

THE GOLDEN PLAINS SHIRE COUNCIL



# BUDGET 2019-20

**ADOPTED**  
**25 June 2019**



# CONTENTS

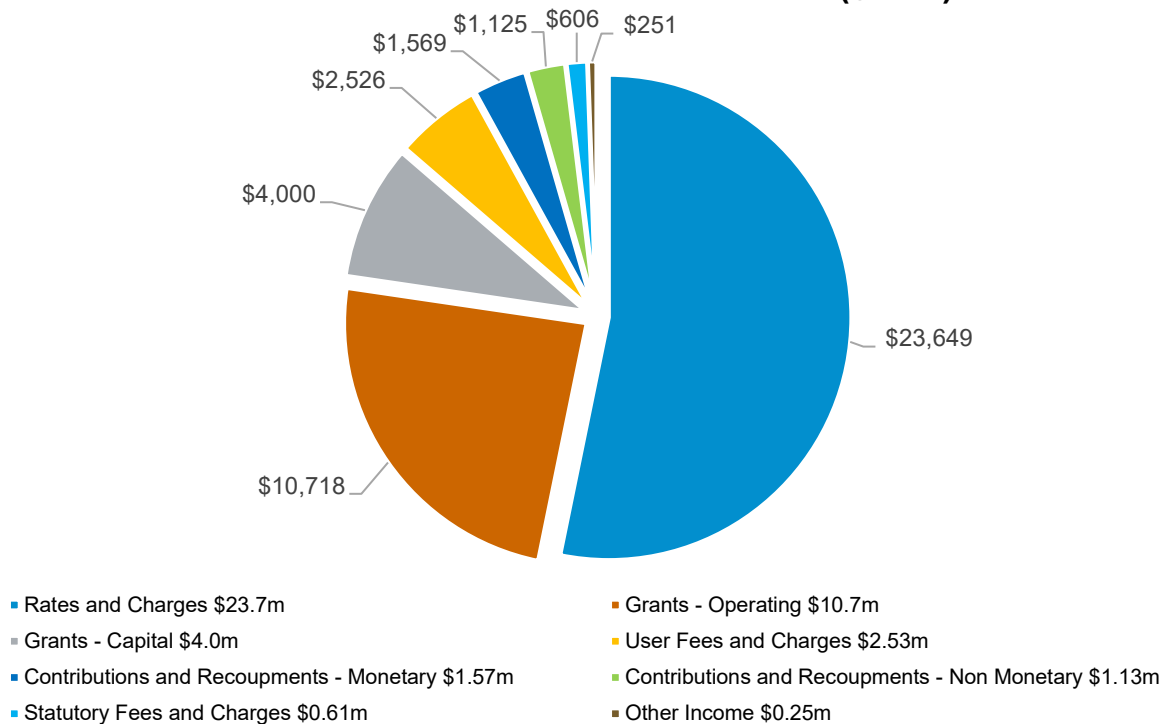
<b>1 OVERVIEW.....</b>	<b>4</b>
1.1 MAYOR'S INTRODUCTION .....	4
1.2 EXECUTIVE SUMMARY.....	5
1.3 BUDGET PREPARATION.....	6
1.4 LINKAGE TO THE COUNCIL PLAN.....	6
1.5 BUDGET INFLUENCES AND PRINCIPLES .....	7
<b>2 STATEMENTS.....</b>	<b>12</b>
2.1 COMPREHENSIVE INCOME STATEMENT .....	12
2.2 BALANCE SHEET .....	13
2.3 STATEMENT OF CHANGES IN EQUITY.....	14
2.4 STATEMENT OF CASH FLOWS.....	15
2.5 STATEMENT OF CAPITAL WORKS .....	16
2.6 STATEMENT OF HUMAN RESOURCES .....	17
<b>3 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS .....</b>	<b>18</b>
<b>4 BUDGET ANALYSIS .....</b>	<b>30</b>
4.1 ANALYSIS OF COMPREHENSIVE INCOME STATEMENT.....	30
4.2 ANALYSIS OF BALANCE SHEET .....	39
4.3 ANALYSIS OF STATEMENT OF CHANGES IN EQUITY .....	41
4.4 ANALYSIS OF STATEMENT OF CASH FLOWS .....	43
4.5 ANALYSIS OF STATEMENT OF CAPITAL WORKS .....	45
4.6 BORROWINGS .....	58
4.7 KEY FINANCIAL TRENDS 2010-2020 .....	60
<b>5 LONG-TERM STRATEGIES .....</b>	<b>61</b>
5.1 STRATEGIC RESOURCE PLAN (SRP).....	61
5.2 FINANCIAL PERFORMANCE INDICATORS .....	62
5.3 NON-FINANCIAL RESOURCES.....	63
5.4 RATING INFORMATION.....	63
5.5 OTHER STRATEGIES AND PLANS.....	67
<b>6 APPENDICES.....</b>	<b>68</b>
6.1 RATES AND CHARGES STATUTORY DISCLOSURES .....	68
ABBREVIATIONS.....	94
GLOSSARY .....	96

This Budget has been prepared with reference to Chartered Accountants Australia and New Zealand "Victorian City Council Model Budget 2019-20" a best practice guide for reporting local government budgets in Victoria.

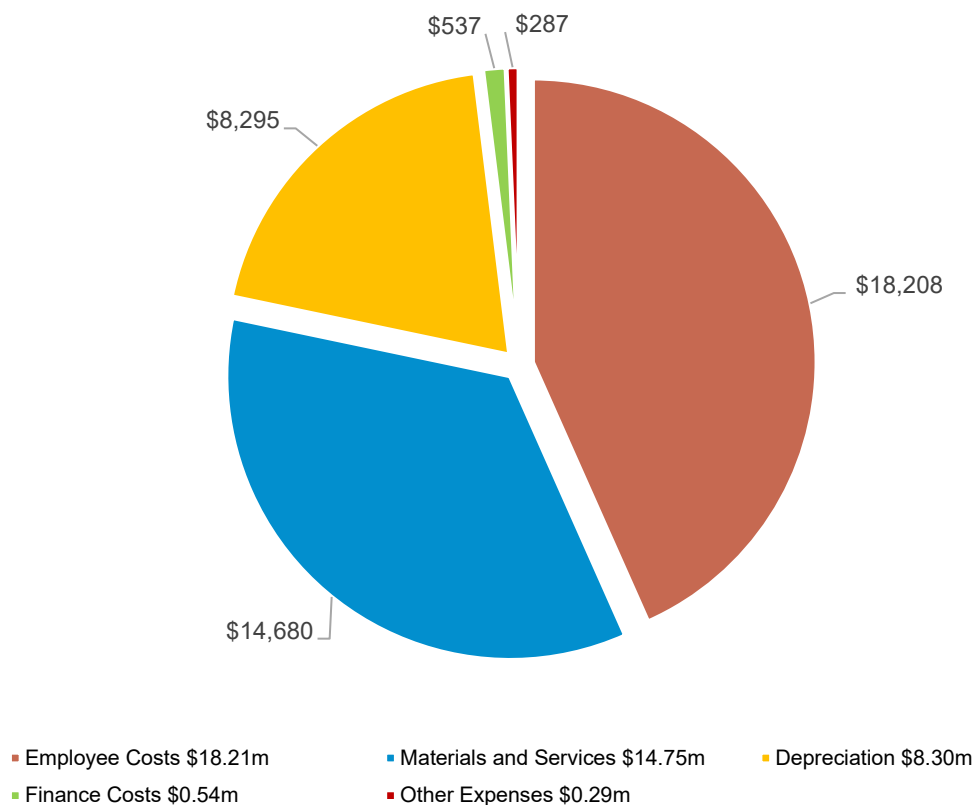
## Council's 2019-20 Budget at a Glance

(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 2019-20 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 2.5% 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.

- Continued capital investment in infrastructure assets with a focus on increasing renewal works.
- Waste management charges are based on achieving full cost recovery to ensure this service is sustainable for the long term. There is no increase for 2019-20 annual charges.
- Existing fees and charges are increased in line with CPI or market levels.
- Investing additional operating expenditure in key maintenance activities to ensure adequate service levels are provided.
- Service levels to be maintained at 2018-19 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- A projected surplus of \$2.4m, however, it should be noted that the adjusted underlying result is a deficit of \$2.3m after removing non-recurrent capital grants and capital contributions.

### Highlights

- More than \$42m (\$42.1m) spent on the delivery of services to the Golden Plains community.
- \$18.7m investment in capital assets, including infrastructure, buildings, recreation, leisure and community facilities and plant machinery and equipment.
- Increased expenditure of \$1.7m 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 Owen Sharkey**

Mayor – Golden Plains Shire Council

## 1.2 EXECUTIVE SUMMARY

### Introduction

The 2019-20 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 2.5% rate increase mandated by the State Government.

The Budget projects a surplus of \$2.4m for 2019-20, however, it should be noted that the adjusted underlying result is a deficit of \$2.3m 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 2019-20 financial year. These include increased expenditure on infrastructure maintenance and renewal to ensure adequate service levels are maintained. Council has also ensured that all new initiatives have been evaluated against Council priorities and any savings identified have been re-directed into these priority areas.

### Key things Council are funding

- Ongoing delivery of services to the Golden Plains community funded by a budget of \$42.M. These services are summarised in Section 3 of the Budget.
- Continued investment in capital assets (\$18.7m). This consists of:
  - infrastructure totalling \$10.7m (including roads, bridges, footpaths and cycleways (\$8.0m), recreation, leisure and community facilities (\$2.1m), car parks (\$25k), parks, open space and streetscapes (\$632k));
  - buildings of \$4.9m;
  - Plant, machinery and equipment of \$1.6m (including computers and telecommunications (\$500k)); and
  - Land valued at \$1.5m.

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.

### **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 \$716k 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.

### **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.



## 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 summary of the 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:

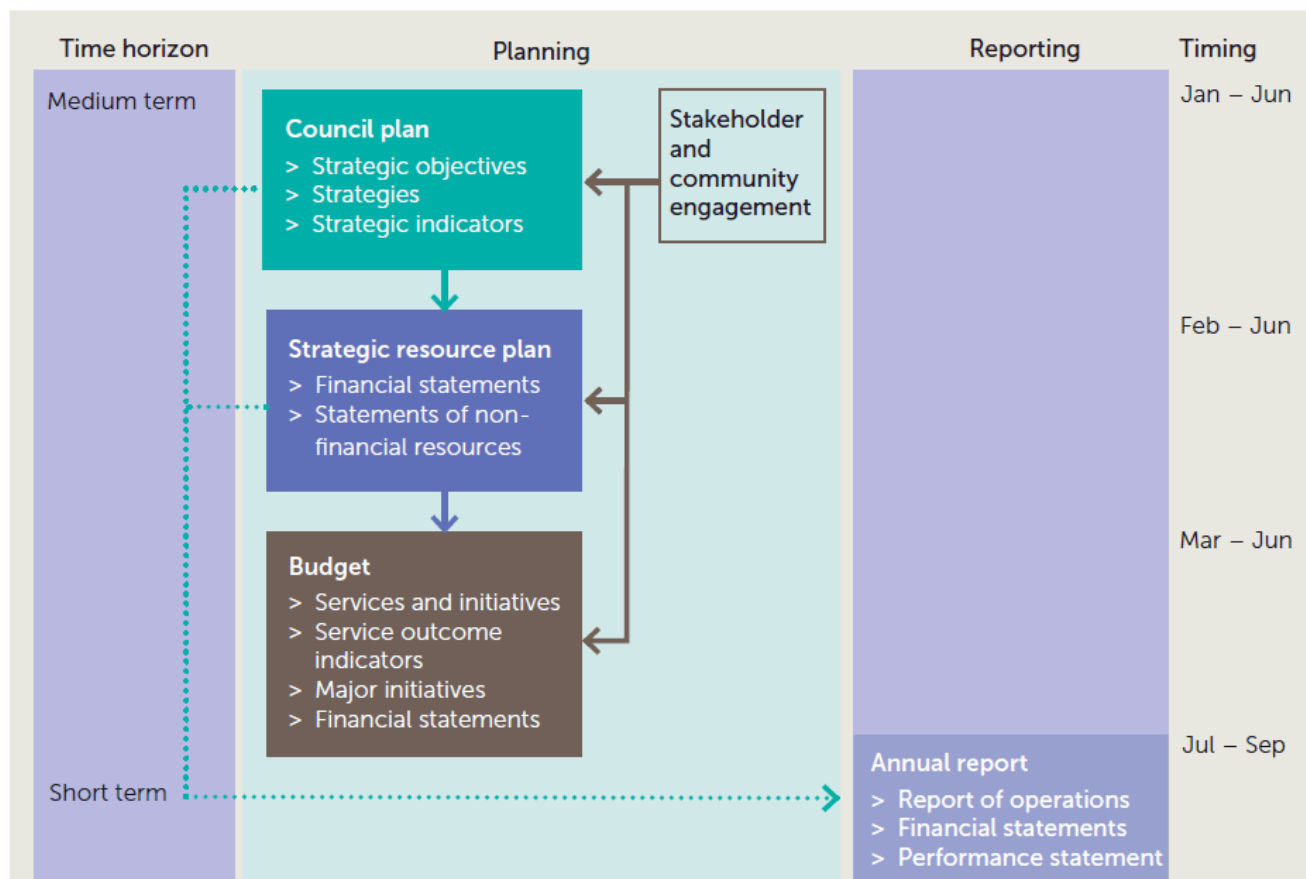
Budget Process	Timing
1. Community Engagement Activities	Ongoing
2. Analysis and consideration of Community Engagement activities	Dec - Jan
3. Officers prepare operating and capital budgets	Dec – Feb
4. Council receives Summary of Draft Budget for review	March
5. Council workshop/s conducted to review 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 22,500 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, which sets the maximum capped amount of rates and municipal charge revenue, will be an average 2.5% increase for the 2019-20 year.

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

- Council will continue to collect the Fire Services Property Levy (FSPL), on behalf of the State Government, which was introduced on 1 July 2013. Hence, Council does not recognise this revenue and the 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.

As at 30 June 2017, the triennial actuarial review of the Plan determined the LASF DB Plan as in a satisfactory financial position, fully funded and that a 'call' was not required. 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 2019-20.

### **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. 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 severely restricted the exportation of recycled materials from Australia. As has been widely discussed this resulted in significant increases in the cost of disposing of recycled materials from 2018-19, resulting in an additional cost per household of \$60 p.a. The 2019-20 Budget and cost per household has been contained to 2018-19 fees, at no increase.

### **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 2.0% and 3.0% per annum.

### **Population Growth**

- Future population growth from 2019 to 2036 is estimated to be 2.3% per annum.

### **Rates and Charges**

- Total rates and charges of \$23.6m include rates, municipal charge, special charges and garbage charge, supplementary rates and interest on rates and charges.
- 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.
- 6.9% of rates and charges raised in 2019-20 have been budgeted to remain outstanding at 30 June 2020.

### **Grants**

- The Federal Assistance Grants distributed via the Victoria Grants Commission is assumed to increase by 2.5% from the 2018-19 allocation.
- Operating grants have increased by 1.0% to \$10.7m.
- Capital grants have decreased by 25.1% to \$4.0m. Council received significant capital grants for bridge replacement for Coopers Bridge in 2018-19 that will not continue in 2019-20.

- Further detail on grant revenue is provided in Note 4 and 5 on page 32 and 33.

### **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 95% 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 2.5% in 2019-20. Council has negotiated a three year Enterprise Agreement (EA) that took affect from 1 July 2017.
- Total Employee costs are expected to increase by \$1.27m or 7.5% from the 2018-19 forecast. This increase includes the annual wage increase under the Enterprise Agreement which was a 1.87% increase in 2019-20. The 2018-19 forecast reflects a lower than budgeted position due to the timing between staff turnover and subsequently resourcing these vacancies.

### **Impact of 2018-19 year on 2019-20 Budget**

- The 2018-19 forecast Balance Sheet becomes the starting point for the 2019-20 financial year; therefore this Statement holds the key to analysing the impact of last year's operations on the new Budget.
- The 2018-19 forecast as at 31 March 2019 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 2019 will impact the opening Balance Sheet for 2019-20.
- Transactions occurring in the 2018-19 year will have an impact on the 2019-20 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 2018 will remain in force until any change is gazetted by the Minister (usually in November each year).

Allowance	Annualised Thresholds From 1 July 2019
Councillor	\$22,494
Mayoral	\$67,477

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 2019-20 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 Act 1
- 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 2019-20 Budget, which is included in this report, is for the year 1 July 2019 to 30 June 2020 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 2020 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 2023

	Note	Forecast 2018-19 \$'000	Budget 2019-20 \$'000	Strategic Resource Plan Projections		
				2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Operating Revenue</b>						
Rates and Charges	1	22,928	23,649	24,711	25,662	26,645
Statutory fees and fines	2	616	606	599	615	630
User Fees	3	2,523	2,526	2,691	2,758	2,827
Grants - Operating	4	10,614	10,718	10,560	10,738	10,924
Grants - Capital	5	5,342	4,000	3,316	3,317	3,367
Contributions - monetary	6	1,570	1,569	1,195	1,209	1,226
Contributions - non-monetary	7	1,125	1,125	1,125	1,125	1,125
Net Gain/(Loss) on Disposal of Property, Infrastructure	8	81	-	-	-	-
Other Income	9	250	251	2,980	2,980	2,980
<b>Total Income</b>		<b>45,049</b>	<b>44,444</b>	<b>47,177</b>	<b>48,404</b>	<b>49,724</b>
<b>Operating Expenditure</b>						
Employee costs	10	(16,943)	(18,208)	(18,813)	(19,436)	(20,076)
Materials and Services	11	(13,003)	(14,680)	(12,493)	(12,800)	(13,107)
Bad & Doubtful Debts	12	(36)	(12)	(2)	(2)	(2)
Depreciation and amortisation	13	(8,080)	(8,295)	(8,458)	(8,600)	(8,808)
Borrowing Costs	14	(414)	(537)	(595)	(590)	(590)
Other Expenses	15	(266)	(275)	(272)	(279)	(586)
<b>Total Expenses</b>		<b>(38,742)</b>	<b>(42,006)</b>	<b>(40,633)</b>	<b>(41,707)</b>	<b>(43,169)</b>
<b>Surplus / (Deficit) for the</b>		<b>6,307</b>	<b>2,438</b>	<b>6,544</b>	<b>6,697</b>	<b>6,555</b>
<b>Other comprehensive</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>6,307</b>	<b>2,438</b>	<b>6,544</b>	<b>6,697</b>	<b>6,555</b>

\* Notes are included in Section 4.1, beginning on page 30

## 2.2 BALANCE SHEET

For the four years ending 30 June 2023

	Note	Forecast 2018-19 \$'000	Budget 2019-20 \$'000	Strategic Resource Plan Projections		
				2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Current Assets</b>						
Cash and cash equivalents		12,142	6,849	7,646	10,749	9,710
Trade and Other Receivables		2,469	2,720	2,779	2,847	2,916
Inventories - Consumables		11	16	16	16	16
Non-current assets classified as held for sale		-	-	-	-	-
Other Assets		2,551	422	209	209	209
<b>Total Current Assets</b>	16	<b>17,173</b>	<b>10,006</b>	<b>10,650</b>	<b>13,821</b>	<b>12,851</b>
<b>Non-Current Assets</b>						
Investments in associates and joint ventures		740	740	740	740	740
Other non-current financial assets		342	1,293	2,258	3,239	4,235
Property, infrastructure, plant and equipment		446,463	457,783	462,268	464,667	471,071
<b>Total Non-Current Assets</b>	17	<b>447,544</b>	<b>459,816</b>	<b>465,266</b>	<b>468,646</b>	<b>476,046</b>
<b>TOTAL ASSETS</b>		<b>464,718</b>	<b>469,822</b>	<b>475,916</b>	<b>482,467</b>	<b>488,897</b>
<b>Current Liabilities</b>						
Trade and Other Payables		1,535	2,147	1,920	1,920	1,920
Trust Funds and Deposits		400	474	474	474	474
Provisions		3,028	3,199	3,384	3,568	3,738
Interest bearing loans and borrowings		2,635	113	34	0	815
<b>Total Current Liabilities</b>	18	<b>7,598</b>	<b>5,934</b>	<b>5,812</b>	<b>5,962</b>	<b>6,947</b>
<b>Non-Current Liabilities</b>						
Provisions		2,787	2,731	2,437	2,141	1,846
Interest bearing loans and borrowings		10,011	14,398	14,364	14,364	13,549
<b>Total Non-Current Liabilities</b>	19	<b>12,798</b>	<b>17,129</b>	<b>16,801</b>	<b>16,505</b>	<b>15,395</b>
<b>TOTAL LIABILITIES</b>		<b>20,396</b>	<b>23,063</b>	<b>22,613</b>	<b>22,467</b>	<b>22,342</b>
<b>NET ASSETS</b>		<b>444,321</b>	<b>446,759</b>	<b>453,303</b>	<b>460,000</b>	<b>466,555</b>
<b>Equity</b>						
Accumulated Surplus		187,556	189,950	196,494	203,191	109,746
Reserves		256,765	256,809	256,809	256,809	256,809
<b>TOTAL EQUITY</b>	20	<b>444,321</b>	<b>446,759</b>	<b>453,303</b>	<b>460,000</b>	<b>466,555</b>

\* Notes are included in Section 4.2, beginning on page 39

## 2.3 STATEMENT OF CHANGES IN EQUITY

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		444,321	187,556	253,052	3,713
Surplus/(deficit) for the year		2,438	2,438	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(44)	-	44
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>	<b>20</b>	<b>446,759</b>	<b>189,950</b>	<b>253,052</b>	<b>3,757</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		446,759	189,950	253,052	3,757
Surplus/(deficit) for the year		6,544	6,544	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>453,303</b>	<b>196,494</b>	<b>253,052</b>	<b>3,757</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		453,303	196,494	253,052	3,757
Surplus/(deficit) for the year		6,697	6,697	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>460,000</b>	<b>203,191</b>	<b>253,052</b>	<b>3,757</b>

