

Yarriambiack Shire Council



YARRIAMBIACK SHIRE COUNCIL



Yarriambiack
SHIRE COUNCIL

Financial Budget

2017/18 Financial Year



If you would like to receive this publication in an alternative format, please phone Yarriambiack Shire Council on 5398 0100 or email info@yarriambiack.vic.gov.au

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Warracknabeal VIC 3393

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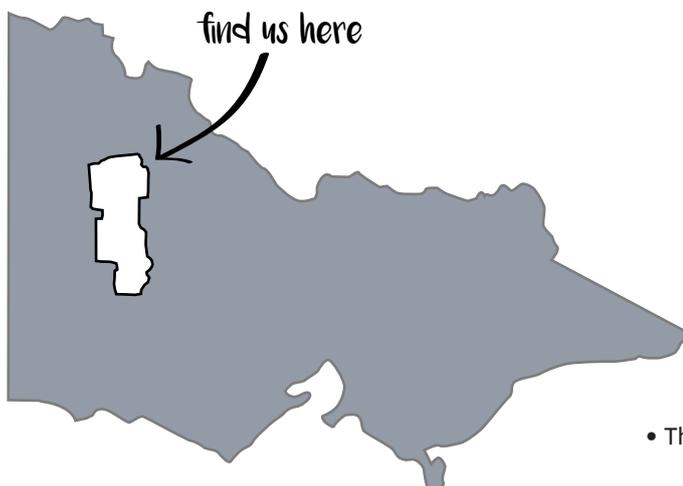
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At a Glance:

- Yarriambiack Shire Council covers an area of 7,158sq km.
- Has an estimated residential population of 6,759 people.
- 104 staff are employed with Yarriambiack Shire Council.
 - 4,892 kilometres in Road Length.
 - 7 Councillors.
- Agriculture, Retail and Health Care are the major employment sectors in the Municipality.
- There are 7,712 rateable properties in Yarriambiack Shire Council.

Our Council

Yarriambiack Shire Council has seven Councillors elected every four years. On Monday 7th November 2016 the newly appointed Councillors were sworn into Council after voting in the recent election.

Our Municipality is divided into three wards, represented by two Councillors in the Hopetoun and Dunmunkle wards and three Councillors in the Warracknabeal ward.

The Mayor is elected for a one year period each November/December, voted in by the Councillors.

The seven Councillors are the elected representatives of all residents and ratepayers across the Shire.

MAYOR

Cr Graeme Massey

DEPUTY MAYOR

Cr Helen Ballentine

COUNCILLORS

Cr Kylie Zanker

Cr Shane Roberts

Cr Corinne Heintze

Cr Jean Wise

Cr Tom Hamilton



Left: Tom Hamilton, Kylie Zanker, Corinne Heintze, Graeme Massey, Shane Roberts, Jean Wise & Helen Ballentine

Mayors Introduction

The Councillors and I are pleased to release the proposed Budget 2017/2018 to the Community for comment and public submissions. This budget builds on our Council Plan 2017-2021 vision which focuses on the following five key areas:

- Good Governance
- A place to Live and Grow
- A safe & active Community & sustainable Environment
- A planned Future
- Health & Wellbeing



Cr Graeme Massey

The Council Plan 2017-2021 (Year 1), sets out our strategic plan to deliver our vision over the full term of the Council. As this is the first year of the current Council term, the focus over the next year will be on planning and design activities to deliver our current commitments.

The proposed budget details the resources required over the next year to fund the large range of services we provide to the community. It also includes details of proposed capital expenditure allocations to improve and renew our Council's physical infrastructure, buildings and operational assets as well as funding proposals for a range of operating projects.

As Councillors, it is our job to listen to community sentiment and understand your priorities. During and following the Council elections in 2016 we have consistently heard that Council's services are valued by the community, and that Council also needs to be financially responsible and keep its rates as low as possible. In response, Council has continued an enterprise wide approach to identify savings that don't impact on its services, to provide increased value for money to ratepayers. Council will continue to focus on identifying cost savings that will enable it to deliver on our Council Plan and deliver high quality, responsive and accessible services to the community.

The proposed budget proposes a rate increase of 2.0 per cent. This is in line with the Fair Go Rates System (FGRS) which has capped

rates increases by Victorian Councils.

In this proposed budget we have allocated funding of \$7.352 million for asset renewals, upgrades and new assets. Highlights of the capital program include;

- roads (\$4.779 million) – including reconstructions, roads to recovery projects, resheeting, footpaths and kerb & channel;
- drains (\$26,000) – including road drainage replacement work;
- open space (\$10,000) – including playground equipment;
- buildings (\$801,000) – including installation of a truck wash at the Murtoa Depot, construction of a truck shed at the Hopetoun Depot, upgrade at the Warracknabeal Livestock Exchange, upgrades at the Warracknabeal, Tempy, Hopetoun and Sheep Hills Halls; and
- plant and equipment (\$1.294 million) – including information technology, furniture & equipment and scheduled replacement of Council's fleet.

We have also allocated funding to deliver progress on other key priorities and initiatives including;

- continuation of the youth program another year
- redevelopment of the Warracknabeal Livestock Exchange
- construction of the Warracknabeal Levee
- installation of motors on the Warracknabeal weir gates
- upgrade of Warracknabeal Library facility
- increase in contributions to the Weir pool committees
- installation of five new fire tanks

Our focus for the next year is to continue to deliver on the projects and services that make our Council a great place to live in and respond to the challenges we are currently facing.

The community strongly supports the maintenance of existing service levels and for these to be funded through a mix of rates revenue and user charges. Council will continue to focus on the identification of sustainable cost reductions to protect existing service levels. We will also explore new approaches for providing services to our community in a tighter fiscal environment and ensure that we engage with you on any planned changes.

The proposed budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. I encourage you to read the remainder of this document, in conjunction with our revised Council Plan 2017-2021 and I look forward to receiving your submission.



CR GRAEME MASSEY
Mayor

Message from the CEO

Council has prepared a Budget for 2017/2018 which is aligned to the vision in the Council Plan 2017-2021. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the State Government.

This Budget projects a surplus of \$283,000 for 2017/2018, however, it should be noted that the adjusted underlying result is a deficit of \$2.662M after adjusting for capital grants and contributions (refer Sections 5 and 10.1).



Mr. Ray Campling

Ongoing delivery of services to the Yarriambiack community funded by a budget of \$23.885m. These services are summarised in Section 2.1.

Continued investment in Infrastructure assets (\$7.352m) primarily for renewal works. This includes roads (\$4.421m); bridges (\$23,000); footpaths (\$126,000); kerb & channel (\$209,000); drainage (\$26,000); recreational, leisure and community facilities (\$55,000); parks, open space and streetscapes (\$10,000); and aerodromes (\$200,000). The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.

THE RATE RISE

a. The average rate will rise by 2.0% in line with the order by the Minister for Local Government on 19 December 2016 under the Fair Go Rates System.

b. Key drivers

- i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
- ii. To fund renewal of infrastructure and community assets
- iii. To cope with cost shifting from the State Government
- iv. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant.

c. Council is required to revalue all properties within the Shire every two (2) years. The revaluation was undertaken as at 1 January 2016 and applies for the 2016/17 and the 2017/18 rating years.

d. The waste service charge incorporating kerbside collection and recycling will increase by 2% per property.

e. Refer Section 7 for further Rates and Charges details.

KEY STATISTICS

- Total Revenue: \$24.168M (2016/2017 - \$23.785M)
- Total Expenditure: \$23.885M (2016/2017 - \$22.387M)
- Accounting Result: \$283,000 Surplus (2016/2017 - \$1.398M Surplus)
(Refer Income Statement in Section 3)
- Underlying operating result: Deficit of \$2.662M (2016/2017 - Deficit of \$1.447M)
(Refer Analysis of operating Budget in Section 10.1)
(Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital, from being allocated to cover operating expenses)
- Cash result: \$1.883M Surplus (2016/2017 - \$1.580M Surplus)
(Refer Statement of Cash Flows in Section 3)
This is the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
- Total Capital Works Program of \$7.352M (2016/2017 - \$6.690M)
 - o \$4.152M from Council operations (rates funded)
 - o \$0.0M from borrowings
 - o \$273,000 from asset sales
 - o \$2.837M from external grants
 - o \$90,000 from cash contributions

BUDGET INFLUENCES

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government has introduced a cap on rate increases from 2016/2017. The cap for 2017/2018 has been set at 2.0% (2016/2017 - 2.5%).
- CPI for Victoria is forecast to be 2.0% for the 2017/2018 year (Victorian Department of Treasury & Finance, 2016-2017 Budget Update).
- On-going cost shifting. This occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.



RAY CAMPLING
Chief Executive Officer

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in Sections 8 to 16 of this report.

This Section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

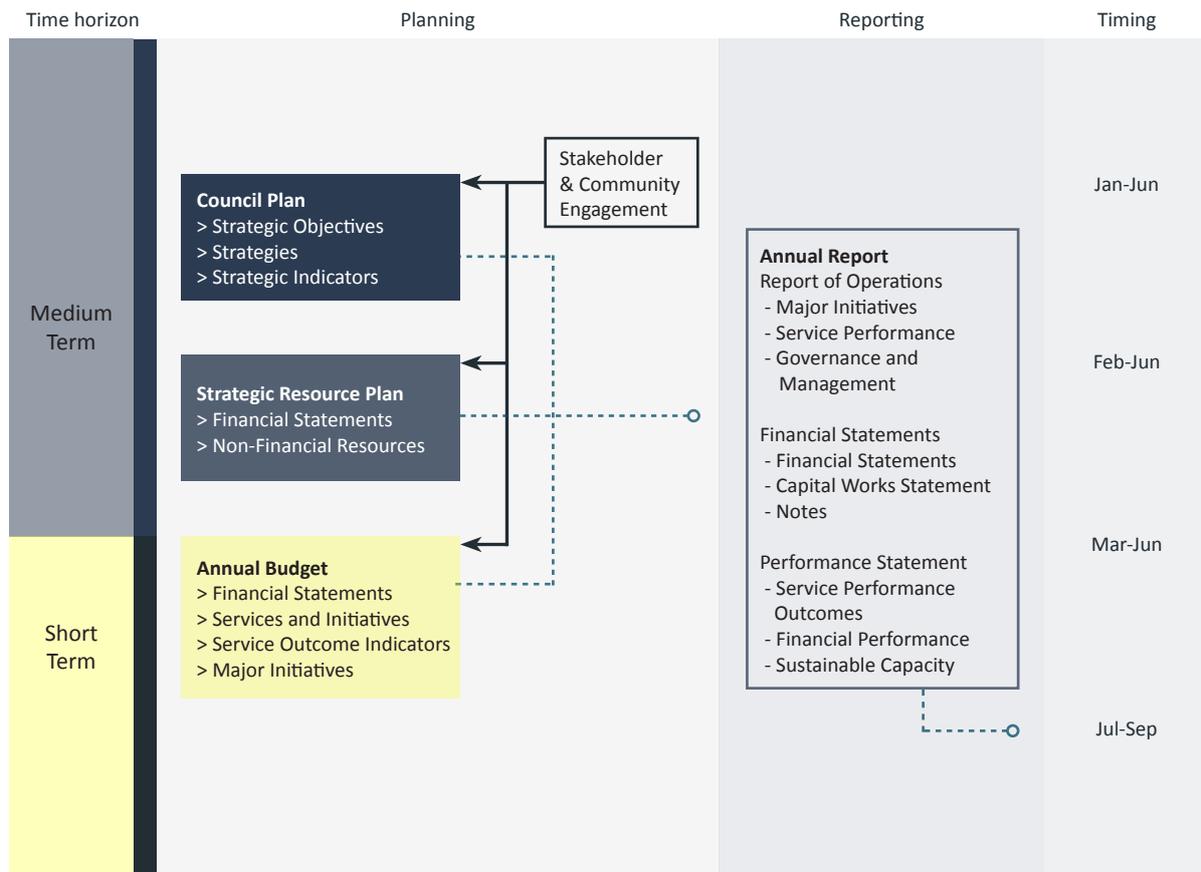
1. Links to the Council Plan
2. Services and service statements
3. Financial statements
4. Financial performance indicators
5. Grants and borrowings
6. Detailed list of capital works
7. Rates and charges

1. Links to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Vision 2030), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

1.1 PLANNING AND ACCOUNTABILITY FRAMEWORK

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



The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

1.2 OUR PURPOSE

Our Vision

In consultation with our community, Yarriambiack Shire Council aims to provide a viable, sustainable and vibrant future.

Our Mission

Through strong leadership, transparency and strategic planning, Councillors and Staff in partnership with our community will achieve our vision.

Our Values

- treat our customers with courtesy and respect;
- lead and develop leadership within our community;
- constantly strive to improve our services;
- forge closer relationships with customers;
- investigate matters thoroughly and objectively;
- keep our customers informed, in plain language, about the process and outcome;
- treat people fairly, with respect and have proper regard for their rights;
- make decisions lawfully, fairly, impartially, and in the public interest;
- we are honest, trustworthy, reliable, transparent and accountable in our dealings;
- we are careful, conscientious and diligent;
- use public resources economically and efficiently, and
- actively pursue positive outcomes for the community.

Continuous Improvement

We drive continuous and sustainable improvement in service provision, operational efficiency and stakeholder relations to create a leading organisation.

Principles

Social Justice: We strive to make sure that every part of our core business is accessible and inclusive of all community members.

Best Value: We provide services that are responsive to community needs, meet set performance standards, provide value for money, balance affordability and accessibility, and support opportunities for local employment growth or retention.

Sustainability: We manage public assets and resources in a way that supports and balances sustainable economic, social and environmental objectives and adheres to the principles of intergenerational equity.

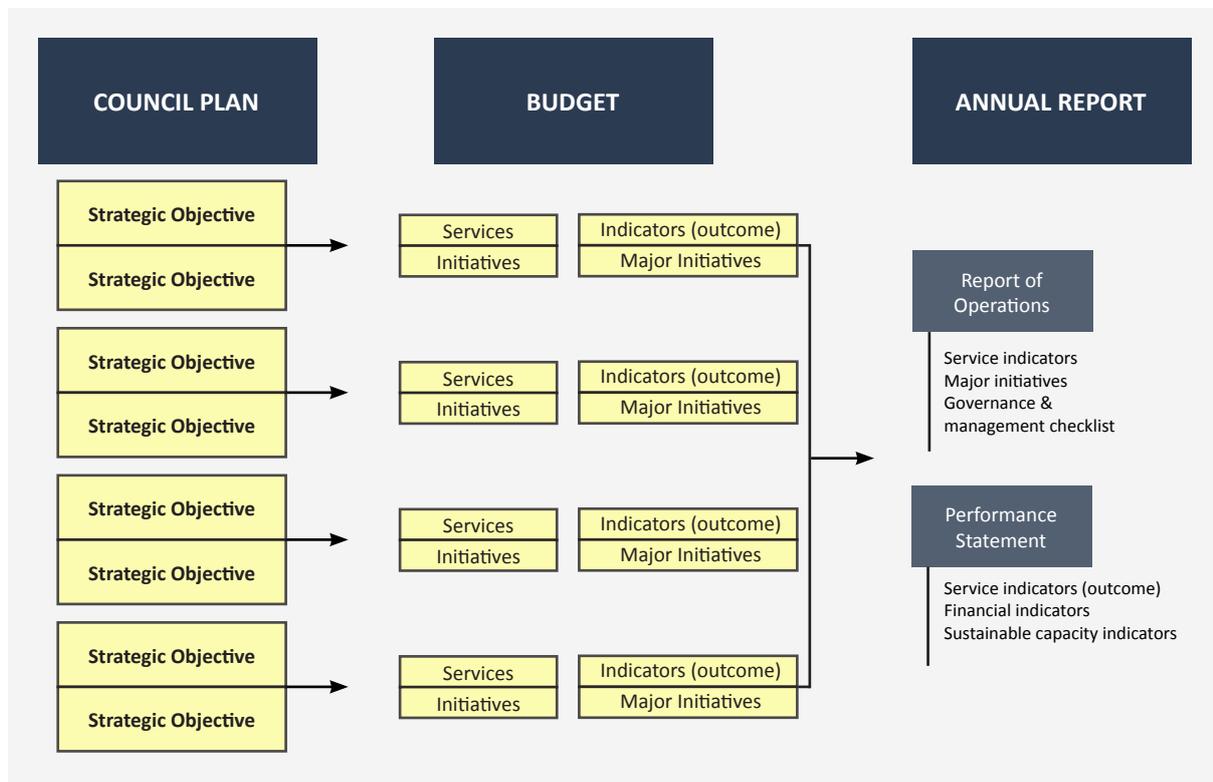
1.3 STRATEGIC OBJECTIVES

Council delivers activities and initiatives under 37 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the 2017-2021 years. The following table lists the five Strategic Objectives as described in the Council Plan.

<i>Strategic Objective</i>	<i>Description</i>
1. Good Governance	A well-managed and service-focused organisation.
2. A place to Grow and Live	To develop partnerships and advocate for community wellbeing and economic development priorities and projects as well as capitalising on existing and emerging opportunities in tourism and visitation.
3. A safe & active Community & sustainable Environment	Engage and empower our community and support our volunteers.
4. A Planned Future	Plan for future service delivery and local community support as well as secure State and Federal funding to maintain and upgrade roads, Council and community infrastructure.
5. Health & Wellbeing	Through effective planning and consultation, create environments for our communities that will enable residents to prosper and enjoy improved health and wellbeing.

