

# Gannawarra Shire Council Annual Budget 2017/2018

**Adopted 28 June 2017**

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

Together with my fellow Councillors I am delighted to present to our community and stakeholders the 2017-2018 Budget.

This budget builds on our Council Plan 2017-2021 vision which focuses on the following five key areas:

- Connectivity
- Economic Diversity, Growth and Prosperity
- Sustainable Natural and Built Environments
- Good Governance and a Healthy Organisation
- Strong Healthy Communities

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 municipality's built infrastructure, buildings and operational assets as well as funding proposals for a range of operating projects.

During and following the Council elections in 2016 we have consistently heard that Council's services are important to the community, and that Council also needs to be financially responsible and keep its rates as low as possible. In response, Council has continued to identify savings that at this stage 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 provide high quality, responsive and accessible services to the community. In order to do this we have identified potential opportunities to explore shared services, service planning and initiatives to increase revenue.

The Budget proposes a rate increase of 2%. This is in line with the Fair Go Rates System (FGRS) which has capped rate increases by Victorian Councils. To ease the impact on ratepayers and ensure users help pay for Council services, most fees and charges will increase by 2%, in line with projected inflation.

In this proposed budget the total Capital Works program will be \$9.834 million, of which \$710,000 relates to projects carried over from the 2016/17 year. \$3.295 million will come from external funding and \$6.539 million from Council's cash reserves. Major items included in the proposed 2017/18 Budget include:

- \$1.2 million Koondrook Nature Based Tourism Hub (subject to securing grant funding of \$800,000)
- \$500,000 Sport, recreation and leisure program (\$250,000 capital and \$250,000 operating)
- \$70,000 Lakes and waterways master plan preparation
- \$30,000 Kerang Lakes foreshore master plan development
- \$120,000 Apex Park Cohuna toilets
- \$110,000 Irrigation installation, Bendigo Road, Kerang
- \$120,000 Bulk Solar installations
- \$1.0 million Sealed road rehabilitation program (fully funded by R2R)
- \$1.01 million Gravel re-sheeting program (\$910,000 grant funding)
- \$835,000 Bitumen road reseals
- \$327,000 Footpaths, tracks and trails – replacement and extension
- \$125,000 Local Roads to Market
- \$1.325 million Plant and vehicle replacement
- \$312,000 Waste Management including Old Kerang landfill capping, transfer station upgrade and completion of Denyer's Cell 3
- \$500,000 Quambatook Township Flood Mitigation (Subject to securing grant funding of \$250,000)
- \$350,000 Completion of Kerang CBD Streetscape (\$100,000 grant funding)
- \$350,000 Koondrook Caravan Park Roads and Drainage upgrade
- \$75,000 Cohuna Caravan Park Hydrants
- \$125,000 Swimming Pool Renewal Program

We have also allocated funding to invest in providing important ongoing services to the community including:

- Libraries and Arts/Culture \$692,000
- Roads, Bridges and Footpaths maintenance \$5.963 million
- Children's and youth services \$3.865 million
- Recreation (parks, reserves and pools) \$2.682 million
- Rubbish and recycling services \$1.677 million
- Community care \$2.136 million
- Tourism and economic development initiatives \$910,000
- Community facilities incl. halls, buildings \$948,000

Our focus for the next year is to continue to exercise responsible financial management, sustainability and equity, whilst managing the following challenges.

**Rate capping:** The impact of the Fair Go Rates System and the freeze on Federal Assistance Grants indexation, combined with Council's ability to meet the expectations of the community within this 2% rate cap continues to be a challenge

**Rating Strategy:** Council is committed to maintaining a differential rating structure over its four (4) year term. It has been proposed that by the end of this Council's term there will be a Farm Irrigation District differential of 96% and a Farm Dryland differential of 90%.

The move to a 90% differential over the next four (4) years for Farm Dryland will have an impact on dryland property rates, which currently has a 20% lower rate in the dollar compared to farm irrigation district land. The move to a 96% differential over the next four (4) years for Farm Irrigation District will have a positive impact on irrigation district property rates, which currently pay a rate equivalent to the General Rate.

**Cr Brian Gibson**  
**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 \$0.482m for 2017/2018; noting the the adjusted underlying result is a deficit of \$1.355m after adjusting for capital grants and contributions (refer Sections 5 and 10.1). An advance payment of \$2.622 million was made in June 2017 by the Victorian Grants Commission in respect to Council's 2017/2018 allocation. Prior to receiving the advance payment Council were budgetting for a surplus of \$2.946 million and an underlying surplus of \$1.267 million.

Ongoing delivery of services to the Gannawarra community is funded by a budget of \$27.034m. These services are summarised in Section 2.1.

Continued capital investment in infrastructure assets (\$9.834m) primarily for renewal works (\$5.96m) features in the budget. This includes roads (\$3.193m); footpaths and bicycle paths (\$0.327m); drainage (\$0.590m); recreational, leisure and community facilities (\$1.61m); parks, open space and streetscapes (\$0.642m); and waste management (\$0.312m). 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.

### 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 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 over the last three (3) years
- c. Council is required to revalue all properties within the Shire every two (2) years. The revaluation was undertaken as at 1 January 2016 and applies for the 2016/17 and the 2017/18 rating years.
- d. The total waste service charges incorporating kerbside collection and recycling will increase by 2.0% overall.
- e. Refer Section 7 for further Rates and Charges details.

## Key Statistics

- **Total Revenue:** \$27.034M (2016/2017 - \$31.227M)
- **Total Expenditure:** \$26.552M (2016/2017 - \$24.275M)
- **Accounting Result:** \$0.482M Surplus (2016/2017 - \$6.952M Surplus)  
(Refer Income Statement in Section 3)
- **Underlying operating result:** Deficit of \$1.355M (2016/2017 - Surplus of \$4.225M)  
(Refer Analysis of operating Budget in Section 10.1 noting in 2017/18 Roads to Recovery capital grants are now included in calculating the Underlying Result )  
(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:** \$2.233M Deficit (2016/2017 - \$3.265M 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 \$9.834M (2016/2017 - \$9.221M)
  - o \$6.539M from Council operations (rates funded)
  - o \$0.0M from borrowings
  - o \$3.295M from external grants

## Budget 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)
- 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 the 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*
- Advance payment of \$2.622m representing 50% of Council's 2017/2018 allocation in June 2017.

## 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.

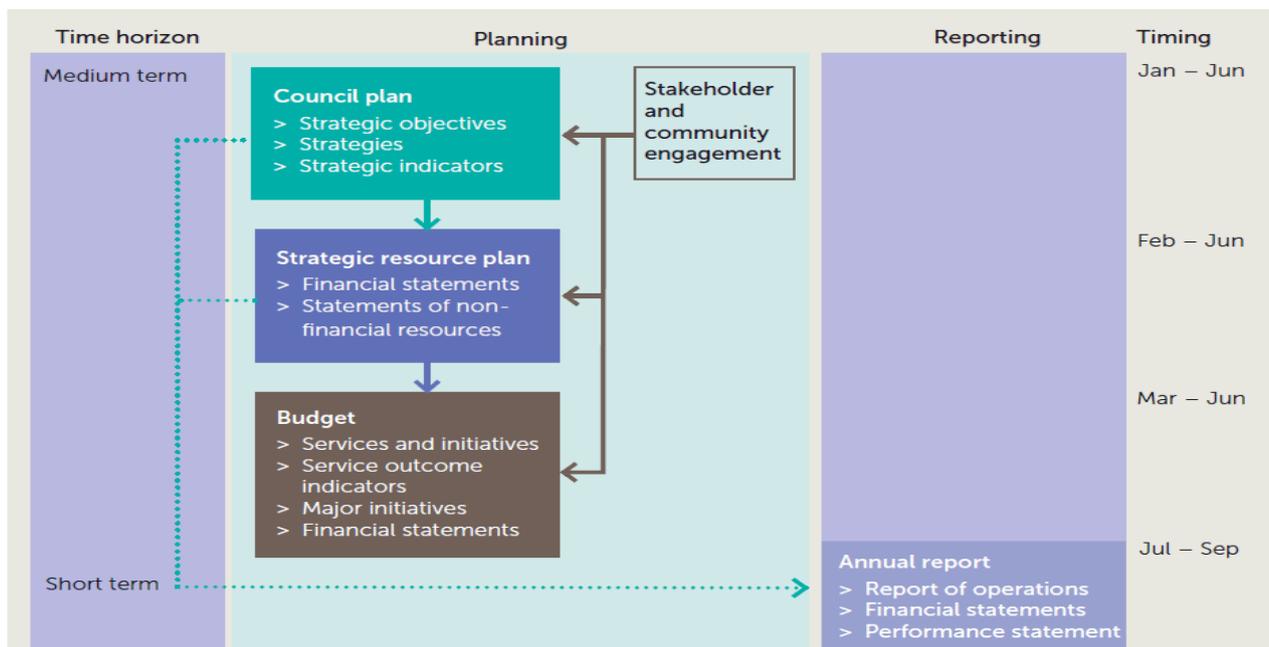
- 1 Links to Council Plan
- 2 Services and service performance indicators
- 3 Financial Statements
- 4 Financial performance indicators
- 5 Other budget information
- 6 Capital works program
- 7 Rates and charges

# 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 (Vision 2025), 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

In addition to the above, Council has a long term plan (Vision 2025) which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. 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 - "Building upon our strengths of people, place and pride to inspire a positive future together"**

### Our mission

Together with our community we will capitalise on our natural assets, support our business and agriculture sector and deliver quality services to our community.

### Our values

Gannawarra Shire Council has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan. Having all Gannawarra Shire Council staff practise the following organisational values enhance the quality of this partnership:

- **Be Collaborative** - We will work closely with our community using our collective skills and knowledge to build a positive future. Together with our partners we will deliver great things for our community.
- **Be Resourceful** - We will be resourceful and resilient, employing creative problem solving to our challenges. We will plan and be prepared for when opportunities present.
- **Be Innovative** - We will embrace new ideas and technology to deliver quality services to our community at a lower cost. We will make time to consider the big issues and actively seek creative solutions.
- **And we will listen** - We will listen to our community and use our collective knowledge and sound judgement to respond and close the loop.

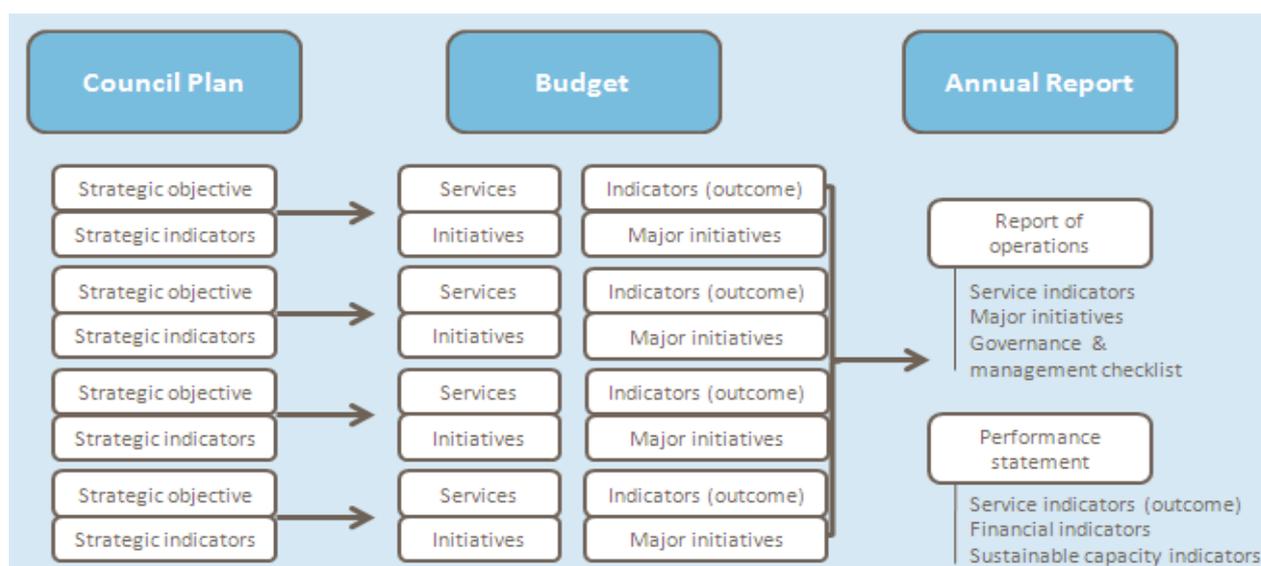
## 1.3 Strategic objectives

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

Strategic Objective	Description
1. Connectivity	Our communities will be well-connected.
2. Economic Diversity, Growth and Prosperity.	Facilitate a growing and prosperous economy.
3. Sustainable Natural and Built Environment.	To initiate, develop and manage sustainable natural and built environments.
4. Good Governance and a Healthy Organisation.	To be leaders in our community supported by a performance focused organisation that embraces innovation.
5. Strong Healthy Communities.	Our community will be healthy, creative, inclusive and safe.

## 2. Services and service performance indicators

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



Source: Department of Environment, Land, Water and Planning

### 2.1 Strategic Objective 1: Connectivity.

To achieve our objective of Connectivity we will continue to encourage connections within and between communities, improve access to community and tourism information, support volunteer participation to meet the needs of the community, encourage and build community events, advocate for improved digital connectivity on behalf of our community and advocate for improved transport connectivity within and between our communities and the broader region.

#### Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Community engagement	This service is responsible for the management and provision of advice on external communication, in consultation with relevant stakeholders, on behalf of Council.	210 - <b>210</b>
Events	Council's arts and culture program investigates opportunities to capture the economic value of local events and ensures a link between the community	152 (4) <b>148</b>
Transport connections	This service includes responsibility for the maintenance of the weighbridge, aerodrome and train station.	350 (197) <b>153</b>
Volunteer co-ordination	A program designed to coordinate the community's volunteer workforce to provide services that would normally be beyond Council's ability to provide. Services include the Gannawarra Non-Emergency Transport Service, the L2P program and the delivery of meals on wheels.	116 (142) <b>(26)</b>

## Major Initiatives

- 1) Develop a shared events partnership program and work towards consolidating existing Council events

## Initiatives

- 2) Bring town leadership groups together for an annual forum
- 3) Bringing young people together for an annual forum
- 4) Host a combined celebration of volunteers annually

## Service Performance Outcome Indicators

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

Service	Indicator	
Events	Satisfaction	The number of Council facilitated events is recorded and shows an increase over four years

## 2.2 Strategic Objective 2: Economic Diversity, Growth and Prosperity.

To achieve our objective of Economic Diversity, Growth and Prosperity, we will continue to facilitate growth and diversity opportunities within the Shire, utilise the environs of the rivers, lakes and forests for development opportunities, encourage accommodation options suited to a variety of target markets, create business opportunities to increase Council's revenue, support and advocate for sustainable and renewable energy industries within the Shire, support the local tourism industry and maximise the natural environment to deliver high quality visitor and community experiences.

## Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Economic development	This service assists the Council to facilitate an environment that is conducive to a sustainable and developing local business sector and provides opportunities for local residents to improve their skill levels and access employment.	642 (273) <b>369</b>
Planning and building	This service processes all planning and statutory building applications, provides advice and makes decisions about development proposals which require a planning permit as well as preparing policy documents that shape the future of the Council.	547 (155) <b>392</b>
Tourism	This service facilitates and encourages tourism development and opportunities to draw visitors to the municipality. The tourism program includes Gateway to Gannawarra, caravan parks and signage.	268 (153) <b>115</b>

## Major Initiatives

- 5) Develop Waterway Master Plans for across the Shire
- 6) Support and advocate for sustainable and renewable energy industries within the Shire

## Initiatives

- 7) Develop a feasibility study around potential rezoning for waterfront residential investment and development
- 8) Develop a Prospectus based on a range of accommodation styles/types and use this to encourage developments
- 9) Develop and implement the Koondrook Wharf Business Opportunities Plan

## Service Performance Outcome Indicators

The following indicators outline 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
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

## 2.3 Strategic Objective 3: Sustainable Natural and Built Environment.

To achieve our objective of Community Participation, we will encourage an environmentally sustainable community, continue to develop sustainable waste management practices, promote, conserve and celebrate our community's rich and diverse heritage and culture, implement Council's capital works program, upgrade infrastructure to improve access to key commercial markets, improve gateway entrances and township presentations across the Shire and manage facilities now and into the future.

## Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Bridges	This service conducts ongoing maintenance of Council's bridge network.	367 -
Community facilities	This service is responsible for the maintenance and management of Council's building and properties including public halls and community amenities.	948 (758)
Drainage	This service conducts ongoing maintenance of Council's drainage network.	407 -
Environment protection	This service includes programs for the eradication of noxious weeds, tree maintenance and planting.	144 (56)
		<b>88</b>

Fire prevention	Fire prevention includes the implementation of Council's fire prevention policy along with maintaining strategic fire breaks. Council also has responsibilities in the replacement of fire plugs.	40 - <b>40</b>
Footpath, kerb and channel	This service conducts ongoing maintenance of Council's footpath, kerb and channel network.	497 - <b>497</b>
Pest control	Council is responsible for undertaking an arbovirus eradication program each year.	18 (17) <b>1</b>
Roads	This service conducts ongoing maintenance of Council's vast road network.	5,466 (145) <b>5,321</b>
Waste management	This service provides kerbside collection of garbage and waste from households and commercial properties and operating costs of transfer stations and landfill.	1,677 (447) <b>1,230</b>

### Major Initiatives

- 10) Reduce Council's carbon footprint by 10% over four years
- 11) Investigate the feasibility of introducing an organic waste collection service and expanding the opt-in greenwaste service

### Initiatives

- 12) Investigate the development of solar energy for businesses and community members to utilise renewable energy options and reduce utility costs
- 13) Develop an action plan from the Cohuna Future Vision Plan and prioritise the development of the civic space and Tan Track to address the growing success of Cohuna Park Run
- 14) Investigate opportunities that improve the connection of the Kerang township to the Loddon River

### Service Performance Outcome Indicators

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

Service	Indicator	Performance Measure	Computation
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
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: Good Governance and a Healthy Organisation.

To achieve our objective of Sustainable Natural and Built Environment, we will advocate in the best interests of our community and region, inspire leadership within our communities, pursue initiatives to achieve long term financial sustainability in line with best practice, ensure our community is consulted on issues that will affect them, improve the community's ability to self-access information on Council's services and programs, foster Council as being a great place to work and identify innovative opportunities that create improvements.

## Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Council	The governing body to work together with our community to capitalise on our natural assets, support our business and agricultural sector and deliver quality services to our community.	498 - <b>498</b>
Executive	This service provides organisational policy and leadership support in the areas of advocacy, continuous improvement, corporate planning, performance measurement, delivery and reporting.	1,192 - <b>1,192</b>
Governance	This service includes support services in the area of finance, records management, customer services, human resources and several governance functions such as risk and compliance. Human services develops and implements strategies, policies and procedures for the provision of human resources, risk management and insurances, customer service, records management and media and internal communications.	2,832 (585) <b>2,247</b>
Information technology	This service provides, supports and maintains reliable and cost effective computer systems and communication facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	823 - <b>823</b>
Local laws	This service maintains and improves the health and safety of people, animals and the environment by providing services including dog and cat collection, lost and found, pound service, registration and administration service and after hours emergency service. It also provides education, regulation and enforcement of local laws and relevant State legislation.	324 (141) <b>183</b>
Youth	A program designed to inspire leadership within our community and to investigate opportunities to attract young people to live in the community.	110 (40) <b>70</b>

## Major Initiatives

- 15) Achieve recognition for the Healthy Together Victoria Achievement Victoria program for Workplaces
- 16) Develop a framework to undertake an organisation wide service planning review

## Initiatives

- 17) Identify opportunities for shared service work with neighbouring councils and partners
- 18) Prepare and implement a 10 year long term financial plan
- 19) Review and evaluate Community Profiles annually
- 20) Review and implement the Communications and Engagement Strategy 2016 - 2020

## Service Performance Outcome Indicators

The following indicators outline 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

Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Advocacy	Satisfaction	Council's performance with advocacy and lobbying above industry benchmarks	
Community engagement	Satisfaction	Council's performance with community consultation and engagement above industry benchmarks	

## 2.5 Strategic Objective 5: Strong Healthy Communities.

To achieve our objective of Strong Healthy Communities, Council will ensure quality and accessible services that meet the needs of our community, provide a wide range of sport and recreation opportunities that promote active and healthy lifestyles and social connectedness, foster a community that values life-long learning and creativity and ensure our communities are welcoming, inclusive and safe for all.

### Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Business undertakings	Business undertakings include Council's responsibility for the provision and maintenance of a limited number of elderly person's units.	22 (10) <b>12</b>
Children services	This service provides family oriented support services including pre-schools, long day care, maternal and child health, youth services and development, immunisation and family day care	3,865 (3,536) <b>329</b>
Community care	This service provides a range of services for the aged and disabled including home delivered meals, personal care, transport, home maintenance, housing support and senior citizen clubs. Service also provides food safety and public and community health and safety.	2,136 (1,800) <b>336</b>
Swimming areas	This service provides maintenance and operation of Council's swimming areas and when required to undertake projects in relation to boating safety.	593 (107) <b>486</b>
Recreation reserves	This service provides maintenance and support of municipal recreation facilities including recreational reserves and parks and gardens.	2,089 (785) <b>1,304</b>
Library	This service provides public library services across the municipality and provides customer focused service that caters for cultural, educational and recreational needs of residents and provides a focal point where they can meet, relax and enjoy the services and facilities offered.	692 (133) <b>559</b>

## Major Initiatives

- 21) Participate in the development of Loddon Gannawarra Health Needs Analysis Action Plan to further explore local health indicator data and advocate to overcome areas of disadvantage on the four main health priorities: diabetes, heart health, mental health,

## Initiatives

- 22) Achieve recognition for the Healthy Together Victoria Achievement program for Early Childhood Education and Care Settings
- 23) Develop a Preventing Family Violence Policy that identifies opportunities for Council to influence a reduction in the incidents of family violence across Gannawarra
- 24) Seek funding to improve and develop infrastructure that encourages physical and leisure activities

## Service Performance Outcome Indicators

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

Service	Indicator	Performance	Computation
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target received a HACC service / population who receive a HACC service)	[Number of people that Municipal target population for HACC services] x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population relation to CALD people for HACC services] x100
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
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population

Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Library	Satisfaction	Council's performance with art centres and library services above industry benchmarks	
Recreation reserves	Satisfaction	Council's performance with recreational facilities above industry benchmarks	
Community care	Satisfaction	Council's performance with family support and elderly support services above industry benchmarks	

## 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
Connectivity	485	828	(343)
Economic Diversity, Growth and Prosperity.	875	1,456	(581)
Sustainable Natural and Built Environment	8,140	9,563	(1,423)
Good Governance and a Healthy Organisation.	5,013	5,779	(766)
Strong Healthy Communities.	3,026	9,397	(6,371)
<b>Total services and initiatives</b>	<b>17,539</b>	<b>27,023</b>	<b>(9,484)</b>
Other non-attributable	-		
<b>Deficit before funding sources</b>	<b>17,539</b>		
<b>Funding sources:</b>			
Rates & charges	12,183		
Grants Commission	2,545		
Capital grants	3,294		
<b>Total funding sources</b>	<b>18,022</b>		
<b>Surplus for the year</b>	<b>482</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	11,916	<b>12,183</b>	12,427	12,675	12,929
Statutory fees and fines	366	<b>399</b>	405	411	417
User fees	2,991	<b>3,296</b>	3,362	3,429	3,498
Grants - Operating	10,435	<b>6,744</b>	9,506	9,649	9,794
Grants - Capital	4,705	<b>3,294</b>	1,469	3,458	963
Contributions - monetary	226	<b>453</b>	220	220	220
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	148	<b>246</b>	201	157	140
Other income	440	<b>419</b>	426	436	445
<b>Total income</b>	<b>31,227</b>	<b>27,034</b>	<b>28,016</b>	<b>30,435</b>	<b>28,406</b>
<b>Expenses</b>					
Employee costs	11,436	<b>11,229</b>	11,454	11,683	11,916
Materials and services	6,332	<b>8,535</b>	8,663	8,793	8,925
Bad and doubtful debts	4	-	-	-	-
Depreciation and amortisation	5,219	<b>5,598</b>	5,600	5,700	5,800
Borrowing costs	56	<b>47</b>	40	33	26
Other expenses	1,228	<b>1,143</b>	1,066	1,157	1,169
<b>Total expenses</b>	<b>24,275</b>	<b>26,552</b>	<b>26,823</b>	<b>27,366</b>	<b>27,836</b>
<b>Surplus/(deficit) for the year</b>	<b>6,952</b>	<b>482</b>	<b>1,193</b>	<b>3,069</b>	<b>570</b>
<b>Other comprehensive income Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment /(decrement)	-	-	-	3,838	-
<b>Total comprehensive result</b>	<b>6,952</b>	<b>482</b>	<b>1,193</b>	<b>6,907</b>	<b>570</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	6,401	4,168	4,261	4,199	4,066
Trade and other receivables	1,208	1,150	1,136	1,235	1,155
Other financial assets	3,165	3,211	3,243	3,276	3,308
Inventories	420	400	404	408	412
Non-current assets classified as held for sale	725	575	485	440	375
Other assets	156	185	185	185	185
<b>Total current assets</b>	<b>12,075</b>	<b>9,689</b>	<b>9,714</b>	<b>9,743</b>	<b>9,501</b>
<b>Non-current assets</b>					
Property, infrastructure, plant & equipment	188,354	191,206	192,333	199,203	199,994
<b>Total non-current assets</b>	<b>188,354</b>	<b>191,206</b>	<b>192,333</b>	<b>199,203</b>	<b>199,994</b>
<b>Total assets</b>	<b>200,429</b>	<b>200,895</b>	<b>202,047</b>	<b>208,946</b>	<b>209,495</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	1,047	1,096	1,083	1,104	1,124
Trust funds and deposits	154	139	140	142	143
Provisions	2,321	2,367	2,414	2,463	2,512
Interest-bearing loans and borrowing	95	101	108	116	90
<b>Total current liabilities</b>	<b>3,617</b>	<b>3,703</b>	<b>3,745</b>	<b>3,825</b>	<b>3,869</b>
<b>Non-current liabilities</b>					
Provisions	1,282	1,281	1,307	1,335	1,360
Interest-bearing loans and borrowing	666	565	456	340	250
<b>Total non-current liabilities</b>	<b>1,948</b>	<b>1,846</b>	<b>1,763</b>	<b>1,675</b>	<b>1,610</b>
<b>Total liabilities</b>	<b>5,565</b>	<b>5,549</b>	<b>5,508</b>	<b>5,500</b>	<b>5,479</b>
<b>Net assets</b>	<b>194,864</b>	<b>195,346</b>	<b>196,539</b>	<b>203,446</b>	<b>204,016</b>
<b>Equity</b>					
Accumulated surplus	77,439	77,921	79,114	82,183	82,753
Reserves	117,425	117,425	117,425	121,263	121,263
<b>Total equity</b>	<b>194,864</b>	<b>195,346</b>	<b>196,539</b>	<b>203,446</b>	<b>204,016</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	187,912	70,487	117,425	-
Surplus/(deficit) for the year	6,952	6,952	-	-
<b>Balance at end of the financial year</b>	<b>194,864</b>	<b>77,439</b>	<b>117,425</b>	<b>-</b>
<b>2017/2018 Budget</b>				
Balance at beginning of the financial year	194,864	77,439	117,425	-
Surplus/(deficit) for the year	482	482	-	-
<b>Balance at end of the financial year</b>	<b>195,346</b>	<b>77,921</b>	<b>117,425</b>	<b>-</b>
<b>2018/2019 Strategic Resource Plan</b>				
Balance at beginning of the financial year	195,346	77,921	117,425	-
Surplus/(deficit) for the year	1,193	1,193	-	-
<b>Balance at end of the financial year</b>	<b>196,539</b>	<b>79,114</b>	<b>117,425</b>	<b>-</b>
<b>2019/2020 Strategic Resource Plan</b>				
Balance at beginning of the financial year	196,539	79,114	117,425	-
Surplus/(deficit) for the year	3,069	3,069	-	-
Net asset revaluation increment/(decrement)	3,838		3,838	-
<b>Balance at end of the financial year</b>	<b>203,446</b>	<b>82,183</b>	<b>121,263</b>	<b>-</b>
<b>2020/2021 Strategic Resource Plan</b>				
Balance at beginning of the financial year	203,446	82,183	121,263	-
Surplus/(deficit) for the year	570	570	-	-
<b>Balance at end of the financial year</b>	<b>204,016</b>	<b>82,753</b>	<b>121,263</b>	<b>-</b>

### 3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	11,916	12,183	12,433	12,634	12,965
Statutory fees and fines	365	399	405	410	418
User fees	2,991	3,296	3,364	3,418	3,508
Grants - operating	10,435	6,744	9,511	9,618	9,822
Grants - capital	4,705	3,294	1,470	3,447	966
Contributions - monetary	226	453	220	220	220
Interest received	189	163	165	169	173
Trust funds and deposits taken	-	-	1	1	1
Other receipts	251	256	261	265	273
Employee costs	(11,436)	(11,229)	(11,461)	(11,671)	(11,906)
Materials and services	(6,332)	(8,535)	(8,672)	(8,788)	(8,921)
Other payments	(1,228)	(1,143)	(994)	(1,082)	(1,092)
<b>Net cash provided by/(used in) operating activities</b>	12,082	5,881	6,703	8,641	6,427
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(9,034)	(8,690)	(7,039)	(9,050)	(6,991)
Proceeds from sale of property, infrastructure, plant and equipment	443	718	602	521	605
Payments for investments	-	-	(32)	(32)	(33)
<b>Net cash provided by/ (used in) investing activities</b>	(8,591)	(7,972)	(6,469)	(8,561)	(6,419)
<b>Cash flows from financing activities</b>					
Finance costs	(56)	(47)	(40)	(33)	(26)
Repayment of borrowings	(170)	(95)	(102)	(108)	(116)
<b>Net cash provided by/(used in) financing activities</b>	(226)	(142)	(142)	(141)	(142)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	3,265	(2,233)	93	(61)	(134)
Cash and cash equivalents at the beginning of the financial year	3,136	6,401	4,168	4,261	4,199
<b>Cash and cash equivalents at the end of the financial year</b>	6,401	4,168	4,261	4,199	4,066

### 3.5 Statement of Capital Works

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>Property</b>					
Land	-	-	-	-	-
Land improvements	15	321	218	148	148
<b>Total land</b>	15	321	218	148	148
Building improvements	214	375	631	675	149
<b>Total buildings</b>	214	375	631	675	149
<b>Total property</b>	229	696	849	823	297
<b>Plant and equipment</b>					
Plant, machinery and equipment	683	1,625	1,141	1,380	1,259
Fixtures, fittings and furniture	4	-	-	-	-
Computers and telecommunications	450	320	159	200	200
Library books	103	93	80	87	80
<b>Total plant and equipment</b>	1,240	2,038	1,380	1,667	1,539
<b>Infrastructure</b>					
Roads	2,822	3,193	2,505	2,525	2,550
Bridges	1,672	-	-	-	-
Footpaths and cycleways	203	327	310	315	320
Drainage	200	590	400	105	700
Recreational, leisure and community facilities	2,025	1,610	875	3,325	680
Waste management	378	312	395	90	505
Parks, open space and streetscapes	445	642	100	100	100
Aerodromes	7	-	-	-	-
Other infrastructure	-	425	225	100	-
<b>Total infrastructure</b>	7,752	7,099	4,810	6,560	4,855
<b>Total capital works expenditure</b>	9,221	9,834	7,039	9,050	6,691
<b>Represented by:</b>					
New asset expenditure	1,341	2,292	1,641	2,110	1,560
Asset renewal expenditure	6,197	5,960	4,266	5,485	4,055
Asset expansion expenditure	169	317	227	292	216
Asset upgrade expenditure	1,514	1,265	905	1,164	860
<b>Total capital works expenditure</b>	9,221	9,834	7,039	9,051	6,691

### 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	11,436	11,229	11,454	11,683	11,916
Employee costs - capital	430	579	589	599	609
<b>Total staff expenditure</b>	<b>11,866</b>	<b>11,808</b>	<b>12,043</b>	<b>12,282</b>	<b>12,525</b>
	EFT	EFT	EFT	EFT	EFT
<b>Staff numbers</b>					
Employees	144.0	144.0	144.0	144.0	144.0
<b>Total staff numbers</b>	<b>144.0</b>	<b>144.0</b>	<b>144.0</b>	<b>144.0</b>	<b>144.0</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	Permanent
		Full Time \$'000	Part Time \$'000
CEO and Council	1,322	1,157	165
Community Wellbeing	4,117	1,181	2,936
Corporate Services	1,345	971	374
Infrastructure	4,465	3,957	508
<b>Total expenditure</b>	<b>11,249</b>	<b>7,266</b>	<b>3,983</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	Permanent
		Full Time	Part Time
CEO and Council	8.0	7.0	1.0
Community Wellbeing	48.8	14.0	34.8
Corporate Services	19.4	14.0	5.4
Infrastructure	59.8	53.0	6.8
Total	136.0	88.0	48.0
Capitalised labour costs	8.0		
<b>Total staff</b>	<b>144.0</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	Forecast			Strategic Resource Plan			Trend +/-
			Actual 2015/16	Actual 2016/17	Budget 2017/18	Projections 2018/19 2019/20 2020/21			
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-1.3%	14.8%	-5.4%	1.6%	1.1%	1.2%	o
<b>Liquidity</b>									
Working Capital	Current assets / current liabilities	2	220.3%	333.8%	261.7%	259.4%	254.7%	245.6%	o
Unrestricted cash	Unrestricted cash / current liabilities		101.0%	165.6%	93.4%	113.8%	109.8%	105.1%	o
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	12.3%	6.4%	5.5%	4.5%	3.6%	2.6%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.2%	1.9%	1.2%	1.1%	1.1%	1.1%	o
Indebtedness	Non-current liabilities / own source revenue		9.0%	12.4%	11.3%	10.6%	9.9%	9.3%	+
Asset renewal	Asset renewal expenditure / depreciation	4	102.6%	118.7%	106.5%	76.2%	96.2%	69.9%	-
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	5	56.3%	38.4%	45.8%	44.7%	41.9%	45.9%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	o
<b>Efficiency</b>									
Expenditure level	Total expenditure / no. of property assessments		\$1,302	\$1,318	\$1,340	\$1,355	\$1,377	\$1,406	o
Revenue level	Residential rate revenue / No. of residential property assessments		\$611	\$625	\$650	\$678	\$706	\$735	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		9.0%	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. Positive underlying results are expected to be achieved over the period.

**2 Working Capital** - The proportion of current liabilities represented by current assets. Working capital is forecast to increase slightly in 2017/2018 year. 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. The future year capital program will be reviewed to ensure the renewal gap is addressed.

**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 - (\$3.712 million decrease)

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 decrease by 35.57% or \$3.712 million compared to 2016/2017 mainly due to the advance payment by the Victorian Grants Commission. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below

Grants - operating	Forecast	Budget	Variance
	Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission	7,646	2,544	(5,102)
Community care	750	771	
Family day care	159	68	(91)
<i>Recurrent - State Government</i>			
Primary care partnerships	245	236	(9)
Aged care	182	249	67
School crossing supervisors	12	14	2
Libraries	123	127	4
Maternal and child health	178	178	-
Preschool centres	547	573	26
Recreation	34	3	(31)
Community safety	204	91	(113)
Other	355	146	(209)
<b>Total recurrent grants</b>	<b>10,435</b>	<b>5,000</b>	<b>(5,456)</b>
<i>Non-recurrent - Commonwealth Government</i>			
	-	-	-
<i>Non-recurrent - State Government</i>			
Sport and Recreation	-	500	500
Family and children	-	1,244	1,244
<b>Total non-recurrent grants</b>	<b>-</b>	<b>1,744</b>	<b>1,744</b>
<b>Total operating grants</b>	<b>10,435</b>	<b>6,744</b>	<b>(3,712)</b>

### 5.1.2 Grants capital (\$1.661 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 35.30% or \$1.661 million compared to 2016/2017 due mainly to specific funding for some large capital works projects. 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		Variance
	Actual 2016/17 \$'000	Budget 2017/18 \$'000	
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	2,204	1,910	(294)
<i>Recurrent - State Government</i>			
Total recurrent grants	<b>2,204</b>	<b>1,910</b>	<b>(294)</b>
<i>Non-recurrent - Commonwealth Government</i>			
Drainage	-	250	250
<i>Non-recurrent - State Government</i>			
Buildings	321	765	444
Library	6	6	-
Bridges	836	-	(836)
Koondrook Wharf	500	-	(500)
Infrastructure	838	363	(475)
			-
Total non-recurrent grants	<b>2,501</b>	<b>1,384</b>	<b>(1,367)</b>
<b>Total capital grants</b>	<b>4,705</b>	<b>3,294</b>	<b>(1,661)</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	949	<b>761</b>
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(188)	<b>(95)</b>
<b>Total amount of borrowings as at 30 June</b>	<b>761</b>	<b>666</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:

- New works for 2017/2018
- Works carried forward from the 2016/2017 year.