For the year ending 30 June 2023	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		460,000	203,191	253,052	3,757
Surplus/(deficit) for the year		6,555	6,555	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>466,555</b>	<b>209,746</b>	<b>253,052</b>	<b>3,757</b>

\*Notes are included in Section 4.3, beginning on page 41



## 2.4 STATEMENT OF CASH FLOWS

For the four years ending 30 June 2023	Note	Forecast 2018-19 \$'000	Budget 2019-20 \$'000	Strategic Resource Plan Projections		
				2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Cash Flows From Operating Activities</b> (Inclusive of GST where applicable)						
Receipts from Ratepayers		22,832	23,648	24,711	25,662	26,644
Grants		16,623	15,086	13,376	13,553	13,789
Interest Received		202	251	250	250	250
User Fees		2,985	3,176	3,290	3,387	3,454
Contributions and Recoupments		1,891	1,615	1,195	1,209	1,226
Payments to Employees		(17,720)	(18,036)	(18,783)	(19,436)	(20,077)
Payments to Suppliers		(16,136)	(14,083)	(12,998)	(13,312)	(13,985)
Net GST Refunded		939	975	840	835	890
<b>Net cash provided by/(used in) Operating Activities</b>	<b>21</b>	<b>11,616</b>	<b>12,632</b>	<b>11,881</b>	<b>12,148</b>	<b>12,191</b>
<b>Cash Flows From Investing Activities</b> (Net of GST)						
Payment for Land & Buildings		(5,999)	(6,380)	(3,411)	(2,339)	(5,191)
Payment for Infrastructure Assets		(7,903)	(7,943)	(5,327)	(6,280)	(7,189)
Payment for Plant & Machinery		(2,041)	(1,055)	(1,397)	(1,202)	(1,652)
Payment for Furniture & Equipment		(339)	(510)	(20)	(20)	(20)
Payment for Other Structures		(4,713)	(2,812)	(2,088)	(472)	(348)
Proceeds from Sale of Land		-	-	2,730	2,730	2,730
Proceeds from Sale of Assets		593	209	113	138	21
<b>Net cash provided by/(used in) Investing Activities</b>	<b>22</b>	<b>(20,402)</b>	<b>(18,491)</b>	<b>(9,400)</b>	<b>(7,445)</b>	<b>(11,649)</b>
<b>Cash Flows From Financing Activities</b>						
Interest Paid		(414)	(537)	(595)	(590)	(585)
Repayment of Borrowings		(259)	(2,635)	(123)	(29)	-
Proceeds from Loan		5,000	4,500	-	-	-
LGFV Sinking Fund		(785)	(951)	(966)	(981)	(996)
Non-Current Investment		-	-	-	-	-
Trust Funds		115	189	-	-	-
<b>Net cash provided by/(used in) Financing Activities</b>	<b>23</b>	<b>3,657</b>	<b>566</b>	<b>(1,684)</b>	<b>(1,600)</b>	<b>(1,581)</b>
<b>Net Increase/(Decrease) in Cash and cash equivalents</b>		<b>(5,129)</b>	<b>(5,293)</b>	<b>797</b>	<b>3,103</b>	<b>(1,039)</b>
Cash and cash equivalents at the beginning of the financial year		17,271	12,142	6,849	7,646	10,749
<b>Cash and cash equivalents at the end of the financial year</b>		<b>12,142</b>	<b>6,849</b>	<b>7,646</b>	<b>10,749</b>	<b>9,710</b>

\* Notes are included in Section 4.4, beginning on page 43

## 2.5 STATEMENT OF CAPITAL WORKS

For the four years ending 30 June 2023

	Note	Forecast 2018-19 \$'000	Budget 2019-20 \$'000	Strategic Resource Plan Projections		
				2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Property</b>						
Land		45	-	-	-	1,200
Land improvements		-	1,500	-	-	-
<b>Total land</b>		45	1,500	-	-	1,200
Buildings – specialised		5,456	4,770	2,547	1,455	3,087
Buildings – unspecialised		436	110	864	884	904
Heritage buildings		-	-			
Building improvements		-	-			
Leasehold improvements		-	-			
<b>Total buildings</b>		5,892	4,880	3,411	2,339	3,991
<b>Total property</b>	24	5,937	6,380	3,411	2,339	5,191
<b>Plant and equipment</b>						
Heritage plant and equipment		-	-			
Plant, machinery and equipment		2,043	1,055	1,417	1,222	1,222
Fixtures, fittings and furniture		57	10			
Computers and telecommunications		282	500	251	167	143
Library books		-	-			
<b>Total plant and equipment</b>	24	2,382	1,565	1,668	1,389	1,365
<b>Infrastructure</b>						
Roads		4,478	6,175	3,262	5,391	5,524
Bridges		3,087	1,500	1,696	521	1,747
Footpaths and cycleways		338	368	285	285	285
Drainage		-	-	33	33	33
Recreational, leisure and community facilities		4,518	2,105	1,722	190	90
Waste management		-	-			
Parks, open space and streetscapes		205	582	115	115	115
Off street car parks		50	25	50	50	50
Other infrastructure		-	-			
<b>Total infrastructure</b>	24	12,676	10,755	7,163	6,585	7,844
<b>Total capital works expenditure</b>	24	20,995	18,700	12,242	10,313	14,400
<b>Represented by:</b>						
New asset expenditure	25	4,130	3,844	2,611	796	2,009
Asset renewal expenditure	26	7,561	4,267	6,049	6,718	7,937
Asset upgrade expenditure	27	4,239	10,589	3,561	2,778	4,433
Asset expansion expenditure	28	5,065	0	21	21	21
<b>Total capital works expenditure</b>		20,995	18,700	12,242	10,313	14,400

\* Notes are included in Section 4.5, beginning on page 45

## 2.6 STATEMENT OF HUMAN RESOURCES

For the four years ending 30 June 2023

	Note	Forecast	Budget	Strategic Resource Plan Projections		
		2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Staff expenditure</b>						
Employee costs – operating		16,940	<b>18,207</b>	18,813	19,436	20,077
Employee costs - capital		-	-	-	-	-
<b>Total staff expenditure</b>	10	16,940	<b>18,207</b>	<b>18,813</b>	<b>19,436</b>	<b>20,077</b>
		FTE	<b>FTE</b>	FTE	FTE	FTE
<b>Staff numbers</b>						
Employees		194	<b>197</b>	199	201	203
<b>Total staff numbers</b>	10	194	<b>197</b>	<b>199</b>	<b>201</b>	<b>203</b>

\* Notes are included in Section 4.1, beginning on page 30

### 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 2019-20 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 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.

#### 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 Provided	Expenditure /(Revenue) Net Cost \$'000
Maternal and Child Health	Enhance the health and development of children from birth until school age and their families by providing quality <b><u>Maternal and Child Health Services</u></b> across the shire. The service provides support to every family with a new born – municipality wide and offers Healthy Families and Supported Playgroup programs.	629 (332) <b>297</b>
Children Services	Improve the health and wellbeing of families by increasing access to a range of quality universal and specialist children and family services.	432 (3) <b>429</b>
Active Ageing & Disability Home & Community Care Program for Younger People (HACC PYP)	Provision of individual and group support services including assessment to enhance the health and wellbeing of our community members whose functional limitations affect their ability to manage day-to-day activities and need support to live independently at home and stay connected to the community.  Wellness and Reablement are an essential part of our service delivery and promote independence, improved quality of life, and support a 'doing with' approach that delivers positive outcomes for clients, carers and communities.  People who are eligible, include frail people under the age of 65, younger people with disabilities not eligible for the NDIS and carers.	388 (258) <b>130</b>
Active Ageing and Disability - Commonwealth Home Support Program (CHSP)	Provision of individual and group support services including assessment to enhance the health and wellbeing of our community members whose functional limitations affect their ability to manage day-to-day activities and need support to live independently at home and stay connected to the community.  Wellness and Reablement are an essential part of our service delivery and promote independence, improved quality of life, and support a 'doing with' approach that delivers positive outcomes for clients, carers and communities.  To be eligible for the program, people must be 65 years of age and over.	1,435 (979) <b>456</b>
Community Transport	The <b>Golden Connections</b> community transport service provides a flexible, responsive transport service for isolated residents to stay connected to services within the shire and beyond. Volunteers provide the transport service and eligibility is based on individual circumstances.	147 (6) <b>141</b>

Service Area	Description of Services Provided	Expenditure /(Revenue) Net Cost \$'000
Community Centres	Improving the health and wellbeing of Golden Plains Shire residents and facilitating the development of healthy vibrant communities. Providing opportunity to support and access a range of services and programs at Council managed facilities across the Shire.	1,203 (127) <b>1,076</b>
Kindergartens	Early Years Management of five funded kindergartens and accompanying early learning facilities. Services at Meredith, Rokewood, Inverleigh and Teesdale also offer Pre Kindergarten programs to 3 year olds. Council works closely with Incorporated Volunteer Parent Committees (Advisory Groups) to deliver quality education and care programs.	1,002 (933) <b>69</b>
Bannockburn Children Services	Management and operation of the integrated children's service at Bannockburn, incorporating childcare and funded Kindergarten programs. The service caters for children from 6 weeks and also operates before and after school care.	2,559 (2,461) <b>98</b>
Family Day Care	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. Some educators also provide before and after school care options for families.	333 (263) <b>70</b>
Community Development	Supporting and strengthening local communities and local leadership through the development of Community Plans and Council's community grants program.	666 (6) <b>660</b>
Health Promotion	Collaboratively working with community, government, health and wellbeing partners and agencies to support, protect and improve the health and wellbeing of residents.	627 (474) <b>153</b>
Libraries	Providing an excellent fixed and mobile library service to residents of Golden Plains Shire through Council's participation in the Geelong Regional Library Corporation.	464 (1) <b>463</b>
Arts and Culture	Facilitating the development of community arts and cultural development projects and creative industries 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.	258 (5) <b>253</b>
Youth Development	Working to improve the health and well  Using community engagement and capacity building strategies to inform initiatives which support community mental health, social connection and build civic pride (initiatives designed to reduce 'mental health stigma')  being of young people in Golden Plains Shire. To increase capacity and opportunity for young people to participate, increase skills, knowledge and leadership abilities and provide meaningful pathways into education, training and careers.	425 (71) <b>354</b>
Recreation Planning	Working to develop a range of recreation facilities and services, with the aim to increase active living in our community. By identifying, supporting and applying for grant funding, strategically planning recreation service and facility provision, building capacity and supporting local leadership in facility management and providing participation and engagement opportunities.	614 (14) <b>600</b>

Service Area	Description of Services Provided	Expenditure /(Revenue) Net Cost \$'000
Recreation Construction	Construction of community facilities, including halls, paths and trails, recreation reserves and pavilions, sporting facilities and playgrounds	645 <u>(1,515)</u> <b>(870)</b>
Recreation Infrastructure maintenance	Undertaking general maintenance of all Council owned and controlled land (DELWP), buildings and facilities and supporting communities that undertake these activities on behalf of Council. Maintenance completed in line with programs and Committee of Management agreements and conditions. Work completed through a mixture of in-house resources and contractors. 37% of this budget relates to depreciation.	3,279 <u>(62)</u> <b>3,217</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.	144 <u>(2)</u> <b>142</b>

## Major Initiatives

Service Area	Major Initiatives
Children Services	<ul style="list-style-type: none"> <li>- Development of Municipal Early Years Plan</li> <li>- Undertake service user satisfaction survey</li> </ul>
Active Aged & Disability	<ul style="list-style-type: none"> <li>- Action Plan: Aged Care Quality Standards (effective 1 July 2019), to ensure understanding, implementation and compliance across service provision.</li> <li>- Action Plan: Aged Care Diversity Framework to guide the aged care sector to deliver respectful, inclusive and culturally safe care for all diverse groups</li> </ul>
Community Development	<ul style="list-style-type: none"> <li>- 2019-20 Community Grants Program</li> </ul>
Health Promotion	<ul style="list-style-type: none"> <li>- Provide eight Healthy Active Living Grants (HEAL) to incorporated, non for profit community groups.</li> <li>- Develop a longer term vision and planning for an integrated approach to providing quality health and community services infrastructure.</li> </ul>
Arts & Culture	<ul style="list-style-type: none"> <li>- Creative Wanderings- promoting professional arts/music/public art</li> <li>- Free space for Creatives - to increase activities by eliminating facility hire costs</li> <li>- Art Exhibitions – Spring in the Shire 2020 &amp; My Home, Australia 2020</li> </ul>
Youth Development	<ul style="list-style-type: none"> <li>- Mayoral Youth Program</li> <li>- Youth Strategy 2020</li> </ul>
Recreation Planning	<ul style="list-style-type: none"> <li>- Active Golden Plains</li> <li>- Recreation Strategy 2020 – 2030</li> </ul>
Recreation Construction	<ul style="list-style-type: none"> <li>- Bannockburn Bowls Club Upgrade</li> <li>- Rokewood Oval Lighting Upgrade</li> <li>- Inverleight Netball Court Upgrade</li> <li>- Teesdale Turtle Bend Upgrade</li> <li>- Haddon Stadium Floor Upgrade</li> <li>- Lethbridge Lighting</li> </ul>
Recreation Infrastructure maintenance	<ul style="list-style-type: none"> <li>- Working with Committee of Management groups to identify priority maintenance projects.</li> <li>- Service Planning &amp; Asset Rationalisation Review</li> <li>- Building Inspections and Condition Report</li> </ul>



## 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 Provided	Expenditure /(Revenue) Net Cost \$'000
Investment Attraction & Business Support	This service facilitates and supports a diverse, resilient, prosperous and socially responsible economy. This is done by working with business, government and community partners, through attracting investment, supporting local business, lobbying and advocating for improved infrastructure and developing tourism.	350 (4) <b>346</b>
Golden Plains Farmers' Market	To provide a genuine farmers' market experience for visitors and residents that strengthens opportunities for local growers and makers, supports the local economy and tourism and creates a vibrant community meeting place.	57 (35) <b>22</b>

## Major Initiatives

Service Area	Major Initiatives
Investment Attraction & Business Support	- Implement the Golden Plains Economic Development and Tourism Strategy 2017 - 2021

### 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 Provided	Expenditure /(Revenue) Net Cost \$'000
Major Projects	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.	41 (0) <b>41</b>
Land Use Planning	Undertake long term land use planning to meet the sustainable needs of current and future generations. To provide a range of statutory planning services to promote the fair, orderly and sustainable development of land within the Shire.	1,414 (695) <b>719</b>
Community Safety	To implement local laws, school crossing supervision, fire protection, emergency management and animal control programs to ensure the safety of residents and visitors to the Shire.	1,047 (622) <b>425</b>
Environment and Sustainability	To implement a range of sustainable strategies and environmental management programs to ensure the protection and enhancement of identified environmental assets.	533 (54) <b>479</b>
Environmental Health	To protect and enhance the health of the public and the environment via a range of education and enforcement programs. To deliver services addressing domestic waste water management, food safety, immunisation and tobacco control regulations.	590 (275) <b>315</b>
Building Services	To undertake a range of regulatory compliance actions to ensure a safe build environment for all Golden Plains Shire residents.	365 (96) <b>269</b>
Sealed Roads Routine Maintenance	Routine maintenance of the Road Register sealed local <b>road</b> network. Council road maintenance crew activities related to upkeep and maintenance of Councils 987km of sealed road network. Provision of roadside slashing and guidepost spraying (Fire prevention) for the sealed road network.	1,976 (174) <b>1,802</b>
Local Roads Resealing	Bituminous resealing of Council's local sealed road network. Council depreciation of the sealed road network. 97% of this budget relates to depreciation.	2,353 (2) <b>2,351</b>
Local Roads Rehabilitation	Repairs of major and significant road failures (Hazardous) not identified in capital works improvement program. 77% of this budget relates to depreciation	1,813 (0) <b>1,813</b>
Local Roads Improvements	Road design to allow Council to submit grant applications. Majority of budget relates to income from these grant applications.	158 (2,902) <b>(2,744)</b>
Gravel Roads Routine Maintenance	Routine maintenance of the Road Register gravel road network. Council road maintenance crew activities related to upkeep and maintenance of Councils 692km of gravel road network. There are 69km of formed and unmade roads not included on the road registers with minimal budget allocated to these roads.	1,208 (4) <b>1,204</b>
Gravel Re-sheeting	Reconstruction of gravel roads by gravel re-sheeting programs conducted on Council's local gravel road network. 98% of this budget relates to depreciation	1,208 (1) <b>1,207</b>

Service Area	Description of Services Provided	Expenditure /(Revenue) Net Cost \$'000
Bridge Maintenance	General maintenance of Council's 138 bridges and major culverts. Maintenance activities are aligned to condition surveys and activities to keep assets safe and serviceable. Activities do not relate to asset improvement or upgrade. This budget includes income from grant funding applications. 44% of this budget relates to depreciation.	979 (201) <b>778</b>
Tree Clearing	Tree clearing works on Council's local road network and managed land, to ensure community safety and in response to customer requests. Maintenance work is delivered via internal staff and contractors. Council receives over 400 customer requests per year for tree maintenance.	539 (2) <b>537</b>
Gravel Pits	Operation of Council Sago gravel pit. This budget relates to the extraction and use of Sago gravel within the Shire in line with licence requirements. Sago gravel is used in Council road projects, gravel re-sheeting and general gravel road maintenance. 20% of this budget relates to depreciation.	257 (101) <b>156</b>
Asset Management	Strategic Management of Council's significant asset base including but not limited to Roads, Bridges, footpaths, buildings, recreation reserves, drainage systems, parks and playgrounds. Etc.	560 (102) <b>458</b>
Drainage Maintenance	Maintenance of Council's significant township and rural drainage assets. This includes pipe systems, open drains, discharge points, treatment wetlands and kerb & channel. The budget is split between urban and rural drainage projects. 16% of this budget relates to depreciation.	747 (28) <b>719</b>
Private Works	Provision of private works services for residents, other Councils and developers. External parties can request Council to provide quotation to complete works on their behalf. These requests normally relate to works that have potential impact on existing Council assets. These requests are dependant on Council resource availability.	28 (11) <b>17</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 to Australian and VicRoads guidelines. This work includes maintenance and new signage as well as addressing customer requests.	293 (1) <b>292</b>
Street Lighting	Provision of street lighting across Council's local road network. This includes power costs associated with running streetlights, installation of new streetlights and maintenance where required.	173 (1) <b>172</b>
Township Maintenance	Provision of all township maintenance services including street beautification works, roadside, parkland and recreation facility grass cutting in accordance with Council policy. Tree planting and maintenance. Street furniture maintenance and replacement. General litter removal and removal of graffiti.	769 (5) <b>764</b>
Bus Shelters	Provision and maintenance of bus shelters across the Shire in line with Council Policy.	12 (0) <b>12</b>
Paths and Trails	Maintenance of Council's network of footpaths and trails. Council maintain paths constructed from concrete, asphalt and gravel including all signage, drains and bollards. 58% of this budget relates to depreciation.	285 (101) <b>184</b>
Garbage Collections	Collection of domestic garbage and recyclables and disposal of garbage across the Shire. Management of ongoing shared services contracts including recycling, disposal and collection.	2,720 (2,960) <b>(240)</b>
Municipal Landfills	Operation of the Rokewood Transfer Station including sorting and appropriate recycling and disposal. Rehabilitation and environmental monitoring of Council's registered historic landfill sites.	191 (15) <b>176</b>

Service Area	Description of Services Provided	Expenditure /(Revenue) Net Cost \$'000
Litter Control	Control of general litter and illegal dumping that occurs across the Shire. Dumping is normally seen in remote areas of low traffic. Council investigate all dumping to identify sources. Dumped rubbish is collected and disposed of properly	62 (1) <b>61</b>

## Major Initiatives

Service Area	Major Initiatives
Development Services	<ul style="list-style-type: none"> <li>- Undertake targeted planning scheme enforcement and compliance checks.</li> <li>- Implement the Northern Settlement Strategy.</li> <li>- Commence the process of developing new land use policy directions for the township of Teesdale.</li> <li>- Complete the development of a new structure plan for the township of Inverleigh.</li> <li>- Explore opportunities for the identification of new employment land within the Shire.</li> <li>- Implement Council's Domestic Animal Management Plan, with a specific focus on increasing rates of animal registration.</li> <li>- Develop Council's first comprehensive Climate Change Action Plan in consultation with community and stakeholders.</li> <li>- Implement Council's adopted Domestic Waste Water Management Plan.</li> <li>- Implement a targeted inspection program to ensure high levels of swimming pool barrier compliance.</li> </ul>
Sealed Roads Routine Maintenance	<ul style="list-style-type: none"> <li>- Road Management Practice Improvements (Systems, Policies and Community Engagement)</li> <li>- Road condition survey and revaluation program</li> <li>- Yearly fire prevention program of roadside slashing</li> </ul>
Local Roads Resealing	<ul style="list-style-type: none"> <li>- Road condition survey and revaluation program</li> </ul>
Local Roads Rehabilitation	<ul style="list-style-type: none"> <li>- Road condition survey and revaluation program</li> </ul>
Local Roads Improvements	<ul style="list-style-type: none"> <li>- Deliver the Roads to Recovery Funding Program</li> <li>- Delivery of Fixing Country Roads Program</li> <li>- Lobbying for Government and external road funding</li> </ul>
Gravel Roads Routine Maintenance	<ul style="list-style-type: none"> <li>- Road Management Practice Improvements (Systems, Policies and Community Engagement)</li> <li>- Road condition survey and revaluation program</li> <li>- Dust suppression additive trials</li> </ul>
Gravel Re-sheeting	<ul style="list-style-type: none"> <li>- Road condition survey and revaluation program</li> </ul>
Bridge Maintenance	<ul style="list-style-type: none"> <li>- Bridge condition survey and revaluation program</li> <li>- Lobbying for Government and external bridge funding</li> <li>- Obtaining contributions from other Councils where bridges are on Council boundaries</li> </ul>
Tree Clearing	<ul style="list-style-type: none"> <li>- Cypress Trees strategy, Meredith &amp; Inverleigh Avenues of significance</li> </ul>
Asset Management	<ul style="list-style-type: none"> <li>- Road Management Practice Improvements (Systems, Policies and Community Engagement)</li> <li>- Service Planning &amp; Asset Rationalisation Review</li> <li>- Building Inspections and Condition Report</li> <li>- Road and Bridge asset revaluation and condition assessment</li> <li>- Procurement of Asset management system</li> </ul>
Line marking, Guideposts and Signs	<ul style="list-style-type: none"> <li>- Managing road user safety through line marking and sign maintenance</li> </ul>
Street Lighting	<ul style="list-style-type: none"> <li>- Conversion of lighting to energy efficient systems where possible.</li> </ul>