2. Services and Service Performance Indicators

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



Source: Department of Environment, Land, Water and Planning

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 sections.

2.1 STRATEGIC OBJECTIVE 1: GOOD GOVERNANCE

A well-managed and service-focused organisation.

<i>Service Area</i>	<i>Description of services provided</i>	Expenditure (Revenue) Net Cost \$'000
Councillors, Chief Executive and Executive Team	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.	669 - 669
Councillor Expenses	The costs collected for this service relate to the direct costs of maintaining Councillors corporate responsibilities for Council. This includes the costs associated with meetings, consultants, legal, elections and internal audit.	40 - 40
General Council Expenses	The costs collected for this service relate to the general costs of running the Council. This includes the costs associated with public liability insurance, publications and subscriptions to Municipal Association of Victoria (MAV) and other professional bodies.	77 - 77
Information Services	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	344 - 344
Customer Service and Administration Staff and Municipal Offices	This service provides Council with strategic and operational organisation development support. It provides meeting rooms and function venues for Council use. It also provides a customer interface for an increasing number of service units and a wide range of transactions. The service is delivered through two customer service centres, a free call number and an emergency after hours service.	881 (53) 828
Director, Contracts, Design and Asset Management	This area includes the Director and Council Officers and associated costs of supporting these positions.	1,275 (65) 1,210
Accounting and Finance	This service predominately provides financial based services to both internal and external customers including the management of Council's finances, payments of salaries and wages to Council employees, procurement and contracting of services, raising and collection of rates and charges and valuation of properties throughout the municipality.	868 - 868
Financing Costs	This service includes payment to external audit, interest received or paid on investments and loans.	188 (171) 17

Initiatives

- Continue to actively pursue the recovery on unpaid debts.
- Complete Internal Audit as per Audit schedule.
- Utilise Social Media to improve community engagement.
- Respond to all Internal Audit recommendations.
- Adoption of the Long Term Financial Plan.

Service Performance Outcome Indicators

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

<i>Service</i>	<i>Indicator</i>	<i>Performance Measure</i>	<i>Computation</i>
Governance	Satisfaction	Satisfaction with Council decisions. (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community).	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community.

2.2 STRATEGIC OBJECTIVE 2: A PLACE TO LIVE & GROW

Develop partnerships and advocate for community wellbeing and economic development priorities and projects as well as capitalising on existing and emerging opportunities in tourism and visitation.

<i>Service Area</i>	<i>Description of services provided</i>	Expenditure (Revenue) Net Cost \$'000
Health, Education and Housing	This service provides family oriented support services including kindergartens, maternal & child health, counselling & support, immunisation, holiday programs and health & safety.	1,275 (807) 468
Aged & Disability Services	This service provides a range of home and community care services for the aged and disabled including home delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior citizens.	1,552 (1,792) (240)
Library Services	This service provides the contribution to a regional library corporation for the provision of mobile and static services throughout the Shire.	191 - 191
Passive Recreation	This service provides for the maintenance of public parks and gardens.	135 - 135
Tourism and Area Promotion	This service provides a range of services that facilitates the tourist industry, and the cleaning and maintenance of the tourist centre, caravan parks and public amenities.	79 - 79

Initiatives

- Information signage located at our Art Silo's.
- Combine with the local Committee of Management and State Government to provide an upgrade to the Warracknabeal Town Hall with the Council committed to contribute \$70,000 to the project.
- Upgrade Caravan Park's with better facilities.
- Increased visitor numbers to the local Caravan Parks.
- Engage with community and organisations to promote tourism.

Service Performance Outcome Indicators

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

<i>Service</i>	<i>Indicator</i>	<i>Performance Measure</i>	<i>Computation</i>
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members/ municipal population] x100
Food Safety	Health and Safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year)/ Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x100

2.3 STRATEGIC OBJECTIVE 3: A SAFE & ACTIVE COMMUNITY & SUSTAINABLE ENVIRONMENT

Engage and empower our community and support our volunteers.

<i>Service Area</i>	<i>Description of services provided</i>	<i>Expenditure (Revenue) Net Cost \$'000</i>
Active Recreation	This service provides for the contributions and maintenance of indoor and outdoor sporting complexes, clubs, amenities and recreation officer.	655 (195) 460
Swimming Areas and Beaches	This service provides for the contributions and maintenance of swimming pools as well as the contribution to the weir pools.	395 (876) (481)
Street Cleaning, Lighting and Beautification	This service provides for the cleaning, lighting and beautification of Council's streets.	906 - 906
Waste Management and Environment	This service is responsible for garbage collection, transfer stations, septic tanks, kerbside recycling and land care operations of Council.	1,727 (1,205) 522

Initiatives

- Completion of 90% of the road projects listed in the annual adopted Council Budget.
- Increase in the number of trees planted across the Shire.
- Continue to provide funding to three SES units within the Municipality.
- In partnership with Murtoa Pool Committee and the State and Federal(Drought Funding) Governments; review and upgrade the change rooms, kiosk and first aid room at the Murtoa Swimming Pool.
- Examine the possibility of a mobile transfer station for use at some of the smaller transfer station sites.

Service Performance Outcome Indicators

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

<i>Service</i>	<i>Indicator</i>	<i>Performance Measure</i>	<i>Computation</i>
Waste Management	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins/ Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities/ Municipal population

2.4 STRATEGIC OBJECTIVE 4: A PLANNED FUTURE

Plan for future service delivery and local community support as well as secure state and federal funding to maintain and upgrade roads, Council and community infrastructure.

<i>Service Area</i>	<i>Description of services provided</i>	<i>Expenditure (Revenue) Net Cost \$'000</i>
Community and Economic Development	The service provides a range of services that facilitates an environment that is conducive to sustaining and growing local residential and business sectors. The services include town planning, economic development and building control.	1,732 (288) 1,444
Saleyards	This service is responsible for the management and maintenance of the Warracknabeal Regional Livestock Exchange.	98 (251) (153)
Public Halls	This service provides contributions towards insurance for public halls.	220 (10) 210
Other Heritage and Culture	This service provides a range of services that facilitates the maintenance and development of museums, other heritage buildings and cultures for the enjoyment of future generations.	57 - 57
Roads, Streets and Footpaths	The service provides ongoing maintenance of the Council's roads, drains, bridges and footpaths.	10,091 (3,150) 6,941
Law, Order and Public Safety	This service provides support services including fire prevention, animal control, local laws and emergency services.	370 (53) 317
Other Transport Services	This service provides for the works crew administration and plant operations as well as any private works.	59 (2) 57

Initiatives

- Continue reconstruction of kerb and channel infrastructure for Murtoa and Minyip.
- Continue to seek funding for the upgrade of the aerodrome pavement in Hopetoun and Warracknabeal.
- Widening and upgrade works of Hopetoun-Yaapeet and Dimboola-St Arnaud Roads.
- Develop and implement asset management plans for all nominated asset groups to assist with long term financial and asset management planning and legislative requirements - involve the community in the process.
- Advocate for improved digital connectivity (NBN & Mobile Coverage).

Service Performance Outcome Indicators

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

<i>Service</i>	<i>Indicator</i>	<i>Performance Measure</i>	<i>Computation</i>
Statutory Planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/ Number of VCAT decisions in relation to planning applications] x100
Animal Management	Health and Safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

2.5 STRATEGIC OBJECTIVE 5: HEALTH & WELLBEING

Through effective planning and consultation, create environments for our communities that will enable residents to prosper and enjoy improved health and wellbeing.

Included above.

2.6 PERFORMANCE STATEMENT

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017/2018 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.7 RECONCILIATION WITH BUDGETED OPERATING RESULT

	<i>Net Cost (Revenue) \$'000</i>	<i>Expenditure \$'000</i>	<i>Revenue \$'000</i>
Good Governance	4,054	4,343	(289)
A place to Live and Grow	633	3,232	(2,599)
A safe and active Community and sustainable Environment	1,406	3,683	(2,276)
A Planned Future	8,873	12,627	(3,754)
Health and Wellbeing	-	-	-
Total services and initiatives	14,966	23,885	8,918
Funding sources:			
Rates and Charges	(11,868)		
Capital grants	(2,815)		
Total funding sources	(14,683)		
Surplus for the year	283		

3. Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2017/18 to 2019/20 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. Statement of Cash Flows
5. Statement of Capital Works
6. Statement of Human Resources

1. COMPREHENSIVE INCOME STATEMENT

FOR THE FOUR YEARS ENDING 30 JUNE 2021

	<i>Forecast Actual</i>	<i>Budget</i>			
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<i>Income</i>					
Rates and charges	11,626	11,868	12,093	12,531	13,043
Statutory fees and fines	127	131	134	137	139
User fees	808	967	859	875	892
Grants - Operating	7,763	7,899	6,688	6,447	6,540
Grants - Capital	2,838	2,815	908	908	908
Contributions - monetary	271	273	179	131	134
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	41	(55)	(60)	(64)	(69)
Other income	311	270	136	138	141
Total income	23,785	24,168	20,937	21,103	21,728
<i>Expenses</i>					
Employee costs	7,760	8,323	8,461	8,717	8,981
Materials and services	5,658	6,425	4,738	4,549	4,749
Contributions and Donations	847	838	843	858	874
Depreciation and amortisation	6,632	6,831	7,035	7,247	7,464
Finance costs	84	125	129	132	136
Other expenses	1,404	1,343	1,386	1,435	1,492
Total expenses	22,387	23,885	22,592	22,938	23,696
Surplus/(deficit) for the year	1,398	283	(1,656)	(1,835)	(1,968)
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment/(decrement)	-	1,000	1,000	1,000	1,000
Total comprehensive result	1,398	1,283	(656)	(835)	(968)

2. BALANCE SHEET

FOR THE FOUR YEARS ENDING 30 JUNE 2021

	<i>Forecast</i>	<i>Budget</i>	<i>Strategic Resource Plan</i>		
	<i>Actual</i>		<i>Projections</i>		
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Assets					
Current assets					
Cash and cash equivalents	1,580	1,883	2,000	1,927	1,893
Trade and other receivables	1,565	1,602	1,587	1,582	1,597
Other financial assets	252	255	257	260	262
Inventories	909	918	927	937	946
Non-current assets classified as held for sale	50	50	50	-	-
Total current assets	4,356	4,708	4,821	4,706	4,698
Non-current assets					
Trade and other receivables	653	654	654	655	656
Investments in associates and joint ventures	491	491	492	492	493
Property, infrastructure, plant and equipment	158,216	158,480	157,763	156,913	155,959
Total non-current assets	159,360	159,625	158,909	158,060	157,108
Total assets	163,716	164,333	163,730	162,766	161,806
Liabilities					
Current liabilities					
Trade and other payables	1,652	1,000	1,155	1,019	1,021
Provisions	2,982	2,871	2,877	2,883	2,889
Interest-bearing loans and borrowings	105	110	-	-	-
Total current liabilities	4,739	3,981	4,032	3,902	3,910
Non-current liabilities					
Provisions	556	758	759	762	762
Interest-bearing loans and borrowings	110	-	-	-	-
Total non-current liabilities	666	758	759	762	762
Total liabilities	5,405	4,739	4,791	4,664	4,672
Net assets	158,311	159,594	158,939	158,102	157,134
Equity					
Accumulated surplus	61,253	61,536	59,881	58,044	56,076
Reserves	97,058	98,058	99,058	100,058	101,058
Total equity	158,311	159,594	158,939	158,102	157,134

3. STATEMENT OF CHANGES IN EQUITY

FOR THE FOUR YEARS ENDING 30 JUNE 2021

	<i>Total \$'000</i>	<i>Accumulated Surplus \$'000</i>	<i>Revaluation Reserve \$'000</i>	<i>Other Reserves \$'000</i>
2016/2017 Forecast				
Balance at beginning of the financial year	156,913	59,855	97,043	15
Surplus/(deficit) for the year	1,398	1,398	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Balance at end of the financial year	158,311	61,253	97,043	15
2017/2018 Budget				
Balance at beginning of the financial year	158,311	61,253	97,043	15
Surplus/(deficit) for the year	283	283	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
Balance at end of the financial year	159,594	61,536	98,043	15
2018/2019 Strategic Resource Plan				
Balance at beginning of the financial year	159,594	61,536	98,043	15
Surplus/(deficit) for the year	(1,656)	(1,656)	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
Balance at end of the financial year	158,102	59,881	99,043	15
2019/2020 Strategic Resource Plan				
Balance at beginning of the financial year	158,939	59,881	99,043	15
Surplus/(deficit) for the year	(1,835)	(1,835)	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
Balance at end of the financial year	158,104	58,044	100,043	15
2020/2021 Strategic Resource Plan				
Balance at beginning of the financial year	158,102	58,044	100,043	15
Surplus/(deficit) for the year	(1,968)	(1,968)	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
Balance at end of the financial year	157,134	56,076	101,043	15

4. STATEMENT OF CASH FLOWS

FOR THE FOUR YEARS ENDING 30 JUNE 2021

	<i>Forecast Actual</i>	<i>Budget</i>			
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
	<i>Inflows</i>	<i>Inflows</i>	<i>Inflows</i>	<i>Inflows</i>	<i>Inflows</i>
	<i>(Outflows)</i>	<i>(Outflows)</i>	<i>(Outflows)</i>	<i>(Outflows)</i>	<i>(Outflows)</i>
<i>Cash flows from operating activities</i>					
Rates and charges	10,421	12,111	12,067	12,360	12,939
Statutory fees and fines	127	131	134	137	139
User fees	808	967	859	875	892
Grants - operating	7,763	7,899	6,688	6,447	6,540
Grants - capital	2,838	2,815	908	908	908
Contributions - monetary	271	273	179	131	134
Interest received	79	80	82	83	85
Other receipts	311	270	136	138	141
Net GST refund/payment	-	-	-	-	-
Employee costs	(7,760)	(8,323)	(8,461)	(8,717)	(8,981)
Materials and services	(5,658)	(6,425)	(4,738)	(4,549)	(4,749)
Other payments	(2,253)	(2,181)	(2,230)	(2,293)	(2,367)
Net cash provided by/(used in) operating activities	6,947	7,617	5,624	5,520	5,681
<i>Cash flows from investing activities</i>					
Payments for property, infrastructure, plant and equipment	(6,690)	(7,352)	(5,657)	(5,745)	(5,869)
Proceeds from sale of property, infrastructure, plant and equipment	360	273	278	284	290
Net cash provided by/(used in) investing activities	(6,330)	(7,079)	(5,379)	(5,461)	(5,579)
<i>Cash flows from financing activities</i>					
Finance costs	(84)	(125)	(129)	(132)	(136)
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	(105)	(110)	-	-	-
Net cash provided by/(used in) financing activities	(189)	(235)	(129)	(132)	(136)
Net increase/(decrease) in cash and cash equivalents	428	303	117	(73)	(34)
Cash and cash equivalents at the beginning of the financial year	1,152	1,580	1,883	2,000	1,927
Cash and cash equivalents at the end of the financial year	1,580	1,883	2,000	1,927	1,893

5. STATEMENT OF CAPITAL WORKS

FOR THE FOUR YEARS ENDING 30 JUNE 2021

	<i>Forecast Actual</i>	<i>Budget</i>			
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Property					
Land improvements	30	17	-	-	-
Total Land	30	17	-	-	-
Buildings	200	520	105	105	105
Heritage buildings	6	264	5	5	5
Total buildings	206	784	110	110	110
Total property	236	801	110	110	110
Plant and equipment					
Plant, machinery and equipment	1,187	1,200	1,200	1,200	1,200
Fixtures, fittings and furniture	6	12	6	6	6
Computers and telecommunications	100	82	20	20	20
Total plant and equipment	1,293	1,294	1,226	1,226	1,226
Infrastructure					
Roads	4,317	4,421	4,016	4,094	4,204
Bridges	115	23	24	25	26
Kerb and channel	169	209	104	107	110
Footpaths	167	126	102	107	110
Drainage	71	26	39	40	41
Recreational, leisure and community facilities	98	55	5	5	5
Waste management	20	20	20	20	20
Parks, open space and streetscapes	80	10	10	10	17
Aerodromes	124	200	-	-	-
Other Infrastructure	-	167	-	-	-
Total infrastructure	5,161	5,257	4,320	4,408	4,532
Total capital works expenditure	6,690	7,352	5,657	5,745	5,869
Represented by:					
Asset renewal expenditure	193	384	150	153	156
New asset expenditure	5,655	5,791	4,807	4,878	4,985
Asset upgrade expenditure	843	1,177	700	714	728
Total capital works expenditure	6,690	7,352	5,657	5,745	5,869

6. STATEMENT OF HUMAN RESOURCES

FOR THE FOUR YEARS ENDING 30 JUNE 2021

	<i>Forecast</i>	<i>Budget</i>	<i>Strategic Resource Plan</i>		
	<i>Actual</i>		<i>Projections</i>		
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Staff expenditure					
Employee costs - operating	7,760	8,323	8,461	8,717	8,981
Employee costs - capital	1,069	1,373	1,180	1,222	1,264
Total staff expenditure	8,829	9,696	9,641	9,939	10,245
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	104	104	102	102	102
Total staff numbers	104	104	102	102	102