### Capital works program

For the year ending 30 June 2018

#### 6.1 New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
<b>Land Improvements</b>									
Bendigo Road irrigation	110	-	-	110	-	-	-	110	-
Town entry signage	25	25	-	-	-	-	-	25	-
Wellington Street tree avenue extension	46	-	-	-	46	-	-	46	-
Promotional infrastructure	50	25	25	-	-	-	-	50	-
Planter boxes and BBQ surrounds	10	-	10	-	-	-	-	10	-
Southern levee acquisition	80	80	-	-	-	-	-	80	-
<b>Total Land Improvements</b>	<b>321</b>	<b>130</b>	<b>35</b>	<b>110</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>321</b>	<b>-</b>
<b>Building improvements</b>									
Patchell Plaza roof	35	-	28	7	-	-	-	35	-
Patchell Plaza heating, ventilation & airconditioning	25	-	20	5	-	-	-	25	-
Leitchville pre-school upgrade	195	-	146	49	-	146	-	49	-
Bulk solar installations	120	120	-	-	-	-	-	120	-
<b>Total Building Improvements</b>	<b>375</b>	<b>120</b>	<b>194</b>	<b>61</b>	<b>-</b>	<b>146</b>	<b>-</b>	<b>229</b>	<b>-</b>
<b>TOTAL PROPERTY</b>	<b>696</b>	<b>250</b>	<b>229</b>	<b>171</b>	<b>46</b>	<b>146</b>	<b>-</b>	<b>550</b>	<b>-</b>

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PLANT AND EQUIPMENT</b>									
<b>Plant, Machinery and Equipment</b>									
Light plant replacement	430	-	430	-	-	-	-	430	-
Heavy plant replacement	895	-	895	-	-	-	-	895	-
<b>Total Plant, Machinery and Equipment</b>	<b>1,325</b>	-	1,325	-	-	-	-	1,325	-
<b>Computers and Telecommunications</b>									
Information technology replacement program	220	-	88	88	44	-	-	220	-
Desert OH & S software	50	-	-	50	-	-	-	50	-
<b>Total Computers and Telecommunications</b>	<b>270</b>	-	88	138	44	-	-	270	-
<b>Library Books</b>									
Book purchases	93	-	93	-	-	6	-	87	-
<b>Total Library Books</b>	<b>93</b>	-	93	-	-	6	-	87	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,688</b>	-	1,506	138	44	6	-	1,682	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
Gravel re-sheeting program	1,010	-	1,010	-	-	910	-	100	-
Sealed road rehabilitation	1,000	-	1,000	-	-	1,000	-	-	-
Bitumen road reseals	835	-	835	-	-	-	-	835	-
Road management	200	50	50	50	50	-	-	200	-
Local Roads to Market	125	125	-	-	-	42	-	83	-
Fire access roads	23	23	-	-	-	15	-	8	-
<b>Total Roads</b>	<b>3,193</b>	<b>198</b>	<b>2,895</b>	<b>50</b>	<b>50</b>	<b>1,967</b>	<b>-</b>	<b>1,226</b>	<b>-</b>
<b>Total Footpaths and Cycleways</b>									
Footpath replacement program	100	-	50	50	-	-	-	100	-
Footpath Shadforth Street extension	27	-	-	-	27	-	-	27	-
Kerb replacement program	150	-	150	-	-	-	-	150	-
Tracks and trails	50	-	50	-	-	-	-	50	-
<b>Total Footpaths and Cycleways</b>	<b>327</b>	<b>-</b>	<b>250</b>	<b>50</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>327</b>	<b>-</b>
<b>Drainage</b>									
Drainage renewal Quambatook	30	-	30	-	-	-	-	30	-
Quambatook township flood mitigation	500	200	-	200	100	250	-	250	-
Koondrook stormwater drainage	60	60	-	-	-	-	-	60	-
<b>Total Drainage</b>	<b>590</b>	<b>260</b>	<b>30</b>	<b>200</b>	<b>100</b>	<b>250</b>	<b>-</b>	<b>340</b>	<b>-</b>
<b>Recreational, Leisure and Community Facilities</b>									
Swimming pool renewal program	125	-	94	31	-	19	-	106	-
McCann Crescent playground	26	13	-	13	-	-	-	26	-
Sport, recreation and leisure program	250	-	125	75	50	-	-	250	-
Koondrook Nature Based Tourism Hub	1,200	1,200	-	-	-	800	-	400	-
<b>Total Recreational, Leisure and Community Facilities</b>	<b>1,601</b>	<b>1,213</b>	<b>219</b>	<b>119</b>	<b>50</b>	<b>819</b>	<b>-</b>	<b>782</b>	<b>-</b>

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>Waste Management</b>									
Old Kerang landfill capping	120	24	-	96	-	-	-	120	-
Transfer station upgrade	72	-	72	-	-	-	-	72	-
Cell 3 completion - Denyers	120	120	-	-	-	-	-	120	-
<b>Total Waste Management</b>	<b>312</b>	<b>144</b>	<b>72</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312</b>	<b>-</b>
	-	-	-	-	-	-	-	-	-
<b>Parks, Open Space and Streetscapes</b>									
Atkinson Park toilets forecourt	12	-	-	12	-	-	-	12	-
Apex Park Cohuna toilets	180	-	90	90	-	-	-	180	-
Lakes and waterways master plan preparation	70	70	-	-	-	-	-	70	-
Kerang Lakes foreshore development	30	12	9	9	-	-	-	30	-
<b>Total Parks, Open Space and Streetscapes</b>	<b>292</b>	<b>82</b>	<b>99</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>292</b>	<b>-</b>
	-	-	-	-	-	-	-	-	-
<b>Other Infrastructure</b>									
Cohuna Caravan Park hydrants (stage 3 of 4)	75	75	-	-	-	-	-	75	-
Koondrook Caravan Park stage 2 (Roads and drainage)	350	70	210	70	-	-	-	350	-
<b>Total Other Infrastructure</b>	<b>425</b>	<b>145</b>	<b>210</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>425</b>	<b>-</b>
	-	-	-	-	-	-	-	-	-
<b>TOTAL INFRASTRUCTURE</b>	<b>6,740</b>	<b>2,042</b>	<b>3,775</b>	<b>696</b>	<b>227</b>	<b>3,036</b>	<b>-</b>	<b>3,704</b>	<b>-</b>
	-	-	-	-	-	-	-	-	-
<b>TOTAL NEW CAPITAL WORKS 2017/2018</b>	<b>9,124</b>	<b>2,292</b>	<b>5,510</b>	<b>1,005</b>	<b>317</b>	<b>3,188</b>	<b>-</b>	<b>5,936</b>	<b>-</b>

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

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PLANT AND EQUIPMENT</b>									
<b>Computers and Telecommunications</b>									
Business systems software	50	-	-	50	-	-	-	50	-
<b>Total Computers and Telecommunications</b>	<b>50</b>	-	-	50	-	-	-	50	-
<b>Plant, Machinery and Equipment</b>									
Heavy plant replacement	300	-	300	-	-	-	-	300	-
<b>Total Plant, Machinery and Equipment</b>	<b>300</b>	-	300	-	-	-	-	300	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>350</b>	-	300	50	-	-	-	350	-
<b>INFRASTRUCTURE</b>									
<b>Recreational, Leisure and Community Facilities</b>									
Cohuna Recreation Reserve female facilities	10	-	-	10	-	7	-	3	-
<b>Total Recreational Leisure and Community Facilities</b>	<b>10</b>	-	-	10	-	7	-	3	-
<b>Parks, Open Space and Streetscapes</b>									
Kerang CBD streetscape	350	-	150	200	-	100	-	250	-
<b>Total Parks, Open Space and Streetscapes</b>	<b>350</b>	-	150	200	-	100	-	250	-
<b>TOTAL INFRASTRUCTURE</b>	<b>360</b>	-	150	210	-	107	-	253	-
<b>TOTAL CARRIED FORWARD WORKS 2016/2017</b>	<b>710</b>	-	450	260	-	107	-	603	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>6.3 Summary</b>									
PROPERTY	696	250	229	171	46	146	-	550	-
PLANT AND EQUIPMENT	2,038	-	1,806	188	44	6	-	2,032	-
INFRASTRUCTURE	7,100	2,042	3,925	906	227	3,143	-	3,957	-
<b>TOTAL CAPITAL WORKS</b>	<b>9,834</b>	<b>2,292</b>	<b>5,960</b>	<b>1,265</b>	<b>317</b>	<b>3,295</b>	<b>-</b>	<b>6,539</b>	<b>-</b>

## 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 41.3% 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 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.

In order to achieve the objective of 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. The kerbside, recycling and greenwaste collection charge is to increase by 2.0%. This will raise total rate and charges for 2017/18 of \$12.18 million. The municipal charge will remain at the same level as 2016/2017.

#### 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 residential properties	0.006356	<b>0.006482</b>	<b>1.98%</b>
General rate for rateable commercial/industrial properties	0.006702	<b>0.006834</b>	<b>1.97%</b>
General rate for farm irrigation district properties	0.006363	<b>0.006417</b>	<b>0.85%</b>
General rate for farm dryland properties	0.005010	<b>0.005290</b>	<b>5.59%</b>
General rate for cultural and recreation properties	0.003178	<b>0.003241</b>	<b>1.98%</b>

#### 7.2 (a) 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 \$'000	2017/2018 \$'000	Change
Residential	5,212	<b>5,315</b>	<b>1.98%</b>
Commercial/industrial properties	818	<b>834</b>	<b>1.96%</b>
Farm irrigation district properties	2,436	<b>2,456</b>	<b>0.82%</b>
Farm dryland properties	1,096	<b>1,158</b>	<b>5.66%</b>
Cultural and recreation properties	11	<b>12</b>	<b>9.09%</b>
<b>Total amount to be raised by general rates</b>	<b>9,573</b>	<b>9,775</b>	<b>2.11%</b>

#### 7.2 (b) 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 and municipal charge, compared with the previous financial year

Type or class of land	2016/2017 \$'000	2017/2018 \$'000	Change
Residential	5,672	<b>5,777</b>	<b>1.85%</b>
Commercial/industrial properties	870	<b>886</b>	<b>1.84%</b>
Farm irrigation district properties	2,532	<b>2,552</b>	<b>0.79%</b>
Farm dryland properties	1,116	<b>1,178</b>	<b>5.56%</b>
Cultural and recreation properties	12	<b>13</b>	<b>8.33%</b>
<b>Total amount to be raised by general rates and municipal charge</b>	<b>10,202</b>	<b>10,406</b>	<b>2.00%</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	4,598	4,619	0.5%
Commercial/industrial properties	510	518	1.6%
Farm irrigation district properties	1,157	1,153	-0.3%
Farm dryland properties	431	428	-0.7%
Cultural and recreation properties	11	11	0.0%
<b>Total number of assessments</b>	<b>6,707</b>	<b>6,729</b>	<b>0.3%</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 \$'000	2017/2018 \$'000	Change
Residential	816,498	819,994	0.4%
Commercial/industrial properties	121,680	122,126	0.4%
Farm irrigation district properties	381,592	382,846	0.3%
Farm dryland properties	220,139	218,811	-0.6%
Cultural and recreation properties	3,574	3,574	0.0%
<b>Total value of land</b>	<b>1,543,483</b>	<b>1,547,351</b>	<b>0.3%</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	100	100	0.0%

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

Type of Charge	2016/2017 \$'000	2017/2018 \$'000	Change
Municipal	628	631	0.5%

**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 120 litre bin	327	334	2.1%
Kerbside collection 240 litre bin	471	480	1.9%
Greenwaste collection	52	53	1.9%
<b>Total</b>	<b>850</b>	<b>867</b>	<b>2.0%</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 \$'000	2017/20'18 \$'000	Change
Kerbside collection 120 litre bin	1,369	1,415	3.4%
Kerbside collection 240 litre bin	327	323	-1.2%
Greenwaste collection	29	39	34.5%
<b>Total</b>	<b>1,725</b>	<b>1,777</b>	<b>3.0%</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 \$'000	2017/2018 \$'000	Change
General rates	9,549	9,775	2.4%
Municipal charge	628	631	0.5%
Kerbside collection and recycling	1,735	1,777	2.4%
Supplementary rates and charges	4	-	0.0%
<b>Rates and charges</b>	<b>11,916</b>	<b>12,183</b>	<b>2.2%</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 Differential rates

#### 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 0.6482% (0.006482 cents in the dollar of CIV) for all rateable residential properties.
- A general rate of 0.6834% (0.006834 cents in the dollar of CIV) for all rateable commercial/industrial properties.
- A general rate of 0.6417% (0.006417 cents in the dollar of CIV) for all rateable farm irrigation district properties.
- A general rate of 0.5290% (0.005290 cents in the dollar of CIV) for all rateable farm dryland properties.
- A general rate of 0.3241% (0.003241 cents in the dollar of CIV) for all rateable cultural and recreational properties.

Each differential 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.

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.

#### Commercial/industrial land

Commercial/industrial land is any land, which is:

- Occupied for the principal purpose of carrying out the manufacture or production of, or trade in, goods or services; or
- Unoccupied but zoned commercial or industrial under the Gannawarra Planning Scheme.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services; and
- Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above. The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land. The geographic location of the land within this differential rate is wherever located within the municipal district, without reference to ward boundaries. The use of the land within this differential rate, in the case of improved land, is any use of land.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

The geographic location of the land within this differential rate is wherever located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land.

The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to commercial land. The vacant land affected by this rate is that which is zoned commercial and/or industrial under the Gannawarra Planning Scheme. The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/17 financial year.

### **General Residential land**

Residential land is any land, which is:

- Occupied for the principal purpose of physically accommodating persons; or
- Unoccupied land which is not classified as commercial/industrial land, farm irrigation district land or farm dryland.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services; and
- Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above. The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land. The geographic location of the land within this differential rate is wherever located within the municipal district, without reference to ward boundaries. The use of the land within this differential rate, in the case of improved land, is any use of land.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

The geographic location of the land within this differential rate is wherever located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land.

The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to residential land. The vacant land affected by this rate is that which is zoned residential under the Gannawarra Planning Scheme. The classification of land which is improved will be determined by the occupation of that land and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016/17 financial year.

### **Farmland Irrigation District land**

Farmland Irrigation District land is any land, which is farmland that is in the irrigation district defined by the relevant Water Authority within the Gannawarra Shire Council boundaries; or unoccupied but zoned farmland under the Gannawarra Planning Scheme and which is not commercial/industrial land, general/residential land or farmland (dryland).

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services
- Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above. The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land. The geographic location of the land within this differential rate is wherever located within the municipal district, without reference to ward boundaries. The use of the land within this differential rate, in the case of improved land, is any use of land.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land.

### **Farmland (dryland)**

Farmland (dryland) is any land, which is farmland that is not defined as farmland irrigation district land or unoccupied but zoned farmland under the Gannawarra Planning Scheme and which is not commercial/industrial, general/residential or farmland irrigation district land.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services
- Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above. The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land. The geographic location of the land within this differential rate is wherever located within the municipal district, without reference to ward boundaries. The use of the land within this differential rate, in the case of improved land, is any use of land.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land.

### **7.13 Fair Go Rates System Compliance**

Gannawarra Shire Council is fully compliant with the State Governments Fair Go Rates System.

Base Average Rates (2016/2017)	\$ 1,520.05
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017/2018)	\$ 1,550.45
Maximum General Rates and Municipal Charges Revenue	\$ 10,432,978
Budgeted General Rates and Municipal Charges Revenue	\$ 10,406,000

## 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.

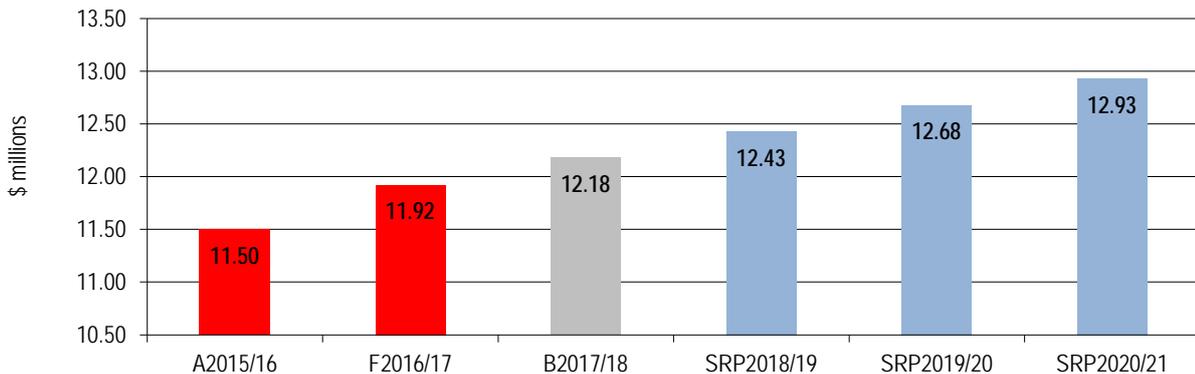
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Rating strategy
- 16 Summary of other strategies

## 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.

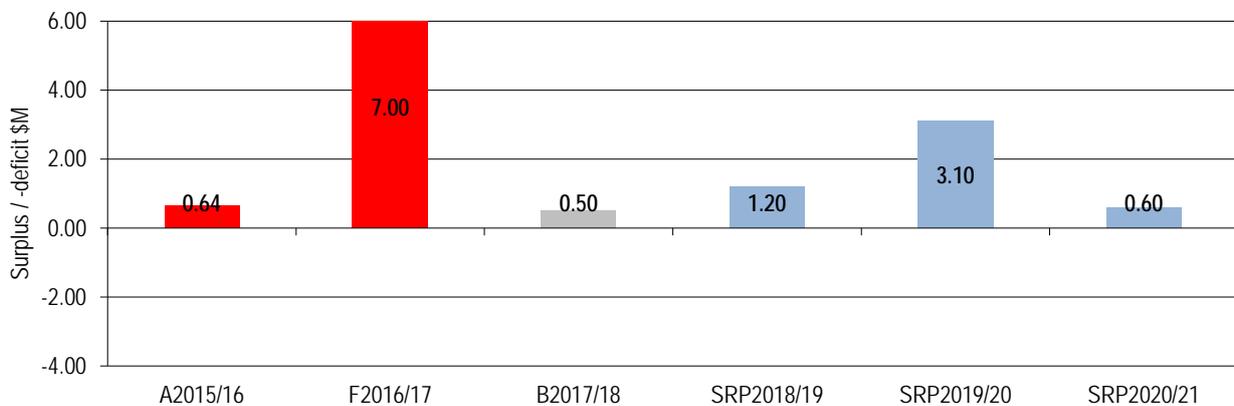
A= Actual F= Forecast B= Budget SRP= Strategic Resource Plan estimates

### 8.1 Rates and charges



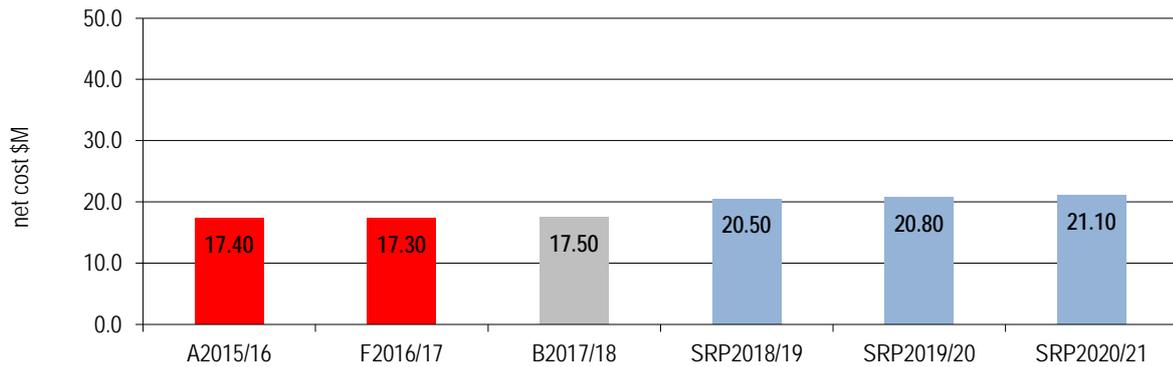
It is proposed that the average rates increase by 2.0% for the 2017/18 year, raising total rates of \$12.18 million. The 2.0% increase will go toward maintaining service levels and meeting the cost of a number of external influences affecting the operating budget. The increase will also go towards providing necessary funds to address the asset renewal needs of the Shire. Refer Sections 7 and 10 for more information.

### 8.2 Operating Result



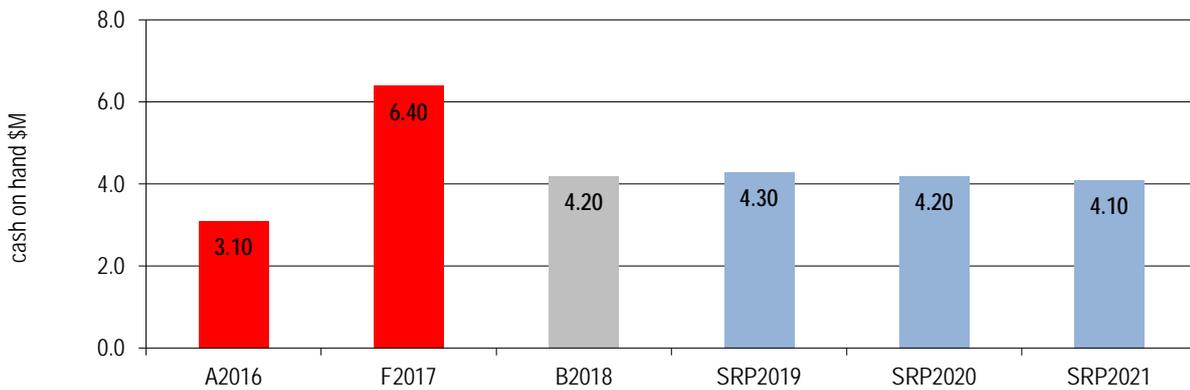
The expected operating result for the 2017/2018 year is a surplus of \$0.482 million, which is a decrease of \$6.470 million over 2016/17. The lower operating result is due mainly the advance payment made by the Victorian Grants Commission of \$2.622 million. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a deficit of \$1.355 million, which is a decrease of \$5.580 million over 2016/2017 - refer to section 7 of this summary for further information.