Township Maintenance	<ul style="list-style-type: none"> <li>- Working with Committee of Management groups</li> <li>- Working with Community Coordinators to achieve community plan outcomes</li> </ul>
Paths and Trails	<ul style="list-style-type: none"> <li>- Council Paths &amp; Trails Strategy</li> </ul>
Garbage Collections	<ul style="list-style-type: none"> <li>- Education</li> <li>- Review waste management strategy</li> <li>- Participate in the regional waste and resource recovery groups Participate in the regional waste and resource recovery groups</li> </ul>
Municipal Landfills	<ul style="list-style-type: none"> <li>- Management of Governments new e-Waste policy</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	Articulate clearly Council initiatives, strategies, benefits and services to internal and external stakeholders through communication channels including corporate publications, traditional and digital media and online.	734 (3) <b>731</b>
Customer Service Centres	Operation of customer service centres to provide bases from which Council can deliver services.	583 (4) <b>579</b>
Governance	Governance 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.	718 (12) <b>706</b>
Elections	Maintenance of voters' rolls in readiness for 2020 election.	17 (1) <b>16</b>
Meetings	Conduct Council meetings, committee meetings, workshops and other meetings of Council with management.	33 (0) <b>33</b>
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.	1,282 (23) <b>1,259</b>
Emergency Management	This service ensures Council staff are prepared and our resources are ready to assist before, during and after an emergency.	132 (123) <b>9</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.	337 (3) <b>334</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.	3 (27,983) <b>(27,980)</b>
Property and Rating	Management of Council's rating system, including levying rates and charges, outstanding interest and valuing all rateable properties.	678 (496) <b>182</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.	365 (5) <b>360</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.	379 (4) <b>375</b>
Records Management	This service supports the recordkeeping functions of Capture, Control, Storage, Access, Disposal and Operational Management according to the standards outlined by the Public Record Office Victoria.	305 (2) <b>302</b>

Service Area	Description of Services and Initiatives	Expenditure /(Revenue) Net Cost \$'000
Borrowings	Effective management of Council borrowings.	537 (0) <b>537</b>
Plant Replacement	Management and replacement of Council's plant and equipment in accordance with the plant replacement schedule.	128 (84) <b>44</b>

### Major Initiatives

Service Area	Major Initiatives
Communications & Marketing	<ul style="list-style-type: none"> <li>- Develop a Golden Plains e-Gazette, online alternating monthly with the printed publication</li> <li>- International Women's Day 2020 Campaign to promote local women and their achievements</li> </ul>
Customer Service Centres	<ul style="list-style-type: none"> <li>- Undertake a community satisfaction survey</li> <li>- Implement customer service strategy action plan</li> </ul>
Emergency Management	<ul style="list-style-type: none"> <li>- Maintenance of neighbourhood safer places</li> <li>- Develop an animal welfare in emergencies plan</li> <li>- Conduct multi-agency emergency management meetings</li> <li>- Promote safer emergency practices by the community</li> <li>- Contribution to Barwon Flood warning management</li> </ul>
Risk Management and OH&S	<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>
Records Management	<ul style="list-style-type: none"> <li>- Implementation of a corporate Digitisation Plan for greater accessibility to corporate records.</li> </ul>
Digital Transformation	<ul style="list-style-type: none"> <li>- Creation of the Digital Transformation Strategy covering the 4 pillars: Data and Information Reform, Digital Opportunity, Technology Reform and Capability Uplift</li> </ul>

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	<p>Satisfaction with Council decisions</p> <p>(Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)</p>	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 2019-20 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 2019-20 is \$2.4m, however this 'headline' figure can be misleading. The 'adjusted underlying result' of (\$2.3m) 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.

	Forecast 2018-19 \$'000	Budget 2019-20 \$'000	Projection 2020-21 \$'000	Projection 2021-22 \$'000	Projection 2022-23 \$'000
<b>Total Comprehensive Result</b>	<b>6,307</b>	<b>2,438</b>	<b>6,544</b>	<b>6,697</b>	<b>6,555</b>
*Non-recurrent grants used to fund capital expenditure	(4,758)	(3,133)	(2,100)	(2,101)	(2,151)
Non-monetary asset contributions	(1,125)	(1,125)	(1,125)	(1,125)	(1,125)
Other contributions to fund capital expenditure	-	(510)	(2,930)	(2,930)	(2,930)
<b>Adjusted Underlying Result</b>	<b>(424)</b>	<b>(2,330)</b>	<b>(389)</b>	<b>(541)</b>	<b>(349)</b>

\* excludes \$867k Roads to Recovery capital recurrent grant

When preparing the 2019-20 budget a key objective identified was to increase the standard of infrastructure assets to meet the increasing demands of our growing population. The level of investment in capital renewal projects and level of maintenance of infrastructure has been increased to ensure adequate services are maintained. As a result, the underlying deficit is below Council's financial sustainability thresholds. These levels of expenditure will reduce to normal levels in outer years. As this deficit is for one year only, the long term financial sustainability of the Council will not be impacted.

#### Income

##### Note 1: Rates and Charges (\$721k 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 Government 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 charges at 2.5% for 2019-20. Other service charges (e.g. garbage charges) are to be calculated on a 'full cost recovery' basis.

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

- Municipal charge of \$300 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 2019-20, the average capped increase per assessment is 2.5%. 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 2019	\$19,924,849
Forecast Number of Assessments at 30 June 2019	11,076
<b>Forecast Base Average Rate 2018-19 per assessment</b>	<b>\$1,798.92</b>
Budget Rate Revenue 2019-20	\$20,422,971
<b>Capped Average Rate 2019-20 per assessment</b>	<b>\$1,843.89</b>
<b>Average Capped Increase 2019-20</b>	<b>2.5%</b>

The rates and charges, together with supplementary rate revenue, derived from a growth in the rate base, will generate \$23.7m (\$22.9m 2018-19).

Further detailed information concerning Rates and Charges can be found in Section 5.4 Rating Information and Section 6.1 Appendices.

#### **Note 2: Statutory Fees and Fines (\$10k decrease)**

Statutory fees and fines represent 1.4% of total income. A detailed listing of individual fees and fines is contained in section 6.2 on page 92.

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

<b>Statutory Fees and Fines</b>	<b>18/19 Forecast \$'000</b>	<b>19/20 Budget \$'000</b>
Planning and Building Fees	476	462
Animal Infringement Fines	70	80
Land Information Certificate Fees	24	28
Drainage Information Fees	30	25
Subdivision Supervision Fees	15	10
Other Fees and Fines	1	1
<b>Total Statutory Fees and Fines</b>	<b>616</b>	<b>606</b>

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

User fees represent 5.7% of total income. A detailed listing of individual fees is contained in section 6.2 on page 92.

Details of total fees contained in the Budget follow.

<b>User Fees</b>	<b>18/19 Forecast \$'000</b>	<b>19/20 Budget \$'000</b>
Bannockburn Child Care	845	903
Animal Registration Charges	400	405
Kindergarten Cluster	288	263
Septic Tank Fees	139	160
Gravel Cartage Levy	150	150
Home and Community Care Fees	174	140
Subdivision Supervision Fees	130	100
Food and Health Fees	76	88
Bannockburn Cultural Centre Fees	44	44
Rents and Leases	41	40
Fire Hazard Eradication Fees	40	40
Bannockburn Family Services Centre Fees	32	32
Farmers Market Fees	30	30
Smythesdale Business Hub Fees	30	30
Other	27	21
Community Protection Fees	18	19
Planning and Building Fees	17	19
Northern Community Centre Fees	13	13

User Fees	18/19 Forecast \$'000	19/20 Budget \$'000
Road Opening Permit Fees	12	12
Tip Fees	8	8
Community Bus Hire Charges	3	3
Animal Fees and Fines	2	2
Local Laws Infringement Fines	2	2
Meredith Community Hub Fees	1	1
<b>User Fees Total</b>	<b>2,523</b>	<b>2,526</b>

**Note 4: Grants - Operating (\$104k increase)**

Operating grants comprise 24.1% of the total income. The Budget provides for \$10.7m in operating grants, representing an increase of \$104k from the 2018-19 forecast.

The Budget allows for a Victoria Grants Commission (VGC) allocation of \$5.9m, which represents a 2.5% increase from the 2018-19 allocation. A complete listing of total budgeted grants is shown below.

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

**Operating Grant Funding Types and Source**

Recurrent - Commonwealth Government	18/19 Forecast \$'000	19/20 Budget \$'000
General Purpose Grants (VGC)	3,643	3,744
Local Road Funding (VGC)	2,102	2,124
Commonwealth Home Support Program	951	893
<b>Recurrent - State Government</b>		
Children Services	2,001	1,817
Kindergarten	695	660
Health Promotion	469	472
Maternal & Child Health	276	276
Age & Disability Services	131	193
Emergency Management	120	120
Youth Development	67	66
Environment Management	51	51
Other	50	43
Community Protection	40	42
Public Health	18	17
<b>Total Recurrent Grants</b>	<b>10,614</b>	<b>10,718</b>
<b>Non-recurrent - State Government</b>		
Recreation	-	200
<b>Total Non-recurrent Grants</b>	<b>-</b>	<b>200</b>
<b>Total Operating Grant Funding</b>	<b>10,614</b>	<b>10,718</b>



**Note 5: Capital Grant Grant (\$1.34m decrease)**

The Budget provides for \$4.0m in capital grants representing a decrease of \$1.3m or 25.1% from 2018-19 forecast. Capital grants comprise 9.0% 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.

**Capital Grant Funding Types and Source**

	18/19 Forecast \$'000	19/20 Budget \$'000
Recurrent - Commonwealth Government		
Roads to Recovery	585	867
Recurrent - State Government		
Roads	6	-
<b>Total Recurrent Grants</b>	<b>591</b>	<b>867</b>
Non-Recurrent - Commonwealth Government		
Bridges	604	-
Non-Recurrent - State Government		
Roads	1,442	2,033
Recreation, Leisure and Community	3,309	1,000
Footpath	-	100
<b>Total Non-Recurrent Grants</b>	<b>4,751</b>	<b>3,133</b>
<b>Total Capital Grant Funding</b>	<b>5,342</b>	<b>4,000</b>

**Note 6: Contributions - Monetary (\$1k decrease)**

The Budget provides for \$1.6m monetary contributions, representing a decrease of \$1k from the 2018-19 forecast. Monetary Contributions comprise 3.5% of total income.

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

	18/19 Forecast \$'000	19/20 Budget \$'000
<b>Monetary</b>		
Berrybank-Teesdale Turtle Upgrade	-	220
Barwon Park Bridge Deck Replacement	-	200
Wind Farm Income	214	219
Debt Collection Recoupment	170	170
Developer Community Contributions	250	130
Public Open Space Contributions	250	140
Gravel Sales	50	100
Motor Vehicle Recoupments	93	95
Bannockburn Bowls Upgrade	-	90
Bannockburn South West Precinct	60	-
Access & Inclusion Projects	50	-
Family Day Care Administration & Carer Levy	47	43
Contribution to Revaluation	41	-
Telecommunications Towers Income	40	42
Sale of Waste Bins	40	32

Monetary	18/19 Forecast \$'000	19/20 Budget \$'000
Rate Recovery Sale of Land Income	142	-
Panel Hearing Reimbursement	20	20
Contributions for Private Works	25	10
Inverleigh Kindergarten Refurbishment	12	10
Inclusion Support Subsidy	12	8
Recycling Contribution	-	8
Other	15	6
Farmers Market Sponsorship	5	5
Scrap Metal - Rokewood Transfer Station	7	5
Standpipe Water Sales	12	4
Valuation Fee Recoupments	3	4
Economic Development Strategy 'Contribution	3	3
Auction Revenue - Animal Control	5	2
Spring In The Shire Income	2	2
Pensioner Claim - Administration Fees	1	1
Stock Call Out Recoupments	1	1
Recoups Telephone and Photocopying	1	-
<b>Monetary Total</b>	<b>1,570</b>	<b>1,569</b>

**Note 7: Contributions - Non-Monetary (no change)**

The Budget provides for \$1.125m non-monetary (assets) contributions, representing 2.5% of total income.

Contributions - Non-Monetary	18/19 Forecast \$'000	19/20 Budget \$'000
Subdivisional Assets Handed to Council	1,125	1,125
<b>Total Contributions - Non-Monetary</b>	<b>1,125</b>	<b>1,125</b>

**Note 8: Net Gain on Disposal of Property, Plant and Equipment (\$81k decrease)**

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.

Net Gain on Disposal of Property, Plant and Equipment	18/19 Forecast \$'000	19/20 Budget \$'000
Information Communications Technology	2	-
Plant and Machinery	274	84
Motor Vehicles	317	125
<b>Total Proceeds from Sale of Assets</b>	<b>593</b>	<b>209</b>
Information Communications Technology	-	-
Plant and Machinery	274	84
Motor Vehicles	239	125
<b>Total Written Down Value of Assets Sold</b>	<b>512</b>	<b>209</b>
<b>Net Gain on Disposal</b>	<b>81</b>	<b>-</b>

**Note 9: Other Income (\$1k 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 \$251k comprises only 0.6% of total income.

## Expenditure

### Note 10: Employee Costs (\$1.27m increase)

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

Employee costs are budgeted to increase from the 2018-19 forecast by \$1.3m, or 7.5%, to \$18.2m. This increase includes the annual wage increase under the Enterprise Agreement which was a 1.87% increase in 2019-20. The 2018-19 forecast is also lower than budget due to the timing of staff turnover and recruitment of the vacant roles.

The reconciliation below compares budgeted Full Time Equivalent (FTE) employee numbers and employee costs from the 2018-19 budget to the 2019-20 budget.

### Reconciliation from 2018-19 Budget

Description	FTE	\$'000	% Increase
<b>2018-19 Budget - Employee Benefits</b>	<b>203.65</b>	<b>18,178</b>	
Change in FTE	(6.71)	(313)	(1.7)
EA increase		340	1.87
Other		3	0.2
<b>Total Increase / (Decrease)</b>	<b>(6.71)</b>	<b>30</b>	<b>0.2</b>
<b>2019-20 Budget – Employee Benefits</b>	<b>196.94</b>	<b>18,208</b>	

### Budget per Dept. and Type

		Comprises		
Department	Budget 2019-20 \$'000	Permanent Full Time \$'000	Permanent Part Time \$'000	Casual \$'000
Community Services	7,437	3,610	3,371	456
Assets and Amenity	6,535	6,021	434	80
Corporate Services	3,405	2,869	536	-
Executive	831	831	-	-
<b>Total</b>	<b>18,208</b>	<b>13,331</b>	<b>4,341</b>	<b>536</b>

### FTE per Dept. and Type

		Comprises		
Department	Budget FTE 2019-20	Permanent Full Time	Permanent Part Time	Casual
Community Services	85.84	38.15	41.47	6.22
Assets and Amenity	69.66	64.02	4.64	1.00
Corporate Services	34.44	27.42	7.02	-
Executive	7.00	7.00	-	-
<b>Total</b>	<b>196.94</b>	<b>136.59</b>	<b>53.13</b>	<b>7.22</b>

**Note 11: Materials and Services (\$1.68m 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 \$1.7m, or 12.9% to \$14.7m.

<b>Materials and Services</b>	<b>18/19 Forecast \$'000</b>	<b>19/20 Budget \$'000</b>
Projects and Services	2,161	2,560
Garbage Operations	2,160	2,582
General Maintenance	1,742	1,909
Community Facility Projects	1,153	1,328
Contractors and Consultants	1,266	1,654
Vehicle and Machinery	821	888
Building Maintenance	555	642
IT Operations	795	566
Other	384	398
Cleaning	313	385
Training	293	307
Utilities	275	308
Telecommunications	268	252
Insurance	224	247
Debt Collection	170	170
Legal Fees	35	66
Printing and Stationery	239	214
Advertising	106	150
Gravel Pit Operations	41	51
<b>Total Materials and Services</b>	<b>13,003</b>	<b>14,680</b>

\*Other category contains the following corporate memberships

<b>Organisation</b>	<b>18/19 Forecast \$'000</b>	<b>19/20 Budget \$'000</b>
G21	44	45
MAV	23	23
Peri-Urban Group of Councils	15	16
Central Highlands Councils Victoria	13	13
Regional Tourism	11	11
Committee for Ballarat	4	4
Rural Councils Victoria	3	3
LG Pro	1	1
Timber Towns	-	1
<b>Total Corporate Memberships</b>	<b>114</b>	<b>117</b>

**Note 12: Bad and Doubtful debts (\$48k decrease)**

Allocation of bad and doubtful debts of \$12k mainly relates to community safety program infringements.

**Note 13: Depreciation and Amortisation (\$215k 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.

Depreciation by Class of Asset	18/19 Forecast \$'000	19/20 Budget \$'000
Buildings Specialised	857	789
Buildings Unspecialised	103	216
Buildings Heritage	56	57
Information Communications Technology	200	168
Furniture and Equipment	61	50
Plant and Machinery	805	761
Roads	4,658	4,876
Footpaths	170	166
Bridges	408	432
Drainage	126	122
Recreation, Leisure & Community	510	514
Parks, Open Spaces & Streetscapes	59	68
Car Parks	23	25
Gravel Pit Rehabilitation	44	50
<b>Total Depreciation Expense</b>	<b>8,080</b>	<b>8,295</b>

**Note 14: Borrowing Costs (\$123k increase)**

Finance Costs relate to the interest paid on Council borrowings. The ratio of finance costs as a percentage of income indicates that less than 0.3% of income is required to service debt. The increase of \$123k is primarily the result of new borrowings required to fund new capital projects.

**Note 15: Other Expenses (\$9k increase)**

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

## 4.2 ANALYSIS OF BALANCE SHEET

This section of the Budget analyses the expected financial position of Council at the end of the 2019-20 financial year.

### Note 16: Current assets (\$7.2m decrease)

- Cash assets will decrease by \$5.3m
- Receivables will increase by \$251k
- Other assets will decrease by \$2.1m

### Note 17: Non-current assets (\$12.3m increase)

The increase in non-current assets is detailed in the table below, including:

- An increase in property, infrastructure plant and equipment by \$11.3m, comprised of the capital works program (\$18.7m), less depreciation and amortisation (\$8.3m) and disposal of assets (\$0.2m) plus the receipt of gifted assets (\$1.1m).
- An increase in the sinking fund investment by \$951k 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 2019 \$'000	Additions \$'000	Handed to Council \$'000	WDV of Disposals \$'000	Depreciation \$'000	Balance 30 June 2020 \$'000
Land	23,799	1,500	-	-	-	25,299
Buildings Specialised	31,615	4,770	-	-	(789)	35,597
Buildings Unspecialised	3,405	110	0	0	(216)	3,299
Heritage Buildings	969	0	0	0	(57)	913
Parks, Open Spaces etc.	3,997	582	0	0	(68)	4,511
Recreation, Leisure & Community	6,614	2,105	0	0	(514)	8,205
Car Park	1,065	25	0	0	(25)	1,065
Furniture & Equip	195	10	0	0	(50)	155
Plant & Machinery	4,657	1,055	0	(209)	(761)	4,741
Roads	329,625	6,175	1,125	0	(4,876)	332,049
Bridges	20,622	1,500	0	0	(432)	21,690
Footpaths	11,410	368	0	0	(166)	11,612
Drainage	3,603	0	0	0	(122)	3,481
Information Comm Technology	363	500	0	0	(168)	695
Gravel Pit	190	0	0	0	(50)	140
Land Under Roads	4,333	0	0	0	0	4,333
Invest In Association	740	0	0	0	0	740
Sinking Fund	342	951	0	0	0	1,293
<b>Total</b>	<b>447,544</b>	<b>19,651</b>	<b>1,125</b>	<b>(209)</b>	<b>(8,295)</b>	<b>459,816</b>



**Note 18: Current liabilities (\$1.7m decrease)**

- Current liabilities represent obligations Council must pay within the next year
- The current liability for interest-bearing liabilities as at 30 June 2020 will decrease by \$2.5m
- The provision for employee benefits as at 30 June 2020 represents Council's liability to pay employees annual leave and long service leave

**Note 19: Non-current liabilities (\$4.3m increase)**

- Non-current liabilities represent obligations Council must pay beyond the next year
- The non-current liability provision for employment benefits will increase by \$5k. This represents the Council's provision for long service leave (non-current)
- Interest bearing liabilities increase by \$4.4m 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

## 4.3 ANALYSIS OF STATEMENT OF CHANGES IN EQUITY

### Note 20: Equity (\$2.4m increase)

Total equity of \$446.8m 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:

Equity	18/19 Forecast \$'000	19/20 Budget \$'000
Discretionary reserves	9,090	3,544
Committed reserves	485	529
Non-current assets less non-current liabilities	434,746	442,686
<b>Total Equity</b>	<b>444,321</b>	<b>446,759</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.

As at 30 June 2020, Council will have discretionary funds available of \$3.5m and \$529k in committed funds.

