations. Under the *Valuation of Land Act 1960*, the Victorian Valuer-General conducts property valuations on an annual basis. West Wimmera Shire Council applies a Capital Improved Value (CIV) to all properties within the municipality.

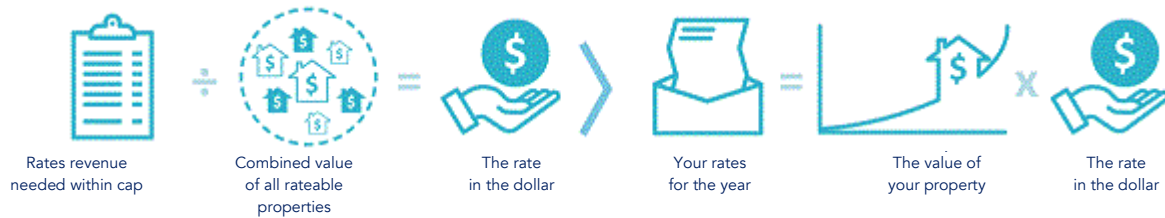
The value of land is always derived by the principle of valuing land for its highest and best use at the relevant time of valuation.

Impact on individual rates accounts

The general revaluation process enables Council to re-apportion the rate income across the municipality in accordance with movements in property value. There is a common misconception that if a property's valuation rises then Council receives a "windfall gain" with additional income. This is not so as the revaluation process results in a redistribution of the rate levied across all properties in the municipality. Properties which have increased in value by more than the average will receive a rate increase of more than the headline rate. Properties with an increase in value less than the average will receive a rate increase less than the headline rate.

Total rates for the municipality

What you pay



Other factors can influence your rates

Property values in the municipality may have changed relative to others.

Figure 2: Rate capping and rates distribution

Date of valuations

All properties are valued with an effective date of 1 January for use by Council in the upcoming rating year and are in force until 30 June the following year. Where something (other than market fluctuations) has changed the property value, supplementary valuations must be performed between general valuations and these may be performed at any time of year.

Supplementary valuations

Supplementary valuations are carried out for a variety of reasons including rezoning, subdivisions, amalgamations, renovations, new constructions, extensions, occupancy changes and corrections. The Victorian Valuer-General is tasked with undertaking supplementary valuations and advises Council of valuation and Australian Valuation Property Classification Code (AVPCC) changes.

Supplementary valuations bring the value of the affected property into line with the general valuation of other properties within the municipality. Objections to supplementary valuations can be lodged in accordance with Part 3 of the *Valuation of Land Act 1960*. Any objections must be lodged with Council within two months of the issue of the supplementary rate notice.

Objections to property valuations

Part 3 of the *Valuation of Land Act 1960* provides that a property owner may lodge an objection against the valuation of a property or the Australian Valuation Property Classification Code (AVPCC) within two months of the issue of the original or amended (supplementary) Rates and Valuation Notice, or within four months if the notice was not originally issued to the occupier of the land.

A property owner must lodge their objection to the valuation or the AVPCC either through the Valuer General Victoria's online objection portal or in writing with the West Wimmera Shire Council. Property owners may also object to the site valuations on receipt of their Land Tax Assessment. Property owners can appeal their land valuation within two months of receipt of their Council Rate Notice (via Council) or within two months of receipt of their Land Tax Assessment (via the State Revenue Office).

6.5 GENERAL RATING

Council rates are predominantly made up of a General Rate. Pursuant to the *Local Government Act 1989*, Council has two options for the distribution of a General Rate burden across the Municipality:

- Uniform Rating (s160)
- Differential Rating (s161)

When declaring a uniform rate, general rates will be raised by the same multiplier, regardless of property type. A uniform rate in the dollar will apply to the CIV of every rateable property within the municipality. Rates will be determined by multiplying the percentage (the rate in the dollar) by the value of the land.

Differential rating allows council to shift part of the rate burden from some groups of ratepayers to others, through different rates in the dollar for each class of property.

Section 161(1) of the *Local Government Act 1989* outlines the requirements relating to differential rates, which include:

- a) A Council may raise any general rates by the application of a differential rate, if Council considers that the differential rate will contribute to the equitable and efficient carrying out of its functions.
- b) If a Council declares a differential rate for any land, the Council must specify the objectives of the differential rate, which must be consistent with the equitable and efficient carrying out of the Council's functions and must include the following:
 - i. A definition of the types or classes of land which are subject to the rate and a statement of the reasons for the use and level of that rate.
 - ii. An identification of the type or classes of land which are subject to the rate in respect of the uses, geographic location (other than location on the basis of whether or not the land is within a specific ward in Council's district).
 - iii. Specify the characteristics of the land, which are the criteria for declaring the differential rate.

Once the Council has declared a differential rate for any land, the Council must:

- a) Specify the objectives of the differential rates;
- b) Specify the characteristics of the land which are the criteria for declaring the differential rate.

The purpose is to ensure that Council has a sound basis on which to develop the various charging features when determining its revenue strategies and ensure that these are consistent with the provisions of the *Local Government Act 1989*.

The general objectives when differential rates are used is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council. There is no limit on the number or types of differential rates that can be levied, but the highest differential rate can be no more than four times the lowest differential rate.

West Wimmera Shire Council has historically applied a uniform rating system. In the development of the Plan, Council has considered the advantages of both uniform and differential rating in West Wimmera Shire, to determine whether continuation of a uniform strategy remains the most equitable solution for the rates distribution in the community.

Advantages of a uniform rating system

The advantages of applying uniform rating system are:

- The justification of the differential rate can at times be difficult for the various groups to accept giving rise to queries and complaints where the differentials may seem to be excessive.
- Uniform rates are easily understood by ratepayers, as the system is consistent across all properties.
- Uniform rating has administrative simplicity, with rates being independent of property type. Properties may continually shift from one type to another (e.g., residential to commercial) requiring Council to update its records if differential rating is used.
- Aligns with rates being a taxation system, and not a fee for service.
- In the final report from the Local Government Rating System Review Panel, it was suggested that there is a lack of clarity about rationales and evidence for using differentials.

Advantages of a differential rating system

The advantages of applying differential rating system are:

- There is flexibility to distribute the rate burden between all classes of property, and therefore link rates with the assumed ability to pay and reflecting the tax deductibility of rates for commercial and industrial premises.
- Allows Council to better reflect the investment required by Council to establish infrastructure to meet the needs of the commercial and industrial sector.
- Allows Council to reflect the unique circumstances of some rating categories where the application of a uniform rate may create an inequitable outcome.
- Allows Council discretion in the imposition of rates to facilitate and encourage appropriate development of its municipal district in the best interest of the community. (i.e., vacant properties)

The advantages to uniform rating in West Wimmera Shire Council outweigh the benefits of a differential based system due to approximately 90% of the valuation base relating to the farm sector. Modelling presented to Council in the February 2021 Councillor Forum demonstrated the proportional impacts of a reduced farming sector differential were minimal, and the negative impact on the residential and commercial/industrial sectors was greater. The redistribution effect was not considered equitable. No objectives aligned with the ministerial guideline for differential rating were identified as providing benefit to the West Wimmera Shire rating system. Council has determined that a uniform general rate combined with a municipal charge provided the most equitable distribution of rates for the West Wimmera Shire community.