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

<i>Department</i>	<i>Budget</i>	<i>Permanent</i>	<i>Permanent</i>
	<i>2017/18</i>	<i>Full Time</i>	<i>Full Time</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Community Services	2,044	862	1,182
Corporate Services	831	831	-
Economic Development	324	324	-
Engineering	3,296	3,296	-
Governance	716	639	77
Recreation, Culture and Leisure	92	-	92
Regulatory Services	281	217	64
Waste and Environment	739	739	-
Total permanent staff expenditure	8,323	6,908	1,415
Casuals and other expenditure	-		
Capitalised Labour costs	1,373		
Total expenditure	9,696		

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

<i>Department</i>	<i>Budget</i>	<i>Permanent</i>	<i>Permanent</i>
	<i>FTE</i>	<i>Full Time</i>	<i>Part Time</i>
Community Services	19	4	15
Corporate Services	5	5	-
Economic Development	2	2	-
Engineering	64	64	-
Governance	5	4	1
Recreation, Culture and Leisure	2	-	2
Regulatory Services	4	3	1
Waste and Environment	3	3	-
Total permanent staff	104	85	19
Casuals and other	-		
Capitalised Labour costs	-		
Total staff	104		

4. Financial Performance Indicators

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

Indicator	Measure	Notes	Forecast			Trend			
			Actual 2015/16	Actual 2016/17	Budget 2017/18				
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-1.3%	-6.8%	-11.9%	-9.2%	-9.8%	-10.2%	o
Liquidity									
Working capital	Current assets / current liabilities	2	118%	91.9%	118.3%	119.6%	120.6%	120.2%	+
Unrestricted cash	Unrestricted cash / current liabilities		61.0%	127.2%	88.7%	95.9%	96.1%	96.3%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	3.0%	1.8%	0.9%	0.0%	0.0%	0.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2.0%	1.6%	2.0%	1.1%	1.1%	1.0%	o
Indebtedness	Non-current liabilities / own source revenue		6.0%	5.2%	5.7%	5.7%	5.6%	5.4%	o
Asset renewal	Asset renewal expenditure / depreciation	4	92.0%	85.3%	84.8%	68.3%	67.3%	66.8%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	56.0%	49.4%	49.7%	58.3%	59.8%	60.4%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.7%	0.1%	0.1%	0.1%	0.1%	0.1%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$3,037	\$2,900	\$3,094	\$2,926	\$2,971	\$3,069	o
Revenue level	Residential rate revenue / No. of residential property assessments		\$699	\$598	\$609	\$622	\$634	\$647	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		11.0%	11.5%	11.0%	10.0%	\$10.0%	10.0%	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. *Adjusted underlying result* - An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Continued losses means reliance on Council's cash reserves or increased debt to maintain services.
2. *Working Capital* - The proportion of current liabilities represented by current assets. Working capital is forecast to increase slightly in 2017/2018 financial year. The trend in later years is to remain steady at an acceptable level.
3. *Debt compared to rates* - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.
4. *Asset renewal* - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.
5. *Rates concentration* - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

5. Grants and Borrowings

This section presents other budget related information required by the regulations.

This section includes the following statements and reports:

1. Grants operating
2. Grants capital
3. Statement of borrowings

5.1 GRANTS OPERATING - (\$136,000 INCREASE)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to increase by 1.8% or \$136,000 compared to 2016/2017. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

<i>Grants - Operating</i>	<i>Forecast Actual 2016/17 \$'000</i>	<i>Budget 2017/18 \$'000</i>	<i>Variance \$'000</i>
<i>Recurrent - Commonwealth Government</i>			
Victoria Grants Commission	4,796	4,796	-
General Home Care and Assessment	455	449	(6)
Meals on Wheels	55	54	(1)
Senior Citizens	16	16	-
Other	-	-	-
<i>Recurrent - State Government</i>			
General Home Care and Assessment	218	218	-
Meals on Wheels	6	6	-
Senior Citizens	38	38	-
Maternal & Child Health	192	192	-
Youth	117	25	(92)
Pre-school	544	504	(40)
Valuation	65	5	(60)
Weed and Pest	80	50	(30)
Community Transport	39	41	2
Other	39	20	(19)
Total recurrent grants	6,660	6,414	(246)
<i>Non-recurrent - Commonwealth Government</i>			
Drought Funding	611	598	(13)
Natural Disaster	-	500	500
<i>Non-recurrent - State Government</i>			
Sporting Clubs	492	177	(315)
Roads to Market	-	210	210
Total non-recurrent grants	1,103	1,485	382
Total operating grants	7,763	7,899	136

5.2 GRANTS CAPITAL (\$23,000 DECREASE)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 0.8% or \$23,000 compared to 2016/2017. Section 6. "Capital Works Program" includes a more detailed analysis of the grants and contributions expected to be received during the 2017/2018 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

<i>Grants - Capital</i>	<i>Forecast Actual 2016/17 \$'000</i>	<i>Budget 2017/18 \$'000</i>	<i>Variance \$'000</i>
Recurrent - Commonwealth Government			
Roads to Recovery	2,142	1,855	(287)
Total recurrent grants	2,142	1,855	(287)
Non-recurrent - Commonwealth Government			
Aerodromes	489	-	(489)
Levee	-	375	375
Bridges	40	-	(40)
Non-recurrent - State Government			
Livestock Exchange	-	150	150
Levee	-	435	435
Fire Tanks	167	-	(167)
Total non-recurrent grants	696	960	264
Total capital grants	2,838	2,815	(23)

5.3 STATEMENT OF BORROWINGS

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

	<i>2016/17 \$</i>	<i>2017/18 \$</i>
Total amount borrowed as at 30 June of the prior year	215	110
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(105)	(110)
Total amount of borrowings as at 30 June	110	-

6. Capital Works Program

This section presents a listing of the capital works projects that will be undertaken for the 2017/18 year.

The capital works projects are grouped by class and include the following:

1. New works for 2017/18

CAPITAL WORKS PROGRAM

For the year ending 30 June 2018

6.1 NEW WORKS FOR 2017/18

FOR THE YEAR ENDING 30 JUNE 2018

<i>Capital Works Area</i>	<i>Project Cost \$'000</i>	<i>Asset expenditure types</i>			<i>Summary of funding sources</i>		
		<i>New \$'000</i>	<i>Renewal \$'000</i>	<i>Upgrade \$'000</i>	<i>Grants \$'000</i>	<i>Contributions \$'000</i>	<i>Council Cash \$'000</i>
PROPERTY							
Land							
Land	-	-	-	-	-	-	-
Land Improvements							
Industrial Estate: Hopetoun - Fencing	17	17	-	-	-	-	17
Buildings							
Community facilities: Senior Citizens	5	-	5	-	-	-	5
Caravan Parks: Warracknabeal Abulution Block	35	-	35	-	-	-	35
Public Amenities	5	-	5	-	-	-	5
Municipal Office: Warracknabeal	5	-	5	-	-	-	5
Depot: Hopetoun - Truck shed	80	80	-	-	-	-	80
Depot: Murtoa - Truck wash	30	30	-	-	-	-	30
Depot: Mechanics - Concrete floor	10	-	10	-	-	-	10
Total Buildings	170	110	60	-	-	-	170
Heritage buildings							
Warracknabeal Town Hall	64	-	-	64	-	-	64
Tempy Town Hall	66	-	66	-	66	-	-
Hopetoun Memorial Hall	67	-	67	-	67	-	-
Sheep Hills Mechanic Institute Hall	67	-	67	-	67	-	-
Total Heritage Buildings	264	-	200	64	200	-	64
Building Improvements							
Warracknabeal Regional Livestock Exchange	200	-	-	200	150	-	50
Warracknabeal Library	150	-	-	150	150	-	-
Total Building Improvements	350	-	-	350	300	-	50
TOTAL PROPERTY	801	127	260	414	500	-	301

6.1 NEW WORKS FOR 2017/18

FOR THE YEAR ENDING 30 JUNE 2018

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of funding sources		
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000
PLANT AND EQUIPMENT							
Plant, Machinery and Equipment							
Staff Vehicles	300	-	300	-	-	-	300
Works Plant	900	-	900	-	-	-	900
Total Plant, Machinery and Equipment	1,200	-	1,200	-	-	-	1,200
Fixtures, Fittings and Furniture							
Fixtures, Fittings and Furniture	10	-	10	-	-	-	10
Computers and Telecommunications							
Information technology: Servers	77	77	-	-	-	-	77
Information technology: MECC	2	2	-	-	-	-	2
Information technology: Warrackneabeal Regional Livestock Exchange	5	5	-	-	-	-	5
Total Computers and Telecommunications	84	84	-	-	-	-	84
TOTAL PLANT AND EQUIPMENT	1,294	84	1,210	-	-	-	1,294

6.1 NEW WORKS FOR 2017/18

FOR THE YEAR ENDING 30 JUNE 2018

<i>Capital Works Area</i>	<i>Project Cost \$'000</i>	<i>Asset expenditure types</i>			<i>Summary of funding sources</i>		
		<i>New \$'000</i>	<i>Renewal \$'000</i>	<i>Upgrade \$'000</i>	<i>Grants \$'000</i>	<i>Contributions \$'000</i>	<i>Council Cash \$'000</i>
INFRASTRUCTURE							
Roads							
Local roads: Urban Construction	442	-	442	-	-	-	442
Local roads: Rural Construction	2,001	-	2,001	-	1,951	50	-
Local roads: Resheets	1,128	-	1,128	-	110	-	1,018
Local roads: Reseals	501	-	501	-	-	-	501
Local roads: Shoulder Resheeting	350	-	350	-	-	-	350
Roads to Recovery							
Total roads	4,422	-	4,422	-	2,061	50	2,311
Bridges							
Bridges and culverts	23	-	23	-	-	-	23
Total Bridges	23	-	23	-	-	-	23
Footpaths and Kerb and Channel							
Footpaths	126	-	126	-	-	-	126
Kerb & Channel	209	-	209	-	-	-	209
Total Footpaths and Kerb and Channel	335	-	335	-	-	-	335
Drainage							
Drains - roads	26	-	26	-	-	-	26
Total Drainage	26	-	26	-	-	-	26

6.1 NEW WORKS FOR 2017/18

FOR THE YEAR ENDING 30 JUNE 2018

<i>Capital Works Area</i>	<i>Project Cost \$'000</i>	<i>Asset expenditure types</i>		<i>Summary of funding sources</i>		
		<i>New \$'000</i>	<i>Renewal \$'000</i>	<i>Upgrade \$'000</i>	<i>Grants \$'000</i>	<i>Contributions \$'000</i>
Recreational, Leisure and Community Facilities						
Swimming Pools	5	-	5	-	-	5
Warracknabeal Leisure Centre - guttering	50	-	-	50	-	50
Total Recreational, Leisure and Community Facilities	55	-	5	50	-	55
Waste Management						
Waste Management	20	-	20	-	-	20
Total Waste Management	20	-	20	-	-	20
Parks, Open Space and Streetscapes						
Playground equipment	10	-	10	-	-	10
Total Parks, Open Space and Streetscapes	10	-	10	-	-	10
Aerodromes						
Warracknabeal - Ambulance Transfer Station	150	150	-	-	110	40
Hopetoun - Runway	50	-	50	-	-	50
Total Aerodromes	200	150	50	-	110	40
Other Infrastructure						
Fire Tanks & Hydrants	167	167	-	-	167	-
Total Other Infrastructure	167	167	-	-	167	-
TOTAL INFRASTRUCTURE	5,257	317	4,891	50	2,337	2,830
TOTAL NEW CAPITAL WORKS 2017/18	7,352	527	6,361	464	2,837	4,425
Summary						
PROPERTY	801	127	260	414	500	301
PLANT AND EQUIPMENT	1,294	84	1,210	-	-	1,294
INFRASTRUCTURE	5,257	316	4,891	50	2,337	2,830
TOTAL CAPITAL WORKS	7,352	527	6,361	464	2,837	4,425

F. Rates and Charges

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's Annual Budget.

RATES AND CHARGES

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for 49% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2017/2018 the FGRS cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Yarriambiack community.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and municipal charge will increase by 2.0% in line with the rate cap. Kerbside collection charge by 2.0% and the recycling charge by 2.0%. This will raise total rates and charges for 2017/18 of \$10.795 million.

7.1 THE RATE IN THE DOLLAR TO BE LEVIED AS GENERAL RATES UNDER SECTION 158 OF THE ACT FOR EACH TYPE OR CLASS OF LAND COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type or class of land</i>	<i>2016/17 cents/\$CIV</i>	<i>2017/18 cents/\$CIV</i>	<i>Change</i>
General rate for rateable residential properties	0.6422	0.6550	2.0%
General rate for rateable commercial properties	0.6422	0.6550	2.0%
General rate for rateable farm properties	0.5221	0.5325	2.0%

7.2 THE ESTIMATED TOTAL AMOUNT TO BE RAISED BY GENERAL RATES IN RELATION TO EACH TYPE OR CLASS OF LAND, AND THE ESTIMATED TOTAL AMOUNT TO BE RAISED BY GENERAL RATES, COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type or class of land</i>	<i>2016/17 \$</i>	<i>2017/18 \$</i>	<i>Change</i>
Residential	1,998,065	2,038,023	2.0%
Commercial	324,199	330,683	2.0%
Farm	7,910,035	8,067,236	2.0%
Total amount to be raised by general rates	10,232,299	10,435,942	2.0%

7.3 THE NUMBER OF ASSESSMENTS IN RELATION TO EACH TYPE OR CLASS OF LAND, AND THE TOTAL NUMBER OF ASSESSMENTS, COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type or class of land</i>	<i>2016/17 Number</i>	<i>2017/18 Number</i>	<i>Change</i>
Residential	3,338	3,338	0.0%
Commercial	458	458	0.0%
Farm	3,064	3,064	0.0%
Total number of assessments	6,860	6,860	0.0%

7.4 THE BASIS OF VALUATION TO BE USED IS THE CAPITAL IMPROVED VALUE (CIV)

7.5 THE ESTIMATED TOTAL VALUE OF EACH TYPE OR CLASS OF LAND, AND THE ESTIMATED TOTAL VALUE OF LAND, COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type or class of land</i>	<i>2016/17</i> \$	<i>2017/18</i> \$	<i>Change</i>
Residential	311,128,000	311,128,000	0.0%
Commercial	50,482,600	50,482,600	0.0%
Farm	1,515,041,900	1,515,041,900	0.0%
Total value of land	1,876,652,500	1,876,652,500	0.0%

7.6 THE MUNICIPAL CHARGE UNDER SECTION 159 OF THE ACT COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type of Charge</i>	<i>Per Rateable Property</i> <i>2016/17</i> \$	<i>Per Rateable Property</i> <i>2017/18</i> \$	<i>Change</i>
Municipal	70.42	71.83	2.0%

7.7 THE ESTIMATED TOTAL AMOUNT TO BE RAISED BY MUNICIPAL CHARGES COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type of Charge</i>	<i>2016/17</i> \$	<i>2017/18</i> \$	<i>Change</i>
Municipal	351,677	358,711	2.0%

7.8 THE RATE OR UNIT AMOUNT TO BE LEVIED FOR EACH TYPE OF SERVICE RATE OR CHARGE UNDER SECTION 162 OF THE ACT COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type of Charge</i>	<i>2016/17</i> <i>cents/\$CIV</i>	<i>2017/18</i> <i>cents/\$CIV</i>	<i>Change</i>
<i>Kerbside collection</i>			
Residential - 80lt bin	130.92	133.54	2.0%
Residential - 120lt bin	181.74	185.37	2.0%
Residential - 240lt bin	353.72	360.79	2.0%
Other - 80lt bin	130.92	133.54	2.0%
Other - 120lt bin	181.74	185.37	2.0%
Other - 240lt bin	353.72	360.79	2.0%
<i>Recycling</i>			
Residential	117.42	119.77	2.0%
Other	117.42	119.77	2.0%

7.9 THE ESTIMATED TOTAL AMOUNT TO BE RAISED BY EACH TYPE OF SERVICE RATE OR CHARGE, AND THE ESTIMATED TOTAL AMOUNT TO BE RAISED BY SERVICE RATES AND CHARGES, COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type of Charge</i>	<i>Per Rateable Property</i> <i>2015/16</i> \$	<i>Per Rateable Property</i> <i>2016/17</i> \$	<i>Change</i>
Kerbside collection	687,546	711,262	3.4%
Recycling	352,728	361,820	2.6%
Total	1,040,274	1,073,082	3.2%

7.10 THE ESTIMATED TOTAL AMOUNT TO BE RAISED BY ALL RATES AND CHARGES COMPARED WITH THE PREVIOUS FINANCIAL YEAR

<i>Type of Charge</i>	<i>2016/17</i> \$	<i>2017/18</i> \$	<i>Change</i>
General rates	10,232,299	10,435,942	2.0%
Municipal charge	351,677	358,711	2.0%
Kerbside collection and recycling	1,040,274	1,073,082	3.2%
Total Rates and charges	11,624,250	11,867,735	2.1%

7.11 ANY SIGNIFICANT CHANGES THAT MAY AFFECT THE ESTIMATED AMOUNTS TO BE RAISED BY RATES AND CHARGES

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

7.12 DIFFERENTIAL RATES

Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.6550% (0.6650 cents in the dollar of CIV) for all rateable residential and commercial properties; and
- A general rate of 0.5325% (0.5325 cents in the dollar of CIV) for all rateable farm properties.

Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below.

Residential and Commercial land

Residential land is any land, which is:

- Occupied for the principal purpose of physically accommodating persons; or
- Unoccupied but zoned residential under the Yarriambiack Shire Council Planning Scheme.