	Opening Balance 1-Jul-19 \$'000	Net Movements \$'000	Closing Balance 30-Jun-20 \$'000
<b>Discretionary</b>			
General Appropriations	4,343	(4,021)	322
Bakers Lane	1,525	(1,525)	-
VGC Grant Received in Advance	2,873	-	2,873
Rokewood Pavillion Funds	310	-	310
Communications Tower Funds	39	-	39
<b>Sub-total Discretionary</b>	<b>9,090</b>	<b>(5,546)</b>	<b>3,544</b>
<b>Committed</b>			
Recreational Lands^	-	40	40
Developer Contributions	165	-	165
Employee Entitlements (non-current)	320	4	324
Quarry Levy^	-	-	-
<b>Sub-total Committed</b>	<b>485</b>	<b>44</b>	<b>529</b>
<b>Total Retained Earnings</b>	<b>9,575</b>	<b>(5,502)</b>	<b>4,073</b>
Non-Current Assets and Liabilities	434,746	7,940	442,686
<b>Total Equity</b>	<b>444,321</b>	<b>2,438</b>	<b>446,759</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 \$5.3m to \$6.4m.

### Note 21: Operating activities (\$12.6 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 \$23.6m
- Grants of \$15.0m to fund operating expenses and capital works
- User fees \$3.2m
- Contributions and recoupments of \$1.6m
- Payments to employees \$18.0m and
- Payments to suppliers \$14.1m

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

	\$'000
<b>Surplus for Period</b>	<b>2,438</b>
Depreciation	8,295
Net Gain on Disposals	0
Subdivisions - Roads Handed to Council	(1,125)
Borrowing Costs	537
Decrease/(Increase) in Receivables	(251)
Increase/(Decrease) in Operating Creditors and Provisions	2,738
<b>Net Cash Inflow from Operations</b>	<b>12,632</b>

### Note 22: Investing activities (\$18.5m 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 (\$566k 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 \$566k includes the receipt of new borrowings undertaken during the year \$4.5m, as well as the repayment of the principal component of borrowings \$2.6m, interest expenditure \$537k and payment to LGFV sinking fund of \$951k.

## 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 2020 it will have cash and cash equivalents of \$6.5m, which has been restricted as shown in the following table.

	Forecast 2018-19 \$'000	Budget 2019-20 \$'000
<b>Total Cash and Cash Equivalents</b>	<b>12,142</b>	<b>6,849</b>
Restricted cash and investments		
-Statutory Reserves	165	165
-Discretionary Reserves	320	324
<b>Unrestricted Cash and Cash Equivalents</b>	<b>11,657</b>	<b>6,360</b>

### Statutory Reserves (\$165k)

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 2019-20 year \$270k is budgeted to be transferred to and \$230k from Statutory Reserves.

### Discretionary Reserves (\$324k)

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 2019-20 year \$4k is budgeted to be transferred to 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 (\$6.4m)

It should be noted that \$2.9m 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 2019. 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 2019-20.

## Note 24: Capital Expenditure Funding Sources

Capital Works Area	Project Cost 2019-20 \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contribution \$'000	Council Cash \$'000	Retained Earnings \$'000	Borrowings \$'000
<b>Building Specialised</b>										
Smythesdale Well Being Centre Upgrade	80	-	-	80	-	-	-	80	-	-
Golden Plains Community & Civic Centre	4,500	-	-	4,500	-	-	-	-	-	4,500
Bannockburn Heart	150	-	-	150	-	-	-	150	-	-
Disability Action Plan (Toilet DDA Compliant)	40	-	-	40	-	-	-	40	-	-
<b>Building Specialised Total</b>	<b>4,770</b>	<b>-</b>	<b>-</b>	<b>4,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>-</b>	<b>4,500</b>
<b>Building Unspecialised</b>										
Linton Depot Refurbishment	60	-	60	-	-	-	-	60	-	-
Shelford Depot Refurbishment	50	-	50	-	-	-	-	50	-	-
<b>Building Unspecialised Total</b>	<b>110</b>	<b>-</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>-</b>	<b>-</b>
<b>Car Park</b>										
Bannockburn Soccer Car Park	25	25	-	-	-	-	-	25	-	-
<b>Car Park Total</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>
<b>Environmental Initiatives</b>										
Environmental Initiatives	50	50	-	-	-	-	-	50	-	-
<b>Environmental Initiatives Total</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-</b>
<b>Furniture &amp; Equipment</b>										
Aged & Disability Minor Equipment	10	10	-	-	-	-	-	10	-	-
<b>Furniture &amp; Equipment Total</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>



Capital Works Area	Project Cost 2019-20 \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contribution \$'000	Council Cash \$'000	Retained Earnings \$'000	Borrowings \$'000
<b>Information Communications Technology</b>										
Computer Hardware	300	-	300	-	-	-	-	300	-	-
Computer Software	200	200	-	-	-	-	-	200	-	-
Asset Management Software System	-	-	-	-	-	-	-	-	-	-
<b>Information Communications Technology Total</b>	<b>500</b>	<b>200</b>	<b>300</b>	<b>*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>		<b>-</b>
<b>Infrastructure</b>										
Future Design Work	100	100	-	-	-	-	-	100	-	-
<b>Roads</b>										
Local Roads Resealing	1,150	-	1,150	-	-	-	-	1,150	-	-
Local Roads Improvements	1,100	-	-	1,100	-	-	-	1,100	-	-
Rural Road Renewal Trial	100	-	100	-	-	-	-	100	-	-
Barwon Park Road Widening	100	-	-	100	-	-	-	100	-	-
Barwon Park Road Bridge Deck Replacement	400	-	-	400	-	-	200	200	-	-
Local Roads Gravel Resheeting	600	-	600	-	-	-	-	600	-	-
Linton-Mannibadar Road (R2R & FCR)	1,400	-	-	1,400	-	1,400	-	-	-	-
Cressy - Pitfield Road Widening (R2R & FCR)	1,200	-	600	600	-	1,200	-	-	-	-
<b>Footpaths</b>										
Footpaths & Trails	300	300	-	-	-	100	-	200	-	-
Fire Access Track	8	-	8	-	-	-	-	8	-	-
Periodic Footpath Maintenance	60	-	60	-	-	-	-	60	-	-
<b>Bridges</b>										
Bridge Rehabilitation - Coopers Bridge	1,100	1,100	-	-	-	300	-	800	-	-
<b>Kerb &amp; Channel</b>										
Kerb & Channel - Milton Street	425	425	-	-	-	-	-	425	-	-
<b>Infrastructure Total</b>	<b>8,043</b>	<b>1,925</b>	<b>2,518</b>	<b>3,600</b>	<b>-</b>	<b>3,000</b>	<b>200</b>	<b>4,843</b>		
<b>Land</b>										
Teesdale Bakers Lane Stage 4A	1,500	1,500	-	-	-	-	-	-	1,500	-
<b>Land Total</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>-</b>

Capital Works Area	Project Cost 2019-20 \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contribution \$'000	Council Cash \$'000	Retained Earnings \$'000	Borrowings \$'000
<b>Parks, Open Spaces &amp; Streetscapes</b>										
Open Space Strategy Implementation	45	-	-	45	-	-	-	45	-	-
Inverleigh Streetscape Upgrade	60	-	-	60	-	-	-	60	-	-
Bannockburn Streetscape Upgrade	75	-	-	75	-	-	-	75	-	-
Teesdale Turtle Bend Upgrade	220	-	-	220	-	-	220	-	-	-
Refurbishment of Playgrounds	142	-	142	-	-	-	-	42	100	-
Shire Beautification	40	-	40	-	-	-	-	40	-	-
<b>Parks, Open Spaces &amp; Streetscapes Total</b>	<b>582</b>	<b>-</b>	<b>182</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>220</b>	<b>262</b>	<b>100</b>	<b>-</b>
<b>Recreational, Leisure &amp; Community</b>										
Resurfacing of Tennis Courts	90	-	90	-	-	-	-	90	-	-
World Game - Bannockburn Soccer Pitch	34	34	-	-	-	-	-	34	-	-
Major Rec Facilities Renewal	72	-	72	-	-	-	-	72	-	-
Sports Oval Irrigation Upgrades	30	-	30	-	-	-	-	30	-	-
Bannockburn Bowls Upgrade	614.4	-	-	614.4	-	250	90	274.4	-	-
Inverleigh Netball Courts Upgrade	450	-	-	450	-	250	-	200	-	-
Hard Wicket Replacement Program	75	-	75	-	-	-	-	75	-	-
Tennis Lighting Power Upgrade - Teesdale	15	-	-	15	-	-	-	15	-	-
Lethbridge Lighting Install	100	-	-	100	-	-	-	100	-	-
Bannockburn Oval Lighting Upgrade	575	-	-	575	-	500	-	75	-	-
<b>Recreational, Leisure &amp; Community Total</b>	<b>2,055.4</b>	<b>34</b>	<b>267</b>	<b>1,754.4</b>	<b>-</b>	<b>1,000</b>	<b>90</b>	<b>965.4</b>	<b>-</b>	<b>-</b>

Capital Works Area	Project Cost 2019-20 \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contribution \$'000	Council Cash \$'000	Retained Earnings \$'000	Borrowings \$'000
<b>Plant &amp; Machinery</b>										
<b>Light Plant</b>										
Vehicle Purchase - Community Protection	65	-	65	-	-	-	-	65	-	-
Vehicle Purchases	180	-	180	-	-	-	-	180	-	-
Ute Purchases	170	-	170	-	-	-	-	170	-	-
<b>Heavy Plant</b>										
4WD Loader (P315) replacing CAT 928GZ	255	-	255	-	-	-	-	255	-	-
Crane Truck (P338) Replacing Isuzu FRR500	160	-	160	-	-	-	-	160	-	-
Gang Mower (P434) Replacing Jacobson	60	-	60	-	-	-	-	60	-	-
Pintal hooks & Refurb on Dogs (P346,P354,P367,P368,P423)	65	-	-	65	-	-	-	65	-	-
Behind Site Hut (Linton Depot)	100	100	-	-	-	-	-	100	-	-
<b>Plant &amp; Machinery Total</b>	<b>1,055</b>	<b>100</b>	<b>890</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,055</b>	<b>-</b>	<b>-</b>
<b>Capital Total</b>	<b>18,700.4</b>	<b>3,844</b>	<b>4,267</b>	<b>10,589.4</b>	<b>-</b>	<b>4,000</b>	<b>510</b>	<b>8,090.4</b>	<b>1,600</b>	<b>4,500</b>
<b>Operating Capital</b>										
Irrigation Upgrade - Rokewood Rec Reserve	90	90	-	-	-	-	-	90	-	-
Rokewood Oval Lighting Upgrade	285	-	-	285	-	170	-	115	-	-
<b>Operating Capital Total</b>	<b>375</b>	<b>90</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>170</b>	<b>-</b>	<b>205</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>19,075.4</b>	<b>3,934</b>	<b>4,267</b>	<b>10,874.4</b>	<b>-</b>	<b>4,170</b>	<b>510</b>	<b>8,295.4</b>	<b>1,600</b>	<b>4,500</b>

**Note 25: New Assets (\$3.8m expenditure)****Infrastructure (\$3.4m expenditure)**

- Future design work \$100k
- Footpaths and trails \$300k
- Bridge rehabilitation \$1.1m
- Kerb & Channel Miton Street \$425k
- Teesdale Bakers Lane Stage 4 \$1.5m

**Plant and Machinery (\$110k expenditure)**

- Replacement of 1 community protection vehicle \$65k
- Replacement of 5 fleet vehicles \$180k
- Furniture & equipment \$10k
- Behind site hut – Linton depot \$100k

**Other (\$309k expenditure)**

- Car park \$25k
- Environmental initiatives \$50k
- Computer software \$200k
- Bannockburn Soccer Pitch \$34k

**Note 26: Capital Renewal (\$4.2m expenditure)****Buildings (\$110k expenditure)**

- Linton Depot refurbishment \$60k
- Shelford Depot refurbishment \$50k

**Plant and Machinery (\$890k expenditure)**

This expenditure of \$890k is consistent with Council's plant and machinery replacement schedule. The major items of plant to be changed are a 4WD loader, crane truck and gang mower.

**Infrastructure (\$2.5m expenditure)**

- The reseal program is budgeted for \$1.15m; the following page contains detailed information about the planned program for the year
- The renewal component of the Roads to Recovery funding program of \$866k is continuing and includes general local road improvements as identified by Council (refer to page 54 for full program details)
- Gravel re-sheeting on local roads will be funded to an amount of \$600k
- Cressy-Pitfield road widening \$600k
- Rural Road renewal trial \$100k
- Periodic footpath maintenance is \$60k
- Fire access track \$8k

**Computer hardware (\$300k expenditure)****Recreation, Leisure & Community (\$267k expenditure)**

- Resurfacing of tennis courts \$90k
- Major rec facilities renewal \$72k
- Sports oval irrigation upgrades \$30k
- Hard wicket replacement program \$75k

**Parks, Open Spaces & Streetscapes (\$182k expenditure)**

- Refurbishment of playgrounds \$142k
- Shire beautification \$40k

**Note 26: Capital Renewal (\$4.3m expenditure)****Note 27: Capital Upgrade (\$10.6m expenditure)****Buildings (\$4.7m expenditure)**

- Smythesdale Well Being Centre upgrade \$80k
- Golden Plains Community & Civic Centre \$4.5m
- Bannockburn Heart \$150k
- Disability Action Plan \$40k

**Infrastructure (\$3.6m expenditure)**

- Local roads improvements \$1.1m
- Barwon Park Road widening \$100k
- Barwon Park Road Bridge Deck replacement \$400k
- Linton-Mannibadar Road \$1.4m
- Cressy-Pittfield Road widening \$600k

**Parks, Open Spaces & Streetscapes (\$1.7m expenditure)**

- Bannockburn Bowls upgrade \$614k
- Inverleigh Netball Courts upgrade \$450k
- Teesdale tennis lighting power upgrade \$15k
- Lethbridge lighting install \$100k
- Bannockburn Oval lighting upgrade \$575k

**Plant & Machinery (\$65k expenditure)**

## Reseal Program

Capital Renewal includes the following road reseal projects totalling \$1.25m.

ID	Road Name	Datum	From Desc.	To Desc.	Length	Width	Area	Total \$'000
4179	Barwon Park Road (Final Seal)	Hamilton Highway	Start	Morgan Road	2080	7	14560	<b>87</b>
1853	Gumley Road	Dereel - Mt Mercer Road	4.88 Grahams Road	Wurrook Road	745	4.5	3352.5	<b>20</b>
1854	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Wurrook Road	Change	1405	4.5	6322.5	<b>38</b>
1855	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Change	Pave Change	1030	4.5	4635	<b>28</b>
1856	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Pave Change	Change	1670	4.5	7515	<b>45</b>
3114	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Change	Pave Change	960	4.5	4320	<b>26</b>
3113	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Pave Change	Pave Change	240	4.5	1080	<b>7</b>
1857	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Pave Change	Change	670	4.5	3015	<b>17</b>
1858	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Change	Change	1830	4.5	8235	<b>45</b>
1859	Gumley Road (Final Seal)	Dereel - Mt Mercer Road	Change	Rokewood Shelford Road	1050	4.5	4725	<b>26</b>
678	Burnside Road	Bannockburn	Change	2.57 Glen Avon Drive	1735	7	12145	<b>67</b>
1423	Thompson Road	Steiglitz Road	Steiglitz Road	Seal Change	654	6	3924	<b>22</b>
1422	Thompson Road	Steiglitz Road	Seal Change	Bridge	531	6	3186	<b>18</b>
4600	Thompson Road	Steiglitz Road	Seal Change	Hargreaves Road	1670	6	10020	<b>55</b>
1011	Lloyds Lane	Scotchmans Lead Road	Buninyong Napoleans Road	Change	720	7	5040	<b>28</b>
1972	Lloyds Lane	Scotchmans Lead Road	Change	Hoveys Road	1127	7	7889	<b>43</b>
1973	Lloyds Lane	Scotchmans Lead Road	Hoveys Road	2.45 Hampsons Road	643	8	5144	<b>28</b>
853	Haddon School Road	Racecourse Road	Racecourse Road	100km Sign	730	7	5110	<b>28</b>
854	Haddon School Road	Racecourse Road	100km Sign	McLauchlan Road	830	7	5810	<b>32</b>
855	Haddon School Road	Racecourse Road	McLauchlan Road	2.25 Blackberry	817	7	5719	<b>31</b>
1865	Haddon School Road	Racecourse Road	2.25 Blackberry	Wilson's Road	1016	7	7112	<b>39</b>
4550	Werneth Road	Colac - Ballarat Road	Colac Ballarat Road	Seal Change	270	8.5	2295	<b>13</b>
4549	Werneth Road	Colac - Ballarat Road	Seal Change	Seal Change	965	5	4825	<b>27</b>
1476	Werneth Road	Colac - Ballarat Road	Seal Change	Pitfield Cressy Road	1955	5	9775	<b>54</b>
714	Old Station Road	Cape Clear - Rokewood Road	Cape Clear Rokewood Road	Scotts Road	1910	5	9550	<b>53</b>
715	Old Station Road	Cape Clear - Rokewood Road	Scotts Road	Change	1050	5	5250	<b>29</b>

ID	Road Name	Datum	From Desc.	To Desc.	Length	Width	Area	Total \$'000
1284	Cressy Shelford Road	Rokewood - Shelford Road	Mt Gow Road	Change	1310	6.8	8908	<b>49</b>
1496	Willowvale Road	Lismore - Pittong Road	Brindleys Lane	5.54 Brindleys	1872	6	11232	<b>62</b>
1497	Willowvale Road	Lismore - Pittong Road	Change	Change	1095	6	6570	<b>36</b>
1354	Slate Quarry Road	Ballan - Meredith Road	Whinray	Change	2040	6.5	13260	<b>73</b>
1355	Slate Quarry Road	Ballan - Meredith Road	Change	Change	1143	6.5	7429.5	<b>41</b>
1714	Dann Road	Clyde Road	Clyde Road	Lowndes Road	1005	5.5	5527.5	<b>30</b>
2256	Stevenson Road	Midland Highway	Midland Highway	Bend Left	1190	6.8	8092	<b>45</b>
501	Stevenson Road	Midland Highway	Bend Left	Lowndes Road	265	6.8	1802	<b>10</b>
<b>Total</b>								<b>1250</b>

### Gravel Grading Program

Road Name	Locality	From Chainage	To Chainage	Distance	Description	Hierarchy	Total \$'000
Ferrers Road	Dereel	3000	4000	1000	From end of seal from Ballarat-Colac Road	Local Access Road - Rural	<b>44</b>
Kleins Road	Dereel	0	1000	1000	From Dereel Rokewood Junction Road	Local Access Road - Rural	<b>44</b>
Nuggety Gully Road	Linton	0	2000	2000	Linton Carngham Road - end	Local Access Road - Rural	<b>88</b>
Snowgum Road	Dereel	2800	6800	4000	From Dereel Rokewook Junction Road	Collector Road - Rural	<b>173</b>
Linton-Mortchup Road	Linton	350	2850	2500	From Clyde Street	Collector Road - Rural	<b>110</b>
McCallum Road	Scarsdale	0	1000	1000	From Pre-Emptive Drive	Local Access Road - Rural	<b>44</b>
Parkers Road	Berringa	0	1200	1200	Moonlight Road – Berringa Road	Local Access Road - Rural	<b>53</b>
Stringbark Court	Linton	0	1000	1000	From Jacks Road to end	Local Access Road - Rural	<b>44</b>
<b>Total</b>							<b>600</b>



**Road Improvements Program**

Road Name	Locality	From Chainage	To Chainage	Distance	Description	Hierarchy	Total \$'000
Maude-She Oaks Road	Maude	0	5050	5050	Steiglitz Road to Sharps Road	Collector Road - Rural	<b>1100</b>
<b>Total</b>							<b>1100</b>

**Road Widening Program**

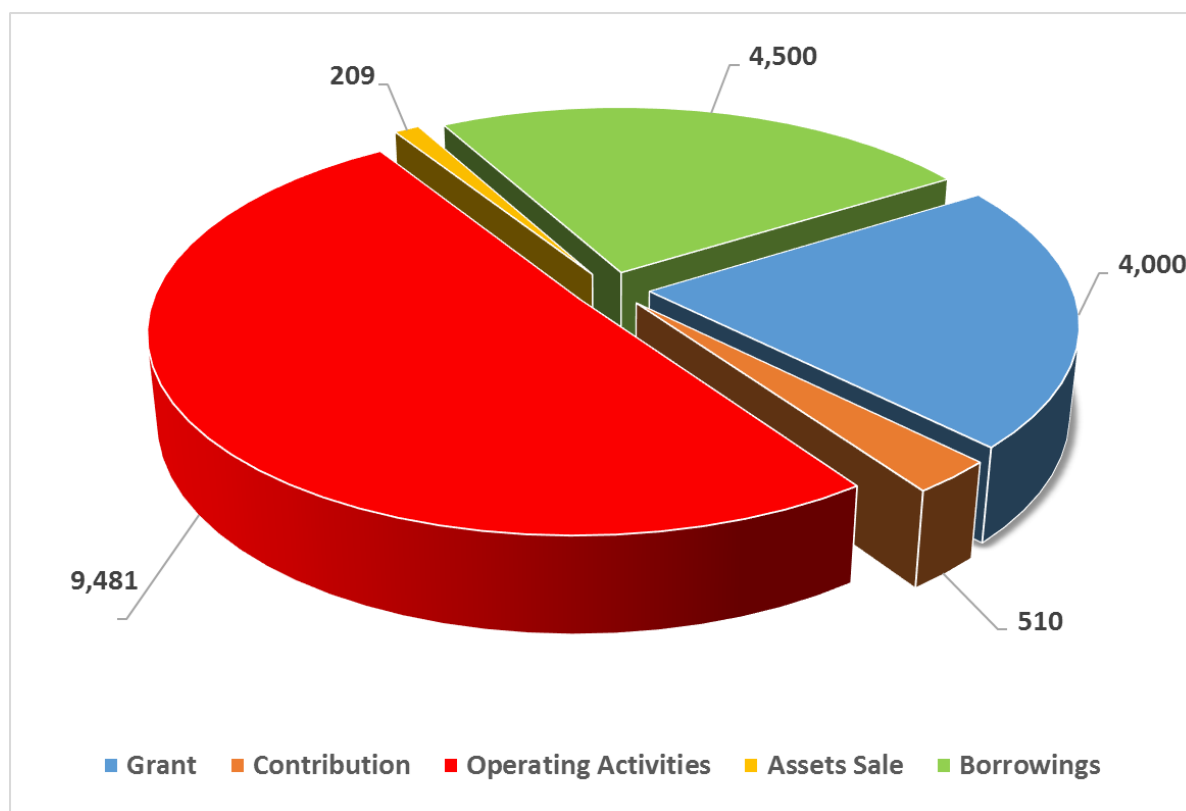
Road Name	Locality	From Chainage	To Chainage	Distance	Description	Hierarchy	Total \$'000
Linton – Mannibadar Road	Mannibadar	0	4781	4781	Rokewood-Shellford Road for a distance of 4.7km	Collector Road - Rural	<b>1400</b>
Cressy-Pitfield Road	Pitfield	17300	21100	3800	Colac-Ballarat Road for a distance of 3.8km	Collector Road - Rural	<b>1200</b>
<b>Total</b>							<b>2600</b>

## Footpaths and Trails

Footpaths and trails include walking paths constructed of concrete or asphalt. New Assets includes the following Footpath and Trails projects totalling \$254k.