The formula for calculating General Rates, excluding any additional charges, arrears or additional supplementary rates is:

Valuation (Capital Improved Value) x Rate in the Dollar

The rate in the dollar for each financial year is included in Council's annual budget. Variations due to pending supplementary valuation processing at the time of budget adoption may occur to ensure compliance with the rates cap.

Planning for future rate increases is an essential component of the long-term financial planning process and plays a significant role in funding both additional service delivery and the increasing costs related to providing Council services. Council rates are subject to the State Government's Fair Go Rates System. All rate increases are capped to a rate declared by the Minister for Local Government, which is announced in December for the following financial year. This ensures transparent, consistent, predictable rate revenue forecasting for Council and the community.

General Rate

Definition

General land is any rateable land.

Objectives

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the uniform rate in the dollar declared for defined general rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

Use of Rate

The general rate will be used to fund items of expenditure described in the Budget adopted by Council.

Level of Rate

100% of General Rate.

6.6 MUNICIPAL CHARGE

Another principal rating option available to councils is the application of a municipal charge. Under Section 159 of the *Local Government Act 1989*, Council may declare a municipal charge to cover some of the administrative costs of the Council. The legislation is not definitive on what comprises administrative costs and does not require Council to specify what is covered by the charge.

The application of a municipal charge represents a choice to raise a portion of the rates by a flat fee for all properties, rather than sole use of the CIV valuation method.

Under the *Local Government Act 1989*, a council's total revenue from a municipal charge in a financial year must not exceed 20 per cent of the combined sum total of the council's total revenue from the municipal charge and the revenue from general rates (total rates).

The municipal charge applies equally to all properties, except for those satisfying the Single Farm Enterprise Exemption requirements, and is based upon the recovery of a fixed cost of providing administrative services irrespective of valuation. The same contribution amount per assessment to cover a portion of Council's administrative costs can be seen as an equitable method of recovering these costs.

West Wimmera Shire Council levies a municipal charge. Each year the municipal charge will be calculated aligned with the multiplier from the current rate. The multiplier will be set annually by Council at the minister's rate cap or below. The total revenue received from the previous year's municipal charge will be multiplied by the Council set multiplier, then divided by the current number of properties incurring the charge to determine the per property fee.

$(\text{Previous Year MC Revenue} \times \text{Increase Multiplier}) / \text{Number of properties with a MC}$

6.7 SINGLE FARM ENTERPRISE EXEMPTION

Single Farm Enterprises may be eligible for an exemption from Municipal Charges and the Fixed Fire Services Property Levy as defined by the *Local Government Act 1989* and the *Fire Services Property Levy Act 2012*.

Eligibility criteria is detailed in the legislation and supported by the Fire Services Levy Guidelines, issued annually by the State Revenue Office. Application forms are available on the council website, and by visiting council offices.

6.8 SPECIAL CHARGE SCHEMES

The *Local Government Act 1989* recognises that councils need help to provide improved infrastructure for their local communities. Legislation allows councils to pass on the cost of capital infrastructure to the owner of a property that generally receives a unique benefit from the construction works. The technical explanation of a Special Charge comes from the *Local Government Act 1989*.

The purposes for which special rates and special charges may be used include road construction, kerb and channelling, footpath provision, landscaping, environmental improvement programs, drainage, commercial street promotions, marketing and other capital improvement projects.

The special rate or special charges may be declared based on the amount and criteria specified by Council (Section 163 (2)). In accordance with Section 163 (3), council must specify:

- a. the wards, groups, uses or areas for which the special rate or charge is declared; and
- b. the land in relation to which the special rate or special charge is declared;
- c. the manner in which the special rate or special charge will be assessed and levied; and
- d. details of the period for which the special rate or special charge remains in force.

The special rates and charges provisions are flexible and can be used to achieve a wide range of community objectives. The fundamental principle of special rates and charges is proof "special benefit" applies to those being levied. For example, they could be used to fund co-operative fire prevention schemes. This would ensure that there were no 'free-riders' reaping the benefits but not contributing to fire prevention.

There are no current ongoing special rates and charges schemes in West Wimmera Shire. Any future special rates and charges schemes will be developed via a community engagement process prior to being detailed in the annual budget.

6.9 SERVICE RATES AND CHARGES

Section 162 of the *Local Government Act 1989* provides council with the opportunity to raise service rates and charges for any of the following services:

- a. The provision of a water supply;
- b. The collection and disposal of refuse;
- c. The provision of sewage services;
- d. Any other prescribed service.

Council currently applies a service charge for the collection and disposal of refuse on urban properties (compulsory) and rural properties (optional). Council retains the objective of setting the service charge for waste at a level that fully recovers the cost of the waste services, including providing for the cost of rehabilitation of the Council's landfill once it reaches the end of its useful life based on the user pays principle. If council elected not to have a waste service charge, this same amount would be required from the general rates revenue, decreasing the amount available for distribution to other community needs.

Whilst this same principle applies for rates in general, the mix of having a single fixed charge combined with valuation driven rates for the remainder of the rate invoice provides a balanced and equitable outcome.

The waste service charge is not capped under the Fair Go Rates System. Actual costs will be used to determine the annual fees. Full cost reviews will be undertaken at least every 4 years. Council will continue to allocate funds from this charge towards the provision of waste services.

6.10 PAYMENT IN LIEU OF RATES

The *Electricity Industry Act 2000* provides for electricity generators to choose to negotiate an agreement with councils to make payments in lieu of rates. The agreement is generally referred to as a PiLoR (Payment in Lieu of Rates) agreement. The Victoria Government Gazette notice contains formulae for determining rates based on power generation capacity or output, rather than property value. The PiLoR arrangements apply only to the land on which the generation units are situated. Related assets, such as transformers and connection infrastructure, are rated under the *Local Government Act 1989*.

6.11 VICTORIAN GOVERNMENT LEVIES

Council has legislative requirements to collect levies and taxes on behalf of the State Government.

Such charges include the landfill levy, which is incorporated into the calculation of waste service charges and the Fire Services Property Levy.

In 2016 the Victorian State Government passed legislation requiring the Fire Services Property Levy to be collected from ratepayers. Previously this was collected through building and property insurance premiums. The Fire Services Property Levy helps fund the services provided by Fire Rescue Victoria (FRV) and the Country Fire Authority (CFA). All levies collected by Council are passed through to the State Government. The Fire Services Property Levy is based on two components, a fixed charge, and a variable charge which is linked to the Capital Improved Value of the property. This levy is not included in the rate cap and increases in the levy are at the discretion of the State Government. Fire Services Property Levy components will be clearly shown on Annual Rates and Valuation Notices.

6.12 COLLECTION AND ADMINISTRATION OF RATES AND CHARGES

The purpose of this section is to outline the rate payment options, processes, and the support provided to ratepayers facing financial hardship. Collection and administration of rates and charges is further governed by Council's Rates Recovery and Financial Hardship Policy.