### 8.3 Services



The net cost of services delivered to the community for the 2017/18 year is expected to be \$17.54 million which is an increase of \$0.20 million over 2016/17. 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 \$17.34 million). Refer Section 2 for a list of services.

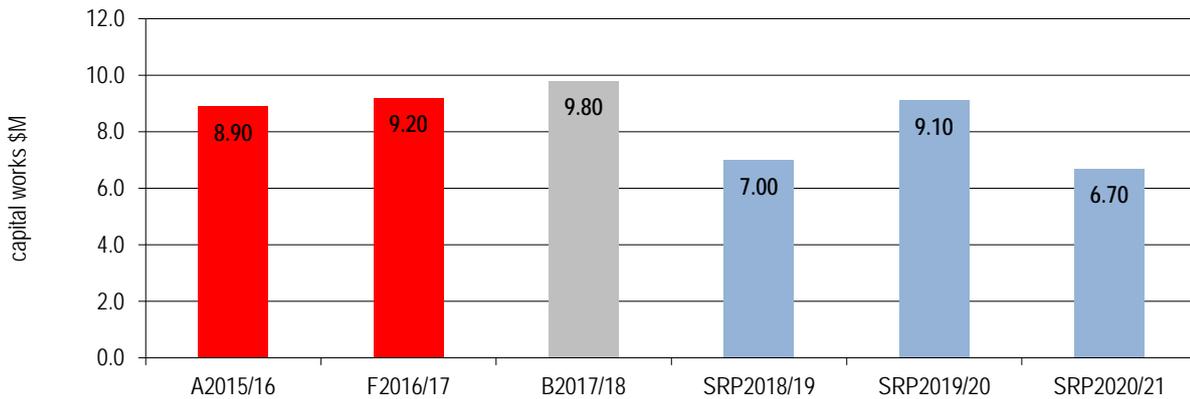
### 8.4 Cash and investments



Cash and investments are expected to decrease by \$2.20 million during the year to \$4.17 million as at 30 June 2018. The main contributing factor to the decrease in Council's cash reserves is due to the 2016/2017 end balance being higher than normal due to the advance payment by the Victorian Grants Commission.

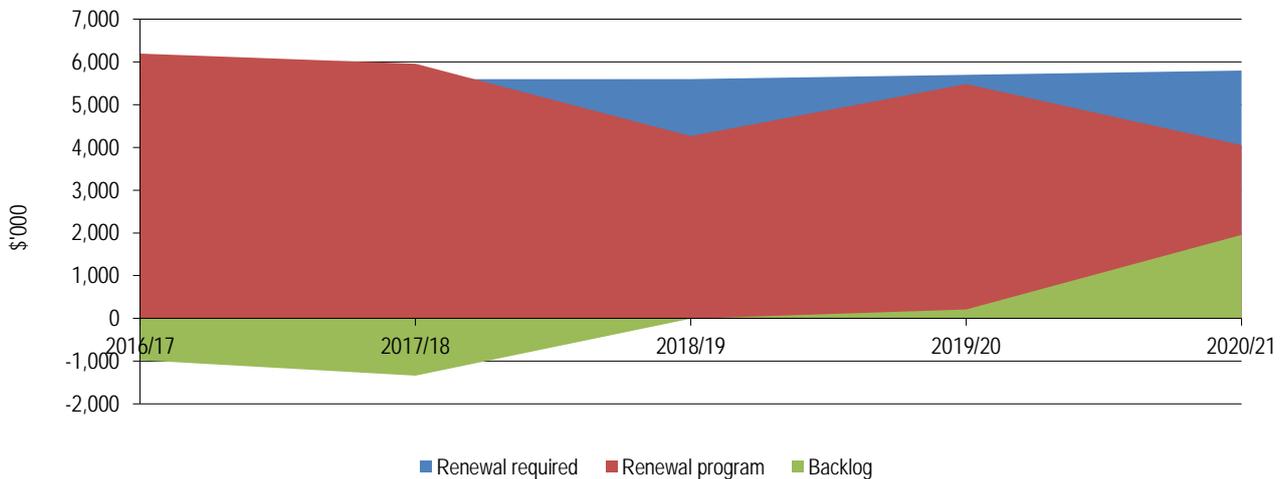
Refer also Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

## 8.5 Capital works



The capital works program for the 2017/2018 year is expected to be \$9.83 million of which \$0.71 million relates to projects which will be carried forward from the 2016/2017 year. The carried forward component is fully funded from the 2016/2017 budget. Of the \$9.83 million of capital funding required, \$3.29 million will come from external grants with the balance of \$6.54 million from Council cash. The Council cash amount comprises asset sales (\$0.72 million), cash held at the start of the year (\$0.71 million) and cash generated through operations in the 2017/18 financial year (\$5.11 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. (Capital works is forecast to be \$9.22 million for the 2016/2017 year).

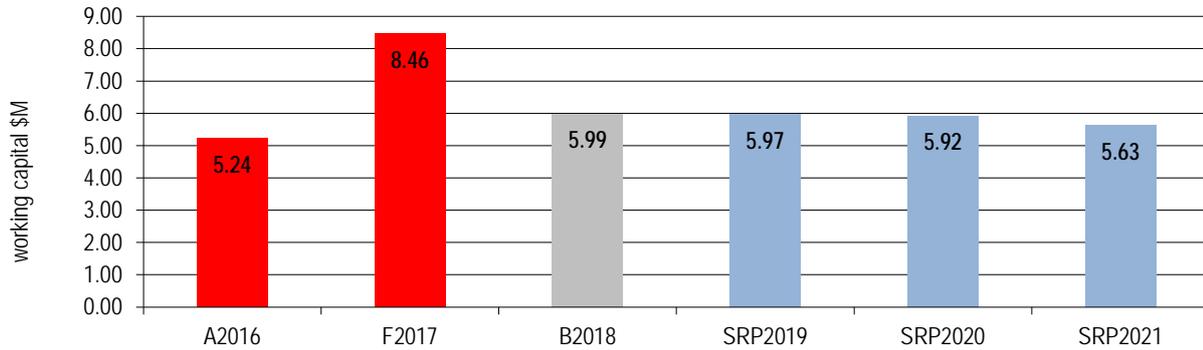
The graph below sets out the required and actual asset renewal over the life of the current Strategic Resource Plan and the renewal backlog.



The asset renewal program has been proposed at \$5.96 million in the 2017/2018 year. The proposed amount is slightly higher than required. As asset management plans are reviewed and updated the future mix of spend between new, renewal, upgrade and expansion will be reviewed and adjusted where necessary.

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

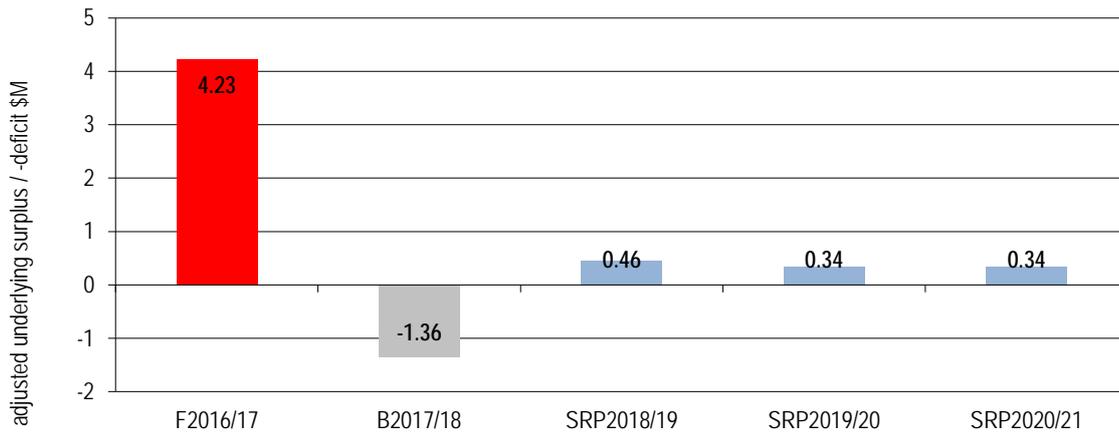
## 8.6 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$0.48 million to \$195.35 million with net current assets (working capital) decreasing by \$2.49 million to \$5.99 million as at 30 June 2018. Total equity is forecast to be \$194.86 million as at 30 June 2017.

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

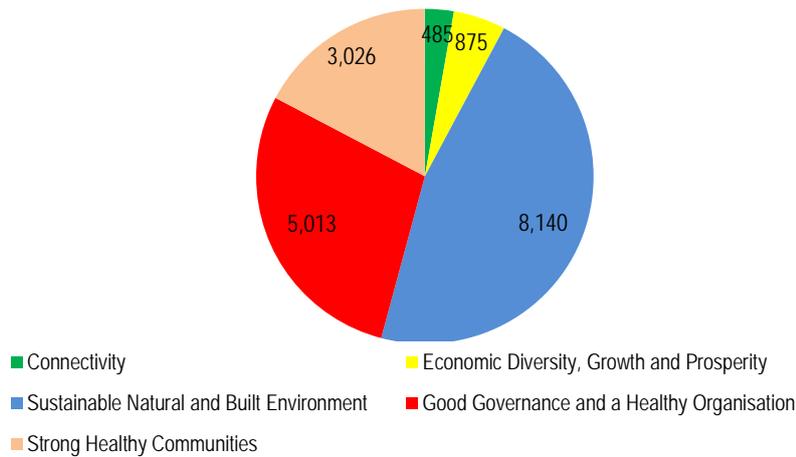
## 8.7 Financial sustainability



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 decreasing surplus over the four year period.

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

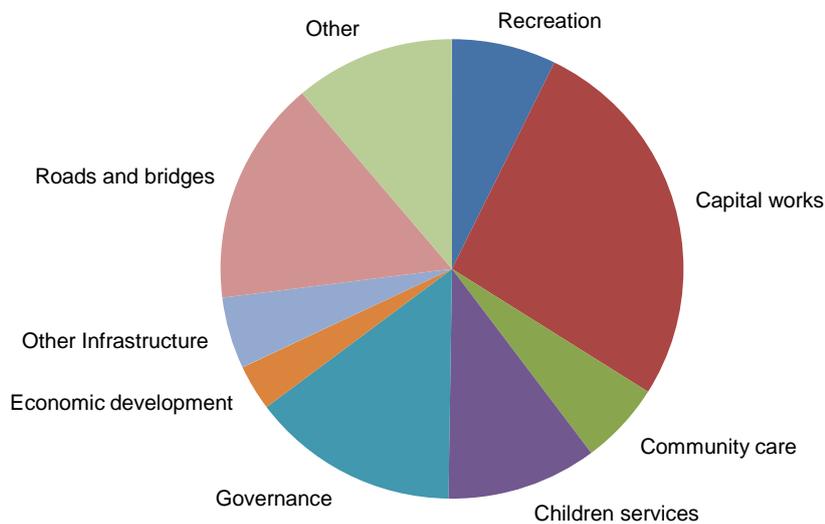
### 8.8 Strategic objectives



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.

## 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 Gannawarra Shire Council

The Gannawarra Shire is located in the Loddon Murray region of Victoria, just a three hour drive from Melbourne. The major regional centres of Bendigo, Echuca and Swan Hill are approximately one hour away by road. It is home to the towns of Cohuna, Koondrook, Kerang, Lalbert, Leitchville, Murrabit and Quambatook and many equally proud and vibrant outlying communities.

The climate and landscape of Gannawarra is ideal for a wide range of agricultural, cultural, industrial and recreational activities. The Shire is one of Victoria's most diverse agricultural areas. Agricultural activities include cropping, dairy, horticulture and viticulture.

#### Population

The Gannawarra Shire in area is approximately 3,732.4 km<sup>2</sup>, with an estimated population of 10,366 (2011 ABS Census).

The main population centres are Kerang and Cohuna. These towns are important service centres for surrounding areas, providing commercial and community services to a catchment of 14,000 people including the New South Wales border town of Barham.

One particular area of the Shire which has been experiencing positive growth is the small Murray River township of Koondrook. Koondrook offers affordable residential land close to the Murray River, along with a range of recreational opportunities including an attractive natural environment, clubs and sporting facilities. The number of residential buildings erected in Koondrook doubled between 1988 and 1999 and a steady increase has occurred since this time.

The abundance of waterways including the many lakes and rivers are proving to be popular attractions for lifestyle living. Future development around the waterways is a key priority of Council to assist population growth.

#### Ageing population

A comparison of the Census figures for 2006 and 2011 showed the following statistics: 64% of the population were aged over 35 (54% in 2006), while 25% were aged below 19 years (26% in 2006). The largest groups in the population are: 5 to 19 year olds (25%) and 45 to 64 year olds (29%).

Many of our new residents are retirees and, over time, they will contribute to a projected increase in the Shire's average age. In years to come, this will place increasing pressure on Council's ability to meet the demand for services such as those provided under the Home and Community Care Program. Council is aware that it needs to be prepared for this eventuality.

#### Births

Despite an ageing population, approximately 108 babies have been born each year since 2009. In the 2015/16 financial year to date, 85 babies have been born in the municipality, which is tracking slightly above the Gannawarra Shire's yearly average. (Source: Maternal and Child Health database 31 March 2016).

## **Industry**

Agriculture remains the key industry in the Gannawarra Shire. Within agriculture, the main enterprises are:

- Dairying
- Broad acre cropping
- Livestock
- Horticulture

The Shire also has a number of industrial precincts with growing businesses largely related to agri-food and agricultural engineering.

Emerging opportunities exist and investment is being directed towards, the following growth areas:

- Tourism
- Energy
- Hospitality
- Retail
- Health and community services
- Corporate agriculture

## **Tourism and Major Events**

The large range of cultural and sporting events hosted in the municipality on an annual basis attracts a large number of people from all over Australia and is testament to the community's efforts. Major events include the Murray River Canoe Marathon, The Australian and Victorian Ski Racing Championships, the Australian Tractor Pull Championships held in Quambatook and the Cohuna Bridge-to-Bridge Triathlon along the picturesque Gunbower Creek at Cohuna. One of the largest monthly regional markets in Victoria, the Murrabit Country Market, also attracts thousands of people each month.

Tourism is expected to continue to grow in the coming years as the benefits of nature based passive recreation is realised. Already there is significant interest in nature based resort styled developments that provide new and innovative tourism products. The natural environment features such as the Gunbower National Park, Murray River and Kerang Lakes will feature strongly in future tourism growth.

## **Budget implications**

As a result of the municipality's demographic profile there are a number of budget implications in the short and long term as follows:

The low population base puts pressure on Council's ability to raise rate dollars to contribute particularly to road and infrastructure maintenance and development costs.

Over 20% of ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community. Council has hardship provisions in place but these can impact on cash balances when large volumes of ratepayers are involved.

## **9.2 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 2016/17. The cap for 2017/18 has been set at 2.0%.

State-wide CPI at the December quarter 2017 was 1.5%.

The Victorian Wage Price Index at the December quarter for 2017 was 2.3%. Council's enterprise bargaining agreement is set 1.75%.

An advance payment by the Victorian Grants Commission of \$2.622 million has a significant impact on the level of funding to be received during 2017/2018

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 the 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 2017/18 Budget. These matters have arisen from events occurring in the 2016/17 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/18 year. These matters and their financial impact are set out below:

**Capital Works:** Despite best efforts, there will often be timing differences between when the budget is adopted and the completion of capital projects. These timing differences generally happen throughout the year and can be corrected via forecasting. However, they can also occur between years resulting in a permanent difference between the budget and actual results. Capital works which are not completed in the prior year are recognised as carry forward works in the following year.

**Fees and Charges:** Have been reviewed as part of the Annual Budget process. Fees and charges for Council services reflect the cost of the services provided, community capacity to pay, CPI and wage increases during the year and benchmarking against similar services provided by other local governments or the private sector.

**Grants:** Despite best efforts, there will always be timing differences between when the budget is adopted and the approval of various Federal and State Government Grants. These timing differences generally happen throughout the year and can be corrected via forecasting. However, they can also occur between years resulting in a permanent difference between the budget and actual results.

### **9.4 Budget principles**

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

- Existing fees and charges to be increased in line with CPI or market levels
- Grants to be based on confirmed funding levels
- 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 Enterprise Bargaining Agreement
- Contract labor 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 2016/17 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 2017/18 to 2020/21 (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

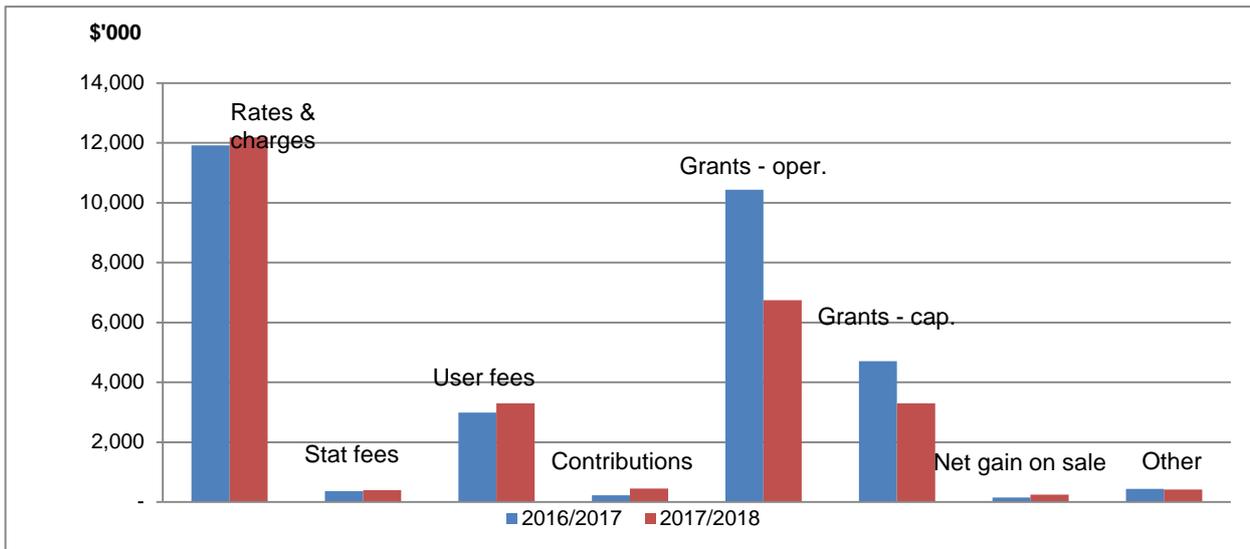
	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Total income	10.2	31,227	27,034	(4,193)
Total expenses	10.3	(24,275)	(26,552)	(2,277)
<b>Surplus (deficit) for the year</b>		<b>6,952</b>	<b>482</b>	<b>(6,470)</b>
Grants – capital non-recurrent	10.2.6	(2,501)	(1,384)	1,117
Contributions - non-monetary assets		-	-	-
Capital contributions - other sources	10.2.4	(226)	(453)	(227)
<b>Adjusted underlying surplus (deficit)</b>	10.1.1	<b>4,225</b>	<b>(1,355)</b>	<b>(5,580)</b>

#### 10.1.1 Adjusted underlying deficit (\$0.5.580 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 deficit of \$1.355 million which is a decrease of \$5.580 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 and included R2R funding as a recurrent grant. 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. The Victorian Grants Commission advance payment of \$2.622 million has been taken into account.

