



Southern Grampians
SHIRE COUNCIL

Draft Budget

2019/2020

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Mayor's introduction

On behalf of your elected Council it gives me great pleasure to present the 2019/20 budget to the community of Southern Grampians Shire.

In 2017, Council developed an aspirational whilst deliverable Council Plan 2017-21 that informed the development of the Strategic Resource Plan 2017-21. Over the past two years Council commenced turning these plans and aspirations into reality and this 2019/20 Budget continues that work.

Council is focussed on delivering quality services for the community whilst being conscious of the longer term financial impacts. Council also understands that the community has high expectations and it is important that Council continues to identify efficiencies and reviews all activities against community identified priorities. The past year saw our inaugural "Year In Review" that hopefully started to engage with the community on where our energies are focussed and what had been achieved in the past twelve months. It is planned to continue and develop the "Year in Review", providing information to the community and linking to our recently concluded Listening Posts, which have informed Council's views about community priorities.

Council continues to revise the Strategic Resource Plan, to review all costings and actively explore opportunities to find efficiencies and savings internally and externally along with external sources of revenue. The service planning process, which is now linked with our asset management strategy, will assist us in providing further clarification about current services. This process will provide a sound basis to consult with our communities about the appropriateness and level of service and the costs associated with each of our services. We will also continue our focus on partnerships and collaboration, both with providers locally and regionally with our neighbouring Councils to review service models, increase efficiencies and drive down costs whilst continuing to explore other revenue streams.

The 2019/20 proposed budget includes a number of key initiatives that continue to deliver on the Council Plan 2017-21:

- Deliver the capital upgrades including roofing of the cattle yards and continue implementation of the marketing strategies to grow the Hamilton Regional Livestock Exchange (HRLX).
- Continue the feasibility steps for a new Hamilton Art Gallery
- Deliver detailed designs and commence implementation of Stage 2 Hamilton CBD revitalisation project - Lonsdale St/Melville Oval/Gray Street
- Commence the delivery of priority improvements of recreation and leisure facilities in response to the findings of the Recreation and Leisure Strategy, including Lake Hamilton & Pedrina Park
- Implement next round actions from 2018 energy audits at Council facilities.
- Continue advocacy on key Council priorities to Regional organisations (Great South Coast & Grampians), State and Federal Governments

The total Capital Works program of just over \$23 million is a significant investment in roads, bridges, footpaths and associated infrastructure works.

Highlights of the Capital Works Program include:

- Continue significant investment into local roads, bridges and associated infrastructure.
- Finalise construction of the serviced industrial land
- Finalise the 2016 Flood Impact repairs and reinstatement works and transition to business as usual
- Deliver the Cox Street Front Door project.
- Deliver first phase of the Hamilton Gateways strategy, which includes work on the Ballarat Road entry into Hamilton.
- Implement works associated with Council Buildings Asset Management Strategy.

On behalf of my Councillor colleagues and the Southern Grampians Shire Council organisation, I commend this 2019/20 Annual Budget to the community and look forward to delivering and reporting back to the community in 12 months on our achievements and successes.

Cr Mary-Ann Brown
Mayor

Executive Summary

Council has prepared a Budget for 2019/20 which is aligned to the vision in the Council Plan 2017-21. It seeks to ensure our services meet community needs and infrastructure delivers for each of our services as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the State Government.

This Budget projects a surplus of \$19.952 for 2019/20, however, it should be noted that the adjusted underlying result is a surplus of \$0.290m after adjusting for capital grants and contributions.

E1. Key things we are funding

Theme 1: Support our Community

A vibrant, growing community that is healthy, inclusive and connected

Major Initiatives

- 1) As part of the Digital Strategy implementation, continue digital innovation capacity building program and implement Smart Community Initiatives.
- 2) Implement the short and medium priorities in response to the adopted the Recreation and Leisure Strategy and relevant Master Plans.
- 3) Through ongoing 3-year rolling Service Reviews align appropriate facilities for the type and level of service provided.
- 4) Subject to Council endorsing the Business Case for the Hamilton Art Gallery, commence programme for securing funding of the gallery construction.
- 5) Undertake community visioning to support SGSC Community Vision 2041 Project.

Minor Initiatives

- 6) Recognise and celebrate our senior Citizens.
- 7) Finalise the engagement approach with indigenous groups.
- 8) Working with local communities develop their capacity to deliver Community Plans.
- 9) Deliver effective land use controls into the planning scheme to address flood risk in Hamilton and Coleraine.

Theme 2: Develop our Regional Economy and Businesses

A strong, diversified local and regional economy

Major Initiatives

- 10) Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy.
- 11) Complete construction of the serviced industrial land in Port Fairy Road and commence a sales and marketing campaign.
- 12) Implement a promotion campaign highlighting the Greater Hamilton region.
- 13) Implement a pro-active strategy to promote and grow the Hamilton Regional Livestock Exchange.
- 14) Plan and deliver Stage 1 of the Dunkeld Visitor Hub including Grampians Peak Trail Head.

Minor Initiatives

- 15) Complete stage three of the Livestock Exchange roof over the Cattle Yards.
- 16) Support the Hamilton Regional Business Association with the Memorandum of Understanding.
- 17) Communicate the retail research available from the Spendmapp data to relevant stakeholders.
- 18) Develop a new website and other digital infrastructure to support the Visit Greater Hamilton website.

Theme 3: Plan for our Built Environment

Provide access to infrastructure that meets community needs

Major Initiatives

- 19) Deliver the roads and community infrastructure program.
- 20) Deliver on the CBD revitalisation plan by completing the Cox Street redevelopment.
- 21) Deliver Stage 2 of the Hamilton CBD revitalisation project – concept design for Lonsdale St/Melville Oval/Gray Street

Minor Initiatives

- 22) Development and implementation of building Asset Management Plans.
- 23) Design and implement in stages the Hamilton Structure Plan town entrances project.
- 24) Increase diversion of recyclables through Transfer Station upgrades (subject to State-wide direction).

Theme 4: Promote our Natural Environment

Promote a culture that supports a clean, green and sustainable environment

Major Initiatives

- 25) Implement key actions from 2018 energy audits at HILAC, Brown Street Business Centre, Hamilton Depot and Market Place.
- 26) Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives

Minor Initiatives

- 27) Identify and assign responsibilities to appropriate external Agencies for non-statutory services
- 28) Actively participate in the Barwon South West Resource Recovery Group to leverage funding and project opportunities in waste
- 29) Complete capping works at Elijah Street Landfill and implement gas treatment system.

Theme 5: Provide Governance and Leadership

Strong leadership, good governance and effective service delivery

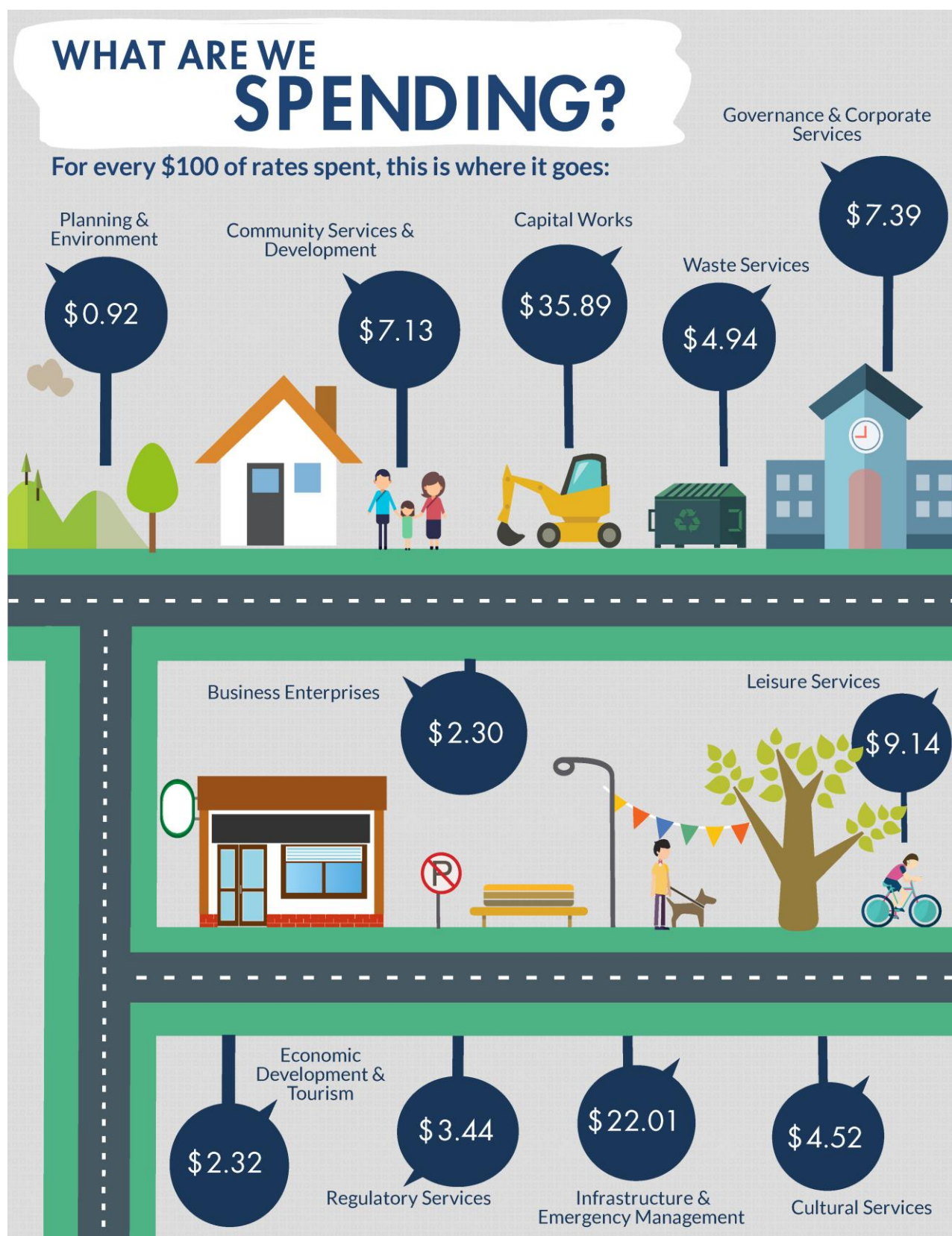
Major Initiatives

- 30) Implement Year 3 of the Council Plan 2017 – 21
- 31) Continue advocacy on key Council priorities covering Regional (Great South Coast), State and Federal Governments
- 32) Invest in the appropriate systems, processes and training to support an environment which delivers a seamless Customer Experience.