Payment options

In accordance with section 167(1) of the *Local Government Act 1989* ratepayers have the option of paying rates and charges by way of four instalments. Payments are due on the prescribed dates below:

- 1st Instalment: 30 September
- 2nd Instalment: 30 November
- 3rd Instalment: 28 February
- 4th Instalment: 31 May

In accordance with section 167(2) of the *Local Government Act 1989* Council also elects to allow ratepayers to pay rates and charges in a lump sum on the prescribed date below:

- Lump Sum: 15 February

Council offers a range of payment options including:

- in person at Council offices (cheques, EFTPOS, credit/debit cards and cash),
- BPAY,
- Australia Post (over the counter, over the phone via credit card and on the internet),
- by mail (cheques only)

Ratepayers paying the 1st instalment in full by the due date, will be deemed to have elected the instalment option. Ratepayers paying the 1st instalment late, will have it considered a part payment towards the annual due date, and the balance will be due 15 Feb. Instalment scheduling can be reinstated by contacting Council and making a request.

Interest on arrears and overdue rates

Interest is charged on all overdue rates in accordance with Section 172 of the *Local Government Act 1989*. The interest rate applied is fixed under Section 2 of the *Penalty Interest Rates Act 1983*, which is determined by the Minister and published by notice in the Government Gazette.

Pensioner rebates

Holders of a Centrelink or Veteran Affairs Pension Concession card or a Veteran Affairs Gold card which stipulates TPI or War Widow may claim a rebate on their sole or principal place of residence. Upon initial application, ongoing eligibility is maintained, unless rejected by Centrelink or the Department of Veteran Affairs during the annual verification procedure. Upon confirmation of an eligible pensioner concession status, the pensioner rebate is deducted from the rate account before payment is required by the ratepayer.

With regards to new applicants, after being granted a Pensioner Concession Card (PCC), pensioners can then apply for the rebate at any time throughout the rating year. Retrospective claims up to a maximum of one previous financial year can be approved by Council on verification of eligibility criteria, for periods prior to this, claims may be approved by the relevant government department.

Deferred payments

Under Section 170 of the *Local Government Act 1989*, Council may defer the payment of any rate or charge for an eligible ratepayer whose property is their sole place of residency, allowing ratepayers an extended period to make payments or alternatively to forestall payments on an indefinite basis until the ratepayer ceases to own or occupy the land in respect of which rates and charges are to be levied.

Deferral of rates and charges are available to all ratepayers who satisfy the eligibility criteria and have proven financial difficulties. Where Council approves an application for deferral of rates or charges interest will be reduced as detailed in Council's Rates Recovery and Financial Hardship Policy.

Ratepayers seeking to apply for such provision will be required to submit a Financial Hardship Application Form and will be reviewed in line with Council's Rates Recovery and Financial Hardship Policy.

Rates Recovery and Financial Hardship Policy

It is acknowledged at the outset that various ratepayers may experience financial hardship for a whole range of issues and that meeting rate obligations constitutes just one element of difficulties that may be faced. The purpose of the West Wimmera Shire Council Rates Recovery and Financial Hardship Policy is to provide options for ratepayers facing such situations to deal with the situation positively and reduce the strain imposed by financial hardship.

Ratepayers may elect to either negotiate a rate payment plan or apply for a rate deferral. Ratepayers seeking to apply for such provision will be required to submit a Financial Hardship Application Form and will be reviewed in line with the West Wimmera Shire Council Rates Recovery and Financial Hardship Policy.

Ratepayers applying for Financial Hardship may be required to access financial counselling from an accredited government counsellor, such as through the National Debt Helpline. Financial counselling services are free and confidential. The requirement to access a counselling service is to ensure:

- transparency and consistency in the collation of information,
- minimise stress on the ratepayer in the collation of required information,
- sustainability and reasonableness of payment agreements

Debt recovery

Council makes every effort to contact ratepayers at their correct address, but it is the ratepayers' responsibility to properly advise Council of their contact details. The *Local Government Act 1989* Section 230 and 231 requires both the vendor and buyer of property, or their agents (e.g., solicitors and or conveyancers), to notify Council by way of notice of disposition or acquisition of an interest in land.

If an account becomes overdue, Council will issue an overdue reminder notice which will include accrued penalty interest. If the account remains unpaid, Council may take legal action without further notice to recover the overdue amount. All fees and court costs incurred will be recoverable from the ratepayer.

If an amount payable by way of rates in respect to land has been in arrears for three years or more, Council may take action to sell the property in accordance with the *Local Government Act 1989* section 181.

Debt recovery actions are further detailed in West Wimmera Shire Council Rates Recovery and Financial Hardship Policy.

7 OTHER REVENUE ITEMS

7.1 USER FEES AND CHARGES

West Wimmera Shire Council provides a wide range of services, for which users pay a fee or charge which covers at least part of the cost of supply. The level of some fees and charges are statutorily set, however many are at the discretion of Council. Legislation provides for local governments to levy fees and charges. User fees and charges are those that Council will charge for the delivery of services and use of community infrastructure.

Examples of user fees and charges include:

- Kindergarten fees
- Swimming Pool visitation and membership fees
- Waste Management fees
- Aged and Health Care service fees
- Leases and facility hire fees
- Animal registration fees

The provision of infrastructure and services form a key part of council's role in supporting the local community. In providing these, council must consider a range of 'Best Value' principles including service cost and quality standards, value-for-money, and community expectations and values. Council must also balance the affordability and

accessibility of infrastructure and services with its financial capacity and in the interests of long-term financial sustainability.

Council must comply with the government's Competitive Neutrality Policy for significant business activities they provide and adjust their service prices to neutralise any competitive advantages when competing with the private sector.

In providing services to the community, Council must determine the extent of cost recovery for services, consistent with the level of both individual and collective benefit that the services provide and in line with the community's expectations.

Services are provided based on one of the following pricing methods:

- **Market Pricing**
- **Full Cost Recovery Pricing**
- **Subsidised Pricing**

Market Pricing is where council sets prices based on the benchmarked competitive prices of alternate suppliers. In general market price represents full cost recovery plus an allowance for profit. Market prices will be used when other providers exist in the given market, and council needs to meet its obligations under the government's Competitive Neutrality Policy.

It should be noted that if a market price is lower than council's full cost price, then the market price would represent council subsidising that service. If this situation exists, and there are other suppliers existing in the market at the same price, this may mean that council is not the most efficient supplier in the marketplace. In this situation, council will consider whether there is a community service obligation and whether council should be providing this service at all.

Full cost recovery pricing aims to recover all direct and indirect costs incurred by council. This pricing should be used where a service provided by Council benefits individual customers specifically, rather than the community as a whole. In principle, fees and charges should be set at a level that recovers the full cost of providing the services unless there is an overriding policy or imperative in favour of subsidisation.

Subsidised pricing is where council subsidises a service by not passing the full cost of that service onto the customer. Subsidies may range from full subsidies (i.e., council provides the service free of charge) to partial subsidies, where council provides the service to the user with a discount. The subsidy can be funded from council's rate revenue or other sources such as Commonwealth and state funding programs. Full council subsidy pricing and partial cost pricing should always be based on knowledge of the full cost of providing a service.

