

# **ATTACHMENTS**

**Under Separate Cover  
Ordinary Council Meeting**

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**6.00pm Tuesday 26 June 2018**



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**ATTACHMENT TO DECLARATION OF RATES****2018-19 BUDGET****DIFFERENTIAL RATE CHARACTERISTICS**

1.3. A differential rate be respectively declared for rateable land having the respective characteristics specified below, which characteristics will form the criteria for each differential rate so declared:

1.3.1. Residential Improved

Any land which:

- 1.3.1.1. is used primarily for residential purposes; and
- 1.3.1.2. does not have the characteristics of Residential Improved (Growth Area).

1.3.2. Residential Improved (Growth Area)

Any land which:

- 1.3.2.1. is used primarily for residential purposes;
- 1.3.2.2. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached to this resolution; and
- 1.3.2.3. is designated as such in Council's rating database.

1.3.3. Business, Industrial and Commercial

Any land which:

- 1.3.3.1. is used primarily for commercial or industrial (including extractive industry) purposes; and
- 1.3.3.2. does not have the characteristics of Business, Industrial and Commercial (Growth Area).

1.3.4. Business, Industrial and Commercial (Growth Area)

Any land which:

- 1.3.4.1. is used primarily for commercial or industrial (including extractive industry) purposes;
- 1.3.4.2. is located within any of the areas bounded by the continuous and unbroken lines and the plans is attached to this resolution; and
- 1.3.4.3. is designated as such in Council's rating database.

1.3.5. Farm Land

Any land which:

- 1.3.5.1. is not less than 40 hectares in area; and
- 1.3.5.2. is used primarily for grazing, dairying, pig-farming, poultry-farming, fish-farming, tree-farming, bee-keeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities; and
- 1.3.5.3. is used by a business that:
  - 1.3.5.3.1. has a significant and substantial commercial purpose or character; and
  - 1.3.5.3.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
  - 1.3.5.3.3. is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

Or

Any land which:

- 1.3.5.4. is not less than 2 hectares in area and not more than 40 hectares in area; and
- 1.3.5.5. is intensively farmed; and
- 1.3.5.6. is used by a business that:
  - 1.3.5.6.1. has a significant and substantial commercial purpose or character; and
  - 1.3.5.6.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and

- 1.3.5.6.3. is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

#### 1.3.6. Farm Land (Growth Area)

- 1.3.6.1. is not less than 40 hectares in area; and
- 1.3.6.2. is used primarily for grazing, dairying, pig-farming, poultry-farming, fish-farming, tree-farming, bee-keeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities; and
- 1.3.6.3. is used by a business that:
  - 1.3.6.3.1. has a significant and substantial commercial purpose or character; and
  - 1.3.6.3.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
  - 1.3.6.3.3. is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating. and
- 1.3.6.4. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached to this resolution; and
- 1.3.6.5. is designated as such in Council's rating database.

Or

Any land which:

- 1.3.6.6. is not less than 2 hectares in area and not more than 40 hectares in area; and
- 1.3.6.7. is intensively farmed; and
- 1.3.6.8. is used by a business that:
  - 1.3.6.8.1. has a significant and substantial commercial purpose or character; and
  - 1.3.6.8.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
  - 1.3.6.8.3. is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating. and
- 1.3.6.9. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached to this resolution; and
- 1.3.6.10. is designated as such in Council's rating database

#### 1.3.7. Non Farm Vacant Land

Any land which:

- 1.3.7.1. is not used primarily for residential, commercial or industrial (including extractive industry) purposes; and
- 1.3.7.2. does not have the characteristics of Farm Land, Farm Land (Growth Area), Non Farm Vacant Land (Growth Area), Vacant Land Non Developable or Vacant Non Developable Land (Growth Area)

#### 1.3.8. Non Farm Vacant Land (Growth Area)

Any land which:

- 1.3.8.1. is not used primarily for residential, commercial or industrial (including extractive industry) purposes; and
- 1.3.8.2. does not have the characteristics of Farm Land, Farm Land (Growth Area), Vacant Land Non Developable or Vacant Non Developable Land (Growth Area); and
- 1.3.8.3. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached to this resolution; and
- 1.3.8.4. is designated as such in Council's rating database.

#### 1.3.9. Vacant Land Non Developable

Any land which:

- 1.3.9.1. is located in the Farming Zone (as zoned within the Golden Plains Planning Scheme); and
- 1.3.9.2. does not have the characteristics of Farm Land or Farm Land (Growth Area), and

- 1.3.9.3. cannot be used for residential, commercial or industrial (including extractive industry) purposes due to the constraints of the Golden Plains Planning Scheme.

1.3.10. Vacant Land Non Developable (Growth Area)

Any land which:

- 1.3.10.1. is located in the Farming Zone (as zoned within the Golden Plains Planning Scheme); and
- 1.3.10.2. does not have the characteristics of Farm Land or Farm Land (Growth Area); and
- 1.3.10.3. cannot be used for residential, commercial or industrial (including extractive industry) purposes due to the constraints of the Golden Plains Planning Scheme; and
- 1.3.10.4. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached to this resolution; and
- 1.3.10.5. is designated as such in Council's rating database.



# **DRAFT BUDGET 2018-19**

**DRAFT  
NOT YET ADOPTED  
19 June 2018**



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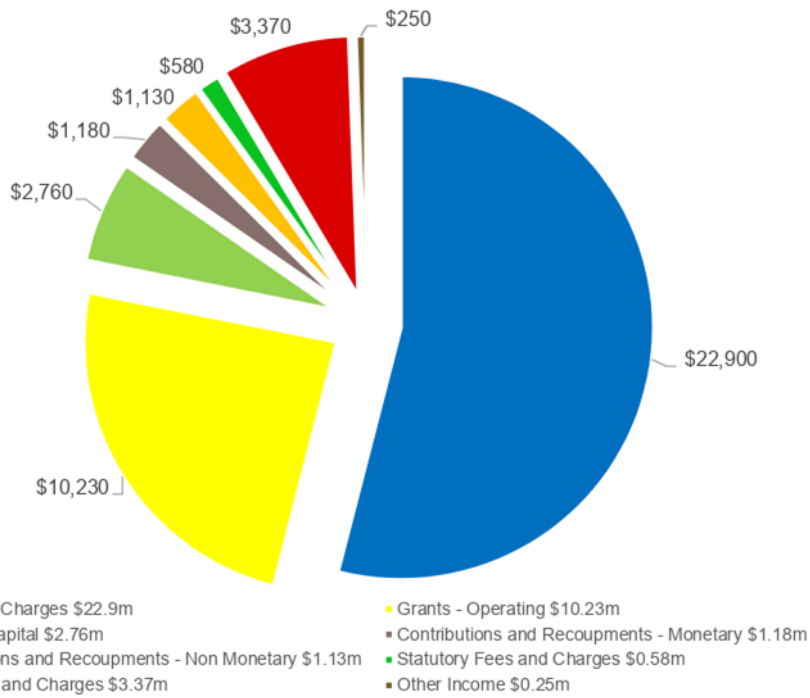
This Budget has been prepared with reference to Chartered Accountants Australia and New Zealand "Victorian City Council Model Budget 2018-19" a best practice guide for reporting local government budgets in Victoria.



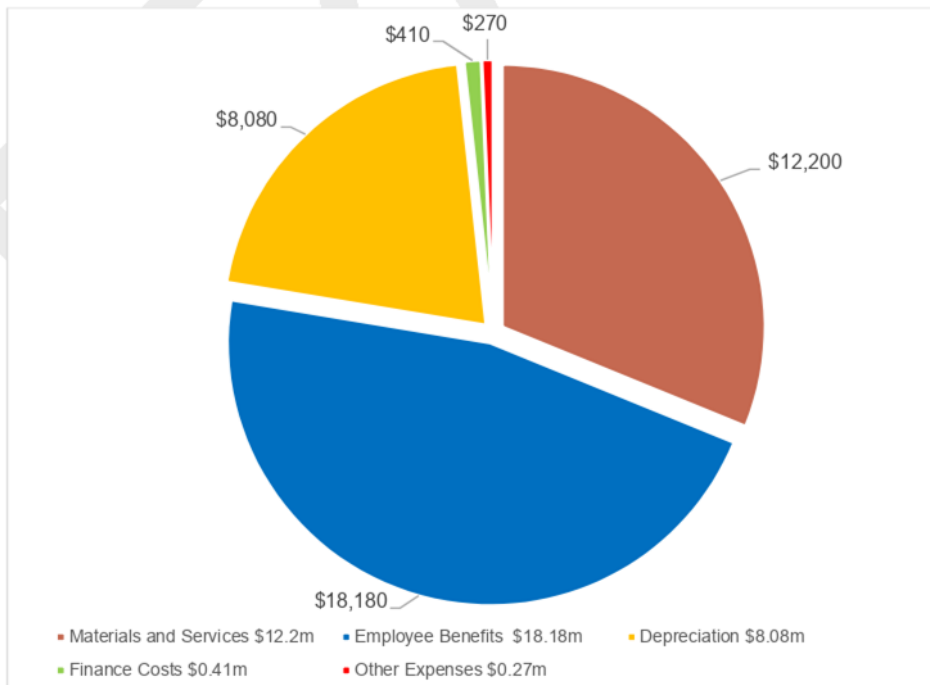
### Council's 2018-19 Budget at a Glance

(Per Comprehensive Income Statement)

How Council's revenue is Generated (\$'000)



Where Council will Spend the Money (\$'000)



## 1 OVERVIEW

### 1.1 MAYOR'S INTRODUCTION

Dear Residents

I am pleased to present Council's 2018-19 Budget to you. This Budget seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, within the 2.25% rate increase mandated by the State Government.

I believe this Budget answers many of the questions, priorities and concerns raised by the community over the last few years. The Budget has been prepared based on the adopted principles within the 2017-2021 Council Plan and Strategic Resource Plan, which can be found on our website.

Council's Draft 2018-19 Budget contains:

- An increased focus on road maintenance and asset renewal
- An increase in user fees in certain services to reduce or eliminate Council's spend on some services
- A significant increase in the waste charge due to the recycling situation, and
- A projected surplus of \$3.3m, however, it should be noted that the adjusted underlying result is a deficit of \$223k after removing capital grants and capital contributions.

#### The State-wide recycling crisis

The 'National Sword Policy' implemented by China's General Administration of Customs has severely disrupted recycling markets worldwide, including significant impacts on Victoria. Council officers and management have worked tirelessly with our suppliers and the State Government to ensure the impact on residents is as low as possible but the overall situation is not within Council's control.

We're committed to ensuring kerbside recycling collection continues across the municipality despite these recent issues, however as a result of the global and local situation, the Garbage Charge will increase by 31% to \$330 per year. We recognise and respect that this will concern some residents and want to reassure you that we are taking every possible action to minimise the effect on Golden Plains ratepayers and residents.

#### Highlights

- Almost \$40M (\$39.1M) spent on the delivery of services to the Golden Plains community
- \$15.1M investment in capital assets, including infrastructure, buildings, recreation, leisure and community facilities and plant machinery and equipment
- Delivery of the new Supported Playgroup program which is funded by the State Government
- Increased expenditure of \$750k allocated to assist in the maintenance of sealed and gravel roads, bridges, trees, drainage and footpaths.

#### Staying sustainable

We are committed to your future; by focusing on the Strategic Objectives created in partnership with the community in the Council Plan, Council will continue to review the services it delivers to ensure they are sustainable into the future.

**Cr Helena Kirby**

Mayor – Golden Plains Shire Council

## 1.2 EXECUTIVE SUMMARY

### Introduction

The 2018-19 Budget has been prepared based on the adopted principles within the 2017-2021 Council Plan and Strategic Resource Plan. The Budget 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 2.25% rate increase mandated by the State Government.

The Budget projects a surplus of \$3.3m for 2018-19, however, it should be noted that the adjusted underlying result is a deficit of \$223k after removing capital grants and capital contributions.

Within the principles of the Council Plan, there have been some areas of increased focus for Council in the 2018-19 financial year. These include increased expenditure on gravel and sealed road maintenance and renewal, and an increase in revenue from certain user fees to reduce or eliminate Council's contribution to some services. Council will continue to review services to ensure they remain sustainable.

As the Mayor has mentioned in her introduction, the Annual Service (Garbage) charge will increase to \$330 as a result of the recent developments in the recycling industry. This is \$60 (or 22%) higher than it would have been otherwise.

### Key things Council are funding

- Ongoing delivery of services to the Golden Plains community funded by a budget of \$39.1m. These services are summarised in Section 3 of the Budget.
- Continued investment in capital assets (\$15.1m). This consists of:
  - infrastructure totalling \$7.1m (including recreation, leisure and community facilities (\$720k), car parks (\$50k), parks, open space and streetscapes (\$205k));
  - buildings of \$6.0m; and
  - Plant, machinery and equipment of \$2.0m (including computers and telecommunications (\$282k)).
 The Statement of Capital Works can be found in Section 2 and further details on the capital works budget can be found in Section 4.5 of the Budget.

#### **Strategic Objective 1: Promoting Healthy and Connected Communities**

- Operating and maintaining six multi-use community centres across the Shire to provide spaces for communities to connect.
- Delivery of the new Supported Playgroup program which is funded by the State Government.
- New funding to meet the demands of maintaining the public art pieces across the Shire.

#### **Strategic Objective 2: Enhancing Local Economies**

- Ongoing focus on investment attraction, business support, tourism development, lobbying and advocacy and partnership.
- Promotion and delivery of the Golden Plains Farmers Market.

#### **Strategic Objective 3: Maintaining Natural and Built Environments**

- Increased expenditure of \$750k allocated to assist in the maintenance of sealed and gravel roads, bridges, trees, drainage and footpaths. This is the largest increase for many years.
- Increased focus on Asset Management systems and processes to assist in planning and resource allocation.
- Implementation of the Northern Settlement Strategy.

#### **Strategic Objective 4: Delivering Good Governance and Leadership**

- Additional resources have been allocated to further improve Council's practices to ensure ongoing legislative compliance in the areas of Health and Safety and Child Safe Standards.
- Increased focus on Council's transparency and communication to ensure residents are kept informed.

## DRAFT BUDGET 2018-19

## GOLDEN PLAINS SHIRE COUNCIL

**The Rate Increase**

As outlined above the Budget provides for an average annual rate increase of 2.25%. Table 1 provides a summary of the calculation, according to the formula prescribed by the State Government.

**Table 1**

Forecast Annualised Rate Revenue at 30 June 2018	\$19,328,461
Forecast Number of Assessments at 30 June 2018	11,021
<b>Forecast Base Average Rate 2017-18 per assessment</b>	<b>\$1,753.78</b>
Budget Rate Revenue 2018-19	\$19,763,201
<b>Capped Average Rate 2018-19 per assessment</b>	<b>\$1,793.24</b>
<b>Average Capped Increase</b>	<b>2.25%</b>

It is important to note that this is only an **average** increase and actual increases will vary depending on the relative value of individual properties. As required by legislation, the rate burden must be distributed based upon the value of a property which will result in higher valued properties increasing by more than 2.25% and lower valued properties increasing by less than 2.25%.

**Major Initiatives**

As per Section 127 of the Local Government Act, the following initiatives have been identified by Council as priorities to be undertaken during the 2018-19 financial year:

1. Construction of stage one of the Bannockburn Heart Precinct. Stage one will be a \$2.6m project to create a play space with water play elements, a new car park, public toilets, a BBQ area, shade and a paved plaza next to the Bannockburn Library and Cultural Centre. Relevant approvals, further community consultation and the appointment of architectural services were completed in 2017-18.
2. Golden Plains Shire Council is focused on providing quality customer service and achieving efficiencies for residents. As part of these efforts, this Budget allocates \$5m to begin the construction phase of the redevelopment of the existing customer service centre located at 2 Pope Street, Bannockburn. This follows an extensive community engagement and consultation process that was undertaken during 2017-18.

This building, the Golden Plains Community and Civic Centre, is one aspect of a broader Civic Precinct including the Bannockburn Family Services Centre, planned for the site in future. This will enable Council to deliver community services from this site for many years to come.

Council has made this decision for a number of reasons, including the need to provide more modern and welcoming public areas, improve efficiencies in our operations, and provide improved access and transparency around monthly Council meetings.

The existing Shire Hall and Customer Service Centre are over 120 and 40 years old respectively and present a number of building compliance and safety issues, resulting in increased spending on building maintenance. In addition, the customer service areas are outdated and do not provide privacy for residents to discuss sensitive issues such as planning matters.

The redeveloped facility will have an increased focus on the availability of dedicated community space within the central building.