Commercial land is any land, which is:

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

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

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

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

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

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

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

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2017/18 financial year.

Farm land

Farm land is any land:

- (a) that is not less than 2 hectares in area; and
- (b) that is used primarily for grazing (including agistment), dairying, pig-farming, poultry
- (c) that is used by a business -
 - (i) that has a significant and substantial commercial purpose or character; and
 - (ii) that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - (iii) that 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;

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

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

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

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

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

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

7.13 FAIR GO RATES SYSTEM COMPLIANCE

Yarriambiack Shire Council is fully compliant with the State Government's Fair Go Rates System.

Base Average Rates (2016/2017)	\$1,542.85
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017/2018)	\$1,573.71
Maximum General Rates and Municipal Charges Revenue	\$10,795,656
Budgeted General Rates and Municipal Charges Revenue	\$10,794,653

Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

This section includes the following analysis and information.

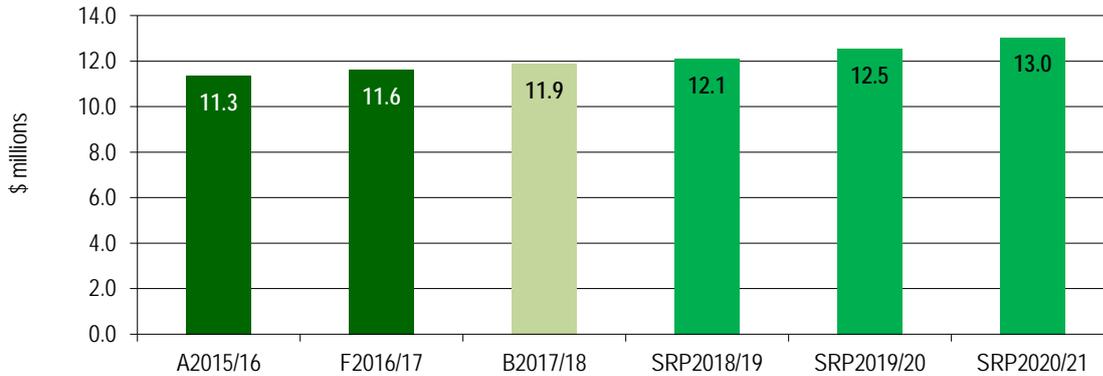
8. Summary of financial position
9. Budget influences
10. Analysis of operating budget
11. Analysis of budgeted cash position
12. Analysis of capital budget
13. Analysis of budgeted financial position

8. Summary of Financial Position

Council has prepared a Budget for the 2017/2018 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

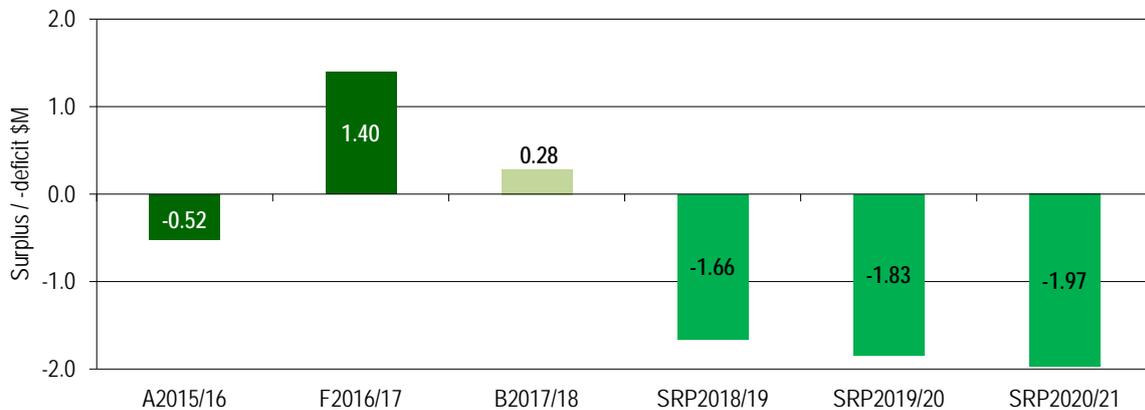
A= Actual F= Forecast B= Budget SRP= Strategic Resource Plan estimates

8.1 RATES AND CHARGES



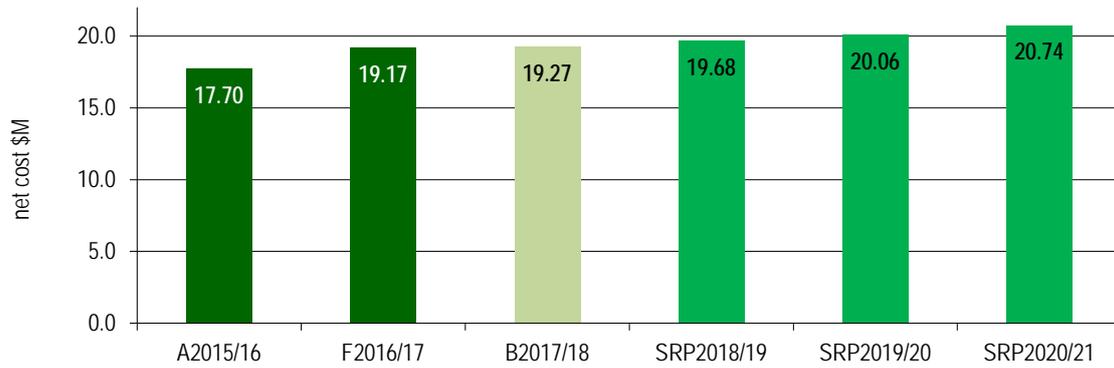
It is proposed that the average rates increase by 2.0% for the 2017/18 year, raising total rates of \$11.9 million including supplementary rates. This will result in an increase in total revenue from rates and service charges of 2.0%. The extra \$230,000 will go towards maintaining service levels and meeting the cost of a number of external influences affecting the operating budget. The rate increase will go toward capital works to address the asset renewal needs of the Council. This rate increase is in line with the rate cap set by the Minister for Local Government. (The rate increase for the 2016/2017 year was 2.50%). Refer Sections 7 and 10 for more information.

8.2 OPERATING RESULT



The expected operating result for the 2017/2018 year is a surplus of \$283,000, which is a decrease of \$1.115 million over 2016/17. The lower operating result is due mainly to a 6% increase in operating expenditure compared to Council's capacity to raise additional income 2.0%. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a deficit of \$2.622million, which is an decrease of \$1.145 million over 2016/2017 - refer to Section 7 of this summary for further information. (The forecast operating result for the 2016/17 year is a deficit of \$1.398 million).

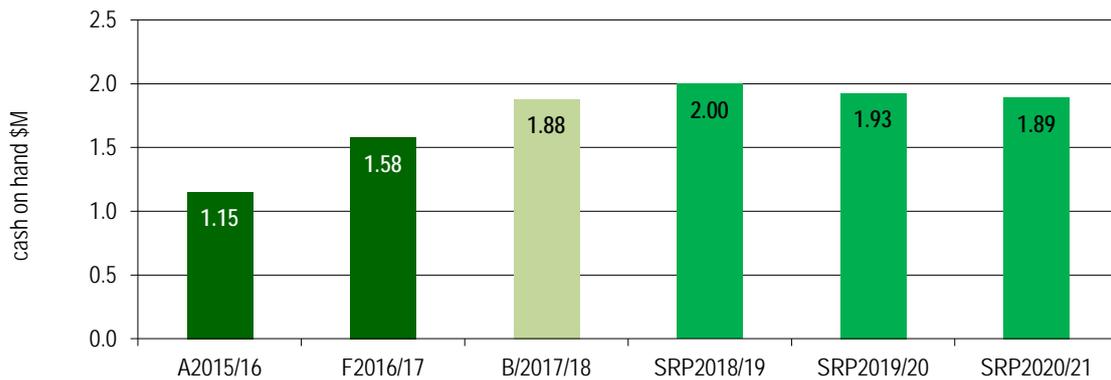
8.3 SERVICES



The net cost of services delivered to the community for the 2017/18 year is expected to be \$19.27 million which is an increase of \$1.47 million over 2016/17. A key influencing factor in the development of the 2017/18 budget has been the recently released results of the community satisfaction survey conducted by Council. The survey results show that while there is a relatively high level of satisfaction with most services provided by Council, there are some areas of concern where there is a clear message that ratepayers want improved service levels. For the 2017/18 year, service levels have been maintained and a number of initiatives proposed. (The forecast net cost for the 2016/17 year is \$17.70 million).

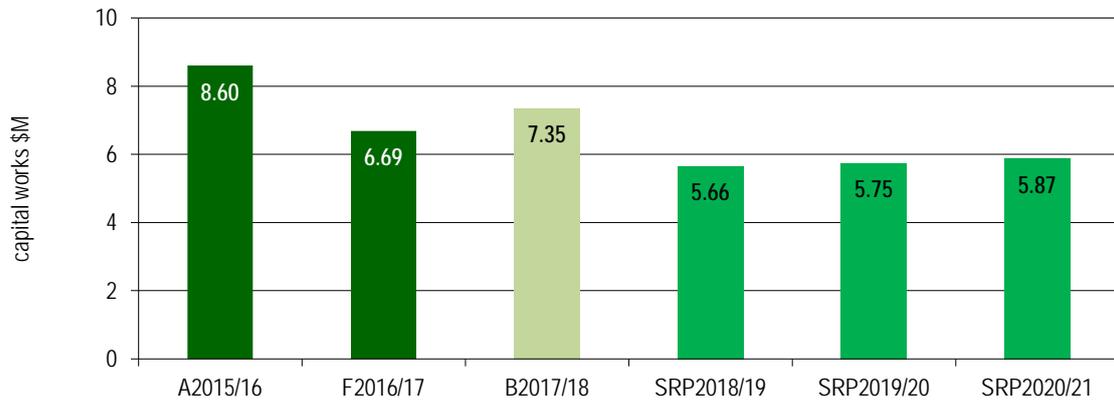
Refer Section 2 for a list of services.

8.4 CASH AND INVESTMENTS



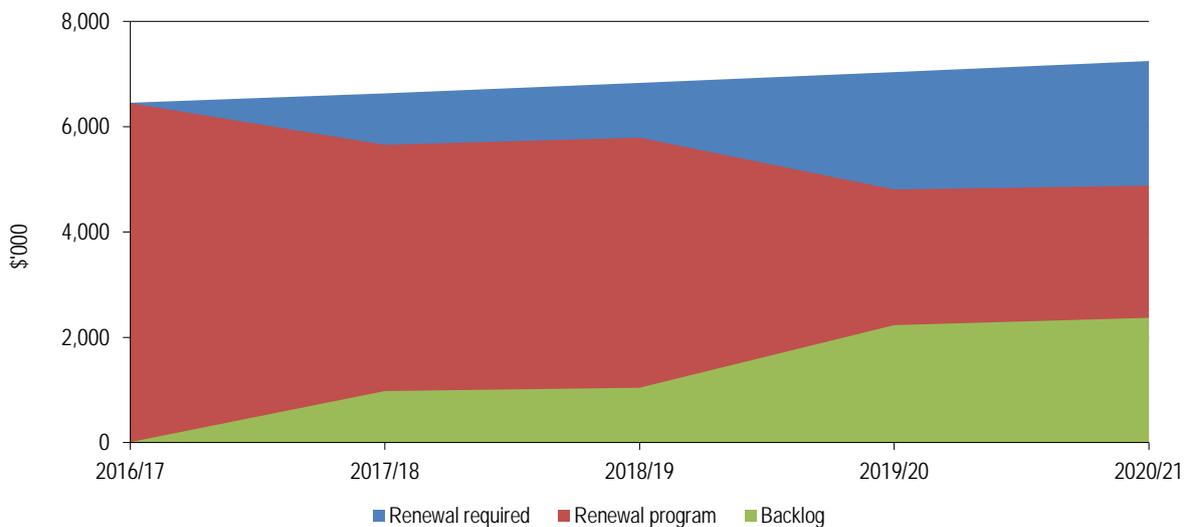
Refer also Section 4 for the Statement of Cash Flows and Section 11 for an Analysis of the Cash Position.

8.5 CAPITAL WORKS



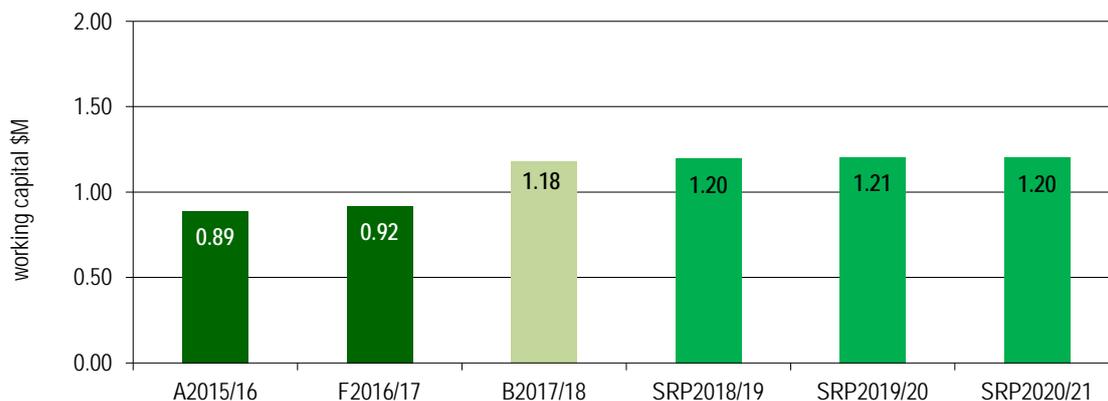
The capital works program for the 2017/2018 year is expected to be \$7.352 million. Of the \$7.352 million of capital funding required, \$2.837 million will come from external grants, \$60,000 from community contributions, with the balance of \$4.425 million from Council cash. The Council cash amount comprises asset sales (\$273,000), and cash generated through operations in the 2017/18 financial year. The capital expenditure program has been set and prioritised based on a rigorous process of consultation, that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes a number of major road projects including reconstruction and widening of the Dimboola Minyip Road (\$307,576), widening of the Longerenong Road (\$195,140), reconstruction of Corrong Swamp Road (\$245,448), construction and seal of the Sheep Hills Bangerang Road (\$203,912), reconstruct and widen Hopetoun Yaapeet Road (\$284,460) and reconstruction of Goyura East School Bus Route (\$143,600). The program also has a number of building projects including the Warracknabeal Library (\$150,000), the construction of a new truck shed at the Hopetoun Depot, and upgrade works at the Warracknabeal Livestock Exchange (\$200,000). (Capital works is forecast to be \$6.690 million for the 2016/2017 year).

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



Refer also Section 4 for the Statement of Capital Works and Section 12 for an Analysis of the Capital Budget.

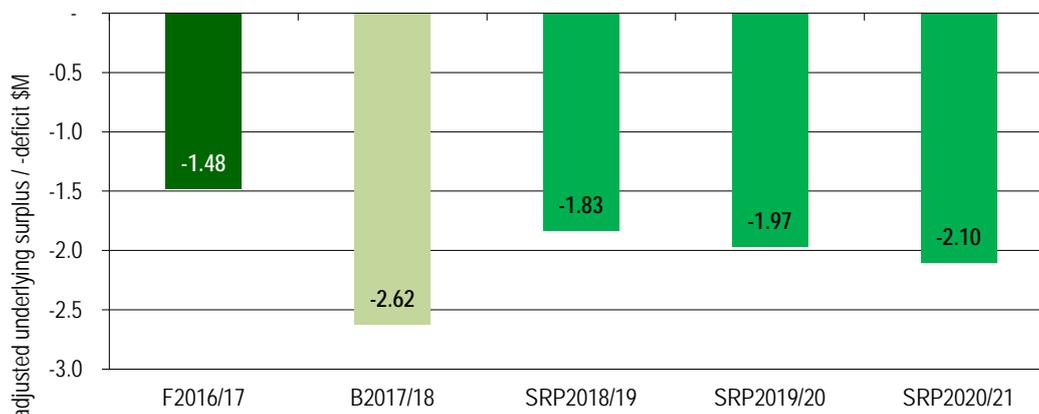
8.6 FINANCIAL POSITION



The financial position is expected to improve with net assets (net worth) to increase by \$1.283 million to \$159.594 million although net current assets (working capital) will increase by \$1.110 million to \$1.180 million as at 30 June 2017. (Total equity is forecast to be \$158.311 million as at 30 June 2018).

Refer also Section 4 for the Balance Sheet and Section 13 for an Analysis of the Budgeted Financial Position.

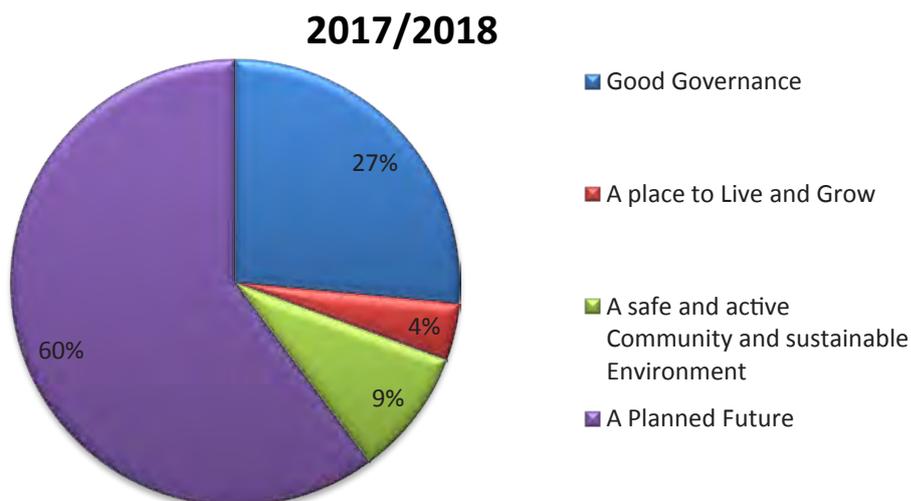
8.7 FINANCIAL SUSTAINABILITY



A high level Strategic Resource Plan for the years 2017/2018 to 2020/2021 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council’s strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a decreasing deficit over the four year period.