As per the Victorian Auditor General's Office report "*Fees and charges – cost recovery by local government*" recommendations, council will develop a user fee pricing policy to help guide the fair and equitable setting of prices. The policy will outline the process for setting fee prices and includes such principles as:

- Both direct and indirect costs to be considered when setting prices;
- Accessibility, affordability and efficient delivery of services must be considered; and
- Competitive neutrality with commercial providers.

Council will develop a table of fees and charges as part of its annual budget each year. Proposed pricing changes will be included in this table and will be communicated to stakeholders before the budget is adopted, giving them the chance to review and provide valuable feedback before the fees are locked in.

7.2 STATUTORY FEES AND CHARGES

Statutory fees and charges, including fines, are those which Council collects under the direction of legislation or other government directives. The prices of statutory fees and fines are generally advised by the state government department responsible for the corresponding services or legislation, and generally councils will have limited discretion in applying these fees.

Examples of statutory fees and fines include:

- Planning and subdivision fees
- Some Building and Inspection fees
- Some Infringements and fines
- Land Information Certificate fees
- Animal Infringement fines

Penalty and fee units are used in Victoria's Acts and Regulations to describe the amount of a fine or a fee.

Penalty units

Penalty units determine the amount a person is fined when they commit an infringeable offence. The current value of a penalty unit is \$165.22 (as at 1 July 2020). For example, if an offence carries two penalty units, the total fine is \$330.

The value of a penalty unit is set annually by the Department of Treasury and Finance and is updated on 1 July each year. Information about penalty units, fines and service-related fees can be found at <https://www.dtf.vic.gov.au/financial-management-government/indexation-fees-and-penalties>

Fee units

Fee units are used to calculate the cost of a certificate, registration or licence that is set out in an Act or Regulation. The value of one fee unit is currently \$14.81. This value may increase at the beginning of a financial year, at the same time as penalty units. The cost of fees is calculated by multiplying the number of units by the current value of the fee or unit. The exact cost may be rounded up or down. For example, the cost of obtaining a Land Information Certificate with Council is 1.823 fee units per certificate, which equates to \$27.

7.3 GRANTS

Grant revenue represents income usually received from other levels of government such as the Victorian Local Government Grants Commission (VLGGC). Some grants are singular and attached to the delivery of specific projects, whilst others can be of a recurrent nature and may or may not be linked to the delivery of projects.

Council will pro-actively advocate to other levels of government for grant funding support to deliver important infrastructure and service outcomes for the community. Council may use its own funds to leverage higher grant funding and maximise external funding opportunities.

When preparing its financial plan, council considers its project proposal pipeline, advocacy priorities, upcoming grant program opportunities, and co-funding options to determine what grants to apply for. Council will only apply for and accept external funding if it is consistent with the Community Vision and does not lead to the distortion of Council Plan priorities.

Grant income assumptions are then clearly detailed in Council's budget document. No project that is reliant on grant funding will proceed until a signed funding agreement is in place.

7.4 CONTRIBUTIONS

Contributions represent funds received by council, usually from non-government sources, and are usually linked to projects.

Contributions can be made to council in the form of either cash payments or asset handovers.

Examples of contributions include:

- Monies collected from developers under planning and development agreements
- Monies collected under developer contribution plans and infrastructure contribution plans
- Contributions from user groups towards upgrade of facilities
- Assets handed over to council from developers at the completion of a subdivision, such as roads, drainage, and streetlights.

Contributions should always be linked to a planning or funding agreement. Council will not undertake any work on a contribution-funded project until a signed agreement outlining the contribution details is in place.

Contributions linked to developments can be received well before any council expenditure occurs. In this situation, the funds will be identified and held separately for the specific works identified in the agreements.

7.5 INTEREST ON INVESTMENTS

Council receives interest on funds managed as part of its investment portfolio, where funds are held in advance of expenditure, or for special purposes. The investment portfolio is managed per council's investment policy, which seeks to earn the best return on funds, whilst minimising risk.

7.6 BORROWINGS

Whilst not a source of income, borrowings can be an important cash management tool in appropriate circumstances. Loans can only be approved by council resolution. The following financial sustainability principles must be adhered to with new borrowings and are detailed in Council's Borrowings Policy.

- Borrowings must only be applied for where it can be proven that repayments can be met in the Long-Term Financial Plan
 - Borrowings must not be used to fund ongoing operations
 - Borrowings are appropriate for funding large capital works where the benefits are provided to future generations.
- Council will maintain its debt at levels which are sustainable, without exceeding the parameter being the 'Low risk' category pertaining to the Indebtedness indicator as maintained by the Victorian Auditor-General's Office.

8 CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES ACT 2006

The Victorian Charter of Human Rights and Responsibilities Act 2006 has been considered in relation to whether any human right under the Charter is restricted or interfered with in any way by enacting any part of this plan. It is considered that this plan is consistent with the rights outlined in the Charter.

9 RESPONSE TO THE GENDER EQUALITY ACT 2020

The Victorian *Gender Equality Act 2020* has been considered in the preparation of the Plan. The Plan aims to actively seek out the knowledge, perspectives and experiences of all gender groups on all Council activities. No particular groups that are based on gender are considered to be impacted either positively or negatively by this policy.

10 CONSIDERATION OF CLIMATE CHANGE AND SUSTAINABILITY

The requirements of the *Local Government Act 2020* in relation to the overarching governance principle on climate change and sustainability have been considered in the preparation of this policy.

Funding and support of Climate Change initiatives will be considered as part of the preparations of the Council Plan and the Annual Budget. Revenues derived from the Revenue and Rating Plan will support the delivery of these actions, but it is not considered this plan has any other direct links.

Environmental Upgrade Agreements as provided for by section 181A-J of the *Local Government Act 1989* will be considered for eligible participants and Council and community education around this program will be undertaken.

11 RESPONSIBILITIES

All Council Officers are responsible for ensuring compliance with this Plan.

12 REFERENCES AND RELATED DOCUMENTS

12.1 LEGISLATION

- *Charter of Human Rights and Responsibilities Act 2006*
- *Local Government Act 1989*
- *Local Government Act 2020*
- *Local Government (Planning and Reporting) Regulations 2020*
- *Penalty Interest Rates Act 1983*
- *Valuation of Land Act 1960*
- *Electricity Industry Act 2020*
- *Fire Service Property Levy Act 2012*
- *Cultural and Recreational Lands Act 1963*
- *Gender Equality Act 2020*
- *Domestic Animals Act 1994*
- *Planning and Environment Act 1987*
- *Planning and Environment (Fees) Regulations 2016*
- *Subdivision (Fees) Regulations 2016*
- *Monetary Units Act 2004*
- *Environment Protection Act 2017*
- *Food Act 1984*
- *Public Health and Wellbeing Act 2008*
- *Residential Tenancies Act 1997*

12.2 RELATED COUNCIL AND OTHER AGENCY DOCUMENTS

- WWSC Community Engagement Policy
- WWSC Borrowings Policy
- WWSC Asset Disposal Policy
- WWSC Asset Capitalisation Policy
- WWSC Asset Management Policy
- WWSC Asset Management Strategy
- WWSC Community Contributions Policy
- WWSC Council Grants Policy
- WWSC Environmental Policy
- WWSC Human Rights Policy
- WWSC Investment Policy
- WWSC Rate Recovery & Financial Hardship Policy
- WWSC Council Major Hall Hire Policy
- WWSC External Hire of Plant Policy
- Ministerial Guidelines for Differential Rating - April 2013
- VGV Valuation Best Practice Specifications Guidelines 2021
- SRO Fire Services Property Levy – Manual of operating procedures for local government 2020-21



QUARTERLY
BUDGET
REPORT

March 2021



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INTRODUCTION

Section 97 of the *Local Government Act 2020* requires that Council be presented with a Quarterly Budget Report comparing actual to budgeted revenue and expenditure at the conclusion of each quarter of the financial year.