3. Council will be further developing its current asset management practices and processes. This will include the procurement and implementation of new or improved asset management software, review of Council's road management plan, review of operational practices and procedures and increased funding, of \$750K, for maintenance and renewal of gravel and sealed local road.
4. Council will be participating in the MAV WorkCare initiative to further improve its focus on occupational health and safety. MAV WorkCare is a workers compensation self-insurance scheme for local government employers. The new scheme began on 1 November 2017 and will produce significant benefits for Council and their employees. These benefits include:
  - sustained and measurable improvements in workplace safety;
  - lower costs to Council's through reductions in the incidence of avoidable injuries;
  - effectively and appropriately managed claims; and

- optimal return to work initiatives and programs.

As part of the agreement with WorkSafe to enter into a self-insurance scheme, Council's OHS Management System will need to conform to the 108 National Audit Tool criteria. Member councils must achieve 100% conformity with these standards before February 2021.

**Waste Management**

As the Mayor has mentioned, the 'National Sword Policy' implemented by China's General Administration of Customs has severely disrupted recycling markets worldwide, including significant impacts on Victoria. Council officers and management have worked tirelessly with our suppliers and the State Government to ensure the impact on residents is as low as possible but the overall situation is not within Council's control.

We're committed to ensuring kerbside recycling collection continues across the municipality despite these recent issues, however as a result of the global and local situation, the Garbage Charge will increase by 31% to \$330 per year. We recognise and respect that this will concern some residents and want to reassure you that we are taking every possible action to minimise the effect on Golden Plains ratepayers and residents.

**Financial Performance and Sustainability**

The Financial Performance Indicators disclosed in the Budget reflect Council's ongoing commitment to sound financial management. The indicators Council considers critical in maintaining financial sustainability are outlined in Table 2 and show that the 2018-19 results are generally positive when compared to best practice and Council's preferred targets.

As mentioned earlier, it is critical that the strategies identified in the 2017-2021 Council Plan and SRP are adhered to, in order to achieve the financial outcomes detailed in the plan.

Council's strong financial performance during recent periods has been achieved by adhering to Council's long term strategy of decreasing its reliance on grant revenue and increasing the level of rates and charges. Table 2 compares some key indicators to best practice and GPS targets.

**Table 2**

Indicator	Budget 2018-19	Best Practice	GPS Target	Traffic Light Position
Surplus <sup>1</sup>	\$3,270k	>\$0	>\$5,000k	Amber
Adjusted Underlying Result <sup>2</sup>	(\$223k)	>\$0	>\$0	Red
Working Capital (%) <sup>3</sup>	202%	>100%	>180%	Green
Discretionary Retained Earnings <sup>4</sup>	\$7,500k	>\$1,000k	>\$2,000k	Green
Borrowings (% of Rates and Charges) <sup>5</sup>	55.2%	<60%	<30%	Amber
Cash Balance <sup>6</sup>	\$10,375k	>\$0	>\$5,000k	Green
Rate Determination <sup>7</sup>	(\$474k)	>\$0	>\$0	Red

Indicators that meet both Best Practice and GPS Target are given a 'Green' light, one of the two targets 'Amber' and neither target a 'Red' light.

<sup>1</sup> Surplus – The net result of total revenue and expenditure, including non-cash items such as depreciation.

<sup>2</sup> Adjusted Underlying Result – Surplus less non-recurrent capital grants, non-monetary asset contributions and other contributions to fund capital expenditure. These items have the potential to incorrectly inflate the operating surplus.

<sup>3</sup> Working Capital – This is a measure of Council's ability to meet its short term commitments.

<sup>4</sup> Discretionary Retained Earnings – The component of total equity that is not committed (includes proceeds from sale of land at Bakers Lane and VGC received in advance).

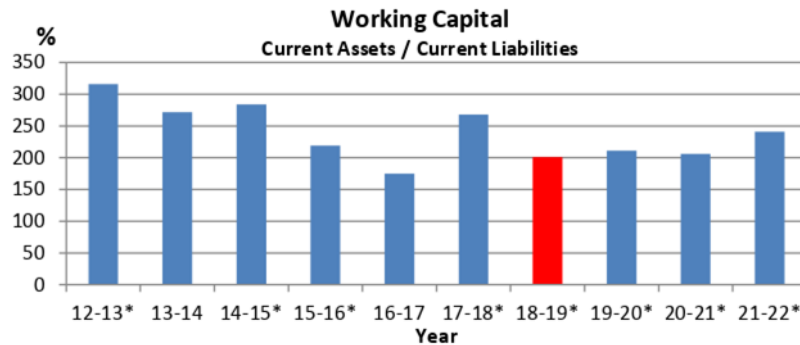
<sup>5</sup> Borrowings – Balance of total interest bearing loans and liabilities as a percentage of rates and charges (including Garbage Charges). The prudent limit is considered to be 60%.

<sup>6</sup> Cash Balance – The total cash and cash equivalents.

<sup>7</sup> Rate Determination – This calculation demonstrates Council's ability to fund its capital program from operations. A deficit means retained earnings will be depleted further.

A key indicator of financial sustainability is Council's Working Capital balance. As Chart 1 demonstrates this balance has reduced slightly since the introduction of rate capping, but it has also been impacted by the varied timing of Federal Assistance Grant's. Council's liquidity (working capital), while currently at an acceptable level will continue to be placed under pressure as a result of the high growth in population and the corresponding demand for services and asset maintenance and renewal.

Chart 1



\*includes 50% of Federal Assistance Grants received in advance

Council's Rating Strategy ensures that the financial burden is shared equitably amongst ratepayers, whilst generating sufficient revenue to meet the increasing demands of future infrastructure and service needs of the Shire. Further detail of Council's rating principles can be found in Section 5.4 and Appendix 6.1 of the Budget.

In preparing the Council Plan and Budget, Council considered the long term financial planning principles which include:

- Ensuring long term financial sustainability
- Delivering services in a cost effective and efficient manner
- Ensuring operating revenues are sustainable and consider community wide and individual benefits (rates versus user charges)
- Using debt finance where appropriate
- Maintaining cash reserves and operating surpluses at appropriate levels
- Identifying and quantifying long term liabilities
- Meeting social equity objectives through specific programs
- Managing the Shire's capital assets to maximise long term community benefit
- Recognising that funding from State and Federal Government is a crucial element of financial sustainability and
- Ensuring there is an underlying surplus

The strategies adopted in the Council Plan are reflected in the Budget and meet these requirements. This was more challenging than in the past given Council is now operating within an environment where revenue is restricted due to rate capping and Federal Assistance Grants have been frozen for the last three years, creating a permanent impact on Council's reserves.

Furthermore, Council has implemented the principles of sound financial management as required under Section 136 of the Act:

- Managing financial risks faced by the Council prudently, having regard to economic circumstances;
- Pursuing spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;
- Ensuring that decisions are made and actions are taken having regard to their financial effects on future generations; and
- Ensuring full, accurate and timely disclosure of financial information relating to the Council.

As has been the case for many years, Golden Plains faces many challenges:

- **High population growth.**  
Golden Plains Shire is ranked as one of the fastest growing regional municipalities in Victoria with an annual growth rate of 2.7%. Leading this growth is Bannockburn at 8.5%, Inverleigh at 4.5%, Smythesdale at 4.0% and Teesdale at 3.1%.
- **Substantial challenges associated with provision and renewal of roads, paths, and community and recreation facilities.**  
In February 2014, VAGO tabled a report in Parliament highlighting its concerns over this exact challenge that councils face in meeting the growing demand of asset maintenance and renewal. The Auditor-General, Mr. John Doyle, states in the report:  
  
'They also have legislative obligations to manage financial risks prudently and to ensure that their asset management decisions take into account economic circumstances and their financial effects on future generations. This is especially important in the current economic climate and in an environment where reliance on sources of revenue such as government grants cannot be assured.'  
  
This challenge is even greater for Golden Plains Shire Council which has a comparatively larger infrastructure network to maintain than other Victorian Municipalities and is further exacerbated with the introduction of rate capping. History shows that the cost of maintaining and constructing such assets greatly exceeds CPI and the rate cap.
- **Increased demand for new services.**  
Golden Plains Shire has a higher than average proportion of young children. 6.6% of the population is aged 0-4 year olds in Victoria compared to the State figure of 6.3%. 5-9 year olds comprise 8.1% of Golden Plains' population but only 6.2% of Victoria. In the 10-14 age range Golden Plains has 8.1% compared to Victoria with 5.8%. Young people (aged 0-19 years) make up almost one third of the population and this places pressure on Council to deliver services from day care, kindergartens and play groups to play grounds, pathways, recreation reserves, skate parks and youth support activities.  
  
Our ageing population is also outstripping the State average with the 60-69 age group in Golden Plains Shire making up 12.1% of the population while in Victoria it is only 10.3%. Council provides home and community care, meals on wheels and other services, but as the population grows demand will also continue to grow. Demand will also grow in the provision of infrastructure to meet the needs of an ageing population, and as with the needs of young people, the need for increased services and infrastructure is spread across the Shire's 56 communities and 16 townships.
- **Although increasing, still a comparatively low rating revenue base.**  
Council's Rate Concentration (Rates, Municipal Charge and Garbage Charges compared to adjusted underlying revenue) is budgeted to be 59%, which is historically well behind similar large rural shires and the State average.
- **A history of significant dependence on grants, contributions and recoupments.**  
This has had the effect of reducing the level of funds required from rate revenue to build community infrastructure and provide programs and services. For example, planned community infrastructure capital projects in 2018-19 total \$4.9m, with anticipated grant income of \$2.7m, leaving Council a lesser contribution of \$1.9m. Many grant funds are competitive and by definition are granted, not provided automatically.
- **Supporting community based entities and volunteers that currently manage the vast majority of community and recreation facilities on Council and Crown land.**  
Council currently has many groups that require staffing support to assist with facility management.
- **Managing the competing interests of rural and urban communities.**  
Council must balance the demands being placed on resources, from the rapidly growing urban areas, with those of our ever important rural sector. Over 70% of properties in Golden Plains Shire are now classified as residential.
- **Managing the expectations of new residents who have relocated from highly urbanised Councils to a semi-rural Council.**  
New residents relocating from more urbanised localities need to understand that Golden Plains Shire will not necessarily deliver the same level of services in relation to community infrastructure, etc.

▪ **Maintaining the extensive road network of over 1,800km.**

Golden Plains Shire was formed originally as an agricultural municipality with a number of small settlements across 2,705 square kilometres of rural land. While it remains predominantly rural and agricultural, rapid growth over the past 10 years has created a more urban character in parts of the Shire.

In 1994 the Shire's population was approximately 13,000 with 75% of rates income from rural areas. Now the population is approximately 22,000 and 75% of rates income is from townships. Council must maintain a high level of service to its rural areas, but is now also facing far greater demand for infrastructure in residential areas such as footpaths, curb and channel, drainage and sealed roads.

Therefore, Council must remain focused on its adopted strategies to provide the foundations on which to plan positively for the future.

Further highlights of this Budget include Council's investment in activities and initiatives such as:

- Delivery of a range of human support services that maintain or enhance the wellbeing and quality of life of Golden Plains' residents;
- Implementation of Council's Municipal Early Years Plan, which focuses on all areas that impact on the health and wellbeing of children from the ages of birth to ten years;
- Increased effort in gravel and sealed road maintenance and renewal;
- Sustained investment in the maintenance of recreation and community facilities;
- Continuing commitment to assist in the maintenance of major recreation facilities; and
- Strategic investment in economic development to facilitate the growth of the local economy, particularly in township development and rural based industries

Council is confident the 2018-19 Budget meets the requirements of sound financial management, while delivering the strategies identified in the 2017-2021 Council Plan.

**Adjusted Underlying Surplus**

Each year Council's aim is to deliver a balanced adjusted underlying result. The Regulations prescribe the method for calculating the 'Adjusted Underlying Result'. The purpose for calculating the Adjusted Underlying Result is to remove the effect on the Budget of one-off revenue items that may otherwise overstate Council's 'normal' performance. Under the Regulations the 2018-19 deficit of \$223k is calculated as follows:

**Table 3**

	\$'000
<b>Total Comprehensive Result</b>	<b>3,270</b>
Non-recurrent grants used to fund capital expenditure	(2,168)
Non-monetary asset contributions	(1,125)
Other contributions to fund capital expenditure	(200)
<b>Adjusted Underlying Deficit</b>	<b>(223)</b>

**Revenue**

The following key points relate to the budgeted revenue of \$42.4m which has decreased by \$3.2m.

- Rates and charges total \$22.9m. According to the prescribed reporting requirements rates and charges now include special charge income and interest on rates. These were previously classified as a Contribution and Other Income respectively.
- Operating grants have decreased by \$461k to \$10.2m.
- The Federal Assistance Grants distributed via the Victoria Grants Commission is assumed to increase by 5.9% from the 2017-18 forecast. This larger than expected increase has primarily resulted from a greater population increase than forecast.
- Capital grants have decreased by \$3.8m to \$2.8m. This is primarily the result of a reduced Roads to Recovery allocation and the level of capital funded project being reduced in 2018-19.
- Monetary Contributions of \$1.2m include \$214k from the Wind Farm at Mt Mercer.
- Non-Monetary Contributions of \$1.13m relate to the assets that are handed to Council after the maintenance period has expired on new subdivisions.
- Statutory fees and fines have increased by \$173k to \$585k, primarily due to the legislated increase in Statutory Fees.



- User fees have increased by \$519k, total \$3.4m. This increase primarily results from increased child care fees and an increase in the number of animal registrations.
- Other income has increased by \$20k due to an increase in interest on investments.

**Expenditure**

The following key points relate to the budgeted expenditure of \$39.1m which has increased by \$522k.

- Employee costs allow for an annual Enterprise Agreement (EA) increment of 1.5%
- Materials and services have increased by \$103k to \$12.2m.
- Depreciation expense will increase by \$361k to \$8.1m.
- Borrowing costs will increase by \$68k to \$414k.

**Balance Sheet**

The key points to note are:

- Council's net worth will increase by \$3.3m to \$443m. Property, infrastructure, plant and equipment comprise 98% of Council's total assets.
- \$5.0m will be borrowed in 2018-19 to commence construction of the Golden Plains Community and Civic Centre redevelopment.
- The MAV Local Government Funding Vehicle (LGFV) will be utilised to fund new borrowings.
- Working capital is in surplus \$8.0m. Current assets will be 2.01 times current liabilities at the end of the financial year, down from 2.7 in 2017-18.
- Current assets include an investment totalling \$2.4m relating to the sinking fund established to repay the LGFV bond which is due in November 2019. A further \$785k will be invested to meet the next repayment expected in 2023.
- The retained earnings balance at 30 June 2019 is budgeted to be \$8.0m, of which \$7.5m will be classified as discretionary, however a significant portion is held for targeted purposes. The retained earnings balance includes the proceeds from the sale of the Bakers Lane Teesdale, Stage 3 (\$1.35m) and the surplus from the sale of the Warrambine Hall (\$171k), both of which are targeted for future development opportunities chosen by Council. A further \$2.7m relates to the Federal Assistance Grant received in advance.

**Cash Flow**

- The cash balance is \$10.4m.
- Under the Regulations \$9.9m of this balance will be classified as unrestricted, with the remaining \$541k being restricted within statutory and discretionary reserves.
- The cash balance at 30 June 2019 is budgeted to include \$2.7m of Federal Assistance Grants received in advance.
- As depicted in Chart 2, the closing cash balance will be sufficient to cover all of Council's commitments and have a cash surplus from operations of \$8.4m.
- Cash inflow generated from operating activities will be applied to capital expenditure (\$15.1m).
- As shown in Chart 3, the cash flow trend for 2018-19 is expected to be similar to 2017-18 and previous years.

