



BULOKE SHIRE COUNCIL

Annual Budget 2017-18



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Mayor's Introduction¹

The Councillors and I are pleased to release the proposed Budget 2017/18 to the community for comment and public submissions. This budget will deliver on key priorities in our new four year Council Plan 2017-2021 which focusses on the following five key objectives:

- Deliver our services in a financially viable way
- Build a healthy and active community
- Diversify and enhance our local economy
- Responding to and enhancing our built and natural environment
- Support our Councillors, staff, volunteers and the community to make informed and transparent decisions

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 roads, buildings and recreational facilities.

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 and which provide increased value for money to ratepayers. Council will continue to focus on identifying sustainable cost savings that will enable it to deliver on our Council Plan to deliver high quality, responsive and accessible services to the community.

In this proposed budget we have allocated funding of \$9.33 million for asset renewals, upgrades and expansions. Highlights of the capital program include:

- Roads (\$1.93 million) – including Yuengroon Road rehabilitation, Nandaly-Nyarrin Road shoulder resheet, extensive resealing across the sealed road network and drainage improvements at Nullawil.
- Footpaths (\$69,000) – development between pub to park in Culgoa.
- Recreation facilities (\$2.7 million) – including commencement of Charlton Park 2020, development of synthetic bowling green at the Berriwillock Multi-Purpose Community Centre, and a number of drought proofing projects at recreation reserves.
- Tourism (\$1.1 million) – development of infrastructure to support tourism at Lake Tyrell.
- Swimming pools (\$290,000) – including replacement of the Wycheproof change rooms.
- Lakes (\$700,000) – to upgrade amenities at lakes across the Shire.
- Information technology (\$611,500) – including replacement of a number of Council's outdated and unsupported systems with an integrated enterprise wide software solution.
- Plant and equipment (\$620,000) – including replacement of tractors, town trucks and loaders.

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

- Development of a ten year financial plan supported by Local Government Victoria Finance and Accounting Support Team (FAST) program.
- Community planning initiative to standardise plans and create an Integrated Buloke Community Plan.
- Sustainability community grants program funded through revenue from the Coonooer Bridge Wind Farm.
- Implementation of Early Years network and parent support access courses.
- Development of a Buloke Inclusiveness Plan.
- Development of an Economic Development Strategy and Tourism Strategy.

Community feedback was supportive about the use of borrowings to fund major long term community infrastructure rather than rates revenue. 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 David Pollard
Mayor

Executive Summary

Council has prepared a Budget for 2017/18 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.

The Budget projects a surplus of \$4.20 million for 2017/18 with an underlying result of a deficit of \$295,000 after adjusting for capital grants and contributions (Refer sections 5 and 10.1)

1) Key things we are funding

- a. Ongoing delivery of services to the Buloke Shire Community funded by a budget of \$27.15 million. These services are summarised in Section 2.
- b. Continued investment in Infrastructure assets (\$9.33 million).
 - i. Roads \$1,939,000
 - ii. Footpaths \$69,000
 - iii. Drainage \$100,000
 - iv. Recreation \$340,000
 - v. Parks and Open Space \$125,000
 - vi. Buildings \$3,370,000
 - vii. Plant and Equipment \$1,332,000
 - viii. Other infrastructure \$1,967,000

Refer Section 6 for details.

Strategic Objective 1: Delivering our services in a financially viable way

- Implementation of the Information Communications Technology Strategy.
- Investigate further shared service with other Councils and governance bodies.
- Develop a ten year financial plan through Department of Environment, Land, Water and Planning (DEWLP) Finance and Accounting Support Team (FAST) funding.

Strategic Objective 2: Build a healthy and active community

- Community planning initiative to standardise plans and create an Integrated Buloke Community Plan.
- A Sustainability community grants program funded through revenue from the Coonoor Bridge Wind Farm.
- Increased planning and design to support shovel-ready funding applications.
- Early Years network and parent support access courses to be implemented.
- Develop a Buloke Inclusiveness Plan.

Council funds many community groups which are highly valued for the work they do in the community. The following are some of the community groups funded through the 2017/18 budget. Some programs receive Council funding and some receive funding from other sources including State Government.

Program	Total funds	Council Contribution	Other source Contribution
Community Grants Program	20,600	20,600	
Buy Local Christmas Promotion	3,500	3,500	
Australia Day Celebrations	5,000	5,000	
Township Forum Support	10,000	10,000	
Senior Citizens Events	5,500	3,300	2,200
L2P Funding Charlton College	28,500		28,500
School Awards Nights	500	500	
Friends of Mount Wycheproof	2,000	2,000	
Walk to School Program	10,000		10,000
Sustainability Community Grants Program	68,000	68,000	

Strategic Objective 3: Diversify and enhance our local economy

- The development of an Economic Development Strategy and Tourism Strategy.
- Review of saleyards operations and transition to electronic tagging.

Strategic Objective 4: Responding to and enhancing our built and natural environment

- Develop a ten year capital works plan.
- Redevelop and prioritise Major Projects Pipeline document.
- Implementation of key infrastructure projects, including Wycheproof Pool Change Facilities, Charlton Park 2020 Project, Birchip Early Years Centre, Berriwillock Bowls Synthetic Surface and streetscape master plan implementation.

Strategic Objective 5: Support our Councillors, staff, volunteers and the community to make informed and transparent decisions

- Develop a Volunteer Strategy.
- The development of a Councillor Development Program.
- Implementation of Information Communications Technology Strategy.

2) The Rate Rise

- The average rate rise by 2.0% in line with the order by the Minister for Local Government on 16 December 2016 under the Fair Go Rates System.
- Key Drivers
 - To fund ongoing service delivery
 - To allow Council to remain financially sustainable
 - To cope with cost shifting from the state government
- This is not a revaluation year. Valuations will be as per the General Valuation dated 1 January 2016 (as amended by supplementary valuations).
- The waste service charge incorporating kerbside collection and recycling is at full cost recovery.
- Refer to Section 7 for further Rates and Charges details

3) Key Statistics

- Total Revenue \$27.15 million (2016/17 = \$26.95 million)
- Total Expenditure \$22.95 million (2016/17 = \$22.91 million)
- Accounting Result \$4.20 million Surplus (2016/17 = \$4.04 million)

(Refer to Income Statement in Section 3)

- d. Underlying Operating result \$295,000 Deficit (2016/17 = \$2.54 million surplus)
(Refer Analysis of operating Budget in Section 10.1)
- e. Cash Result \$1.66 million Surplus (2016/17 = \$1.79 million surplus)
(Refer Statement of Cash Flows in Section 3)

4) Budget influences

External Influences

- Introduction of rate capping has placed pressure on long term financial plans of Council.
- Setting of Statutory Fees such as Town Planning Fees by the Victorian State Government at levels which do not cover the cost of providing these services which Council is legislatively required to provide.
- Funds received by local governments for the provision of services such as Home and Community Care and School Crossing Supervision are not increasing in line with actual service costs to provide this service.
- 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.

Internal Influences

- During 2014/15, the renegotiation of Council's Enterprise Bargaining Agreement (EBA) resulted in a wage increase of 2.75% in 2015 and 2.50% for the following 2 years. With the current EBA expiring in January 2018, Council has budgeted a wage increase of 2% in line with the rate cap for 2017/18.
- Council has embarked on a 3 year review of all services in an effort to identify and implement efficiencies and reduce expenditure.

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 15 of this report.

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

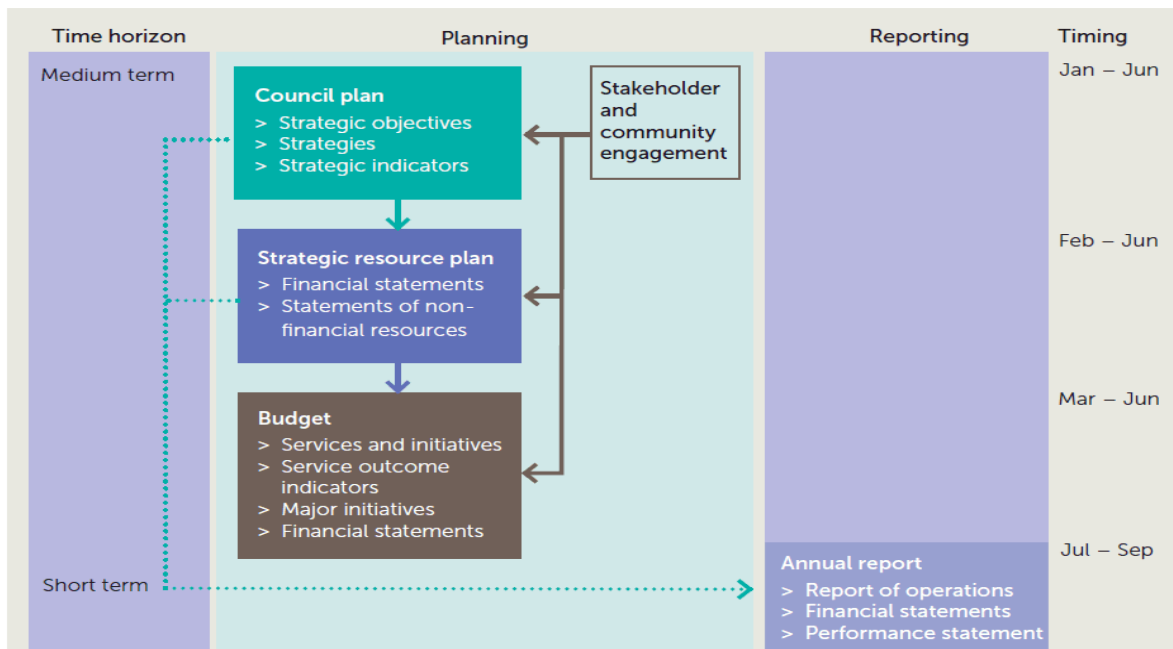
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

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

1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning

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

Buloke: Shaping our future together.

Our values

Council address its key values through:

- Good communication
- Transparency in decision making
- Accountability for actions
- Working collaboratively with partners
- Taking responsibility
- Being responsive and timely

1.3 Strategic objectives

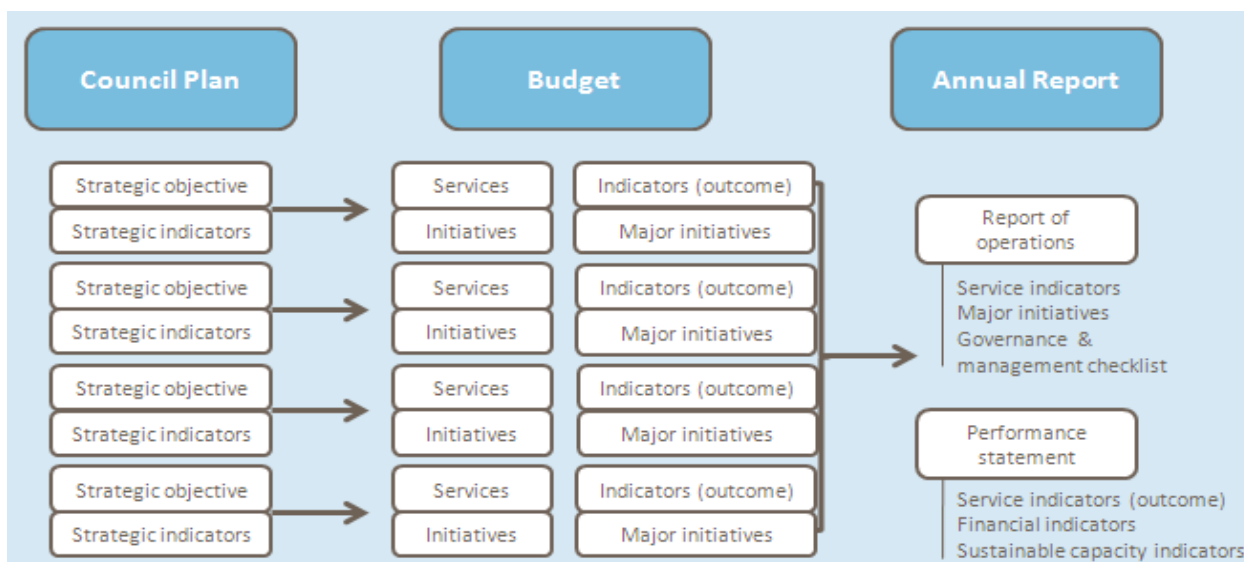
Council delivers many services and initiatives. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the years 2017 - 2021. The following table lists the five Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Delivering our services in a financially viable way	<ol style="list-style-type: none">1. Improve our financial planning and reporting.2. Continuous service improvement.3. Improve our Information Communication and Technology.
2. Build a healthy and active community	<ol style="list-style-type: none">1. Seek effective place based health services and initiatives focused on prevention based measures.2. Make public and community transport accessible for all Buloke residents.3. Promote and enhance passive and active recreation.4. Develop community plans to enhance the liveability of all Buloke communities.5. Actively work to reduce community violence and support victims in partnership with key agencies.6. Develop and implement a Buloke inclusiveness plan to address access and engagement of all residents.7. Explore greater place based delivery of education to address skill gaps and capitalise on local employment opportunities.8. Implement the Municipal Early Years Plan and Child & Youth Strategy to address the needs of young people in the Shire.
3. Diversify and enhance our local economy	<ol style="list-style-type: none">1. Strengthen agribusiness diversification.2. Capitalise on tourism opportunities.3. Advocate and facilitate improved and equitable connectivity to promote liveability.4. Encourage and promote renewable energy options as a driver of economic growth and a sustainable environment.5. Actively seek funding for regional supply chain strategies to secure viable market access for Buloke products.6. Promote the lifestyle and economics of living in Buloke to attract people who can contribute to the Buloke fabric.7. Enhance community cohesion and attractiveness with well maintained and functional streetscapes.

Strategic Objective	Description
4. Responding to and enhancing our built and natural environment	<ol style="list-style-type: none"> 1. Aim to reduce the asset renewal gap. 2. Partner with communities to develop fit for multi purpose hubs. 3. Partner with key agencies to build community preparedness and resilience to the effects of extreme weather events. 4. Enhance the strategic delivery of Council assets. 5. Ensure the ongoing practical management and protection of the Shire's native vegetation. 6. Support communities' access to recreational water by enhancing our aquatic features. 7. Become a champion of environmental sustainability through design and practice. 8. Improve waste management practices and reduce waste to landfill for improved environmental outcomes.
5. Support our Councillors, staff, volunteers and the community to make informed and transparent decisions	<ol style="list-style-type: none"> 1. Implement a robust compliance and risk framework to ensure statutory obligations are fulfilled. 2. Realise the Buloke Organisational Development Strategy to ensure we have the right culture. 3. Ensure our Councillors have support in performing their roles and responsibilities. 4. Review and monitor partnership arrangements to maximise services for Buloke. 5. Increase our communication and involvement with the community in decision making. 6. Recognise our volunteers and support their significant contributions.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/18 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 the following sections.

2.1 Strategic Objective 1: Delivering our services in a financially viable way

To achieve our objective of delivering our services in a financially viable way, we will continue to review our services to provide high quality, cost effective, and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Finance	This service encompasses all areas of financial reporting, rates, debtors and creditors for Council. Expenses include loan interest, internal and external audit fees, property valuation fees and other miscellaneous corporate expenses	1,174 - 1,174
Corporate Services	This service provides organisational policy, systems and support in the areas of continuous improvement, corporate planning, performance measurement and reporting. Expenses include general corporate expenses such as postage & stationery, staff amenities and pool cars.	319 - 319

Initiatives

Investigate further shared service with other Councils and governance bodies.
Develop a ten year financial plan through to ensure long term responsible financial management.