Minor Initiatives

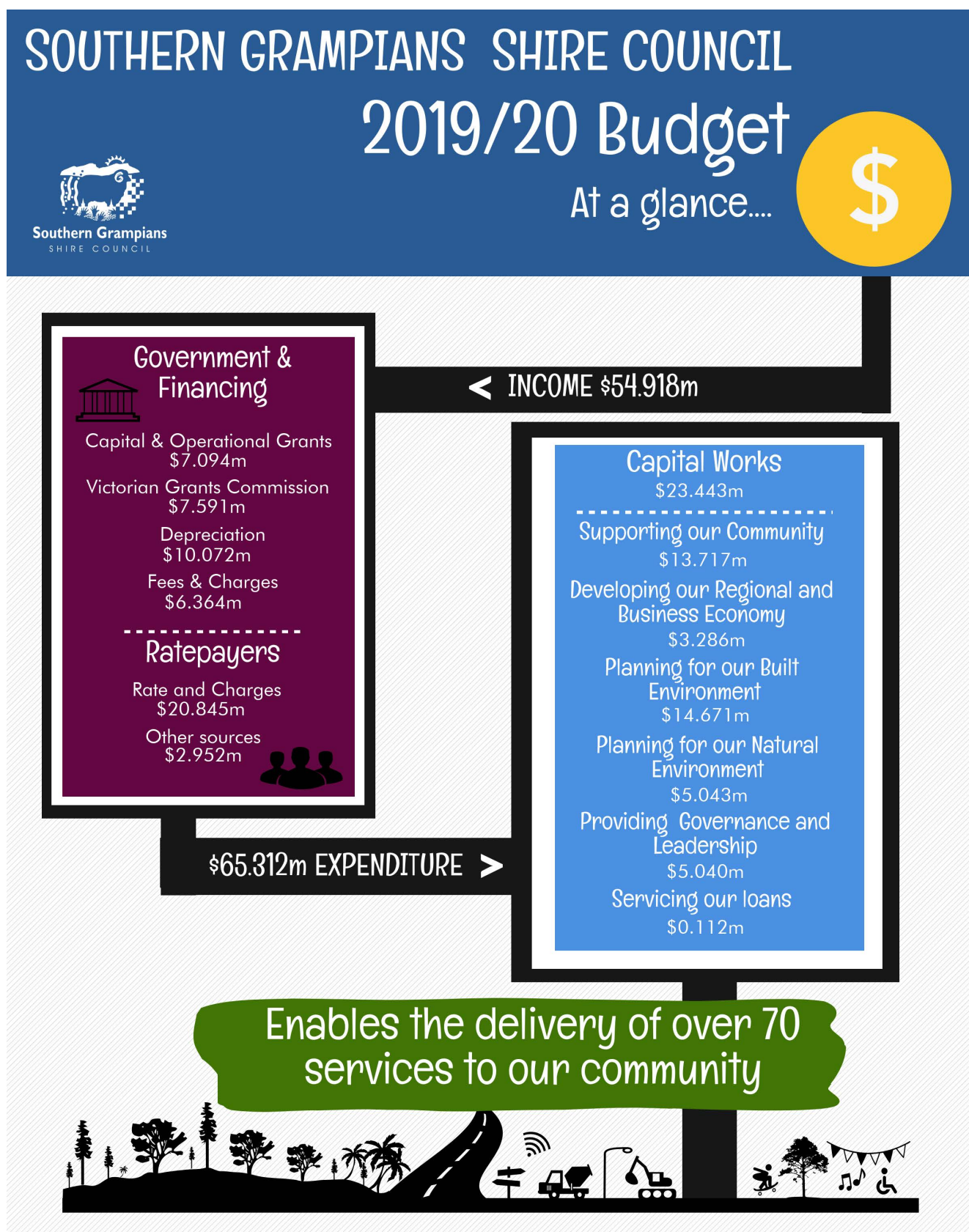
- 33) Invest in our staff and systems to ensure an efficient and effective organisation

E2. What money is spent on the service areas?



BUDGET 2019/20

E3. Council Expenditure and Sources of Revenue



E4. Budget influences

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

External influences

In preparing the 2019/20 Budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The need to renegotiate Enterprise Bargaining Agreements (“EBA”) every 3 years.
- The increased demand for Council services and the need to review all services to ensure they are responsive, appropriate and efficient.
- Irregular funding from Victoria Grants Commission. A static period of 3 years together with only modest increases prior to and after this period, has eroded the index base and resulted in a loss of over \$1m. A conservative increase of 2% has been assumed in this budget.
- Roads to Recovery V funding from 2019–2024 - \$9.926m over the five years compared to \$13m over the 2014–2019 program.
- Continuing escalation of utility costs essential for carrying out services (water, power, communications and insurances).
- Significant changes to funding regimes for community services involving the implementation of the NDIS (National Disability Insurance Scheme), CHSP (Commonwealth Home Support Programme) and other funding streams coupled with the competitive requirements and in some cases market failure to provide these essential services has left Council needing to review its role in this service area.
- The continuation of rate-capping by the State Government – set at 2.5% for 2019/20,
- The increased costs across the organisation of meeting compliance standards set by other levels of government.

Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2019/20 Budget.

- Continuing increases in the demand and associated costs to improve waste management service levels (Landfills, Transfer Stations and Refuse/Recycling collections) along with imposition of strict guidelines from government in regard to management practices.
- The need for improved asset management practices to ensure efficient and effective use of Council's physical resources.
- Continuing escalation of costs in relation to the maintenance and renewal of Council's ageing infrastructure assets.
- The need for more detailed planning of major developments to ensure optimum long term asset longevity.

In an effort to reduce the impact of these matters, Council has embarked on a service delivery realignment to ensure resources align with the services provided and compliment the direction of the newly created Council Plan.

Exceptional Events

During September 2016 the Shire experienced storm related flooding and damage in several communities. The result has been damage to privately owned assets, Community/Crown assets and Council assets.

Council assets include such classes as roads, kerbs, bridges, footpaths/walking tracks, buildings, sporting facilities and playgrounds.

Funding assistance has been committed from both Federal and State Governments, however the exact magnitude of both the revenue and expenses (as well as asset damage) is a continuing challenge.

It is anticipated that these works will be completed by 30 June 2019, therefore no further allowance for works or funding has been incorporated into the 2019/20 budget. However it should be noted that these significant sums in prior years have made financial comparability and some ratio estimates to be inconsistent. Notes have been made where appropriate.

E5. Budget principles

Guidance is provided to all Council officers with budget responsibilities. These key budget principles upon which the officers were to prepare their budgets included:

- Existing fees and charges to be increased in line with CPI or market levels.
- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained at 2018/19 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- Contract labour to be minimised.
- New initiatives or employee proposals to be justified through a business case.
- Real savings in expenditure and increases in revenue identified in 2018/19 to be preserved
- Operating revenues and expenses arising from completed 2018/19 capital projects to be included.

Cost escalations for the preparation of the 2019/20 budget onwards include:

- Rate revenue to be projected at 2.5% - the current year rate cap
- Refuse and Recycling charges at 12.17% to address the continued rising cost of dealing with waste management and in particular the current cost of recycling material.
- Operating Grants increasing at 2%
- Capital Grants only included where some level of surety arises and linked directly to a specific capital project.
- Continuation of the Roads to Recovery program for a further 5 year period at committed levels to 2023/24.
- User Fees and Charges increasing in line with service reviews
- Statutory Fees and Charges only increasing where legislation is known
- Employees costs increasing at 3% (2% base with 1% for oncosts)
- Materials & consumables increasing at 4%
- Utilities and other operating expenses increasing at 3%

E6. 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 2019/20 budget, which is included in this report, is for the year 1 July 2019 to 30 June 2020 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2020 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. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in late April/early 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.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. Generally 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:

Planned Budget process	Timing
1. Officers update Council's long term financial projections	Dec/Jan
2. Officers prepare operating and capital budgets	Jan/Feb
3. Councillors consider draft budgets at informal briefings	Mar/Apr
4. Proposed budget submitted to Council for approval	Late Apr
5. Public notice advising intention to adopt budget	Early May
6. Budget available for public inspection and comment	Early May
7. Public submission process undertaken	May
8. Submissions period closes (28 days)	Early Jun
9. Submissions considered by Council/Committee	Mid Jun
10. Budget and submissions presented to Council for adoption	Late Jun
11. Copy of adopted budget submitted to the Minister	Jun
12. Revised budget where a material change has arisen	Sep-Jun

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.