**Chart 2: Closing Cash Balance (\$10.4m)**

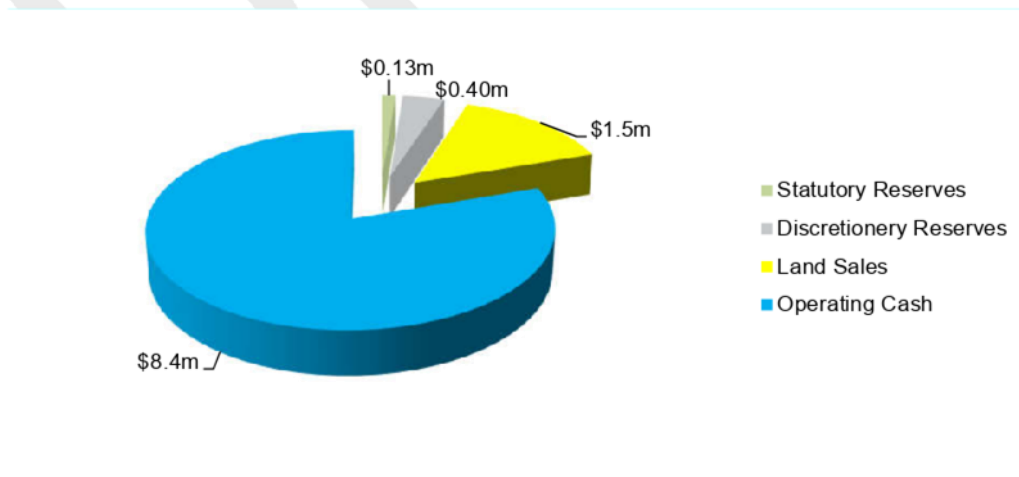
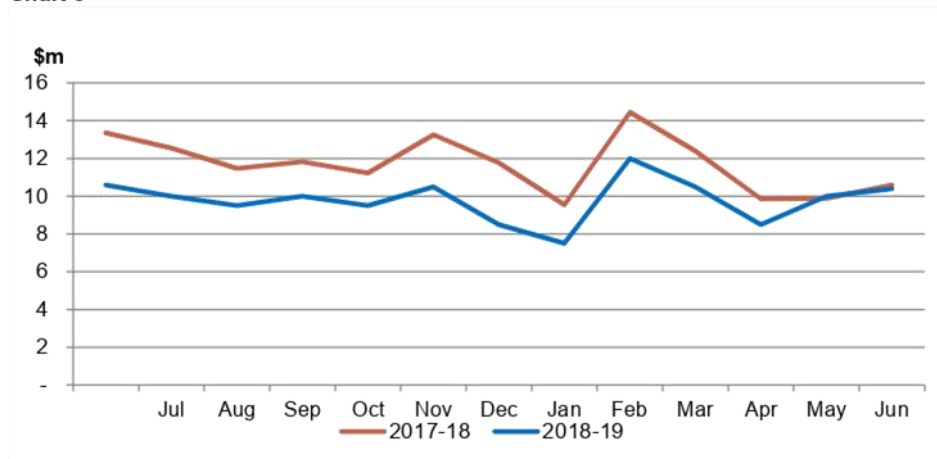


Chart 3



**Capital Works**

The key points to note are:

- The capital works program for 2018-19 totals \$15.1m, \$109k less than the 2017-18 forecast of \$15.2m.
- The program is divided between capital renewal (39%), capital upgrade (19%), capital expansion (34%) and new assets (8%).
- The capital works budget is funded from a mix of external and internal sources. Chart 4 below demonstrates that 18% is funded by grants, 4% by asset sales, 45% by operations and 33% from borrowings.

Chart 4: Capital Works Funding Sources (\$15.1m)



Following is a summary of the major items of capital expenditure funded in the Budget:

- Golden Plains Community and Civic Centre (Year 1) - \$5.0m
- Plant and machinery replacements – a replacement cost of \$1.7m, of which \$1.1m is the net cost to Council after asset sales.
- Roads to Recovery – \$585k
- Coopers Bridge replacement - \$1.75m
- Tall Tree Road Upgrade - \$1.42m
- Local roads resealing – \$853k.

**CONCLUSION**

The strategies and long-term financial plans adopted by Council must underpin the preparation of the 2018-19 Budget. It is also impacted by the Shire's unique demographics, increased demand for new services, population growth, extensive local road network of 1,800 kilometres and the competing interests between rural and urban communities. It is also important to note that a key ingredient in delivering budgeted outcomes continues to be the hard work of the Shire's many volunteers.

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### 1.3 BUDGET PREPARATION

This section lists the Budget processes to be undertaken in order to adopt the Budget in accordance with the Act and Regulations.

Officers begin preparing the operating and capital components of the Annual Budget during the period December to February. These budgets are prepared based on the actions included in the Council Plan, which is developed and reviewed after undertaking detailed community engagement activities.

A Draft Budget is then prepared and delivered to Councillors in March. A workshop between officers and Council is then conducted to make any alterations to the Draft Budget. A 'proposed' Budget is prepared in accordance with the Act and submitted to Council in late April 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.

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 and a copy submitted to the Minister by 30 June. The key dates for the Budget process are summarised below:

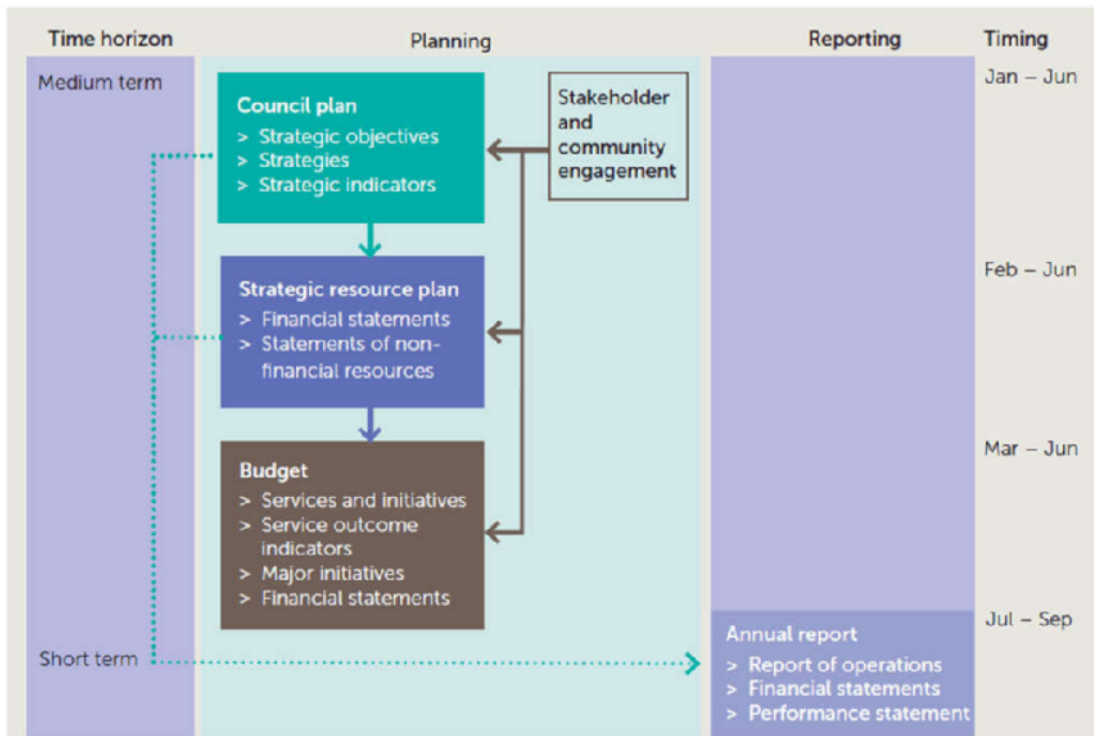
Budget Process	Timing
1. Community Engagement Activities	Ongoing
2. Analysis and consideration of Community Engagement activities	Dec - Jan
3. Officers prepare operating and capital budgets	Dec – Feb
4. Council receives Draft Budget for review	March
5. Council workshop/s conducted to review Draft Budget	March/April
6. Draft Budget submitted to Council for 'in principle' approval	April
7. Public notice advising intention to adopt Budget	April
8. Proposed Budget available for public inspection and comment	April
9. Submissions period closes (28 days)	May
10. Submissions considered by Council	June
11. Budget and submissions presented to Council for adoption	June
12. Copy of adopted Budget submitted to the Minister	June

### 1.4 LINKAGE TO THE COUNCIL PLAN

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

#### Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning (formerly Department of Transport, Planning and Local Infrastructure)

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 conjunction with the preparation of the Annual Budget process.

### 1.5 BUDGET INFLUENCES AND PRINCIPLES

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

#### Shire Profile

**Golden Plains Shire is a rural municipality situated between two of Victoria’s largest regional cities, Geelong and Ballarat, with a population of over 22,000 people across 56 vibrant rural communities.**

Renowned for its award-winning food and wine, iconic music festivals, goldfield heritage and friendly communities, Golden Plains Shire is an attractive destination both to visit and call home.

New residents, particularly young families, are attracted to the area’s rural lifestyle, affordable housing and proximity to the services and jobs available in the Shire, as well as those in Melbourne, Geelong, Ballarat and the Surf Coast. Residents value the character of Golden Plains’ small townships and communities, local facilities and services, and natural environment. As one of the fastest growing regions in Victoria, boasting rich biodiversity and a broad range of flora and fauna, Golden Plains Shire has much to offer.

Golden Plains also offers many opportunities for businesses, investment, sustainable development and employment, with more than 1,700 businesses in farming, retail and home-based businesses. In agriculture, the region has a strong tradition in wool and grain production and is a leading producer of prime lambs. Intensive animal farming continues to increase and strengthen, with the production of goat dairy, beef, chicken and pork strong in Golden Plains, and marked growth in viticulture. Many of the producers and businesses of Golden Plains sell their produce at the monthly Council-run Golden Plains Farmers’ Market, attracting visitors to the Shire from far and wide.

Golden Plains Shire is also one of the leading egg producers in Victoria, and is attracting new investment in free-range egg production in the Golden Plains Food Production Precinct—this is an area of land in the southern part of the Shire set to become one of Victoria's premier areas for intensive agriculture.

Golden Plains Shire Council is renowned for engaging with its communities to build community spirit, plan for growth and future facilities and services. Residents continue to support their communities, with high levels of participation in community clubs, activities and volunteering.

Looking to the future, Golden Plains Shire residents have shared their vision and priorities for the next 10-20 years. They identified the need to plan and manage the competing interests of a growing population whilst maintaining the Shire's highly valued rural character, meet community service and infrastructure needs and maintain and improve the Shire's extensive road network.

Golden Plains offers relaxed country living, with the services and attractions of Melbourne, Geelong and Ballarat just a stone's throw away. With an abundance of events, attractions and activities, as well many great local businesses and breathtaking views, Golden Plains a great place to live, invest, taste, see and explore.

### **Our Vision**

A healthy, safe, vibrant, prosperous and sustainable community supported by strong leadership, transparent governance and community partnerships - Our Community, Our Economy, and Our Pride.

### **Our Mission**

We will achieve our vision through:

- Demonstrating good governance and involving the community in decision making
- working and advocating in partnership with our community to address social, economic and environmental challenges
- Promoting gender equality and equity and inclusion for all
- sustaining a focus on long term outcomes and delivering increased public value through good decision-making and wise spending
- building awareness and strategic alliances with government, regional groups and community.

### **Our Values**

#### **Honesty and Integrity**

We will act ethically and honestly and work to continue to build the trust and confidence of the community

#### **Leadership**

We will demonstrate strong and collaborative community leadership

#### **Accountability**

We will act in an open and transparent manner and be accountable to our community for our processes, decisions and actions

#### **Adaptability**

We will implement progressive and creative responses to emerging issues and will continue to work to build organisational and community resilience

#### **Fairness**

We will base our decision making on research, information and understanding of the needs and aspirations of the whole community and promote equitable access to the Shire's services and public places.

## External Factors

### **Local Government Amendment (Fair Go Rates) Act 2015**

- Local Government Amendment (Fair Go Rates) Act 2015 received Royal Assent on 2 December 2015. The Minister for Local Government has made a determination that the cap will be set at 2.25% for the 2018-19 year.

### **Fire Services Property Levy Act 2012**

- Council will continue to collect the Fire Services Property Levy (FSPL), on behalf of the State Government, that was introduced on 1 July 2013. Hence, Council does not recognise any revenue and this levy is not included in any rating calculation or comparisons

### **Local Authorities Superannuation Fund Defined Benefit Plan (LASF DB Plan)**

- The LASF DB Plan is an industry wide defined benefit fund that current and past employees of Council are members of and Council has a legal obligation to meet any 'calls' made on the fund. The fund was closed to new members in 1993.

In February 2011 and again in July 2012 the Actuarial review of the Plan identified it was under-funded and that a 'Call' was required. Golden Plains was required to contribute amounts of \$420,881 and \$1,758,927 respectively. This Plan is managed by Vision Super and is exposed to fluctuations in the market. No 'call' is expected in the short term and no provision has been made in 2018-19.

### **Local Government Costs**

- The Budget has been framed taking into account the cost of delivering local government services. Research indicates that local government costs typically increase by around one per cent above the consumer price index (CPI). The CPI is a weighted basket of household goods and services. But, council services are quite different to household services, since a greater proportion of costs are directed towards providing infrastructure and social and community services.

These costs generally exceed other cost increases in the economy.

### **Household Waste Disposal**

- In recent years the cost of disposing of household waste has increased significantly in Victoria. In 2015-16 Council introduced a new service to help combat these increases, however, above CPI increases are expected to continue into the future. These increased costs have resulted from landfill closures, increased cartage and disposal costs and increased compliance costs for landfill operators.
- The 'National Sword Policy' introduced by China has severely restricted the exportation of recycled materials from Australia. As has been widely discussed this has resulted in significant increases in the cost of disposing of recycled materials, resulting in an additional cost per household of \$60 p.a.

### **Interest Rates**

- Fixed interest rates on new long-term borrowings are assumed to be 4.0% per annum.
- Interest rates for investments are assumed to be between 1.0% and 3.0% per annum.

### **Population Growth**

- Future population growth from 2016 to 2031 is estimated to be 2.7% per annum.

### **Rates and Charges**

- Total rates and charges of \$22.9m include Rates, Municipal Charge, Special Charges and Garbage Charge, including supplementary rates.
- The interest rate on outstanding rates and charges (per the Penalty Interest Rates Act 1983) is assumed to be 10.0% per annum. The rate can be reviewed at any stage during the year by the Attorney-General and this will be the rate that Council uses in accordance with the Local Government Act 1989.
- 7.28% of rates and charges raised in 2018-19 have been budgeted to remain outstanding at 30 June 2019.

### **Grants**

- The Federal Assistance Grants distributed via the Victoria Grants Commission is assumed to increase by 5.9% from the 2017-18 allocation.
- Operating grants have decreased by 4% to \$10.2m.

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**GOLDEN PLAINS SHIRE COUNCIL**

- Capital grants have decreased by 58% to \$2.76m. This is due to Council receiving a number of unusually large capital grants in 2017-18 that will not continue in 2018-19. These include Roads to Recovery and Black Spot funding.
- Further detail on grant revenue is provided in Note 4 and 5 on page 44 and 45.

**User Fees and Charges**

- Some statutory fees and charges will increase and the level of income from these fees is generally assumed to increase by 2.5% as a result of growth in the level of activity.
- Most of Council's non-statutory fees and charges will increase by 2.5% in accordance with the Strategic Resource Plan.

**Payables**

- Trade creditors are based on total capital expenditure, expenditure on Materials and Services and a portion of employee costs such as superannuation. The normal payment cycle is 30 days.

**Receivables**

- The balance of Other Debtors is based on collecting 93% of contributions, recoupments, grants, fees and charges raised during the year.

**Economy**

- Economic conditions are expected to remain stable during the budget period. Local Government plays a key role in the implementation of State and Federal Government economic development programs which impact on the level of capital works expenditure of Council.

**Internal Factors**

**Employee Costs**

- The Victorian Wage Price index is forecast to be 2.40% in 2018-19. Council has negotiated a new Enterprise Agreement (EA) that will take affect from 1 July 2017.
- Total Employee costs are expected to remain steady at \$18.2m (EA increase of 1.5% offset by a decrease in FTE of 2.25)

**Impact of 2017-18 year on 2018-19 Budget**

- The 2017-18 forecast Balance Sheet becomes the starting point for the 2018-19 financial year; therefore this Statement holds the key to analysing the impact of last year's operations on the new Budget.
- The 2017-18 forecast as at 28 February 2018 remains consistent with the original Budget and any known material variance has been allowed for in the forecast. However, any subsequent movement to the forecast before 30 June 2018 will impact the opening Balance Sheet for 2018-19.
- Transactions occurring in the 2017-18 year will have an impact on the 2018-19 Budget. These include such items as closing cash balance, capital purchases and borrowings. These will impact opening cash balance, depreciation and interest respectively.

**Councillor and Mayoral Allowances**

- The Councillor and Mayoral allowances are set in accordance with the Local Government Act 1989. The base allowance set in December 2017 will remain in force until any change is gazetted by the Minister (usually in November each year).

Allowance	Annualised Thresholds From 1 July 2018
Councillor	\$22,052
Mayoral	\$66,154

The Mayor is also provided with a motor vehicle to conduct mayoral duties.