Priority	Township	Location	Length	Description	Budget \$'000
1	Bannockburn	<b>Byron Street</b> (Pope Street to Milton Street)	210m	2.5m wide concrete path along north-west side of Byron Street	108
2	Scarsdale	<b>Pittfield Scarsdale Road</b> (Carlyle Street to School)	1,300m	Rehabilitation of 1.5m wide asphalt path along east side of Pittfield Scarsdale Road	70
3	Smythesdale	<b>Becker Street</b> (Outside School)	100m	Rehabilitation of 2m wide asphalt shared path west side of Becker Street	22
4	Rokewood	<b>Aitchison Street</b> (Gibb Street & McMillan)	220m	1.5m wide concrete path along north side of Aitchison Street	54
Total					254

### Capital Expenditure Funding Sources \$'000



### Borrowings

\$4.5m will also be borrowed to fund the commencement of the Golden Plains Community and Civic Centre redevelopment.

### Grants

In order for Council to deliver its capital works program, it relies on funding received from State and Federal Governments. Following is a list of all grants included in the Budget. Some, but not all, of these grants have been confirmed by funding agencies.

Grants for Capital Works	18/19 Forecast \$'000	19/20 Budget \$'000
Roads to Recovery	585	867
Fix In Country Road	499	2,033
Bannockburn Bowls Upgrade	-	250
Oval Lighting Upgrade	230	500
Inverleigh Netball Courts Upgrade	-	250
TAC Footpath	-	100
Tall Tree Road Upgrade	943	-
Bannockburn Heart	1,290	-
Smythesdale Courthouse Upgrade	9	-
World Game (Bannockburn) Funding	250	-

Grants for Capital Works	18/19 Forecast \$'000	19/20 Budget \$'000
Smythesdale Regional Skate Park Upgrade	100	-
Wall BridgeRenewal	304	-
Inverleigh Sporting Complex Upgrade	500	-
Batesford Playspace (SRV)	5	-
Golden Lake Road Bridge Grant	300	-
E-waste Shed Rokewood Transfer Station	99	-
Bannockburn Victoria Park Court Upgrade	100	-
Haddon Stadium Floor Replacement	125	-
Fire Access Road	7	-
<b>Total Grants</b>	<b>5,345</b>	<b>4,000</b>

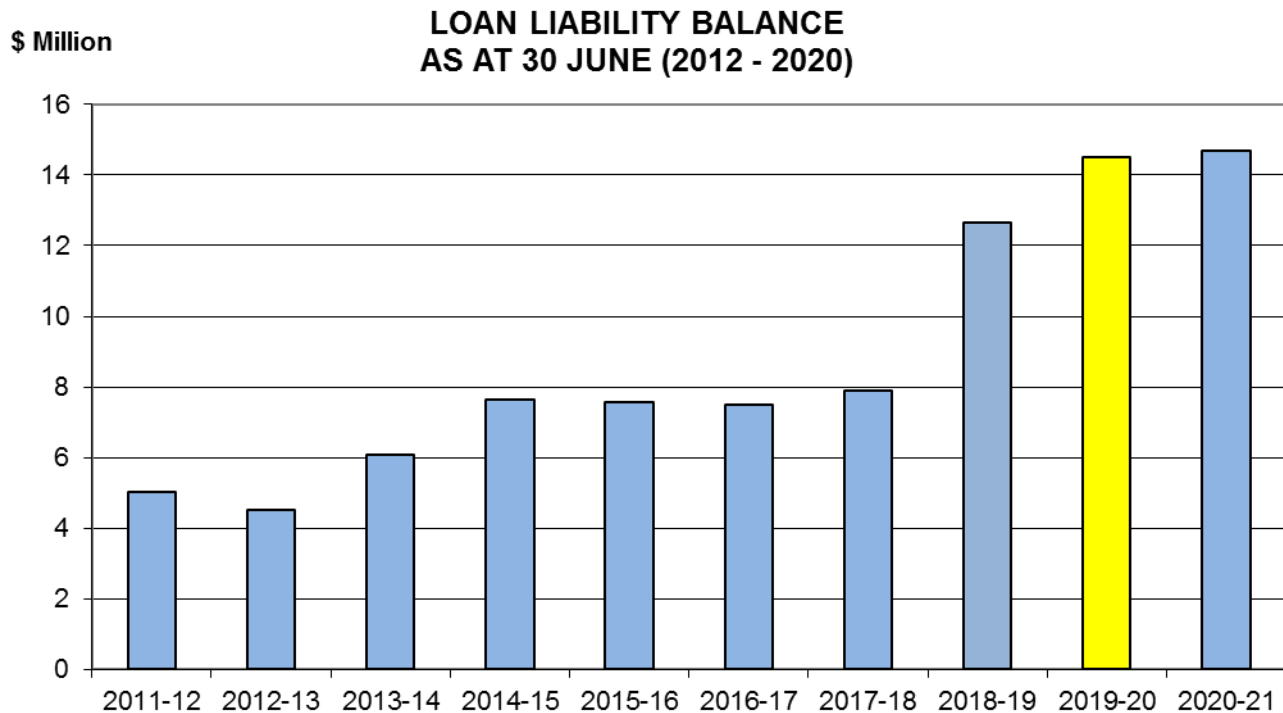
#### Proceeds from the Sale of Non-Current Assets

Proceeds from the sale of non-current assets totals \$209k and includes the trade-in of motor vehicles and plant items.

## 4.6 BORROWINGS

The budgeted loan liability of \$14.5m at 30 June 2020 represents 61.2% of rates and charges, which is an increase from 55.2% in 2018-19. These borrowings remain consistent with sound financial management principles. Borrowings allow Council to spread the financing cost of new facilities over a number of years, thereby eliminating the burden on ratepayers in any one year.

The new loan of \$4.5m relates to the Golden Plains Community and Civic Centre development for 2019-20.



## Borrowing Schedule

Loan No.	Loan Purpose	Lender	Draw-down	Loan Term	Interest Rate	Opening Balance	New Loans	Debt Redeemed	Closing Balance
				Years	%	\$'000	\$'000	\$'000	\$'000
1	Bannockburn Cultural Centre	Bendigo	Mar- 10	10	8.08	48	-	(48)	0
2	Bannockburn Rec Precinct Development	Bendigo	Mar-10	10	8.08	59	-	(59)	0
3	Bannockburn Rec Precinct Development	LGFV	Jul-10	25	4.24	2,479	-	(550)	1,929
4	Bannockburn Rec Precinct Development	NAB	Dec-10	10	7.74	142	-	(93)	49
5	Parkers Road Bridge, etc.	NAB	Dec-11	10	6.65	158	-	(60)	98
6	Woody Yaloak Equestrian	ANZ	Dec-12	10	5.99	-	-	-	-
7	LASF DB Plan Contribution	LGFV	Jul-13	10	4.24	1,560	-	(809)	751
8	Haddon Rec Upgrade	LGFV	Dec-13	10	4.24	134	-	(69)	65
9	GP Food Production Precinct	LGFV	Jul-14	10	4.24	1,230	-	(574)	656
10	Somerset Estate & The Well	LGFV	Dec-14	10	4.24	797	-	(373)	424
11	Bannockburn Heart	LGFV	Jun-16	10	3.97	150	-	-	150
12	Woody Yaloak Equestrian	LGFV	Mar-17	10	4.00	90	-	-	90
13	Smythesdale Sports Oval	LGFV	Mar-17	10	4.00	150	-	-	150
14	BSCS Redevelopment	LGFV	Mar-18	10	4.00	500	-	-	500
15	World Game - Bannockburn Soccer Pitch	LGFV	Mar-18	10	4.00	150	-	-	150
16	GPS community & Civic Centre	LGFV	Jun-19	10	4.00	5,000	-	-	5,000
17	GPS community & Civic Centre	LGFV	Mar-20	10	4.00	0	4,500	-	4,500
<b>Total 2019-20</b>						<b>12,646</b>	<b>4,500</b>	<b>(2,635)</b>	<b>14,511</b>

\*LGFV – The Local Government Funding Vehicle is a project the MAV has undertaken on behalf of all Victorian Councils. It is expected to provide significant savings to the sector by raising funds via the Bond market. The maximum LGFV loan term is 10 years. Loans are rolled over until reaching the loan term in the above schedule.

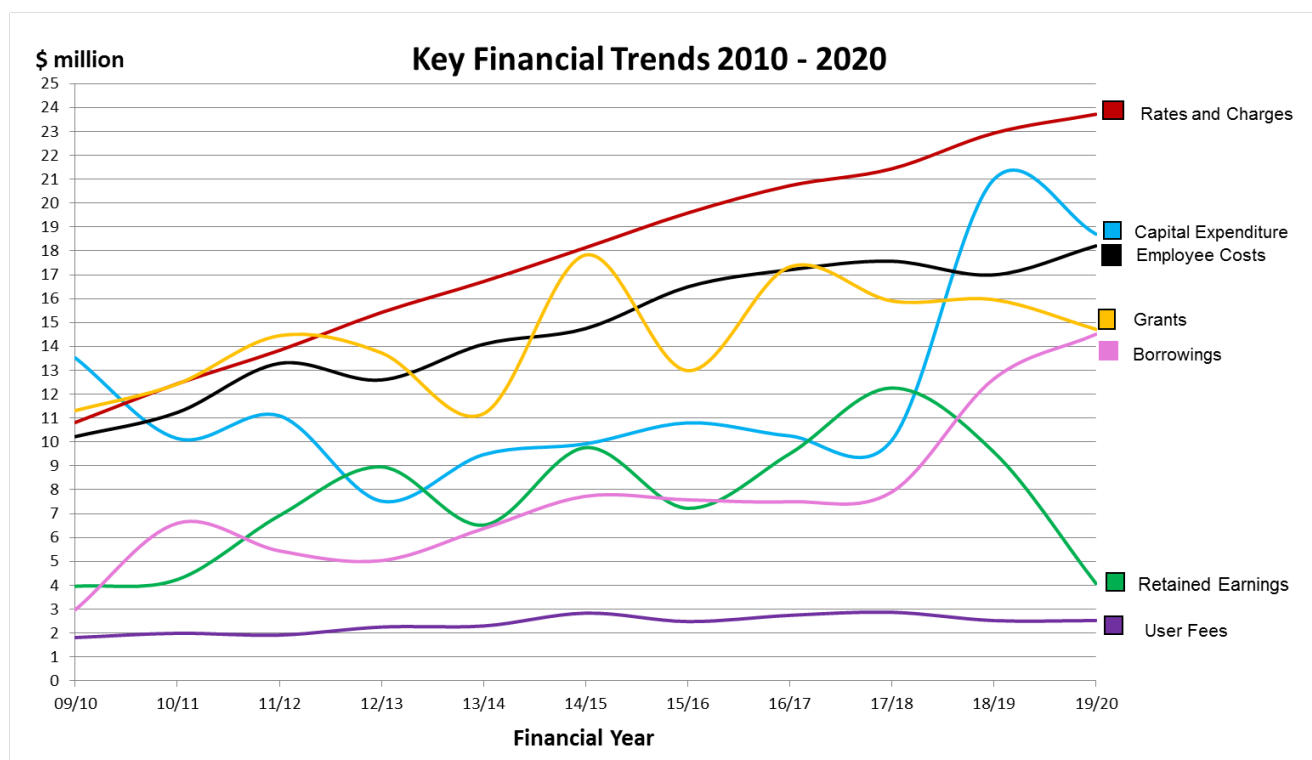
	2018-19 \$'000	2019-20 \$'000
Total amount borrowed as at 30 June of the prior year	7,907	12,646
Total amount to be borrowed	5,000	4,500
Total amount projected to be redeemed	(261)	(2,635)

Total amount proposed to be borrowed as at 30 June

12,646

14,511

## 4.7 KEY FINANCIAL TRENDS 2010-2020



### Analysis of Trends

There are a number of interesting trends that are reflected in the above graph.

#### Capital Expenditure / Grants

Historically, Council's capital expenditure is closely correlated with grant revenue.

#### Rates and Charges / Grants

Council first identified the need to reduce its reliance on grant revenue and improve its rates and charges in 2005. The above graph demonstrates the result of this decision. Revenue from rates and charges are now at a more 'financially sustainable' level, given the level of growth in grants has generally reduced.

#### Rates and Charges / Employee Costs

The substantial growth in service delivery demands in recent years coupled with the need to broaden Council's rate base is reflected in the steady incline shown on the graph.

#### Retained Earnings / Borrowings

As retained earnings have been utilised over recent years to deliver various capital projects, borrowings have increased to fund the major capital works projects being delivered.



## 5 LONG-TERM STRATEGIES

### 5.1 STRATEGIC RESOURCE PLAN (SRP)

Council's Strategic Resource Plan is an integral component of the Council Plan. It establishes the financial targets necessary for Council to fund its strategies over a four year period. As stated in the Budget overview, the Budget has been framed within the parameters established in Council's Strategic Resource Plan.

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

Council has prepared a SRP for the four years 2019-20 to 2022-2023 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

In the Strategic Resource Plan, Council is mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Local Government Act:

- 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
- Ensure full, accurate and timely disclosure of financial information relating to the Council

The key financial objectives which underpin the Strategic Resource Plan are:

- Ensure long-term financial sustainability
- Deliver services in a cost-effective and efficient manner
- Ensure incomes are sustainable and consider community-wide and individual benefits (rates versus user charges and adherence to Council's Rating Strategy)
- Use debt finance where appropriate and within responsible limits
- Maintain cash reserves and operating surpluses at appropriate levels
- Identify and quantify long-term liabilities
- Meet social equity objectives through specific programs
- Manage the Shire's capital assets to maximise long-term community benefit
- Recognise that funding from State and Federal Government is a crucial element of financial sustainability
- Manage Council's retained earnings prudently

The Strategic Resource Plan has been substantially reviewed with a number of assumptions challenged and revised. Some of the more notable changes include:

- The need to significantly increase the amount of money being directed to the renewal of Council assets
- Reduction in the amount of cash being held in reserves
- Increase in the amount of non-rate income from land development opportunities and increased wind farm income in future years
- Reduction in capital grant funding on the basis that we will limit the amount of new construction
- Removal of future borrowings for sport and recreation projects
- Targeted staff increases in areas associated with programmed maintenance and renewal

Departing from Council's Strategic Resource Plan would send the wrong message to stakeholders including governments, ratepayers and future Councils. Council needs to adhere to the Strategic Resource Plan to ensure the long-term financial health of the organisation. The Strategic Resource Plan places Council on a sound financial footing into the foreseeable future.

## 5.2 FINANCIAL PERFORMANCE INDICATORS

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Measure	Note	Forecast 2018-19	Budget 2019-20	SRP Projections			Trend +/-
					2020-21	2021-22	2022-23	
Efficiency								
Expenditure level	Total expenditure / no. of assessments	1	\$3,498	\$3,763	\$3,585	\$3,625	\$3,697	+
Revenue level	Residential rate revenue / No. of residential assessments	2	\$1,981	\$2,038	\$2,083	\$2,129	\$2,175	+
Workforce turnover	No. of resignations & terminations / average no. of staff		13.9%	13.9%	13.9%	13.9%	13.9%	o
Liquidity								
Working Capital	Current assets / current liabilities		226.0%	168.6%	183.3%	231.8%	185.0%	+
Unrestricted cash	Unrestricted cash / current liabilities		153.0%	107.0%	121.0%	170.0%	130.9%	+
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue		55.2%	61.4%	58.3%	56.0%	53.9%	o
Loans and borrowings	Interest and principal repayments / rate revenue		2.9%	13.4%	2.9%	2.4%	2.2%	o
Indebtedness	Non-current liabilities / own source revenue		55.1%	71.6%	61.9%	58.5%	52.7%	o
Asset renewal	Asset renewal expenditure / depreciation	3	93.6%	51.4%	71.5%	78.1%	90.1%	o
Operating position								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	4	1.1%	-5.9%	0.9%	1.3%	0.8%	+
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	5	58.5%	59.6%	60.2%	60.7%	61.2%	o
Rates effort	Rate revenue / property values (CIV)		0.5%	0.4%	0.4%	0.4%	0.4%	o

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

## NOTES TO INDICATORS

**1 Working Capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to remain at sustainable levels during the period of the Council Plan

**2 Loans and Borrowings compared to rates** – This ratio is forecast to increase in 2019-20 due to the second tranche of loans required to deliver the Golden Plains Community and Civic Centre redevelopment. This ratio realigns back to previous levels in 2020/21 and future years.

**3 Interest and Principal Repayments compared to rates** – This ratio reflects scheduled loan repayments of \$2.64m and interest payments of \$537k as described in the Borrowing Schedule in Section 4.6.

**4 Asset renewal** - This percentage indicates the extent of Council renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. In 2019-20, the Community and Civic Centre redevelopment of \$4.5m is an upgrade due to works increasing the function of the existing building.

**5 Adjusted underlying result** – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives.

**6 Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. The current ratio indicates that Council's reliance on government funding has diminished and this balance is expected to remain steady over the term of the Council Plan. It will be very difficult to improve this ratio within a rate capping environment.

## 5.3 NON-FINANCIAL RESOURCES

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. A summary of Council's anticipated human resource requirements for the 2019-20 year is shown below and further detail is included in Note 7 of this Budget.

Indicator	Forecast 2018-19	Budget 2019-20	SRP Projections		
			2020-21	2021-22	2022-23
<b>Employee Costs ('000)</b>					
- Operating	16,940	<b>18,207</b>	18,813	19,436	20,077
- Capital	-	-	-	-	-
Total	16,940	<b>18,207</b>	<b>18,813</b>	<b>19,436</b>	<b>20,077</b>
<b>Employee Numbers (FTE)</b>	<b>194</b>	<b>197</b>	<b>199</b>	<b>201</b>	<b>203</b>

## 5.4 RATING INFORMATION

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

### Rating context

Rates and charges are an important source of revenue, accounting for 53% of income received by Council. Planning for future rate increases is therefore an important component of the Strategic Resource Planning process.

In 2005, it was identified that Council's low level of rate income was becoming unsustainable and that Council had to make a conscious decision to improve its financial position. To ensure this action did not have a detrimental impact on Council services, it was important to increase the unsustainably low rate base and to decrease Council's reliance on government funding.

Golden Plains Shire also faced, and continues to face, the following challenges:

- High population growth
- Increased demand for new services
- A history of significant dependence on grants, contributions and recoupments

- Substantial challenges associated with provision and renewal of roads, paths, and community and recreation facilities
- Supporting community based Committees of Management that currently manage the vast majority of community and recreation facilities on Council and Crown land
- Council's Rate Concentration is budgeted to be 59.7%, which has historically been 5-6% less than similar large rural shires. The current rate capping framework will not enable Council to improve this indicator without applying for a variation.
- Managing the competing interests of rural and urban communities and
- Maintaining the extensive road network of over 1,800 km

The following table demonstrates the effort Council has made in 2019-20 to maintain its rate base at a sustainable level, reducing Council's reliance on government funding.

#### Average Rates and Charges per residential assessment

Year	Average Residential Rate Revenue / Assessment \$	Percentage Increase %	Rate Concentration	
			Budget %	Victoria Councils Average %
2003-04	584	9.40	29	44
2012-13	1,402	7.36	51	58
2013-14	1,523	8.64	46	60
2014-15	1,629	6.92	48	64
2015-16	1,740	6.80	45	60
2016-17	1,801	3.50	55	64
2017-18	1,858	3.10	50	55
2018-19	1,981	6.60	58	63
2019-20*	2,045	2.88	60	60

Note: Figures from 2015-16 onward, are calculated using the Local Government Performance Reporting data and relate to residential properties only.

The level of required rates and charges are considered in context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Golden Plains community. Golden Plains Shire Council still remains very successful in obtaining government funding to minimise the burden on its ratepayers, while remaining a progressive and developing shire.

#### Current Year Rates and Charges

The following table sets out historic and future proposed increases in revenue from rates and charges and total rates to be raised, based on the forecast financial position as at 30 June 2019. No increase in Garbage Charges with fees retained at 2018-19 charges.

Year	General Rate and Municipal Charge Increase %	Garbage Charge %	Total Rates and Charges Raised '000
2015-16	6.23	(4.8)	19,435
2016-17	2.32	3.57	20,427
2017-18	2.00	2.2	21,315
2018-19	2.25	31.0	22,903
2019-20	2.50	0	23,649
2020-21	2.25	2.5	24,711

2021-22	2.25	2.5	25,662
2022-23	2.25	2.5	26,645

### Rating structure

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

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

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

One of the challenges of our legislated rating system is high population growth. Properties in growth townships with increasing property values will continue to pay much higher rate increases than properties in other areas of Golden Plains. This means properties in growth townships typically experience rate increases much higher than the average rate cap. As a result, other areas of Golden Plains experience rate decreases. In an effort to make this system fairer, Council proposes to decrease total rate revenue (which is distributed using property values) and increase the revenue raised from the fixed municipal charge. Council proposes to increase the municipal charge from \$225 to \$300. This approach will ensure that all ratepayers contribute a higher minimum amount and less revenue will be contributed from a property valuation based rating system.