This report provides financial information for the period 1 July 2020 to 31 March 2021.

It provides information on Council's operating performance via the Operating Statement and Council's financial position as at 31 March 2021 via the Balance Sheet. A summary statement of Capital Works is also included for Council's information.

Figures included in these statements are for the period ended 31 March 2021. Year to date (YTD) figures are provided for actual results, along with the full year budget and the YTD allocation of that budget.

Where the YTD actual varies from the YTD budget allocation by more than 10% **and** \$20,000, **or** more than \$100,000 a variance explanation is given.

Information is also provided on some of the more pertinent financial indicators, including:

- Cash and investments
- Working capital
- Rates debtors outstanding
- Sundry debtors outstanding



OPERATING STATEMENT

The year to date Operating Statement is presented as per the AASB101 format for Council's information. Variances are calculated as YTD actuals less the YTD current budget, with the variance also being displayed as a percentage of the YTD current budget.

West Wimmera Shire Council Comprehensive Income Statement

1 July 2020 to 31 March 2021

	YTD Actual \$	Original Annual Budget \$	Revised Annual Budget \$	Annual Revised Budget Met %	YTD Budget \$	YTD Variance \$	YTD Variance %	Notes
Income								
Rates & Charges	7,913,766	7,935,637	7,935,637	99.72%	7,935,134	(21,368)	-0.3%	
Statutory Fees & Fines	118,894	145,160	145,160	81.91%	108,903	9,991	9.2%	
User Fees	257,540	395,140	378,140	68.11%	296,367	(38,827)	-13.1%	
Grants - Operating	5,220,405	7,406,636	7,415,185	70.40%	5,287,779	(67,374)	-1.3%	
Grants - Capital	2,570,204	3,474,522	3,729,522	68.92%	2,599,643	(29,439)	-1.1%	
Contributions - Monetary	182,000	6,000	182,000	100.00%	182,000	-	0.0%	
Net Gain/(Loss) on Sale of Assets	165,059	308,000	308,000	53.59%	231,030	(65,971)	-28.6%	1
Other Income	2,044,141	1,930,890	1,870,890	109.26%	1,870,890	173,251	9.3%	2
Total Income	18,472,009	21,601,985	21,964,534	84.10%	18,511,746	(39,737)	-0.2%	
Expenses								
Employee Costs	6,189,595	7,880,999	7,948,981	77.87%	5,981,990	207,605	3.5%	3
Materials & Services	4,987,013	5,476,997	5,817,549	85.72%	4,598,379	388,634	8.5%	4
Depreciation	5,087,835	6,783,810	6,783,810	75.00%	5,087,835	-	0.0%	
Other Expenses	183,202	279,174	281,674	65.04%	194,581	(11,379)	-5.8%	
Total Expenses	16,447,645	20,420,980	20,832,014	78.95%	15,862,785	584,860	3.7%	
Surplus/(Deficit) from Operations	2,024,364	1,181,005	1,132,520		2,648,961	(624,597)	-23.6%	
Total Comprehensive Result	2,024,364	1,181,005	1,132,520		2,648,961	(624,597)	-23.6%	



EMPLOYEE COSTS

Employee Costs

1 July 2020 - 31 March 2021

CAPITAL EXPENDITURE						
	YTD Actuals	Original Annual Budget	Revised Annual Budget	YTD Current Budget	YTD Variance \$	YTD Variance %
Salaries	650,778	1,096,972	1,096,972	844,340	-193,562	-22.92%

OPERATING EXPENDITURE						
	YTD Actuals	Original Annual Budget	Revised Annual Budget	YTD Current Budget	YTD Variance \$	YTD Variance %
Salaries	4,192,860	5,648,294	5,715,110	4,287,168	-94,308	-2.20%
Fringe Benefit Taxes	61,331	73,600	73,600	55,203	6,128	11.10%
Annual Leave	561,869	752,434	752,434	549,869	12,000	2.18%
Sick Leave	257,477	132,485	132,485	96,815	160,662	165.95%
Long Service Leave	155,388	192,082	193,248	140,388	15,000	10.68%
Other Leave Expenses	15,317	20,000	20,000	14,612	705	4.82%
Superannuation - Council Contribution	549,574	736,159	736,159	546,634	2,940	0.54%
Workers Compensation Insurance	153,397	156,038	156,038	141,037	12,360	8.76%
Income Protection Insurance	242,382	169,907	169,907	150,264	92,118	61.30%
	6,189,595	7,880,999	7,948,981	5,981,990	207,605	3.47%

OPERATING INCOME - EMPLOYEE COST REIMBURSEMENTS						
Income Protection Reimbursement	104,170	0	0	0	104,170	100.00%
Workers Compensation Reimbursement	38,893	0	0	0	38,893	100.00%
	143,063	0	0	0	143,063	100.00%

TOTAL EMPLOYEE COSTS	6,697,310	8,977,971	9,045,953	6,826,330	-129,020
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TOTAL EMPLOYEE COSTS ANNUAL BUDGET MET	74.60%
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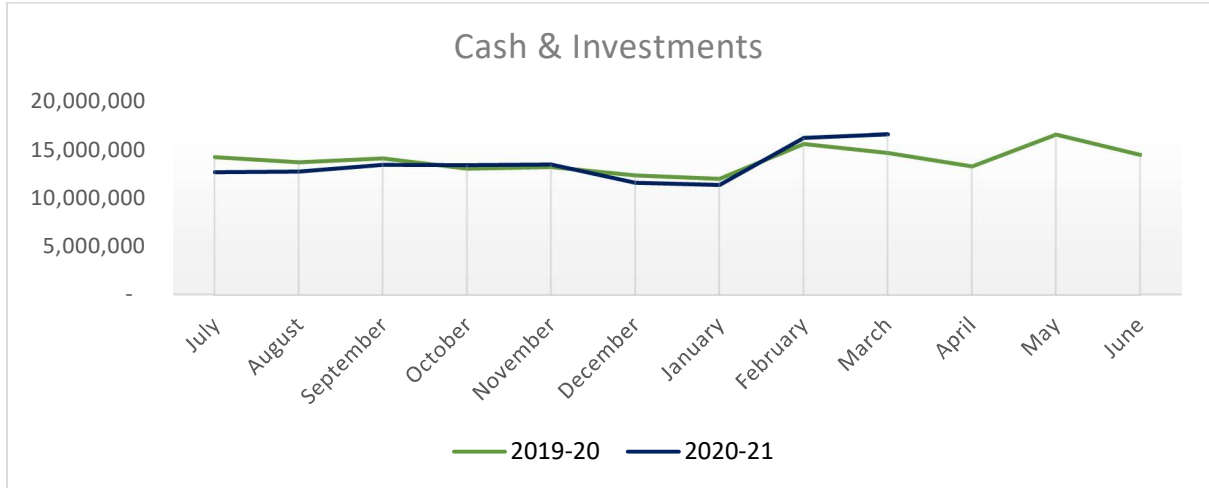
Notes	
1. Net Gain/(Loss) on Sale of Assets	The net gain/(loss) on sale of assets will be reconciled at year-end, as part of the asset reconciliation process.
2. Other Income	Other income is currently \$173,251 above the year to date budget. This is mainly due to the income protection (\$104,170) and Work Cover (\$38,893) amounts received that were not budgeted for.
3. Employee Costs	Employee costs are 3.5% (\$207,605) above the year to date budget at 31 March 2021. As with the prior quarterly financial reports, the main budget variances within employee costs remain income protection insurance and sick leave.
4. Materials & Services	Materials & Services are currently 8.5% (\$388,634) above year to date budget. This is predominantly due to budget timing differences within contractor expenses with the bulk of the road maintenance expense being incurred over the last two quarters. Additionally, there have been some additional consultant costs in regards to CEO recruitment and the engagement of an external Governance officer.