## Budget Principles

The Budget also takes into account the following principles:

- The financial result should be consistent with Council's Long Term Financial Plan, to ensure long-term sustainability
- All strategies contained within the Council Plan for the 2018-19 year should be funded in the Budget
- Rates and charges are levied in accordance with Council's Rating Strategy and in compliance with the Local Government Amendment (Fair Go Rates) Act 2015
- Spending and rating policies should be consistent with a reasonable degree of stability in the level of the rates burden
- Council should have regard to the effect on future generations of decisions made
- Staffing levels should be in accordance with Council's Strategic Resource Plan
- Only one-off capital projects should be funded from any retained earnings balance
- Debt finance can be used where appropriate as per Council's Borrowing Policy
- Cash reserves should be maintained at appropriate levels
- Long-term assets should be managed to maximise community benefit
- Existing fees and charges should be increased in line with Council's Strategic Resource Plan or market forces
- New revenue sources should be identified wherever possible
- New initiatives or new employee proposals should be justified through a business case
- Council recognises that government grants are a crucial element of financial sustainability
- Council's Budget should take into account all of Council's other strategic plans
- Financial risks faced by Council should be managed having regard to economic circumstances

## Legislative Requirements

Under the Local Government Act 1989 (the Act), Council is required to implement the principles of sound financial management. The principles of sound financial management are that a Council must:

- Manage financial risks faced by the Council prudently, having regard to economic circumstances
- Pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden
- Ensure that decisions are made and actions are taken having regard to their financial effects on future generations and
- Ensure full, accurate and timely disclosure of financial information relating to Council

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 Local Government (Planning and Reporting) Regulations 2014 (the Regulations) which support the Act.

The 2018-19 Budget, which is included in this report, is for the year 1 July 2018 to 30 June 2019 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, and Statement of Changes in Equity, Statement of Cash Flows and a Statement of Capital Works. The Budget also includes a Statement of Human Resources.

These statements have been prepared for the year ended 30 June 2019 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the Budget.

The Budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan (Section 5.1), Rating Strategy and other strategies as detailed in Services, Initiatives and Service Performance Indicators (Section 3).

## 2 STATEMENTS

This section presents information in regard to the Financial Statements and Statement of Human Resources.

At the end of each financial year, Council is required to include in the Financial Statements in its Annual Report a comparison of actual income and expenditure compared with the income and expenditure in the Financial Statements in the Budget.

### 2.1 COMPREHENSIVE INCOME STATEMENT

For the four years ending 30 June 2022

	Note	Forecast	Budget	Strategic Resource Plan Projections		
		2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Operating Revenue</b>						
Rates and Charges	1	21,315	22,903	23,713	24,544	25,431
Statutory fees and fines	2	412	585	599	615	630
User Fees	3	2,850	3,369	3,453	3,540	3,628
Grants - Operating	4	10,695	10,234	10,406	10,580	10,763
Grants - Capital	5	6,568	2,759	3,505	3,050	3,000
Contributions - monetary	6	2,480	1,179	1,169	1,183	1,198
Contributions - non-monetary	7	1,000	1,125	1,125	1,125	1,125
Net Gain/(Loss) on Disposal of Property, Infrastructure	8	2	2	-	657	1,576
Other Income	9	230	250	250	250	250
<b>Total Income</b>		<b>45,552</b>	<b>42,406</b>	<b>44,218</b>	<b>45,544</b>	<b>47,601</b>
<b>Operating Expenditure</b>						
Employee costs	10	(18,194)	(18,178)	(18,743)	(19,416)	(20,110)
Materials and Services	11	(12,094)	(12,196)	(12,493)	(12,800)	(13,108)
Bad & Doubtful Debts	12	(3)	(2)	(2)	(2)	(2)
Depreciation and amortisation	13	(7,719)	(8,080)	(8,250)	(8,396)	(8,523)
Borrowing Costs	14	(346)	(414)	(628)	(601)	(602)
Other Expenses	15	(258)	(266)	(272)	(279)	(286)
<b>Total Expenses</b>		<b>(38,614)</b>	<b>(39,136)</b>	<b>(40,390)</b>	<b>(41,494)</b>	<b>(42,631)</b>
<b>Surplus / (Deficit) for the year</b>		<b>6,938</b>	<b>3,270</b>	<b>3,828</b>	<b>4,050</b>	<b>4,970</b>
<b>Other comprehensive income</b>		-	-	-	-	-
<b>Total comprehensive result</b>		<b>6,938</b>	<b>3,270</b>	<b>3,828</b>	<b>4,050</b>	<b>4,970</b>

\* Notes are included in Section 4, beginning on page 42

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**2.2 BALANCE SHEET**

For the four years ending 30 June 2022	Note	Forecast	Budget	Strategic Resource Plan Projections		
		2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Current Assets</b>						
Cash and cash equivalents		10,591	10,375	8,836	8,722	11,024
Trade and Other Receivables		2,589	2,832	2,892	2,951	3,015
Inventories - Consumables		19	18	18	18	18
Non-current assets classified as held for sale		322	322	322	269	140
Other Assets		53	2,432	56	56	56
<b>Total Current Assets</b>	16	<b>13,574</b>	<b>15,979</b>	<b>12,123</b>	<b>12,015</b>	<b>14,252</b>
<b>Non-Current Assets</b>						
Investments in associates and joint		740	740	740	740	740
Other non-current financial assets		1,982	340	1,342	2,358	3,389
Property, infrastructure, plant and equipment		438,514	446,075	454,952	457,925	459,496
<b>Total Non-Current Assets</b>	17	<b>441,236</b>	<b>447,155</b>	<b>457,034</b>	<b>461,023</b>	<b>463,625</b>
<b>TOTAL ASSETS</b>		<b>454,810</b>	<b>463,134</b>	<b>469,157</b>	<b>473,038</b>	<b>477,877</b>
<b>Current Liabilities</b>						
Trade and Other Payables		1,554	1,717	1,717	1,717	1,717
Trust Funds and Deposits		202	236	236	236	236
Provisions		3,042	3,350	3,630	3,724	3,790
Interest bearing loans and borrowings		261	2,635	113	34	0
<b>Total Current Liabilities</b>	18	<b>5,059</b>	<b>7,938</b>	<b>5,697</b>	<b>5,711</b>	<b>5,743</b>
<b>Non-Current Liabilities</b>						
Provisions		2,809	2,619	2,518	2,218	1,905
Interest bearing loans and borrowings		7,646	10,011	14,548	14,665	14,814
<b>Total Non-Current Liabilities</b>	19	<b>10,455</b>	<b>12,630</b>	<b>17,066</b>	<b>16,883</b>	<b>16,719</b>
<b>TOTAL LIABILITIES</b>		<b>15,514</b>	<b>20,568</b>	<b>22,763</b>	<b>22,594</b>	<b>22,463</b>
<b>NET ASSETS</b>		<b>439,296</b>	<b>442,566</b>	<b>446,394</b>	<b>450,444</b>	<b>455,414</b>
<b>Equity</b>						
Accumulated Surplus		182,000	185,270	189,098	193,148	198,118
Reserves		257,296	257,296	257,296	257,296	257,296
<b>TOTAL EQUITY</b>	20	<b>439,296</b>	<b>442,566</b>	<b>446,394</b>	<b>450,444</b>	<b>455,414</b>

\* Notes are included in Section 4, beginning on page 42

**2.3 STATEMENT OF CHANGES IN EQUITY**

**For the year ending 30 June 2019**

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		439,296	182,000	253,418	3,878
Surplus/(deficit) for the year		3,270	3,270	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	30	-	(30)
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>	20	<b>442,566</b>	<b>185,300</b>	<b>253,418</b>	<b>3,848</b>

**For the year ending 30 June 2020**

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		442,566	185,300	253,418	3,848
Surplus/(deficit) for the year		3,828	3,828	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>446,394</b>	<b>189,128</b>	<b>253,418</b>	<b>3,848</b>

**For the year ending 30 June 2021**

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		446,394	189,128	253,418	3,848
Surplus/(deficit) for the year		4,050	4,050	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>450,444</b>	<b>193,178</b>	<b>253,418</b>	<b>3,848</b>

**For the year ending 30 June 2022**

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		450,444	193,178	253,418	3,848
Surplus/(deficit) for the year		4,970	4,970	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>455,414</b>	<b>198,148</b>	<b>253,418</b>	<b>3,848</b>

\*Notes are included in Section 4, beginning on page 42

**2.4 STATEMENT OF CASH FLOWS**

For the four years ending 30 June 2022

	Note	Forecast	Budget	Strategic Resource Plan Projections		
		2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Cash Flows From Operating Activities (Inclusive of GST where applicable)</b>						
Rates and charges		21,316	<b>22,706</b>	23,713	24,544	25,431
Grants – Operating		10,695	<b>10,234</b>	10,544	10,721	10,907
Grants - Capital		6,999	<b>3,622</b>	3,500	3,050	3,000
Interest Received		230	<b>221</b>	250	250	250
Statutory fees and fines		412	<b>585</b>	599	615	630
User Fees		2,897	<b>3,317</b>	3,487	3,532	3,646
Contributions and Recoupments - monetary		2,581	<b>814</b>	1,169	1,183	1,198
Employee Costs		(18,304)	<b>(18,160)</b>	(18,760)	(19,393)	(20,112)
Materials and services		(15,078)	<b>(13,623)</b>	(11,163)	(14,403)	(14,713)
Net GST Refund (payment)		643	<b>954</b>	744	960	981
<b>Net cash provided by/(used in) Operating Activities</b>	21	<b>12,391</b>	<b>10,670</b>	<b>14,083</b>	<b>11,059</b>	<b>11,218</b>
<b>Cash Flows From Investing Activities (Net of GST)</b>						
Payments for property, infrastructure, plant and equipment		(15,206)	<b>(15,096)</b>	(16,873)	(10,682)	(9,413)
Proceeds from sale of property, infrastructure, plant and equipment		594	<b>586</b>	871	1,095	2,019
Other financial assets		-	-	-	-	-
<b>Net cash provided by/(used in) Investing Activities</b>	22	<b>(14,612)</b>	<b>(14,510)</b>	<b>(16,002)</b>	<b>(9,587)</b>	<b>(7,394)</b>
<b>Cash Flows From Financing Activities</b>						
Interest Paid		(346)	<b>(414)</b>	(634)	(607)	(607)
Repayment of Borrowings		(242)	<b>(260)</b>	(2,635)	(113)	(34)
Proceeds from Borrowings		650	<b>5,000</b>	4,650	150	150
LGFV Sinking Fund		(555)	<b>(785)</b>	(951)	(966)	(981)
Non-Current Investment		(50)	<b>50</b>	(50)	(50)	(50)
Trust Funds		(4)	<b>34</b>	0	0	0
<b>Net cash provided by/(used in) Financing Activities</b>	23	<b>(547)</b>	<b>3,625</b>	<b>380</b>	<b>(1,586)</b>	<b>(1,522)</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents</b>		<b>(2,768)</b>	<b>(215)</b>	<b>(1,539)</b>	<b>(114)</b>	<b>2,302</b>
Cash and cash equivalents at the beginning of the financial year		13,358	<b>10,590</b>	10,375	8,836	8,722
<b>Cash and cash equivalents at the end of the financial year</b>		<b>10,590</b>	<b>10,375</b>	<b>8,836</b>	<b>8,722</b>	<b>11,024</b>

\* Notes are included in Section 4, beginning on page 42

**2.5 STATEMENT OF CAPITAL WORKS**

For the four years ending 30 June 2022	Note	Forecast	Budget	Strategic Resource Plan Projections		
		2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Property</b>						
Land		-	-	309	-	-
Land improvements		-	-	-	-	-
<b>Total land</b>		-	-	<b>309</b>	-	-
Buildings – specialised		4,494	<b>5,631</b>	7,701	948	1,978
Buildings – unspecialised		760	<b>365</b>	845	845	845
Heritage buildings		-	-	-	-	-
Building improvements		-	-	-	-	-
Leasehold improvements		-	-	-	-	-
<b>Total buildings</b>		<b>5,254</b>	<b>5,996</b>	<b>8,546</b>	<b>1,793</b>	<b>2,823</b>
<b>Total Property</b>	24	<b>5,254</b>	<b>5,996</b>	<b>8,855</b>	<b>1,793</b>	<b>2,823</b>
<b>Plant and equipment</b>						
Heritage plant and equipment		-	-	-	-	-
Plant, machinery and equipment		2,221	<b>1,674</b>	2,926	1,397	1,202
Fixtures, fittings and furniture		97	-	20	20	20
Computers and telecommunications		142	<b>282</b>	157	251	167
Library books		-	-	-	-	-
<b>Total plant and equipment</b>	24	<b>2,460</b>	<b>1,956</b>	<b>3,103</b>	<b>1,668</b>	<b>1,389</b>
<b>Infrastructure</b>						
Roads		5,502	<b>4,132</b>	2,754	3,993	3,008
Bridges		550	<b>1,750</b>	473	1,496	521
Footpaths and cycleways		236	<b>288</b>	285	285	285
Drainage		-	-	33	33	33
Recreational, leisure and community facilities		998	<b>720</b>	1,190	1,250	1,190
Waste management		-	-	-	-	-
Parks, open space and streetscapes		85	<b>205</b>	115	115	115
Off street car parks		121	<b>50</b>	50	50	50
Other infrastructure		-	-	-	-	-
<b>Total infrastructure</b>	24	<b>7,492</b>	<b>7,145</b>	<b>4,900</b>	<b>7,222</b>	<b>5,202</b>
<b>Total capital works expenditure</b>	24	<b>15,206</b>	<b>15,097</b>	<b>16,858</b>	<b>10,683</b>	<b>9,414</b>
<b>Represented by:</b>						
New asset expenditure	25	6,380	<b>1,227</b>	1,924	1,270	2,609
Asset renewal expenditure	26	5,969	<b>5,855</b>	6,372	6,655	4,412
Asset upgrade expenditure	27	1,997	<b>2,950</b>	5,062	2,737	2,372
Asset expansion expenditure	28	860	<b>5,065</b>	3,500	21	21
<b>Total capital works expenditure</b>		<b>15,206</b>	<b>15,097</b>	<b>16,858</b>	<b>10,683</b>	<b>9,414</b>

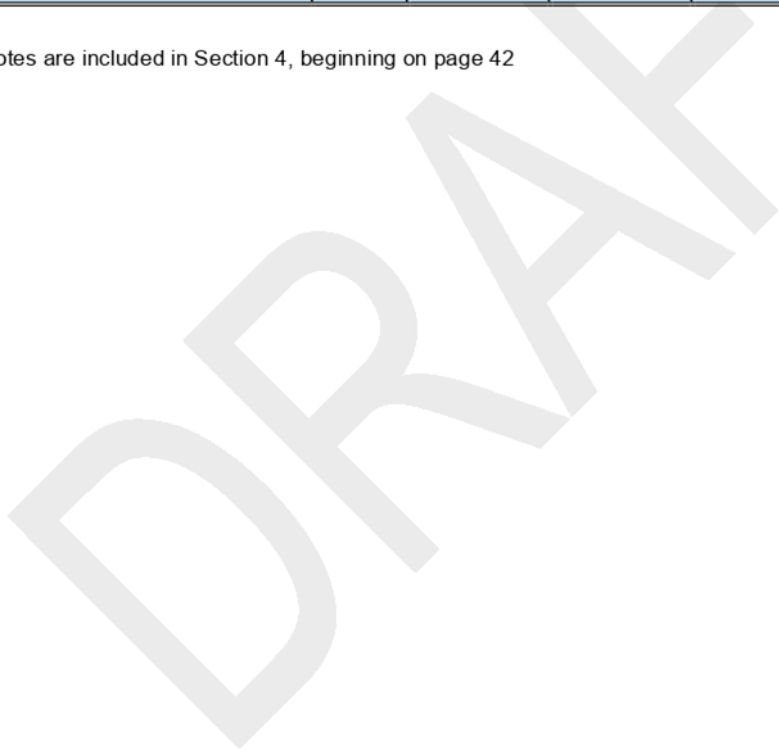
\* Notes are included in Section 4, beginning on page 42

**2.6 STATEMENT OF HUMAN RESOURCES**

For the four years ending 30 June 2022

	Note	Forecast	Budget	Strategic Resource Plan Projections		
		2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Staff expenditure</b>						
Employee costs – operating		18,194	<b>18,178</b>	18,743	19,416	20,110
Employee costs - capital		-	-	-	-	-
<b>Total staff expenditure</b>	10	<b>18,194</b>	<b>18,178</b>	<b>18,743</b>	<b>19,416</b>	<b>20,110</b>
		FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>						
Employees		206	<b>204</b>	206	208	210
<b>Total staff numbers</b>	10	<b>206</b>	<b>204</b>	<b>206</b>	<b>208</b>	<b>210</b>

\* Notes are included in Section 4, beginning on page 42



### 3 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS

This section provides a description of the services and initiatives to be funded in the Budget for the 2018-19 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of initiatives, major initiatives and service performance outcome indicators.