Service Performance Outcome Indicators

The following indicators outlines the measures of service objectives in accordance with the Local Government Performance Reporting Framework.

Service	Indicator	Performance Measure	Computation
Finance		Refer to section 14.2 for Financial Indicators	

2.2 Strategic Objective 2: Build a healthy and active community

To achieve our objective of building a healthy and active community, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Library Services	This service provides mobile library services to the townships of Birchip (co-located with Birchip school), Charlton, Donald, Watchem, Berriwillock, Sea Lake, Culgoa, Nullawil and Wycheproof. The library services are provided by two library corporations with Berriwillock, Sea Lake, Culgoa, Nullawil and Wycheproof serviced by the Swan Hill Rural City Council and Charlton, Birchip, Donald and Watchem communities serviced by the Wimmera Regional Library Corporation.	250 (117) 133
Environmental Health	This service promotes the health and well-being of the Shire's local communities through a range of Public Health Programs including immunisations, food surveillance and registration of food premises, accommodation standards and waste watermanagement.	173 (48) 125
Recreation	This service provides recreational facilities and support to community run recreation reserves in 10 towns across the Shire, as well as governance support to community recreation clubs and committees. Council has adopted a funding model which funds various recreation facilities based on usage and facilities available	371 - 371
Aged and Disability Services	This service provides a range of maintenance and support services to assist frail older people and younger people with a disability to live independently at home. Council's service provides domestic assistance, personal care, respite care, home maintenance, meals services, volunteer coordination, aged accommodation and five senior citizens centres. These services are integral to allowing many people stay living in their own homes .	1,255 (1,244) 11
Early Years	This service is to advocate for the wellbeing of children and their families and ensure it is supported through planning and service development. The service provides pre-school services in 5 towns, maternal and child health and support for playgroups run by parents.	277 (167) 110

Community Support	The service develops links between and within the communities in the Shire and works with local communities and groups to access community projects recognised as community priorities and provides a range of youth services that support young people aged between 12 and 25.	234 <hr/> 210
Community Grants	This service provides donations, allocations and support to groups in the community that contribute to services that connect and involve the local area.	76 <hr/> 76

Initiatives

Develop an integrated community plan to guide Council's decision making on township projects

Increased planning and design to support shovel-ready funding applications.

Work with Mallee Family Care to develop a Buloke Early Years Network to assist educators, practitioners and parents to access quality early years resources.

Develop a Buloke Inclusiveness Plan.

Council funds many community groups which are highly valued for the work they do in the community. The following are some of the community groups funded through the 2017/18 budget. Some programs receive Council funding and some receive funding from other sources including State Government

Program	Total funds	Council Contribution	Other source Contribution
Community Grants Program	20,600	20,600	
Buy Local Christmas Promotion	3,500	3,500	
Australia Day Celebrations	5,000	5,000	
Township Forum Support	10,000	10,000	
Senior Citizens Events	5,500	3,300	2,200
L2P Funding Charlton College	28,500		28,500
School Awards Nights	500	500	
Friends of Mount Wycheproof	2,000	2,000	
Walk to School Program	10,000		10,000
Sustainability Community Grants Program	68,000	68,000	

Service Performance Outcome Indicators

The following indicators outlines the measures of service objectives in accordance with the Local Government Performance Reporting Framework.

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

Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	(Number of people that received a HACC service / Municipal target population for HACC services) x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	(Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services) x100
Early Years	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	(Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children

2.3 Strategic Objective 3: Diversify and enhance our local economy

To achieve our objective of diversifying and enhancing our local economy, we will continue to actively seek economic opportunities. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Statutory Compliance	The purpose of the Statutory and Compliance Service is to provide Statutory Planning, Building Services and Compliance and Local Laws services.	845
	This area also includes areas such as Fire Hazards, Dog and Cat registration and control and stock control.	(305)
		540
Economic development and tourism	The service facilitates economic development throughout the Shire and provides support to local businesses and assists in the promotion of tourism.	126
		126
Saleyards	This service provides for the management and administration of the Council's Saleyards Precinct at Wycheproof for external Livestock Agents to sell Livestock.	93
		(90)
		3

Initiatives

Actively promote our sustainable fund to communities

The development of an Economic Development Strategy and Tourism Strategy.

Review of saleyards operations and transition to electronic tagging.

Work with the state government to develop tourism facilities and enhance the visitor experience at Lake Tyrrell.

Service Performance Outcome Indicators

The following indicators outlines the measures of service objectives in accordance with the Local Government Performance Reporting Framework.

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were 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
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	(Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year) x100

2.4 Strategic Objective 4: Responding to and enhancing our built and natural environment

To achieve our objective of responding to and enhancing our built and natural environment, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Property Maintenance	This service is to provide Property Maintenance Services to a range of Council's building-based assets, focussing on the upkeep and renewal of buildings. This area maintains in excess of 250 buildings across the shire and aims to keep them maintained in a fit for purpose state.	1,593 (25) 1,568
Road Services	This service is to provide road maintenance for the 1100km of Sealed, 650km of Gravel and 3,800km of Earth roads across the Shire. The income relates to Local Roads Funding received from Victoria Grants Commission	7,941 (2,356) 5,585
Swimming Pools	This service manages and operates seven seasonal swimming pools, from the third week in November to the third week in March, annually.	565 565
Assets & Project Management	This service is to provide for the management, design and administration of Council's assets and infrastructure services, including planning and management of the capital works program.	1,028 (424) 604

Urban Areas	This service manages and coordinates Council's Parks & Gardens and Urban Infrastructure providing routine, preventative and on-going maintenance and improvements.	2,216 <u>(1)</u> 2,215
Environmental Planning	This service manages Council's Environmental Compliance and Sustainability Programs and Services.	76 <u>-</u> 76
Lakes	This service provides a contribution to the management and development of the Recreational Lakes including Tchum, Green, Wooroonook, Watchem & Folletti Lakes.	35 <u>-</u> 35
Waste & Environment	Waste and Environment Services is responsible for the maintenance and improvement of Council's landfills and transfer stations as well as providing a Residential Kerbside Garbage & Recycling service in all towns within the Shire. The additional income displayed for this program relates to income received at each landfill and for the sale of scrap metal	1305 <u>(1,420)</u> (115)
Municipal Emergency Management	This service develops, coordinates and delivers Council's Municipal Emergency Management Plan and coordination of MECC Centre and associated software.	175 <u>(60)</u> 115

Service Performance Outcome Indicators

The following indicators outlines the measures of service objectives in accordance with the Local Government Performance Reporting Framework.

Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of out of 100 with how Council has performed on the condition of sealed local roads
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Initiatives

Develop a ten year capital works plan.

Redevelop and prioritise Major Projects Pipeline document.

Implementation of key infrastructure projects, including Wycheproof Pool Change Facilities, Charlton Park 2020 Project, Birchip Early Years Centre, Berriwillock Bowls Synthetic Surface and streetscape master plan implementation.

Apply for funding to improve the visitor amenities at Tchum, Wooroonook and Watchem Lakes to improve capacity and increase tourism to the Shire.

2.5 Strategic Objective 5: Support our Councillors, staff, volunteers and the community to make informed and transparent decisions

To achieve our objective of supporting Councillors, staff, volunteers and the community to make informed and transparent decisions we will develop engagement frameworks and continuously review the way in which we communicate.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Governance & Executive Management	This service provides for Councillors, and Executive Support and associated which provides the overall Governance Services to the Council.	713 - 713
Information Management	This service is to provide the organisation with Records Management Services and Information and Telecommunications Services.	1,160 - 1,160
Customer Services	This service provides for both internal and external customers by resolving the majority of customer enquiries, requests and payments at the first point of contact. This department operates out of the Wycheproof office	182 - 182
Risk & Human Resources	This service provides the organisation with recruitment, training, organisational development, occupational health and safety and corporate risk management and insurance programs.	582 - 582
Media & Communications	This service provides information to the community on Council's services, activities and events through print and online media.	152 - 152

Initiatives

Implementation of the Information Communications Technology Strategy.

Develop a Volunteer Strategy.

The development of a Councillor Development Program.

Service Performance Outcome Indicators

The following indicators outlines the measures of service objectives in accordance with the Local Government Performance Reporting Framework.

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

2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2016/17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Delivering our services in a financially viable way	1,493	1,493	0
Build a healthy and active community	1,036	2,636	1,600
Diversify and enhance our local economy	669	1,064	395
Responding to and enhancing our built and natural environment	10,648	14,934	4,286
Support our Councillors, staff, volunteers and the community to make informed and transparent decisions	2,789	2,789	0
Total services and initiatives	16,635	22,916	6,281
Deficit before funding sources	16,635		
Funding sources:			
Rates & charges excluding garbage charge	11,697		
Capital grants	5,598		
Victoria Grants Commission - General Purpose Grants and other general income	3,543		
Total funding sources	20,838		
Surplus for the year	4,203		

3. Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2017/18 to 2020/21 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.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	12,633	12,888	13,144	13,407	13,675
Statutory fees and fines	160	132	135	137	140
User fees	762	762	777	793	809
Grants - Operating (Recurrent)	6,945	7,006	7,112	7,239	7,369
Grants - Operating (Non-Recurrent)	835	315	-	-	-
Grants - Capital (Recurrent)	3,630	1,100	1,100	1,128	1,128
Grants - Capital (Non-Recurrent)	1,377	3,848	3,000	3,000	3,000
Contributions - monetary	328	766	81	81	81
Contributions - non-monetary	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(15)	10	10	10	10
Fair value adjustments for investment property	-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures					
Other income	291	328	352	255	248
Total income	26,945	27,154	25,711	26,050	26,460
Expenses					
Employee costs	8,960	9,265	9,450	9,639	9,832
Materials and services	5,812	5,486	5,596	5,708	5,822
Bad and doubtful debts	5	5	5	5	5
Depreciation and amortisation	6,506	6,600	6,732	6,867	7,004
Borrowing costs	297	297	297	124	-
Other expenses	1,327	1,298	903	870	887
Total expenses	22,907	22,951	22,983	23,213	23,550
Surplus/(deficit) for the year	4,038	4,203	2,728	2,837	2,910
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods:					
Net asset revaluation increment /(decrement)	-	-	-	-	-
Share of other comprehensive income of	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods					
(detail as appropriate)					
Total comprehensive result	4,038	4,203	2,728	2,837	2,910

3.2 Balance Sheet

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	8,593	10,251	12,410	7,488	7,603
Trade and other receivables	2,216	2,306	2,177	2,209	2,278
Other financial assets	-	-	-	-	-
Inventories	172	172	172	172	172
Non-current assets classified as held for sale	-	-	-	-	-
Other assets	242	242	242	242	242
Total current assets	11,223	12,971	15,001	10,111	10,295
Non-current assets					
Trade and other receivables	-	-	-	-	-
Investments in regional library corporation	222	222	222	222	222
Property, infrastructure, plant & equipment	173,312	176,038	176,702	177,439	180,187
Investment property	-	-	-	-	-
Intangible assets	-	-	-	-	-
Total non-current assets	173,534	176,260	176,924	177,661	180,409
Total assets	184,757	189,231	191,925	187,772	190,704
Liabilities					
Current liabilities					
Trade and other payables	887	1,158	1,124	1,134	1,156
Trust funds and deposits	28	28	28	28	28
Provisions	2,076	2,076	2,076	2,076	2,076
Interest-bearing loans and borrowings	-	-	7,000	-	-
Total current liabilities	2,991	3,262	10,228	3,238	3,260
Non-current liabilities					
Provisions	984	984	984	984	984
Interest-bearing loans and borrowings	7,000	7,000	-	-	-
Total non-current liabilities	7,984	7,984	984	984	984
Total liabilities	10,975	11,246	11,212	4,222	4,244
Net assets	173,782	177,985	180,713	183,550	186,460
Equity					
Accumulated surplus	92,388	96,591	99,319	102,156	105,066
Reserves	81,394	81,394	81,394	81,394	81,394
Total equity	173,782	177,985	180,713	183,550	186,460

3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
2018				
Balance at beginning of the financial year	173,782	92,388	81,394	-
Surplus/(deficit) for the year	4,203	4,203	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	177,985	96,591	81,394	-
2019				
Balance at beginning of the financial year	177,985	96,591	81,394	-
Surplus/(deficit) for the year	2,728	2,728	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	180,713	99,319	81,394	-
2020				
Balance at beginning of the financial year	180,713	99,319	81,394	-
Surplus/(deficit) for the year	2,837	2,837	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	183,550	102,156	81,394	-
2021				
Balance at beginning of the financial year	183,550	102,156	81,394	-
Surplus/(deficit) for the year	2,910	2,910	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	186,460	105,066	81,394	-

3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	12,003	12,917	13,219	13,385	13,794
Statutory fees and fines	144	132	136	138	140
User fees	665	763	784	795	811
Grants - operating	7,790	7,321	7,112	7,239	7,369
Grants - capital	5,007	4,948	4,100	4,128	4,128
Contributions - monetary	295	766	81	81	81
Interest received	153	190	210	110	100
Dividends received					
Trust funds and deposits taken					
Other receipts	108	140	141	140	140
Net GST refund / payment					
Employee costs	(8,960)	(9,265)	(9,450)	(9,639)	(9,832)
Materials and services	(5,732)	(5,311)	(5,550)	(5,676)	(5,952)
Trust funds and deposits repaid					
Other payments	(1,239)	(1,330)	(941)	(905)	(922)
Net cash provided by/(used in) operating activities	10,234	11,271	9,842	9,796	9,857
Cash flows from investing activities					
Proceeds from sale of property, infrastructure, plant and equipment	84	10	10	10	10
Payments for property, infrastructure, plant and equipment	(8,234)	(9,326)	(7,396)	(7,604)	(9,752)
Payments for investments	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-
Loan and advances made	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-
Net cash provided by/ (used in) investing activities	(8,150)	(9,316)	(7,386)	(7,594)	(9,742)
Cash flows from financing activities					
Finance costs	(297)	(297)	(297)	(124)	0
Proceeds from borrowings				(7,000)	
Repayment of borrowings					
Net cash provided by/(used in) financing activities	(297)	(297)	(297)	(7,124)	0
Net increase/(decrease) in cash & cash equivalents	1,787	1,658	2,159	(4,922)	115
Cash and cash equivalents at the beginning of the financial year	6,806	8,593	10,251	12,410	7,488
Cash and cash equivalents at the end of the financial year	8,593	10,251	12,410	7,488	7,603

3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land	-	-			
Land improvements	-	-			
Total land	-	-	-	-	-
Buildings	515	3,370	4,218	3,134	3,260
Heritage buildings	-	-			
Building improvements	-	-			
Leasehold improvements	-	-			
Total buildings	515	3,370	4,218	3,134	3,260
Total property	515	3,370	4,218	3,134	3,260
Plant and equipment					
Heritage plant and equipment	-	-			
Plant, machinery and equipment	692	620	650	700	700
Fixtures, fittings and furniture	-	-			
Computers and telecommunications	226	612	653	156	159
Library books	-	100			
Total plant and equipment	918	1,332	1,303	856	859
Infrastructure					
Roads	3,720	1,939	1,692	3,430	5,450
Bridges	-	-	73		55
Footpaths and cycleways	88	69	-	119	63
Drainage	1,220	100			
Recreational, leisure and community facilities	418	340			
Waste management	484	85	110	65	65
Parks, open space and streetscapes	85	125			
Aerodromes	-	-			
Off street car parks	-	-			
Other infrastructure	115	1,967			
Total infrastructure	6,130	4,625	1,875	3,614	5,633
Total capital works expenditure	7,563	9,326	7,396	7,604	9,752
Represented by:					
New asset expenditure	1,259	1,862	65	-	-
Asset renewal expenditure	5,483	4,252	3,341	7,604	9,752
Asset upgrade expenditure	821	3,213	3,990		
Asset expansion expenditure	-	-			
Total capital works expenditure	7,563	9,326	7,396	7,604	9,752

3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	8,960	9,265	9,450	9,639	9,832
Employee costs - capital	268	94	94	94	94
Total staff expenditure	9,228	9,359	9,544	9,733	9,926
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	114.91	114.91	114.91	114.91	114.91
Total staff numbers	114.91	114.91	114.91	114.91	114.91

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

Department	Budget	Permanent	Permanent
	2017/18	Full Time	Part Time
	\$'000	\$'000	\$'000
Governance	403	293	110
Community Services	1,004	416	588
Corporate Services	1,311	1,071	240
Planning & Community Support	937	721	216
Risk & Human Resources	289	172	117
Works & Technical Services	4,887	4,623	264
Total permanent staff expenditure	8,832	7,297	1,535
Casuals and other expenditure	433		
Total operating expenditure	9,265		
Capitalised labour costs	94		
Total expenditure	9,359		

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
Governance	2.95	2	0.95
Community Services	11.99	4	7.99
Corporate Services	14.12	11	3.12
Planning & Community Support	10.34	8	2.34
Risk & Human Resources	3.22	2	1.22
Works & Technical Services	66.72	63	3.72
Total	109.34	90	19.3
Casuals and other	5.57		
Capitalised labour costs	2		
Total staff	114.91		

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 used in the context of the organisation's objectives.