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

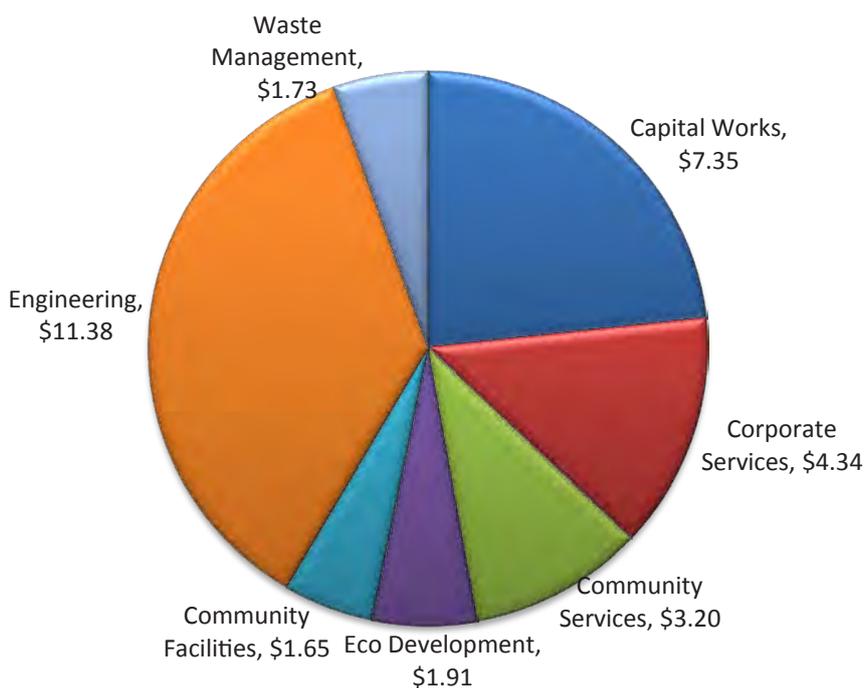
8.8 STRATEGIC OBJECTIVES



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2017/2018 year.

The services that contribute to these objectives are set out in Section 2.

8.9 COUNCIL EXPENDITURE ALLOCATIONS



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends. Council overheads, governance costs and administrative costs are allocated to our external facing services using an internal overhead allocation model.

9. Budget Influences

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

9.1 SNAPSHOT OF YARRIAMBIACK SHIRE COUNCIL

Yarriambiack Shire Council is located in the north west of Victoria approximately 40 minutes drive from the regional centre of Horsham. The Council, covering an area of 7,158 square kilometres, comprises the former shires of Karkaroc, Warracknabeal, Dunmunkle and part of the former Wimmera Shire. At the time of amalgamation in 1995, the newly formed Council adopted the official name of Yarriambiack Shire Council.

The Council operates its main administrative office in the township of Warracknabeal, along with a service centre in the township of Hopetoun. Other towns within the municipality include Murtoa, Rupanyup, Lubeck, Minyip, Brim, Beulah, Woomelang, Lah, Lascelles, Rosebery, Sheep Hills, Speed, Tempy, Turriff, Patchewollock and Yaapeet.

POPULATION

As at June 30 2015, the residential population of the Shire was 6,759 people. In the last 4 years from 2011 to 2015, the population has dropped by about 424 with the population still in decline. (Source: Australian Bureau of Statistics, Estimated Resident Population).

AGEING POPULATION

The population is ageing and Council has a greater proportion of older people compared to the Victorian average. Overall 26% of the Council's population is between the ages of 0 - 24 and 39% of the population is 55 years and over compared to 32% and 26% respectively for Victoria. (Source: Australian Bureau of Statistics, Census of Population and Housing).

BIRTHS

Despite an ageing population, approximately 67 babies have been born each year since 2005. In the 2016/17 financial year 52 babies have been born in the municipality to date. (Source: Maternal and Child Health database).

AGRICULTURE

The Yarriambiack Shire Council is the centre of grain production and handling for the Wimmera Mallee region and produces approximately 25% of Victoria's wheat and barley. Legumes, oilseed crops, lambs and wool are also significant products and agriculture as a whole provides the area with a major source of income and employment.

WORKFORCE

The Council has a workforce of over 131 employees equating to an Effective Full Time (EFT) workforce of 104. The workforce is divided into three major categories with staff operating under the administrative, works and community services departments.

The size of the Yarriambiack Shire's labour force in 2011 was 2,928 persons, of which 903 were employed part time and 1,730 were full time workers.

BUDGET IMPLICATIONS

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

- The Yarriambiack Shire encompasses a large area and this greatly increases transport costs when compared to city councils. Services cannot be centralised as most residents are unable to reach Council facilities without extensive travel.
- Over 14% of ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community.
- Over 70% of the capital works program relates to road infrastructure.
- Council's infrastructure, particularly buildings are reaching a stage where a large capital investment is required. With changes to population and demographics it is critical that all assets are assessed for their affordability and usefulness to the community in the future.

9.2 EXTERNAL INFLUENCES

- The Victorian State Government has introduced a cap on rate increases from 2016-17. The cap for 2017/18 has been set at 2.0%.
- Consumer Price Index (CPI) increases on goods and services of 1.4% through the year to the September quarter 2016. State-wide CPI is forecast to be 2.0% for the 2017/2018 year (Victorian Budget Papers 2016/17).
- The wages price index in Victoria is projected to be 3.25% per annum in 2016/17 and the subsequent two years (Victorian Budget Papers 2015/16). Council renegotiated a new Collective Agreement during 2014 with a 3.5% wage increase.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.

9.3 INTERNAL INFLUENCES

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2017/2018 Budget. These matters have arisen from events occurring in the 2016/2017 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/2018 year.

These matters and their financial impact are set out below:

- Grants - there will always be timing differences between when the Budget is adopted and the approval of various Federal and State Government Grants. These timing differences generally happen throughout the year and can be corrected via forecasting. However, they can also occur between years resulting in a permanent difference between the Budget and actual results.
- Council's commitment to reviewing services and to providing sufficient resources to undertake works as required in the Council Plan;
- Reduced level of expenditure on external contractors and consultants. In previous years consultants have been engaged for specific purposes.
- Completion of the restoration works as a result of the 2016 September Flood damage and 2017 February Storm damage. Natural Disaster grants have been applied for each event.

9.4 BUDGET PRINCIPLES

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

- Existing fees and charges to be increased in line with CPI or market levels
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained at 2016/2017 levels with the aim to use less resources with an emphasis on innovation and efficiency
- Salaries and wages to be increased in line with Enterprise Bargaining Agreement
- Contract labour to be minimized
- Construction and material costs to increase in line with the Engineering Construction Index
- New initiatives or new employee proposals to be justified through a business case
- Real savings in expenditure and increases in revenue identified in 2016/2017 to be preserved
- Operating revenues and expenses arising from completed 2016/17 capital projects to be included.

9.5 LONG TERM STRATEGIES

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2017/2018 to 2020/2021 (Section 14), Rating Information (Section 15) and Other Long Term Strategies (Section 16) including borrowings, infrastructure and service delivery.

10. Analysis of Operating Budget

This section analyses the operating budget including expected income and expenses of the Council for the 2017/2018 year.

10.1 BUDGETED INCOME STATEMENT

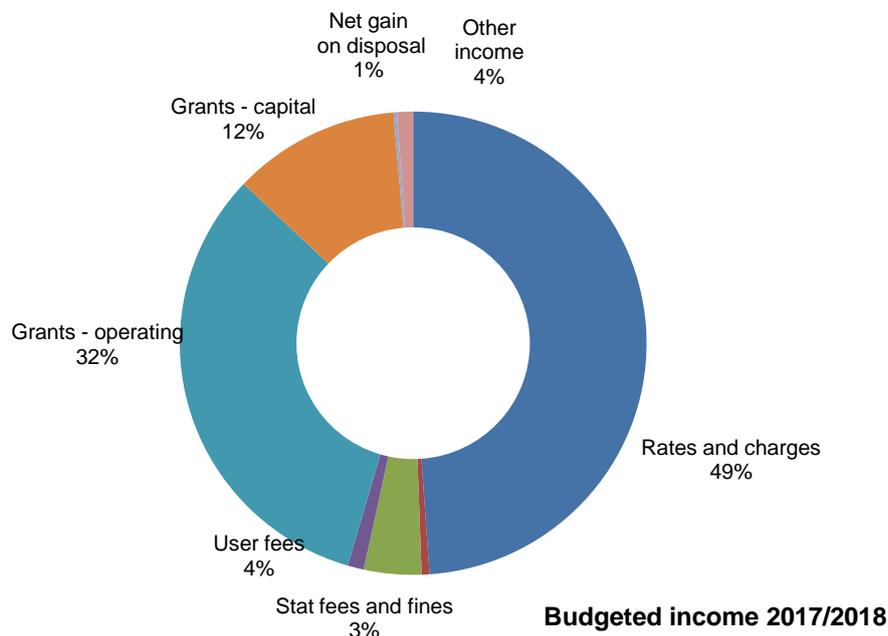
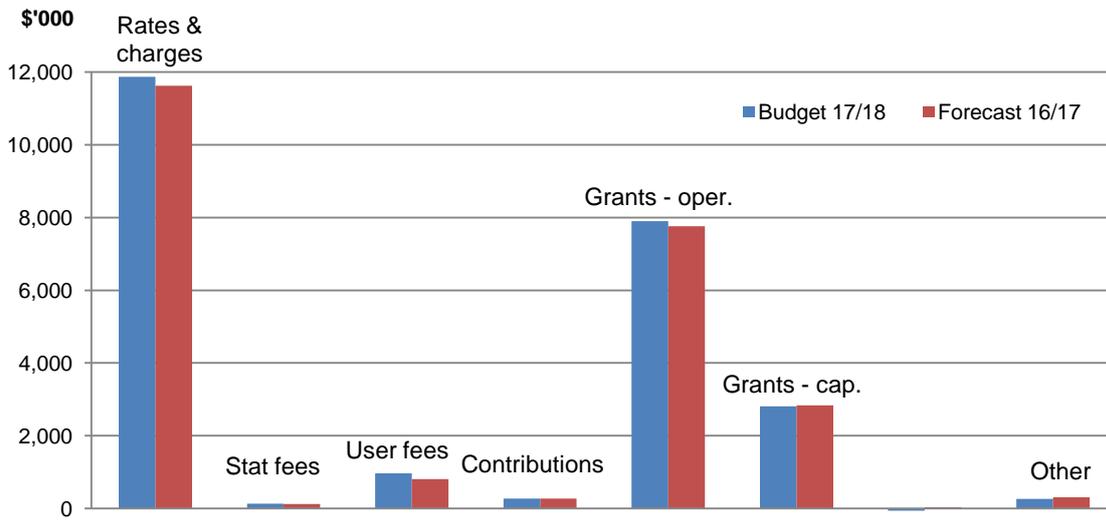
	<i>Ref</i>	<i>Forecast Actual 2016/17 \$'000</i>	<i>Budget 2017/18 \$'000</i>	<i>Variance \$'000</i>
Total income	10.2	23,785	24,168	383
Total expenses	10.3	(22,387)	(23,885)	(1,498)
Surplus (deficit) for the year		1,398	283	(1,115)
Grants - non-recurrent capital	10.2.6	(2,838)	(2,815)	23
Contributions - non-monetary assets		-	-	-
Capital contributions - other sources	10.2.4	(37)	(90)	(53)
Adjusted underlying surplus (deficit)	10.1.1	(1,477)	(2,622)	(1,145)

10.1.1 Adjusted underlying deficit (\$1.145 million increase)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/2018 year is a deficit of \$2.622 million which is a increase of \$1.145 million from the 2016/2017 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

10.2 INCOME

<i>Income Types</i>	<i>Ref</i>	<i>Forecast Actual 2016/17 \$'000</i>	<i>Budget 2017/18 \$'000</i>	<i>Variance \$'000</i>
Rates and charges	10.2.1	11,626	11,868	242
Statutory fees and fines	10.2.2	127	131	4
User fees	10.2.3	808	967	159
Contributions - monetary	10.2.4	271	273	2
Grants - Operating	5.1.1	7,763	7,899	136
Grants - Capital	5.1.2	2,838	2,815	(23)
Net gain on disposal of property, infrastructure, plant and equipment	10.2.5	41	55	(97)
Other income	10.2.6	311	270	(41)
Total Income		23,785	24,168	382



10.2.1 Rates and charges (\$242,000 increase)

It is proposed that income raised by all rates and charges be increased by 2.0% or \$242,000 to \$11.868 million. This includes an increase in general rates of 2.0%, the Municipal Charge of 2.0%, kerbside waste collection and recycling of 2.0%.

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017/2018 and the rates and charges specifically required by the Regulations.

10.2.2 Statutory fees and fines (\$4,000 increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Public Health and Wellbeing Act 2008 registrations. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase by 3.1% or \$4,000 compared to 2016/2017.

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

10.2.3 User fees (\$159,000 increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure centre, caravan parks and the provision of human services such as meals on wheels and home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels.

User charges are projected to increase by 19.7% or \$159,000 over 2016/2017. The main area contributing to the increase is community contributions towards projects (\$130,000).

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

10.2.4 Contributions - monetary (\$2,000 increase)

Contributions relate to monies paid by other Councils or various interested parties for services provided by Council such as roadworks or community projects.

Contributions are projected to increase by \$2,000 or 0.6% compared to 2016/2017.

10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$97,000 decrease)

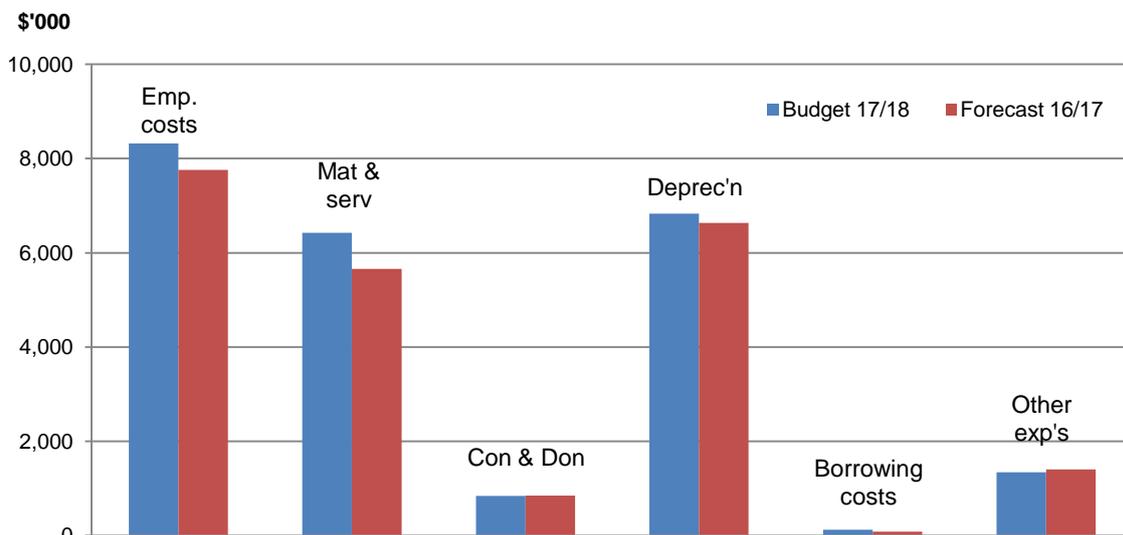
Proceeds from the disposal of Council assets is forecast to be \$55,000 for 2017/2018 and relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet (\$1.20 million).

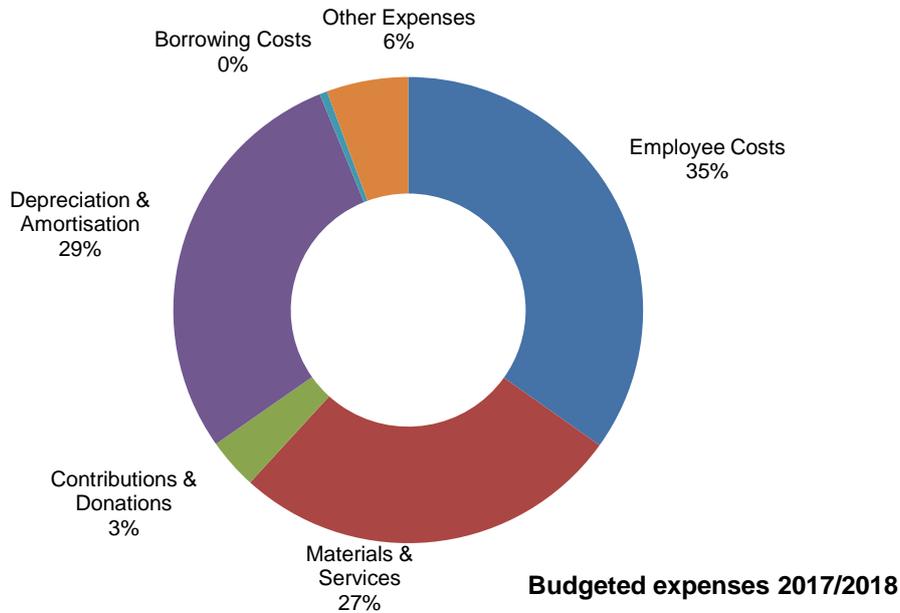
10.2.6 Other income (\$41,000 decrease)

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to increase by 35.0% or \$109,000 compared to 2016/2017.