BALANCE SHEET

West Wimmera Shire Council
Balance Sheet
As at 31 March 2021

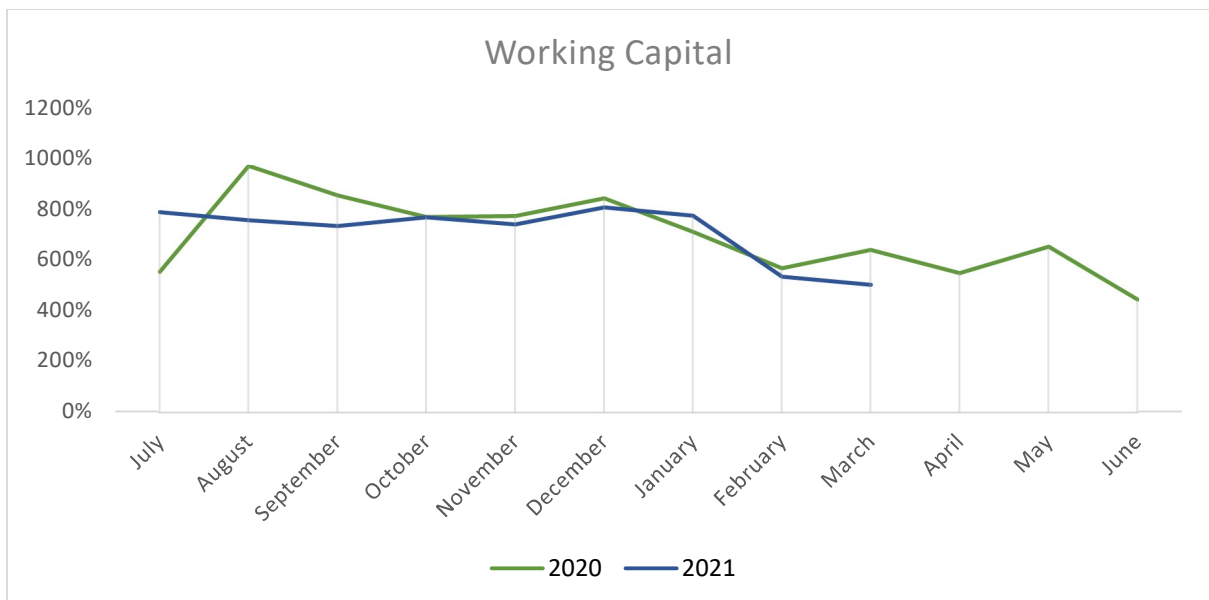
	\$	\$
	31-Mar-21	31-Mar-20
ASSETS		
Current Assets		
Cash & Investments	16,606,420	14,666,547
Rate Debtors	664,192	648,788
Sundry Debtors	441,612	381,428
Other Financial Assets	4,229	26,994
Inventories	116,924	287,209
Current Assets Total	17,833,377	16,010,966
Non Current Assets		
Investments in Associates	435,500	435,500
Other Non-Current Assets	120,000	160,000
Property, Infrastructure, Plant & Equipment	194,687,410	196,036,074
Non Current Assets Total	195,242,910	196,631,575
TOTAL ASSETS	213,076,287	212,642,541
LIABILITIES		
Current Liabilities		
Trade & Other Payables	1,305,611	458,584
Trust Funds & Deposits	24,319	24,319
Provisions	2,225,797	2,024,937
Current Liabilities Total	3,555,727	2,507,840
Non Current Liabilities		
Provisions	599,934	579,421
Non Current Liabilities Total	599,934	579,421
TOTAL LIABILITIES	4,155,661	3,087,261
NET ASSETS	208,920,626	209,555,280
EQUITY		
Accumulated Surplus/(Deficit)	46,813,184	43,784,924
Reserves	162,107,442	165,770,356
TOTAL EQUITY	208,920,626	209,555,280

CASH AND INVESTMENTS



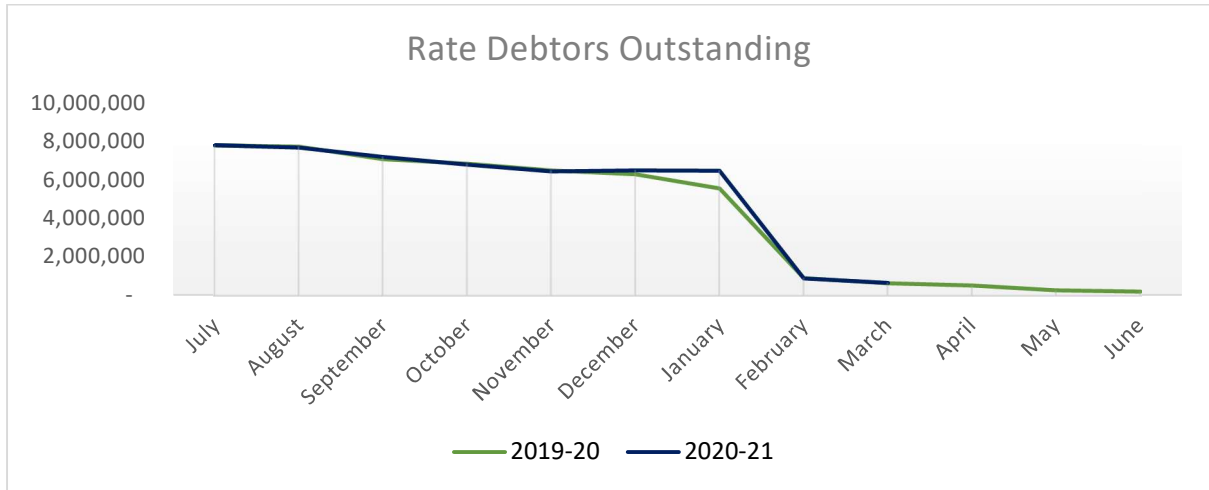
As at 31 March 2021, Council was holding a total of \$16.61m in cash and investments. As seen in the above graph, this is an increase of around \$1.94m from the same time last financial year. This increase is largely due to an increase in payables as captured at 31 March 2021.