Council makes two further distinctions within the property value component of rates based on the purpose for which the property is used and whether it is located within a defined geographic growth area.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every four years.

The existing rating structure comprises ten differential rates. These are defined in detail in Appendix 6.1, however a brief summary is as follows:

**Residential** – Base rate (cents per dollar of Capital Improved Value, CIV)

**Business** - 100% of residential rate

**Farm** – 90% of residential rate

**Vacant Land** – 200% of residential rate and

**Non Developable Vacant Land** – 100% of residential rate

A slightly higher 'growth' rate is applied to each of these five classifications for properties located within a defined growth area, making ten in total. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Council also levies a municipal charge and a garbage collection charge as allowed under the Act. A brief explanation of each rating component is provided below.

**General Rates:** General rates are calculated by multiplying the "rate in the dollar" by the property's capital improved value.

**Growth Differentials:** Growth differentials are applied to properties in defined geographic growth areas. Growth differentials are calculated in the same manner as general rates but the rate in the dollar is slightly higher. This revenue partially funds Council's strategic planning function.

**Municipal Charge:** The municipal charge is used to collect a portion of revenue not linked to property value, but paid equally by all ratepayers. The charge is applied pursuant to s.159 of the Local Government Act and is intended to cover some of the administrative costs of Council.

The municipal charge is a flat charge, irrespective of the valuation of a property. For lower valued properties, it means that the total rates as a percentage of the property's CIV is higher when compared to higher valued properties. Its function is to ensure that low valued properties pay a fair share of the total rates burden. If Council did not apply a municipal charge the general rate would rise and the rates on higher valued properties would increase substantially. This would be contrary to Council's responsibility to provide a fair and equitable system of rating.

**Garbage Charge:** The garbage charge is levied on a full cost recovery basis to cover the kerbside collection of household waste and recycling. No increase for the garbage charges for 2019-20. Any surplus generated from the garbage charge will be offset against future garbage costs, in line with full cost recovery principles.

When comparing the rates and charges in Golden Plains Shire with those of other Councils, the municipal charge should be included in the calculation. There is a misconception in the community that when the municipal charge is taken into account Golden Plains is a high rating council. That is not the case.

Detailed analysis of the rates to be determined for the 2019-20 year is contained in Appendix 6 'Rates and Charges Statutory Disclosures'.

Council has adopted a formal *Rating Strategy* that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

### General Revaluation of Properties

As required by the Local Government Act, a revaluation of all properties within the municipality was carried out during 2018-19 and will be applied from 1 July 2019 for the 2019-20 year. Valuations and rates in the dollar are indicative only as they are based on the draft 2019 Revaluations available at 3 April 2019. These rates in the dollar will be recalculated in May 2019 following certification of the 2019 Revaluation by the Valuer-General, in order to ensure compliance with the rate capping provisions of the Local Government Act.

The outcome of the 2019 general revaluation resulted in a considerable increase in property valuations throughout the municipality. Overall, property valuations across the municipal district increased by 16.36% since the last general valuation conducted in 2018. State legislative changes now require councils to conduct general revaluations annually from 1 July 2018. Therefore, the next general revaluation will be conducted in 2020 and will be applied from 1 July 2020.

The following tables demonstrates the average percentage increase for each property type.

Property Type	Average Value Increase 2019-20
Residential	14.99%
Residential Growth	16.77%
Business, Industrial & Commercial	15.14%
Business, Industrial & Commercial Growth	3.97%
Farm	16.18%
Farm Growth	14.67%
Vacant Land	21.03%
Vacant Land Growth	19.15%

### Fire Services Property Levy

From 1 July 2013 a new fire levy was introduced and applies to all private property owners – including persons and organisations that do not currently pay council rates, such as churches, charities, private schools and RSL's. Council properties will also be subject to the fire levy. Under the Fire Services Property Levy Act 2012, introduced as a result of recommendations by the Victorian Bushfires Royal Commission (VBRC), the Fire Services Property Levy (FSPL) is collected by Council on behalf of the State Government, to fund the operations of the MFB and CFA, hence Council does not recognise any income and this levy is not included in any rating calculation or comparison.

However, it is important to note that this charge will appear on annual and quarterly rate notices.

## 5.5 OTHER STRATEGIES AND PLANS

In addition to the Council Plan (incorporating the Municipal Public Health and Wellbeing Plan) and Strategic Resource Plan, the Budget is shaped by Community Plans and numerous other Council plans and strategies as detailed below:

### COMMUNITY DEVELOPMENT

- Community Development Strategy
- Open Space Strategy
- Arts and Culture Strategy
- Access and Inclusion Plan
- Community Engagement Strategy
- Play Space Strategy
- Economic Development
- Recreation Strategy
- Paths and Trails Strategy
- Youth Development Strategy
- Bannockburn Community Infrastructure Development Plan
- Communications and Marketing Strategy

### HUMAN SERVICES

- Municipal Early Years Plan
- Ageing Well

### CORPORATE SERVICES

- Annual Budget
- Internal Audit Plan
- Municipal Emergency Management Plan
- Rating Strategy
- Procurement Strategy

### PEOPLE AND CULTURE

- Organisational Development Strategy
- Customer Services Strategy
- Risk Management Strategy

### DIGITAL TRANSFORMATION

- Digital Transformation Strategy
- Information Governance Framework
- ICT Strategy
- Records Management Strategy

### DEVELOPMENT

- Municipal Strategic Statement
- Environment Strategy
- Golden Plains Food Production Precinct Concept Plan
- Roadside Weed Management Plan
- Bruces Creek Master Plan, Bannockburn
- Heritage Study
- Urban Design Frameworks – Bannockburn; Smythesdale; Inverleigh; Rokewood, Corindhap, Dereel; Batesford
- Domestic Animal Management Plan
- Rural Land Use Strategy
- Northern Settlement Strategy
- Municipal Fire Management Plan
- Domestic Waste Water Management Plan

### WORKS

- Road Strategy
- Waste Management Strategy
- Asset Management Strategy
- Stormwater Management Plan
- Road Management Plan



## 6 APPENDICES

### 6.1 RATES AND CHARGES STATUTORY DISCLOSURES

	2018-19 Budget	2019-20 Budget	Change	Change
Rates & Charges Revenue	\$	\$	\$	%
Residential Improved	1,802,305	1,759,576	(42,729)	(2.37)
Residential Improved (Growth Area)	10,057,205	10,000,200	(57,005)	(0.57)
Business, Industrial & Commercial	44,959	43,949	(1,010)	(2.25)
Business, Industrial & Commercial (Growth Area)	297,408	263,292	(34,116)	(11.47)
Farm Land	3,344,628	3,299,155	(45,473)	(1.36)
Farm Land (Growth Area)	147,828	144,385	(3,443)	(2.33)
Non Farm Vacant Land	291,083	319,828	28,745	9.88
Non Farm Vacant land (Growth Area)	1,288,625	1,309,683	21,058	1.63
Vacant land Non-Developable	109,163	101,804	(7,359)	(6.74)
Vacant Land Non-Developable (Growth Area)	17,947	16,100	(1,847)	(10.29)
Municipal Charge	2,362,050	3,165,000	802,950	33.99
Annual Service (Garbage) Charge	2,860,017	2,917,740	128,491	4.49
Supplementary Rates Income	85,000	109,886	24,886	29.28
Municipal Charge on Supplementary Rates	12,000	16,900	4,900	40.83
Special Charge Income	32,728	31,079	(1,649)	(5.04)
Interest on Rates	150,000	150,000	0	0
<b>Total Rates &amp; Charges to be Raised</b>	<b>22,902,946</b>	<b>23,648,576</b>	<b>816,398</b>	<b>3.56</b>
Number of Assessments	Number	Number	Number	%
Residential Improved	1,249	1,244	(5)	(0.40)
Residential Improved (Growth Area)	6,602	6,640	38	0.58
Business, Industrial & Commercial	43	43	0	0.00
Business, Industrial & Commercial (Growth Area)	222	215	(7)	(3.15)
Farm Land	1,280	1,272	(8)	(0.63)
Farm Land (Growth Area)	73	75	2	2.74
Non Farm Vacant Land	234	250	16	6.84
Non Farm Vacant land (Growth Area)	1,046	1,065	19	1.82
Vacant Land Non-Developable	242	242	0	0.00
Vacant Land Non-Developable (Growth Area)	30	30	0	0.00
<b>Total Rateable Properties</b>	<b>11,021</b>	<b>11,076</b>	<b>55</b>	<b>0.50</b>



	2018-19 Budget	2019-20 Budget	Change	Change
--	-------------------	-------------------	--------	--------

The Basis of Valuation	\$	\$	\$	%
Residential Improved	517,643,246	595,244,000	77,600,754	14.99
Residential Improved (Growth Area)	2,733,037,285	3,191,463,000	458,425,715	16.77
Business, Industrial & Commercial	12,912,705	14,867,450	1,954,745	15.14
Business, Industrial & Commercial (Growth Area)	80,820,449	84,027,000	3,206,551	3.97
Farm Land	1,067,351,526	1,240,073,000	172,721,474	16.18
Farm Land (Growth Area)	44,371,347	50,879,000	6,507,653	14.67
Non Farm Vacant Land	41,801,276	54,097,000	12,295,724	29.41
Non Farm Vacant land (Growth Area)	179,934,912	215,073,000	35,138,088	19.53
Vacant land Non-Developable	31,352,885	34,439,000	3,086,115	9.84
Vacant Land Non-Developable (Growth Area)	4,877,000	5,138,000	261,000	5.35
<b>Total Valuation of Rateable Properties</b>	<b>4,714,102,631</b>	<b>5,485,300,450</b>	<b>771,197,819</b>	<b>16.36</b>

	2018-19 Budget	2019-20 Budget	Change	Change
Rate in the \$	cents/\$CIV	cents/\$CIV	cents/\$CIV	%
Residential Improved	0.3482	0.2956	(0.0526)	(15.10)
Residential Improved (Growth Area)	0.3680	0.3133	(0.0547)	(14.85)
Business, Industrial & Commercial	0.3482	0.2956	(0.0526)	(15.10)
Business, Industrial & Commercial (Growth Area)	0.3680	0.3133	(0.0547)	(14.85)
Farm Land	0.3134	0.2660	(0.0474)	(15.11)
Farm Land (Growth Area)	0.3332	0.2838	(0.0494)	(14.83)
Non Farm Vacant Land	0.6964	0.5912	(0.1052)	(15.10)
Non Farm Vacant land (Growth Area)	0.7162	0.6089	(0.1073)	(14.98)
Vacant Land Non-Developable	0.3482	0.2956	(0.0526)	(15.10)
Vacant Land Non-Developable (Growth Area)	0.3680	0.3133	(0.0547)	(14.85)
<b>Charges Per Tenement</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Municipal Charge	225	300	75	33.3
Annual Service (Garbage) Charge	330.00	330.00	8.00	2.42

\*The above valuations and rates in the dollar are indicative only as they are based on the draft 2019 Revaluations available at 3 April 2019. These rates in the dollar will be recalculated in May 2019 following certification of the 2019 Revaluation by the Valuer-General, in order to ensure compliance with the rate capping provisions of the Local Government Act.

## Declaration of Rates and Charges

### Recommendation

#### 1. Amount Intended to be Raised

An amount of \$23,719,344 (or such other amount as is lawfully raised as a consequence of this resolution) be declared as the amount which Council intends to raise by general rates, the municipal charge and the annual service charges (described later in this resolution), which amount is calculated as follows:

General Rates	\$17,257,971
Municipal Charge	\$3,165,000
Annual Service (Garbage) Charge	\$2,917,740
Supplementary Rates Income	\$109,886
Municipal Charge on Supplementary Rates	\$16,900
Special Charge Income	\$31,079
Interest on Rates	\$150,000

#### 2. General Rates

2.1. A general rate be declared in respect of the 2019-20 Financial Year.

2.2. It be further declared that the general rate be raised by the application of differential rates.

2.3. 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:

##### 2.3.1. Residential Improved

Any land which:

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

##### 2.3.2. Residential Improved (Growth Area)

Any land which:

- 2.3.2.1. is used primarily for residential purposes;
- 2.3.2.2. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached in the Schedule included in the Annual Budget; and
- 2.3.2.3. is designated as such in Council's rating database.

##### 2.3.3. Business, Industrial and Commercial

Any land which:

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

##### 2.3.4. Business, Industrial and Commercial (Growth Area)

Any land which:

- 2.3.4.1. is used primarily for commercial or industrial (including extractive industry) purposes;
- 2.3.4.2. is located within any of the areas bounded by the continuous and unbroken lines and the plans is attached in the Schedule included in the Annual Budget; and
- 2.3.4.3. is designated as such in Council's rating database.

##### 2.3.5. Farm Land

Any land which:

- 2.3.5.1. is not less than 40 hectares in area; and
- 2.3.5.2. 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
- 2.3.5.3. is used by a business that:
  - 2.3.5.3.1. has a significant and substantial commercial purpose or character; and
  - 2.3.5.3.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and

- 2.3.5.3.3. 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:

- 2.3.5.4. is not less than 2 hectares in area and not more than 40 hectares in area; and
- 2.3.5.5. is intensively farmed; and
- 2.3.5.6. is used by a business that:
  - 2.3.5.6.1. has a significant and substantial commercial purpose or character; and
  - 2.3.5.6.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
  - 2.3.5.6.3. 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.

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

- 2.3.6.1. is not less than 40 hectares in area; and
- 2.3.6.2. 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
- 2.3.6.3. is used by a business that:
  - 2.3.6.3.1. has a significant and substantial commercial purpose or character; and
  - 2.3.6.3.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
  - 2.3.6.3.3. 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
- 2.3.6.4. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached in the Schedule included in the Annual Budget; and
- 2.3.6.5. is designated as such in Council's rating database.

Or

Any land which:

- 2.3.6.6. is not less than 2 hectares in area and not more than 40 hectares in area; and
- 2.3.6.7. is intensively farmed; and
- 2.3.6.8. is used by a business that:
  - 2.3.6.8.1. has a significant and substantial commercial purpose or character; and
  - 2.3.6.8.2. seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
  - 2.3.6.8.3. 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
- 2.3.6.9. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached to this resolution; and
- 2.3.6.10. is designated as such in Council's rating database

#### 2.3.7. Non Farm Vacant Land

Any land which:

- 2.3.7.1. is not used primarily for residential, commercial or industrial (including extractive industry) purposes; and
- 2.3.7.2. 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)

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

Any land which:

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

- 2.3.8.3. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached in the Schedule included in the Annual Budget; and
- 2.3.8.4. is designated as such in Council's rating database.

#### 2.3.9. Vacant Land Non Developable

Any land which:

- 2.3.9.1. is located in the Farming Zone (as zoned within the Golden Plains Planning Scheme); and
- 2.3.9.2. does not have the characteristics of Farm Land or Farm Land (Growth Area), and
- 2.3.9.3. cannot be used for residential, commercial or industrial (including extractive industry) purposes due to the constraints of the Golden Plains Planning Scheme.

#### 2.3.10. Vacant Land Non Developable (Growth Area)

Any land which:

- 2.3.10.1. is located in the Farming Zone (as zoned within the Golden Plains Planning Scheme); and
- 2.3.10.2. does not have the characteristics of Farm Land or Farm Land (Growth Area); and
- 2.3.10.3. cannot be used for residential, commercial or industrial (including extractive industry) purposes due to the constraints of the Golden Plains Planning Scheme; and
- 2.3.10.4. is located within any of the areas bounded by the continuous and unbroken lines in the plans attached in the Schedule included in the Annual Budget; and
- 2.3.10.5. is designated as such in Council's rating database.

- 2.4. Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land (categorised by the characteristics described in this resolution) by the relevant cents in the dollar indicated in the following table, or such lesser amount as required to achieve compliance with Part 8A – Rate caps of the Local Government Act 1989:

#### 2.5.

Category	Cents in the dollar on CIV*
Residential Improved	0.2956 cents in the dollar of Capital Improved Value
Residential Improved (Growth Area)	0.3133 cents in the dollar of Capital Improved Value
Business, Industrial and Commercial	0.2956 cents in the dollar of Capital Improved Value
Business, Industrial and Commercial (Growth Area)	0.3133 cents in the dollar of Capital Improved Value
Farm Land	0.2660 cents in the dollar of Capital Improved Value
Farm Land (Growth Area)	0.2838 cents in the dollar of Capital Improved Value
Non Farm Vacant Land	0.5912 cents in the dollar of Capital Improved Value
Non Farm Vacant Land (Growth Area)	0.6089 cents in the dollar of Capital Improved Value
Vacant Land Non Developable	0.2956 cents in the dollar of Capital Improved Value
Vacant Land Non Developable (Growth Area)	0.3133 cents in the dollar of Capital Improved Value

\*The above rates in the dollar are indicative only as they are based on the draft 2019 Revaluations available at 3 April 2019. These rates in the dollar will be recalculated in May 2019 following certification of the 2019 Revaluation by the Valuer-General, in order to ensure compliance with the rate capping provisions of the Local Government Act.

- 2.6. It be recorded that Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions, and that

- 2.6.1. the respective objectives of each differential rate be those specified in the Schedule included in the Annual Budget;
- 2.6.2. the respective types or classes of land which are subject to each differential rate be those defined in

- this resolution;
- 2.6.3. the respective uses and levels of each differential rate in relation to those respective types or classes of land be those described in this resolution; and
- 2.6.4. the relevant
- 2.6.4.1. uses of;
  - 2.6.4.2. geographical locations of;
  - 2.6.4.3. planning scheme zonings of; and
  - 2.6.4.4. types of buildings on;
- the respective types or classes of land be those described in this resolution.

### **3. Municipal Charge**

- 3.1. A municipal charge be declared in respect of the 2019-20 Financial Year.
- 3.2. The municipal charge be declared for the purpose of covering some of the costs of Council.
- 3.3. The municipal charge be in the sum of \$300 for each rateable land (or part) in respect of which a municipal charge may be levied.
- 3.4. It be confirmed that the municipal charge is declared in respect of all rateable land within the municipal district in respect of which a municipal charge may be levied.

### **4. Annual Service (Garbage) Charge**

- 4.1. An annual service charge be declared in respect of the 2019-20 Financial Year.
- 4.2. The annual service charge be declared for the collection and disposal of refuse (including recyclables).
- 4.3. The annual service charge be:
- 4.3.1. in the sum of \$330 for each rateable land (or part) in respect of which the annual service charge may be levied; and
  - 4.3.2. based on ownership of any land used primarily for residential purposes within the area designated for waste collection in the plan, which are the criteria for the annual service charge so declared.

### **5. Consequential**

- 5.1. It be recorded that Council requires any person to pay interest on any amount of rates and charges to which:
- 5.1.1. that person is liable to pay; and
  - 5.1.2. have not been paid by the date specified for their payment
- 5.2. The Chief Executive officer be authorised to levy and recover the general rates, municipal charge and annual service charge in accordance with the Local Government Act 1989.
- 5.3. The Chief Executive officer be authorised to make so much of Council's rating database available as is reasonably necessary to enable any person to ascertain the designation of any land located within any of the areas bounded by the continuous and unbroken lines in the plans attached to this resolution.

## SCHEDULE

### Residential Improved

#### Objective:

To encourage commerce and industry, and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

#### Types and Classes:

Rateable land having the relevant characteristics described in the resolution.

#### Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

#### Geographic Location:

Wherever located within the municipal district.

#### Use of Land:

Any use permitted under the relevant Planning Scheme.

#### Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

#### Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019-20 Financial Year.

**Residential Improved (Growth Area)****Objective:**

To enable more resources to be devoted to strategic planning of Residential Improved (Growth Area) (including planning for the infrastructure and community needs of those residing on Residential Improved (Growth Area)), and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019-20 Financial Year.

**Business, Industrial and Commercial****Objective:**

To encourage commerce and industry, and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019-20 Financial Year.



**Business, Industrial and Commercial (Growth Area)****Objective:**

To enable more resources to be devoted to strategic planning of Business, Industrial and Commercial (Growth Area) (including planning for the infrastructure and community needs of those operating businesses on Business, Industrial and Commercial (Growth Area)), to encourage commerce and industry and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019-20 Financial Year.

**Farm Land****Objective:**

To encourage farming activity, and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019-20 Financial Year.

**Farm Land (Growth Area)****Objective:**

To enable more resources to be devoted to strategic planning of Farm Land (Growth Area) (including planning for the infrastructure and community needs of those operating farms or residing on Farm Land (Growth Area)), to encourage farming activity and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019-20 Financial Year.