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-3.7%	9.97%	-1.30%	-1.20%	-0.71%	-0.39%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	249.0%	375.2%	397.6%	146.7%	312.3%	315.8%	+
Unrestricted cash	Unrestricted cash / current liabilities		170.0%	269.1%	313.4%	121.1%	230.4%	232.4%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	58.0%	55.4%	54.3%	53.3%	0.0%	0.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		4.1%	2.4%	2.3%	2.3%	53.1%	0.0%	+
Indebtedness	Non-current liabilities / own source revenue		60.0%	57.7%	56.6%	6.8%	6.7%	6.6%	+
Asset renewal	Asset renewal expenditure / depreciation	4	72.0%	84.3%	64.42%	49.6%	110.7%	139.2%	+
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	59.0%	49.4%	55.6%	57.9%	58.2%	58.3%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.96%	0.92%	0.93%	0.95%	0.97%	0.99%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$3,477	\$3,691	\$3,691	\$3,696	\$3,733	\$3,787	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$863	\$840	\$858	\$875	\$893	\$911	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	6	13.0%	12.0%	12.0%	12.0%	12.0%	12.0%	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 –

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.

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

The 2015/16 adjusted underlying result is much lower than the trend due to the early receipt of half of the 2015/16 Victoria Grants Commission (VGC) allocation and the 2015/16 Public Libraries Grant allocation in June 2015. This early receipt in June 2015 was treated as income during 2014/15 as per guidance from Local Government Victoria.

The 2016/17 adjusted underlying result is higher than the trend due to the additional of Roads to Recovery annual allocation (capital recurrent grant) which is part of the underlying revenue.

For 2017/18 and the out-years, the Roads to Recovery annual allocation is expected to be back to previous level of \$1.1 million per annum.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is expected to increase gradually up to 2018/19 in order to build up sufficient cash resources to repay the \$7 million loan in November 2019.

3 Debt compared to rates - Trend indicates Council's reducing reliance on debt against its annual rate revenue. Council's current loan borrowing stands at \$7 million which is due for repayment in November 2019.

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 expenditure in excess of its depreciation charge. After the payment of the \$7million loan in November 2019, Council intends to invest more in renewal of 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. Other budget information (required by the Regulations)

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

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

5.1.1 Grants - operating (\$458,000 decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants will decrease by 5.89% or \$458,000 compared to 2016/17. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

Operating Grant Funding Type and Source	Forecast	Budget	Variance
	Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission	5,666	5,779	113
General home care	506	506	-
Aged care	155	156	1
Other (*specify each type)			-
<i>Recurrent - State Government</i>			
General home care	130	142	12
Aged care	16	16	-
School crossing supervisors	19	9	(9)
Libraries	116	117	2
Maternal and child health	167	167	-
Recreation	30	18	(12)
Community safety	32	32	0
Environmental planning	75	-	(75)
Other	34	64	30
Total recurrent grants	6,945	7,006	62
<i>Non-recurrent - State Government</i>			
Natural Disaster Resilience	460	-	(460)
Drought support	72	-	(72)
Flood related grants	157	-	(157)
Kindergarten		315	315
Other	146	-	(146)
Total non-recurrent grants	835	315	- 520
Total operating grants	7,780	7,321	- 458

The decrease primarily relates non-recurrent grants received in 2016/17. These include -

* Natural Disaster Resilience funded project - Charlton St Arnaud Road Floodway (\$450,000). The floodway is an operating expenditure as it is a VicRoads asset. This project is fully funded from external grants.

* Natural Disaster Relief and Recovery Arrangements (NDRRA) grants received for the September - October 2016 floods (\$157,000).

* Green Lake water security as part of drought support (\$72,000).

* Charlton Rex Theatre climate control (\$90,000).

2017/18 includes \$315,000 for the construction of the Birchip Kindergarten.

The three year freeze on Victoria Grants Commission allocation is expected to end in 2016/17. The Commission anticipates that the indexation will be around 2% based on the 2016/17 Federal Budget forward estimates. Council has budgeted a 2% indexation increase based on this information.

Council has not received an indication of the continuation of the Roadside weeds and pest management program (\$75,000) and this has not been budgeted to be received.

5.1.2 Grants - capital (\$59,000 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 is expected to decrease by 1.19% or \$59,000 compared to 2016/17.

Section 12. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2017/18 year.

The Roads to Recovery allocation for 2016/17 is above the normal annual allocation of \$1.1 million. The allocation for future years will be at this normal annual allocation. Other significant grant funding expected to be received for capital works include Charlton Park 2020 (\$1.3 million), Lake Tyrell infrastructure upgrade (\$1.1 million), lake amenities development (\$500,000), Berrivillock Bowling Club works (\$275,000) and Wycheproof Pool change rooms upgrade (\$170,000). A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Capital Grant Funding Type and Source	Forecast	Budget	Variance
	Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	3,630	1,100	(2,530)
<i>Recurrent - State Government</i>			-
Total recurrent grants	3,630	1,100	(2,530)
<i>Non-recurrent - Commonwealth Government</i>			
Recreational, leisure and community facilities	50	150	100
<i>Non-recurrent - State Government</i>			
Buildings	378	1,772	1,393
Roads	-	306	306
Drainage	566	-	(566)
Recreational, leisure and community facilities	60	20	(40)
Waste Management	140	-	(140)
Parks, open space and streetscapes	35	-	(35)
Other infrastructure	148	1,600	1,452
Total non-recurrent grants	1,377	3,848	2,471
Total capital grants	5,007	4,948	(59)

5.1.3 Statement of Borrowings

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

	2016/17	2017/18
Total amount borrowed as at 30 June of the prior year	7,000,000	7,000,000
Total amount proposed to be borrowed	-	-
Total amount projected to be redeemed	-	-
Total amount of borrowings as at 30 June	7,000,000	7,000,000

6. Capital works program

This appendix 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:

- New works for 2017/18
- Works carried forward from the 2016/17 year.

Capital works program

For the year ending 30 June 2018

1. New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources		
		Renewal \$'000	Upgrade \$'000	New \$'000	Expansion \$'000	Grants \$'000	Community Contributions \$'000	Council Funds \$'000
PROPERTY								
BUILDINGS								
Community Facilities								
Donald Caravan Park fire service	105			105				105
Birchip Hall curtain track replacement	8	8						8
Culgoa Hall asbestos removal stage 1	20	20						20
Wycheproof Bowling Club renewal - stage 2	40	40						40
Sports Facilities								
Birchip Leisure Centre hot water system and flooring	50	50						50
Berriwillock Bowling Club	325			325		275	50	-
Donald Community Precinct - full plans and specifications	40	40						40
Charlton Park 2020	2,100		2,100			1,300	550	250
Charlton Park drought proofing project	38	38				38		-
Donald Recreation Reserve drought proofing project	38	38				38		-
Watchem Recreation water re-use project	35			35		35		-
Sea Lake Recreation Reserve drought proofing project	75	75				75		-
Municipal offices								
Split system replacement program	12	12						12
Wycheproof Office external refurbishment	75	75						75
Municipal offices renewal program	150	150						150
TOTAL BUILDINGS	3,110	545	2,100	465	-	1,760	600	750
TOTAL PROPERTY	3,110	545	2,100	465	-	1,760	600	750

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources		
		Renewal \$'000	Upgrade \$'000	New \$'000	Expansion \$'000	Grants \$'000	Community Contributions \$'000	Council Funds \$'000
PLANT AND EQUIPMENT								
PLANT, MACHINERY & EQUIPMENT								
Heavy Plant Replacement	600	600						600
Small Plant	20	20						20
TOTAL PLANT, MACHINERY & EQUIPMENT	620	620	-	-	-	-	-	620
COMPUTERS AND TELECOMMUNICATIONS								
IT & Equipment replacement	162	162						162
IT systems renewal	350	350						350
Phone system replacement	50	50						50
Asset management system	50	50						50
TOTAL IT & EQUIPMENT	612	612	-	-	-	-	-	612
LIBRARY BOOKS								
Library books purchase	100			100				100
TOTAL LIBRARY BOOKS	100	-	-	100	-	-	-	100
TOTAL PLANT AND EQUIPMENT	1,332	1,232	-	100	-	-	-	1,332

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources		
		Renewal \$'000	Upgrade \$'000	New \$'000	Expansion \$'000	Grants \$'000	Community Contributions \$'000	Council Funds \$'000
INFRASTRUCTURE								
ROADS								
Roads to Recovery grant	-					1,100	-	1,100
Sealing Program	590	590						590
Final seal - Culgoa-Lalbert and Yuengroon Road	137	137						137
Roads - Resheets								
Cox Road, Wooroonook	85	85						85
Connelly/Galaquil East Road	81	81						81
Richmond Rd, Watchem	34	34						34
Ryans Road, Wycheproof	70	70						70
Bennett Rd, Charlton	136	136						136
Curnow Rd, Wycheproof	36	36						36
Roads - Shoulder Resheets								
Nandaly-Nyarrin Road (ch. 0 - 8529)	209	209						209
Roads - Rehabilitation								
Major Patch Program	50	50						50
Yuengroon Road Rehabilitation	460	460				306		154
Kerb and Channel								
Morrison St, Birchip (Union-Stevens St)	50	50						50
TOTAL ROADS	1,939	1,939	-	-	-	1,406	-	533
FOOTPATHS								
Main St, Culgoa (pub to park)	69	69						69
TOTAL FOOTPATHS	69	69	-	-	-	-	-	69

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources		
		Renewal \$'000	Upgrade \$'000	New \$'000	Expansion \$'000	Grants \$'000	Community Contributions \$'000	Council Funds \$'000
DRAINAGE								
Nullawil drainage	100	100						100
TOTAL DRAINAGE	100	100	-	-	-	-	-	100
RECREATIONAL, LEISURE AND COMMUNITY FACILITIES								
Swimming Pools								
Wycheproof Pool Change room Upgrade	250		250			170		80
Swimming Pool renewal program	40	40						40
TOTAL RECREATIONAL, LEISURE AND COMMUNITY FACILITIES	290	40	250	-	-	170	-	120
WASTE MANAGEMENT								
Birchip Landfill fence upgrade Stage III	30	30						30
Sea Lake Transfer Station Upgrades	30			30				30
Donald Landfill solar power	15			15				15
Litter screens	10			10				10
TOTAL WASTE MANAGEMENT	85	30	-	55	-	-	-	85
OTHER INFRASTRUCTURE								
Playground Replacement program	10	10						10
Park irrigation upgrades	10	10						10
Park furniture/BBQ upgrades	15	15						15
Lake Tyrrell infrastructure upgrades (Stage 1)	1,100			1,100		1,100		-
Recreation Lake tourism signage	2			2				2
Wooroonook Lake septic upgrade	50	50						50
Lake amenities development (Stage 1)	700		700			500	50	150
TOTAL OTHER INFRASTRUCTURE	1,887	85	700	1,102	-	1,600	50	237
TOTAL INFRASTRUCTURE	4,370	2,263	950	1,157	-	3,176	50	1,144
TOTAL NEW CAPITAL WORKS 2017/18	8,811	4,039	3,050	1,722	-	4,936	650	3,225

Buloke Shire Council Budget - 2017/18

2.Works carried forward from the 2016/17 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources		
		Renewal \$'000	Upgrade \$'000	New \$'000	Expansion \$'000	Grants \$'000	Community Contributions \$'000	Council Funds \$'000
BUILDINGS								
Berrillock Bowling Club upgrade	75			75		75		-
Charlton Park Drought Proofing Project	38	38				38		-
Donald Recreation Reserve Drought Proofing Project	38	38				38		-
Watchem Recreation Water Re-use Project	35			35		35		-
Sea Lake Recreation Reserve Drought Proofing Project	75	75				75		-
TOTAL DRAINAGE	260	150	-	110	-	260	-	-
RECREATIONAL, LEISURE AND COMMUNITY FACILITIES								
Wycheproof Pool Change room Upgrade	50		50			50		-
TOTAL RECREATIONAL, LEISURE AND COMMUNITY FACILITIES	50	-	50	-	-	50	-	-
PARKS, OPEN SPACE AND STREETSCAPES								
Streetscapes plan and implementation	125	63	63					125
TOTAL PARKS, OPEN SPACE AND STREETSCAPES	125	63	63	-	-	-	-	125
OTHER INFRASTRUCTURE								
Recreation Lake Tourism Signage	30			30		30		-
Lake Amenities Upgrade	50		50					50
TOTAL OTHER INFRASTRUCTURE	80	-	50	30	-	30	-	50
TOTAL INFRASTRUCTURE	515	213	163	140	-	340	-	175
TOTAL CARRIED FWD WORKS 2016/17	515	213	163	140	-	340	-	175

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources		
		Renewal \$'000	Upgrade \$'000	New \$'000	Expansion \$'000	Grants \$'000	Community Contributions \$'000	Council Funds \$'000
PROPERTY	3,110	545	2,100	465	-	1,760	600	750
PLANT AND EQUIPMENT	1,332	1,232	-	100	-	-	-	1,332
INFRASTRUCTURE	4,885	2,475	1,113	1,297	-	3,516	50	1,319
TOTAL CAPITAL WORKS	9,326	4,252	3,213	1,862	-	5,276	650	3,400

7. Rates and charges

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

7. 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 50% 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 2017/18 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 community.

In calculating the increase to rates, Council is required to annualise the supplementary valuations from the previous year and add these rates to the budgeted rates. The rate increase of 2% is then applied to this amount. This can lead to some confusion when comparing the 2016/17 budget to the 2017/18 budget as it appears rates have increased more than 2%. This is the increase between budgets, not the average increase per rateable property. The average general rates and municipal charge will increase by 2% and 1.8% respectively in line with the rate cap. The waste recovery charge which is at full cost recovery is \$381 and this is an increase of 1.6%.