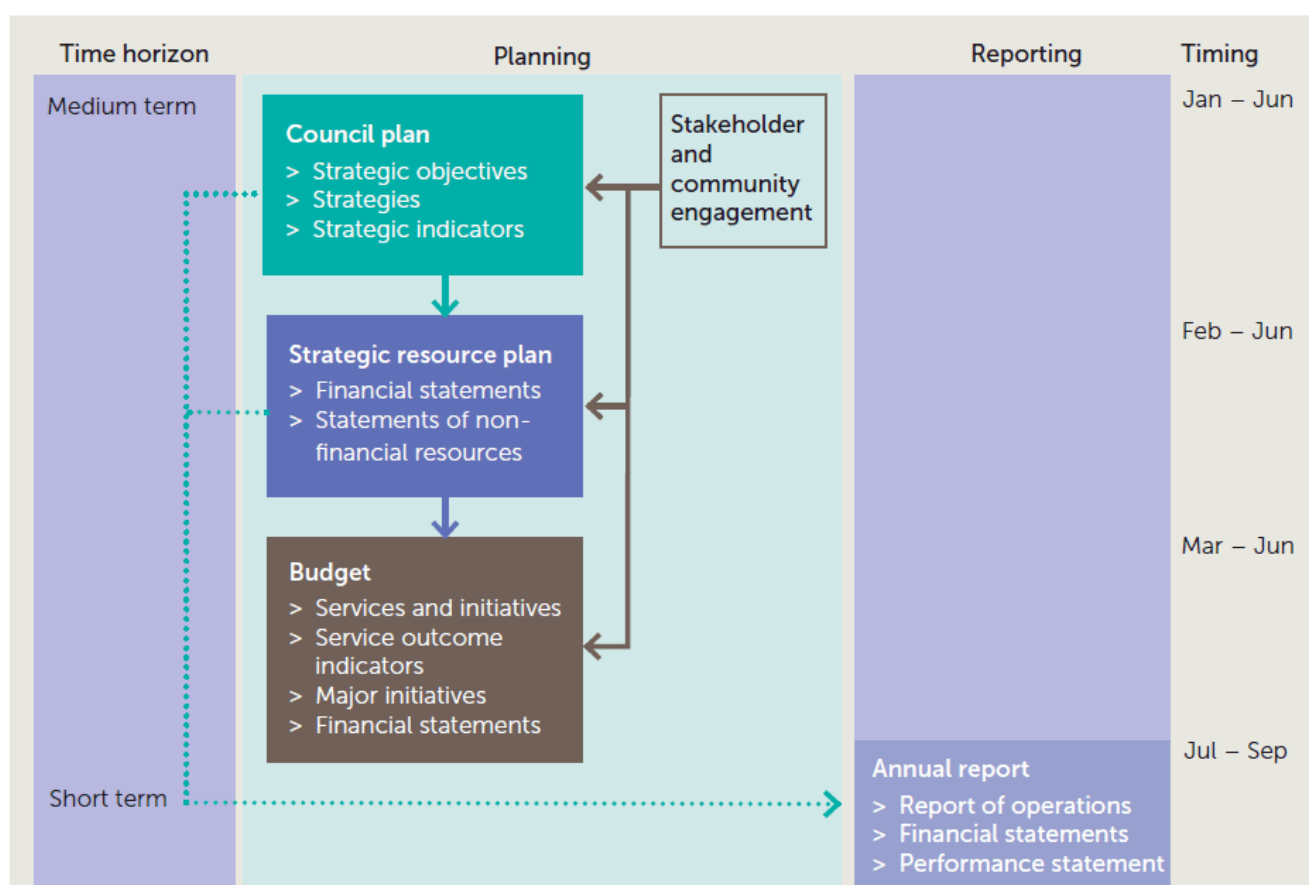
1. Links to Council Plan
2. Services and service indicators
3. Financial statements
4. Notes to the Financial Statements
5. Financial Performance Indicators

1. Linkage to the Council Plan

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

1.1 Planning and accountability framework

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



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

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

1.2 Our Vision & Values

Our Vision

'That Southern Grampians Shire will be recognised as a well-connected, dynamic Regional Centre, supporting a vibrant, healthy and inclusive community'

To achieve this vision, we have developed five fundamental priority areas and these themes will guide the development and implementation of Council's objectives and strategies.

Our Values

Southern Grampians has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan.

Having all Southern Grampians staff and Councillors practise the following organisational values, which were identified by staff and Councillors as being of the highest importance, will enhance the quality of this partnership.

- **Innovative:** we will be open to new ideas, will welcome creativity and embrace change
- **Respectful:** we will be caring, accept difference and value diversity
- **Collaborative:** together we will work smarter to achieve agreed common goals
- **Trusting:** we will be open, honest and brave
- **Empowering:** we will delegate opportunities and develop and inspire success

1.3 Themes and Strategic objectives

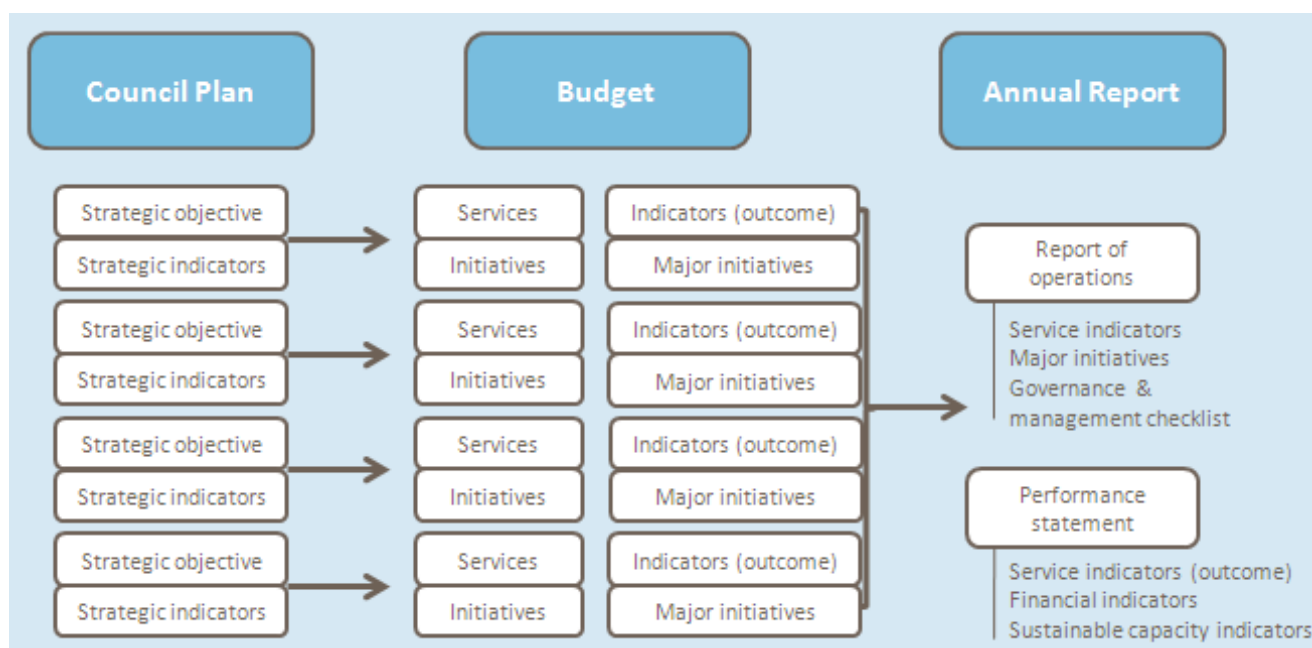
Council delivers services and initiatives under 70 service categories. Each service contributes to the achievement of the Strategic Objectives as set out in the Council Plan for the years 2017- 21.

The following table lists the five Themes and Strategic Objectives as described in the Council Plan.