**Non Farm Vacant Land****Objective:**

To enable more resources to be devoted to strategic planning of Non Farm Vacant Land (including planning for the infrastructure and community needs of those who may come to occupy Non Farm Vacant Land), to encourage development of that land and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Non Farm Vacant Land (Growth Area)****Objective:**

To enable more resources to be devoted to strategic planning of Non Farm Vacant Land (Growth Area) (including planning for the infrastructure and community needs of those who may come to occupy Non Farm Vacant Land (Growth Area), to encourage development of that land and to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Vacant Land Non Developable****Objective:**

To enable more resources to be devoted to strategic planning of Non Farm Vacant Land (including planning for the infrastructure and community needs of those who may come to occupy Non Farm Vacant Land), to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Vacant Land Non Developable (Growth Area)****Objective:**

To enable more resources to be devoted to strategic planning of Vacant Land Non Developable (Growth Area) (including planning for the infrastructure and community needs of those who may come to occupy Vacant Land Non Developable (Growth Area), to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

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

**Types and Classes:**

Rateable land having the relevant characteristics described in the recommendation.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Differential Rate Boundary for Bannockburn**  
**Map #1 Nov 2007**

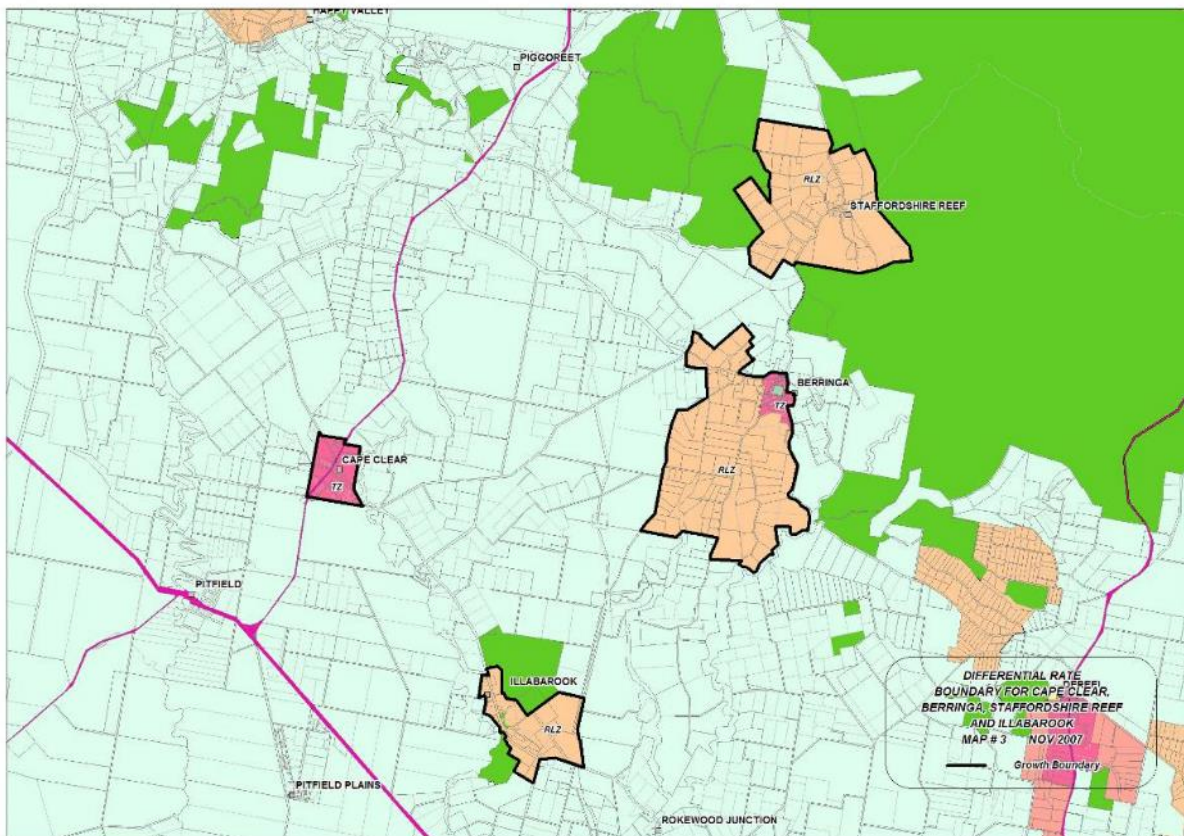
— Growth Boundary

**DIFFERENTIAL RATE  
BOUNDARY FOR  
BATESFORD  
MAP # 2 NOV 2007**

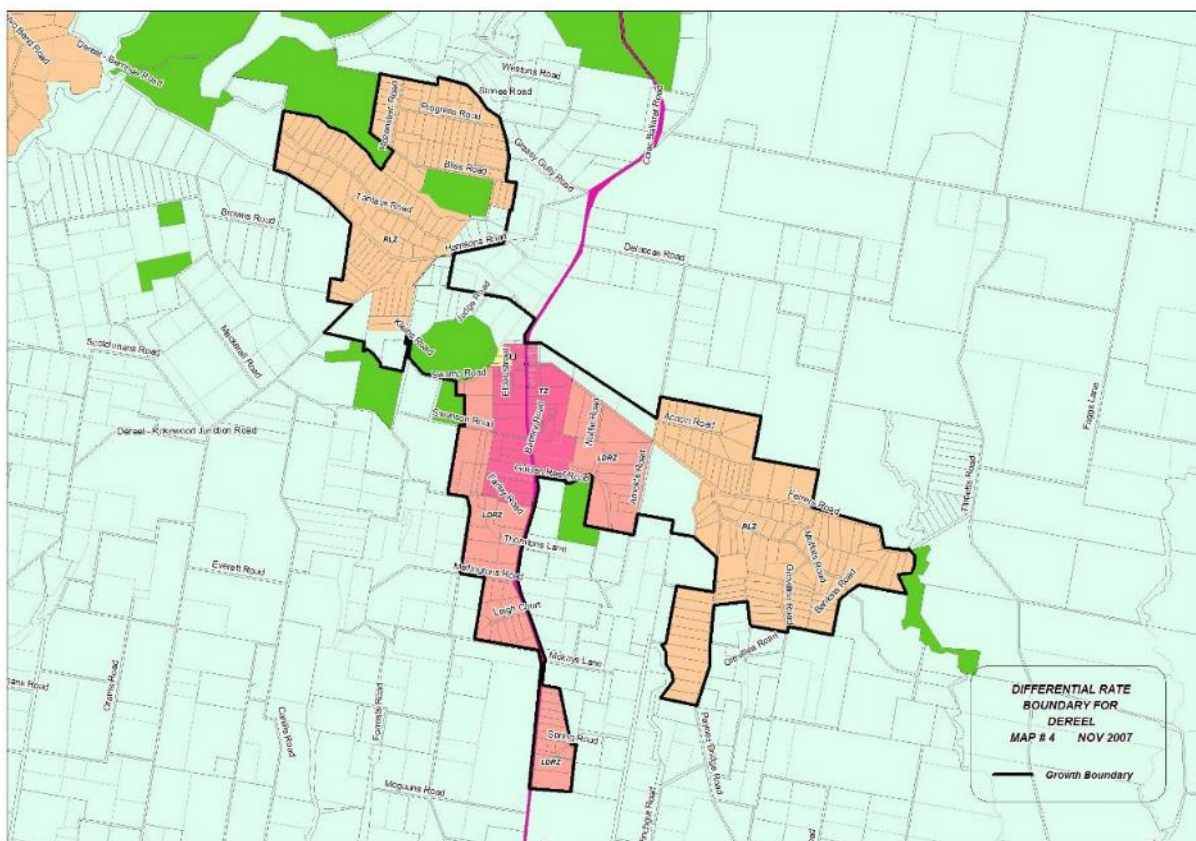
— Growth Boundary

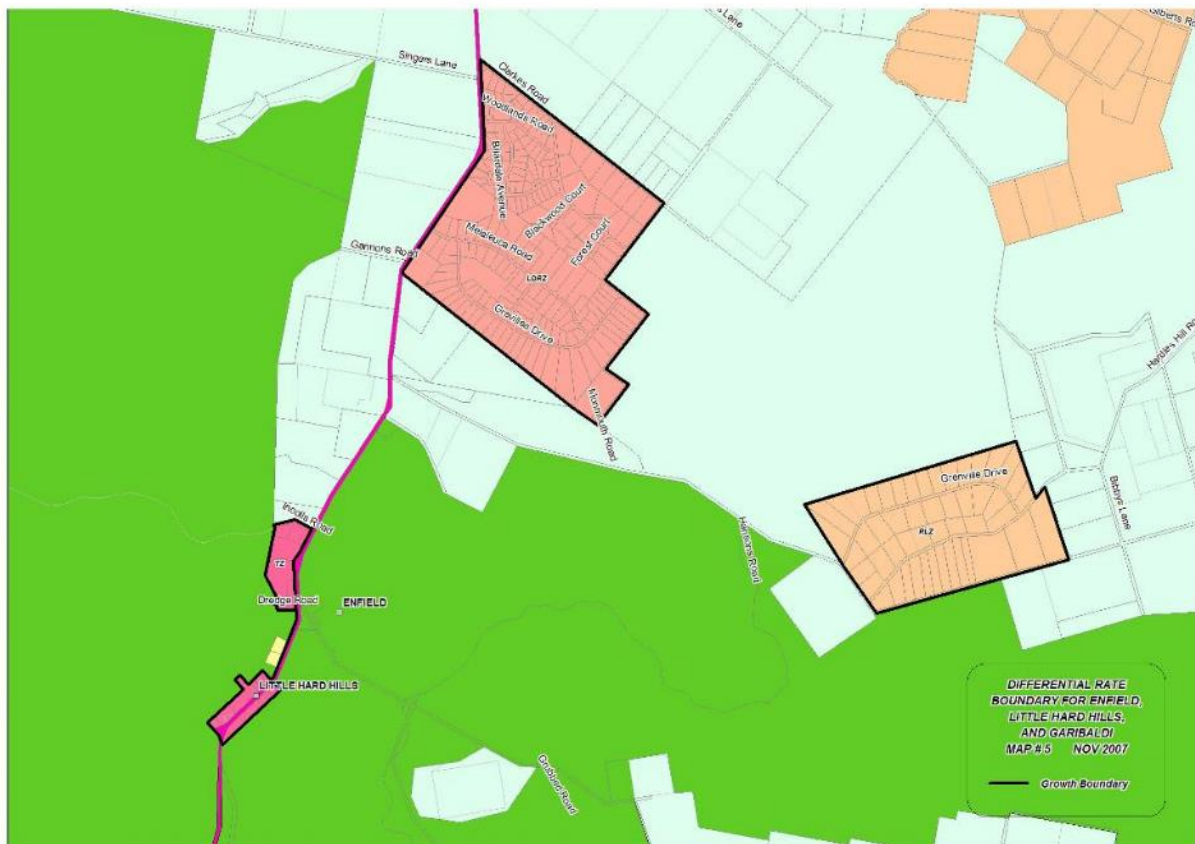


### Berringa, Cape Clear, Staffordshire Reef and Illabarook Differential Rate Area

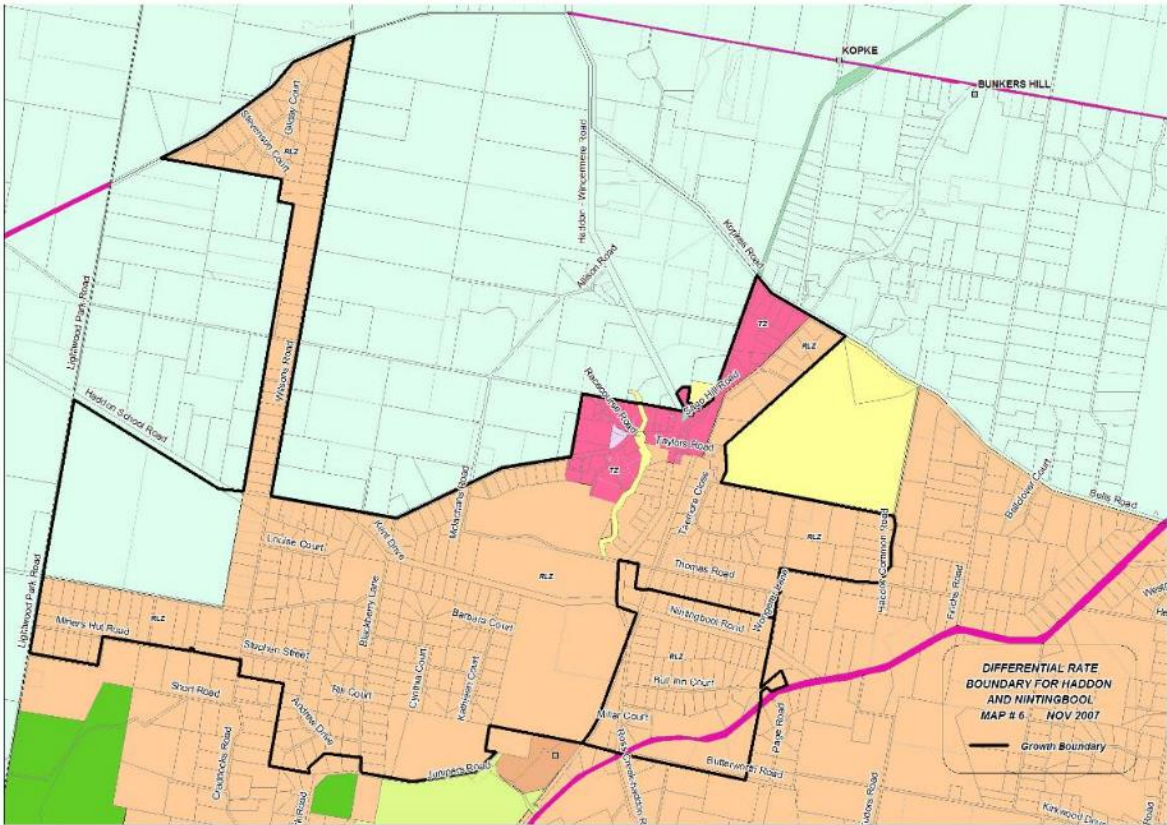


### Dereel Differential Rate Area

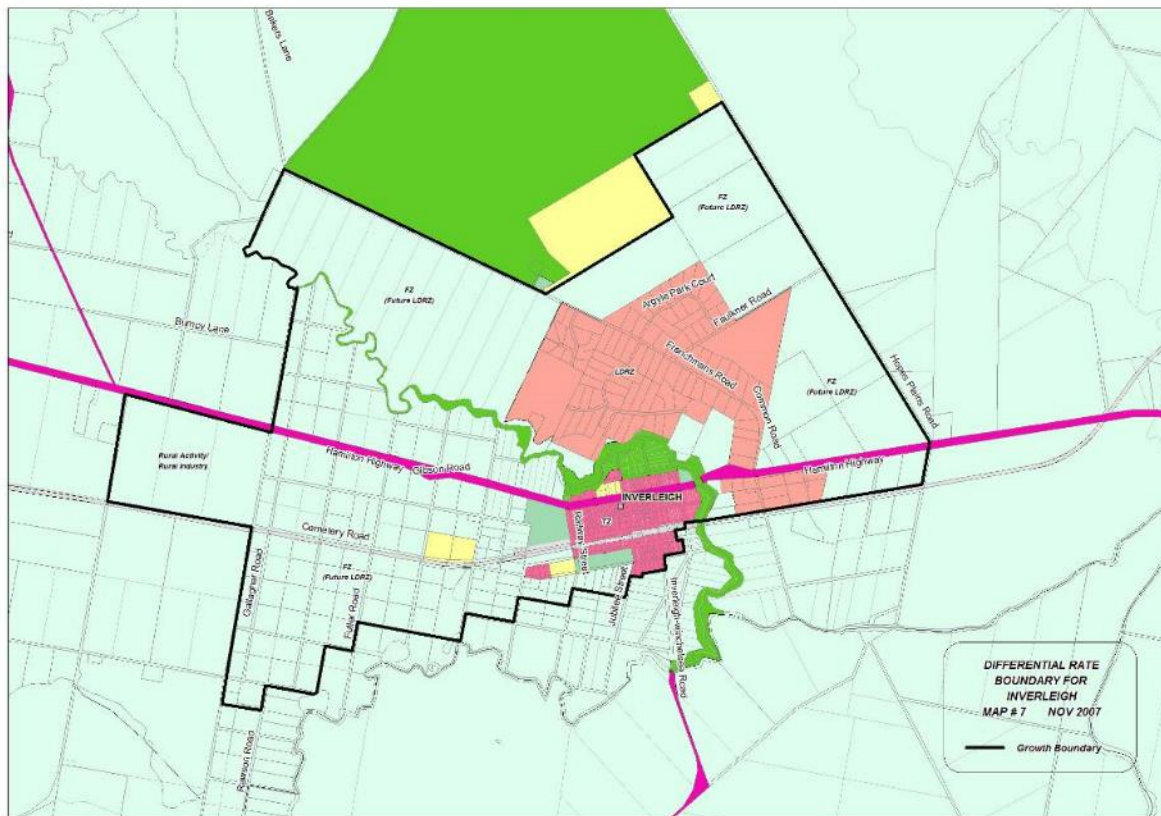


**Enfield, Little Hard Hills and Garibaldi Differential Rate Area****Haddon and Nintingbool Differential Rate Area**

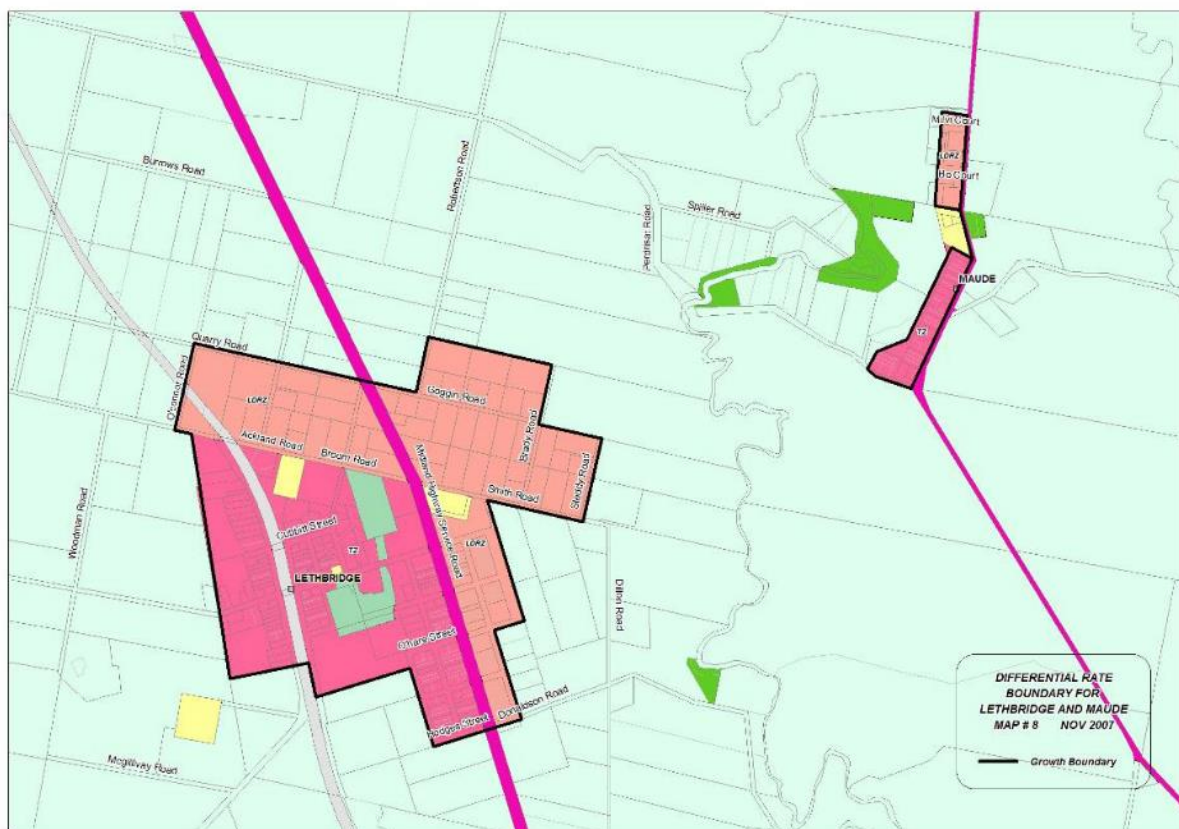




## Inverleigh Differential Rate Area

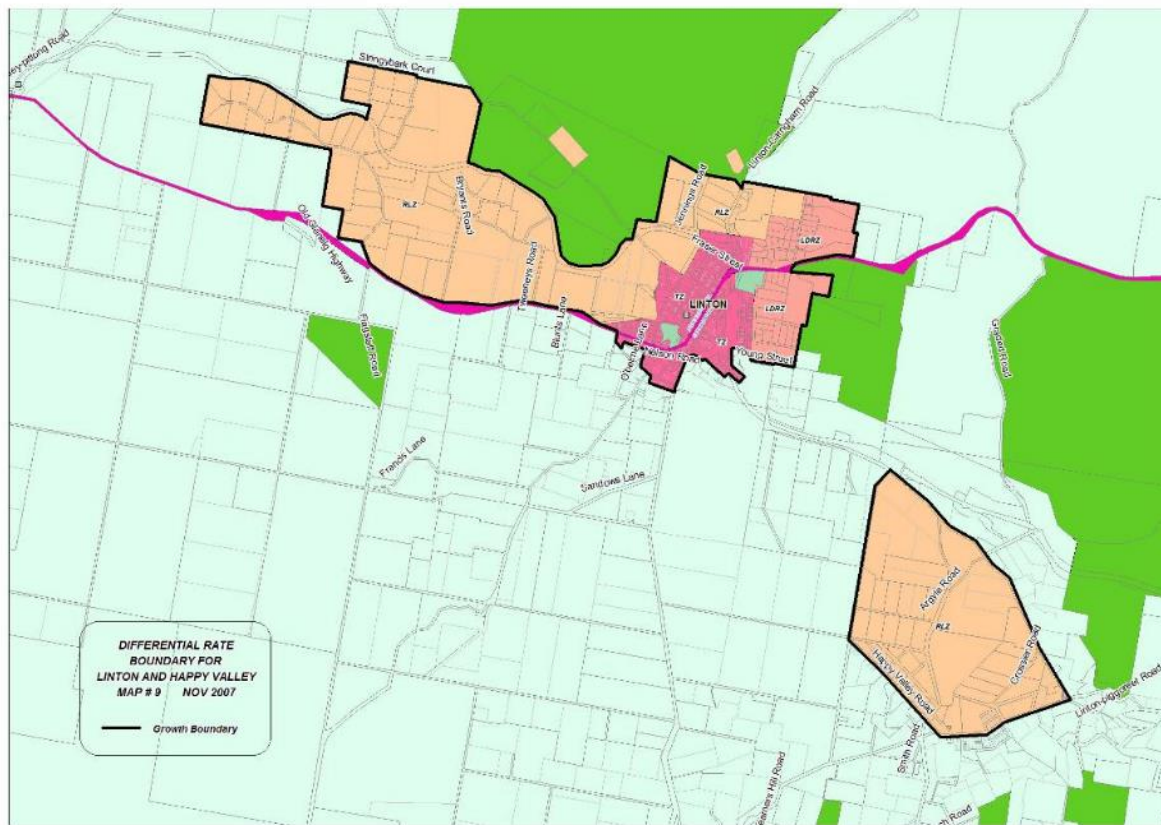


## Lethbridge and Maude Differential Rate Area





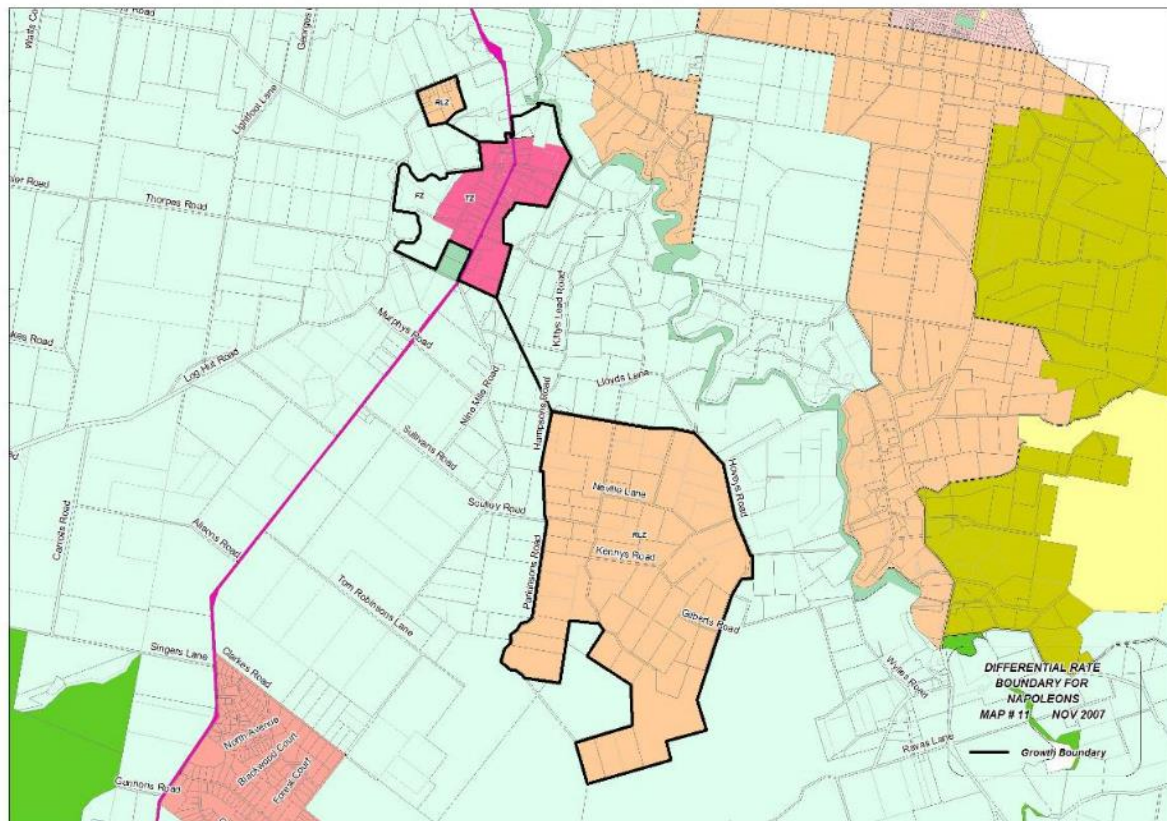
## Linton and Happy Valley Differential Rate Area



### Meredith Differential Rate Area



### Napoleons Differential Rate Area

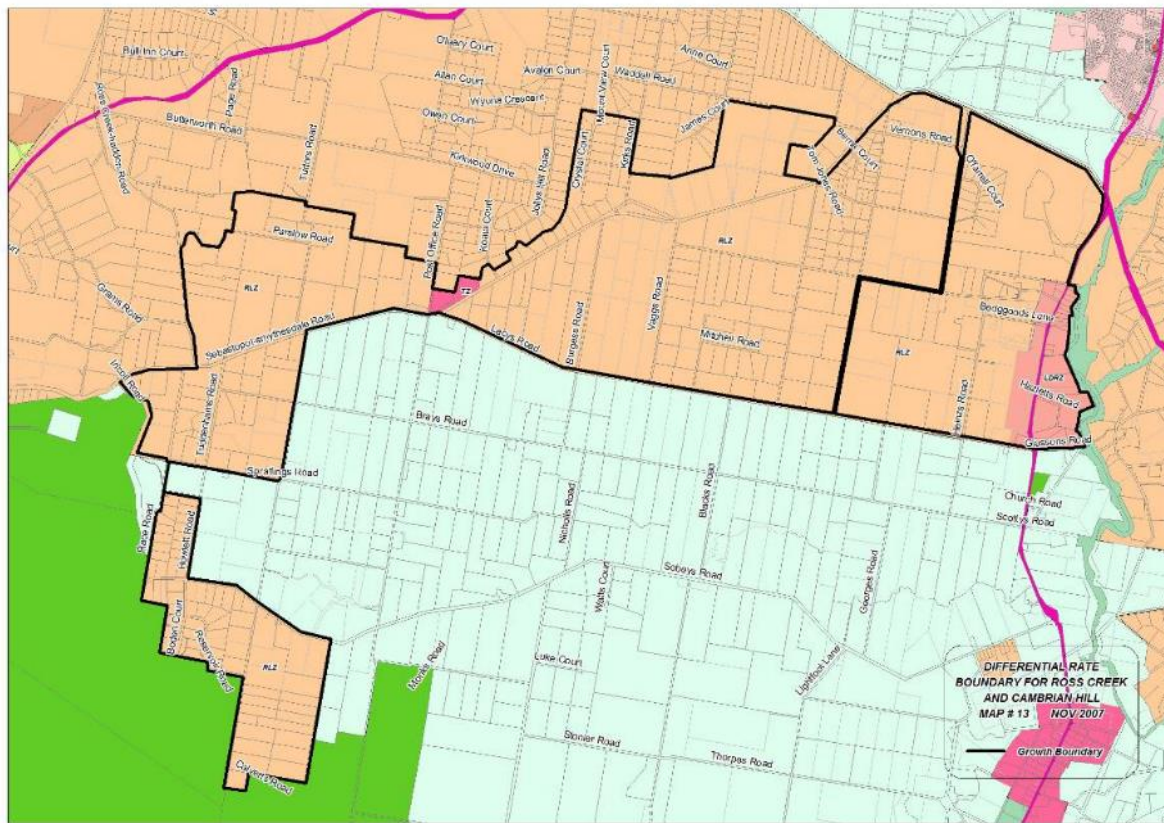


### Rokewood and Corindhap Differential Rate Area

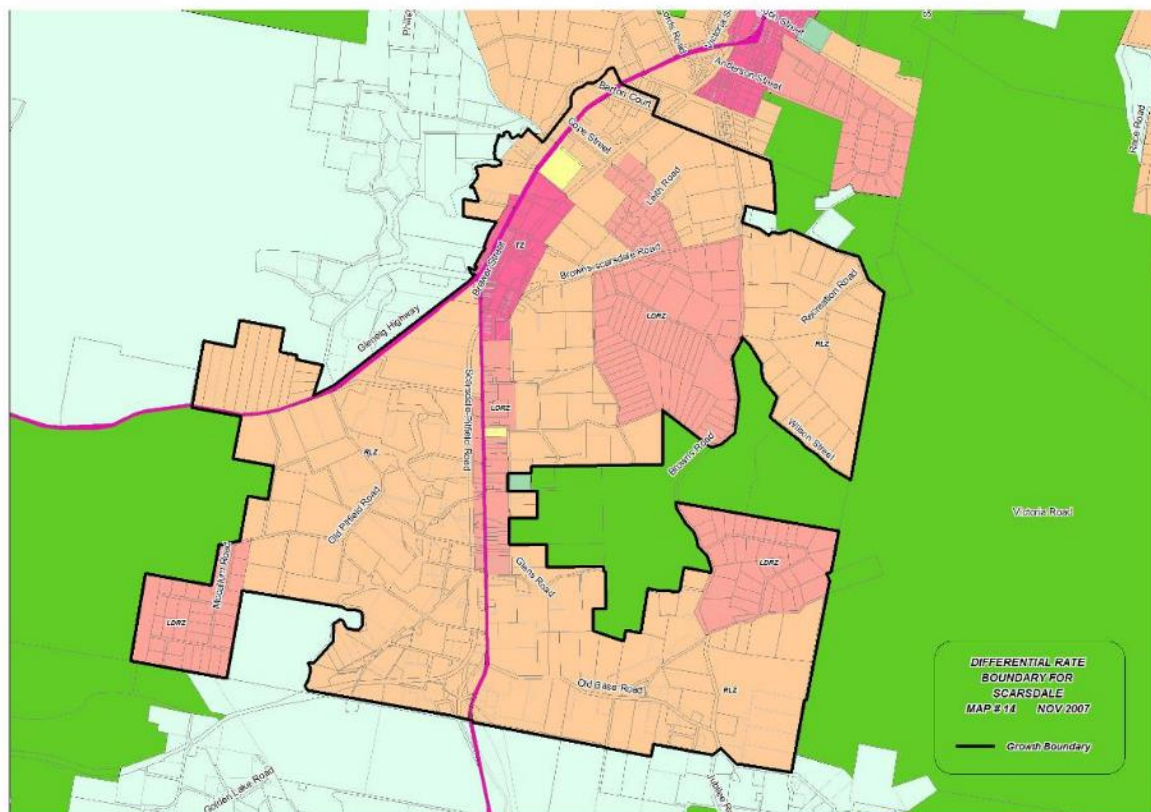




## Ross Creek and Cambrian Hill Differential Rate Area

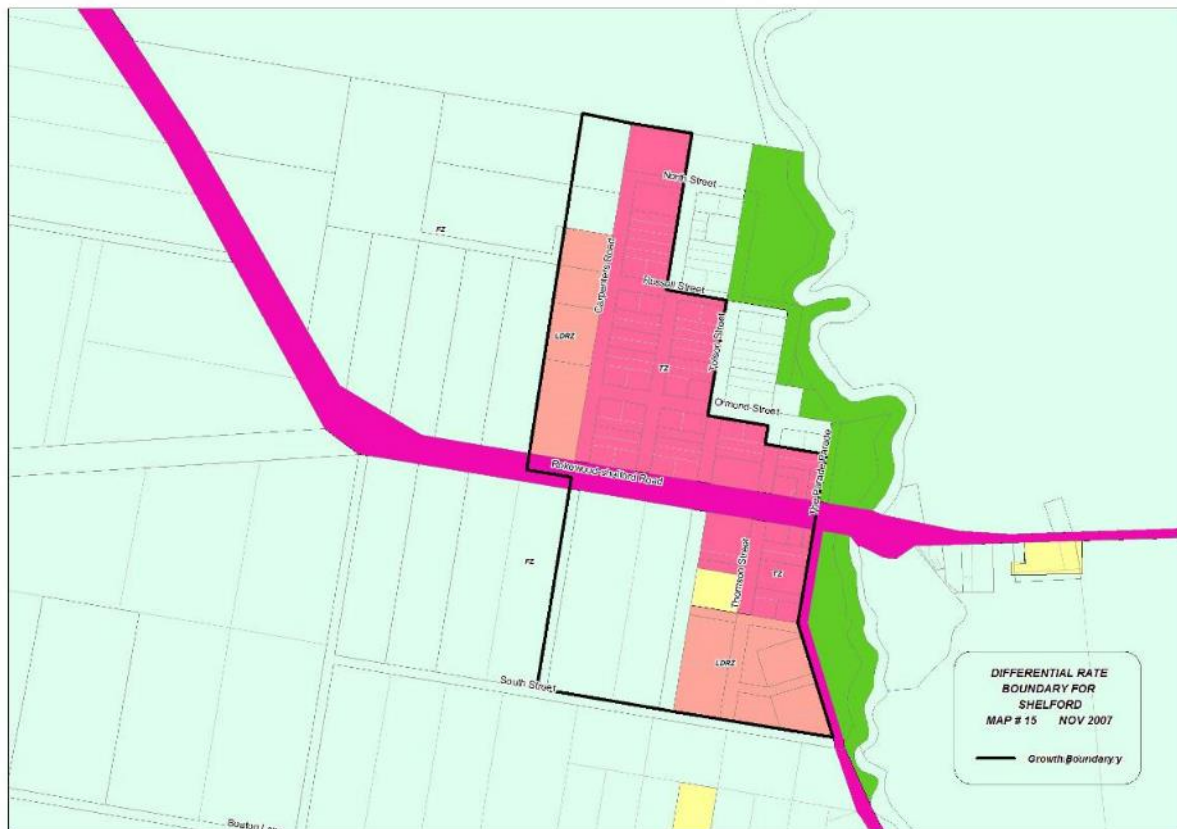


## Scarsdale Differential Rate Area

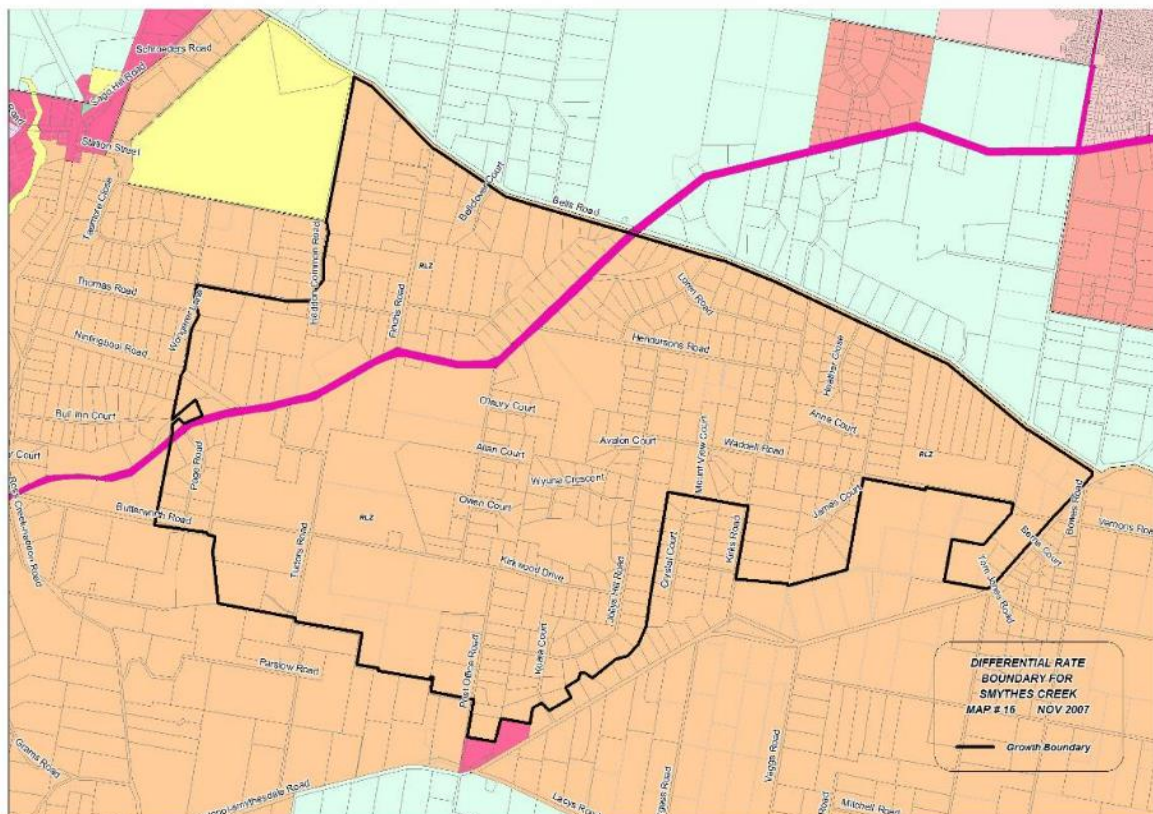




## Shelford Differential Rate Area



## Smythes Creek Differential Rate Area





**DIFFERENTIAL RATE  
BOUNDARY FOR  
SMYTHESDALE**

**MAP # 17    NOV 2007**

— Growth Boundary

**DIFFERENTIAL RATE  
BOUNDARY FOR  
TEESDALE  
MAP # 18 NOV 2007**

— Growth Boundary

## ABBREVIATIONS

Abbreviation	Description
ANZ	Australia and New Zealand Bank
Assoc	Association
B'burn	Bannockburn
CALD	Culturally and Linguistically Diverse
CFA	Country Fire Authority
CIV	Capital Improved Value
cont.	Continued
CPI	Consumer Price Index
EB	Enterprise Bargaining
EFT	Equivalent Full Time staff numbers
EPA	Environmental Protection Authority
Eques	Equestrian
Equip	Equipment
ERP	Estimated Resident Population
ESC	Essential Services Commission
FAG	Federal Assistance Grants
FOI	Freedom of Information
FTE	Full Time Equivalent
Furn	Furniture
GIS	Geographic Information System
GP	Golden Plains
GST	Goods and Services Tax
HACC	Home and Community Care
hr	Hour
ICT	Information Communication Technology
Incl.	Inclusive of
IVAN	Golden Plains Shire Council Youth Van
k	Thousand
km	Kilometre
l	Litre
LASF DB Plan	Local Authorities Superannuation Fund Defined Benefit Plan
LGFV	Local Government Funding Vehicle
LIC	Land Information Certificate
m	Million
MAV	Municipal Association of Victoria
MBS	Municipal Building Surveyor
MCH	Maternal and Child Health
MFB	Metropolitan Fire Brigade
MOU	Memorandum of Understanding
N/A	Not applicable

Abbreviation	Description
NAB	National Australia Bank
OH&S	Occupational Health and Safety
POA	Price on Application
Rec.	Recreation
Reg.	Regulation
RSL	Returned Services League
SES	State Emergency Service
SRO	State Revenue Office
SRP	Strategic Resource Plan.
VAGO	Victorian Auditor General's Office
VCAL	Victorian Certificate of Applied Learning
VCAT	Victorian Civil and Administrative Tribunal
VGC	Victoria Grants Commission
WDV	Written Down Value