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	
Employee costs	10.3.1	7,760	8,323	564
Materials and services	10.3.2	5,658	6,425	767
Contributions and Donations	10.3.3	847	838	(10)
Depreciation and amortisation	10.3.4	6,632	6,831	199
Borrowing costs	10.3.5	84	125	41
Other expenses	10.3.6	1,404	1,343	(63)
Total expenses		22,387	23,885	1,498





10.3.1 Employee costs (\$564,000 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, etc.

Employee costs are forecast to increase by 7.3% or \$564,000 compared to 2016/2017. This increase relates to three key factors:

- An Enterprise Bargaining Agreement (EBA) increase;
- Review of positions when vacancies have occurred. In some cases this has resulted in part time positions becoming full time positions.
- Reduction of contract labour has led to a shift in the employee expenses as they have moved into permanent positions.

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

<i>Department</i>	<i>Comprises</i>		
	<i>Budget 2017/18 \$'000</i>	<i>Permanent Full Time \$'000</i>	<i>Permanent Part Time \$'000</i>
Community Services	2,044	862	1,182
Corporate Services	831	831	-
Economic Development	324	324	-
Engineering	3,296	3,296	-
Governance	716	639	77
Recreation & Culture & Leisure	92	-	92
Regulatory Services	281	217	64
Waste & Environment	739	739	-
Total permanent staff	8,323	6,908	1,415
Casuals and other expenditure	-		
Capitalised Labour costs	1,373		
Total expenditure	9,696		

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

Department	Budget FTE	Comprises Permanent Full Time	Permanent Part Time
Community Services	19	4.0	15.0
Corporate Services	5	5.0	-
Economic Development	2	2.0	-
Engineering	64	64.0	-
Governance	5	4.0	1.0
Recreation & Culture & Leisure	2	-	2.0
Regulatory Services	4	3.0	1.0
Waste & Environment	3	3.0	-
Total	104.0	85.0	19.0
Casuals and other	-		
Capitalised Labour costs	-		
Total staff	104.0		

10.3.2 Materials and services (\$767,000 increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to increase by 3.6% or \$767,000 compared to 2016/2017.

Consumables is forecast to increase by \$35,000 or 5.0% compared to 2016/2017 and relates mainly to an increase in fuel costs to operate the Council's plant and vehicle fleet.

External contracts are forecast to increase by 15.0% or \$527,849 compared to 2016/2017. The main areas contributing to this increase are the community projects which are funded through drought funding or sport and recreational funding.

Utility costs relate to telecommunications, including usage of telephones and other utilities such as gas and electricity. Utility costs are forecast to increase by 5% or \$5,690 compared to 2016/2017.

10.3.3 Contributions & Donations (\$10,000 decrease)

Contributions & donations is projected to decrease by \$10,000 or 1.1% compared to 2016/17 due mainly to a decrease in contributions towards projects that have been funded by grants. The annual contributions towards community operations of recreation reserves, swimming pools, halls and weir pools have or has been increased by 2.0%.

10.3.4 Depreciation and amortisation (\$199,000 increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$199,000 for 2017/2018 is due mainly to the completion of the 2017/2018 capital works program and the full year effect of depreciation on the 2016/2017 capital works program. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/2018 year.

10.3.5 Borrowing costs (\$41,000 increase)

Borrowing costs relate to interest charged by financial institutions on funds borrowed and interest charged on the use of the overdraft. The increase in finance costs results from the increased use of the overdraft facility.

10.3.6 Other expenses (\$63,000 decrease)

Other expenses relate to a range of unclassified items including advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to decrease by 4.5% or \$63,000 compared to 2016/2017.

11. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/2018 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

11.1 BUDGETED CASH FLOW STATEMENT

	<i>Ref</i>	<i>Forecast Actual</i> 2016/17 \$'000	<i>Budget</i> 2017/18 \$'000	<i>Variance</i> \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		10,421	12,111	1,690
User fees and fines		935	1,098	163
Grants - operating		7,763	7,899	136
Grants - capital		2,838	2,815	(23)
Contributions - monetary		271	273	2
Interest		79	80	1
Other receipts		311	270	(41)
		22,618	24,546	1,928
<i>Payments</i>				
Employee costs		(7,760)	(8,323)	(564)
Other payments		(7,911)	(8,606)	(695)
Net cash provided by operating activities		(15,671)	(16,929)	(1,259)
		6,947	7,617	670
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant & equip.		(6,690)	(7,352)	(662)
Proceeds from sale of property, infrastructure, plant & equipment		360	273	(87)
Net cash used in investing activities		(6,330)	(7,079)	(749)
Cash flows from financing activities	11.1.3			
Finance costs		(84)	(125)	(41)
Proceeds from borrowings		-	-	-
Repayment of borrowings		(105)	(110)	(5)
Net cash used in financing activities		(189)	(235)	(46)
Net decrease in cash and cash equivalents		428	303	(126)
Cash and cash equivalents at the beginning of the year		1,152	1,580	428
Cash and cash equivalents at end of the year	11.1.4	1,580	1,883	302

11.1.1 Operating activities (\$671,000 increase)

The increase in cash inflows from operating activities is due mainly to a more proactive campaign to collect long and short term outstanding rates. This approach has been undertaken by Council's debt collectors.

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	<i>Forecast Actual 2016/17 \$'000</i>	<i>Budget 2017/18 \$'000</i>	<i>Variance \$'000</i>
Surplus (deficit) for the year	1,398	283	(1,115)
Depreciation	6,632	6,831	199
Loss (gain) on disposal of property, infrastructure, plant & equipment	(41)	55	97
Finance costs	84	125	41
Net movement in current assets and liabilities	(1,126)	323	1,449
Cash flows available from operating activities	6,947	7,617	671

11.1.2 Investing activities (\$749,000 increase)

The increase in payments for investing activities represents the planned increase in capital works expenditure disclosed in Section 10 of this budget report.

11.1.3 Financing activities (\$46,000 increase)

For 2017/2018 the total of principal repayments is \$110,000 and finance charges are \$125,000.

11.1.4 Cash and cash equivalents at end of the year (\$303,000 increase)

Overall, total cash and investments is forecast to increase by \$303,000 to \$1.883 million as at 30 June 2018. This is consistent with Council's Strategic Resource Plan (see Section 8), which forecasts a significant reduction in the capital works program from 2017/2018 onwards to balance future cash budgets.

11.2 RESTRICTED AND UNRESTRICTED CASH AND INVESTMENTS

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2018 it will have cash and investments of \$1.883 million, which has been restricted as shown in the following table.

	<i>Ref</i>	<i>Forecast Actual 2016/17 \$'000</i>	<i>Budget 2017/18 \$'000</i>	<i>Variance \$'000</i>
Total cash and investments		1,580	1,883	303
Restricted cash and investments				
- Cash held to fund carry forward capital works	11.2.1	(167)	-	167
- Trust funds and deposits		-	-	-
Unrestricted cash and investments	11.2.2	1,413	1,883	470
- Discretionary reserves	11.2.3	(15)	(15)	-
Unrestricted cash adjusted for discretionary reserves	11.2.4	1,398	1,868	470

11.2.1 Cash held to fund carry forward capital works

There is no amount shown as cash held to fund carry forward works at 30 June 2018, as it is expected that the capital works budget in the 2017/2018 financial year will be fully completed. An amount of \$167,000 is forecast to be held at 30 June 2017 to fund capital works budgeted but not completed in the 2016/2017 financial year. Section 6.1 contains further details on capital works funding.

11.2.2 Unrestricted cash and investments (\$1.883 million)

The amount shown is in accordance with the definition of unrestricted cash included in the Regulations. These funds are free of statutory reserve funds and cash to be used to fund capital works expenditure from the previous financial year.

11.2.3 Discretionary reserves (\$15,000)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

11.2.4 Unrestricted cash adjusted for discretionary reserves (\$1.868 million)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

12. Analysis of Capital Budget

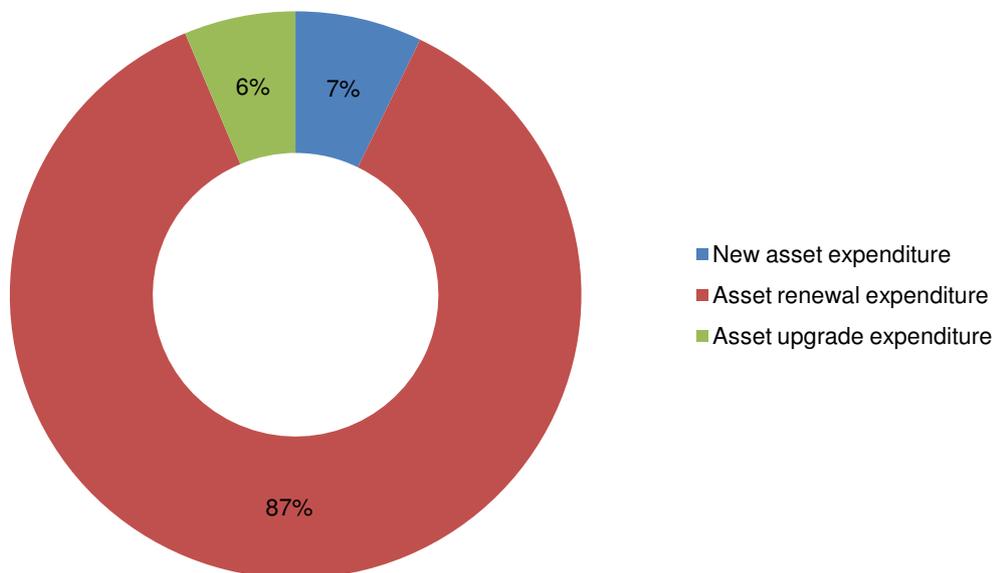
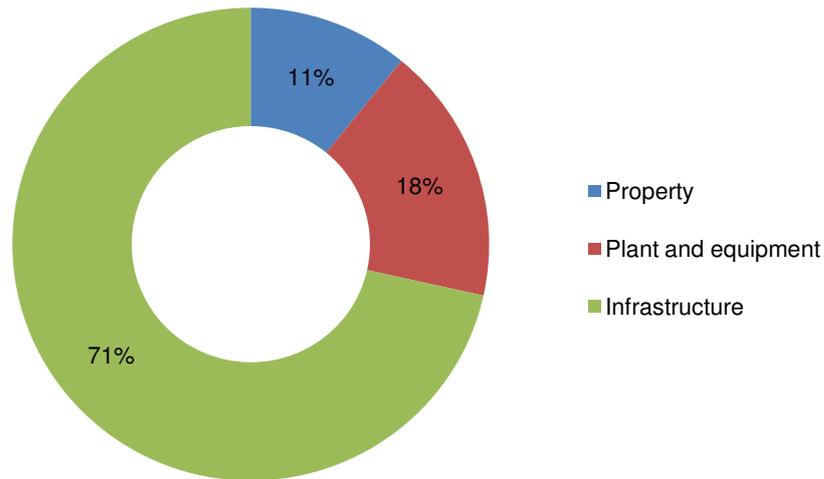
This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

12.1 CAPITAL WORKS

<i>Capital Works Areas</i>	<i>Ref</i>	<i>Forecast Actual 2016/17 \$'000</i>	<i>Budget 2017/18 \$'000</i>	<i>Variance \$'000</i>
New works				
Property	12.1.1			
Land		-	-	-
Land improvements		30	17	(14)
Total Land		30	17	(14)
Buildings				
Buildings		200	520	320
Heritage buildings		6	264	258
Building improvements		-	-	-
Leasehold improvements		-	-	-
Total buildings		206	784	578
Total property		236	801	565
Plant and equipment	12.1.2			
Heritage, plant and equipment		-	-	-
Plant, machinery and equipment		1,187	1,200	13
Fixtures, fittings and furniture		6	12	6
Computers and telecommunications		100	82	(18)
Library books		-	-	-
Total plant and equipment		1,293	1,294	1
Infrastructure	12.1.3			
Roads		4,317	4,421	104
Bridges		115	23	(92)
Kerb and channel		169	209	40
Footpaths		167	126	(41)
Drainage		71	26	(45)
Recreational, leisure and community facilities		98	55	(43)
Waste management		20	20	-
Parks, open spaces and streetscapes		80	10	(70)
Aerodromes		124	200	76
Other infrastructure		-	167	167
Total infrastructure		5,161	5,257	96
Total new works		6,690	7,352	662
Total capital works expenditure		6,690	7,352	662

Capital Works Areas	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<i>Represented by:</i>				
New asset expenditure	12.1.4	193	527	334
Asset renewal expenditure	12.1.4	5,654	6,361	706
Asset upgrade expenditure	12.1.4	843	464	(379)
Total capital works expenditure		6,690	7,352	661

Budgeted capital works 2017/2018



Source: Section 3. A more detailed listing of capital works is included in Section 6.

12.1.1 Property (\$801,000)

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

For the 2017/2018 year, \$801,000 will be expended on building and building improvement projects. The more significant projects include truck wash at the Murtoa Depot (\$30,000), construction of a truck shed at the Hopetoun Depot (\$85,000), upgrade at the Warracknabeal Livestock Exchange (\$200,000), upgrades at the Warracknabeal (\$64,000), Tempy (\$66,000), Hopetoun (\$67,000) and Sheep Hills Halls (\$67,000).

12.1.2 Plant and equipment (\$1.294 million)

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

For the 2017/2018 year, \$1.294 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$1.20 million), and upgrade and replacement of information technology (\$82,000).

12.1.3 Infrastructure (\$5.257 million)

Infrastructure includes roads, bridges, footpaths and kerb & channel, drainage, recreation, leisure and community facilities, parks, open space and other structures.

For the 2017/2018 year, \$4.421 million will be expended on road projects. The more significant projects include local rural road reconstructions (\$2.001 million), local urban road reconstructions (\$442,000), road resheets (\$1.128 million), bituminous sealing (\$501,000) and shoulder resheeting (\$350,000). This includes federally funded Roads to Recovery projects (\$1.885 million).

\$26,000 will be expended on drainage projects.

Other infrastructure expenditure includes \$23,000 on bridges, \$335,000 on footpaths and kerb & channel, \$55,000 on recreational, leisure and community facilities, and \$167,000 on other infrastructure.

12.1.4 Asset renewal (\$6.361 million), new assets (\$527,000), and upgrade (\$464,000)

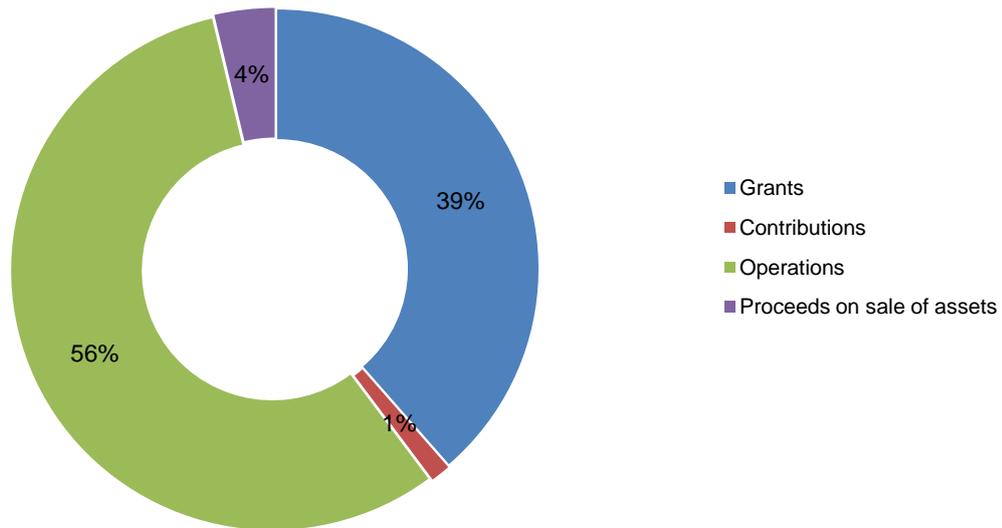
A distinction is made between expenditure on new assets, asset renewal and upgrade. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

The major projects included in the above categories, which constitute expenditure on new assets, are the installation of five new fire tanks (\$167,000), fencing at the Hopetoun Industrial Estate (\$17,000), installation of truck wash at the Murtoa Depot (\$30,000) and construction of a truck shed at the Hopetoun Depot (\$85,000). The remaining capital expenditure represents renewals and upgrades of existing assets.

12.2 FUNDING SOURCES

Sources of funding	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
New works				
Current year funding				
Grants	12.2.1	2,142	2,837	695
Contributions	12.2.2	37	90	53
Council cash				
- operations	12.2.3	4,151	4,152	1
- proceeds on sale of assets	12.2.4	360	273	(87)
Total new works		6,690	7,352	662
Total funding sources		6,690	7,352	662

Budgeted total funding sources 2017/2018



12.2.1 Grants - Capital (\$2.837 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. The most significant grant is budgeted to be received for the Roads to Recovery projects (\$1.885 million).