### 10.2 Income

Income Types	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Rates and charges	10.2.1	11,916	12,183	267
Statutory fees and fines	10.2.2	366	399	33
User fees	10.2.3	2,991	3,296	305
Contributions - monetary	10.2.4	226	453	227
Grants - operating	5.1.1	10,435	6,744	(3,691)
Grants - capital	5.1.2	4,705	3,294	(1,411)
Net gain on disposal of property, infrastructure, plant & equipment	10.2.5	148	246	98
Other income	10.2.6	440	419	(21)
<b>Total income</b>		<b>31,227</b>	<b>27,034</b>	<b>(4,193)</b>



**10.2.1 Rates and charges (\$0.267 million increase)**

It is proposed that income raised by all rates and charges be increased by 2.0% or \$0.267 million to \$12.18 million. This includes an increase in general rates of 2.1%, the Municipal Charge of 0%; kerbside waste collection and recycling of 2%.

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 (\$0.033 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 local law fines. Increases in statutory fees are made in accordance with legislative requirements.

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

**10.2.3 User fees (\$0.305 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 separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and 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.

The amount to be raised from user charges is projected to increase by 12.4% or \$0.37 million over 2016/2017. Council intends to explore avenues where Council employees and equipment are utilised to undertake additional private or chargeable works. An additional amount of \$0.1 million is expected to be received from chargeable works. Wherever possible user charges have been increased to generate sufficient income to cover the cost of service delivery.

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

**10.2.4 Contributions - monetary (\$0.227 million increase)**

Contributions received from developers in regard to public resort and recreation, drainage and car parking in accordance with planning permits issued for property development can be in the form of monetary or non-monetary. Non-monetary contributions are usually in the form of land or infrastructure works such as roads, footpaths, kerb and channels.

Contributions may also be made by external parties, usually sporting bodies or committees of management, to improve facilities that are not Council owned but come under the control of the sporting body or committee. A program to provide funds for facility upgrades has been made available in the budget subject to monetary contributions being received from the benefitting parties (collectively \$0.25 million).

**10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$0.098 million increase)**

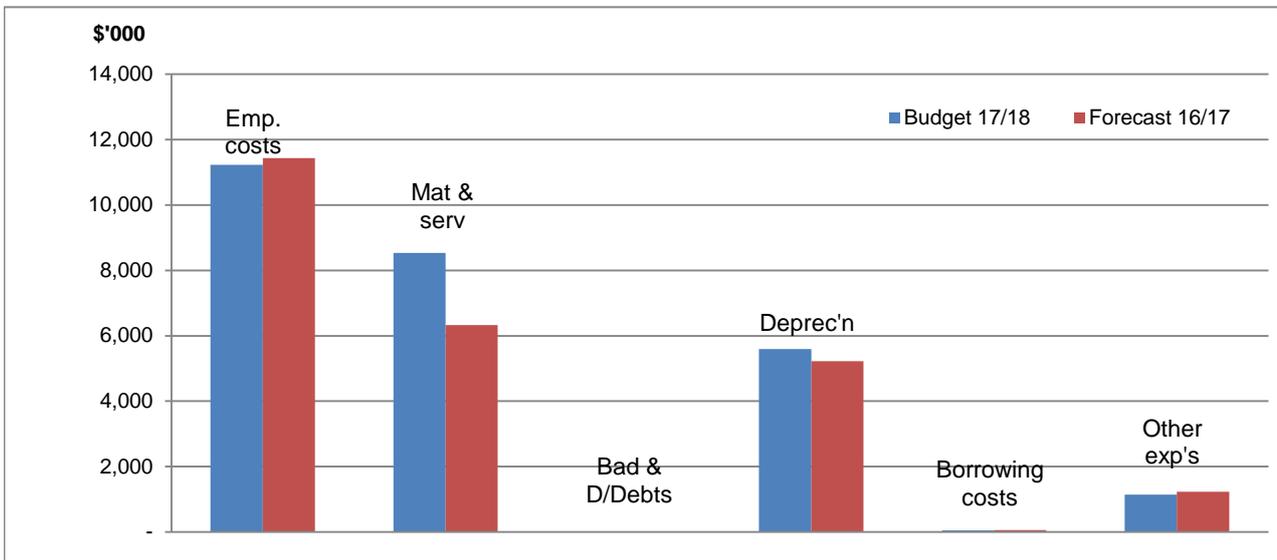
Proceeds from the disposal of Council assets is forecast to be \$0.720 million for 2017/2018 and relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet (\$0.267 million) and sale of properties including Sleepy Lane and industrial estate land (\$0.453 million) The written down value of assets sold is forecast to be \$0.472 million.

**10.2.6 Other income (\$0.021 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.

**10.3 Expenses**

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Employee costs	10.3.1	11,436	11,229	(207)
Materials and services	10.3.2	6,332	8,535	2,203
Bad and doubtful debts	10.3.3	4	-	(4)
Depreciation and amortisation	10.3.4	5,219	5,598	379
Borrowing costs	10.3.5	56	47	(9)
Other expenses	10.3.6	1,228	1,143	(85)
<b>Total expenses</b>		<b>24,275</b>	<b>26,552</b>	<b>2,277</b>



### 10.3.1 Employee costs (\$0.207 million decrease)

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 decrease by 1.9% or \$0.207 million compared to 2016/2017. The decrease has been made possible by restructuring parts of the organisation when a vacancy has arisen and a redistribution of responsibilities and functions can be achieved without employing a replacement. The use of contract labour for supervision of the pools during the swimming pool season has also seen a shift in the employee expenses. Functions arises relates to three key factors:

The recent wage increase of 1.75% following the completion of the Enterprise Bargaining Agreement negotiations plus any movements within band levels by employees during the term of the budget has also been included.

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 and Council	1,322	1,157	165
Community Wellbeing	4,117	1,181	2,936
Corporate Services	1,345	971	374
Infrastructure	4,445	3,957	508
Total permanent staff expenditure	11,229	7,266	3,983
Capitalised labour costs	579		
<b>Total expenditure</b>	<b>11,808</b>		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
CEO and Council	8.0	7.0	1.0
Community Wellbeing	48.8	14.0	34.8
Corporate Services	19.4	14.0	5.4
Infrastructure	59.8	53.0	6.8
Total	136.0	88.0	48.0
Capitalised labour costs	8.0		
<b>Total staff</b>	<b>144.0</b>		

### 10.3.2 Materials and services (\$2.203 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 decrease by 34.8% or \$2.203 million compared to 2016/2017.

An amount of \$1.0 million has been included in the operating budget to allow access to funding by sporting bodies and committees of management to improve facilities under their control. This funding is available subject to a local contribution (refer 10.2.4) and funding by State or Federal grant monies.

Provision has been made for the Cohuna Early Learning Centre (\$0.875 million) and the Koondrook Early Learning Centre (\$0.368 million) both projects are subject to State or Federal funding.

### **10.3.3 Bad and doubtful debts (\$0.004 million decrease)**

No provision has been made for bad and doubtful debts.

### **10.3.4 Depreciation and amortisation (\$0.379 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 \$0.379 million for 2017/2018 is due mainly to the completion of 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 (\$0.009 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 repayment of principal in accordance with loan agreements.

### **10.3.6 Other expenses (\$0.085 million decrease)**

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 decrease by 7.0% or \$0.009 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		11,916	12,183	267
User fees and fines		3,356	3,695	339
Grants - operating		10,435	6,744	(3,691)
Grants - capital		4,705	3,294	(1,411)
Interest		189	163	(26)
Other receipts		477	709	232
		<b>31,078</b>	<b>26,788</b>	<b>(4,290)</b>
<i>Payments</i>				
Employee costs		(11,436)	(11,229)	207
Other payments		(7,560)	(9,678)	(2,118)
		<b>(18,996)</b>	<b>(20,907)</b>	<b>(1,911)</b>
<b>Net cash provided by operating activities</b>		<b>12,082</b>	<b>5,881</b>	<b>(6,201)</b>
<b>Cash flows from investing activities</b>	11.1.2			
Payments for property, infrastructure, plant & equip.		(9,034)	(8,690)	344
Proceeds from sale of property, infrastructure, plant & equipment		443	718	275
Payments for investments		-	-	-
Proceeds from investments		-	-	-
Loans and advances made		-	-	-
Repayments of loans and advances		-	-	-
<b>Net cash used in investing activities</b>		<b>(8,591)</b>	<b>(7,972)</b>	<b>619</b>
<b>Cash flows from financing activities</b>	11.1.3			
Finance costs		(56)	(47)	9
Proceeds from borrowings		-	-	-
Repayment of borrowings		(170)	(95)	75
<b>Net cash used in financing activities</b>		<b>(226)</b>	<b>(142)</b>	<b>84</b>
<b>Net decrease in cash and cash equivalents</b>		<b>3,265</b>	<b>(2,233)</b>	<b>(5,498)</b>
Cash and cash equivalents at the beginning of the year		3,136	6,401	3,265
<b>Cash and cash equivalents at end of the year</b>	11.1.4	<b>6,401</b>	<b>4,168</b>	<b>(2,233)</b>

### 11.1.1 Operating activities (\$2.233 million decrease)

The decrease in cash inflows from operating activities is due mainly to a \$2.622 million decrease in operating grants due to the advance by the Victorian Grants Commission. The increase in other payments are due to expenditure in relation to the Cohuna and Koondrook Early Learning centres, grants to cover the increase in costs in respect to the Early Learning Centres are shown in operating grants with this increase being offset by the reduction in capital grants. Capital grants are dependent on the capital projects undertaken each year.

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>6,952</b>	<b>482</b>	<b>(6,470)</b>
Depreciation	5,219	5,598	379
Loss (gain) on disposal of property, infrastructure, plant & equipment	(148)	(246)	(98)
Finance costs	56	47	(9)
Net movement in current assets and liabilities	(1)	57	58
<b>Cash flows available from operating activities</b>	<b>12,078</b>	<b>5,938</b>	<b>(6,140)</b>

### 11.1.2 Investing activities (\$0.619 million decrease)

The shift in investing activities is due to the changes in the level of capital expenditure from one year to the next after taking into account works in progress at the beginning of the year and end.

### 11.1.3 Financing activities (\$0.084 million decrease)

For 2017/2018 the total of principal repayments is \$0.095 million and finance charges is \$0.047 million.

### 11.1.4 Cash and cash equivalents at end of the year (\$2.233 million decrease)

Overall, total cash and investments is forecast to decrease by \$2.233 million to \$4.168 million as at 30 June 2018. This reflects the advance payment by the Victorian Grants Commission. 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 \$4.168million, which has been restricted as shown in the following table.

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>6,401</b>	<b>4,168</b>	<b>(2,233)</b>
Restricted cash and investments				
- Statutory reserves	11.2.1	(1)	(1)	-
- Cash held to fund carry forward capital works	11.2.2	(410)	(710)	(300)
- Trust funds and deposits		-	-	-
<b>Unrestricted cash and investments</b>	11.2.3	<b>5,990</b>	<b>3,457</b>	<b>(2,533)</b>
- Discretionary reserves	11.2.4	(8)	(4)	4
<b>Unrestricted cash adjusted for discretionary reserves</b>	11.2.5	<b>5,982</b>	<b>3,453</b>	<b>(2,529)</b>

### **11.2.1 Statutory reserves**

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.

### **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 \$0.710 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 (\$4.417 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 (\$0.004 million)**

These funds are shown as discretionary reserves 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.

### **11.2.5 Unrestricted cash adjusted for discretionary reserves (\$3.453 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.

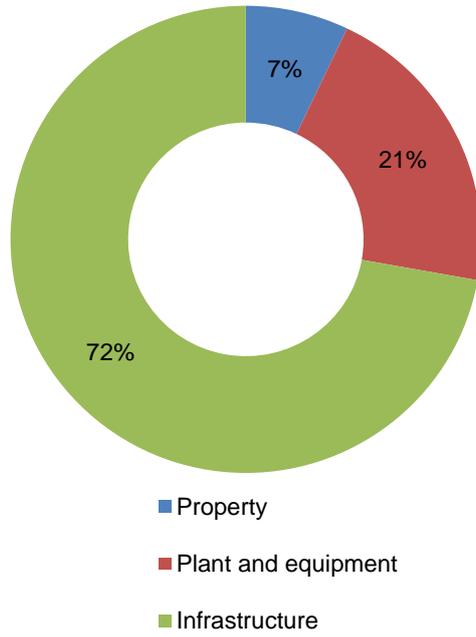
## 12. Analysis of capital budget

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.

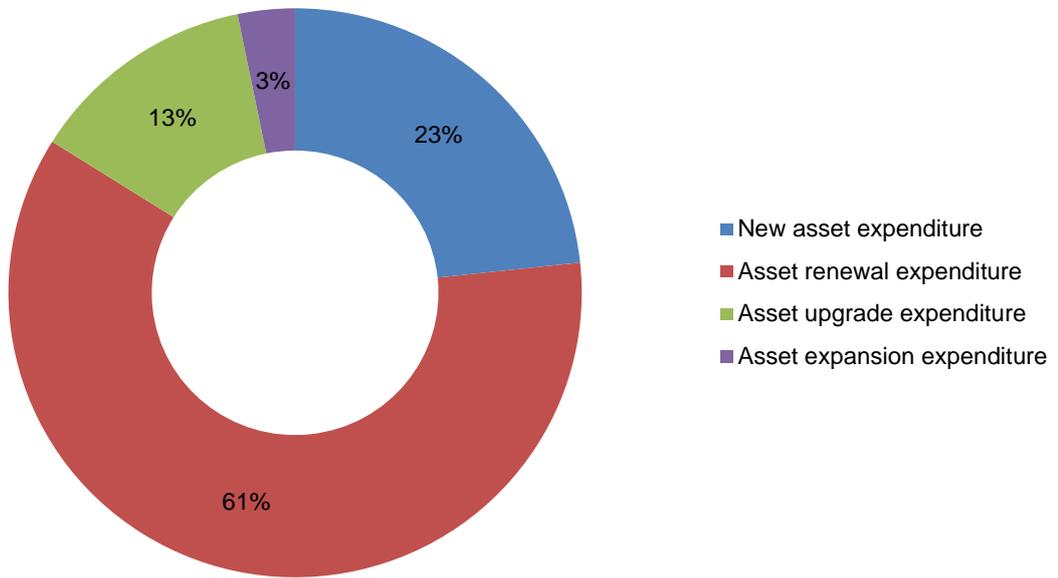
### 12.1 Capital works

Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
<b>Works carried forward</b>	12.1.1			
<b>Plant and equipment</b>				
Computers and telecommunications		270	50	(220)
Plant, machinery and equipment		-	300	300
<b>Total plant and equipment</b>		<b>270</b>	<b>350</b>	<b>80</b>
<b>Infrastructure</b>				
Drainage		80	-	(80)
Recreational, leisure and community		280	10	(270)
Parks, open space and streetscapes		70	350	280
<b>Total infrastructure</b>		<b>430</b>	<b>360</b>	<b>(70)</b>
<b>Total works carried forward</b>	12.1.1	<b>700</b>	<b>710</b>	<b>10</b>
<b>New works</b>				
<b>Property</b>				
Land improvements		15	321	306
<b>Total land</b>		<b>15</b>	<b>321</b>	<b>306</b>
Building improvements		214	375	161
<b>Total buildings</b>		<b>214</b>	<b>375</b>	<b>161</b>
<b>Total property</b>	12.1.2	<b>229</b>	<b>696</b>	<b>467</b>
<b>Plant and equipment</b>				
Plant, machinery and equipment		683	1,325	642
Fixtures, fittings and furniture		4	-	(4)
Computers and telecommunications		180	270	90
Library books		103	93	(10)
<b>Total plant and equipment</b>	12.1.3	<b>970</b>	<b>1,688</b>	<b>718</b>
<b>Infrastructure</b>				
Roads		2,822	3,193	371
Bridges		1,672	-	(1,672)
Footpaths and cycleways		203	327	124
Drainage		120	590	470
Recreational, leisure and community		1,745	1,601	(144)
Waste management		378	312	(66)
Parks, open space and streetscapes		375	292	(83)
Aerodromes		7	-	(7)
Other infrastructure		-	425	425
<b>Total infrastructure</b>	12.1.4	<b>7,322</b>	<b>6,740</b>	<b>(582)</b>
<b>Total new works</b>		<b>8,521</b>	<b>9,124</b>	<b>603</b>
<b>Total capital works expenditure</b>		<b>9,221</b>	<b>9,834</b>	<b>613</b>
<b>Represented by:</b>				
New asset expenditure	12.1.5	1,341	2,292	951
Asset renewal expenditure	12.1.5	6,197	5,960	(237)
Asset upgrade expenditure	12.1.5	169	1,265	1,096
Asset expansion expenditure	12.1.5	1,514	317	(1,197)
<b>Total capital works expenditure</b>		<b>9,221</b>	<b>9,834</b>	<b>613</b>

**Budgeted capital works 2017/2018**



**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 (\$0.710 million)**

At the end of each financial year there are likely to be projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016/2017 year it is forecast that \$0.710 million of capital works will be incomplete and be carried forward into the 2017/2018 year. The significant project is the Kerang CBD streetscape (\$0.360 million) and heavy plant purchase (\$0.300 million).

### **12.1.2 Property (\$0.696 million)**

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

For the 2017/2018 year, \$0.696 million will be expended on building and building improvement projects. The more significant projects include Bendigo Road irrigation (\$0.110 million), Leitchville preschool upgrade (\$0.195 million), bulk solar installations (\$0.120 million) and Southern levee land acquisition (\$0.080 million).

### **12.1.3 Plant and equipment (\$1.325 million)**

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

For the 2017/2018 year, \$1.325 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the light plant (\$0.430 million), heavy plant (\$0.895 million), library material purchases (\$0.093 million) and information technology equipment (\$0.220 million).

### **12.1.4 Infrastructure (\$6.740 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, \$3.193 million will be expended on road projects. The more significant projects include bitumen road reseals (\$0.835 million), federally funded Roads to Recovery projects (\$2.010 million), road management (\$0.200 million), local roads to market (\$0.125 million), and fire access roads (\$0.023 million).

\$0.590 million will be expended on drainage projects. The most significant of these being the Quambatook township flood mitigation project (\$0.500million).

\$0.327 million will be expended on footpaths, kerb and channel, \$1.151 million on recreational, leisure and community facilities including the Koondrook Nature Based Tourism Hub (\$1.200 million), \$0.312 million on waste management including capping the old Kerang landfill site (\$0.120 million) and completing the construction of Cell 3 at Denyers landfill (\$0.120 million).

\$0.350 million at the Koondrook Caravan Park as part of stage 2 and \$0.180 million at Apex Park Cohuna on the amenities block.

### 12.1.5 Asset renewal (\$5.960 million), new assets (\$2.292 million), upgrade (\$1.265 million) and expansion (\$0.317 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.

Capital projects may include expenditure across more than one expenditure type. The works to be undertaken as part of Stage 2 of the Koondrook Caravan Park includes \$0.070 million new, \$0.210 million renewal and \$0.070 million upgrade. For a detailed split of the various asset expenditure types for each project refer Section 6. Capital Works Program.