WORKING CAPITAL



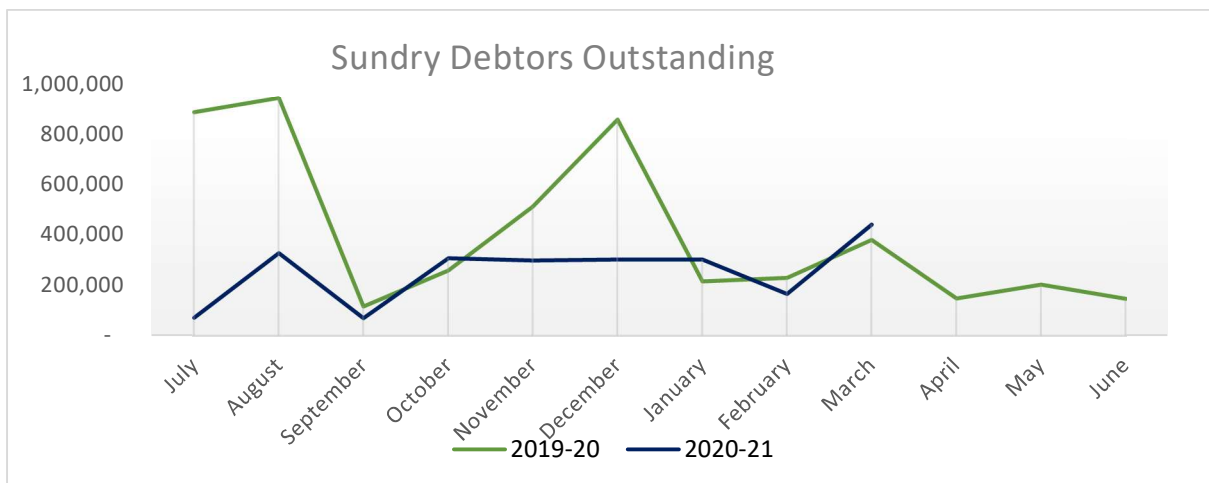
Council continues to hold a strong working capital level, with current assets at 502% of current liabilities as at 31 March 2021. The working capital level is lower than at the same time last year due to the higher level of payables as mentioned above.

RATE DEBTORS



Council raised \$7.32 million in rates and charges in July 2020. Approximately 65% of Council's ratepayers opt not to pay through the instalment option – for these ratepayers 100% of their rates are due by the end of February 2021. Therefore, as is consistent with prior financial years, Council shows a rate debtor amount at 31 March 2021 of \$0.67m.

SUNDRY DEBTORS



The total outstanding sundry debtors at 31 March 2021 was \$0.44m, an increase of \$0.06m than at the same time last financial year.



CAPITAL WORKS

A summary of Council's capital works as at 31 March 2021 is presented. As with the Operating Statement, variances are calculated as YTD actuals less the YTD current budget, with the variance also being displayed as a percentage of the YTD current budget.

Notes and explanations are provided where the variances exceed 10% and \$20,000, or where the \$ variance is greater than \$100,000.

West Wimmera Shire Council Capital Works As at 31 March 2021

Program	YTD Actuals (\$)	Annual Current Budget (\$)	YTD Current Budget (\$)	YTD Variance (\$)	YTD Variance (%)	Note
Roads	3,855,307	5,926,570	3,772,028	83,279	2.2%	
Kerb & Gutter	9,965	153,948	131,211	-121,246	-92.4%	1
Bridges	117,850	502,140	176,608	-58,758	-33.3%	
Footpaths	86,989	236,756	212,567	-125,578	-59.1%	2
Buildings	291,089	909,040	414,594	-123,505	-29.8%	3
Plant	329,331	898,000	673,506	-344,175	-51.1%	4
Furniture & Equipment	63,041	98,604	73,953	-10,912	-14.8%	
Parks, Gardens, Other	57,578	191,004	147,378	-89,800	-60.9%	
Total	4,811,150	8,916,062	5,601,845	-790,695	-14%	

Capital Works - Variance Notes		
1.	Kerb & Gutter	Capital spend on kerb & gutter is 92.4% (\$121,246) below the budget for the financial year to date. This variance is due to budget timing differences with the expenditure for the bulk of the works having not yet been incurred.
2.	Footpaths	Capital expenditure on footpaths is 59.1% (\$125,578) below the budget for the financial year to date. This variance is due to budget timing differences with the full year budget still expected to be met.
3.	Buildings	Capital expenditure on buildings is currently 29.8% (123,505) below the year to date budget. This is predominantly due to several projects such as the toilet block replacements and Kaniva depot meeting/tea room having not yet been undertaken.
4.	Plant	Capital spend on plant is currently 51.1% (\$344,175) below budget for the financial year so far, predominantly due to increased waiting times for vehicles and other plant.



2020-2021 Community Strengthening Grants

West Wimmera Shire Council

ROUND 2 APPLICATIONS

Applicant	Project	Recommendation	Grant Sought	Club \$	Club In Kind	Other Funding	Total Project Value	Recfind Ref	Notes
Community Projects									
Kaniva Lions Club	Purchasing Animals for the Fauna Park and repair or replacing fencing at the area.: To purchase birds and animals to rejuvenate interest in the Kaniva Fauna Park	\$4,627.00	\$ 4,627.00	\$ 1,542.00	\$ 771.50		\$ 6,940.50	PRO118	
Total		\$4,627.00							
Community Events									
Kaniva Playgroup	Kaniva Kids (Mik Maks at Kaniva Show): The primary aim of this event is to provide an opportunity for the Kaniva Children, specifically pre school children to come together and connect. For much of 2020 preschool children had no opportunities to socialise or celebrate. Giving children an opportunity to connect builds their social skills and their ability to communicate	\$750.00	\$ 750.00	\$ 2,150.00			\$ 2,900.00	PRO118	
Total		\$750.00							
Facilities Upgrades & Equipment									
Edenhope Motorcycle Club	Lap Scorers and Safety Marshall Tower: To build a tower to house time keepers and scorers box in order to achieve the goal of being able to hold regional level racing at the Edenhope Motor cross track	\$ 5,000.00	\$ 5,000.00	\$ 6,000.00	\$ 800.00		\$ 11,800.00	PRO118	
Country Fire Authority Karnak Brigade	Karnak Weather Station: To put up a weather station, to receive more accurate readings of the weather in their local community	\$ 1,803.00	\$ 1,803.00	\$ 3,600.00			\$ 5,403.00	PRO118	
Kaniva Hockey Club Inc	Facility Upgrade: To concrete interior of a shed and replace hose for the travel irrigation system used to water the hockey field	\$ 4,217.00	\$ 4,217.00	\$ 2,108.00			\$ 6,325.00	PRO118	