Theme	Strategic Objectives
1. Support our Community	1.1 An empowered and resilient community 1.2 A healthy and vibrant community 1.3 A growing, diverse and inclusive community 1.4 A safe community
2. Develop our Regional Economy and Businesses	2.1 Attract, support and encourage industries that propel economic growth throughout the Shire 2.2 Increase the profile of Greater Hamilton regionally and globally 2.3 Continue to support the development of a skilled workforce and sustainable businesses in all towns in the Shire 2.4 Support, encourage and promote a strong, innovative and distinctive tourism sector that grows the visitor economy
3. Plan for our Built Environment	3.1 Plan and provide for sustainable assets and infrastructure 3.2 Plan, advocate and provide for safe and well maintained transport routes and infrastructure 3.3 Develop and maintain attractive and vibrant Council owned and managed open spaces and streetscapes 3.4 Encourage and support infrastructure for social inclusion and economic growth
4. Promote our Natural Environment	4.1 Promote and support improved biodiversity and the health of waterways, wetlands, soil and air 4.2 Balance environmental protection with Council's support for growth 4.3 Promote and provide sustainable waste management services 4.4 Develop and implement climate change adaptation strategies to prepare for climate change, especially extreme weather events
5. Provide Governance and Leadership	5.1 Provide transparent and responsible governance 5.2 Deliver effective advocacy 5.3 Create an environment that supports committed and skilled staff 5.4 Deliver efficient and customer focused services

2. Services and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the budget for the 2019/20 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, Minor 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

2.1 Council Plan Theme 1: Support our community – a vibrant, growing community that is healthy, inclusive and connected

To support our community to be vibrant, growing, healthy, inclusive and connected, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

To achieve this we have set the following Strategic Objectives:

- 1.1 An empowered and resilient community
- 1.2 A healthy and vibrant community
- 1.3 A growing, diverse and inclusive community
- 1.4 A safe community

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Service area	Description of services provided	2018/19 Budget Expenditure (Revenue) Net Cost \$'000	2019/20 Budget Expenditure (Revenue) Net Cost \$'000
Aged and Disability Services Coordination	This service provides a range of Home and Community Care services for the aged and disabled including assessment, personal care, domestic assistance and respite care and coordinates delivered meals, community transport and property maintenance.	2,132 (1,950) 181	2,126 (1,872) 255
Senior Citizen Programs and Support	This service offers opportunities for older residents to participate in community and social activities across the Shire.	98 (51) 47	109 (51) 57
Community Services Management	This service provides management support to coordinate whole of organisation approach to service delivery across community and leisure portfolio, particularly in relation to delivering the Municipal Health and Wellbeing Plan.	590 0 590	526 0 526
Community Planning Engagement and Support	This service coordinates Council's approach to community planning and citizen engagement, including skill development and capacity building for Councillors and community.	404 (38) 366	448 (41) 407
Rural Access	This service aims to build inclusive communities by mobilising, strengthening and providing support to communities.	67 (67) 0	34 (34) 0
Children's Services	This service provides quality education and care services ie. Family Day Care and promotes the early years sector.	807 (678) 129	741 (577) 165
Recreation Development and Support	This service is responsible for the management and planning of recreational opportunities in conjunction with the community, using community development processes.	797 (300) 497	420 (100) 320
Sports Reserves	This service directly manages or provides operational assistance for 16 recreational reserves across the Shire to support both active and passive participation in sports and recreation.	692 (780) (88)	696 (39) 657
Lake Hamilton	This service provides a safe, functional, accessible and useable space for leisure and recreational activities, on water and surrounding open space.	271 (2) 269	258 (2) 256
Aquatic Facilities	This service provides a geographic spread of aquatic facilities that deliver recreation, health, wellbeing, education, social and tourism/economic opportunities to our communities.	692 (55) 637	682 (17) 665
Hamilton Indoor Leisure & Aquatic Centre	This service provides accessible leisure and aquatic experiences that facilitates and promotes wellbeing outcomes.	2,691 (1,332) 1,360	2,776 (1,273) 1,504

Service area	Description of services provided	2018/19 Budget Expenditure (Revenue) Net Cost \$'000	2019/20 Budget Expenditure (Revenue) Net Cost \$'000
Art Gallery	This service supports tourism promotion and community engagement with the arts, and acts as custodian of one of the most valuable collections in regional Australia.	706 <u>(143)</u> 563	828 <u>(131)</u> 698
Performing Arts Centre	This service provides promotion and support of performing arts, encouraging both appreciation and participation. Also offers a conference and event venue for both the business and community sectors.	618 <u>(264)</u> 354	882 <u>(268)</u> 615
Library	This service aims to be an effective and dynamic library service inspiring and connecting our community by providing diverse, accessible and creative collections, programs, spaces and experiences.	559 <u>(199)</u> 360	630 <u>(203)</u> 426
Cinema	This service provides the community with a high quality cinema experience.	361 <u>(281)</u> 80	354 <u>(280)</u> 74
Civic & Community Arts	This service aims to increase visibility and activity of arts and culture in the community through a range of community programs or projects.	106 <u>0</u> 106	118 <u>0</u> 106
Parks and Urban Spaces	This service provides and maintains appropriate parks and urban space areas across the Shire to support inclusive recreation activities for the whole community.	637 <u>0</u> 637	656 <u>0</u> 656
Local Laws Operations	This service implements and enforces the Community Local Law No.1 (2015), provides parking control, coordinates domestic animal management including the operation of Council owned pound facility, and supports the provision of law and order in the community.	390 <u>(381)</u> 9	485 <u>(348)</u> 137
Maternal & Child Health	This service provides a primary health care service for the Shire's families with children from birth to school age.	313 <u>(250)</u> 63	396 <u>(351)</u> 45
Emergency Management	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies.	1,578 <u>(1,401)</u> 176	256 <u>(60)</u> 196
Botanic Gardens	This service maintains the historically significant Botanic Gardens in Hamilton (& Penshurst) and provides responsible management of flora, open spaces and built facilities on the grounds.	257 <u>0</u> 257	297 <u>(36)</u> 261

Major Initiatives

- 1) As part of the Digital Strategy implementation, continue digital innovation capacity building program and implement Smart Community Initiatives.
- 2) Implement the short and medium priorities in response to the adopted the Recreation and Leisure Strategy and relevant Master Plans.
- 3) Through ongoing 3-year rolling Service Reviews align appropriate facilities for the type and level of service provided.
- 4) Subject to Council endorsing the Business Case for the Hamilton Art Gallery, commence programme for securing funding of the gallery construction.
- 5) Undertake community visioning to support SGSC Community Vision 2041 Project.

Minor Initiatives

- 6) Recognise and celebrate our senior Citizens.
- 7) Finalise the engagement approach with indigenous groups.
- 8) Working with local communities develop their capacity to deliver Community Plans.
- 9) Deliver effective land use controls into the planning scheme to address flood risk in Hamilton and Coleraine.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2017/18 Actual	2018/19 Forecast	2019/20 Target
Maternal and Child Health	Participation	Participation in the MCH service	76.61%	73.5%	70%
		Participation in the MCH service by Aboriginal children	65.71%	58.2%	50%
Libraries	Participation	Active library members	14.82%	14.82%	15%
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities	5.77%	6.87%	7.9%
Animal Management	Health and safety	Animal management prosecutions	0	1	0

2.2 Council Plan Theme 2: Develop our regional economy and businesses - a strong, diversified local and regional economy

To develop our regional economy and businesses and achieve a strong, diversified local and regional economy.

We have set the following Strategic Objectives:

- 2.1 Attract, support and encourage industries that propel economic growth throughout the Shire
- 2.2 Increase the profile of Greater Hamilton regionally and globally
- 2.3 Continue to support the development of a skilled workforce and sustainable businesses in all towns in the Shire
- 2.4 Support, encourage and promote a strong, innovative and distinctive tourism sector that grows the visitor economy

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Service area	Description of services provided	2018/19 Budget Expenditure (Revenue) Net Cost \$'000	2019/20 Budget Expenditure (Revenue) Net Cost \$'000
Economic Development	This service seeks, in conjunction with key stakeholders, to promote an environment that is conducive to a sustainable and growing local economy.	623 (15) 608	666 (16) 650
Airport	This service is responsible for the management and operation of the Hamilton Airport.	996 (22) 974	369 (29) 341
Livestock Exchange	This service is responsible for the management and operation of the Hamilton Livestock Exchange.	1,296 (1,273) 23	1,127 (1,298) (171)
Tourism	This service aims to increase visitation and visitor yield and increase the quality of visitor experiences in the Shire.	177 (0) 177	186 (0) 186
Visitor Services	This service aims to connect the visitor to the Greater Hamilton experience, encouraging them to stay longer and contribute more to the local economy.	369 (21) 348	476 (22) 454
Business Development	The business development service seeks to facilitate an environment that is conducive to a sustainable and growing local business sector.	111 0 111	121 0 121
Events Support	This services purpose is to increase visitation and visitor yield and increase quality visitor experiences through the support and marketing of events within the Shire.	249 (8) 241	277 (9) 269
Caravan Parks	This service provides low cost camping and caravan park accommodation facilities in Coleraine and Penshurst.	50 (12) 38	60 (12) 48
Land Development	This service provides management of Council owned land to promote economic and industrial development and may also secure industrial land for potential development.	1 (0) 1	4 (150) (146)

Major Initiatives

- 10) Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy.
- 11) Complete construction of the serviced industrial land in Port Fairy Road and commence a sales and marketing campaign.
- 12) Implement a promotion campaign highlighting the Greater Hamilton region.
- 13) Implement a pro-active strategy to promote and grow the Hamilton Regional Livestock Exchange.
- 14) Plan and deliver Stage 1 of the Dunkeld Visitor Hub including Grampians Peak Trail Head.