## 12.2 Funding sources

Sources of funding	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<b>Works carried forward</b>				
<i>Current year funding</i>				
Grants		-	107	107
Council reserve cash and investments		700	603	(97)
<b>Total works carried forward</b>	12.2.1	<b>700</b>	<b>710</b>	<b>10</b>
<b>New works</b>				
<i>Current year funding</i>				
Grants	12.2.2	4,705	3,188	(1,517)
Council reserve cash and investments	12.2.3	3,816	5,936	2,120
<b>Total new works</b>		<b>8,521</b>	<b>9,124</b>	<b>603</b>
<b>Total funding sources</b>		<b>9,221</b>	<b>9,834</b>	<b>613</b>

### 12.2.1 Carried forward works (\$0.710 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016/2017 year it is forecast that \$0.710 million of capital works will be incomplete and be carried forward into the 2017/2018 year.

### 12.2.2 New Works Grants - Capital (\$3.188 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 Koondrook Nature Based Tourism Hub (\$0.600 million), Roads to Recovery projects (\$1.910 million), Quambatook township flood mitigation (\$0.250 million) and Leitchville pre-school upgrade (\$0.146 million).

### 12.2.3 New Works Council cash - operations (\$5.936 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$5.936 million will be generated from operations to fund the 2017/2018 capital works program.

## 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		6,401	4,168	(2,233)
Trade and other receivables		1,208	1,150	(58)
Financial assets		3,165	3,211	46
Other assets		1,301	1,160	(141)
<b>Total current assets</b>		<b>12,075</b>	<b>9,689</b>	<b>(2,386)</b>
<b>Non-current assets</b>	13.1.1			
Trade and other receivables		-	-	-
Property, infrastructure, plant and equipment		188,354	191,206	2,852
<b>Total non-current assets</b>		<b>188,354</b>	<b>191,206</b>	<b>2,852</b>
<b>Total assets</b>		<b>200,429</b>	<b>200,895</b>	<b>466</b>
<b>Current liabilities</b>	13.1.2			
Trade and other payables		1,047	1,096	(49)
Trust funds and deposits		154	139	15
Provisions		2,321	2,367	(46)
Interest-bearing loans and borrowings		95	101	(6)
<b>Total current liabilities</b>		<b>3,617</b>	<b>3,703</b>	<b>(86)</b>
<b>Non-current liabilities</b>	13.1.2			
Provisions		1,282	1,281	1
Interest-bearing loans and borrowings		666	565	101
<b>Total non-current liabilities</b>		<b>1,948</b>	<b>1,846</b>	<b>102</b>
<b>Total liabilities</b>		<b>5,565</b>	<b>5,549</b>	<b>16</b>
<b>Net assets</b>		<b>194,864</b>	<b>195,346</b>	<b>482</b>
<b>Equity</b>	13.1.4			
Accumulated surplus		77,439	77,921	482
Reserves		117,425	117,425	-
<b>Total equity</b>		<b>194,864</b>	<b>195,346</b>	<b>482</b>

Source: Section 3

#### 13.1.1 Current Assets (\$2.386 million decrease) and Non-Current Assets (\$2.852 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 \$2.233 million 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.

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, equipment, etc which has been built up by Council over many years. The \$2.852 million increase in this balance is attributable to the net result of the capital works program, depreciation and written down value of assets sold.

### 13.1.2 Current Liabilities (\$0.086 million increase) and Non Current Liabilities (\$0.102 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 and annual leave 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 \$0.095 million over the year.

### 13.1.3 Working Capital (\$2.472 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 2017 \$'000	Budget 2018 \$'000	Variance \$'000
<b>Current assets</b>	12,075	9,689	2,386
<b>Current liabilities</b>	3,617	3,703	(86)
<b>Working capital</b>	8,458	5,986	2,472
Restricted cash and investment current assets			
- Statutory reserves	(1)	(1)	-
- Cash used to fund carry forward capital works	(7)	-	(7)
- Trust funds and deposits	-	-	-
<b>Unrestricted working capital</b>	<b>8,450</b>	<b>5,985</b>	<b>2,465</b>

In addition to the restricted cash shown above, Council is also projected to hold \$3.211 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 (\$0.482 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. \$0.482 million of the \$77.921 million in accumulated surplus results directly from the surplus for the year.

#### **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
- Proceeds from the sale of property in 2016/17 of \$1.24 million will be received in full in the 2017/18 year
  
- Employee entitlements to be increased by the Collective Agreement outcome offset by the impact of more active management of leave entitlements of staff
- Repayment of loan principal to be \$0.095 million
- Total capital expenditure to be \$9.834 million

## 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 proposed 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
- Achieve an underlying surplus
- Maintain a capital expenditure program of at least \$8 million per annum
- Achieve a balanced budget on a cash basis.

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
- Provide full, accurate and timely disclosure of financial information.

### 14.2 Financial resources

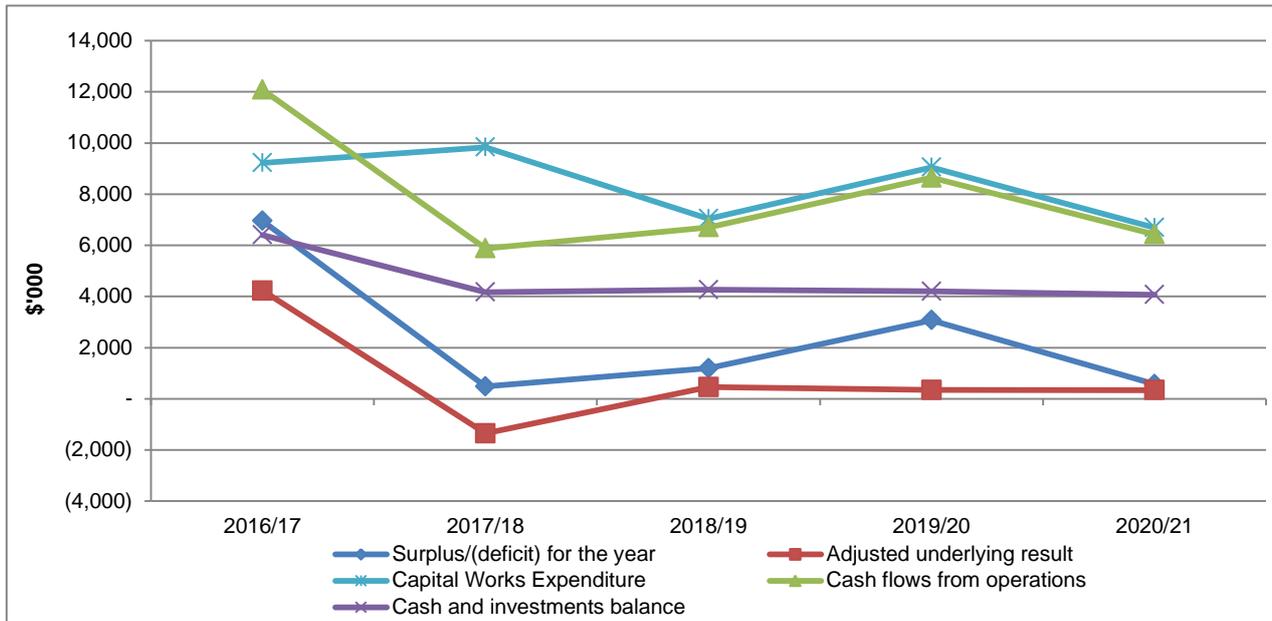
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/2018 to 2020/2021. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

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	6,952	482	1,193	3,069	570	-
Adjusted underlying result	4,225	(1,355)	457	344	340	+
Cash and investments balance	6,401	4,168	4,261	4,199	4,066	o
Cash flows from operations	12,082	5,881	6,703	8,641	6,427	-
Capital works expenditure	9,221	9,834	7,039	9,050	6,691	-

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 remain fairly steady over the four year period from \$4.168 million to \$4.066million, which indicates a balanced budget on a cash basis in each year
- **Rating levels (Section 15)** – Rate increases are forecast over the four years at an average of 2.0% per annum in line with the Fair Go Rates System.
- **Service delivery strategy (section 16)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast in years 2017/2018 and 2018/2019 as a result of significant capital grant revenue being received to fund the annual capital works program. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a deficit for the budget year but returning to a surplus in subsequent years. 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 \$0.666 million to \$0.340 million over the four year period.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$31.864 million at an average of \$7.966 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 41.3% 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 Gannawarra 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 %	Garbage Charge Increase %	Recycling Charge Increase %	Total Rates Raised \$'000
2016/17	2.67	0.00	3.81	4.00	11,916
2017/18	2.10	0.00	2.00	1.90	12,183
2018/19	2.10	0.00	2.00	2.00	12,427
2019/20	2.10	0.00	2.00	2.00	12,675
2020/21	2.10	0.00	2.00	2.00	12,929

### 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
- 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.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential or commercial purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates taking into account the benefits those commercial properties derive from the local community.

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, but Council does review its rating structure every four years.

The existing rating structure comprises four differential rates, residential, and commercial/industrial, farm irrigation district and farm dryland as well as a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to levy the rate for recreational lands at "such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands". The commercial/industrial rate is set at 105.40% of the residential rate and the rate concession for recreational land is set at 50% of the residential rate. The farm irrigation district rate is set at 99.00% of the residential rate and the farm dryland rate is set at 81.62% of the residential 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	0.006356	0.006482	5,315,000	1.5%
Commercial/Industrial rates	Cents/\$ CIV	0.006702	0.006834	834,000	0.4%
Farm irrigation district properties	Cents/\$ CIV	0.006363	0.006417	2,456,000	1.4%
Farm dryland properties	Cents/\$ CIV	0.00501	0.005290	1,158,000	7.6%
Cultural and recreation properties	Cents/\$ CIV	0.003178	0.003241	12,000	1.5%
Municipal charge	\$/ property	\$100	\$100	631,000	0.0%
Kerbside collection charge	\$/ property	\$327	\$334	1,738,000	2.0%
Greenwaste charge	\$/ property	\$52	\$53	39,000	2.0%

### Proposed Future Rate Strategy

Council is committed to maintaining a differential rating structure over its four (4) year term. It has been proposed that by the end of this Council's term there will be a Farm Irrigation District differential of 96% and a Farm Dryland differential of 90%.

The move to a 90% differential over the next four (4) years for Farm Dryland will have an impact on dryland property rates, which currently has a 20% lower rate in the dollar compared to farm irrigation district land. The move to a 96% differential over the next four (4) years for Farm Irrigation District will have a positive impact on irrigation district property rates, which currently pay a rate equivalent to the General Rate. The proposed 2017/18 Budget, being the first year of this transition, will result in the proposed rate increases across the current differential categories:

<b>Rate Category</b>	<b>Cents/\$CIV</b>	<b>Municipal Charge</b>	<b>Average Rate Increase</b>
Residential	0.006482	No Change	1.81%
Commercial/industrial	0.006834	No Change	1.85%
Farm Irrigation District	0.006417	No Change	0.81%
Farm Dryland	0.00529	No Change	5.49%

**Valuations:** Council is required to revalue all properties within the Shire every two years. The revaluation was undertaken as at 1 January 2016 and applies for the 2016/17 and 2017/18 rating years.

### **Waste Management Charges**

Waste management charges are based on achieving full cost recovery to ensure this service is sustainable for the long term. The proposed annual charges for 2017/18 are set to an overall increase of 2% as follows:

- 120Litre Bin \$334
- 240Litre Bin \$480
- Green Waste Bin \$53

## 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 an important funding source for capital works programs. In the past, Council had borrowed to finance large infrastructure projects in recent years no new borrowings have been undertaken leading to a phase of debt reduction. 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 robust capital works programs. With Council reserves reducing it may become necessary to reconsider the issue of borrowings in the future.

The SRP includes the results of an analysis of Council's debt position against both State averages and large Council averages over a number of different indicators. It also shows the results of the 'obligations' indicators that are part of the prescribed financial reporting indicators. The outcome of the analysis highlighted that a debt of \$8.00 million could be comfortably accommodated.

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 \$0.095 million, will reduce its total borrowings to \$0.666 million as at 30 June 2018. However, it is possible that in future years, borrowings will be required to fund future infrastructure initiatives. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

Year	New Borrowing \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	-	170	56	761
2017/18	-	95	47	666
2018/19	-	102	40	564
2019/20	-	108	33	456
2020/21	-	116	26	340

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

	2016/2017 \$'000	2017/2018 \$'000
Total amount borrowed as at 30 June of the prior year	931	761
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(170)	(95)
Total amount of borrowings as at 30 June	761	666

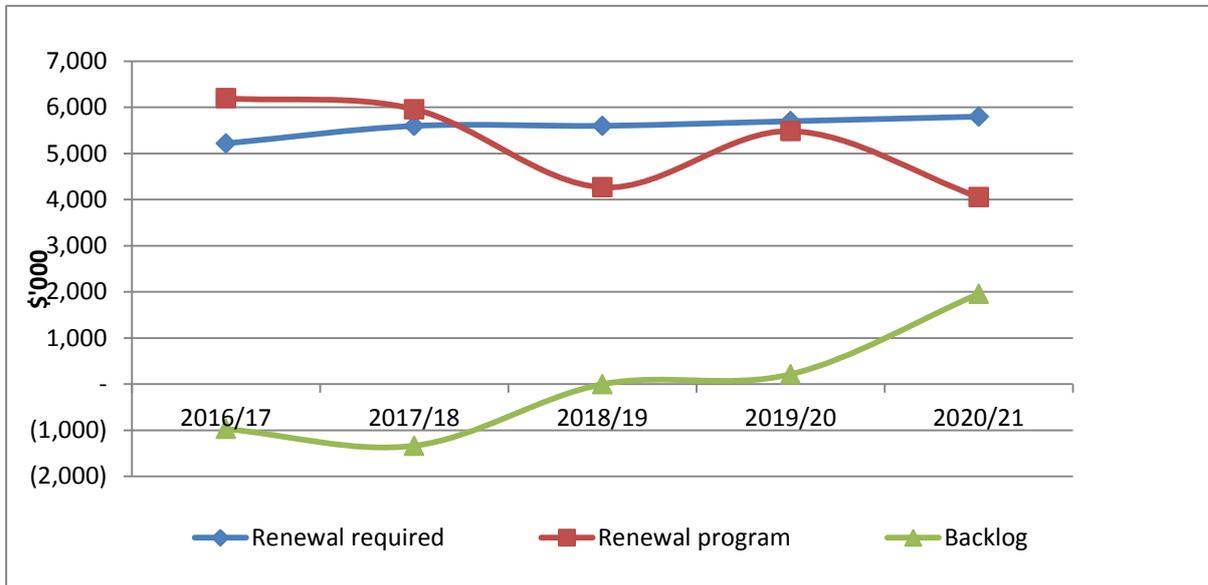
### 16.2 Infrastructure

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
- 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 further consideration will be necessary to minimise the gap in future years. 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 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.

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

Summary of funding sources					
Year	Total Capital \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2016/17	9,221	4,705	-	4,516	-
2017/18	9,834	3,294	-	6,540	-
2018/19	7,039	1,469	-	5,570	-
2019/20	9,051	3,458	-	5,593	-
2020/21	6,691	963	-	5,728	-

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has a low level of 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 the funding body. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

#### 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 \$44 per tonne since 2009/10, the fee will rise a further \$1.00 per m<sup>3</sup> (3.7%) in 2017/18. The pricing structure currently in place for Transfer Station users will be adjusted to absorb all future cost increases.

#### 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 \$0.150 million has been made 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	6,952	4,225	17
2017/18	482	(1,355)	18
2018/19	1,193	457	21
2019/20	3,069	344	21
2020/21	570	340	21

## **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.

# GANNAWARRA SHIRE COUNCIL

CHARGES 2017-18 effective 1 July 2017

Statutory/  
Discretionary    Incl. GST    2017/2018

## ENVIRONMENTAL HEALTH SERVICES

### FOOD ACT REGISTRATION FEES

Class 1 Food Premises - Requiring External Food Safety Audits		Discretionary	No	\$	331.00
Class 2 Food Premises - Requiring Council Food Safety Audits (5 of less employed (including proprietor and his/her family)		Discretionary	No	\$	307.00
Class 2A Temporary Premises (Markets, Shows, Field Days, Exhibitions and like events)		Discretionary	No	\$	87.00
Class 3 Food Premises Inc. Food Vehicles - 5 or less employed		Discretionary	No	\$	185.00
Class 3A Temporary Premises (Markets, Shows, Field Days, Exhibitions and like events)		Discretionary	No	\$	47.00
More than 5 employed, an additional fee per employee		Discretionary	No	\$	37.00
Maximum Fee		Discretionary	No	\$	3,050.00
School Canteens (operated by voluntary organisation)		Discretionary	No	\$	185.00
Community Groups		Discretionary	No	\$	-
Food premises where the only food sold is sealed in unopened packages		Discretionary	No	\$	185.00
Food Act – Transfer of Registration ( % of annual fee)		Discretionary	No	\$	217.00
Food Act - Registration of new Premise or Vehicle (establishment fee additional to registration fee) –( % of annual fee)		Discretionary	No	\$	217.00
Statutory Food Samples		Discretionary	No	\$	-
Non-compliant food samples	Per Re-Test	Discretionary	No	\$	210.00
Annual statutory inspection plus statutory on up follow-up inspection		Discretionary	No	\$	-
Inspection Fee for non-compliant food premises	Per Inspection	Discretionary	No	\$	210.00
Requested inspection and Report		Discretionary	No	\$	210.00

### PUBLIC HEALTH AND WELLBEING ACT: REGISTRATION FEES

#### Public Health and Wellbeing Act: Premises

Prescribed Accommodation premises – per year		Discretionary	No	\$	272.00
Health Act – Transfer of Registration (pro-rata % of annual fee)		Discretionary	No	\$	207.00
Health Act – Registration of new Premise or Vehicle ( pro-rata % of annual fee)		Discretionary	No	\$	207.00
Health premises - low risk activities - hair and beauty therapy or beauty therapy only (per operator )		Discretionary	No	\$	88.00
Health premises - hairdressing only - one off fee (per operator)		Discretionary	No	\$	88.00
Health premises - low risk activities - maximum fee		Discretionary	No	\$	272.00
Health premises - high risk activities - skin penetration, tattooing, ear piercing, electrolysis		Discretionary	No	\$	272.00
Inspection fee - non-compliant health premises		Discretionary	No	\$	210.00
Requested inspection and report		Discretionary	No	\$	210.00
Swimming pools - includes annual requirement for inspection and microbiological analysis		Discretionary	No		

#### Public Health Requests

Water analysis - portable and non-portable (Including rainwater tanks)		Discretionary	No	\$	210.00
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### ENVIRONMENT PROTECTION ACT REGISTRATION FEES

#### Septic Tank Fees

Application to install or alter a septic tank system		Discretionary	No	\$	310.00
Minor alteration to existing system		Discretionary	No	\$	210.00
Amend or reissue permit		Discretionary	No	\$	55.00
Extension of permit (12 Months)		Discretionary	No	\$	55.00

### IMMUNISATIONS

# GANNAWARRA SHIRE COUNCIL

CHARGES 2017-18 effective 1 July 2017

Statutory/  
Discretionary    Incl. GST    2017/2018

Influenza Vaccine		Discretionary	No	\$	25.00
Hepatitis B - Adult		Discretionary	No	\$	24.00
Hepatitis B - Paediatric		Discretionary	No	\$	13.00
Hepatitis A - Adult		Discretionary	No	\$	70.00
Hepatitis A - Paediatric		Discretionary	No	\$	49.00
Twinrix (Hepatitis A & B) - Adult		Discretionary	No	\$	85.00
Twinrix (Hepatitis A & B) - Paediatric		Discretionary	No	\$	54.00
Boostrix		Discretionary	No	\$	45.00
Chicken Pox		Discretionary	No	\$	63.00
Pneumococcal		Discretionary	No	\$	50.00
Gardasil		Discretionary	No	\$	155.00
I Pol		Discretionary	No	\$	48.00