7.1 The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2016/17 cents/\$CIV	2017/18 cents/\$CIV	Change
General rate for rateable residential properties	0.7743	0.7899	2.0%
General rate for rateable commercial properties	0.7743	0.7899	2.0%
General rate for rateable farming properties	0.7588	0.7741	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

Type or class of land	2016/17 \$	2017/18 \$	Change
Residential	2,438,395	2,492,551	2.2%
Commercial	615,569	632,473	2.7%
Farming	7,467,032	7,620,829	2.1%
Total amount to be raised by general rates	10,520,996	10,745,853	2.1%

7.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2016/17	2017/18	Change
Residential	2,902	2,905	0.1%
Commercial	442	448	1.4%
Farming	2,862	2,865	0.1%
Total number of assessments	6,206	6,218	0.2%

7.4 The basis of valuation to be used is the Capital Improved Value (CIV)

7.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2016/17 \$	2017/18 \$	Change
Residential	314,916,100	315,609,100	0.2%
Commercial	79,500,000	80,070,000	0.7%
Farming	984,058,000	984,476,000	0.0%
Total value of land	1,378,474,100	1,380,155,100	0.1%

7.6 The municipal charge under section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2016/17 \$	Per Rateable Property 2017/18 \$	Change
Municipal	164	167	1.8%

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

Type of Charge	2016/17 \$	2017/18 \$	Change
Municipal	722,256	735,468	1.8%

7.8 The rate or unit amount to be levied for each type of service rate or charge under section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2016/17 \$	Per Rateable Property 2017/18 \$	Change
Kerbside Garbage & Recycling collection	375	381	1.6%

7.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	2016/17 \$	2017/18 \$	Change
Kerbside Garbage & Recycling collection	1,282,500	1,304,544	1.7%

7.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year

Type of Charge	2016/17 \$	2017/18 \$	Change
General rates	10,520,996	10,745,853	2.1%
Municipal charge	722,256	735,468	1.8%
Kerbside collection and recycling	1,282,500	1,304,544	1.7%
Supplementary rates	31,873	25,000	
Electricity generation charge in lieu of rates	75,375	76,500	
Rates and charges	12,633,000	12,887,365	

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 (2017/18: estimated **25,000**)
- During 2015/16 the construction of the Coonoor Bridge Wind Farm was completed. Expected income to be derived from this enterprise is calculated as per the prescribed methodology under Sec 94 of the Electricity Industry Act 2000 (2017/18- estimated \$76,500)
- 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 0.7899% (0.7899 cents in the dollar of CIV) for all rateable residential properties; and
- A general rate of 0.7899% (0.7899 cents in the dollar of CIV) for all rateable commercial properties.
- A general rate of 0.7741% (0.7741 cents in the dollar of CIV) for all rateable farming 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.

Commercial land

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 Buloke 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 Buloke 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.

Residential land

Residential land is any land, which is:

- Occupied for the principal purpose of physically accommodating persons; or
- Unoccupied but zoned residential under the Buloke Shire Planning Scheme and which is not commercial land.

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

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services; 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 residential land. The vacant land affected by this rate is that which is zoned residential under the Buloke 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 rateable land:

- That is not less than 2 hectares in area;
- That is used primarily for grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or any combination of those activities; and that is used by a business;
- That has significant and substantial commercial purpose or character;
- That seeks to make a profit on a continuous or repetitive basis from its activities on the land;

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

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

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services;
- Provision of general support services;
- To maintain agriculture as a major industry in the municipal district; and,
- To ensure that the concessional rate in the dollar declared for defined Farm Land properties is fair and equitable, having regard to the cost of provision of Council services, and the level of benefits derived from expenditures made by Council on behalf of the farm sector.

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 where it is located within the municipal district, without reference to ward boundaries.

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

7.13 Fair Go Rates System Compliance

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

Base Average Rates (2016/17)	\$ 1,810.26
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017/18)	\$ 1,846.47
Maximum General Rates and Municipal Charges Revenue	11,481,321
Budgeted General Rates and Municipal Charges Revenue	11,481,321

Budget Analysis

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

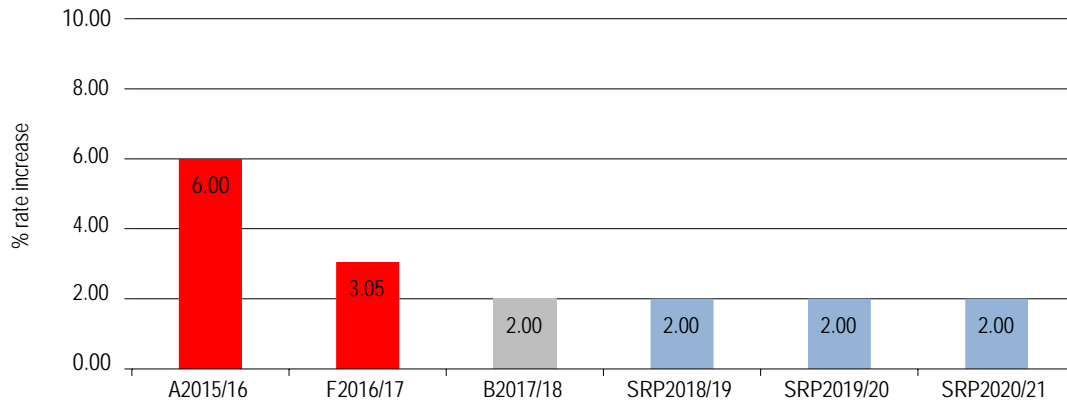
This section includes the following analysis and information.

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

8. Summary of financial position

Council has prepared a Budget for the 2017/18 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, cash and investments, capital works, financial position and financial sustainability of the Council.

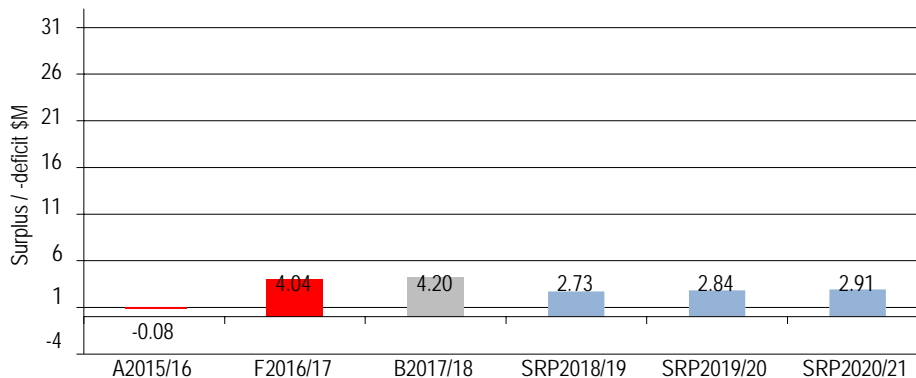
8.1 Rates and charges



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

In December 2016, the Minister for Local Government announced that Victorian Council rate rises would be capped at 2.0% for 2017-18. Council's rate increase is in line with the Minister's directive and will raise total rates of \$12.88 million including income generated from windfarm and supplementary income. Refer Section 7 for more details.

8.2 Operating result



The expected operating result for the 2017/18 year is a surplus of \$ 4.20 million, which is an increase of \$165,000 over 2016/17.

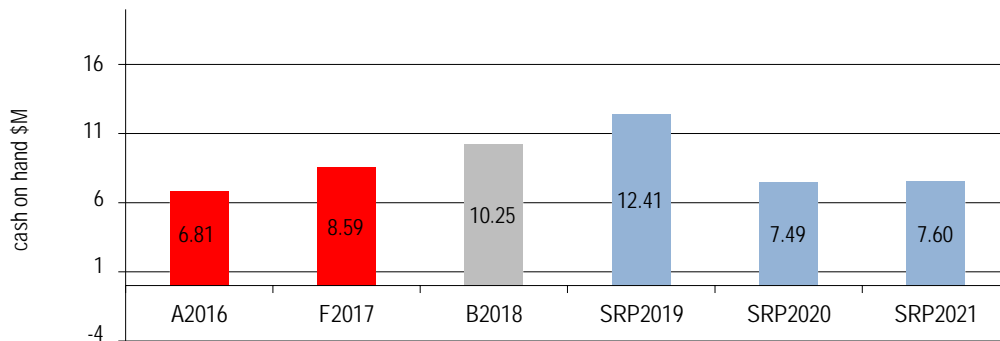
The 2015/16 result is significantly lower than trend primarily due to the timing of receipt of half of the 2015/16 Victoria Grants Commission (VGC) allocation on 30 June 2015 which was recorded as income in the 2014/15 financial year as per guidance from Local Government Victoria.

During 2015/16 and 2016/17, Council received additional Roads to Recovery funding. From 2017/18 onwards, Council has forecast to receive its normal annual allocation of \$1.1 million.

For 2017/18, Council has forecast to receive non recurrent capital grants of \$3.85 million to fund capital works.

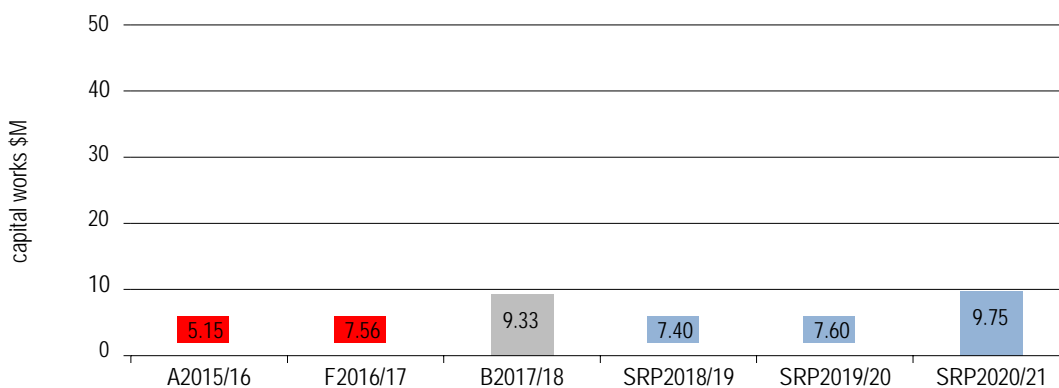
The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a deficit of \$295,000 which is a decrease of \$2.8 million. This decrease is mainly due to the treatment of Roads to Recovery funding as 'capital recurrent' grants.

8.3 Cash and investments



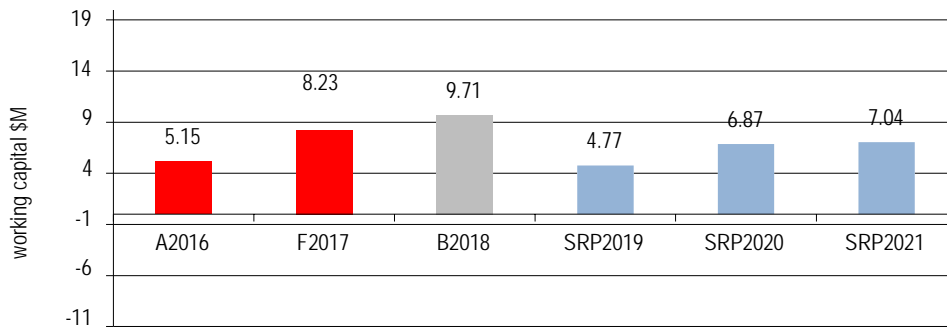
Cash and investments are expected to increase by \$1.66 million during the year to \$10.25 million as at 30 June 2018. The loan of \$7.0 million in 2014/15 along with reduction in operational expenditure as part of the service review outcome has contributed to this positive cash flow. Council's cash position remains strong over the life of the Council Plan 2017 - 2021 with the objective of repayment of the \$7 million loan in November 2019.

8.4. Capital works



The capital works program for the 2017/18 year is expected to be \$9.33 million of which \$515,000 relates to projects which will be carried forward from the 2016/17 year. The carried forward component is fully funded from the 2016/17 budget. Of the \$9.33 million of capital funding required, \$5.28 million will come from external grants with the balance of \$4.05 million from Council cash and community contributions. The capital expenditure program reflect the funds available from operating activities and relies heavily on grant funding in the medium term.

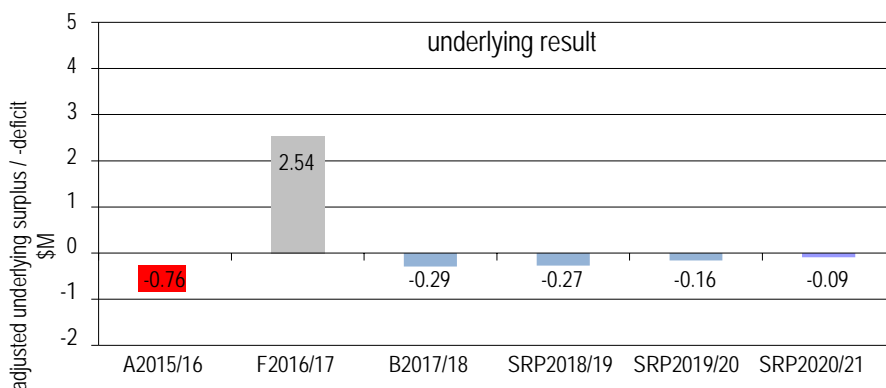
8.5 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$4.20 million to \$177.99 million although net current assets (working capital) will improve by \$1.48 million to 9.71 million as at 30 June 2018.

Refer also Section 3 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

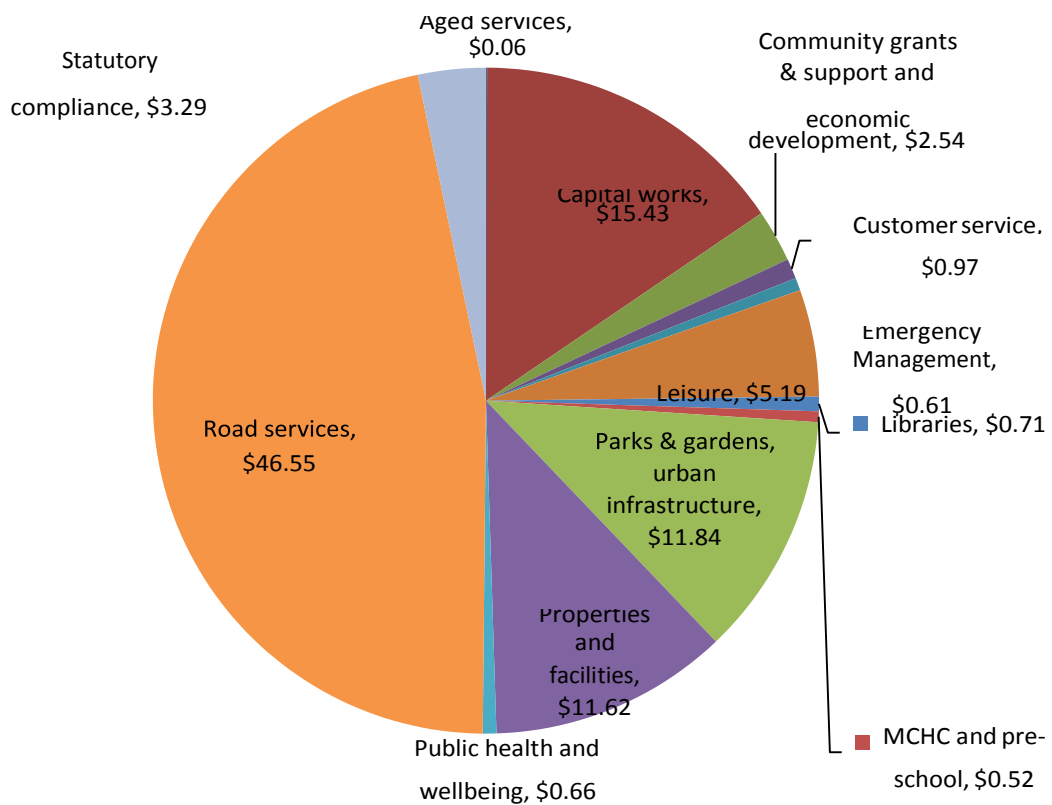
8.6 Financial sustainability



A high level Strategic Resource Plan (SRP) for the years 2017 to 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.