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

Initiatives marked with an ‘ \* ’ are wholly or partially funded.

**Strategic Objective 1: Promoting Healthy and Connected Communities**

To achieve the strategic objective of promoting healthy and connected communities Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Maternal and Child Health	<p>Enhance the health and development of children from birth until school age and their families by providing quality <b>Maternal and Child Health Services</b> across the shire.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Family Violence prevention programs*</li> <li>• Maternal and child health strategy implementation*</li> <li>• Provides support to every family with new born – municipality wide*</li> <li>• Healthy Families programs*</li> <li>• Community Playgroups*</li> <li>• Supported Playgroups*</li> </ul>	<p>607</p> <p>(256)</p> <p><b>351</b></p>
Children Services	<p>Improve the health and wellbeing of families by increasing access to a range of quality universal and specialist children and family services.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Development of Municipal early years plan and implementation</li> <li>• Early Years Management Kindergartens</li> <li>• Central Enrolment project</li> <li>• Project Management</li> <li>• Staff Training</li> <li>• Service Administration and facility reception</li> </ul>	<p>329</p> <p>(5)</p> <p><b>324</b></p>
Active Aged and Disability HACC for Younger People	<p>The <b>Home and Community Care</b> PYP aims to provide a coordinated, integrated and responsive range of basic maintenance and support services enabling people to be more active and independent at home and in the community.</p> <p>People who are eligible include frail people under the age of 65, younger people with disabilities not eligible for the NDIS and carers.</p> <p>Services include home care, property maintenance, personal care, respite, planned activity group and delivered meals.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Enhance the service planning and delivery relationships with community based service providers including allied health, district nursing, community health and disability service providers in Ballarat, Geelong and throughout Golden Plains Shire.*</li> <li>• Maintain a dynamic continuous quality improvement action plan ensuring service provision is consumer-driven and responsive.*</li> </ul>	<p>368</p> <p>(409)</p> <p>(41)</p>



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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Active Aged and Disability - Commonwealth Home Support Program	<p>The commonwealth Home support Program (CHSP) aims to provide a coordinated, integrated and responsive range of basic maintenance and support services enabling people to be more active and independent at home and in the community. The program has a specific re-ablement focus and offers short-term case management for people experiencing complex health and social issues. To be eligible for the program, people must be over the age of 65 years.</p> <p>Services include domestic assistance, home maintenance, personal care, flexible respite, social support programs, delivered meals and home modifications.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Enhance the service planning and delivery relationships with community based service providers including allied health, district nursing, community health and disability service providers in Ballarat, Geelong and throughout Golden Plains Shire.*</li> <li>• Maintain a dynamic continues quality improvement action plan ensuring service provision is consumer-driven and responsive.*</li> </ul>	<p>1,461 <u>(1,036)</u> 425</p>
Community Transport	<p>Providing access to a range of services by providing a flexible, responsive community transport service for eligible residents.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Fee for service transport for isolated residents across the Shire. Volunteer drivers provide the service, Council provides the buses.</li> </ul>	<p>209 <u>(32)</u> 177</p>
Community Centres	<p>Improving the health and wellbeing of Golden Plains Shire residents and facilitating the development of healthy vibrant communities.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Bannockburn Family Service centre Operating and maintenance</li> <li>• Smythesdale Business HUB operating and maintenance</li> <li>• Bannockburn Cultural Centre operating and maintenance</li> <li>• Early years Managed Kindergarten maintenance</li> <li>• Northern Community Centre operating and maintenance</li> <li>• Bannockburn Recreational Centre Operating costs</li> <li>• Meredith Community Learning HUB Operational and maintenance expenses.</li> </ul>	<p>1,000 <u>(129)</u> 871</p>
Kindergartens	<p>Early Years Management of five funded kindergarten services and associated Early learning Facilities. Council works closely with Incorporated Volunteer Parent Committees (Advisory Groups) to deliver quality education and care programs.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Integrated Service Bannockburn Children's Service at Bannockburn Family Services Centre.*</li> <li>• Inverleigh Kindergarten incl. Associated Service Inverleigh Occasional Care at Inverleigh Early learning Centre.*</li> <li>• Rokewood Kindergarten at Rokewood Kindergarten facility.*</li> <li>• Meredith Kindergarten at Meredith Community Learning HUB*</li> <li>• Teesdale Kindergarten at Teesdale Children's Centre.*</li> </ul>	<p>1,020 <u>(1,013)</u> 7</p>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Bannockburn Children Services	<p>Management and operation of the integrated children's service at Bannockburn, incorporating long day care and funded Kindergarten programs.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Management of childcare and funded Kindergarten programs operating from Bannockburn Family Services Centre. Including delivery of high quality education and care service.*</li> </ul>	<p>3,215 <u>(3,167)</u> 48</p>
Family Day Care	<p>Management of Family Day Care Service with contracted Educators operating throughout the Shire. Qualified educators provide education and care to between four and seven children per day and like childcare/ kindergartens are strictly regulated under National Regulation and Law.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Management of family day care educators including delivery of quality early years education and care service.*</li> </ul>	<p>316 <u>(263)</u> 53</p>
Community Development	<p>Supporting and strengthening local communities through the development of Community Plans and Council's community grants program.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Enhance leadership and other civic skills within communities so as to increase the capacity of communities to address local issues and challenges and to build vibrant, healthy places.</li> <li>• Assist in developing a sense of community spirit, pride, ownership and identity within communities.</li> <li>• Encourage and support local leadership and active participation in community groups, volunteer organisations and local projects.</li> <li>• Facilitate community-connectedness and social inclusion to improve the health and wellbeing of communities.</li> <li>• Ensure Council's engagement practice is accessible and transparent</li> <li>• Create more opportunities for participation in engagement processes</li> <li>• Develop and promote a range of options for communities to participate in engagement processes</li> <li>• Reduce the barriers for wider community involvement</li> <li>• Ensure better representation from across the Shire</li> </ul>	<p>613 <u>(3)</u> 610</p>
Health Promotion	<p>Creating healthy, vibrant and connected communities and improving the health and wellbeing of people living in Golden Plains Shire.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Identify community health needs and gaps in services*</li> <li>• Work with local and regional agencies to increase service provision*</li> <li>• Implement health promotion initiatives across the Shire in the aged care, disability, youth, family and children service sectors*</li> <li>• Support the development and delivery of a range of health &amp; wellbeing activities and services based at Council's community centres*</li> <li>• Plan, create and deliver natural and built environments that support access and inclusion for everyone</li> <li>• Provide and support program opportunities that increase community participation and involvement*</li> <li>• Provide, co-ordinate and advocate for a range of services that support people with a disability and their carers*</li> <li>• Ensure the community can access news and information and engage with Council through a range of inclusive communication approaches*</li> </ul>	<p>684 <u>(516)</u> 168</p>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Libraries	Providing a <b>library</b> service to residents of Golden Plains Shire.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Participate in the management of the Geelong Regional Library Corporation</li> <li>• Support the development of a sustainable mobile library service</li> <li>• Support the continued development of the static library in Bannockburn</li> <li>• Support the development of opportunities to provide multiple means of library service delivery to rural communities</li> </ul>	458 (1) <b>457</b>
Arts and Culture	Facilitating the development of community arts and cultural development projects in collaboration with local artists and communities. Arts and cultural is central to the quality of life and wellbeing of residents in Golden Plains Shire.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Supporting arts activity across the Shire</li> <li>• Improving the cultural literacy and skills of community members</li> <li>• Working with artists, arts workers and arts businesses to strengthen innovation, viability and growth of creative industries</li> <li>• Working with artists to enhance the natural and built environment of Golden Plains Shire</li> </ul>	216 (11) <b>205</b>
Youth Development	Working with young people, local communities and service providers to improve the health and wellbeing of young people living in Golden Plains Shire.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• increase the capacity and opportunities for GPS young people to participate in their community through decision making, collaboration and community based initiatives*</li> <li>• increase the skills, knowledge, confidence and leadership abilities of young people providing meaningful pathways into education, training and careers*</li> <li>• Increase the wellbeing, networks and connections of young people with their local community, businesses, services, families and friends*</li> <li>• Ensure young people have access to local events and activities*</li> </ul>	357 (69) <b>288</b>
Recreation Planning	Working with local communities and committees of management to develop a range of recreation facilities and activities.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Identify the recreation services and facility needs of the Golden Plain's community.</li> <li>• Support the development of recreation services and facility provision in Golden Plains Shire</li> <li>• Coordinate the management and operations at The Well, Northern Community Centre and the Bannockburn Cultural Centre</li> <li>• Encourage and support local leadership in facility committees of management and sporting clubs</li> <li>• Increase the physical activity of residents and active participation in clubs and activities</li> </ul>	653 (25) <b>628</b>
Recreation Construction	Construction of community facilities, including halls, paths and trails, recreation reserves and pavilions, sporting facilities and playgrounds  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Construction of the Bannockburn Heart</li> <li>• Allocation of funds to assist with the redevelopment of the Rokewood Recreation Reserve pavilion</li> <li>• Upgrade the Smythesdale Skate Park*</li> </ul>	251 (332) <b>(81)</b>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
	<ul style="list-style-type: none"> <li>Upgrade the netball courts at Victoria Park, Bannockburn*</li> </ul>	
Recreation Infrastructure maintenance	Undertaking general maintenance of all Council owned and controlled land, buildings and facilities and supporting communities that undertake these activities on behalf of Council. 40% of this budget relates to depreciation.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Maintenance of sports ovals, reserves, stadiums and pavilions</li> <li>Oval Watering Costs</li> <li>Maintenance of public halls</li> <li>Maintenance of playgrounds and skate parks</li> <li>Maintenance and cleaning of public amenities</li> </ul>	2,946 (60) <b>2,886</b>
Volunteers	Supporting volunteers to best service their communities through recruitment and retention, capacity building, developing new programs and achieving best practice in volunteer management.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Support the recruitment and retention of volunteers</li> <li>Assist with the skill development of volunteers</li> <li>Increase the range of volunteer opportunities in the Shire.</li> </ul>	86 (0) <b>86</b>

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in MCH key ages and stages visits (Percentage of children attending the MCH key ages and stages visits)	$\frac{\text{Number of children who attend the MCH service at least once (in the year)}}{\text{Number of children enrolled in the MCH service}} \times 100$
	Participation	Participation in MCH key ages and stages visits by Aboriginal children (Percentage of Aboriginal children attending the MCH key ages and stages visits)	$\frac{\text{Number of Aboriginal children who attend the MCH service at least once (in the year)}}{\text{Number of Aboriginal children enrolled in the MCH service}} \times 100$
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population that receive a HACC service)	$\frac{\text{Number of people that received a HACC service}}{\text{Municipal target population for HACC services}} \times 100$
	Participation	Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people that receive a HACC service)	$\frac{\text{Number of CALD people who receive a HACC service}}{\text{Municipal target population in relation to CALD people for HACC services}} \times 100$
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	$\frac{\text{Number of active library members}}{\text{Municipal population}} \times 100$

**Strategic Objective 2: Enhancing Local Economies**

To achieve the strategic objective of enhancing local economies Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Economic Development	<p><b>Investment attraction</b> Investment attraction activities will be attract new business investment and facilitate business growth through:</p> <ul style="list-style-type: none"> <li>• Understanding the local economy, identifying opportunities, and gaps</li> <li>• Marketing our strengths and developing external relationships</li> <li>• Provide information, data and guidance to investors</li> <li>• Identifying suitable land for development</li> <li>• Facilitating the Investment Task Force to provide high level support to new investment</li> <li>• Developing strong internal and external relationships</li> </ul> <p><b>Business Support</b> Business support will take the form of support and nurture through:</p> <ul style="list-style-type: none"> <li>• Business visits and relationship building</li> <li>• Problem solving</li> <li>• Facilitating linkages &amp; referrals</li> <li>• Responding to business enquiries</li> <li>• Facilitating business networking events</li> <li>• Facilitating &amp; auspicings links to grant programs</li> <li>• Business training and mentoring</li> <li>• Economic Development Quarterly newsletter</li> <li>• Buy local campaign</li> </ul> <p><b>Tourism development</b> To develop the visitor economy through:</p> <ul style="list-style-type: none"> <li>• Supporting community and commercial events</li> <li>• Facilitating State Government grants</li> <li>• Implementing and supporting township Welcome Hubs</li> <li>• Developing the Moorabool Valley Food &amp; Wine Trail</li> <li>• Supporting the Golden Plains Arts Trail</li> <li>• Promoting Golden Plains heritage</li> <li>• Supporting Lethbridge Airport</li> <li>• Supporting tourism development projects and infrastructure</li> </ul> <p><b>Lobbying and Advocacy</b> To engage Government in supporting local business and local infrastructure through:</p> <ul style="list-style-type: none"> <li>• Identifying and communicating key priorities, issues, concerns and projects</li> <li>• Organising a calendar of meetings with relevant Ministers and members of parliament</li> <li>• Developing and regularly updating the Priority Projects booklet and issue specific Briefing Notes.</li> <li>• Writing submissions highlighting key issues for business and the community</li> <li>• Participating in G21 Regional Alliance delegations to State and Federal Ministers</li> <li>• Organising guest presenters to Council</li> <li>• Running corporate event announcements, openings and other official events</li> </ul>	521 (15) <b>506</b>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
	<ul style="list-style-type: none"> <li>• Developing event-specific Briefing Notes</li> <li>• Liaising with Government agencies</li> <li>• Lobbying and working with utility and telecommunication providers to expand infrastructure and services</li> </ul> <p><b>Partnership</b> To work with business, government and community, key stakeholders and groups through:</p> <ul style="list-style-type: none"> <li>• Active networking</li> <li>• Integrated cross departmental planning</li> <li>• Membership of regional influence groups</li> <li>• Collaborative project development</li> </ul> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Economic Development Strategy implementation</li> <li>• REMPLAN Economic Investment Modelling</li> <li>• Population profile and forecast service</li> <li>• Website maintenance – tourism</li> <li>• Regional Tourism membership</li> </ul>	
Golden Plains Farmers' Market	<p>The Golden Plains Farmers' Market provides a genuine farmers' market experience for visitors and residents that strengthens opportunities for local growers and makers, supports the local economy and creates a vibrant community meeting place.</p> <p>The Golden Plains Farmers' Market's goals are to:</p> <ul style="list-style-type: none"> <li>• Create business opportunities for local growers and producers and support food sovereignty in Golden Plains Shire and Victoria;</li> <li>• Raise the profile of Golden Plains and surrounding areas as a producer of a wide range of quality food and wine products;</li> <li>• Increase visitor numbers to Golden Plains;</li> <li>• Provide linkages with local retailers and other town centre activities;</li> <li>• Provide opportunities for community development activities and social connection.</li> </ul>	<p>73 <u>(35)</u> <b>38</b></p>