Minor Initiatives

- 15) Complete stage three of the Livestock Exchange roof over the Cattle Yards.
 - 16) Support the Hamilton Regional Business Association with the Memorandum of Understanding.
 - 17) Communicate the retail research available from the Spendmapp data to relevant stakeholders.
- Develop a new website and other digital infrastructure to support the Visit Greater Hamilton website

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2017/18 Actual	2018/19 Forecast	2019/20 Target
Livestock Exchange	Utilisation	Number of Sheep Sold through the Hamilton Regional Livestock Exchange	846,090	966,000	1,000,000
Visitor Services	Participation	Number of Visitors to the region	1,032,522	1,070,000	1,144,000

2.3 Council Plan Theme 3: Plan for our built environment and infrastructure – provide access to infrastructure that meets community needs

To plan for our built environment and infrastructure that is accessible and meets the needs of the community.

We have set the following objectives:

- 3.1 Plan and provide for sustainable assets and infrastructure
- 3.2 Plan, advocate and provide for safe and well maintained transport routes and infrastructure
- 3.3 Develop and maintain attractive and vibrant Council owned and managed open spaces and streetscapes
- 3.4 Encourage and support infrastructure for social inclusion and economic growth

We will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services with the initiatives, major initiatives and service performance indicators for each business area described below.

Service areas	Description of services provided	2018/19 Budget Expenditure (Revenue) Net Cost \$'000	2019/20 Budget Expenditure (Revenue) Net Cost \$'000
Community Buildings	This service supports the use of community buildings, including halls and showgrounds throughout the Shire by ensuring they are maintained adequately.	312 (12) 300	290 (17) 273
Strategic Planning	This service monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It prepares and processes amendments to the Council Planning Scheme and carries out research on urban development issues.	836 (0) 836	619 (0) 619
Building Services	This service provides statutory building services including enforcement of the Building Act and Regulation to ensure community safety in the built environment.	241 (91) 151	262 (131) 131
Bridges & Culverts	This service ensures the development and maintenance of the Shires bridges and culverts.	808 0 808	762 0 762
Footpaths and Cycle Ways	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	530 (24) 506	454 0 454
Facilities Management and Property Services	This service ensures Council owned buildings are maintained to acceptable standards, are fit for purpose and compliant with building regulations.	29 (60) (31)	40 (63) (23)
Playground and Skate Parks	This service creates social spaces for younger people and their families to recreate, and includes provision of age appropriate play activities (including skate parks) and safe playground equipment across the Shire.	19 0 19	33 0 33
Infrastructure Management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	1,955 (0) 1,955	2,354 (143) 2,211
Statutory Planning	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	439 (103) 336	578 (106) 472
Plant Management & Operations	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet.	115 (115) 0	0 (328) (328)
Roads	This service aims to ensure responsible management of Council's road infrastructure and compliance with regulatory requirements.	9,920 (8) 9,912	9,142 0 9,142

Service areas	Description of services provided	2018/19 Budget Expenditure (Revenue) Net Cost \$'000	2019/20 Budget Expenditure (Revenue) Net Cost \$'000
Roadside Assets	This service manages projects that include roadside parking improvements and bus shelters.	000 0 000	000 0 000
Public Infrastructure	This service provides community and visitors with appropriate public infrastructure to meet community needs in relation to location, safety, hygiene, quality and environmental sustainability of public toilets.	390 0 390	409 0 409
Private Works	This service is provided on a case by case basis for private requests for minor works that may not be readily available to the community, for example sealing driveways.	000 0 000	009 0 009
VicRoads Management	Contract This service ensures responsible contract management of Councils VicRoads contract.	198 (200) (2)	48 (28) 20

Major Initiatives

- 18) Deliver the roads and community infrastructure program.
- 19) Deliver on the CBD revitalisation plan by completing the Cox Street redevelopment.
- 20) Deliver Stage 2 of the Hamilton CBD revitalisation project – concept design for Lonsdale St/Melville Oval/Gray Street

Minor Initiatives

- 21) Development and implementation of building Asset Management Plans.
- 22) Design and implement in stages the Hamilton Structure Plan town entrances project.
- 23) Increase diversion of recyclables through Transfer Station upgrades (subject to State-wide direction).

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2017/18 Actual	2018/19 Forecast	2019/20 Target
Statutory planning	Decision making	Council planning decisions upheld at VCAT	100%	100%	100%
Roads	Satisfaction	Satisfaction with sealed local roads	32%	35%	37%

2.4 Council Plan Theme 4: Promote our natural environment – promote a culture that sustains a clean, green and sustainable environment

To promote our natural environment and achieve a culture that sustains a clean, green and sustainable environment.

We have set the following objectives:

- 4.1 Promote and support improved biodiversity and the health of waterways, wetlands, soil and air
- 4.2 Balance environmental protection with Council's support for growth
- 4.3 Promote and provide sustainable waste management services
- 4.4 Develop and implement climate change adaptation strategies to prepare for climate change, especially extreme weather events

We will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services with the initiatives, major initiatives and service performance indicators for each business area described below.

Service areas	Description of services provided	2018/19 Budget Expenditure (Revenue) Net Cost \$'000	2019/20 Budget Expenditure (Revenue) Net Cost \$'000
Landfill	This service manages the disposal of non-recyclable waste within the Shire's Landfill site.	1,873 (791) 1,082	1,271 (1,060) 211
Transfer Stations	This service manages the waste and recyclables collection process at the designated transfer stations within the Shire.	429 (103) 326	422 (114) 308
Waste & Recycling Collection	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	1,388 (154) 1,234	1,535 0 1,535
Natural Asset Management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	238 (50) 188	189 0 189
Stormwater / Drainage	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	527 (0) 527	837 (0) 837
Yatchaw Drainage Authority	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	6 (7) (1)	6 (7) (1)
Quarry	This service is responsible for the sustainability in the supply of materials for road management and the realisation of returns from an economic asset.	0 (194) (194)	7 (430) (423)
Environmental Sustainability	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	165 (0) 165	394 (100) 194
Fire Prevention	This service coordinates fire prevention planning and works in cooperation with other agencies.	81 (0) 81	47 (0) 47
Water	This service manages the Old Hamilton Reservoir and provides a source of non-potable water for irrigation purposes, maintaining sporting grounds and the amenity of the Hamilton Botanic Gardens.	49 (75) (26)	17 0 17
Environmental Health	This service improves the health and wellbeing of the community and protects the Shire's environment.	344 (102) 242	304 (126) 178

Major Initiatives

- 24) Implement key actions from 2018 energy audits at HILAC, Brown Street Business Centre, Hamilton Depot and Market Place.
- 25) Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives

Minor Initiatives

- 26) Identify and assign responsibilities to appropriate external Agencies for non-statutory services
- 27) Actively participate in the Barwon South West Resource Recovery Group to leverage funding and project opportunities in waste
- 28) Complete capping works at Elijah Street Landfill and implement gas treatment system.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2017/18 Actual	2018/19 Forecast	2019/20 Target
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill	44.23%	48.02%	48%
Food safety	Health and safety	Critical and major non-compliance notifications	85.71%	100%	100%

2.5 Council Plan Theme 5: Provide governance and leadership – strong leadership, good governance and effective service delivery

To provide good governance and strong leadership and to achieve effective service delivery.

We have set the following objectives:

- 5.1 Provide transparent and responsible governance
- 5.2 Deliver effective advocacy
- 5.3 Create an environment that supports committed and skilled staff
- 5.4 Deliver efficient and customer focused services

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Service area	Description of services provided	2018/19 Budget Expenditure (Revenue) Net Cost \$'000	2019/20 Budget Expenditure (Revenue) Net Cost \$'000
Executive and Councillor Support	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support.	1,927 (100) 1,827	1,915 (126) 1,789
Governance Administration	This service has the responsibility to provide the organisation with appropriate strategic advice on Governance and Property related matters, enabling the organisation to be responsive to the needs of the Council and the community.	146 0 146	236 0 236
Financial Services	This service has the responsibility to provide the organisation with appropriate strategic advice, reporting and internal control on finance related matters. Financial services also provide accounts payable, receivable and rating administration.	817 (361) 456	1,175 (300) 875
Organisational Development	This service has the responsibility to provide the organisation with appropriate advice and administration for all human resource requirements and workforce management including policy development. The Unit also provides a mechanism for continual review and improvement.	752 0 752	818 0 818
Risk Management	This service has the responsibility to provide the organisation with appropriate advice and management of risk and OHS in relation to legal and other community requirements.	204 0 204	352 0 352
Procurement	This service has the responsibility to provide the organisation with appropriate advice, administration and policy on all procurement matters as specified in Section 186A of the Local Government Act 1989.	206 0 206	208 0 208
Communications	The Communications service assists the organisation to facilitate communication across both internal and external stakeholders, and provide high quality information to the community.	294 0 294	353 0 353
Customer Service	The Customer Service is the first point of contact for all communications with Council. This unit aims to provide accurate and a high quality of service to all customers.	226 0 226	382 (3) 379
Business Systems	The Business Systems unit aims to maximise the organisation's capacity to utilise all its many and diverse systems and is also responsible for the ongoing support of Councils IT requirements necessary to deliver effective services.	1,482 (5) 1,477	1,917 (5) 1,912
Corporate Buildings and Overheads	This service maintains buildings and grounds of corporate buildings, supports whole of organization administration functions and coordinates centralized purchasing of corporate consumables. These expenses are offset by the recoup of internal charges to all services	1,102 (4,637) (3,535)	1,289 (3,931) (2,642)

Service area	Description of services provided	2018/19 Budget Expenditure (Revenue)	2019/20 Budget Expenditure (Revenue)
		Net Cost \$'000	Net Cost \$'000
Depot Operations and Maintenance	This service coordinates the operation of Council's depots in Hamilton, Coleraine, Balmoral, Cavendish, Dunkeld and Penshurst to support works teams to deliver capital and maintenance programs.	393 (22) 371	327 (22) 305

Major Initiatives

29) Implement Year 3 of the Council Plan 2017 – 21

30) Continue advocacy on key Council priorities covering Regional (Great South Coast), State and Federal Governments

31) Invest in the appropriate systems, processes and training to support an environment which delivers a seamless Customer Experience.