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 and administrative costs are allocated to our external facing services using the 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 Buloke Shire Council

Our Shire

Buloke Shire is located in north-western Victoria, between 210 and 360 kilometres north-west of Melbourne and is bounded by Mildura and Swan Hill Rural Cities in the north, Gannawarra and Loddon Shire in the east, Northern Grampians Shire in the south, and Yarriambiack Shire in the west.

Buloke is a predominantly rural area used largely for agriculture, particularly grain (wheat, oats and barley) production and sheep grazing. The main townships are Birchip, Charlton, Donald, Sea Lake and Wycheproof. Smaller townships include Berriwillcock, Culgoa, Nandaly, Nullawil and Watchem.

The Shire encompasses a total land area of approximately 8,000 square kilometres. It is approximately 140 kilometres long and 60 kilometres wide.

Our Community

6,388 people live in 3,282 households in Buloke, making it one of Victoria's most sparsely populated municipalities. The community of Buloke is made up of 2,035 (31.9%) of people over the age of 60; 2,900 (45.4%) between 18 and 60 years; 1,119 (14.2%) between 5 and 17 years; and 334 (5.3%) between 0 and 4 years.

The Buloke population is stable, with 4,238 residents (66.3%) living in the Shire for at least five years. 652 residents (10.2%) moved to the Shire from another part of Victoria in the five years prior to 2011. 210 residents (3.3%) moved to the Shire from another part of Australia in the five years to 2011.

The educational qualifications attained by Buloke residents are comparatively less than found in regional Victoria with only 1,703 residents (32.6%) holding postsecondary educational qualifications.

Compared to regional Victoria, in 2011 there was a smaller proportion of high-income households (those earning \$1,500 per week or more) and a larger proportion of low-income households (those earning less than \$600 per week) in Buloke. Overall, 221 Buloke households (8.3%) earned a high income, and 408 (15.4%) were low-income households, compared with 10.3% and 12.3% respectively for regional Victoria.

Our Local Economy

Workplaces in Buloke provide approximately 2,725 jobs.

Agriculture is the most substantial employment sector in the Shire, providing 818 jobs (30.0%). This is followed by 319 jobs (11.7%) in the health sector, 227 (8.3%) in the education sector, 214 (7.9%) in the retail trades sector and 155 (5.7%) in the public administration sector. A small number of people work in the manufacturing sector (130 or 4.8%) and the construction sector (149 or 5.5%).

Between 2006 and 2011 the proportion of persons working in the agriculture sector, retail, manufacturing and education sectors all fell. The number of persons who reported working in the agriculture sector fell by 15% (140 jobs over the five-year period). Jobs in the retail sector fell 15% with falls of 6% and 3% respectively in the manufacturing and education sectors. Increases were reported in the transport and technical sectors, but the numbers were small.

Volunteering is an important part of the Buloke economy and is an accepted indicator of community cohesiveness and wellbeing, and of how readily individuals are able to contribute to their community. Analysis of the voluntary work performed in Buloke in 2011 compared to regional Victoria shows that there was a higher proportion of persons participating in volunteer activities in Buloke than in the average of other rural municipalities.

Drivers of Change

Increased agricultural productivity

Increased agricultural productivity and the emergence of larger farms across the Shire have resulted in fewer farms and less demand for workers, leading to population loss. This process has been particularly pronounced in recent years and current trends suggest it will continue in the future.

Population decline

The general trend across dry land farming areas in Victoria is that towns between one and two thousand people are experiencing continuing population decline due to job losses in agriculture and other sectors where services have been withdrawn, such as banking, government administration and education. The 2016 census data will be available in June and will provide a more accurate measure of population data.

A changing climate

Water availability is a major driver of economic growth, environmental health and liveability in Buloke. Over the next 20 to 50 years climate change is predicted to result in higher average temperatures, lower average rainfall, greater intensity of rainfall, and potentially an increase in the frequency of droughts. However, the Wimmera Mallee pipeline has improved water security in the region in the short term and is contributing to the growth in the intensive animal farming within the Shire.

Global food demand

The expected increase in global food demand will provide opportunities for food producing regions that can successfully adapt to climate change and other factors affecting agriculture, such as energy costs, volatile international commodity markets, varying currency valuations and the impact of new markets in emerging regions for high quality products.

Liveability factors

Various factors influence people's choices on where to live include availability of employment, choice and affordability of housing, education, health, cultural, family proximity and lifestyle features.

Employment is likely to continue to be the single largest factor impacting on choice to locate in Buloke, followed by affordable housing.

Migration

Another population trend in rural Victoria has been the outward migration of young people to regional centres and metropolitan Melbourne for education and employment opportunities and the inward migration of people in the 50 to 64 age bracket.

In Buloke there has been a consistent net outward migration of young people to Melbourne or larger regional centres such as Bendigo, Ballarat and Mildura for education and employment over the past 30 years.

The 2016 census data will be available in June and will provide a more accurate measure of population data.

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 large area and dispersal of population increases transport costs when compared to city Councils. This impacts on the cost of supplying services, often being up to two and a half times greater than supplying the same services in a metropolitan area.
- Approximately 15% of ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community. Council has hardship provisions in place but these can impact on cash balances when large volumes of ratepayers are involved. In addition, during periods of adverse weather conditions there is an impact on Council's rural ratepayers to pay their rates.

- Council's infrastructure, particularly buildings are reaching a stage where a large capital investment is required. With the 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

- Introduction of rate capping has placed pressure on long term financial plans of Council
- Setting of Statutory Fees such as Town Planning Fees by the Victorian State Government at levels which do not cover the cost of providing these services which Council is legislatively required to provide.
- Funds received by local governments for the provision of services such as Home and Community Care and School Crossing Supervision are not increasing in line with actual service costs to provide this service.
- 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 financial impact on the preparation of the 2017/18 Budget.

- During 2014/15, the renegotiation of Council's Enterprise Bargaining Agreement (EBA) resulted in a wage increase of 2.75% in 2015 and 2.50% for the following 2 years. With the current EBA expiring in January 2018, Council has budgeted a wage increase of 2% in line with the rate cap for 2017/18.
- Council has embarked on a 3 year review of all services in an effort to identify and implement efficiencies and reduce expenditure.

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 with labour costs if the service is labour based. Benchmarking of some fees has seen increases to meet industry pricing.
- New revenue sources to be identified where possible.
- Service levels to be maintained at 2016/17 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- Contract labour to be minimised.
- Real savings in expenditure and increases in revenue identified in 2016/17 to be preserved.
- Operating revenues and expenses arising from completed 2016/17 capital projects to be included.

9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2017 - 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 2017/18 year.

10.1 Budgeted income statement

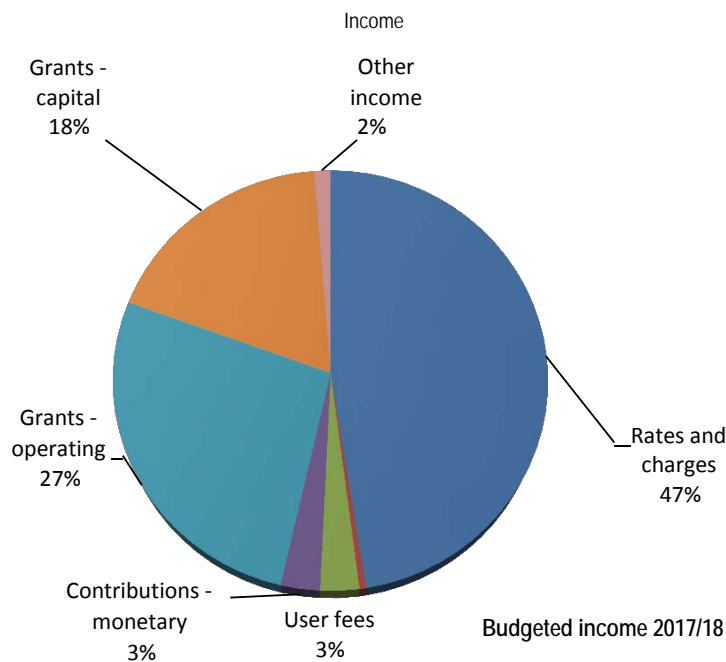
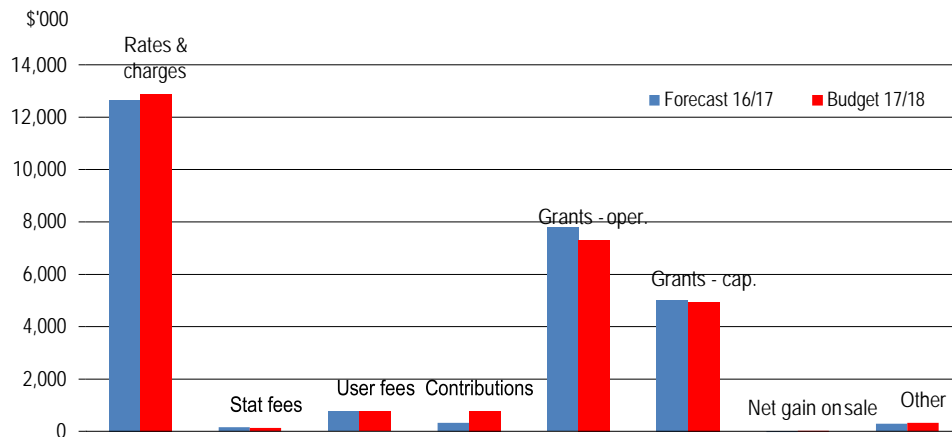
	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Total income	10.2	26,945	27,154	208
Total expenses	10.3	(22,907)	(22,951)	(44)
Surplus (deficit) for the year		4,038	4,203	164
Grants –non-recurrent capital	5.1.2	(1,377)	(3,848)	(2,471)
Contributions - non-monetary assets		-	-	-
Capital contributions - other sources	10.2.4	(124)	(650)	(526)
Adjusted underlying surplus (deficit)	10.1.1	2,538	(295)	(2,832)

10.1.1 Adjusted underlying surplus (\$2.83 million decrease)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/18 year is a small deficit of \$295,000 which is a decrease of \$2.8 million from the 2016/17 year. The difference in result between years is due to the one-off increase in the Roads to Recovery grant received by Council. 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

Income Types	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Rates and charges	10.2.1	12,633	12,888	255
Statutory fees and fines	10.2.2	160	132	(28)
User fees	10.2.3	762	762	0
Contributions - monetary	10.2.4	328	766	438
Grants - operating	5.1.1	7,780	7,321	(459)
Grants - capital	5.1.2	5,007	4,948	(59)
Net gain on disposal of property, infrastructure, plant & equip.	10.2.5	(15)	10	25
Other income	10.2.6	291	328	37
Total income		26,945	27,154	208



Source: Section 3

10.2.1 Rates and charges (\$255,000 increase)

The average general rates and municipal charge will increase by 2% and 1.8% respectively in line with the rate cap. The waste recovery charge which is at full cost recovery is \$381 and this is an increase of 1.6%. The net increase is expected to be \$255,000.

Part of the increased revenue from rates is generated from supplementary valuations expected predominantly from new intensive farming.

Section 7. "Rates and Charges" includes a more detailed analysis of the rates and charges to be levied for 2017/18 and the rates and charges information specifically required by the Regulations

10.2.2 Statutory fees and fines (\$28,000 decrease)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations and *Public Health and Wellbeing Act 2008* registrations. Increases in statutory fees are made in accordance with legislative requirements. These form a minor part of council income stream. The year to year difference results from a higher than budgeted number of fire infringements issued in 2016/17.

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

10.2.3 User fees (no overall increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services except for kerbside waste and recycling charge. These include use of community facilities and the provision of human services such as Home and Community Care. 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.

While there is an increase in the unit charge for Home and Community Care services, there has been an overall reduction in the contact hours as a result of the active service model.

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

10.2.4 Contributions - monetary (\$438,000 increase)

Contributions relate to monies paid by developers in accordance with planning permits issued for property development and by community groups for contributions to capital projects.

Contributions are projected to increase by \$438,000 compared to 2016/17 due to community contributions towards renewal and upgrade of local sporting and community facilities. Further details on capital contributions can be found in Section 6.

10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$25,000 increase)

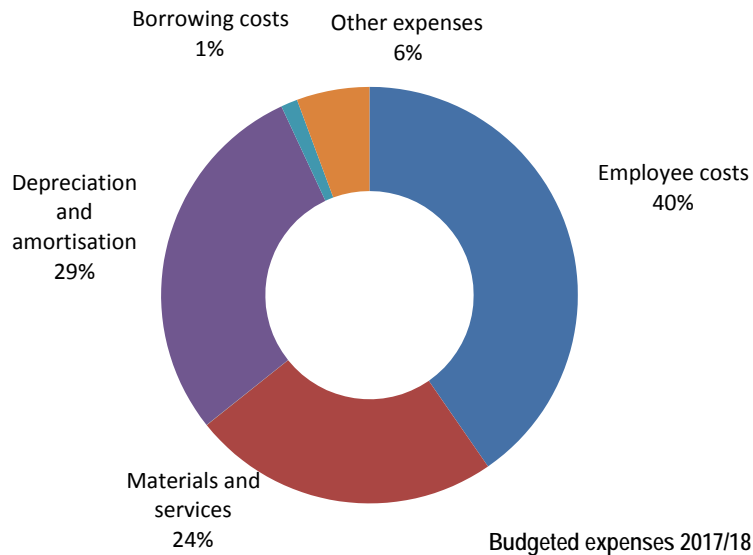
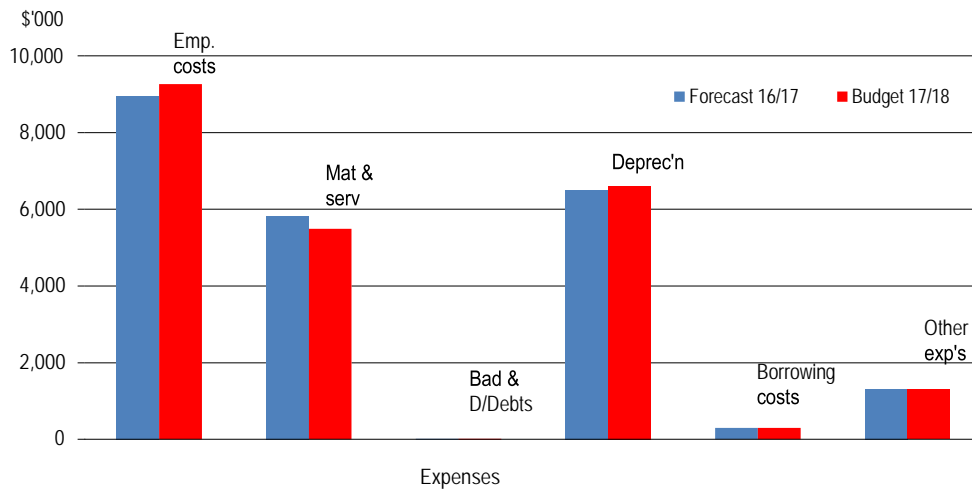
Net proceeds from the disposal of Council assets is forecast to be \$10,000 and relate to the planned cyclical replacement of part of plant and vehicle fleet and the proposed sale of surplus property assets no longer required by Council.

10.2.6 Other income (\$37,000 increase)

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. These form a minor part of council income stream.