## GLOSSARY

	Definition
Ad Valorem Rates	Rates based on the valuation of a property as opposed to a flat charge.
Capital Expenditure	The purchase or construction of assets that are expected to have a life of more than 1 year.
Capital Grants	Grants that are paid to fund projects of a capital nature, including capital expenditure on Council owned land and operating expenditure of a capital nature on Crown land.
Cash	Includes cash on hand and highly liquid investments.
Contracts and Materials	Includes payments to third parties for goods received and services rendered.
Contributions and Recoupments	Includes income for works performed by Council on behalf of third parties, contributions from community groups towards the construction or upgrade of community assets, contributions either in cash or in kind from developers, and minor recoups of some operating expenditure.
Council Plan	An annual plan containing Council's strategic objectives, strategic indicators and business plan strategies for the next 4 years.
CPI	Consumer Price Index, being a measure of the movement of prices in the economy over time.
Current Assets	Assets that are expected to be consumed or converted into cash within 1 year such as stock on hand, debtors, cash and investments.
Current Liabilities	Amounts owed to third parties by the Council that are expected to be settled within 1 year, such as trust funds, sundry creditors, and annual leave accrued.
Debt Servicing	The interest expense of borrowings.
Depreciation	The systematic allocation of the net cost of a long-term asset over its useful life. Depreciation is an annual operating expense; therefore it is the process of expensing long-term costs.
Employee Costs	Wages and salaries paid to employees plus labour on-costs such as superannuation, WorkCover premium, annual leave, long service leave and Fringe Benefits Tax.
Grants	Includes granted assets (usually cash) received from third parties such as Government Departments towards the cost of programs and capital expenditure.
LGFV	Local Government Funding Vehicle is a project the MAV has undertaken on behalf of all Victorian Councils. It is expected to provide significant savings to the sector by raising funds via the Bond market.
MAV	Municipal Association of Victoria – the main industry body representing Victorian Councils.
Non-Current Assets	Assets with a useful life of more than 1 year, such as land, buildings, plant and machinery, furniture and equipment, and infrastructure.
Non-Current Liabilities	Amounts owed to third parties by the Council that are not expected to be settled within 1 year, such as long-term loans.
Operating Expenditure	Expenditure on Materials and Services, employee costs, depreciation and debt servicing.
Income	Income received from rates and charges, grants and subsidies, contributions and recoupments, user fees, interest on investments and net gain/(loss) on disposal.
Overheads	Includes postage, vehicle operating costs, telephone, information technology, accounts payable, accounts receivable, depot operating costs, furniture and equipment, cleaning, lighting, heating, printing and stationery, office building maintenance, word processing, and insurance.
Own Source Revenue	Revenue, plus profit on sales, less grants.
Rate-in-the-dollar	The ad-valorem rates on an individual property divided by the total valuation of the property.
Rates and Charges	Rates and Charges consists of general rates, municipal charge, garbage charge and State Landfill Levy charge (including Supplementary assessments)
Retained Earnings	The accumulated surpluses from prior accounting periods represented by working capital or net current assets (current assets less current liabilities).

	Definition
Strategic Resource Plan	Council's Strategic Resource Plan that sets out Council's long-term financial strategy for a four-year period. This document forms part of the Council Plan.
Supplementary Rates	Rates levied on properties during the year as a result of new building works, land subdivisions, or land consolidations.
"The Act"	Unless otherwise stated, the Local Government Act 1989.
Underlying Result from Operations	The annual operating surplus or deficit in a 'normal' year. It excludes major 'one-off' items that distort the true financial performance of the Council.
VGC	Victoria Grants Commission – a body charged with the allocation of federal untied grants to Victorian Councils.
WDV of Assets Sold	The Written Down Value of an asset is an operating expense. It represents the undepreciated net cost of a long-term asset at the time it is sold. In the case of land sales, it represents the cost of land sold.
Working Capital	A measure of short-term liquidity represented by current assets less current liabilities.