Minor Initiatives

Invest in our staff and systems to ensure an efficient and effective organisation

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2017/18 Actual	2018/19 Forecast	2019/20 Target
Governance	Satisfaction	Satisfaction with Council decisions	50%	51%	52%

2.6 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2019/20 Annual Report.

The Performance Statement will also include reporting on prescribed indicators of financial performance and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement.

The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.7 Performance Outcome Indicators – Definitions

Service	Indicator	Performance Measure	Computation
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Livestock Exchange	Utilisation	Number of sheep sold through the Hamilton Regional Livestock Exchange	Number of Sheep sold through the Livestock Exchange
Visitor Services	Participation	Number of Visitors to the region	Number of Actual overnight visitors as per National Visitor Survey by Tourism Research Australia.
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
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
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

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Support our Community	8,036	13,717	(5,681)
Develop our Regional Economy and Businesses	1,751	3,286	(1,535)
Plan for our Built Environment	14,185	14,671	(487)
Promote our Natural Environment	3,207	5,043	(1,835)
Provide Governance and Leadership	4,584	5,040	(456)
Total services and initiatives	31,763	41,757	(9,994)
Funding sources			
Rates and charges	(20,845)		
Victoria Grants Commission	(7,591)		
Capital grants	(4,200)		
Total funding sources	(32,636)		
Corporate Expenses			
Loan Servicing	112		
Total Corporate Expenses	112		
(Surplus)/Deficit for the year	(761)		

3. Financial statements

This appendix presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2019/20 to 2022/23 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

3.1 Comprehensive Income Statement

Southern Grampians Shire Council Budgeted Comprehensive Income Statement

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Income					
Rates and charges	20,038	20,716	21,234	21,765	22,309
Statutory fees and fines	505	491	496	501	506
User fees	5,341	5,873	6,108	6,352	6,606
Grants - Operating	6,569	10,485	10,687	10,892	11,102
Grants - Capital	33,823	4,200	2,510	3,335	3,935
Contributions - monetary	260	-	-	-	-
Other income	2,675	1,022	1,028	1,035	1,041
Total Income	69,211	42,787	42,588	44,405	45,849
Expenses					
Employee costs	(17,254)	(17,090)	(17,603)	(18,131)	(18,675)
Materials and services	(16,840)	(10,106)	(9,861)	(10,245)	(10,645)
Bad and doubtful debts	-	-	(2)	(1)	(1)
Depreciation and amortisation	(11,017)	(10,072)	(11,052)	(11,052)	(11,052)
Borrowing costs	(139)	(323)	(183)	(150)	(127)
Other expenses	(4,009)	(4,435)	(5,206)	(5,461)	(5,911)
Total Expenses	(49,259)	(42,026)	(43,906)	(45,041)	(46,411)
Surplus/(deficit) for the year	19,952	761	(1,318)	(636)	(562)
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 associates and joint ventures	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods	-	-	-	-	-
Total comprehensive result	19,952	761	(1,318)	(636)	(562)

3.2 Balance Sheet

Southern Grampians Shire Council Budgeted Balance Sheet

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Assets					
Current assets					
Cash and cash equivalents	15,360	4,966	4,375	2,566	1,479
Trade and other receivables	4,767	4,767	3,746	3,866	3,970
Other financial assets	-	-	-	-	-
Inventories	1,095	1,095	1,106	1,117	1,128
Non-current assets classified as held for sale	-	-	-	-	-
Other assets	-	-	-	-	-
Total current assets	21,222	10,828	9,227	7,549	6,577
Non-current assets					
Trade and other receivables	96	96	91	87	82
Investments in associates and joint ventures	-	-	-	-	-
Property, infrastructure, plant & equipment	346,474	359,264	358,348	359,007	361,007
Investment property	-	-	-	-	-
Intangible asset	-	-	-	-	-
Landfill rehabilitation intangible asset	-	-	-	-	-
Total non-current assets	346,570	359,360	358,439	359,093	361,089
Total assets	367,792	370,188	367,666	366,642	367,667
Liabilities					
Current liabilities					
Trade and other payables	4,070	4,070	3,409	3,526	3,663
Trust funds and deposits	353	353	357	360	364
Provisions	6,962	6,962	4,474	4,474	4,474
Interest-bearing loans and borrowings	365	450	509	541	734
Total current liabilities	11,750	11,835	8,748	8,901	9,234
Non-current liabilities					
Provisions	793	793	3,281	3,281	3,281
Interest-bearing loans and borrowings	1,488	3,038	2,433	1,892	3,145
Total non-current liabilities	2,281	3,831	5,714	5,173	6,426
Total liabilities	14,031	15,666	14,462	14,074	15,661
Net assets	353,761	354,522	353,204	352,568	352,006
Equity					
Accumulated surplus	152,429	153,130	151,812	151,176	150,614
Reserves	201,332	201,392	201,392	201,392	201,392
Total equity	353,761	354,522	353,204	352,568	352,006

3.3 Statement of Changes in Equity

Southern Grampians Shire Council Budgeted Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019/20				
Balance at beginning of the financial year	353,761	152,429	200,463	869
Surplus/(deficit) for the year	761	761	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	(60)	-	60
Balance at end of financial year	354,522	153,130	200,463	929
2020/21				
Balance at beginning of the financial year	354,522	153,130	200,463	929
Surplus/(deficit) for the year	(1,318)	(1,318)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	353,204	151,812	200,463	929
2021/22				
Balance at beginning of the financial year	353,204	151,812	200,463	929
Surplus/(deficit) for the year	(636)	(636)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	352,568	151,176	200,463	929
2022/23				
Balance at beginning of the financial year	352,568	151,176	200,463	929
Surplus/(deficit) for the year	(562)	(562)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	352,006	150,614	200,463	929

3.4 Statement of Cash Flows

Southern Grampians Shire Council Budgeted Statement of Cash Flows

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	20,038	20,716	21,755	21,707	22,258
Statutory fees and fines	505	491	508	500	505
User fees	5,341	5,873	6,258	6,335	6,591
Grants - operating	6,569	10,485	10,949	10,863	11,077
Grants - capital	33,823	4,200	2,572	3,326	3,926
Contributions - monetary	260	-	-	-	-
Interest received	460	365	369	372	376
Dividends received	-	-	-	-	-
Trust funds and deposits taken	-	-	4	4	4
Other receipts	2,215	657	676	660	663
Net GST refund / payment	-	-	-	-	-
Employee costs	(17,254)	(17,090)	(17,959)	(18,068)	(18,602)
Materials and services	(16,840)	(10,106)	(10,071)	(10,221)	(10,615)
Trust funds and deposits repaid	-	-	-	-	-
Other payments	(4,009)	(4,435)	(5,311)	(5,442)	(5,888)
Net cash provided by/(used in) operating activities	31,108	11,156	9,748	10,037	10,296
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(40,135)	(23,443)	(10,751)	(12,342)	(13,698)
Proceeds from sale of property, infrastructure, plant and equipment	461	581	615	630	646
Proceeds from investment property	-	-	525	525	350
Net cash provided by/(used in) investing activities	(39,674)	(22,862)	(9,611)	(11,186)	(12,702)
Cash flows from financing activities					
Finance costs	(139)	(323)	(183)	(150)	(127)
Proceeds from borrowings	-	2,000	-	-	2,000
Repayment of borrowings	(409)	(365)	(546)	(509)	(554)
Net cash provided by/(used in) financing activities	(548)	1,312	(728)	(660)	1,319
Net increase/(decrease) in cash & cash equivalents	(9,114)	(10,394)	(591)	(1,809)	(1,087)
Cash and cash equivalents at the beginning of the financial year	24,474	15,360	4,966	4,375	2,566
Cash and cash equivalents at the end of the financial year	15,360	4,966	4,375	2,566	1,479