10.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Employee costs	10.3.1	8,960	9,265	305
Materials and services	10.3.2	5,812	5,486	(326)
Bad and doubtful debts	10.3.3	5	5	0
Depreciation and amortisation	10.3.4	6,506	6,600	94
Borrowing costs	10.3.5	297	297	0
Other expenses	10.3.6	1,327	1,298	(29)
Total expenses		22,907	22,951	44



Source: Section 3

10.3.1 Employee costs (\$305,000 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 \$305,000 compared to 2016/17. During 2014/15, the renegotiation of Council's Enterprise Bargaining Agreement (EBA) resulted in a wage increase of 2.75% in 2015 and 2.50% for the following 2 years. With the current EBA expiring in January 2018, Council has budgeted a wage increase of 2% in line with the rate cap for 2017/18.

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

Department	Budget 2017/18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Governance	403	293	110
Community Services	1,004	416	588
Corporate Services	1,311	1,071	240
Planning & Community Support	937	721	216
Risk & Human Resources	289	172	117
Works & Technical Services	4,887	4,623	264
Total permanent staff expenditure	8,832	7,297	1,535
Casuals and other expenditure	433		
Total operating expenditure	9,265		
Capitalised labour costs	94		
Total expenditure	9,359		

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
Governance	2.95	2.00	0.95
Community Services	11.99	4.00	7.99
Corporate Services	14.12	11.00	3.12
Planning & Community Support	10.34	8.00	2.34
Risk & Human Resources	3.22	2.00	1.22
Works & Technical Services	66.72	63.00	3.72
Total	109.34	90	19.3
Casuals and other	5.57		
Capitalised labour costs	2		
Total staff	114.91		

10.3.2 Materials and services (\$326,000 decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by \$326,000 compared to 2016/17. This decrease is primarily due the grant funded expenditure associated with the September - October 2016 floods (\$160,000) and one-off funded projects i.e. Rex Theatre climate control (\$120,000) and Green Lake water security (\$72,000).

10.3.3 Bad and doubtful debts (No change)

Bad and doubtful debts is projected to remain at similar level to 2016/17.

10.3.4 Depreciation and amortisation (\$94,000 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 is due mainly due to the completion of the 2016/17 capital works program and the full effect of depreciation on the 2016/17 capital works program.

Refer to Section 12. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2016/17 year.

10.3.5 Borrowing costs (no decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The \$7.0 million loan borrowing in 2014/15 under the Local Government Funding Vehicle at a fixed interest rate of 4.24% p.a. has reduced Council's reliance on a higher interest overdraft facility.

10.3.6 Other expenses (\$29,000 decrease)

Other expenses relate to a range of unclassified items including contributions to community groups and other miscellaneous expenditure items.

This category also includes one-off expenditure. 2016/17 expenditure included the construction of the Charlton - St Arnaud Road floodway (\$450,000). The floodway is an operating expenditure as it is a VicRoads asset. This project is fully funded from external grants.

2017/18 expenditure includes the construction of the Birchip Kindergarten (\$380,000). This project is primarily funded from grants and contributions of \$350,000.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		12,003	12,917	914
User fees and fines		809	895	86
Grants - operating		7,790	7,321	(469)
Grants - capital		5,007	4,948	(59)
Interest		153	190	37
Other receipts		403	906	503
		26,165	27,177	1,012
<i>Payments</i>				
Employee costs		(8,960)	(9,265)	(305)
Other payments		(6,971)	(6,641)	330
		(15,931)	(15,906)	25
Net cash provided by operating activities		10,234	11,271	1,037
Cash flows from investing activities	11.1.2			
Proceeds from sale of property, infrastructure, plant & equipment		84	10	(74)
Payments for property, infrastructure, plant & equip.		(8,234)	(9,326)	(1,092)
Payments for investments		-	-	-
Proceeds from investments		-	-	-
Loans and advances made		-	-	-
Repayments of loans and advances		-	-	-
Net cash used in investing activities		(8,150)	(9,316)	(1,166)
Cash flows from financing activities	11.1.3			
Finance costs		(297)	(297)	0
Proceeds from borrowings		0	-	0
Repayment of borrowings		0	0	0
Net cash used in financing activities		(297)	(297)	0
Net decrease in cash and cash equivalents		1,787	1,658	(129)
Cash and cash equivalents at the beginning of the year		6,806	8,593	1,787
Cash and cash equivalents at end of the year	11.1.4	8,593	10,251	1,658

11.1.1 Operating activities (\$1.04 million increase).

The increase in cash flow from operating activities between 2016/17 and 2017/18 is mainly due to assumptions regarding collection of rates.

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

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Surplus (deficit) for the year	4,038	4,203	164
Depreciation	6,506	6,600	94
Loss (gain) on disposal of property, infrastructure, plant & equipment	(15)	10	25
Finance costs	297	297	0
Net movement in current assets and liabilities	(592)	161	753
Cash flows available from operating activities	10,234	11,271	1,036

11.1.2 Investing activities (\$1.17 million increase)

The increase is primarily large funded projects planned for 2017/18. The 2016/17 forecast also includes proceeds from sale of surplus property assets.

11.1.3 Financing activities (No change)

Council's current loan liability stands at \$7 million at a fixed interest rate of 4.24% p.a. which is due for repayment in November 2019.

11.1.4 Cash and cash equivalents at end of the year (\$1.66 million increase)

Total cash and investments is forecast to increase by \$1.66 million as at 30 June 2018. The increase in cash is due to the requirement to repay the \$7.0 million borrowings in future years. This is consistent with Council's Strategic Resource Plan (see Section 14), which forecasts a reduction in operating expenditure such as employee costs and materials and services from 2014/15 onwards to balance future cash budgets. This reduction in operating expenditure is a result of the service review outcomes as part of the 2014/15 budget process and is an ongoing exercise with the aim of balancing 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 \$10.25 million, which has been restricted as shown in the following table.

	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Total cash and investments		8,593	10,251	1,658
Restricted cash and investments				
- Statutory reserves	11.2.1	-	-	-
- Cash held to carry forward capital works	11.2.2	(515)	-	515
- Trust funds and deposits		(28)	(28)	-
Unrestricted cash and investments	11.2.3	8,050	10,223	2,173
- Discretionary reserves	11.2.4	-	-	-
Unrestricted cash adjusted for discretionary reserves	11.2.5	8,050	10,223	2,173

11.2.1 Statutory reserves

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. Council does not have any Statutory Reserves.

11.2.2 Cash held to fund carry forward capital works

There is no amount shown as cash held to fund carry forward works at 30 June 2017, as it is expected that the capital works budget in the 2016/17 financial year will be fully completed. An amount of \$515,000 is forecast to be held at 30 June 2017 to fund capital works budgeted but not completed in the 2016/17 financial year. Section 12.2 contains further details on capital works funding.

11.2.3 Unrestricted cash and investments (\$10.22 million)

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

11.2.4 Discretionary reserves

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. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

11.2.5 Unrestricted cash adjusted for discretionary reserves (\$10.22 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 repay the \$7.0 million loan.

12. Analysis of capital budget

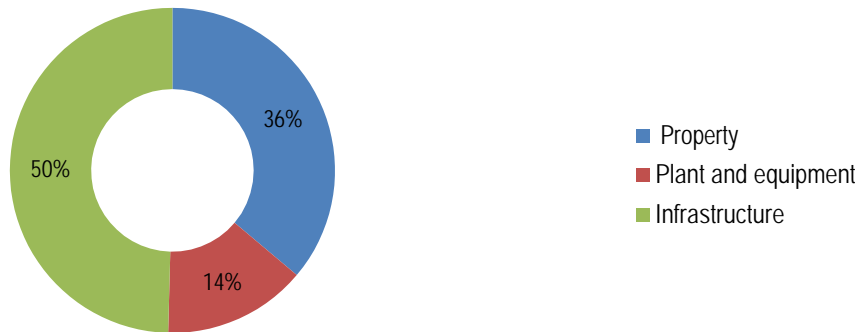
This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Further details on the capital works program can be found in Section 6.

12.1 Capital works

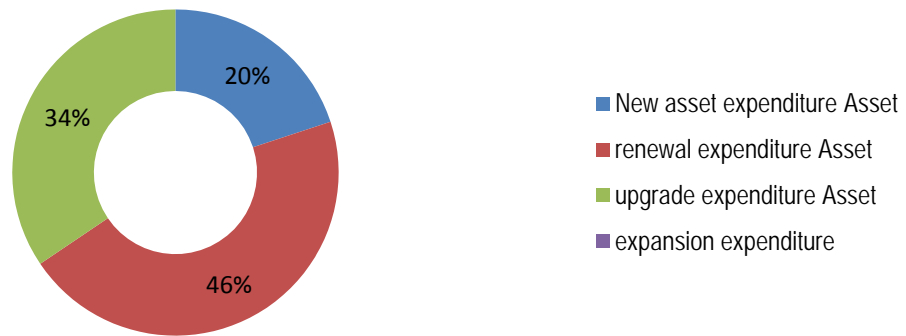
Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Works carried forward	12.1.1			
Property				
Buildings		31	260	229
Total buildings		31	260	229
Total property		31	260	229
Plant and equipment				
Plant, machinery and equipment		34	-	(34)
Total plant and equipment		34	-	(34)
Infrastructure				
Drainage		462	-	(462)
Recreational, leisure and community		-	50	50
Parks, open space and streetscapes		11	125	114
Other infrastructure		25	80	55
Total infrastructure		498	255	(298)
Total works carried forward		563	515	(103)
New works				
Property	12.1.2			
Buildings		484	3,110	2,626
Total buildings		484	3,110	2,626
Total property		484	3,110	2,626
Plant and equipment	12.1.3			
Plant, machinery and equipment		658	620	(38)
Computers and telecommunications		226	612	386
Library books		-	100	100
Total plant and equipment		884	1,332	448
Infrastructure	12.1.4			
Roads		3,720	1,939	(1,781)
Footpaths and cycleways		88	69	(19)
Drainage		758	100	(658)
Recreational, leisure and community		418	290	(128)
Waste management		484	85	(399)
Parks, open space and streetscapes		74	-	(74)
Other infrastructure		90	1,887	1,797
Total infrastructure		5,632	4,370	(1,262)
Total new works		7,000	8,811	1,811
Total capital works expenditure		7,563	9,326	1,708

Capital Works Areas	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Represented by:				
New asset expenditure	12.1.5	1,259	1,862	603
Asset renewal expenditure	12.1.5	5,483	4,252	(1,231)
Asset upgrade expenditure	12.1.5	821	3,213	2,392
Asset expansion expenditure	12.1.5	-	-	-
Total capital works expenditure		7,563	9,326	1,763

Budgeted capital works 2017/18



Budgeted capital works 2017/18



12.1.1 Carried forward works (\$515,000)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016/17 year it is forecast that \$515,000 of capital works will be incomplete and be carried forward into the 2017/18 year. Most of the carry forward works relate to funding received for sporting facilities during the second half of 2016/17. These projects are being scoped with works expected to commence after the football/hockey season.

12.1.2 Property (\$3.11 million)

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

For the 2017/18 year, \$3.11 million will be expended on building and building improvement projects. The more significant projects include development of a multi-use community hub at Charlton Park (\$2.1 million), Berriwillock Bowling Club works (\$325,000), Donald Caravan Park fire service (\$105,000) and municipal offices renewal program (\$237,000)

12.1.3 Plant and equipment (\$1.33 million)

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

For the 2017/18 year, \$1.33 million will be expended on plant, equipment and other projects. These include ongoing cyclical replacement of the plant (\$620,000), and upgrade and replacement of information technology (\$612,000).

12.1.4 Infrastructure (\$4.37 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2017/18 year, of the \$1.9 million proposed to be expended on road projects, \$1.1 million will be funded by Roads to Recovery and \$306,000 will be funded under the State Government's Roads to Market program.

\$290,000 will be expended on recreational, leisure and community facilities projects. The most significant of these include Wycheproof Pool change rooms upgrade (\$250,000).

\$1.88 million will be expended other infrastructure which include \$1.1 million on Lake Tyrell infrastructure upgrade and \$700,000 on improvement to amenities at the 3 lakes. Both projects are subject to external funding.

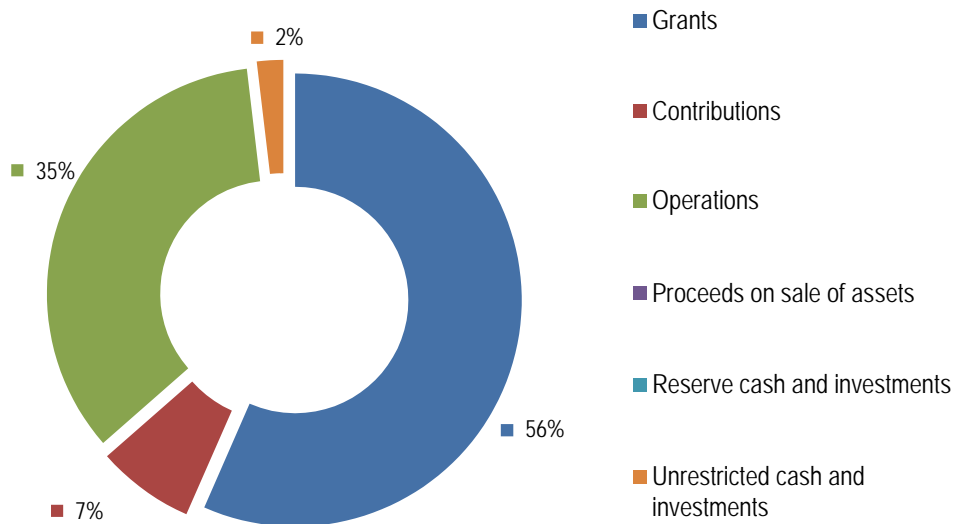
12.1.5 Asset renewal (\$4.25 million), new assets (\$1.86 million) and upgrade (\$3.21 million)

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

12.2 Funding sources

Sources of funding	Ref	Forecast		Variance
		Actual 2016/17 \$'000	Budget 2017/18 \$'000	
Works carried forward				
Current year funding				
Grants		534	340	(194)
Contributions				-
Borrowings				-
Council cash				
- operations		29	-	29
- proceeds on sale of assets				-
- reserve cash and investments				-
- unrestricted cash and investments			175	175
Total works carried forward	12.2.1	563	515	(48)
New works				
Current year funding				
Grants	12.2.2	4,902	4,936	34
Contributions	12.2.3	122	650	528
Borrowings				-
Council cash				
- operations	12.2.4	1,976	3,225	1,249
Total new works		7,000	8,811	1,811
Total funding sources		7,563	9,326	1,763

Budgeted total funding sources 2017/18



Source: Section 6

12.2.1 Carried forward works (\$515,000)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016/17 year it is forecast that \$515,000 of capital works will be incomplete and be carried forward into the 2017/18 year. Most of the carry forward works relate to funding received for sporting facilities during the second half of 2016/17. These projects are being scoped with works expected to commence after the football/hockey season.

12.2.2 Grants - Capital (\$4.93 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants are budgeted to be received for Roads to Recovery Projects (\$1.1 million), development of a multi-use community hub at Charlton Park (\$1.3 million), Lake Tyrell infrastructure upgrade (\$1.1 million), lake amenities development (\$500,000), Berriwillock Bowling Club works (\$275,000) and Wycheproof Pool change rooms upgrade (\$170,000).

Charlton Park is a multi-year project. An additional \$2.1 million will be expended in 2018/19 of which there will be an additional community contribution of \$550,000.

12.2.3 Contributions (\$650,000)

This represents community contributions towards renewal and upgrade of local community facilities.

Contributions are budgeted to be received for the development of a multi-use community hub at Charlton Park (\$550,000), lakes amenities improvements (\$50,000) and Berriwillock Bowling Club works (\$50,000).