**Strategic Objective 3: Maintaining Natural and Built Environments**

To achieve the strategic objective of maintaining Natural and Built environments Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Major Projects	<p>Planning and development of major projects, including halls, recreation reserves and pavilions and sporting facilities. Major land development projects undertaken by Council are also included in this program.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Planning for proposed future major projects</li> <li>• Monitoring of current major projects</li> </ul> <p><b>Major Initiative:</b></p> <p>Construction of stage one of the Bannockburn Heart Precinct. Stage one will be a \$2.6m project to create a play space with water play elements, a new car park, public toilets, a BBQ area, shade and a paved plaza next to the Bannockburn Library and Cultural Centre. Relevant approvals, further community consultation and the appointment of architectural services were completed in 2017-18.</p>	<p>33 (4) <b>29</b></p>
Land Use Planning	<p>To provide for fair, orderly, economic and sustainable use and development of land within the Shire and to undertake all strategic and <b>statutory land use planning</b> functions.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Land Use Planning</li> <li>• Inverleigh Flood Study</li> <li>• Panel &amp; VCAT Hearings</li> <li>• Major Planning Applications</li> <li>• Strategic Planning &amp; Amendments</li> <li>• Heritage Adviser</li> <li>• Implement the Rural Land Use Strategy (2008)</li> <li>• Implement the Bruces Creek Masterplan</li> <li>• Undertake planning scheme enforcement and compliance checks when and where necessary</li> <li>• Develop and implement town structure plans and urban design frameworks</li> <li>• Conduct a review of the Inverleigh Structure Plan</li> <li>• Implement the revised Meredith and Lethbridge Structure Plans</li> <li>• Implement the Gheringhap Structure Plan</li> <li>• Implement the Napoleons Structure Plan review</li> <li>• To continue the development of a comprehensive settlement strategy for the north of Golden Plains Shire</li> <li>• To explore opportunities for the identification of new employment land within the Shire</li> </ul>	<p>1,274 (668) <b>606</b></p>
Building Control	<p>To undertake a range of regulatory compliance actions to ensure a safe build environment for all Golden Plains Shire residents. To provide complementary statutory and non-statutory building services to facilitate compliant building activity throughout Golden Plains Shire.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Building control</li> <li>• Essential Safety Measures program</li> <li>• Building compliance</li> <li>• Swimming pool safety program</li> <li>• To develop and implement a comprehensive program of Essential Safety Measures audit and inspections</li> </ul>	<p>400 (90) <b>310</b></p>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
	<ul style="list-style-type: none"> <li>To implement a targeted inspection program for Swimming Pool compliance</li> </ul>	
Fire Protection	To identify potential fire hazards and to minimise the risks in the event of bushfire.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Protect the community against fire risk</li> <li>Eradication of fire hazards</li> <li>Fire access road maintenance</li> <li>Standpipe operations</li> <li>Standpipe &amp; Drought Bore Maintenance</li> </ul>	283 (63) <b>220</b>
Environmental Management	To protect and enhance the natural environment.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Environmental Management</li> <li>Pest, plant &amp; animal control</li> <li>Environmental Strategy implementation</li> <li>Roadside weed control*</li> <li>Develop Shire responses on Government Environment and Land Use Strategies, including native vegetation, catchments, biodiversity, river health, etc.</li> </ul>	480 (51) <b>429</b>
Community Protection	Educate the community about local laws and <b>animal control</b> and enforce Council's local laws.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Community protection</li> <li>School crossing supervision*</li> <li>Local laws</li> <li>Implement new Domestic Animal Management Plan</li> <li>Animal control</li> <li>Impounding expenses</li> <li>Registration, tags, forms &amp; postage</li> <li>DPI animal registration fee</li> </ul>	626 (570) <b>56</b>
Public Health	To protect and enhance the health of the public and the environment via education and enforcement of <b>Food Safety</b> and Environmental Health.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Public Health</li> <li>Sampling Analysis – Public Health</li> <li>Domestic Waste Water Management Plan implementation</li> <li>Immunisation</li> <li>Undertake a program incorporating targeted compliance, education and awareness for all tobacco retailers within Golden Plains Shire*</li> <li>Undertake a range of food safety program actions</li> </ul>	521 (248) <b>273</b>
Sealed Roads Routine Maintenance	Routine maintenance of the sealed local <b>road</b> network.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Routine maintenance of 1,005 km of the Shire's sealed roads network</li> </ul>	1,556 (179) <b>1,377</b>
Local Roads Resealing	Bituminous resealing of Council's local sealed road network. 95% of this budget relates to depreciation.	2,192 (3) <b>2,189</b>
Local Roads Rehabilitation	Local Roads Rehabilitation. 80% of this budget relates to depreciation.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>17% of this budget is allocated to major patching of sealed roads</li> </ul>	1,808 (1) <b>1,807</b>



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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Local Roads Improvements	Creating improvements to Council's local road network. <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Deliver local road improvement projects approved by Council</li> <li>• Deliver the Roads to Recovery Funding Program of \$585*</li> <li>• Upgrade to Tall Tree Road of \$1.4M*</li> </ul>	74 <u>(1,530)</u> <b>(1,456)</b>
Gravel Roads Routine Maintenance	Routine maintenance of Council's local gravel road network. <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Maintenance of 738 km of Council Gravel road network</li> <li>• Dust suppressant</li> </ul>	1,025 <u>(8)</u> <b>1,017</b>
Gravel Re-sheeting	Gravel re-sheeting works on Council's local gravel road network. 97% of this budget relates to depreciation.	1,162 <u>(1)</u> <b>1,161</b>
Bridge Maintenance	Maintenance of Council's bridges and major culverts. 70% of this budget relates to depreciation. <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Routine bridge maintenance</li> </ul>	710 <u>(802)</u> <b>(92)</b>
Tree Clearing	Tree clearing works on Council's local road network, to ensure community safety. <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Tree clearing as per customer requests (400 per year)</li> <li>• Basic maintenance of Meredith &amp; Inverleigh Avenues of Honour</li> <li>• Minimal roadside verge clearing</li> </ul>	449 <u>(3)</u> <b>446</b>
Gravel Pits	Operation and rehabilitation of Council operated gravel pits. <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Gravel procurement and sales</li> <li>• Continue a program to restore gravel pits where Council utilised the resource</li> <li>• Monitor and rehabilitate Council land that is being, or has been, utilised as landfill sites</li> </ul>	226 <u>(226)</u> <b>(0)</b>
Asset Management	Management of Council's road and bridge assets. <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Maintenance of asset systems to ensure accurate records of roads, bridges, drainage, buildings, footpaths, etc. are maintained</li> <li>• Maintain an intervention level of 7.5 on Moloney Asset Management System</li> <li>• Road and Bridge asset revaluation and condition assessment</li> </ul> <b>Major Initiative:</b> Council will be further developing its current asset management practices and processes. This will include the procurement and implementation of new or improved asset management software, review of Council's road management plan, review of operational practices and procedures and increased funding, of \$750K, for maintenance and renewal of gravel and sealed local road.	511 <u>(72)</u> <b>439</b>
Drainage Maintenance	Maintenance of Council's township and rural drainage assets. 24% of this budget relates to depreciation. <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Rural drainage maintenance (42% of budget)</li> <li>• Townships drainage maintenance (26% of budget)</li> </ul>	525 <u>(21)</u> <b>504</b>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Private Works	Provision of private works services for residents, other Councils and developers.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Undertake private works projects as required</li> </ul>	28 (26) <b>2</b>
Line marking, Guideposts and Signs	Maintenance of line-marking, and delineation in the form of guideposts and signage across Council's local road network.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Sign &amp; guidepost maintenance</li> <li>• Re-stripping of 350 km centre line plus Statcon markings (centreline repainting based on a 24 month cycle) plus 12 rail crossings plus school crossings</li> </ul>	255 (3) <b>252</b>
Street Lighting	Provision of street lighting across Council's local road network.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Street light operations</li> <li>• Participate in Stage 1 of the G21 LED Street lighting program</li> </ul>	161 (1) <b>160</b>
Township Maintenance	Provision of street beautification works including grass cutting in townships in accordance with Council policy.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Township mowing &amp; maintenance</li> <li>• Tree planting in townships</li> <li>• Street furniture maintenance</li> </ul>	673 (15) <b>658</b>
Bus Shelters	Provision and maintenance of bus shelters across the Shire.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Minor repairs to existing shelters including painting of up to two shelters</li> </ul>	12 (0) <b>12</b>
Paths and Trails	Maintenance of Council's network of footpaths. 70% of this budget relates to depreciation.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Maintain Council paths and trails</li> <li>• Rail Trail maintenance</li> <li>• Maintenance of Ballarat – Skipton Rail Trail including minor bridge repairs</li> </ul>	252 (101) <b>151</b>
Garbage Collections	<b>Collection of domestic garbage and recyclables</b> and disposal of garbage across the Shire.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Household garbage collection</li> <li>• Disposal of waste to landfill</li> <li>• Recycling collection &amp; education</li> <li>• Review waste management strategy</li> <li>• Advocate for local projects funded by Sustainability Victoria</li> <li>• Participate in the regional waste and resource recovery group</li> </ul>	2,668 (2,904) <b>(236)</b>
Municipal Landfills	Rehabilitation and environmental monitoring of Council's landfill sites and operation of the Rokewood transfer station.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Rehabilitation and environmental monitoring of Council's landfill sites</li> </ul>	185 (13) <b>172</b>
Litter Control	Control litter and illegal dumping across the Shire.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Litter control</li> <li>• Garbage collection from public spaces</li> </ul>	63 (1) <b>62</b>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
	<ul style="list-style-type: none"> <li>Improve process for reporting and investigation of litter and illegal dumping</li> </ul>	

**Service Performance Outcome Indicators**

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT  (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)	$\frac{\text{Number of VCAT decisions that did not set aside Council's decision in relation to a planning application}}{\text{Number of VCAT decisions in relation to planning applications}} \times 100$
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
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)	$\frac{\text{Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up}}{\text{Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises}} \times 100$
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.
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)	$\frac{\text{Weight of recyclables and green organics collected from kerbside bins}}{\text{Weight of garbage, recyclables and green organics collected from kerbside bins}} \times 100$

**Strategic Objective 4: Delivering Good Governance and Leadership**

To achieve the strategic objective of delivering good governance and leadership Council will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Communications and Marketing	<p>Clear articulation of Council initiatives, strategies, benefits and services to internal and external stakeholders through communication channels including corporate publications.</p> <p>Facilitation of effective communication between Council, residents, community groups, businesses and media.</p> <p>Transformation to digital communications through website, social media and other digitised platforms.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Events, Communications and Marketing Strategy implementation</li> <li>• Website development</li> <li>• Social Media communications</li> <li>• Media monitoring</li> <li>• Regional Marketing programs</li> <li>• Golden Plains Gazette</li> <li>• Corporate events - openings and announcements</li> <li>• Festivals – Australia Day</li> <li>• Publications</li> <li>• Community First continuous improvement program</li> </ul>	<p>751 <u>(9)</u> <b>742</b></p>
Customer Services Centres	<p>Operation of customer service centres to provide bases from which Council can deliver services.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Undertake a community satisfaction survey</li> <li>• Implement customer service strategy action plan</li> </ul>	<p>473 <u>(7)</u> <b>466</b></p>
Governance	<p><b>Governance</b> is the process of decision making and the process by which decisions are implemented. This program aims to strengthen Council's decision making capacity and identifies key areas of advocacy that Council will focus on in the 2018-19 financial year.</p> <p><b>Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Mayoral &amp; Councillor's allowances</li> <li>• Councillors travel, accommodation, meals &amp; other expenses</li> <li>• Councillor communications</li> <li>• Councillor's conferences &amp; professional development</li> <li>• Corporate Memberships</li> <li>• Civic ceremonies &amp; memorabilia</li> <li>• Independent audit committee members</li> <li>• Lobbying of politicians and key players in the local government industry</li> <li>• Advocacy on behalf of the community on key government issues</li> </ul> <p><b>Major Initiatives:</b></p> <p><b>MAV WorkCare initiative</b> - Council will be participating in the MAV WorkCare initiative to further improve its focus on occupational health and safety. MAV WorkCare is a workers compensation self-insurance scheme for local government employers. The new scheme began on 1 November 2017 and will produce significant benefits for Council and their employees. These benefits include:</p> <ul style="list-style-type: none"> <li>• sustained and measurable improvements in workplace safety;</li> </ul>	<p>754 <u>(9)</u> <b>745</b></p>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
	<ul style="list-style-type: none"> <li>• lower costs to Council's through reductions in the incidence of avoidable injuries;</li> <li>• effectively and appropriately managed claims; and</li> <li>• optimal return to work initiatives and programs.</li> </ul> <p>As part of the agreement with WorkSafe to enter into a self-insurance scheme, Council's OHS Management System will need to conform to the 108 National Audit Tool criteria. Member councils must achieve 100% conformity with these standards before February 2021.</p> <p><b>Golden Plains Community and Civic Centre</b> - Golden Plains Shire Council is focused on providing quality customer service and achieving efficiencies for residents. As part of these efforts, this Budget allocates \$5m to begin the construction phase of the redevelopment of the existing customer service centre located at 2 Pope Street, Bannockburn. This follows an extensive community engagement and consultation process that was undertaken during 2017-18.</p> <p>This building, the Golden Plains Community and Civic Centre, is one aspect of a broader Civic Precinct including the Bannockburn Family Services Centre, planned for the site in future. This will enable Council to deliver community services from this site for many years to come.</p> <p>Council has made this decision for a number of reasons, including the need to provide more modern and welcoming public areas, improve efficiencies in our operations, and provide improved access and transparency around monthly Council meetings.</p> <p>The existing Shire Hall and Customer Service Centre are over 120 and 40 years old respectively and present a number of building compliance and safety issues, resulting in increased spending on building maintenance. In addition, the customer service areas are outdated and do not provide privacy for residents to discuss sensitive issues such as planning matters.</p> <p>The redeveloped facility will have an increased focus on the availability of dedicated community space within the central building.</p>	
Elections	Maintenance of voters' rolls in readiness for 2020 election.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Maintenance of voters' rolls</li> </ul>	18 (1) 17
Meetings	Conduct Council meetings, committee meetings, workshops and other meetings of Council with management.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Prepare for, and conduct, Council meetings, committee meetings, workshops, retreats and other meetings of Council with Management</li> </ul>	85 (0) 85
Corporate Planning	Maintenance of an integrated approach to corporate planning, financial planning, budgeting and resource allocation and the maintenance and measurement of organisational performance and promotion of cultural change to meet customer service needs.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Provision of sound advice to aid the Council Plan and Strategic Resource Plan processes</li> <li>• Ongoing and systematic analysis of the organisation's activities and strategic direction</li> </ul>	865 (37) 828

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Emergency Management Plan	Maintenance of the Shire's Municipal Emergency Plan in accordance with State legislation and training of emergency management staff.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Maintenance of neighbourhood safer places*</li> <li>• Emergency management meetings*</li> <li>• Promote safer emergency practices by the community*</li> <li>• Emergency management materials</li> <li>• Contribution to Barwon flood warning management</li> </ul>	313 (126) <b>187</b>
Risk Management and OH & S	Identify, monitor and manage Council's risks in relation to employee relations, occupational health and safety, workforce requirements, infrastructure, property and business operations.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Implement MAV WorkCare OTTSMS Plan</li> <li>• Staff flu vaccinations</li> <li>• Implement council's Risk Management Strategy action plan and Occupational Health and Safety plan</li> </ul>	309 (5) <b>304</b>
General revenue	Levying of rates and charges, managing and collecting interest on rates, receipt of Victoria Grants Commission general purpose grant, managing investments to maximise interest and accounting for subdivisions handed to Council.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Lobby Government for extra resources for a developing municipality</li> <li>• Lobby Federal Government in relation to cost shifting and direct funding to Local Government</li> </ul>	2 (27,028) <b>(27,026)</b>
Property and Rating	Management of Council's rating system, including levying rates and charges, outstanding interest and valuing all rateable properties.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Supplementary valuations</li> <li>• Rate notice printing &amp; postage</li> <li>• General revaluation</li> </ul>	831 (497) <b>334</b>
Corporate Reporting and Budgeting	Preparation of Council's Annual Budget, annual financial statements, Strategic Resource Plan, and other statutory returns in accordance with statutory requirements.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Manage external and internal audit function</li> <li>• Preparation of the Annual Budget</li> <li>• Preparation of the Annual Report</li> <li>• Monthly management reporting</li> <li>• Co-ordinate asset revaluations as required</li> </ul>	393 (8) <b>385</b>
Procurement and Contract Management	Develop and maintain documented standards for procurement governance and procurement process which result in value for money outcomes and minimal procurement risk. Also, develop the contract management capacity of Council.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>• Supplier relationship management</li> <li>• Develop procurement and contract management capacity within council</li> <li>• Ensure compliance with council's procurement policy</li> <li>• Co-ordination of tenders per council</li> </ul>	390 (7) <b>383</b>
Records Management	Effective and efficient recording, maintenance, archival and disposal of Council documents.  <b>Initiatives:</b>	265 (2) <b>263</b>

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Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
	<ul style="list-style-type: none"> <li>Implement Records Management Strategy Actions: Records Archive Storage</li> <li>Maintenance and storage of historical records and memorabilia for access by Golden Plains Shire residents and researchers at the Geelong Heritage Centre</li> </ul>	
Borrowings	Effective management of Council borrowings.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Evaluate and Implement the most efficient method of financing Council's operations in order to achieve Best Value</li> </ul>	414 (0) <b>414</b>
Plant Replacement	Management and replacement of Council's plant and equipment in accordance with the plant replacement schedule.  <b>Initiatives:</b> <ul style="list-style-type: none"> <li>Replace/Procure key items of plant as identified in the capital program</li> </ul>	317 (274) <b>43</b>

**Service Performance Outcome Indicators**

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

**Performance Statement**

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2018-19 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 5.2) and sustainable capacity, which are not included in this Budget report. The full set of prescribed performance indicators 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.