## COMMUNITY SERVICES

### Community Care Services (Rates per hour – maximum set by Government)

Home Care Level 1 - Full Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	10.15
Home Care Level 2 - Part Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	15.20
Home Care Level 3 - Self Funded Retiree	Income Assessed: Refer to CHSP	Discretionary	No	\$	32.85
Personal Care Level 1 - Full Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	10.15
Personal Care Level 2 - Part Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	16.15
Personal Care Level 3 - Self Funded Retiree	Income Assessed: Refer to CHSP	Discretionary	No	\$	38.75
Respite Care Level 1 - Full Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	11.15
Respite Care Level 2 - Part Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	16.15
Respite Care Level 3 - Self Funded Retiree	Income Assessed: Refer to CHSP	Discretionary	No	\$	38.75
Respite Program	Fee is activity related	Discretionary	No		\$5.50 - \$26.60
Property Maintenance Level 1 - Full Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	12.15
Property Maintenance Level 2 - Part Pensioner	Income Assessed: Refer to CHSP	Discretionary	No	\$	17.75
Property Maintenance Level 3 - Self Funded Retiree	Income Assessed: Refer to CHSP	Discretionary	No	\$	49.45

### Food Services (Per meal)

Meals on Wheels – 3 Courses	Includes Frozen meals	Discretionary	No	\$	11.15
Meals on Wheels – 2 Courses	Includes Frozen meals	Discretionary	No	\$	10.15
Meals on Wheels – 1 Courses	Includes Frozen meals	Discretionary	No	\$	9.10
Social Meal 3 Courses		Discretionary	No	\$	11.15
Social Meal 2 Courses		Discretionary	No	\$	10.15
Social Meal Sandwiches		Discretionary	No	\$	4.05

### Brokered Services (Rates per hour)

Assessment / Case Management		Discretionary	Yes	\$	95.50
Home Care 1	Mon – Fri Hrs: 7.30am – 7.30pm (after hrs personal care rates apply)	Discretionary	Yes	\$	45.90
Personal Care 1	Mon – Fri Hrs: 7.30am – 7.30pm	Discretionary	Yes	\$	49.65
Personal Care 2	Mon – Fri Hrs: 7.30pm – 9.30pm (inc Sat 7.30am to 12pm)	Discretionary	Yes	\$	74.50
Personal Care 3	Mon – Fri Hrs: 9.30pm – 7.30am (Sat 12pm to Mon 7.30am)	Discretionary	Yes	\$	99.25

# GANNAWARRA SHIRE COUNCIL

CHARGES 2017-18 effective 1 July 2017

Statutory/  
Discretionary    Incl. GST    2017/2018

Respite Care 1	Mon – Fri Hrs: 7.30am – 7.30pm	Discretionary	Yes	\$	49.65
Respite Care 2	Mon – Fri Hrs: 7.30pm – 9.30pm (inc Sat 7.30am to 12pm)	Discretionary	Yes	\$	74.50
Respite Care 3	Mon – Fri Hrs: 9.30pm – 7.30am (Sat 12pm to Mon 7.30am)	Discretionary	Yes	\$	99.25
Property Maintenance		Discretionary	Yes	\$	64.65
Meals on Wheels – 3 Courses	Includes Frozen meals	Discretionary	Yes	\$	12.50
Meals on Wheels – 2 Courses	Includes Frozen meals	Discretionary	Yes	\$	11.00
Meals on Wheels - 1 Course		Discretionary	Yes	\$	9.90
Meals on Wheels - Sandwich		Discretionary	Yes	\$	4.55
Travel Expense	per kilometre	Discretionary	Yes	\$	1.43

**Gannawarra Non Emergency Transport Service Client Contributions** (All one way transport bookings calculated as "return" services)

**Transport Contributions**

Minimum Charge		Discretionary	Yes	\$	40.00
Transport under 100km from place of residence	per kilometre	Discretionary	Yes	\$	0.22
Transport over 100km from place of residence	per kilometre	Discretionary	Yes	\$	0.25
Business Client Charges	per kilometre	Discretionary	Yes	\$	0.75

**CHILDREN SERVICES**

**Long Day Care (2016 Calendar Year)**

Weekly - 1 July to 31 December 2017	8.00am to 6.00pm per day	Discretionary	No	\$	386.90
Weekly - 1 January to 30 June 2017	8.00am to 6.00pm per day	Discretionary	No		
Full Day (per day) - 1 July to 31 December 2017	8.00am to 6.00pm	Discretionary	No	\$	84.95
Full Day (per day) - 1 January to 30 June 2017	8.00am to 6.00pm	Discretionary	No		
Half Day (per session) - 1 July to 31 December 2017	8.00am to 1.00pm or 1.00pm to 6.00pm	Discretionary	No	\$	50.00
Half Day (per session) - 1 January to 30 June 2017	8.00am to 1.00pm or 1.00pm to 6.00pm	Discretionary	No		
Casual (per hour) - 1 July to 31 December 2017	Minimum 2 Hours	Discretionary	No	\$	12.10
Casual (per hour) - 1 January to 30 June 2017	Minimum 2 Hours	Discretionary	No		

**Kindergarten Fees - Kerang (2016 Calendar Year)**

4 year old kindergarten - 1 July to 31 December 2017	Per week	Discretionary	No	\$	39.85
4 year old kindergarten - 1 January to 30 June 2017	Per week	Discretionary	No		

**Cohuna, Koondrook and Leitchville (2016 Calendar Year)**

4 year old kindergarten - 1 July to 31 December 2017	Per year	Discretionary	No	\$	879.85
4 year old kindergarten - 1 January to 30 June 2017	Per year	Discretionary	No		
3 year old kindergarten - 2.5 hours week	Per year	Discretionary	No	\$	542.80
3 year old kindergarten - 3 hours week - 1 July to 31 December 2017	Per year	Discretionary	No	\$	637.50
3 year old kindergarten - 3 hours week - 1 January to 30 June 2017	Per year	Discretionary	No		

**Family Day Care**

Parent Administration Levy	Per child per week	Discretionary	No	\$	5.20
Carer Support Levy	Pro rata per week	Discretionary	No	\$	5.00
Standard fee	8.00am to 6.00pm (range between)	Discretionary	No		\$5.50 - \$10.00
Standard fee	Non-Core hours (range between)	Discretionary	No		\$6.75 - \$13.25
After School Care	8.00am to 6.00pm (range between)	Discretionary	No		\$5.50 - \$13.25

# GANNAWARRA SHIRE COUNCIL

CHARGES 2017-18 effective 1 July 2017

Statutory/  
Discretionary    Incl. GST    2017/2018

After School Care	Non-Core hours (range between)	Discretionary	No	\$	\$6.75 - \$13.25
Before School Care	8.00am to 6.00pm (range between)	Discretionary	No		\$6.50 - \$9.50
Before School Care	Non-Core hours (range between)	Discretionary	No		\$6.75 - \$13.25
Public Holiday	8.00am to 6.00pm (range between)	Discretionary	No		\$8.00 - \$19.00
Public Holiday	Non-Core hours (range between)	Discretionary	No		\$8.00 - \$19.00

**Outside School Care Cohuna**

Standard fee - 1 July to 31 December 2016	3.15pm - 5.30pm Per Session	Discretionary	No	\$	26.00
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**Toy Library Fees**

Annual Standard Membership		Discretionary	Yes	\$	15.00
Annual Group Membership		Discretionary	Yes	\$	35.00

**LIBRARY**

Overdue Items	Per item per day - Adult	Discretionary	Yes	\$	0.60
	Per item per day - Child		Yes		
Replacement Books		Discretionary	Yes		Cost
Replace Cards		Discretionary	Yes	\$	2.00
Library Bags		Discretionary	Yes	\$	3.50
Photocopies/Print outs	A4/A3 One Side	Discretionary	Yes	\$	0.50
	A4/A3 Double Side	Discretionary	Yes	\$	0.80
Photocopies – own paper	Per Side	Discretionary	Yes	\$	0.30
Photocopies/Printouts Colour	Per Side	Discretionary	Yes	\$	1.00
Faxing – Sending	Per Page	Discretionary	Yes	\$	1.00
Faxing –Receiving	Per Page	Discretionary	Yes	\$	0.50
Laminating		Discretionary	Yes	\$	1.00
Old Books (depending on condition)		Discretionary	Yes		\$0.20 - \$2.00

**Sir John Gorton Library Meeting Room**

Commercial/Casual Hirers (Charges capped at 5 Hours)	Per hour	Discretionary	Yes	\$	20.00
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**PLANNING FEES AND CHARGES**

**Statutory Planning Fees**

Use of Land Planning Permit		Statutory	No	\$	1,240.70
Dwelling Planning Permit < \$10,000		Statutory	No	\$	188.20
Dwelling Planning Permit > \$10,001 - \$100,000		Statutory	No	\$	592.50
Dwelling Planning Permit > \$100,001 - \$500,000		Statutory	No	\$	1,212.80
Dwelling Planning Permit > \$500,001 - \$1,000,000		Statutory	No	\$	1,310.40
Dwelling Planning Permit > \$1,000,001 - \$2,000,000		Statutory	No	\$	1,407.90
VicSmart Application < \$10,000		Statutory	No	\$	188.20
VicSmart Application > \$10,001		Statutory	No	\$	404.30
VicSmart Application to subdivide land		Statutory	No	\$	188.20
Development of Land < \$100,000		Statutory	No	\$	1,080.40
Development of Land > \$100,001 - \$1,000,000		Statutory	No	\$	1,456.70
Development of Land > \$1,000,001 - \$5,000,000		Statutory	No	\$	3,213.20

# GANNAWARRA SHIRE COUNCIL

CHARGES 2017-18 effective 1 July 2017

		Statutory/ Discretionary	Incl. GST	2017/2018
Development of Land > \$5,000,001 - \$15,000,000		Statutory	No	\$ 8,189.80
Development of Land > \$15,000,001 - \$50,000,000		Statutory	No	\$ 24,151.10
Development of Land > \$50,000,001		Statutory	No	\$ 54,282.40
To Subdivide existing Building		Statutory	No	\$ 1,240.70
To Subdivide Land into 2 lots		Statutory	No	\$ 1,240.70
Boundary Realignment		Statutory	No	\$ 1,240.70
To Subdivide Land		Statutory	No	\$ 1,240.70
Remove restriction, create, vary or remove a restriction or create, vary or remove an easement		Statutory	No	\$ 1,240.70
<b>Strategic Planning Fees</b>				
Amendment to a planning Scheme		Statutory	No	\$ 2,871.60
Considering Submissions and referral to Planning Panel (up to 10 submissions)		Statutory	No	\$ 14,232.70
Considering Submissions and referral to Planning Panel (11 to 20 submissions)		Statutory	No	\$ 28,437.60
Considering Submissions and referral to Planning Panel (> 20 submissions)		Statutory	No	\$ 38,014.40
Adopting an Amendment		Statutory	No	\$ 453.10
Approval of an Amendment		Statutory	No	\$ 453.10
<b>Planning Certificates</b>				
Certificate of Compliance		Statutory	No	\$ 147.00
Planning Certificates		Statutory	No	\$ 18.20
Satisfaction Certificate		Statutory	No	\$ 102.00
<b>Subdivision Fees</b>				
Application Fee		Statutory	No	\$ 100.00
Per lot		Statutory	No	\$ 20.00
Plan Examination Fee		Discretionary	No	0.75% value of works
Supervision Fee		Discretionary	No	2.5% value of works
<b>BUILDING FEES AND CHARGES</b>				
<b>Domestic</b>				
Extensions/Alterations	Up to \$4,999	Discretionary	Yes	\$ 480.00
New Dwellings or works	\$5,000 to \$19,999	Discretionary	Yes	\$ 540.00
New Dwellings or works	\$20,000 to \$49,999	Discretionary	Yes	\$ 600.00
New Dwellings or works	\$50,000 to \$99,999	Discretionary	Yes	\$ 659.00
New Dwellings or works	\$100,000 to \$149,999	Discretionary	Yes	\$ 906.00
New Dwellings or works	\$150,000 to \$199,999	Discretionary	Yes	\$ 959.00
New Dwellings or works	\$200,000 to \$249,999	Discretionary	Yes	\$ 1,019.00
New Dwellings or works	\$250,000 to \$299,999	Discretionary	Yes	\$ 1,079.00
New Dwellings or works	\$300,000 to \$349,999	Discretionary	Yes	\$ 1,139.00
New Dwellings or works	\$350,000 to \$399,999	Discretionary	Yes	\$ 1,199.00
New Dwellings or works	\$400,000 to \$449,999	Discretionary	Yes	\$ 1,259.00
New Dwellings or works	Above \$450,000	Discretionary	Yes	Cost / 550.01
Multi unit developments	Up to 4 units	Discretionary	Yes	\$ 1,439.00
Lodgement Fee	Applies for works over a value of \$5,000	Statutory	Yes	\$ 37.00

# GANNAWARRA SHIRE COUNCIL

CHARGES 2017-18 effective 1 July 2017

Statutory/  
Discretionary

Incl. GST

2017/2018

Building Levy	Applies to cost of works over a value of \$10,000	Statutory	No	0.128%
<b>Commercial Building Works</b>				
Contract amount	Up to \$30,000	Discretionary	Yes	\$ 500.00
Contract amount	\$30,000 - \$100,000	Discretionary	Yes	\$ value x 1.25% + \$125.01
Contract amount	\$100,000 - \$500,000	Discretionary	Yes	\$ value x 0.3% + \$1,074
Contract amount	\$500,000 - \$2,000,000	Discretionary	Yes	\$ value x 0.16% + \$1,775.01
Contract amount	Over \$2,000,000	Discretionary	Yes	\$ value x 0.2% + \$975.01
Submissions for modifications to building regulations		Discretionary	Yes	\$ 149.00
Special performance based assessments		Discretionary	Yes	\$115.00 per hour / 150.00 min
<b>Minor Building Works</b>				
Garages, Carports/Sheds		Discretionary	Yes	\$300 + \$1.00 per sq metre charge on floor space + GST
Swimming Pools		Discretionary	Yes	\$ 462.00
Dwelling Reblock / restumping		Discretionary	Yes	\$ 500.00
Dwelling Reclads		Discretionary	Yes	\$ 220.00
Miscellaneous Building permit fee		Discretionary	Yes	\$ 220.00
Swimming Pool Barriers		Discretionary	Yes	\$ 220.00
Sitting of places of public entertainment		Discretionary	Yes	\$ 300.00
Variation to approved plans		Discretionary	Yes	\$ 132.00
Renew expired building permit		Discretionary	Yes	\$ 132.00
Extensions		Discretionary	Yes	\$ 132.00
Variations	Application for report and consent	Statutory	No	\$ 250.00
Bond can be in form of Bank Guarantee (Bond can be refunded up to 40% or \$2,000 on satisfactory completion of exterior).		Statutory	No	< sum equal to cost of works or \$5,001
<b>House Relocation</b>				
Inspection and report fee prior to relocation		Discretionary	Yes	\$ 300.00
<b>Demolition Permit</b>				
Single story Class 1 Building more than 6.0m from the street alignment		Discretionary	Yes	\$ 360.00
Single storey Class 1 Building more than 6.0m from street alignment, and is more than 6.0m high		Discretionary	Yes	\$ 420.00
Any Class 1 or 10 building containing more than 1 storey		Discretionary	Yes	\$300.00 per storey
Any other building (commercial or industrial)		Discretionary	Yes	\$480.00 per storey
<b>Building Certificates</b>				
Property Information (Building Certificates)		Statutory	No	\$ 49.00
Information on stormwater (Legal Point of Discharge)		Statutory	No	\$ 62.00
<b>Consent and Report</b>				
Council		Statutory	No	\$ 47.60
Council - Demolition		Statutory	No	\$ 62.00
Land Information Certificate (Note 1)		Statutory	No	\$ 25.35

# GANNAWARRA SHIRE COUNCIL

CHARGES 2017-18 effective 1 July 2017

Statutory/  
Discretionary    Incl. GST    2017/2018

RECREATION						
RECREATION RESERVES - COHUNA & LEITCHVILLE						
Football Clubs						
Cohuna Kangas		Discretionary	Yes	\$	4,900.00	
Leitchville		Discretionary	Yes	\$	3,250.00	
Cricket Clubs						
Cohuna - per year		Discretionary	Yes	\$	600.00	
Leitchville - per year		Discretionary	Yes	\$	600.00	
Miscellaneous						
Cohuna A. P. & H. Society - per year		Discretionary	Yes	\$	1,650.00	
Cohuna Little Athletics Club - per year		Discretionary	Yes	\$	600.00	
School Groups & RSL		Discretionary	Yes	\$	-	
Casual - per day		Discretionary	Yes	\$	300.00	
Casual - per hour (min 3 hours hire)		Discretionary	Yes	\$	60.00	
Oval Hire - refundable deposit	No alcohol	Discretionary	No	\$	250.00	
	Alcohol	Discretionary	No	\$	550.00	
MUNICIPAL RESERVES						
Municipal Reserve						
Use of Municipal Reserve (Inc Parks & Gardens) - Schools & RSL		Discretionary	Yes	\$	-	
Use of Municipal Reserve (Inc Parks & Gardens)	Permit Fee	Discretionary	Yes	\$	80.00	
SWIMMING POOLS						
Kerang/Cohuna Swimming Pool						
Seasons Tickets:	Family	Discretionary	Yes	\$	175.00	
	Adults	Discretionary	Yes	\$	90.00	
	Persons under 18 years	Discretionary	Yes	\$	60.00	
	Pensioners - Family	Discretionary	Yes	\$	65.00	
	Pensioners - Adult	Discretionary	Yes	\$	40.00	
	Admission:	Adults	Discretionary	Yes	\$	4.50
		Persons under 18 years	Discretionary	Yes	\$	3.50
		Full Time Student	Discretionary	Yes	\$	3.50
		Children with School	Discretionary	Yes	\$	2.50
		Children under 3 years	Discretionary	Yes	\$	-
		Non-Swimming Patrons	Discretionary	Yes	\$	1.50
		Family Day Pass	Discretionary	Yes	\$	12.00
		Slide per day	Discretionary	Yes	\$	-
	Private Hire	Discretionary	Yes		By Negotiation	
Ten Pass Entry:	Family	Discretionary	Yes	\$	60.00	
	Adult	Discretionary	Yes	\$	25.00	
	Pensioners - Family	Discretionary	Yes	\$	18.00	
	Pensioners - Adult	Discretionary	Yes	\$	10.00	
Kerang Exercise Pool						
Pensioners	Per Hour	Discretionary	Yes	\$	5.00	

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	1/2 Hour	Discretionary	Yes	\$	3.50
Adult (Non Pensioners)	Per Hour	Discretionary	Yes	\$	7.50
	1/2 Hour	Discretionary	Yes	\$	5.50
Claims Attendance	Per Hour	Discretionary	Yes	\$	10.00
	1/2 Hour	Discretionary	Yes	\$	7.50
Children (2-15)	Per Hour	Discretionary	Yes	\$	2.50
	1/2 Hour	Discretionary	Yes	\$	1.50
Children under 3		Discretionary	Yes	\$	-
Groups of max. 10 people	Per hour	Discretionary	Yes	\$	40.00
Multiple group bookings	5 sessions	Discretionary	Yes	\$	180.00