12.2.2 Contributions (\$90,000)

Funded projects sometimes require a cash contribution from community groups or other bodies.

12.2.3 Council cash - operations (\$8.87 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$4.152 million will be generated from operations to fund the 2017/2018 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$273,000)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's plant replacement program of \$273,000.

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/2017 and 2017/2018. It also considers a number of key financial performance indicators.

13.1 BUDGETED BALANCE SHEET

		<i>Forecast</i> <i>Actual</i> <i>2017</i> <i>\$'000</i>	<i>Budget</i> <i>2018</i> <i>\$'000</i>	<i>Variance</i> <i>\$'000</i>
	<i>Ref</i>			
Current assets	13.1.1			
Cash and cash equivalents		1,580	1,883	303
Trade and other receivables		1,565	1,602	37
Financial assets		252	255	3
Other assets		959	968	9
Total current assets		4,356	4,708	352
Non-current assets	13.1.1			
Trade and other receivables		653	654	1
Investments in associates and joint ventures		491	491	-
Property, infrastructure, plant and equipment		158,216	158,480	264
Total non-current assets		159,360	159,625	265
Total assets		163,716	164,333	617
Current liabilities	13.1.2			
Trade and other payables		1,652	1,000	652
Provisions		2,982	2,871	111
Interest-bearing loans and borrowings		105	110	(5)
Total current liabilities		4,739	3,981	758
Non-current liabilities	13.1.2			
Provisions		556	758	(202)
Interest-bearing loans and borrowings		110	-	110
Total non-current liabilities		666	758	(92)
Total liabilities		5,405	4,739	666
Net assets		158,311	159,594	1,283
Equity	13.1.4			
Accumulated surplus		61,253	61,536	283
Reserves		97,058	98,058	1,000
Total equity		158,311	159,594	1,283

Source: Section 3

13.1.1 Current Assets (\$352,000 increase) and Non-Current Assets (\$265,000 increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits with short term maturities of three months or less. These balances are projected to decrease by \$303,000 during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non current) relating to loans to community organisations will decrease in

accordance with agreed repayment terms.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The \$264,000 increase in this balance is attributable to the net result of the capital works program (\$7.352 million of new assets), depreciation of assets (\$6.831 million) and through the sale of property, plant and equipment.

13.1.2 Current Liabilities (\$758,000 decrease) and Non Current Liabilities (\$92,000 increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to lower than 2016/2017 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are only expected to decrease marginally due to more active management of entitlements despite factoring in an increase for Collective Agreement outcomes.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$110,000 over the year.

13.1.3 Working Capital (\$1.110 million increase)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	<i>Forecast</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
	<i>2017</i>	<i>2018</i>	
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Current assets	4,356	4,708	(352)
Current liabilities	4,739	3,981	758
Working capital	(383)	727	(1,110)
Restricted cash and investment current assets			
- Discretionary reserves	(15)	(15)	-
- Cash used to fund carry forward capital works	-	(166)	166
Unrestricted working capital	(398)	546	(944)

In addition to the restricted cash shown above, Council is also projected to hold \$15,000 in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

13.1.4 Equity (\$1.283 million increase)

Total equity always equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase in accumulated surplus results directly from the surplus for the year.

13.2 KEY ASSUMPTIONS

In preparing the Budgeted Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 95% of total rates and charges raised will be collected in the 2017/2018 year (2016/2017: 93% forecast actual)
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days
- Other debtors and creditors to remain consistent with 2016/2017 levels
- Employee entitlements to be increased by the Collective Agreement outcome offset by the impact of more active management of leave entitlements of staff
- Repayment of loan principal to be \$110,000
- Total capital expenditure to be \$7.352 million

Long Term Strategies

This section includes the following analysis and information.

- 14. Strategic resource plan
- 15. Rating information
- 16. Other long term strategies

14. Strategic Resource Plan and Key Financial Indicators

This section includes an extract of the adopted Strategic Resource Plan to provide information on the long term financial projections of the Council.

14.1 PLAN DEVELOPMENT

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

Council has prepared an SRP for the four years 2017/2018 to 2020/2021 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Maintain existing service levels
- Achieve a breakeven operating result in the near future
- Maintain a capital expenditure program of at least \$5.0 million per annum
- Achieve a balanced budget on a cash basis.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

14.2 FINANCIAL RESOURCES

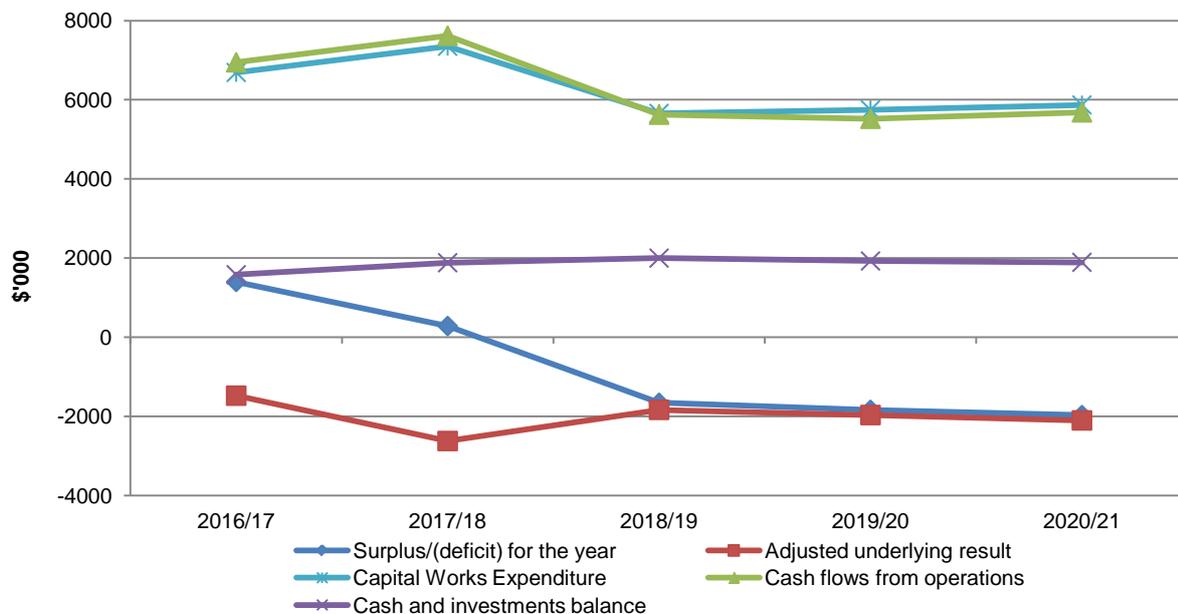
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/2018 to 2020/2021. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast		Strategic Resource Plan			Trend + / o / -
	Actual	Budget	Projections			
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	
Surplus /(deficit) for the year	1,398	283	(1,656)	(1,835)	(1,968)	-
Adjusted underlying result	(1,477)	(2,622)	(1,834)	(1,966)	(2,102)	-
Cash and investment balance	1,580	1,883	2,000	1,927	1,893	o
Cash flows from operations	6,947	7,617	5,624	5,520	5,681	-
Capital works expenditure	6,690	7,352	5,657	5,745	5,869	-

Key to Forecast Trend:

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

The following graph shows the general financial indicators over the four year period.



The key outcomes of the Plan are as follows:

- *Financial sustainability (Section 11)* - Cash and investments is forecast to remain constant over the four year period from \$1.580 million to \$1.893 million, which indicates a balanced budget on a cash basis in each year.
- *Rating levels (Section 15)* – Modest rate increases are forecast over the four years at an average of 2.0%.
- *Service delivery strategy (Section 16)* – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast in years 2016/2017 and 2017/2018 as a result of significant capital grant revenue being received to fund the annual capital works program. Years 2018/2019 and 2020/2021 forecast operating deficits with a view to breaking even. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a deficit increasing over the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- *Borrowing strategy (Section 16)* – Borrowings are forecast to reduce from \$110,000 to \$0 over the four year period. This includes no new borrowings.
- *Infrastructure strategy (Section 16)* - Capital expenditure over the four year period will total \$24.623 million at an average of \$6.155 million.

15. Rating Information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations.

15.1 RATING CONTEXT

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for 49% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Yarriambiack community.

15.2 FUTURE RATES AND CHARGES

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2017, and proposed rate caps set by the State Government.

<i>Year</i>	<i>General Rate Increase %</i>	<i>Municipal Charge Increase \$'000</i>	<i>Garbage Charge Increase \$'000</i>	<i>Recycling Charge Increase \$'000</i>	<i>Total Rates Raised \$'000</i>
2016/17	2.50	2.50	3.00	3.00	11,626
2017/18	2.00	2.00	2.00	2.00	11,868
2018/19	2.00	2.00	2.00	2.00	12,093
2019/20	2.00	2.00	2.00	2.00	12,531
2020/21	2.00	2.00	2.00	2.00	13,044

15.3 RATING STRUCTURE

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

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

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

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential, commercial or farming purposes.

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 two differential rates - general (which is residential and commercial), and a farming rate. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. The farming rate is set at 23% of the general rate. Council also levies a municipal charge, a kerbside collection charge and a recycling charge as allowed under the Act.

The following table summarises the rates to be determined for the 2017/2018 year. A more detailed analysis of the rates to be raised is contained in Section 7 Rates and Charges.

<i>Rate Type</i>	<i>How applied</i>	<i>2016/17</i>	<i>2017/18</i>	<i>Total Raised \$000's</i>	<i>Change</i>
Residential Rates	cents/\$ CIV	0.6422	0.6550	2,038,023	2.0%
Commercial Rates	cents/\$ CIV	0.6422	0.6550	330,683	2.0%
Farm Rates	cents/\$ CIV	0.5221	0.5325	8,067,236	2.0%
Municipal Charge	\$/ property	\$70.42	\$71.83	358,711	2.0%
Kerbside collection charge					
Residential - 80lt bin	\$/ service	\$130.92	\$133.54	79,722	2.0%
Residential - 120lt bin	\$/ service	\$181.74	\$185.37	372,902	2.0%
Residential - 240lt bin	\$/ service	\$353.72	\$360.79	41,491	2.0%
Other - 80lt bin	\$/ service	\$130.92	\$133.54	5,074	2.0%
Other - 120lt bin	\$/ service	\$181.74	\$185.37	24,099	2.0%
Other - 240lt bin	\$/ service	\$353.72	\$360.79	187,974	2.0%
Recycling charge					
Residential	\$/ service	\$117.42	\$119.77	327,087	2.0%
Other	\$/ service	\$117.42	\$119.77	34,733	2.0%

16. Summary of Other Strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

16.1 BORROWINGS

In developing the Strategic Resource Plan SRP (see Section 14), borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed to finance infrastructure projects and unfunded superannuation liability but since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investments have been used as an alternate funding source to maintain robust capital works programs.

For the 2017/2018 year, Council has decided not to take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$110,000, it will reduce its total borrowings to \$0 as at 30 June 2018. However, it is likely that in future years, borrowings will be required to fund future infrastructure initiatives.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

<i>Year</i>	<i>New Borrowings \$'000</i>	<i>Principal Paid \$'000</i>	<i>Principal Paid \$'000</i>	<i>Balance 30 June \$'000</i>
2016/17	-	105	84	110
2017/18	-	110	125	-
2018/19	-	-	-	-
2019/20	-	-	-	-
2020/21	-	-	-	-

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

- a. The average rate will rise by 2.0% in line with the order by the Minister for Local Government on 19 December 2016 under the Fair Go Rates System.
- b. Key drivers
 - i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
 - ii. To fund renewal of infrastructure and community assets
 - iii. To cope with growth in the population of Victorian residents (2.2% in the last year)
 - iv. To cope with cost shifting from the State Government
 - v. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant
- c. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2018 (as amended by supplementary valuations).
- d. The waste service charge incorporating kerbside collection and recycling will increase by 2.0% per property.
- e. Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the State and Federal Governments.
- f. Refer Section 7 for further Rates and Charges details.

	<i>2016/17 \$</i>	<i>2017/18 \$</i>
Total amount borrowed as at 30 June of the prior year	215	110
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	(105)	(110)
Total amount of borrowings as at 30 June	110	-

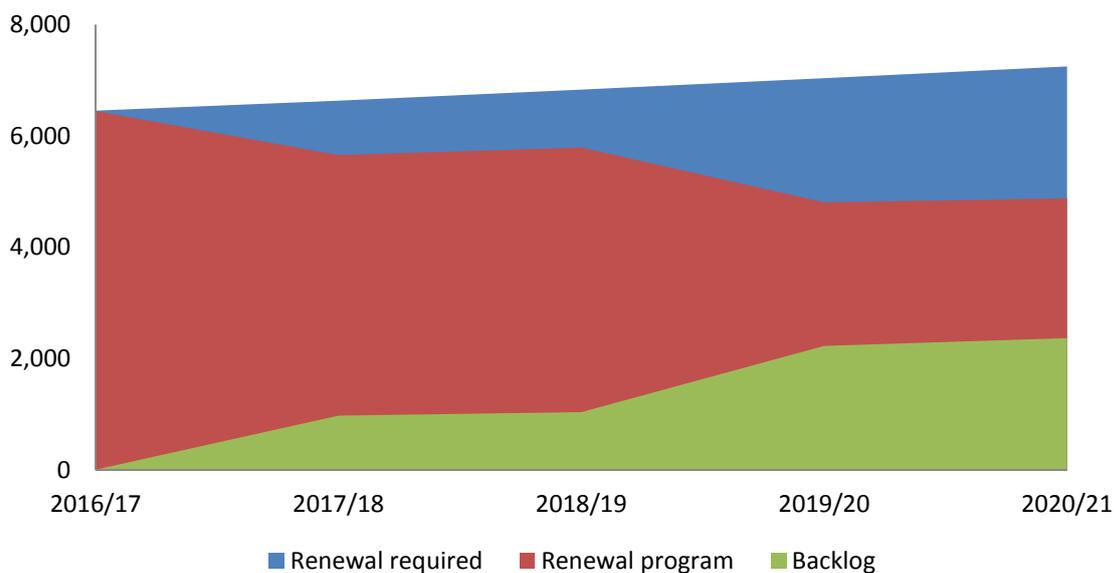
16.2 INFRASTRUCTURE

The Council has developed an Asset Management Plan and Asset Strategy which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. These documents have been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria
- Methodology for allocating annual funding to classes of capital projects
- Business Case template for officers to document capital project submissions.

A key objective of the Infrastructure Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

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



At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements identified in the Infrastructure Strategy. While the Infrastructure Strategy is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, the above graph indicates that in later years the required asset renewal is not being addressed creating an asset renewal gap and increasing the level of backlog. Backlog is the renewal works that Council has not been able to fund over the past years and is equivalent to the accumulated asset renewal gap. In the above graph the backlog at the beginning of the period was \$7,000 and \$2.369 million at the end of the period.

In updating the Infrastructure Strategy for the 2017/2018 year, the following influences have had a significant impact:

- Reduction in the amount of cash and investment reserves to fund future capital expenditure programs.
- Availability of significant Federal funding for upgrade of roads.
- The enactment of the Road Management Act 2004 removing the defence of non-feasance on major assets such as roads.

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

<i>Year</i>	<i>Total Capital Program</i> <i>\$'000</i>	<i>Grants</i> <i>\$'000</i>	<i>Contributions</i> <i>\$'000</i>	<i>Council Cash</i> <i>\$'000</i>	<i>Borrowings</i> <i>\$'000</i>
2016/17	6,690	2,838	271	3,581	-
2017/18	7,352	2,851	273	4,264	-
2018/19	5,657	908	179	4,570	-
2019/20	5,745	908	131	4,706	-
2020/21	5,869	908	134	4,828	-

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has cash or investments that are also used to fund a variety of capital projects.

16.3 SERVICE DELIVERY

The key objectives in Council's Strategic Resource Plan (referred to in Section 14) which directly impact the future service delivery strategy are to maintain existing service levels and to minimize the operating deficit in future. The Rating Information (see Section 15) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2017/18	2018/19	2019/20	2020/21
	%	%	%	%
Consumer Price Index	2.00	2.25	2.25	2.50
Average Weekly Earnings	3.66	3.75	3.75	3.75
Engineering Construction	0.47	2.00	2.00	2.00
Non-residential Building Index	0.15	2.00	2.00	2.00
Rate increases	2.00	2.70	2.80	2.80
Property growth	1.00	1.00	1.00	0.60
Wages growth	4.50	3.50	3.50	3.50
Government funding	2.00	2.00	2.00	2.00
Statutory fees	2.00	2.00	2.00	2.00
Investment return	3.00	3.00	3.00	3.00

The service delivery outcomes measured in financial terms are shown in the following table.

Year	Surplus (Deficit) for the year	Adjusted Underlying Surplus (Deficit)	Net Service (cost)
	\$'000	\$'000	\$'000
2016/17	1,398	(1,477)	19,169
2017/18	283	(2,622)	19,268
2018/19	(1,656)	(1,834)	19,683
2019/20	(1,835)	(1,966)	20,056
2020/21	(1,968)	(2,102)	20,741

Appendix A

FEES AND CHARGES SCHEDULE

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2017/2018 year.