12.2.4 Council cash - operations (\$3.23 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$3.23 million will be generated from operations to fund the 2017/18 capital works program.

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/17 and 2017/18. It also considers a number of key financial performance indicators.

13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		8,593	10,251	1,658
Trade and other receivables		2,216	2,306	90
Financial assets		-	-	-
Other assets		414	414	-
Total current assets		11,223	12,971	1,748
Non-current assets	13.1.1			
Trade and other receivables		-	-	-
Investments in regional library corporation		222	222	-
Property, infrastructure, plant and equipment		173,312	176,038	2,726
Total non-current assets		173,534	176,260	2,726
Total assets		184,757	189,231	4,474
Current liabilities	13.1.2			
Trade and other payables		887	1,158	(271)
Trust funds and deposits		28	28	-
Provisions		2,076	2,076	-
Interest-bearing loans and borrowings		0	-	0
Total current liabilities		2,991	3,262	(271)
Non-current liabilities	13.1.2			
Provisions		984	984	-
Interest-bearing loans and borrowings		7,000	7,000	-
Total non-current liabilities		7,984	7,984	-
Total liabilities		10,975	11,246	(271)
Net assets		173,782	177,985	4,203
Equity	13.1.4			
Accumulated surplus		92,388	96,591	4,203
Reserves		81,394	81,394	-
Total equity		173,782	177,985	4,203

Source: Appendix A

13.1.1 Current Assets (\$1.75 million increase) and Non-Current Assets (\$4.47 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to increase by \$1.74 million during the year. The operational efficiencies as a result of service reviews during 2014 - 2017 is expected to generate ongoing savings which will generate adequate cash resources by 2018/19 to facilitate the repayment of the \$7 million loan borrowing in November 2019.

Trade and other receivables are monies owed to Council by ratepayers and others.

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 increase in this balance between 2016/17 and 2017/18 is due to large funded projects such as the development of a multi-use community hub at Charlton Park and Lake Tyrell infrastructure upgrade.

13.1.2 Current Liabilities (\$271,000 increase) and Non Current Liabilities - NIL

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain fairly consistent.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are not expected to change over the 2017/18 year.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay the \$7.0 million loan in November 2019.

13.1.3 Working Capital (\$1.99 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.

	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	11,223	12,971	1,748
Current liabilities	2,991	3,262	271
Working capital	8,232	9,709	1,477
Restricted cash and investment current assets			
- Statutory reserves	-	-	0
- Cash used to fund carry forward capital works	(515)	-	515
- Trust funds and deposits	(28)	(28)	0
Unrestricted working capital	7,689	9,681	1,992

13.1.4 Equity (\$4.2 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 Accumulated 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 of \$4.2 million results directly from the operating surplus for the year.

Long Term Strategies

This section includes the following analysis and information.

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

14. Strategic Resource Plan

This section includes an extract of the 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 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 to 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 financial plan for 2017 – 2021 is based on the following key strategies aimed at ensuring the long-term viability and amenity of the Shire:

- To increase revenue from rates and charges over the period of the Plan by a minimum of 2.0% per annum.
- To increase revenue from fees, fines and charges of 2.0% p.a. (CPI) for the remainder of the Plan or in line with cost increases or market levels as appropriate.
- To base forward capital works funding projections only on known funding sources.

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

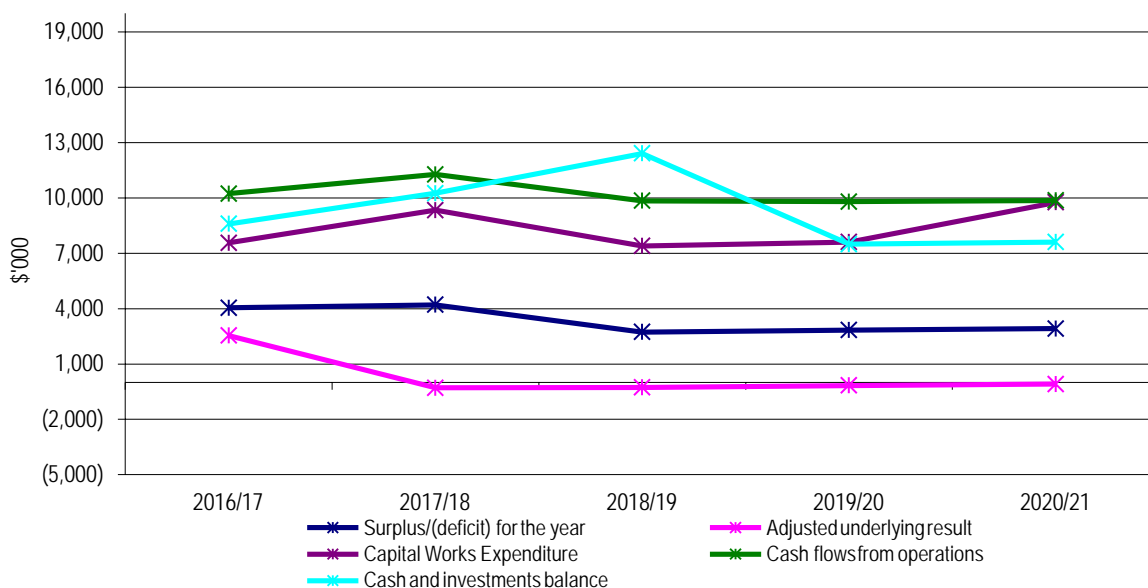
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/18 to 2020/21. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2016/17	2017/18	2018/19	2019/20	2020/21	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	4,038	4,203	2,728	2,837	2,910	+
Adjusted underlying result	2,538	(295)	(272)	(163)	(90)	+
Cash and investments balance	8,593	10,251	12,410	7,488	7,603	+
Cash flows from operations	10,234	11,271	9,842	9,796	9,857	+
Capital works expenditure	7,563	9,326	7,396	7,604	9,752	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

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 increase to \$12.4 million in 2018/19 to facilitate the repayment of the \$7 million loan in November 2019 with funds remaining for working capital requirements. Capital works are programmed to increase following the payment of this loan.
- **Rating levels (Section 15)** –Rate increases are forecast over the four years is at 2% with full cost recovery of kerbside garbage and recycling charges.
- **Service delivery strategy (section 16)** – As part of Council's effort to reduce operating expenditure there has been a focus on reviewing Council services. A three year plan of Service reviews has commenced in the 2015/16 year.
- **Borrowing strategy (Section 16)** – Any borrowings during this period would be linked to capital projects. At present there are no projects identified which would meet the criteria.

15. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating principles 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 approximately 50% 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 community.

15.2 Future year rate increase

The following table sets out future proposed increases in rates and charges and the total rates and charges to be raised, based on the forecast financial position of Council as at 30 June 2017 and the forecast rate increase used for financial planning purposes.

Year	General Rate Increase %	Municipal Charge Increase %	Garbage Charge Increase %	Total Rates Raised \$'000
2016/17	3.05	3.1	0	12,633
2017/18	2.00	1.83	1.60	12,888
2018/19	2.00	2.00	2.0	13,144
2019/20	2.00	2.00	2.0	13,407
2020/21	2.00	2.00	2.0	13,675

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 other 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. This distinction is based on the concept that business should pay a fair and equitable contribution to rates taking into account the benefits those commercial properties derive from the local community.

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

The existing rating structure comprises three differential rates (residential, commercial and farm). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act.

The following principles have been applied to the development of Council's rates:

1. The 2016 Revaluation will be used for rating purposes in 2017/18
2. The basis of valuation will continue to be the Capital Improved Value (CIV).
3. An increase in revenue from rates in 2017/18 of 2.0%.
4. The Municipal Charge to be retained and applied to every rateable property in the Shire. However, a single farm enterprise which may be conducted on several properties can apply for an exemption which will mean that they will only be charged one Municipal Charge for that enterprise.
5. The Commercial/Industrial Rate to be set at 100% of the General Rate.
6. The Farm Rate to be set at 98% of the General Rate (A Farm rate differential of 2%).
7. The current kerbside waste and recyclable services will be retained and increased to recover 100% of the costs incurred by Council to provide the service and operate land fill and transfer stations across the Shire, including Government levies.
8. The charge for a waste and recyclable service will apply equally to all occupiable residential properties where the service is rendered, or is available, whether or not the service is used.
9. A pensioner concession for eligible concession card holders will provide a 50% discount off Council rates up to the maximum amount set by the Victorian Government.

The following table summarises the rates to be determined for the 2017/18 year. A more detailed analysis of the rates to be raised is contained in Section 7 "Statutory Disclosures".

Rate type	How applied	2016/17	2017/18	Change
Residential rates	Cents/\$ CIV	0.7743	0.7899	2.0%
Commercial rates	Cents/\$ CIV	0.7743	0.7899	2.0%
Farm rates	Cents/\$ CIV	0.7588	0.7741	2.0%
Municipal charge	\$/ property	\$164	\$167	1.8%
Kerbside collection charge	\$/ property	\$375	\$381	1.6%

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 and service delivery.

16.1 Borrowings

In developing the SRP (see Section 14), borrowings were identified as an important funding source to manage the deficit cash position Council is faced with in the short to medium term.

A loan of \$7.0 million in 2014/15 assisted Council to operate in a cash surplus position throughout the year, minimising the need to call on overdraft provisions. This interest only loan for a five year period minimised the draw on Council's cash position during this time. The SRP indicates that Council will have a healthy cash position at this time to enable strategic decisions to be made regarding the future requirements of Council's loan position.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	-	0	297	7,000
2017/18	-	-	297	7,000
2018/19	-	-	297	7,000
2019/20	-	7,000.00	124	0
2020/21	-	-	0	0

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

	2016/17	2017/18
Total amount borrowed as at 30 June of the prior year	7,000,000	7,000,000
Total amount proposed to be borrowed	0	-
Total amount projected to be redeemed	0	0
Total amount of borrowings as at 30 June	7,000,000	7,000,000

16.2 Infrastructure

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

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria

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.

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 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 do over the past years and is equivalent to the accumulated asset renewal gap.

A further review of the Infrastructure Strategy will be completed in line with a review of the Long Term Financial Plan.

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

Summary of funding sources					
Year	Total Capital Program \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2016/17	7,563	5,436	122	2,005	0
2017/18	9,326	5,276	650	3,400	0
2018/19	7,396	4,100	0	3,296	0
2019/20	7,604	4,128	0	3,477	0
2020/21	9,752	4,128	0	5,625	0

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 achieve a breakeven operating result within five to six years. 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	2.0	2.0	2.0	2.0
Average Weekly Earnings	2.0	2.0	2.0	2.0
Engineering Construction Index	2.0	2.0	2.0	2.0
Non-residential Building Index	2.0	2.0	2.0	2.0
Rate increases	2.0	2.0	2.0	2.0
Property growth	0.5	0.5	0.5	0.5
Wages growth	2.0	2.0	2.0	2.0
Government funding	2.0	2.0	2.0	2.0
Statutory fees	2.0	2.0	2.0	2.0
Investment return	2.0	2.0	2.0	2.0

As well as the general influences, there are also a number specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

Kerbside Collection

As part of the 2014/15 budget, Council made the decision that this service would operate at full cost recovery. For 2017/18, the waste recovery charge is set at \$381 which is an increase of 1.6%.

Aged & Disability Services

State Government funding for aged and disability services for the under 65's is expected to increase by approximately 1.5%. Similar funding from the Federal Government for the over 65's is not expected to be indexed for 2017/18 and 2018/19. This service includes General Home Care, Personal Care, Respite Care and Meals. This increase does not cover Council costs thus resulting in further cost shifting to Council. As a result Council will need to ensure that the amount of service delivery hours is maintained at our level of funding and co-payment received. Council is also increasing fees in order to meet the requirements of the transition to the new funding model in 2019.

Valuation Services

The Council is required to revalue all properties within the municipality every two years. The last general revaluation was carried out as at 1 January 2016 effective for the 2016/17 year and the next revaluation will be undertaken as at 1 January 2018. An allowance has been made every two years commencing in 2017/18 to meet the additional cost of resources to complete the revaluation process.

Animal Control

Council has entered into an agreement with a neighbouring Council to share services for the provision of a pound. This will create efficiencies and enable savings to be gained in this area of service provision.

Statutory Planning

The statutory planning function has remained fairly constant over the past few years and this is expected to continue into the near future.

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 2017/18 year.

VENUE HIRE - PUBLIC HALLS

Events or Groups defined by the following categories will be eligible to have hire fees waived:

This request must be done in writing along with the application.

- Ceremonies held in recognition of Australia Day or Anzac Day.
- Community Groups - community based non- for-profit organisation or association of persons where open membership and participation in activities is encouraged. A community group may take part in profit-making activities, but the surplus is reinvested in pursuit of the group's goals. A community group may be:
 - An organisation whose primary aim is to provide services and benefits to the community (e.g. Lions Clubs, Community forums, Business Networks, Schools, Health Related services and Sporting Clubs)
 - Special interest or advocacy groups for particular sections of the community (e.g. Senior Citizens, Probus, Red Cross). This does not include political parties or groups
 - A group of people having a shared ethnic, cultural or religious identity
 - Neighbourhood or shared interest groups

<i>(Casual hire)</i>	<i>Main Hall (max. 6 hours)</i>	<i>Supper Room (max. 6 hours)</i>	<i>Cost p/h (over max. hours)</i>	<i>Kitchen</i>	<i>All day booking (24 hours, full use of venue)</i>	<i>Bond</i>
Birchip (max. 250 people)	\$225.00	\$65.00	\$46.00	\$41.00	\$385.00	\$400.00*
Charlton (max. 300 people)	\$225.00	\$65.00	\$46.00	\$41.00	\$385.00	\$400.00*
Donald (max. 250 people)	\$225.00	\$65.00	\$46.00	\$41.00	\$385.00	\$400.00*
Wycheproof (max. 250 people)	\$225.00	\$65.00	\$46.00	\$41.00	\$385.00	\$400.00*

A Bond is required for all bookings where alcohol is served. The Bond is refundable if there is no damage or requirement for additional cleaning.

*Inspections will be carried out by Buloke Shire Council's Hall Attendant.

Casual Hire is defined as: Any group, individual or organisation that hires the facility once off or on an irregular basis.

SENIOR CITIZENS

<i>Clubrooms</i>	<i>Charlton</i>	<i>Donald</i>	<i>Wycheproof</i>
Max. 6 hours	\$102.00	\$102.00	\$102.00
Cost per hour over max.	\$26.00	\$26.00	\$26.00

Regular Hire

Private or Commercial	\$41.00
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Regular Hire: Any group, individual or organisation that hires the facility on an ongoing basis. To be considered a Regular User, one of the following criteria must be met;

- *Weekly hire - minimum of 10 consecutive weeks,*
- *Fortnightly hire - minimum of 10 consecutive fortnights,*
- *Monthly hire - minimum of 10 consecutive months*

Commercial hirers: Those who undertake activities for the purpose of generating a profit.

Private/Individual hirers: Those who undertake activities for the purpose of private events and activities.