3.5 Statement of Capital works

Southern Grampians Shire Council Budgeted Capital Works Statement

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Property					
Land	188	-	-	-	-
Land improvements	450	3,580	-	-	250
Total land	638	3,580	-	-	250
Buildings	1,279	2,860	2,028	1,895	2,682
Heritage buildings	-	-	-	-	-
Building improvements	-	-	-	-	-
Leasehold improvements	-	-	-	-	-
Total buildings	1,279	2,860	2,028	1,895	2,682
Total property	1,917	6,440	2,028	1,895	2,932
Plant and equipment					
Heritage plant and equipment	82	-	-	-	-
Plant, machinery and equipment	-	2,561	1,900	1,948	1,996
Fixtures, fittings and furniture	2,626	70	406	97	168
Computers and telecommunications	-	25	-	-	-
Library books	403	85	60	60	60
Total plant and equipment	3,111	2,741	2,366	2,104	2,224
Infrastructure					
Roads	70	5,537	3,278	3,318	3,481
Bridges	15	610	250	250	250
Footpaths and cycleways	17,040	550	74	84	97
Drainage	8,772	-	17	20	23
Recreational, leisure and community facilities	1,259	960	1,223	1,731	1,151
Waste management	1,008	1,100	-	300	-
Parks, open space and streetscapes	119	3,805	1,300	2,470	3,515
Aerodromes	1,674	-	4	9	15
Off street car parks	203	-	-	-	-
Other infrastructure	4,947	1,700	210	161	10
Total infrastructure	35,107	14,262	6,357	8,343	8,543
Total capital works expenditure	40,135	23,443	10,751	12,342	13,698
Represented by:					
New asset expenditure	3,084	6,735	-	300	1,000
Asset renewal expenditure	33,738	12,408	8,901	8,272	8,683
Asset expansion expenditure	52	1,100	-	300	-
Asset upgrade expenditure	3,261	3,200	1,850	3,470	4,015
Total capital works	40,135	23,443	10,751	12,342	13,698
Funding sources represented by:					
Grants	20,930	4,200	2,510	3,335	3,935
Contributions	721	581	-	-	-
Council Cash	18,484	18,662	8,240	9,006	9,763
Borrowings	-	-	-	-	-
Total capital works expenditure	40,135	23,443	10,751	12,342	13,698

3.6 Statement of Human Resources

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff Expenditure					
Employee Costs – Operating	17,254	17,090	17,603	18,131	18,675
Employee Costs – Capital	2,676	2,318	2,594	2,671	2,671
Total Staff Expenditure	19,930	19,408	20,197	20,802	21,346

Staff Numbers	FTE	FTE	FTE	FTE	FTE
Employees	223	232	228	228	228

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

Department	Budget 2019/20 \$'000	Permanent Full Time \$'000	Part Time & Casual \$'000
1. Support our Community	6,835	3,195	3,640
2. Regional Economy	1,120	862	258
3. Built Environment	4,232	3,561	671
4. Natural Environment	827	415	412
5. Governance	4,076	3,707	369
Total Permanent Staff Expenditure	17,090	11,740	5,350
Capitalised Labour Costs	2,318		
Total Expenditure	19,408		

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

Department	Budget 2019/20 FTE	Permanent Full Time FTE	Permanent Part Time FTE
1. Support our Community	87.44	37	50.44
2. Regional Economy	12.10	9	3.10
3. Built Environment	61.26	52	9.26
4. Natural Environment	9.69	4	5.69
5. Governance	39.41	35	4.41
Total Staff FTE	209.90	137	72.90
Capitalised Labour Costs - FTE	21.66		
Total FTE	231.56		

4. Notes to the Financial Statements

4.1 Comprehensive Income Statement

4.1.1 Rates and Charges

Planning for future rate increases has 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 2019/20 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for around 48% of the total revenue received by Council annually.

The 2019/20 underlying operating position is adversely impacted by the lack of increase in recurrent government funding, rate capping and continued increases in operating expenditure. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve a trend back towards a breakeven operating position in future years. The impact of natural disasters, in particular flooding, together with the necessity to develop "regional use" assets which attract capital funding, increase the operational burden to Council.

Total general rates and charges will increase by 3.27%, however the distribution of the increase is not consistent across all charge types and land classifications. Municipal and service charges are increased and rounded to the nearest dollar with the remaining revenue distributed across the properties according the rating policy and land use classification.

A general revaluation has also been received which may move the rate burden between the different land classifications as compared to the previous year.

It is proposed that income raised by all rates and municipal charges will be increased by 2.48% or \$0.452 million over total 2018/19 revenue to \$18.709 million.

Service charges will increase by 11.38%, to ensure Council is achieving a cost neutral position for waste management.

4.1.1(a) 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	2018/19 cents/\$CIV	2018/19 cents/\$CIV	Change
General rate 1 for rateable residential properties	0.005237	0.004469	(14.66%)
General rate 1 for rateable rural properties	0.005237	0.004469	(14.66%)
General rate 1 for rateable industrial properties	0.005237	0.004469	(14.66%)
General rate 1 for rateable commercial properties	0.005237	0.004469	(14.66%)
General rate 2 for rateable rural N/S properties	0.004190	0.003575	(14.66%)
General rate 3 for residential rural properties	0.004190	0.003575	(14.66%)
General rate 3 for rural rural properties	0.004190	0.003575	(14.66%)
General rate 3 for industrial rural properties	0.004190	0.003575	(14.66%)
General rate 3 for commercial rural properties	0.004190	0.003575	(14.66%)

4.1.1(b) 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	2018/19 \$	2019/20 \$	Change \$	Change %
Residential	6,940,724	6,431,010	(509,714)	(7.34%)
Rural	8,278,234	9,300,633	1,022,399	12.35%
Industrial	299,968	259,379	(40,589)	(13.53%)
Commercial	906,810	839,738	(67,072)	(7.40%)
Total amount to be raised by general rates	16,425,736	16,830,760	405,024	2.46%

4.1.1(c) 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	2018/19 Number	2019/20 Number	Change No.	Change %
Residential	7,243	7,243	-	0.00%
Rural	3,030	3,030	-	0.00%
Industrial	252	252	-	0.00%
Commercial	452	452	-	0.00%
Total number of assessments	10,977	10,977	-	0.00%

4.1.1(d) The basis of valuation to be used is: Capital Improved Value (CIV)

4.1.1(e) 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	2018/19 \$	2019/20 \$	Change \$	Change %
Residential	1,380,783,000	1,500,738,000	119,955,000	8.69%
Rural	1,971,254,000	2,596,225,000	624,971,000	31.70%
Industrial	59,429,000	60,001,500	572,500	0.96%
Commercial	176,441,000	191,195,113	14,754,113	8.34%
Total value of land	3,587,907,000	4,348,159,613	760,252,613	21.19%

4.1.1(f) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2018/19 \$	Per Rateable Property 2019/20 \$	Change \$	Change %
Municipal	195	200	5	2.56%

4.1.1(g) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2018/19 \$	2019/20 \$	Change \$	Change %
Municipal	1,831,050	1,878,000	46,950	2.56%

4.1.1(h) 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 2018/19 \$	Per Rateable Property 2019/20 \$	Change \$	Change %
Kerbside Collection	263	295	32	12.17%
Organic Waste	95	95	0	0.00%

4.1.1(i) 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	2018/19 \$	2019/20 \$	Change \$	Change %
Kerbside collection	1,682,674	1,887,410	204,736	12.17%
Organic Waste	115,805	115,805	0	0.00%
Total	1,798,479	2,003,215	204,736	12.17%

4.1.1(j) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2018/19 \$	2019/20 \$	Change \$	Change %
General rates	16,425,736	16,830,760	405,024	2.46%
Municipal charge	1,831,050	1,878,000	46,950	2.56%
Total Rates	18,256,786	18,708,760	451,974	2.48%
Kerbside collection	1,682,674	1,887,410	204,736	12.17%
Organic Waste	115,805	115,805	0	0.00%
Rates and charges	20,055,265	20,711,975	656,710	3.27%

4.1.1(k) Any significant changes that may affect the estimated amounts to be raised by rates and charges

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

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

4.1.1(l) Differential rates

General Rate 1

A differential general rate of 0.004469 cents in the dollar on the capital improved value of all rateable land in the parishes of North Hamilton and South Hamilton, excluding all farm land which comprises part of a single farm enterprise with an area of 40 hectares or more;

General Rate 2

A differential general rate of 0.003575 cents in the dollar on the capital improved value of all rateable farm land in the parishes of North Hamilton and South Hamilton and which comprises part of a single farm enterprise with an area of 40 hectares or more;

General Rate 3

A differential general rate of 0.003575 cents in the dollar on the capital improved value of all other rateable land in the Shire;

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

4.1.1(m) Special Rate – Yatchaw Drainage Authority

A Special Rate of 0.000323 cents in the dollar on the capital improved value of all rateable land in the Yatchaw Drainage Area.

4.1.2 Statutory fees and fines

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include such items as building permits, animal registrations and parking fines

	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	Change %
Building Services	131	124	(7)	(5%)
Environmental Health	100	111	11	11%
Local Laws Operations	144	133	(11)	(7%)
Statutory Planning	105	106	1	1%
Other	25	17	(8)	(32%)
Total	505	491	(14)	(3%)

4.1.3 User fees

User charges relate to the recovery of service deliver costs through the charges of fees to users of Council services. These include use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home care services.

	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	Change %
Livestock Exchange	1,320	1,298	(22)	(2%)
Quarry	194	430	236	222%
Community & Children's Services	866	903	37	4%
Cultural Services	459	455	(4)	(1%)
Hamilton Indoor Leisure & Aquatic Centre	1,132	1,218	86	8%
Waste Services	873	1,154	281	32%
Regulatory & Compliance	173	168	(5)	(3%)
Other User Fees	325	249	(76)	(24%)
Total	5,341	5,873	532	10%

4.1.4 Grants Operating

Operating Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council services to ratepayers. A list of operating grants by service and source, classified into current & non-recurrent are included below.