Community Services

HOME AND COMMUNITY CARE (HACC)	2016/17	2017/18
General Home Care - Low Fee		
Single Pension	\$7.50 per hour	\$7.50 per hour
Double Pension	\$8.00 per hour	\$8.00 per hour
General Home Care - Medium Fee	\$16.00 per hour	\$16.00 per hour
General Home Care - High Fee	\$30.00 per hour	\$30.00 per hour
External Provider of Care (includes respite, personal, home & home maintenance)	\$47.50 per hour (exc GST)	\$47.50 per hour (exc GST)
Personal Care - Low Fee	\$4.00 per hour	\$4.00 per hour
Personal Care - Medium Fee	\$7.00 per hour	\$7.00 per hour
Personal Care - High Fee	\$20 to \$25 per hour	\$20 to \$25 per hour
In Home Respite Care - Low Fee	\$5.00 per hour	\$5.00 per hour
In Home Respite Care - Medium Fee	\$8.00 per hour	\$8.00 per hour
In Home Respite Care - High Fee	\$20 to \$25 per hour	\$20 to \$25 per hour
Home Maintenance - Low Fee (labour only; client contributes to cost of materials)	\$11.00 per hour	\$11.00 per hour
Home Maintenance - Medium Fee (labour only; client contributes to cost of materials)	\$15.00 per hour	\$15.00 per hour
Home Maintenance - High Fee (labour only; client contributes to cost of materials)	\$27.00 per hour	\$27.00 per hour
Volunteer Transport (Client pays 15 cents per km - Reimbursement to volunteer \$1.04 per km)		
MEALS ON WHEELS		
Delivered Meals - (client charge)	\$8.50 per meal	\$8.50 per meal
Delivered Meals - (external)	(Full cost recovery)	(Full cost recovery)
Centre Based Meals	\$9.00 per meal	\$9.00 per meal
DISABLED PARKING PERMITS		
Initial permit	no charge	no charge
Additional permit (replacement)	\$6.00	\$6.00
KINDERGARTEN FEES - 4 YEAR OLDS (PER TERM)		
Beulah	\$95.00	\$95.00
Hopetoun	\$300.00	\$300.00
Minyip	\$180.00	\$180.00
Murtoa	\$200.00	\$200.00
Rupanyup	\$180.00	\$180.00
Warracknabeal	\$200.00	\$200.00

Environmental Health

FOOD ACT	2016/17	2017/18
Class 1 Food Premises Groups must have 3rd party audited FSP <i>Hospitals, Nursing homes, Child care centres</i>	\$265.00	\$265.00
Class 2 Food Premises High risk or unpackaged foods must have FSP (may be template or 3rd party audited) <i>Hotels, restaurants, cafes, takeaways, supermarkets, manufacturers, caterers, milk bars and some service stations</i>	\$230.00	\$230.00
Class 3 Food Premises Premises selling low risk pre-packaged food only eg: packaged confectionery, soft drink <i>Newsagents, video stores, some service stations</i>	\$85.00	\$85.00
Non profit organisations and Community groups Food is prepared predominatly for consumption by members, or for fundraising activities <i>Service clubs, most sporting clubs</i>	\$85.00	\$85.00
Premises with limited operation Premises which do not operate for the full year or only produce low volumes of product <i>Swimming pool kiosks, home and hobby businesses</i>	50% of appropriate fee	50% of appropriate fee
STREET STALLS / TEMPORARY FOOD VENDOR REGISTRATIONS		
Non profit and community groups (fetes, sausage sizzles, street stalls) Yearly Registration	\$20.00	\$20.00
Private individuals and businesses (markets, private stalls) Yearly Registration	\$40.00	\$40.00
HEALTH ACT		
Hairdresser/Beauty Parlour/Skin penetration	\$85.00	\$85.00
Hairdresser Only Premises	\$85.00	\$85.00
Prescribed Accommodation Premises providing accommodation for 6 or more persons (hotels, motels, hostels, camps)	\$85.00	\$85.00
RESIDENTIAL TENANCIES ACT		
Caravan Parks Total number of sites not exceeding 25	6 fee units @ \$12.22	6 fee units @ \$12.22
Total number of sites exceeding 25 but not exceeding 50	12 fee units @ \$12.22	12 fee units @ \$12.22
ENVIRONMENT PROTECTION ACT		
Septic Tank - new	\$250.00	\$250.00
- alteration to existing	\$200.00	\$200.00
OTHER FEES		
Transfer/Inspection fee Pre-purchase Inspection - inspection as a result of non-compliance	\$200.00	\$200.00
Transfer Registration fee Fee to transfer registration to the new proprietor for the remainder of the registration period. Includes a transfer inspection if requested	50% of listed fee	50% of listed fee
Late payment penalty fee Fee imposed for non payment of renewal fee by 15 February	50% of listed fee up to a max of \$50	50% of listed fee up to a max of \$50
Pro Rata Registration fee Applicable to all properties registering their business after 30 September	50% of listed fee up to a max of \$50	50% of listed fee up to a max of \$50

Administration

FUNCTION ROOM (WARRACKNABEAL OFFICE)	2016/17	2017/18
Day (9am to 9pm)	\$100.00	\$100.00
Night (after 6pm)	\$110.00	\$110.00
Combined	\$200.00	\$200.00
 PHOTOCOPYING		
A4 Black & White Single sided		
1 copy	\$0.35	\$0.35
Multiple copies	\$0.30	\$0.30
A4 Black & White Double sided		
1 copy	\$0.40	\$0.40
Multiple copies	\$0.35	\$0.35
A3 Black & White Single sided		
1 copy	\$0.55	\$0.55
Multiple copies	\$0.45	\$0.45
A3 Black & White Double sided		
1 copy	\$0.90	\$0.90
Multiple copies	\$0.70	\$0.70
Colour Photocopying		
A4 1 copy	\$1.00	\$1.00
A3 1 copy	\$2.00	\$2.00
Coloured Paper		
A4 1 copy	Add 5c per copy	Add 5c per copy
A3 1 copy	Add 10c per copy	Add 10c per copy
 LAMINATING		
A4 1 copy	Add 5c per copy	Add 5c per copy
A3 1 copy	Add 10c per copy	Add 10c per copy
 FAXING		
Local call	\$1.00	\$1.00
STD call	\$2.00	\$2.00

Animal Control and Local Laws

ANIMAL ACT	2016/17	2017/18
Pensioner Discount	50% of prescribed fee	50% of prescribed fee
Dogs or Cats registered after 1 January	50% of prescribed fee	50% of prescribed fee
DOG	\$66.00	\$66.00
Dog desexed	\$22.00	\$22.00
Working dog	\$22.00	\$22.00
VCA registered	\$22.00	\$22.00
CAT	\$63.00	\$63.00
Cat desexed	\$21.00	\$21.00
FCC, CFA, DCC registered	\$21.00	\$21.00
Replacement of lost tag	\$5.00	\$5.00
Pound fees - Impounded Animal		
First day Release Fee	\$80.00	\$80.00
Subsequent days	\$12.50 per day	\$12.50 per day
Late payment administration fee Payment not received by 30 April	\$10.00 per invoice	\$10.00 per invoice
GENERAL		
Impounded item release fee	-	\$80.00
Subsequent Days	-	\$12.50
Fire Hazard administration fee	\$50.00	\$50.00
Unsanitary land administration fee	\$50.00	\$50.00

Building

DEVELOPMENT TYPE FEE AMOUNT	2016/17	2017/18
Dwellings		
New Dwellings up to \$0 to 120,000	\$1,563 plus levy	\$1,563 plus levy
New Dwellings - \$120,001 to \$200,000	\$1,824 plus levy	\$1,824 plus levy
New Dwellings - \$200,001 to \$312,000	\$2,084 plus levy	\$2,084 plus levy
New Dwellings - \$312,001+	\$value/130 plus levy	\$2,400
Re-Erection of Dwellings - Security Deposit	\$5,000	\$5,000
Alterations/Additions/Sheds/Carports/Garages		
Building Works Minor \$0 to \$2,500	\$250	\$250
Building Works \$2,501 to \$5,000	\$351	\$351
Building Works \$5,001 to \$10,000	\$475	\$475
Building Works \$10,001 to \$20,000	\$652 plus levy	\$652 plus levy
Building Works \$20,001 to \$80,000	\$975 plus levy	\$975 plus levy
Building Works \$80,001 to \$120,000	\$1,563 plus levy	\$1,563 plus levy
Building Works \$120,001 to \$200,000	\$value/130 plus levy	\$value/130 plus levy
Building Works \$200,001+	\$value/130 plus levy	\$value/130 plus levy
Swimming Pools		
Swimming Pools & Fence - above ground pool	\$425	\$425
Swimming Pools & Fence - in-ground pool	\$825 plus levy	\$825 plus levy
Commercial Building Work		
Commercial \$0 to \$10,000	\$350 plus levy	\$350 plus levy
Commercial \$10,001 to \$20,000	\$676 plus levy	\$676 plus levy
Commercial \$20,001 to \$100,000	\$V x 1.33% + \$424 plus levy	\$V x 1.33% + \$424 plus levy
Commercial \$100,001 to \$500,000	\$V x 0.44% + \$1,324 plus levy	\$V x 0.44% + \$1,324 plus levy
Commercial \$500,001+	\$V x 0.25% + \$2,249 plus levy	\$V x 0.25% + \$2,249 plus levy
Commercial Building Work Multi Unit Development		
Units \$0 to \$200,000	\$1,824 plus levy	\$1,824 plus levy
Units \$200,001 to \$312,000	\$2,084 plus levy	\$2,084 plus levy
Units \$312,001+	\$value/130 plus levy	\$value/130 plus levy
Miscellaneous Items		
Fence	\$200	\$200
Demolitions or Removals \$0 to \$5,000	\$368	\$368
Demolitions or Removals \$5,001+	\$575	\$575
Re-erections of Dwellings - Security Deposit	\$5,000	\$5,000
Extensions of Time Request	\$104	\$104
Amended Plans	\$104	\$104
Information Request with Plan copies (includes 306(1))	\$67.20	\$67.20
Request for search of Building Permit Plans	\$67.20	\$67.20
REPORT & CONSENT		
Building over Council Easement reg 312 (3)	\$52.75	\$52.75

Building Continued...

LEVY PAYMENTS

State Government Levy (*Applies if development is over \$10,000*)

2016/17

0.128% Value

2017/18

0.128% Value

INSPECTIONS

Addition Inspection	\$120.00	\$120.00
Contract Inspection - Foundations, Reinforcement & Finals	\$180.00	\$180.00
Contract Inspection - Frame	\$220.00	\$220.00
Building Notices/Orders	Building Permit Fee	Building Permit Fee + 50%
Occupancy Permit/Places of Public Entertainment	\$220.50	\$220.50
Travel time & Vehicle cost where more than 5km from Warracknabeal	\$1.00/km + \$75 hour	\$1.00/km + \$75 hour

Engineering

SALE YARD LEVIES	2016/17	2017/18
Producer Levy (per head)	\$0.35	\$0.35
Agent Levy (per head)	\$0.12	\$0.12
NLIS Levy (per head)	\$0.23	\$0.23
 PLAN PRINTING FEES		
Large Shire Map (approx 1200mm x 600mm)		
Colour	\$10.00	\$15.00
Black & White	\$7.00	\$12.00
Plan on A0 sheet		
Colour	\$11.00	\$15.00
Black & White	\$9.00	\$12.00
Plan on A1 sheet		
Colour	\$9.00	\$10.00
Black & White	\$7.00	\$8.00
Plan on A2 sheet		
Colour	\$7.00	\$8.00
Black & White	\$5.00	\$7.50
Plan on A3 sheet		
Colour	\$5.00	\$5.00
Black & White	\$3.00	\$3.00
Plan on A4 sheet		
Colour	\$3.00	\$3.00
Black & White	\$2.00	\$2.00
 ROAD OPENING PERMITS		
Road Reserve Works Permit	\$70.00	\$70.00
Asset Protection Permit	\$30.00	\$30.00

Recreation and Tourism

CARAVAN PARKS (WARRACKNABEAL, HOPETOUN & MURTOA)	2016/17	2017/18
Powered site	\$20.00 per night \$5.00 each extra person	\$25.00 per night \$5.00 each extra person
Unpowered site	\$15.00 per night \$5.00 each extra person	\$15.00 per night \$5.00 each extra person
Weekly rate	Daily rate x 6	Daily rate x 6
Ensuites	\$25 per night	\$35 per night
GYMNASIUM MEMBERSHIPS		
1 Month	\$50.00	\$50.00
3 Months	\$70.00	\$70.00
6 Months	\$115.00	\$115.00
Assessments (new members)	\$35.00	\$35.00
Assessments (students)	\$15.00	\$15.00
Casual (per session)	\$15.00	\$15.00
Pensioner Concession (with pension card)	\$30.00	\$30.00
Council Staff (monthly)	\$20.00	\$20.00
Council Staff (casual)	\$8.00	\$8.00
Student Membership		
Bronze Membership (1 month - 1 night per week)	\$20.00	\$20.00
Silver Membership (1 month - 2 nights per week)	\$26.00	\$26.00
Gold Membership (1 month - 5 nights per week)	\$40.00	\$40.00
Gold Membership (3 months - 5 nights per week)	\$60.00	\$60.00
Gold Membership (6 months - 5 nights per week)	\$110.00	\$110.00
Casual (age 13-18 years)	\$8.00	\$8.00
SQUASH MEMBERSHIP		
1 month	\$35.00	\$35.00
3 months	\$55.00	\$55.00
Squash Court Hire Per hour per court	\$10.00	\$10.00
LEISURE COMPLEX HIRE FEES		
User Groups utilising main court area(s)		
Competition		
Per hour per court	\$25.00	\$25.00
Training		
Per hour per court	\$20.00	\$20.00
Corporate Rate		
Small (10 or less persons)	\$650.00	\$700.00
Large	\$1,050.00	\$1,100.00
Table Tennis Room		
Per hour	\$30.00	\$30.00
Per table (casual)	\$5.00	\$5.00

Waste and Recycling

TIPPING FEES	2016/17	2017/18
General Hard Waste	\$10.50 per m3	\$11.00 per m3
Putrescibles Waste	\$25.00 per m3	\$25.00 per m3
Household / Kitchen Waste	\$7.50 per m3	\$8.00 per m3
Clean Green Waste	\$10.50 per m3	\$11.00 per m3
Timber / Wood	\$10.50 per m3	\$11.00 per m3
Builders waste / Concrete	\$45.00 per m3	\$45.00 per m3
Clean concrete / Rubble delivered to repositories at Warracknabeal, Murtoa and Hopetoun	\$30.00 per m3 / ton	\$30.00 per m3 / ton
Clean Fill	No charge	No charge
Minimum Charge	\$7.50	\$8.00
Dead Animals	refer attendant	refer attendant
 TYRES		
Light (tyre only)	\$4.00	\$4.00
Light (with rim)	\$5.00	\$5.00
Medium (tyre only)	\$15.00	\$15.00
Medium (with rim)	\$22.00	\$22.00
Heavy (tyre only)	\$35.00	\$35.00
Heavy (with rim)	\$50.00	\$50.00
Tractor (up to 1.5m diameter) (tyre only)	\$80.00	\$80.00
Tractor (up to 1.5m diameter) (with rim)	\$110.00	\$110.00
Tractor (over 1.5m diameter) (tyre only)	\$160.00	\$160.00
Tractor (over 1.5m diameter) (with rim)	\$220.00	\$220.00
 RECYCLABLES		
Recyclables	Free if sorted	Free if sorted
E-Waste	\$2.00 per item	\$2.00 per item
Screens	\$5.00 per screen	\$5.00 per screen
Gas Cylinders (valve removed)	Free	Free
Lead Acid Batteries	\$5.00	\$5.00
Grain Bags	-	\$10 per bag
Grain	not accepted	not accepted
Hazardous Materials	not accepted	not accepted
Prescribed Waste	not accepted	not accepted

Appendix B

BUDGET PROCESSES

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Local Government Act 1989 (the Act) and Local Government (Planning and Reporting) Regulations 2014 (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The Budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2017/2018 Budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The Budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the Budget.

A 'proposed' Budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the Budget. It must give 28 days notice of its intention to adopt the proposed Budget and make the budget available for inspection at its offices and on its website. A person has a right to make a submission on any proposal contained in the Budget and any submission must be considered before adoption of the Budget by Council.

With the introduction of the State Government's Rate Capping legislation in 2015, Councils are now unable to determine the level of rate increase and instead must use a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year.

If a Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Ministers maximum rate increase and the Council's required rate increase.

The final step is for Council to adopt the Budget after receiving and considering any submissions from interested parties. The Budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget process	Timing
1. Minister of Local Government announces maximum rate increase	Dec
2. Officers update Council's long term financial projections	Jan/Feb
3. Council to advise ESC if it intends to make a rate variation submission	Jan/Feb
4. Officers prepare operating and capital budgets	Mar/Apr
5. Councillors consider draft budgets at informal briefings	Apr/May
6. Proposed budget submitted to Council for approval to advertise	May
7. Public notice advising intention to adopt budget	May
8. Budget available for public inspection and comment	May
9. Public submission process undertaken	May/Jun
10. Submissions period closes (28 days)	Jun
11. Submissions considered by Council/Committee	Jun
12. Budget and submissions presented to Council for adoption	Jun/Aug
13. Copy of adopted budget submitted to the Minister	July
14. Revised budget where a material change has arisen	



The photos within this publication have been taken from various locations across the Municipality.

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