WYCHEPROOF SALEYARDS

<i>Wycheproof Saleyards</i>	<i>2016/2017</i>	<i>2017/2018</i>
Yard Fees	0.8% of gross sales turnover	0.8% of gross sales turnover
Agent's Fees	13% of yard fees	13% of yard fees
Public Holiday Penalty Rate	N/A	\$1,000
Unsold stock fee (per head)	.20cents	.20cents
Destruction and disposal of dead stock fee (per head)	\$15.00	\$15.00
<i>Truck Wash</i>		
Key Deposit (Avdata) Refunded on return of keys	\$26.00	\$26.00
Water Usage	\$0.80 per minute	\$0.85 per minute

STAND PIPES

<i>Stand Pipes</i>	<i>2016/2017</i>	<i>2017/2018</i>
	\$10.00 minimum charge for under 1,000 litres or \$10.00 per 1,000 litres	\$10.00 minimum charge for under 1,000 litres or \$10.00 per 1,000 litres

ANIMAL CONTROL

Dog and Cat Registration Fees	<i>2016/2017</i>	<i>2017/2018</i>
<i>* Since May 2007 Council can only register animals that have been micro chipped</i>		
<i>* \$3.50 levy per dog and \$2.00 levy per cat is collected by Council on behalf of the State government</i>		
Dog or Cat (Not Micro chipped or Desexed – only relevant to animals registered prior to May 2007)	\$99.00	\$108.00
Dogs (Micro chipped plus one or more of the following – desexed, not desexed, working or farm dog, over 10 years old or VCA members)	\$33.00	\$36.00
Cats (Micro chipped plus one or more of the following – desexed, not desexed, over 10 years old or Feline Association member)	\$33.00	\$36.00
Pensioner Concession (Half price for all dog and cat registration categories)	\$16.50	\$18.00
Guide dogs, racing dogs (greyhounds), police dogs	No charge	No charge
Replacement lifetime tag/s	No charge	No charge
Registered animals moving to Buloke	No charge	No charge

IMPOUNDED LIVESTOCK

<i>Release Fees</i>	<i>2016/2017</i>	<i>2017/2018</i>
Sheep up to 5 head	\$60.00	\$60.00
Sheep per head over 5	\$10.00	\$10.00
Goats and pigs up to 2 head	\$60.00	\$60.00
Goats and pigs per head over 2	\$20.00	\$20.00
Cattle up to 3 head	\$200.00	\$200.00
Cattle per head over 3	\$100.00	\$100.00
Horses per head	\$200.00	\$200.00
Transport of livestock	Total cost of transport.	Total cost of transport.

<i>Sustenance – per day or part thereof – per head</i>	<i>2016/2017</i>	<i>2017/2018</i>
Sheep	\$7.50	\$7.50
Goats and Pigs	\$15.00	\$15.00
Cattle and Horses	\$15.00	\$15.00
<i>Dogs and Cats (includes sustenance) – per dog and cat</i>	<i>2016/2017</i>	<i>2017/2018</i>
1 to 4 days	\$75.00	\$75.00
For every day in excess of 4 days (maximum 8 days)	\$15.00	\$15.00
Animal Surrender fee	\$175.00	\$175.00
<i>Impounded Vehicles and Caravans – per vehicle plus other associated costs</i>	<i>2016/2017</i>	<i>2017/2018</i>
Release fee (plus towing fee incurred)	\$250.00	\$250.00
<i>Impounded Goods – including signage and street furniture - per lot – plus other associated costs</i>	<i>2016/2017</i>	<i>2017/2018</i>
Release fee (plus any associated costs)	\$175.00	\$175.00

<i>Local Laws</i>	<i>2016/2017</i>	<i>2017/2018</i>
Local laws Annual Fee	\$50.00	\$50.00

SUNDRY DEBTORS

<i>Hire of Council equipment and operator where local service alternatives are not available, including compulsory fire clearances.</i>	<i>2016/2017</i>	<i>2017/2018</i>
Plant	150% of plant hire rate	150% of plant hire rate
Operator (Labour)	\$50.00 per hour plus plant fee – as above	\$55.00 per hour plus plant fee – as above
Quarry products from non-Council quarry sources	Cost to Council plus plant and operator costs – as above.	Cost to Council plus plant and operator costs – as above.

WASTE CHARGES

Waste	2016/2017	2017/2018
Municipal Waste Collection and Disposal Charge (One 120L bin for putrescibles waste (collected weekly) and one 240L bin for recyclables (collected fortnightly). Service is compulsory for all residential properties and available to commercial and farm properties on request.	\$375.00	\$381.00
Optional additional 240L bin for recycling	\$87.00 per bin	\$87.00 per bin
Landfill	2016/2017	2017/2018
Up to 3 cubic metres of sorted recyclables, commercial cardboard. For larger volumes please contact Council to receive a quote.	Free for local residents and businesses only	Free for local residents and businesses only
Green Waste	\$5.00 per cubic mtr/minimum charge	\$5.00 per cubic mtr/minimum charge
Car boot per load	\$15.00	\$15.00
6 x 4 Trailer Load/Ute Load up to 1 cubic metre	\$22.00	\$23.00
Tandem Trailer up to 2 cubic metres	\$45.00	\$46.00
Wheelie bin 120L	\$9.00	\$9.00
Wheelie bin 240L	\$11.00	\$11.00
General Waste to Landfill (per cubic metre)	\$22.00	\$23.00
Commercial Waste (per cubic metre)	\$22.00	\$23.00
Builder Waste and Concrete (per cubic metre)	\$30.00	\$35.00
Concrete uncontaminated (per cubic metre)	\$30.00	\$35.00
Bricks uncontaminated (per cubic metre)	\$30.00	\$35.00
White Goods (doors must be removed from refrigerators, ovens and dishwashers)	Free to local residents only	Free to local residents only
Car Bodies	Free to local residents only	Free to local residents only
TV Screens and Computer Monitors	\$10.00	\$10.00
Mattresses	\$40.00	\$40.00
Tyres	2016/2017	2017/2018
Light car tyre	\$8.00	\$8.00
Car tyre on rim	\$25.00	\$25.00
4WD and Light Truck tyre	\$15.00	\$15.00
Truck tyre	\$35.00	\$35.00
Super single tyre	N/A	N/A
Truck tyre on rim	\$60.00	\$60.00
Small tractor tyres	\$95.00	\$95.00
Large tractor tyres	\$170.00	\$170.00
Animal Carcasses	2016/2017	2017/2018
Poultry (including turkeys) per bird	\$7.00	\$7.00
Cats and Dogs	\$10.00	\$10.00
Sheep, Pigs and Goats	\$15.00	\$15.00
Horses and Cattle	\$30.00	\$30.00

BUILDING FEES AND CHARGES

Dwellings	2016/2017	2017/2018
Budget Adopted By Council 21st June 2017		

Building Works - \$0 to \$10,000	\$463.50	\$470.00
Building Works - \$10,001 to \$20,000	\$669.50 plus Levy	\$680 plus Levy
Building Works - \$20,001 to \$80,000	\$978.50 plus Levy	\$993 plus Levy
Building Works - \$80,001 to \$120,000	\$1,545.00 plus Levy	\$1,570 plus Levy
Building Works - \$120,001 to \$200,000	\$value /75 plus Levy	\$value /75 plus Levy
Building Works - \$200,000 plus	\$value /75 plus Levy	\$value /75 plus Levy
Alterations/Additions/Sheds/Carports/Garages	2016/2017	2017/2018
New Dwellings - \$0 to \$120,000	\$1,236 plus Levy	\$1,255 plus Levy
New Dwellings - \$120,000 to \$200,000	\$1,545 plus Levy	\$1,570 plus Levy
New Dwellings - \$200,000 to \$312,000	\$1,854 plus Levy	\$1,880 plus Levy
New Dwellings - \$312,000 plus	\$value /130 plus Levy	\$value /130 plus Levy
Swimming Pools	2016/2017	2017/2018
Swimming Pool and Fence – Above Ground	\$412.00	\$418.00
Swimming Pool and Fence – In-Ground Pool	\$824.00	\$836.00
Commercial Building Work	2016/2017	2017/2018
Commercial Works - \$0 to \$10,000	\$386.25 plus Levy	\$392 plus Levy
Commercial Works - \$10,001 to \$20,000	\$695.25 plus Levy	\$705 plus Levy
Commercial Works - \$20,001 to \$100,000	\$value x 1.33% plus \$412 plus Levy	\$value x 1.33% plus \$418 plus Levy
Commercial Works - \$100,001 to \$500,000	\$value x 0.44% plus \$1,236 plus Levy	\$value x 0.44% plus \$1,255 plus Levy
Commercial Works - \$500,000+	\$value x 0.25% plus \$2,060 plus Levy	\$value x 0.25% plus \$2,090 plus Levy
Multi-Unit Development	2016/2017	2017/2018
Units - \$0 to \$200,000	\$1,854 plus Levy	\$1,881 plus Levy
Units - \$200,001 to \$312,000	\$2,060 plus Levy	\$2,090 plus Levy
Units - \$312,000+	\$value/130 plus Levy	\$value/132 plus Levy

Notes:

- The State building levy is 0.128% of the value of the works.
- A \$37.10 Lodgement Fee applies to all applications for works valued at \$5,000 or more, where a private surveyor is engaged.
- Council is yet to be advised of the 2017/2018 Lodgement Fee.
- 2017/2018 Fee proposals have been based on fee structures of surrounding Councils.

Enforcement	2016/2017	2017/2018
Building Notices/Orders (To allow buildings to remain as constructed, without a Building Permit)	Building Permit Fee plus 25%	Building Permit Fee plus 25%

Miscellaneous Items	2016/2017	2017/2018
Fence	\$206.00	\$206.00
Demolitions or Removals - \$0 to \$5,000	\$360.50	\$360.50
Demolitions or Removals - \$5,000+	\$515.00	\$515.00
Re-Erections of Dwellings – Security Deposit	\$5,150.00	\$5,150.00
Extensions of Time Requests	\$103.00	\$103.00
Amended Plans	\$103.00	\$103.00
Information Request Reg. 326 (1) Permit Info, Final Certifications, Current Orders or Notices	Legislative fee	Legislative fee
Information Request Reg. 326 (2) Flooding, Termite, Bushfire, Snowfall, Designated	Legislative fee	Legislative fee
Information Request Reg. 326 (3) Mandatory notification states, Inspection Dates	Legislative fee	Legislative fee
Request for search of Building Permit Plans	\$62.00	\$62.00
Report and Consent	2016/2017	2017/2018
Planning Authority for Demolition Section 29A of the Act	Legislative fee	Legislative fee
Build Over Council Easement Reg. 310 (1)	Legislative fee	Legislative fee
Report & Consent under Parts 4, 5 or 8	Legislative fee	Legislative fee
Request Legal Point of Discharge for Stormwater Reg. 610 (2)	Legislative fee	Legislative fee
Government Levy (only applies if development value over \$10,000)	2016/2017	2017/2018
Additional Inspection	\$124.00	\$124.00

PUBLIC HEALTH

Food Act	2016/2017	2017/2018
Class 1 Food Premises – High Risk ready to eat food serves to vulnerable groups. Including hospitals, nursing homes, child care centres. Must have 3 rd party audited FSP.	\$325.00	\$325.00
Class 2 Food Premises – High Risk or unpackaged foods. Including hotels, restaurants cafes, takeaway, supermarkets, manufacturers, caterers, milk bars and some service stations. Must have FSPI (may be template or 3 rd Party audited)	\$320.00	\$320.00
Class 3 Food Premises – Premises selling low risk pre-packaged food only e.g. Packaged confectionary, soft drink, Newsagents, video stores, some service stations.	\$220.00	\$220.00
Non Profit Organisations & Community Groups – Food is prepared predominately for consumption by members, or for fundraising activities Service Clubs, mostly Sporting Clubs	N/A	N/A
Street Stalls/Temporary Food Vendor Permits;		
Non Profit & Community Groups (fetes, sausage sizzle, street stall)		
Single Event Permit	N/A	N/A
Yearly Permit (up to 12 Events per year)	N/A	N/A
Private Individuals & Businesses (Markets, Private Stalls)		
Single Event Permit	\$60.00	\$61.00
Yearly Permit (up to 12 Events per year)	\$85.00	\$90.00
Transfers Fees	50% of the current classed fee both Food Act 1984 & Public Health & Wellbeing Act 2008	50% of the current classed fee both Food Act 1984 & Public Health & Wellbeing Act 2008

Transfer Inspection Fee	\$215.00	\$220.00
Late Payment of Registration (more than 1 month late)	50% of the registration fee	50% of the registration fee
Additional Inspections after first follow up	\$190.00	\$195.00
Public Health and Wellbeing Act 2008		
	2016/2017	2017/2018
Hairdresser (One off registration fee)	\$170.00	\$175.00
Beauty Therapy	\$170.00	\$175.00
Skin Penetration	\$170.00	\$175.00
More than 1 health activity	\$215.00	\$220.00
Prescribed Accommodation	\$215.00	\$220.00
Premises providing accommodation for 5 or more persons including hotels, motels, hostels and camps.		
Late Payment of Registration (more than 1 month late)	50% of the current registration fee	50% of the current registration fee
Additional Inspections after first follow up	\$190.00	\$195.00
Immunisations		
	2016/2017	2016/2017
Private Immunisations	n/a	Cost to Council – Materials & Labour
Septic Tank Fees		
	2016/2017	2017/2018
→ New		
Alteration to Existing	\$320.00	\$325.00
	\$200.00	\$205.00

AGED AND DISABILITY SERVICES

Home and Community Care (HACC)		
	2016/2017	2017/2018
HACC General Home Care Low	\$2.50	\$4.50
HACC General Home Care Medium	\$7.00	\$11.50
HACC General Home Care High	\$8.00	\$48.50
Home Maintenance Low	\$6.00	\$9.00
Home Maintenance Medium	\$12.00	\$15.00

Home Maintenance High	N/A	\$48.50
HACC Personal Care Low	\$1.50	\$3.00
HACC Personal Care Medium	\$5.50	\$7.50
HACC Personal Care High	N/A	\$48.50
HACC Respite Care Low	\$1.50	\$3.00
HACC Respite Care Medium	\$4.00	\$4.50
HACC Respite Care High	N/A	\$48.50
HACC Meals on Wheels Low	\$4.50	\$9.50
HACC Meals on Wheels Medium	\$9.50	\$9.50
Meals on Wheels (Full cost recovery)	\$13.00	\$14.00
Brokerage		
	2016/2017	2017/2018
General Home Care	\$60.50	\$62.00
Personal Care	\$60.50	\$62.00
Home Maintenance	\$60.50	\$62.00
Respite Care HIGH	\$60.50	\$62.00
TRAVEL	\$2.00	\$2.50
All weekend services	\$121.00	\$125.00
To complete OH & S Assessment for packaged care client	\$130.00	\$135.00
To complete a MEPACS/PAV Assessment – personal security alarm for packaged care client	\$130.00	\$130.00
MEPACS Referral	\$60.00	\$60.00

CARAVAN PARKS

	2016/2017	2017/2018
Unpowered Site (2 people)	\$15.00 per night	\$15.00 per night
Powered Site (2 people)	\$20.00 per night	\$20.00 per night
Weekly fee	\$100.00	\$120.00
Additional people	Extra \$5.00 per night	Extra \$5 per night

POOL HIRE

	2016/2017	2017/2018
Pool Hire - Commercial	N/A	\$25.00 per hour \$100.00 per day (up to 6 hours)
Pool Hire - Community use	FREE	FREE

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 2017/18 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.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. Financial projections for at least four years are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with Officers preparing the operating and capital components of the annual budget during January and February. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during March and April. Before the budget has been released in its draft format the Community have also been consulted at a Community Forum Summit in April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

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

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 rate cap for 2017/18 was set at 2%.

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	
Budget process	Timing
3. Proposed budget submitted to Council for approval	Apr/May
4. Public notice advising intention to adopt budget	Apr/May

5. Budget available for public inspection and comment	Apr-May
6. Public submission process undertaken	May/Jun
7. Submissions period closes (28 days)	Jun
8. Submissions considered by Council/Committee	Jun
9. Budget and submissions presented to Council for adoption	Jun
10. Copy of adopted budget submitted to the Minister	Jul
11. Revised budget where a material change has arisen	Sep - Jun