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COUNCIL POLICY	
COMMUNICATIONS POLICY	Policy No:
	Adopted by Council: 19 May 2021
	Next review date: May 2026
Senior Manager:	Chief Executive Officer (CEO)
Responsible Officer:	Chief Executive Officer (CEO)
Functional Area:	Chief Executive Officer & Governance
Introduction & Background	<p>The Council will reinforce its commitment to enhancing communications and work with residents to foster increased community involvement in Council decision making.</p> <p>It is clear residents want to be more involved in the community and decisions which affect them; they want to have more influence on their future, and they are looking to the Shire to work with them to achieve this. This policy reinforces and continues to develop our partnership with our residents through communication pathways and deliberative community engagement as a way of improving Council's accountability to its community.</p>
Purpose & Objectives	<p>Council must adopt and maintain a community engagement policy and follow the community engagement principles as outlined in Section 56 of the <i>Local Government Act 2020</i>. Through Council adopting deliberative engagement practices with the community, Council will seek to consult with the community in developing the Community Vision, Council Plan, Financial Plan and Asset Plan, and continue to demonstrate a willingness to work closely with residents to identify a common vision for the Shire and to put that vision into action.</p>
Policy Details	
1.	<p>Definitions</p> <p>'CEO' means West Wimmera Shire Council Chief Executive Officer.</p> <p>'Communication' in the context of this policy includes all written, verbal, electronic and personal interactions by all staff and elected members with any member of our community, visitors, all levels of government and other agencies.</p> <p>'Considered' means thoughtful, respectful and with regard to the receiver of the information.</p> <p>'Timely' means occurring within a suitable amount of time or occurring at a suitable time, particularly from the perspective of the receiver of the communication.</p>



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2.	<p>Timely, considered, open and honest communications</p> <p>West Wimmera Shire Council is committed to timely, considered, open and honest communications.</p> <p>This commitment means we:</p> <ul style="list-style-type: none">• Share knowledge and information (wherever legally possible).• Work to develop trust and positive relationships in our community.• Are proactive, innovative and creative communicators.• Will engage with our community using community engagement principles as outlined in Section 56 of the <i>Local Government Act 2020</i>. <p>We will:</p> <ul style="list-style-type: none">• Demonstrate a transparent willingness to work in partnership with people and organisations.• Encourage local knowledge and input.• Build community ownership in Council projects.• Involve the community in our plans for improvement and share successes.• Continue professional development in community engagement and communication processes.
3.	<p>Principles</p> <p>This policy is underpinned by the following principles:</p> <ul style="list-style-type: none">• Good communication driving cultural change and improving performance.• All communication will consider and value community perspectives.• All communication will be in plain English.• Good communication is both a duty and an opportunity and is everyone's responsibility.• All communication matters – equally.
4.	<p>Purpose</p> <p>The purpose of this policy and guidelines is to:</p> <ul style="list-style-type: none">• Promote an easy flow of communication between Council and community members.• Raise awareness of community issues and Council's role in them.• Boost public confidence in the Council.• Provide a mechanism for seeking and acting on feedback.



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	<ul style="list-style-type: none"> • Increase awareness of Council's procedures and responsibilities. • Tailor communication processes for targeted groups and projects.
5.	<p>Roles and Responsibility</p> <p>In accordance with Section 18(1b) of the <i>Local Government Act 2020</i>, the Mayor is the principal spokesperson for the Council. In addition to this, under Section 46 of the <i>Local Government Act 2020</i>, the CEO is responsible for supporting the Mayor and Councillors in the performance of their role and this will occasionally involve the Chief Executive Officer speaking on Council issues. Senior Managers may speak on operational matters relating to their specific department, with prior approval.</p> <p>The Mayor may delegate to Councillors to comment on specific areas of interest or committees that they are representing Council on. Councillors are reminded that when making statements on behalf of Council, that they are required to state the position of Council on a particular item or issue. If the statements that they make are their own and not necessarily the collective view of the Council, they must make that clear via a disclaimer.</p> <p>Media inquiries may require a degree of research and this will dictate the response time. Where possible, media inquiries will be responded to as soon as possible.</p> <p>The CEO will ensure that appropriate processes are in place and adhered to by staff communicating with the media.</p> <p>It is the responsibility of senior management to ensure that appropriate and targeted consultation on community issues begins as early as possible to allow for community engagement before decisions are made.</p>
6.	<p>Implementation</p> <ul style="list-style-type: none"> • Council will commit to timely, considered, transparent and honest communication. • Council will continue to generate media releases, where appropriate. • Council will continue to conduct community forums at Council meetings held three times per year at small town locations. • Council will encourage community groups to include senior members of staff and Councillors in their meetings and planning, where appropriate.
7.	<p>Methods</p> <p>Consultation and communication are the key means of understanding what our community wants and the actions that we may need to undertake.</p> <p>Communication with the community can be via:</p> <ul style="list-style-type: none"> • Paper: <ul style="list-style-type: none"> ○ Media releases ○ Advertisements



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- Brochures
- Fact sheets
- Annual report
- Photographs
- Council plan
- Public notice boards
- Signs
- Letter box drops
- Community/ service club newsletters
- Council forms/ applications
- Written material in plain English
- Letters via direct mail
- Invitations to attend council meetings.
- Electronic:
 - Media interviews, press, radio and television
 - Website
 - Surveys
 - Email mailing lists
 - Information and help lines
 - Telephone communication
 - Records management
 - Customer Requests system
 - Social Media platforms
 - Livestreamed or recorded Council meetings.
- Face to face:
 - Council meetings
 - Community forums
 - Councillors Forums
 - Advisory committees to Council
 - Greater accessibility to senior staff and Councillors
 - Events
 - Public forums
 - Workshops
 - Partnerships with other organisations



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	<ul style="list-style-type: none"> ○ Opportunities to make submissions ○ Presentations ○ Public displays ○ Onsite inspections.
8.	<p>Monitoring and Evaluation</p> <p>This policy will be monitored against the Council Plan throughout the year and will be reviewed at a time period to be determined by Council. Evaluation will include:</p> <ul style="list-style-type: none"> ● Attendance at community forums. ● Number of people involved in working groups. ● Annual <i>Local Government Community Satisfaction Survey</i> results.
9.	<p>Supporting documents</p> <ul style="list-style-type: none"> ● Councillor Code of Conduct Policy ● Staff Code of Conduct ● Community Engagement Policy ● Media Relations Policy ● Council Election Period Policy ● Customer Service Charter ● <i>Local Government Act (2020)</i> ● <i>Gender Equality Act (2020)</i>
10.	<p>Gender Equality</p> <p>A Gender Impact Assessment (as defined in the Gender Equality Act 2020) has been conducted on this policy, and where appropriate, changes have been made to the policy to address the principles of the Gender Equality Act 2020.</p>

Policy Adopted:	Ordinary Meeting 20/02/14 (New adoption date)	Minute Book Page 25449	RecFind 14/000743
Policy Reviewed:	Ordinary Meeting 17/05/17 (review date)	Minute Book Page	RecFind 17/001917
Policy Reviewed:			
Policy Reviewed:			