## 4 BUDGET ANALYSIS

### 4.1 ANALYSIS OF COMPREHENSIVE INCOME STATEMENT

This section of the Budget analyses the various components of income and expenditure expected during the year.

#### Adjusted Underlying Result

Council's budgeted surplus for 2018-19 is \$3.27m, however this 'headline' figure can be misleading. The 'adjusted underlying result' of \$223k deficit more accurately represents the true financial performance of Council in a 'normal' year.

The Regulations prescribe the method for calculating the 'Adjusted Underlying Result'. Per the following table, it removes any non-recurrent grants used to fund capital expenditure, non-monetary asset contributions and other contributions to fund capital expenditure from the total comprehensive result.

	\$'000
<b>Total Comprehensive Result</b>	<b>3,270</b>
Non-recurrent grants used to fund capital expenditure	(2,168)
Non-monetary asset contributions	(1,125)
Other contributions to fund capital expenditure	(200)
<b>Adjusted Underlying Surplus</b>	<b>(223)</b>

#### Income

##### Note 1: Rates and Charges (\$1,588k increase)

Council must raise income each year sufficient for the purpose of good governance, administration, maintenance of physical infrastructure and provision of appropriate goods and services for the community.

However, with the introduction of the State Governments Rate Capping legislation in 2015, councils are now unable to determine the level of rate increase and instead must use a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year. The Minister has set the cap on General Rates and Municipal Charge at 2.25% for 2018-19. Other service charges (e.g. Garbage Charge) are to be calculated on a 'full cost recovery' basis.

The current Rating Strategy is based on the following rating principles:

- Municipal Charge of \$225 on all properties
- 90% differential rate for farms over 40 hectares and intensive farms
- No discount for farms of 2 to 40 hectares (unless intensive farm)
- General rate applicable to non-farm, non-developable land in the Farm Zone
- Non-Farm Vacant Land rate of 200% of the general rate
- Business rate of 100% of the general rate
- Growth area differential rate on properties covered by the Bannockburn Urban Design Framework, Township Structure Plans, Township Zones, Low Density Residential Zones and Rural Living Zones as identified in the Golden Plains Planning Scheme and
- General rate applicable to all other properties

In 2018-19, the average capped increase per assessment is 2.25%. The following table provides a summary of how this increase is calculated, according to the formula prescribed by the State Government.

Forecast Annualised Rate Revenue at 30 June 2018	\$19,328,461
Forecast Number of Assessments at 30 June 2018	11,021
<b>Forecast Base Average Rate 2017-18 per assessment</b>	<b>\$1,753.78</b>
Budget Rate Revenue 2018-19	\$19,763,201
<b>Capped Average Rate 2018-19 per assessment</b>	<b>\$1,793.24</b>
<b>Average Capped Increase 2018-19</b>	<b>2.25%</b>



The rates and charges, together with supplementary rate revenue derived from a growth in the rate base, will generate \$22.9m (\$21.3m 2017-18).

Further detailed information concerning Rates and Charges can be found in Section 5.3 Rating Information and Section 6 Appendices.

**Note 2: Statutory Fees and Fines (\$173k increase)**

Statutory fees and fines represent 1.38% of total income. A detailed listing of individual fees and fines is contained in section 6.2 on page 100.

Details of total fees and fines contained in the Budget follow.

<b>Statutory Fees and Fines</b>	<b>\$'000</b>
Planning and Building Fees	476
Animal Infringement Fines	50
Land Information Certificate Fees	24
Drainage Information Fees	19
Subdivision Supervision Fees	15
Other Fees and Fines	1
<b>Total Statutory Fees and Fines</b>	<b>585</b>

**Note 3: User Fees (\$519k increase)**

User fees represent 7.94% of total income. A detailed listing of individual fees is contained in section 6.2 on page 100.

Details of total fees contained in the Budget follow.

<b>User Fees</b>	<b>\$'000</b>
Bannockburn Child Care	1,647
Animal Registration Charges	400
Kindergarten Cluster	288
Home and Community Care Fees	272
Gravel Cartage Levy	150
Septic Tank Fees	139
Food and Health Fees	76
Subdivision Supervision Fees	70
Rents and Leases	50
Bannockburn Cultural Centre Fees	50
Fire Hazard Eradication Fees	40
Bannockburn Family Services Centre Fees	30
Farmers Market Fees	30
Smythesdale Business Hub Fees	25
Community Protection Fees	18
Other	30
Planning and Building Fees	16
Community Bus Hire Charges	13
Northern Community Centre Fees	13
Road Opening Permit Fees	12
<b>User Fees Total</b>	<b>3,369</b>

**Note 4: Grant - Operating (\$461k decrease)**

Operating grants comprise 24.13% of the total income. The Budget provides for \$10.23m in operating grants, representing a decrease of \$461k from 2017-18 forecast.

The Budget allows for a Victoria Grants Commission (VGC) allocation of \$5.6m, which represents a 5.9% increase from 2017-18. A complete listing of total budgeted grants is shown below.

Operating grants are those grants utilised to deliver ongoing services and programs.

<b>Operating Grant Funding Types and Source</b>	
Recurrent - Commonwealth Government	<b>\$</b>
General Purposes Grants (VGC)	3,547
Local Road Funding (VGC)	2,047
Commonwealth Home Support Program	902
<b>Recurrent - State Government</b>	
Children Services	1,776
Kindergarten	712
Health Promotion	460
Age & Disability Services	252
Maternal & Child Health	211
Emergency Management	120
Youth Development	65
Other	43
Environment Management	41
Community Protection	40
Public Health	18
<b>Total Recurrent Grants</b>	<b>10,234</b>
<b>Total Operating Grant Funding</b>	<b>10,234</b>

**Note 5: Capital Grant (\$3.81m decrease)**

The Budget provides for \$2.8m in capital grants representing a decrease of \$3.81m or 58% from 2017-18 forecast. Capital grants comprise 6.51% of the total income. Capital grants are utilised to deliver Capital projects.

Non-recurrent grant means a grant obtained on the condition that it is expended in a specified manner and is not expected to be received again during the period covered by Council's Strategic Resource Plan.

<b>Capital Grant Funding Types and Source</b>	
Recurrent - Commonwealth Government	<b>\$</b>
Roads to Recovery	585
Recurrent - State Government	
Roads	7
<b>Total Recurrent Grants</b>	<b>591</b>
Non-Recurrent - Commonwealth Government	
Bridges	800
Non-Recurrent - State Government	
Roads	943
Recreation, Leisure and Community	325
Footpath	100
<b>Total Non-Recurrent Grants</b>	<b>2,168</b>
<b>Total Capital Grant Funding</b>	<b>2,759</b>

**Note 6: Contributions - Monetary (\$1.3m decrease)**

The Budget provides for \$1.18m monetary contributions, representing a decrease of \$1.3m from 2017-18 forecast. Monetary Contributions comprise 2.78% of total income.

Below is a list of monetary contributions contained in the Budget.

<b>Monetary</b>	<b>\$'000</b>
Gravel Sales	225
Wind Farm Income	214
Debt Collection Recoupment	170
Developer Community Contributions	100
Public Open Space Contributions	100
Motor Vehicle Recoupments	93
Access & Inclusion Projects	50
Family Day Care Administration & Carer Levy	46
Sale of Waste Bins	40
Telecommunications Towers Income	32
Contributions for Private Works	25
Panel Hearing Reimbursement	20
Standpipe Water Sales	12
Inverleigh Kindergarten Refurbishment	12
Other	40
<b>Monetary Total</b>	<b>1,179</b>

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**Note 7: Contributions - Non-Monetary (\$125k increase)**

The Budget provides for \$1.125m non-monetary (assets) contributions, representing 2.65% of total income.

<b>Contributions - Non-Monetary</b>	<b>\$'000</b>
Subdivisional Assets Handed to Council	1,125
<b>Total Contributions - Non-Monetary</b>	<b>1,125</b>

**Note 8: Net Gain on Disposal of Property, Plant and Equipment (No change)**

Proceeds from the sale of assets, less their written down value, is disclosed as a net figure in the Income Statement. The details of the net result are detailed in the table below.

<b>Proceeds From Sale of Assets</b>	<b>\$'000</b>
Information Communications Technology	2
Plant and Machinery	274
Motor Vehicles	310
<b>Total Proceeds from Sale of Assets</b>	<b>586</b>
<b>Written Down Value of Assets Sold</b>	
Information Communications Technology	-
Plant and Machinery	274
Motor Vehicles	310
<b>Total Written Down Value of Assets Sold</b>	<b>584</b>
<b>Net Gain on Disposal</b>	<b>2</b>

**Note 9: Other Income (\$20k increase)**

Other income includes interest on investments. Interest on investments has been based on short term deposit rates ranging from 2% to 3%. The budget of \$250k comprises only 0.6% of total income.

**Expenditure**

**Note 10: Employee Costs (\$16k decrease)**

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, and rostered days off, WorkCover premiums, long service leave and fringe benefits tax.

Employee costs are budgeted to decrease by \$16k, or 0.1%, to \$18.18m. This decrease primarily relates to a reduction in FTE being offset by the annual Enterprise Agreement increase of 1.5%.

**Reconciliation from 2017-18 Budget**

Description	FTE	\$'000	% Increase
<b>2017-18 Budget - Employee Benefits</b>	<b>205.90</b>	<b>18,194</b>	
Change in FTE	(2.25)	(260)	(1.4)
EA increase		273	1.5
Other		(29)	(0.2)
<b>Total Increase / (Decrease)</b>	<b>(2.25)</b>	<b>(16)</b>	<b>(0.1)</b>
<b>2018-19 Budget – Employee Benefits</b>	<b>203.65</b>	<b>18,178</b>	

Budget per Dept. and Type		Comprises		
Department	Budget 2018-19 \$'000	Permanent Full Time \$'000	Permanent Part Time \$'000	Casual \$'000
Community Services	7,598	3,489	3,577	532
Corporate Services	2,993	2,460	489	44
Executive	663	468	195	-
Governance	679	632	47	-
Assets and Amenity	6,245	5,655	590	-
<b>Total</b>	<b>18,178</b>	<b>12,704</b>	<b>4,898</b>	<b>576</b>

FTE per Dept. and Type		Comprises		
Department	Budget FTE 2018-19	Permanent Full Time	Permanent Part Time	Casual
Community Services	91.06	38.44	44.76	7.86
Corporate Services	31.80	24.26	6.91	0.63
Executive	7.47	5.25	2.22	-
Governance	4.63	4.00	0.63	-
Assets and Amenity	68.69	62.00	6.69	-
<b>Total</b>	<b>203.65</b>	<b>133.95</b>	<b>61.21</b>	<b>8.49</b>

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**Note 11: Materials and Services (\$103k increase)**

Materials and Services include the purchase of consumables, payments to contractors for the provision of services, utility costs and one-off operating costs of a capital nature.

Operating materials and services are budgeted to increase by \$103k, or (0.85%) to \$12.2m.

<b>Materials and Services</b>	<b>\$'000</b>
Garbage Operations	2,519
Projects and Services	2,120
General Maintenance	1,388
Community Facility Projects	1,036
Vehicle and Machinery	823
Contractors and Consultants	712
IT Operations	729
Building Maintenance	526
Other *	375
Cleaning	308
Utilities	299
Training	295
Telecommunications	266
Printing and Stationery	240
Insurance	219
Debt Collection and Legal Fees	203
Advertising	98
Gravel Pit Operations	41
<b>Total Materials and Services</b>	<b>12,197</b>

\*Other category contains the following corporate memberships

<b>Organisation</b>	<b>\$'000</b>
G21	44
MAV	23
Peri-Urban Regional Planning Officer	16
Central Highlands Group of Councils	14
Tourism Greater Geelong & The Bellerine	11
Committee for Ballarat	4
<b>Total Corporate Memberships</b>	<b>112</b>

**Note 12: Bad and Doubtful debts**

Allocation of bad and doubtful debts of \$2k relates to Age & Disability and Children Services.

**Note 13: Depreciation and Amortisation (\$361k increase)**

Depreciation is the systematic allocation of the capital cost of a long-term asset over its useful life. It is an accounting measure that attempts to capture the deterioration or usage of Council's long-term assets over a financial year. Long-term assets include buildings, plant and machinery, furniture and equipment, infrastructure and other structures.

<b>Depreciation by Class of Asset</b>	<b>\$</b>
Buildings Specialised	857
Buildings Unspecialised	103
Buildings Heritage	56
Information Communications Technology	200
Furniture and Equipment	61
Plant and Machinery	805
Roads	4,658
Footpaths	170
Bridges	408
Drainage	126
Recreation, Leisure & Community	510
Parks, Open Spaces & Streetscapes	59
Car Parks	23
Gravel Pit Rehabilitation	44
<b>Total Depreciation Expense</b>	<b>8,080</b>

**Note 14: Borrowing Costs (\$68k increase)**

Finance Costs relate to the interest paid on Council borrowings. The ratio of finance costs as a percentage of income indicates that only 1% of income is required to service debt. The increase of \$68k is primarily the result of new borrowings required to fund new capital projects.

**Note 15: Other Expenses (\$8k increase)**

Increase in other expenses consist of increase in Audit Fees and Councillor Allowances.

<b>Other Expenses</b>	<b>\$</b>
Councillor Allowances	201
Victorian Auditor-General Audit Fees	41
Internal Audit Fees	24
<b>Total Other Expenses</b>	<b>266</b>

## 4.2 ANALYSIS OF BALANCE SHEET

This section of the Budget analyses the expected financial position of Council at the end of the 2018-19 financial year.

### Note 16: Current assets (\$2.41m increase)

- Cash assets will decrease by \$216k
- Receivables will increase by \$243k
- Other Assets will increase by \$2.38m which represents the current portion of cash held for debt repayment.
- Land held for resale relates to the remaining undeveloped land at Bakers Lane, Teesdale

### Note 17: Non-current assets (\$5.92m increase)

- The increase in non-current assets is detailed in the table below, with the capital works program (\$15.1m), less depreciation and amortisation (\$8.1m) and disposal of assets (\$0.6m) plus the receipt of gifted assets (\$1.1m).
- The decrease in the non-current sinking fund Investment of \$1.6m is the net result of a reclassification of \$2.4m as a current asset, and an overall increase in the sinking fund investment by \$786k to meet LGFV obligations. In November 2014, Council borrowed a total of \$6.2m via the Local Government Funding Vehicle (LGFV). These borrowings are funded by a five year interest only Bond. As Council has a history of borrowing under a 'principal and interest' structure and this is considered the most appropriate method of borrowing, an investment account has been established to hold funds equivalent to the principle amounts that would have otherwise been repaid. This will ensure there are sufficient funds to repay/refinance the Bond when it matures.

### Movements in Non-Current Assets

Description	Balance 1 July 2018 \$'000	Additions \$'000	Handed to Council \$'000	WDV of Disposals \$'000	Depreciation \$'000	Balance 30 June 2019 \$'000
Land	23,432	-	-	-	-	23,432
Buildings Specialised	30,124	5,631	-	-	(856)	34,899
Buildings Unspecialised	3,458	365	-	-	(103)	3,720
Heritage Buildings	1,026	-	-	-	(56)	969
Parks, Open Spaces etc.	905	205	-	-	(59)	1,051
Recreation, Leisure & Community	6,310	720	-	-	(510)	6,520
Car Park	1,033	50	-	-	(23)	1,060
Furniture & Equip	238	-	-	-	(61)	176
Plant & Machinery	4,300	1,674	-	(584)	(805)	4,585
Roads	329,616	4,133	1,125	-	(4,658)	330,216
Bridges	17,862	1,750	-	-	(408)	19,204
Footpaths	11,677	288	-	-	(170)	11,795
Drainage	3,764	-	-	-	(126)	3,639
Information Communication Technology	315	282	-	-	(200)	396
Gravel Pit	122	-	-	-	(44)	78
Land Under Roads	4,332	-	2	-	-	4,334
Invest In Association	740	-	-	-	-	740
Sinking Fund	1,932	786	-	(2,376)	-	341
Non-Current Investment	50	-	-	(50)	-	-
<b>Total</b>	<b>441,236</b>	<b>15,883</b>	<b>1,127</b>	<b>(3,010)</b>	<b>(8,080)</b>	<b>447,155</b>



**Note 18: Current liabilities (\$2.9m increase)**

- Current liabilities represent obligations Council must pay within the next year
- The current liability for interest-bearing liabilities as at 30 June 2019 will increase by \$2.37m
- The provision for employee benefits as at 30 June 2019 represents Council's liability to pay employees annual leave and long service leave

**Note 19: Non-current liabilities (\$2.18m increase)**

- Non-current liabilities represent obligations Council must pay beyond the next year
- The non-current liability provision for employment benefits will decrease by \$30k. This represents the Council's provision for long service leave (non-current)
- Interest bearing liabilities increase by \$2.37m which is the net result of new borrowings and repayments of loans taken out in prior years
- Gravel pit rehabilitation provision decreases by \$60k in line with anticipated works

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### 4.3 ANALYSIS OF STATEMENT OF CHANGES IN EQUITY

**Note 20: Equity (\$3.27m increase)**

Total equity of \$443m will always equal net assets and is made up of the following components:

- Committed reserves that Council wishes to separately identify as being set aside to meet specific or statutory purpose in the future. These reserves are derived from items such as developer contributions, specific levies and unexpended projects;
- Discretionary reserves are to fund the long term viability of Council. The decisions about future use of any available funds is reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan. The funding of the replacement of long term infrastructure assets generally comes from discretionary funds; which is a component of the accumulated surplus. This is the value of all net assets, less reserves that have accumulated over time.