## RESIDENTIAL TENANCIES ACT REGISTRATION FEES

Site not exceeding 25 (17 fee units)		Statutory	No	\$	237.15
Site exceeding 25 but not exceeding 50 (34 fee units)		Statutory	No	\$	474.30
Site exceeding 50 but not exceeding 100 (68 fee units)		Statutory	No	\$	947.92
Site exceeding 100 but not exceeding 150 (103 fee units)		Statutory	No	\$	1,435.82
Site exceeding 150 but not exceeding 200 (137 fee units)		Statutory	No	\$	1,909.78
Site exceeding 200 but not exceeding 250 (171 fee units)		Statutory	No	\$	2,383.74
Site exceeding 250 but not exceeding 300 (205 fee units)		Statutory	No	\$	2,857.70
Transfer of Caravan Park (5 fee units)		Statutory	No	\$	69.70

## LOCAL LAWS

### DOMESTIC ANIMAL ACT

#### Dog Registration

Maximum fee as per Domestic Animals Act 1994 Schedule 1 – Registration fees Part 1—Dogs	Unsterilised dog	Statutory	No		110.00 + 3.50 Gov't Levy
	Declared dangerous dog				11/4/2017 - 10/4/2018
	Declared menacing dog				114.00 + 3.50 Gov't Levy
	Declared restricted breed dog				11/4/2018 - 10/4/2019
Reduced fee as per Domestic Animals Act 1994 Schedule 1 – Registration fees Part 1—Dogs	Desexed dog	Statutory	No		36.00 + 3.50 Gov't Levy
	Dog over 10 years old				11/4/2017 - 10/4/2018
	Dogs kept for working stock				
	Registered domestic animal business				38.00 + 3.50 Gov't Levy
	Obedience Trained Dog with approved organisation				11/4/2018 - 10/4/2019
Eligible concession card holder	Dogs registered with applicable organisation / owner is current member	Statutory	No		50% discount
New registration paid after 10 October each year		Discretionary	No		50% discount
Replacement Tag		Discretionary	Yes	\$	4.50
Late Payment Fee		Discretionary	No	\$	38.00

#### Cat Registration

Maximum fee as per Domestic Animals Act 1994 Schedule 1 – Registration fees Part 2 - Cats	Unsterilised cat	Statutory	No		110.00 + 2.00 Gov't Levy
					11/4/2017 - 10/4/2018
					114.00 + 2.00 Gov't Levy
					11/4/2018 - 10/4/2019

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		Statutory/ Discretionary	Incl. GST	2017/2018	
	Reduced fee as per Domestic Animals Act 1994 Schedule 1 – Registration fees Part 2 - Cats	Desexed cat Cat over 10 years old Registered domestic animal business Dogs registered with applicable organisation / owner is current member	Statutory	No	36.00 + 2.00 Gov't Levy 11/4/2017 - 10/4/2018  38.00 + 2.00 Gov't Levy 11/4/2018 - 10/4/2019
	Eligible concession card holder		Statutory	No	50% discount
	New registration paid after 10 October each year		Discretionary	No	50% discount
	Replacement Tag		Discretionary	Yes	\$ 4.50
	Late Payment Fee		Discretionary	Yes	\$ 38.00
<b>Administration - Domestic Animals Registration</b>					
	Transfer of currently registered domestic animal from another Victorian Shire	Per animal	Discretionary	Yes	\$ 4.50
	Administration fee for refund of animal registration	Per refund	Discretionary	Yes	\$ 10.00
	Pro-rata reduction (quarterly) for refund of animal registration - state Gov't Levy non refundable	Pro-rata quarterly	Discretionary	Yes	As Calculated
	Printing cost for the provision of registered domestic animals register	Per document	Discretionary	Yes	\$ 5.50
<b>Pound Fees</b>					
	Release Fee	Dogs and Cats	Discretionary	Yes	50.00 - 1st offence
		Dogs and Cats 2nd offence	Discretionary	Yes	100.00 - 2nd offence
		Dogs and Cats 3rd offence	Discretionary	Yes	200.00 - 3rd offence
		Sustenance Fee (per day)		Discretionary	Yes
<b>Domestic Animal Business</b>					
		Permit Fee	Discretionary	Yes	600.00 + 10.00 Gov't Levy
<b>Administration -Local Law permits</b>					
	Release fee for animal impounded under Local Laws	Per animal	Discretionary	Yes	\$ 60.00
	Release fee for item impounded under Local Laws	Per item	Discretionary	Yes	\$ 60.00
	Release fee for impounded vehicle		Discretionary	No	\$200.00 + towing costs
	Printing cost for the provision of Local Laws document		Discretionary	Yes	\$ 5.50
	Amendments to permits	All permits	Discretionary	Yes	\$ 35.00
	Late Payment Fee	Additional fee payable on late renewal of permit	Discretionary	No	50% of permit
<b>Local Law - application and permit fees</b>					
	Bulk rubbish containers	Permit Fee (per container)	Discretionary	Yes	\$ 55.00
	Fodder on road	Refer to local law guidelines	Discretionary	Yes	\$ 170.00
	Footpath Trading	Permit fee - per advertising sign	Discretionary	Yes	\$ 100.00
	Footpath Trading	Permit fee - per display of goods	Discretionary	Yes	\$ 100.00
	Footpath Trading	Permit fee - per 1x table and 4x chairs	Discretionary	Yes	\$ 100.00
	Footpath Trading - Consumption of Alcohol	Permit Fee (in conjunction with Footpath	Discretionary	No	\$ 55.00
	House to House trading	Permit Fee	Discretionary	No	\$ 215.00
	Keeping Of Animals	Permit Fee	Discretionary	Yes	\$ 100.00
	Livestock on Roads - Droving	Permit Fee	Discretionary	No	\$215.00 + \$1000.00 Bond
	Livestock on Roads - Grazing	Permit fee	Discretionary	Yes	\$ 215.00
	Municipal reserve - waterways	Application & permit fee - events held on	Statutory	Yes	\$ 400.00

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Roadside trading	Permit fee	Discretionary	Yes	\$	215.00
	Site fee	Discretionary	Yes		\$120.00 per month
Shipping containers	Permit Fee (per container)	Discretionary	Yes	\$	100.00
Temporary Road Closure - Community Group	Advertising	Discretionary	Yes		Advertising cost
Temporary Road Closure - Commercial event	Advertising	Discretionary	Yes		Advertising cost
All other Local Law permits not listed above	Permit Fee	Discretionary	Yes	\$	100.00

**Council Controlled Parking**

* FOR OFFENCE CODES 701 TO 714, A MUNICIPAL COUNCIL MAY BY COUNCIL RESOLUTION FIX A PENALTY OF UP TO 0.5 PENALTY UNIT FOR THAT OFFENCE.	Statutory				
Parking offences under Road Safety Road Rules 2009 (Offence codes 701-714)(0.5 of a Penalty Unit)	Statutory	No			\$

**LIVESTOCK**

**Pound Fees - Stock**

Impounding / administration	Hourly rate	Discretionary	Yes		As per EBA Rate
Transport		Discretionary	Yes		Cost + 10%
NLIS tags	if required	Discretionary	Yes		\$40.00
Advertisement in Newspaper	as required under Impounding of Livestock Act	Discretionary	Yes		Cost + 10%
Sustenance Fee		Discretionary	Yes		\$35.00 + Hay per day
Release Fee	Livestock (cattle & horses) - 1st animal	Discretionary	Yes		\$100.00
Release Fee	Livestock (cattle & horses) - each other animal	Discretionary	Yes		\$15.00
Release Fee	Livestock - any animal listed under the Impounding of Livestock Act 1994 (other than cattle and horses) - 1st animal	Discretionary	Yes		\$60.00
Release Fee	Livestock - any animal listed under the Impounding of Livestock Act 1994 (other than cattle and horses) - each other animal in addition to 1st animal				\$15.00

Release fee for impounded footpath trading items	Permit Fee	Discretionary	Yes	\$	60.00
Consumption of Alcohol	Permit Fee (commercial business only)	Discretionary	No	\$	55.00
Security Deposit - works not within the carriageway	\$210.00 per sq/m	Discretionary	No		210.00 per sq/m
Security Deposit - works in the carriageway (Under 4m2)		Discretionary	No		
Security Deposit - works in the carriageway (Over 4m2)	\$840 Min + \$210 per m2 over 4m2	Discretionary	No		\$840 Min + \$210 per m2 over
Asset Protection Permit	Application fee per site	Discretionary	Yes	\$	90.00
Security deposit	minimum security deposit	Discretionary	No	\$	200.00
<b>Consent for works within the Road Reserve</b>					
<b>Municipal Road with speed limit &lt;50km/h</b>					
Minor works conducted by a person referred to in regulation 10(2) that are traffic impact works					
Minor works not on the roadway, shoulder or pathway (6 units)		Statutory	no	\$	83.60
Minor works on the roadway, shoulder or pathway (9.3 units)		Statutory	no	\$	129.60
Works (other than minor works conducted by a person referred to in regulation 10(2) that are traffic impact works)					
Works not on the roadway, shoulder or pathway (6 units)		Statutory	no	\$	83.60

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Discretionary    Incl. GST    2017/2018

Works on the roadway, shoulder or pathway (23.5 units)		Statutory	no	\$	327.60
<b>Municipal road with speed limit &gt;50km/h</b>					
Minor works conducted by a person referred to in regulation 10(2) that are traffic impact works					
Minor works not on the roadway, shoulder or pathway (6 units)		Statutory	no	\$	83.60
Minor works on the roadway, shoulder or pathway (9.3 units)		Statutory	no	\$	129.60
Works (other than minor works conducted by a person referred to in regulation 10(2) that are traffic impact works)					
Works not on the roadway, shoulder or pathway (23.5 units)		Statutory	no	\$	327.60
Works on the roadway, shoulder or pathway (43.1 units)		Statutory	no	\$	600.80

**LIVESTOCK**

**Livestock Fees & Charges**

Accommodation Paddock (per day)	Sheep, Lambs & Goats	Discretionary	Yes	\$	3.00
	Cattle	Discretionary	Yes	\$	4.00
	Bulls	Discretionary	Yes	\$	4.00
	Horses	Discretionary	Yes	\$	4.00

**Kerang Weighbridge**

0 - 10 tonne net weight		Discretionary	Yes	\$	17.50
10 - 20 tonne net weight		Discretionary	Yes	\$	21.50
20 - 30 tonne net weight		Discretionary	Yes	\$	27.00
30 + tonne net weight		Discretionary	Yes	\$	34.00

**FACILITY HIRE**

**Public Halls**

<b>(Cohuna)</b>	Whole Hall	Day (to 5:00pm)	Discretionary	Yes	\$	165.00
		Night (5:00pm - 2.30am)	Discretionary	Yes	\$	225.00
		Day & Night	Discretionary	Yes	\$	285.00
		Day time hourly rate - maximum 3 hours	Discretionary	Yes	\$	37.00
	Main Hall Only	Night time hourly rate - maximum 3 hours	Discretionary	Yes	\$	37.00
		Day (to 5:00pm)	Discretionary	Yes	\$	115.00
		Night (5:00pm - 2.30am)	Discretionary	Yes	\$	135.00
		Day and Night	Discretionary	Yes	\$	215.00
	Supper Room & Kitchen	Hourly rate maximum 3 hours	Discretionary	Yes	\$	27.00
		Day (to 5:00pm)	Discretionary	Yes	\$	115.00
		Night (6:30pm - 2.30am)	Discretionary	Yes	\$	150.00
		Day and Night	Discretionary	Yes	\$	225.00
	Hourly rate maximum 3 hours	Discretionary	Yes	\$	27.00	

**Kerang Memorial Hall**

Function Room	Hourly rate maximum 3 hours	Discretionary	Yes	\$	27.00
	Day (to 5:00pm)	Discretionary	Yes	\$	115.00
	Night (5:00pm-2.30am)	Discretionary	Yes	\$	135.00

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	Day and Night	Discretionary	Yes	\$	215.00
Kerang, Koondrook and Cohuna Senior Citizens Rooms	Day (to 5:00pm)	Discretionary	Yes	\$	105.00
	Night (6:30pm - 2.30am)	Discretionary	Yes	\$	140.00
	Hourly rate maximum 3 hours	Discretionary	Yes	\$	22.00
Special Fees:	Cohuna RSL ANZAC Service	Discretionary	Yes		No Charge
	Kerang RSL ANZAC Service	Discretionary	Yes		No Charge
	Service Clubs	Discretionary	Yes		No Charge
	Schools (per day to max 5 days \$300)	Discretionary	Yes	\$	95.00
	Trestle Hire per trestle - Other venues	Discretionary	Yes	\$	7.50
	Plastic Chair Hire	Discretionary	Yes	\$	2.00
	Community Groups - block of 5 booking to be used in 12 months of making initial booking	Discretionary	Yes	\$	310.00
	Removal of carpet squares in Kerang Hall, including replacement of carpet after event.	Discretionary	Yes	\$	190.00
<b>Gateway to Gannawarra</b>					
Bike Hire	2 hours	Discretionary	Yes	\$	15.00
	4 hours	Discretionary	Yes	\$	20.00
	All day (Return by 4.30pm)	Discretionary	Yes	\$	25.00
	Overnight hire (Return by 9.30am)	Discretionary	Yes	\$	30.00
	2 day hire (Return by 4.30pm)	Discretionary	Yes	\$	45.00
	Security Deposit (Refundable)	Discretionary	No	\$	50.00
Fishing Rod Hire (per rod)	All day (Return by 4.30pm)	Discretionary	Yes	\$	15.00
	Overnight hire (Return by 9.30am)	Discretionary	Yes	\$	20.00
	2 day hire (Return by 4.30pm)	Discretionary	Yes	\$	25.00
	Security Deposit (Refundable)	Discretionary	No	\$	20.00
<b>Other Charges</b>					
Bond	Refundable Deposit - no alcohol	Discretionary	No	\$	230.00
	Refundable Deposit - alcohol to be consumed	Discretionary	No	\$	530.00
	Setting up chairs (per hour minimum booking)	Discretionary	No	\$	60.00
<b>Cohuna Council Chamber/Community Meeting Room</b>					
	3 Hours - except for Non Profit Community Groups	Discretionary	Yes	\$	25.00
	More than 3 hours - except for Non Profit Community Groups	Discretionary	Yes	\$	100.00
	Set up cost of Chambers	Discretionary	Yes	\$	45.00
<b>Quambatook Housing</b>					
	One Bedroom Flat/Week (Determined by Department of Housing Guidelines)	Discretionary	No	\$	55.00
	Two Bedroom Flat/Week (Determined by Department of Housing Guidelines)	Discretionary	No	\$	75.00
<b>WASTE MANAGEMENT</b>					
<b>Transfer Stations - Kerang, Cohuna, Quambatook, &amp; Lalbert</b>					
	Mulch (for sale)	Discretionary	Yes		6.00 per m3
<b>Domestic Waste to be Disposed of in Garbage Skip</b>					
	120lt Mobile Garbage Bin	Discretionary	Yes	\$	6.50
	240lt Mobile Garbage Bin	Discretionary	Yes	\$	10.00

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Statutory/  
Discretionary    Incl. GST    2017/2018

Domestic Waste delivered by any other means		Discretionary	Yes	\$28.00 per m3
Commercial Waste to be Disposed of in Garbage Skip:		Discretionary	Yes	\$47.00 per m3
Commercial Cardboard - Placed in Recycling Skip		Discretionary	Yes	\$9.50 per m3
<b>Uncontaminated Recyclable Materials</b>				
Domestic Glass, Cans, Plastic Bottles, Paper & Cardboard		Discretionary	Yes	\$ -
Green Waste		Discretionary	Yes	\$ 5.50
Green Waste - non for profit groups		Discretionary	Yes	\$ -
Contaminated recyclables & garden waste		Discretionary	Yes	\$28.00 per m3
Car Bodies		Discretionary	Yes	\$34.00 per Car
Timber		Discretionary	Yes	\$8.50 per m3
White Goods		Discretionary	Yes	\$15.00 per m3
Vehicle Batteries	Per Battery	Discretionary	Yes	\$ 8.00
TV, Laptop, Computer Screen	Per Screen	Discretionary	Yes	\$ 24.00
Mattress		Discretionary	Yes	\$26.50 per mattress
<b>Landfill</b>				
Domestic Waste		Stat/Disc	Yes	\$110.00 per Tonne
Domestic Waste/High Volume Low Weight	Minimum 1.5hrs labour	Stat/Disc	Yes	Labour
Prescribed Waste (Low Level contaminated soil class C)		Stat/Disc	Yes	\$170.00 per Tonne
Asbestos Waste		Stat/Disc	Yes	\$140.00 per Tonne
Industrial Waste/Building Rubble		Stat/Disc	Yes	\$145.00 per Tonne
<b>Denyer Pit</b>				
Concrete		Discretionary	Yes	\$35.00 per Tonne
<b>MISCELLANEOUS FEES AND CHARGES</b>				
<b>Engineering Services</b>				
Plan Printing / Copy - Line Drawings (less than 5% ink coverage)	A2	Discretionary	Yes	\$ 5.00
	A1	Discretionary	Yes	\$ 8.00
	A0	Discretionary	Yes	\$ 10.00
Plan Printing / Copy greater than 5% ink coverage	A2	Discretionary	Yes	\$ 5.00
	A1	Discretionary	Yes	\$ 8.00
	A0	Discretionary	Yes	\$ 10.00
Scanning to USB drive or Email files	Per sheet up to A0	Discretionary	Yes	\$ 5.00
Mapping GIS Service	Map generation per hour (excluding printing)	Discretionary	Yes	\$ 75.00
<b>Mystic Park Cemetery Trust (For full range of fees please refer to Mystic Park Schedule of Fees provided by the Department of Health)</b>				
Administrative Fees Misc.	Interment fee	Statutory	Yes	\$ 65.00
Right of interment bodily remains at need	1st	Statutory	Yes	\$ 160.00
Right of interment cremated remains at need	25 years	Statutory	Yes	\$ 100.00
Search for cemetery records		Statutory	Yes	\$ 20.00
<b>Freedom of Information</b>				
Application Fee		Statutory	No	\$ 27.90

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CHARGES 2017-18 effective 1 July 2017

Statutory/  
Discretionary

Incl. GST

2017/2018

		Statutory/ Discretionary	Incl. GST	2017/2018
Access Costs	Search time per hour or part thereof	Statutory	No	\$ 20.90
<b>Property owner on behalf of</b>				
Supervision charges (approx. per 1/4 hour		Discretionary	No	\$ 5.30
Photocopying Charges - 4A Black & White per page		Discretionary	No	\$ 0.20
Providing access other than photocopying		Discretionary	No	Reasonable Cost
Listening or viewing a tape		Discretionary	No	Supervision
Making a written transcript out of tape		Discretionary	No	Reasonable Cost
Prepare and collate information		Discretionary	Yes	\$20.00 per hour
Print/Copy		Discretionary	Yes	\$ 0.20
Postage		Discretionary	Yes	At cost
Making a written transcript out of tape		Discretionary	Yes	At cost

## 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 Government's 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	Dec/Feb
6. Councillors consider draft budgets at informal briefings	Feb/Mar
7. Proposed budget submitted to Council for approval to advertise	April
8. Public notice advising intention to adopt budget	April
9. Budget available for public inspection and comment	April/May
10. Public submission process undertaken	April/May
11. Submissions period closes (28 days)	May
12. Submissions considered by Council/Committee	Jun
13. Budget and submissions presented to Council for adoption	Jun
14. Copy of adopted budget submitted to the Minister	Jun