

2016/17 Budget Overview

Council Plan: We structure the Budget around the strategic outcomes outlined in the Council Plan to ensure Gannawarra Shire Council can successfully achieve these outcomes.

Capital Budget highlights. The total Capital Works program will be \$11.38 million, of which \$750,000 relates to projects carried over from the 2015/16 year. \$6.03 million will come from external funding and \$5.35 million from Council's cash.

- \$2.30 million Sealed road rehabilitation program (\$2.20 million R2R funding)
- \$1.67 million Wells Bridge (\$850,000 grant funding)
- \$983,000 Plant and vehicle replacement (Asset sales \$234,000)
- \$953,000 Gravel re-sheeting program (fully funded R2R)
- \$807,000 Quambatook Township Flood Mitigation (Subject to securing \$551,000 grant funding)
- \$750,000 Kerang CBD Streetscape (\$500,000 grant funding)
- \$677,000 Sir John Gorton Precinct (\$190,000 grant funding)
- \$600,000 Completion of Koondrook Wharf (\$400,000 grant funding)
- \$492,000 Cobden Street Quambatook (Subject to securing grant funding \$246,000)
- \$320,000 Business System Upgrade (Carry over project funded from 2015/16 budget)
- \$275,000 Koondrook Caravan Park Toilets and Laundry (Carry over project funded from 2015/16 budget)

Operating Budget Highlights. The 2016/17 Budget also invests in providing important ongoing services to the community, including:

- Libraries and Arts/Culture \$750,000
- Roads, Bridges and Footpaths maintenance \$6.74 million
- Children's and youth services \$2.53 million
- Recreation (parks, reserves and pools) \$1.24 million
- Rubbish and recycling services \$1.61 million
- Community care \$1.91 million
- Tourism initiatives \$297 thousand

New initiatives:

- Extension of opt-in green waste service to Koondrook, in an effort to reduce the volume of rubbish that goes to landfill.

Rates and Charges ... Why have our rates increased?

Council provides numerous services across the Municipality. Council provides those services at a service level that is deemed to meet the requirements of the community. All of Council's costs, including labour, materials and services, are subject to cost increases. To maintain existing service levels Council needs to increase its revenue or decrease the expected service levels. Increases in rates and user charges allow Council to maintain service levels.

Rate Capping: Rate capping has come into effect and the average rates will rise by 2.5% in line with the order by the Minister for Local Government. This cap applies to general rates and municipal charge. Rate capping does not impact kerbside garbage and recycling.

Rating Strategy: Council's Rate Strategy allows for a 60/40 split when determining the rate burden for the various property types. Compared to 2015/16, the 2016/17 rates have been adjusted by half of a percent to move the ratio slightly closer to the 60/40 split as shown below:

Rate Category	Rate Strategy	2015/16	2016/17
Residential, commercial industrial	60%	64.46%	63.95%
Farm irrigation district and dryland	40%	35.54%	36.05%

- Although there is an overall average increase of 2.5% in total rates, the revaluation of all properties has been a major factor in shifting the rate burden. In effect, the revaluation resulted in farm land values increasing relatively higher as compared to the Residential / Commercial / Industrial categories as shown below:

Rate Category	Rate in \$ Increase	Municipal Charge	Overall Increase
Residential	1.83%	No Change	1.68%
Commercial/industrial	1.79%	No Change	1.68%
Farm Irrigation District	4.15%	No Change	3.99%
Farm Dryland	4.07%	No Change	3.99%

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. The 2016 valuation returned the following average increases in valuation: Residential +1.87%, Commercial/Industrial +3.33%, Farm Irrigation District +6.03% and Farm Dryland +4.17%.

Rates Differential. The differential rates as compared to the General Residential rate are as follows:

- Commercial/Industrial properties premium of +5.57% (2015/16 +7.13%)
- Farm Irrigation District properties discount of -2.76% (2015/16 -1.05%)
- Farm Dry Land district properties discount of -19.42% (2015/16 -19.37%)

Municipal charge: \$100 (no change from 2015/16)

Kerbside collection

- 120L \$327
- 240L \$471
- Green waste \$52 (optional service). Note it is a \$50 charge for Koondrook during the trial period.

Wage costs: Council's restructure of staff has seen a reduction in the number of permanent staff and various positions being reclassified. This Budget is premised on a 1% wage rise.

Reductions: Council has decreased the amount of non-essential items being purchased as well as introducing a focus on achieving cost efficiencies. The Council has previously matched the grant it receives and passes onto the SES (approx. \$12,850). This Budget does not provide for Council to match the grant allocation for the SES.

Reduction in external revenue: A number of grant programs and ongoing funding programs have been reduced or cancelled. Changes to funding streams include;

- Cancellation of Country Roads and Bridges Program (\$1million per annum)
- Cancellation of Local Government Infrastructure Program Grants (\$1.9 million over 4 years)
- Freezing of indexation on the Federal Government's Financial Assistance Grants (Average of \$150,000 each year over the three year period of the freeze)
- Introduction of rate capping. (Approx. \$150,000 less revenue per annum)