The total Equity is represented by:

<b>Equity</b>	<b>\$'000</b>
Discretionary reserves	7,500
Committed reserves	541
Non-current assets less non-current liabilities	434,525
<b>Total Equity</b>	<b>442,566</b>

**Retained Earnings**

Retained earnings is the working capital of the Council; in other words, current assets less current liabilities. It comprises the accumulated surpluses and deficits from prior accounting periods.

Retained earnings are comprised of discretionary funds and committed funds. Committed funds include amounts set aside for long service leave, physical/social infrastructure development (developer contributions) and specific levies. As a matter of good financial management, Council only uses discretionary retained earnings to fund one-off capital community partnership projects. Retained earnings are not used to fund operational expenditure.

The balance of discretionary retained earnings includes the funds generated from the sale of Bakers Lane, Stage 3 (\$1.5m).

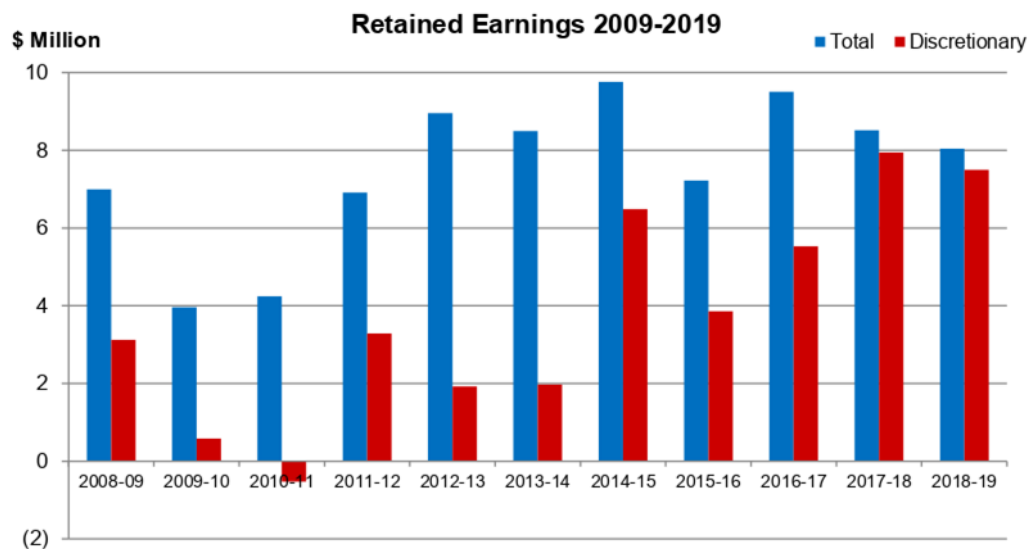
As at 30 June 2019, Council will have discretionary funds available of \$7.5m and \$541k in committed funds.

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	Opening Balance 1-Jul-18 \$'000	Net Movements \$'000	Closing Balance 30-Jun-19 \$'000
<b>Discretionary</b>			
General Appropriations	3,691	(436)	3,255
Bakers Lane	1,525	-	1,525
VGC Grant Received in Advance	2,700	-	2,700
Kindergarten Maintenance Fund	28	(8)	20
<b>Sub-total Discretionary</b>	<b>7,944</b>	<b>(444)</b>	<b>7,500</b>
<b>Committed</b>			
Recreational Lands^	-	-	-
Developer Contributions	137	-	137
Employee Entitlements (non-current)	434	(30)	404
Quarry Levy^	-	-	-
<b>Sub-total Committed</b>	<b>571</b>	<b>(30)</b>	<b>541</b>
<b>Total Retained Earnings</b>	<b>8,515</b>	<b>(474)</b>	<b>8,041</b>
Non-Current Assets and Liabilities	430,781	3,744	434,525
<b>Total Equity</b>	<b>439,296</b>	<b>3,270</b>	<b>442,566</b>

^All funds received in these reserves are budgeted to be 100% expended in the same year of receipt.  
The following graph demonstrates the movement in retained earnings since 2009 and the level of discretionary funds.



#### 4.4 ANALYSIS OF STATEMENT OF CASH FLOWS

This section of the Budget analyses the expected cash flows from the operating, investing and financing activities of Council.

The cash balance at year end is budgeted to decrease by \$215k to \$10.4m.

**Note 21: Operating activities (\$10.67m cash inflow)**

Operating activities refer to the cash generated or used in the normal service delivery functions of Council and include:

- Receipts from ratepayers of \$22.71m
- Grants of \$13.86m to fund operating expenses and capital works
- Statutory Fees and fines \$585k
- User fees \$3.32m
- Contributions and recoupments of \$0.81m
- Employee Costs \$18.16m and
- Materials and services \$13.62m

**Reconciliation of Surplus to Net Cash Inflow from Operations**

	\$'000
<b>Surplus for Period</b>	<b>3,270</b>
Depreciation	8,080
Net Gain on Disposals	(2)
Subdivisions - Roads Handed to Council	(1,125)
Borrowing Costs	414
Decrease/(Increase) in Receivables	(244)
Increase/(Decrease) in Operating Creditors and Provisions	277
<b>Net Cash Inflow from Operations</b>	<b>10,670</b>

**Note 22: Investing activities (\$14.5m cash outflow)**

Investing activities refer to cash used in the purchase, enhancement or creation of property, plant and equipment and infrastructure. These activities also include the sale of non-current assets.

**Note 23: Financing activities (\$3.6m cash inflow)**

Financing activities generally refer to borrowings used in the financing of capital projects and movements in funds held in trust.

The net inflow of \$3.6m includes the receipt of new borrowings undertaken during the year \$5.0m, as well as the repayment of the principal component of borrowings \$260k, interest expenditure \$414k and payment to LGFV sinking fund of \$785k.

### 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 indicates that Council is estimating at 30 June 2019 it will have cash and cash equivalents of \$10.4m, which has been restricted as shown in the following table.

	Forecast 2017-18 \$'000	Budget 2018-19 \$'000
<b>Total Cash and Cash Equivalents</b>	<b>10,590</b>	<b>10,375</b>
Restricted cash and investments		
-Statutory Reserves	137	137
-Discretionary Reserves	434	404
<b>Unrestricted Cash and Cash Equivalents</b>	<b>10,019</b>	<b>9,834</b>

#### Statutory Reserves (\$137k)

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. During the 2018-19 year \$100k is budgeted to be transferred to and \$100k from Statutory Reserves.

#### Discretionary Reserves (\$404k)

These funds are shown as discretionary reserves, although not restricted by a statutory requirement, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2018-19 year \$30k is budgeted to be transferred from Discretionary Reserves. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

#### Unrestricted Cash and Cash Equivalents (\$9.8m)

It should be noted that \$1.5m of these funds relate to revenue generated from the sale of Bakers Lane, Stage 3 and \$2.7m relates to Federal Assistance Grant received in advance.

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.

#### 4.5 ANALYSIS OF STATEMENT OF CAPITAL WORKS

Council's capital works program is broadly categorised into four groups: new assets, capital renewal, capital upgrade and capital expansion.

New assets are assets that did not previously exist prior to 1 July 2018. New assets will result in increased operating costs, maintenance costs and capital renewal in the future.

Capital renewal expenditure reinstates existing assets to original condition. It may reduce future operating and maintenance expenditure if completed at the optimum time.

Capital upgrade expenditure enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and increases operating and maintenance expenditure in the future because of the increase in the Council's asset base.

Capital expansion expenditure extends an existing asset to a new group of users. It is discretionary expenditure that increases future operating and maintenance costs because it increases Council's asset base.

The following is a commentary on the major capital works and how they are funded in 2018-19.

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Note 24: Capital Expenditure Funding Sources

Capital Works Area	Project Cost 2018-19 \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contribution \$'000	Council Cash \$'000	Borrowings \$'000
<b>Building Specialised</b>									
Golden Plains Community & Civic Centre	5,000	-	-	-	5,000	-	-	-	5,000
Napoleons Public Toilet Refurbishment	30	-	30	-	-	-	-	30	-
Haddon Stadium Floor Replacement	250	-	250	-	-	125	-	125	-
Inverleigh Public Toilet Septic Upgrade	80	-	-	80	-	-	-	80	-
Teesdale Toilet Upgrade	220	-	-	220	-	-	-	220	-
Teesdale Kindergarten - Veranda	16	16	-	-	-	-	-	16	-
Disability Action Plan	20	-	-	-	20	-	-	20	-
BCS Kitchen - Exhaust Fan	16	-	16	-	-	-	-	16	-
<b>Total Building Specialised</b>	<b>5,631</b>	<b>16</b>	<b>296</b>	<b>300</b>	<b>5,020</b>	<b>125</b>	<b>-</b>	<b>506</b>	<b>5,000</b>
<b>Building Unspecialised</b>									
Linton Depot Refurbishment	60	-	60	-	-	-	-	60	-
Sago Hill Quarry Security	25	25	-	-	-	-	-	25	-
Underground Power Upgrade - The Heart	250	250	-	-	-	-	-	250	-
Shelford Depot Roof Refurbishment	30	-	30	-	-	-	-	30	-
<b>Total Building Unspecialised</b>	<b>365</b>	<b>275</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>365</b>	<b>-</b>
<b>Plant Machinery and Equipment</b>									
Community Protection Vehicles	80	-	80	-	-	-	-	80	-
Community Buses	65	-	65	-	-	-	-	65	-
Fleet Vehicles	370	-	370	-	-	-	-	370	-
Utes	114	-	114	-	-	-	-	114	-
Heavy Plant and Machinery	1,045	77	968	-	-	-	-	1,045	-
<b>Total Plant Machinery and Equipment</b>	<b>1,674</b>	<b>77</b>	<b>1,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,674</b>	<b>-</b>

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Capital Works Area	Project Cost 2018-19 \$'000	Asset expenditure types				Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contribution \$'000	Council Cash \$'000	Borrowings \$'000
<b>Computers and telecommunications</b>									
Computer Hardware	109	-	109	-	-	-	-	109	-
Computer Software	53	-	53	-	-	-	-	53	-
Asset Management Software System	120	120	-	-	-	-	-	120	-
<b>Total Computers and telecommunications</b>	<b>282</b>	<b>120</b>	<b>162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282</b>	<b>-</b>
<b>Infrastructure</b>									
Local Roads Resealing	853	-	853	-	-	-	-	853	-
Local Roads Improvements (Roads to Recovery)	585	-	380	205	-	585	-	-	-
Local Roads Improvements	280	-	-	280	-	-	-	280	-
Gravel Resheeting - Local Roads	300	-	300	-	-	-	-	300	-
Somerset Estate Road Infrastructure	450	450	-	-	-	-	-	450	-
Footpaths & Trails	250	250	-	-	-	100	-	150	-
Periodic Footpath Maintenance	30	-	30	-	-	-	-	30	-
Periodic Bridge Rehabilitation (Coopers Bridge)	1,750	-	1,750	-	-	800	-	950	-
Thompsons Road Maude Upgrade	250	-	225	25	-	-	-	250	-
Fire Access Track	8	-	8	-	-	7	-	1	-
Tall Tree Road Upgrade	1,415	-	-	1,415	-	943	-	472	-
<b>Infrastructure Total</b>	<b>6,171</b>	<b>700</b>	<b>3,546</b>	<b>1,925</b>	<b>-</b>	<b>2,435</b>	<b>-</b>	<b>3,736</b>	<b>-</b>
<b>Car Park</b>									
Bannockburn Soccer Car Park	50	-	-	50	-	-	-	50	-
<b>Car Park Total</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>
<b>Parks, Open Spaces &amp; Streetscapes</b>									
Refurbishment of Playgrounds	40	-	40	-	-	-	-	40	-
Open Space Strategy Implementation	45	-	-	45	-	-	-	45	-
Inverleigh Streetscape Upgrade	45	-	-	-	45	-	-	-	-
Bannockburn Streetscape Upgrade - Stage 1	75	40	35	-	-	-	-	75	-
<b>Total Parks, Open Spaces &amp; Streetscapes</b>	<b>205</b>	<b>40</b>	<b>75</b>	<b>45</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>205</b>	<b>-</b>



GOLDEN PLAINS SHIRE COUNCIL

DRAFT BUDGET 2018-19

Capital Works Area	Project Cost 2018-19 \$'000	Asset expenditure types			Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contribution \$'000	Council Cash \$'000	Borrowings \$'000
<b>Recreational, Leisure &amp; Community</b>									
Resurfacing of Tennis Courts	90	-	90	-	-	-	-	90	-
Sports Oval Irrigation Upgrades	30	-	-	30	-	-	-	30	-
Smythesdale Skate Park Upgrade (SRV Minor)	250	-	-	250	-	-	100	150	-
Bannockburn Vic Park Court Upgrade (CFNP)	350	-	-	350	-	-	100	250	-
<b>Total Recreation, Leisure &amp; Community</b>	<b>720</b>	<b>-</b>	<b>90</b>	<b>630</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>520</b>	<b>-</b>
<b>Total Capital Works Expenditure</b>	<b>15,097</b>	<b>1,228</b>	<b>5,855</b>	<b>2,950</b>	<b>5,065</b>	<b>2,759</b>	<b>-</b>	<b>7,338</b>	<b>5,000</b>

**Note 25: New Assets (\$1.23m expenditure)****Buildings (\$291k expenditure)**

- Sago Hill Quarry Security \$25k
- The Heart - Underground Power Upgrade \$250k
- Teesdale Kindergarten Verandah \$16k

**Infrastructure (\$700k expenditure)**

- Somerset Estate road infrastructure \$450k
- Footpaths and trails \$250k

**Plant and Machinery (\$77k expenditure)**

- Tow behind road broom \$35k
- Heavy Plant monitoring system \$12k
- Ride-On Mower \$30k

**Parks, Open Spaces & Streetscapes (\$40k expenditure)**

- Bannockburn Streetscape Upgrade \$40k

**Information Communications Technology (\$120k expenditure)**

- Asset Management Software System \$120k

**Note 26: Capital Renewal (\$5.85m expenditure)****Buildings (\$386k expenditure)**

- Napoleons Public Toilet Refurbishment \$30k
- Haddon Stadium Floor Replacement \$250k
- BCS Kitchen - Exhaust Fan \$16k
- Linton Depot Refurbishment \$60k
- Shelford Depot Roof Refurbishment \$30k

**Plant and Machinery (\$1.6m expenditure)**

This expenditure of \$1.6m is consistent with Council's plant and machinery replacement schedule. The major items of plant to be changed are two Graders, three ride-on mowers, four trailers and a community bus.

**Infrastructure (\$3.55m expenditure)**

- The reseal program is budgeted for \$853k; the following page contains detailed information about the planned program for the year
- The renewal component of the Roads to Recovery funding program of \$380k is continuing and includes general local road improvements as identified by Council (refer to page 62 for full program details)
- Gravel re-sheeting on local roads will be funded to an amount of \$300k in line with the most recent independent road assessment report (Peter Moloney report)
- Periodic bridge rehabilitation (Coopers Bridge) to be funded is \$1.75m
- Periodic footpath maintenance is \$30k
- Thompsons Road Maude \$225k

**Recreational, Leisure & Community (\$90k expenditure)**

- Resurfacing of tennis courts to cost \$90k

**Parks, Open Spaces & Streetscapes (\$75k expenditure)**

- Refurbishment of playgrounds \$40k
- Bannockburn Streetscape Upgrade \$35k