Operating Grants	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000	Variance %
Recurrent - Commonwealth Government				
Department Treasury & Finance (Victoria Grants Commission Annual Allocation)	3,818	7,591	3,773	99%
Community Services (CHSP & NDIS)	896	910	13	1%
Children's Services (Family Day Care – Child Care Rebate)	281	330	49	18%
Plant Management (Diesel Fuel Rebate Scheme)	110	-	(110)	(100%)
Hamilton Indoor Leisure & Aquatic Centre (Crèche - Child Care Rebate)	35	35	-	0%
Recurrent - State Government				
Art Gallery (Arts Victoria – Operational Grant)	110	110	-	0%
Community Planning, Engagement & Support (L2P Program)	38	38	-	0%
Environmental Health (MAV – Tobacco Sales Testing)	11	14	3	25%
Community Services (HACC)	410	296	(115)	(28%)
Senior Citizen Programs & Support	3	3	(0)	(4%)
Immunisations(CIR Grant)	14	7	(7)	(49%)
Library (DEWLP - Public Libraries Funding)	170	171	0	0%
Local Laws Operations (School Crossings)	53	53	(0)	(1%)
Maternal & Child Health (Operational Grant)	316	350	34	11%
Emergency Management	-	60	60	
Performing Arts Centre (Arts Victoria - Operational Grant)	80	80	-	0%
Rural Access (Operational Grant))	67	34	(34)	(50%)
Total recurrent grants	6,412	10,080	3,668	57%
Non-recurrent - Commonwealth Government				
Children's Services	60	55	(5)	(8%)
Economic Development	20	-	(20)	(100%)
Domestic Care	36	-	(36)	(100%)
Non-recurrent - State Government				
Natural Asset Management	40	-	(40)	(100%)
Environmental Sustainability	-	100	100	
Recreation Development & Support	-	100	100	
Land Development	-	150	150	
Total non-recurrent operating grants	156	405	249	159%
Total operating grants	6,569	10,485	3,917	60%

4.1.5 Grants - Capital

Capital Grants include all money received from State, Federal and Community sources for the purposes of funding the capital works program. A list of capital grants by service and source, classified into current & non-recurrent are included below.

Capital Grants	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000	Variance %
Recurrent - Commonwealth Government				
Roads to Recovery	1,528	1,985	457	30%
Recurrent - State Government				
	0	0		
Total recurrent capital grants	1,528	1,985	457	30%
Non-recurrent - Commonwealth Government				
Bridges & Culverts (Flood Recovery)	7,672	-	(7,672)	(100%)
Emergency Management (Flood Recovery)	7,731	-	(7,731)	(100%)
Footpaths & Cycle ways (Flood Recovery)	61	-	(61)	(100%)
Parks & Open Spaces (Flood Recovery)	46	-	(46)	(100%)
Public Infrastructure (Flood Recovery)	65	-	(65)	(100%)
Roads & Streets (Flood Recovery)	790	-	(790)	(100%)
Stormwater Drainage (Flood Recovery)	180	-	(180)	(100%)
Footpaths & Cycle ways (Dunkeld-Mt Sturgeon Loop Walk)	100	200	100	100%
Livestock Exchange - NSRF Funding	400	-	(400)	(100%)
Livestock Exchange - Cattle Yard Roof	-	715	715	
Non-recurrent - State Government				
Art Gallery (Masterplan)	30	-	(30)	(100%)
Economic Development (Digital Ecosystem)	32	-	(32)	(100%)
Emergency Management (Flood)	13,732	-	(13,732)	(100%)
Environmental Sustainability (Bioenergy Feasibility Study)	10	-	(10)	(100%)
Environmental Sustainability (Energy Audits)	14	-	(14)	(100%)
Lake Hamilton (Dam Wall)	-	1,100	1,100	
Industrial Land Development	100	150	50	50%
Landfill (E-Waste Storage Facility)	90	-	(90)	(100%)
Library	1	-	(1)	(100%)
Livestock Exchange (Road Underpass)	-	50	50	
Livestock Exchange (RFID Equipment and Installation)	45	-	(45)	(100%)
Maternal & Child Health	5	-	(5)	(100%)
Performing Arts Centre (Full House Project)	30	-	(30)	(100%)
Recreation Development & Support Strategy	(18)	-	18	(100%)
Risk Management (Elumina Project)	8	-	(8)	(100%)
Roads & Streets (Fixing Country Roads)	457	-	(457)	(100%)
Roadside Assets (Cox St Precinct)	625	-	(625)	(100%)
Strategic Planning (Reconnection & Revitalisation Project)	90	-	(90)	(100%)
Total non-recurrent capital grants	32,295	2,215	(30,080)	
Total capital grants	33,823	4,200	(29,623)	

4.1.6 Other Revenue

Other revenue includes Contributions, reimbursements and other minor sources of revenue for various services provided by Council.

Contributions relate to money received from community groups or other bodies to assist in the funding of both capital and operating Projects. A list of Contributions by service and purpose, classified into capital and operating are show below.

Reimbursements are expenditure that is incurred by Council on behalf of another organisation and then recompensed after the event. Some of the Flood Recovery works have fallen in this category as Insurance reimbursements.

	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	Change %
Operating Contributions/Reimbursements				
Contribution – Art Gallery – Works of Art	22	10	12	53%
Contribution – CEO & Executive – Great South Coast Group	100	126	(26)	(26%)
Contribution – Economic Development – Business Programs	7	7	-	0%
Reimbursement – Hamilton Botanic Gardens - Childrens precinct	-	35	(35)	
Reimbursement – Customer Service - Trainee Subsidy	2	3	1	50%
Reimbursement – PV solar at Hamilton Depot	32	0	32	(100%)
Reimbursement – Fire Service Property Levy	44	45	(1)	(3%)
Reimbursement – Asset Management - Water & Wastewater Plans	-	140	(140)	
Reimbursement – Landfill - EPA Levy Rebate	18	0	18	(100%)
Reimbursement – Livestock Exchange water	7	0	7	(100%)
Reimbursement – PAC Performance	42	38	4	(10%)
Reimbursement – Sports Reserves - Flood Recovery	1,164	0	1,164	(100%)
Reimbursement – VicRoads Contract	200	28	173	(86%)
Reimbursement – Recycling Collection Rebate	150	0	150	(100%)
Capital Contributions/Reimbursements				
Contribution – Botanic Gardens – Bird Aviary	182	0	182	(100%)
Reimbursement – Airport	12	0	12	(100%)
 Other Operating Revenue	 694	 591	 104	 (15%)
Total	2,675	1,022	1,653	

4.1.7 Employee costs

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.

Operational Employee costs are estimated to increase by \$0.692 million to \$17.090 million compared to 2018/19 Adopted Budget (\$16.398m). This amount is less than the 2018/19 Forecast (\$17.254 million) which is higher than both years budgets due to the impact of a number of matters including additional works, resignations, redundancies, recruitment expenses, industrial relations advice and other associated oncosts. The budget allocation for 2019/20 is actually \$0.164 million less than the 2018/19 forecast.

Other factors impacting employee costs are:

- Annual increment Council's Enterprise Bargaining Agreement (EBA) currently under negotiation;
- Movement of staff through the banding system; and
- The balance of work carried out between operational projects and capital works.

Employees who work on capital works have their wages and associated oncosts charged to the asset category in the balance sheet of the projects.

	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	Change %
Wages & Salaries (Including casuals & Allowances)	12,855	12,333	(522)	(4%)
Public Holidays, Sick, Annual & Long Service Leave	2,313	2,604	291	13%
Superannuation	1,478	1,476	(2)	0%
Work Cover Premium & Expenses	536	537	2	0%
Fringe Benefits Tax	72	140	68	95%
Total	17,254	17,090	(164)	(1%)

4.1.8 Materials and services

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs.

Whilst utility costs continue to escalate, Council has been implementing a number of energy efficient measures which will see the reduction of utilities in some services areas.

	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	Change %
Contractors (Including Flood Recovery Contracts)	11,235	3,952	(7,283)	(35%)
Service charges & Consumables	1,779	2,198	419	24%
Utilities	990	1,053	63	6%
External Consultants & Professionals	535	681	146	27%
Other	2,302	2,222	(80)	(3%)
Total	16,841	10,106	(6,735)	(40%)

4.1.9 Bad and doubtful debts

Bad and doubtful debts are negligible for Council.

4.1.10 Depreciation and amortisation

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.

Council has estimated the depreciation expense for the 2018/19 year and used this as the basis for the 2019/20 year. This amount is an estimate only as Council constantly re-values assets; however these calculations will not be processed until the end of the 2018/19 financial year.

The majority of the reduction relates to assets which have reached the end of their lives and have been fully depreciated, but still in use.

	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	Change %
Property, Furniture & Fittings	1,869	1,712	(157)	(8%)
Plant & Equipment	1,299	1,095	(204)	(16%)
Infrastructure	6,583	6,196	(387)	(6%)
Yatchaw Drainage Scheme	6	6	0	0
Other Assets	1,260	1,063	(198)	(16%)
Total	11,017	10,072	(945)	(9%)

4.1.11 Borrowing costs

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

No new loans were taken up in 2018/19, however a loan of \$2 million is anticipated in the 2019/20 year.

4.1.12 Other items of expense

Other items of expense relate to a range of unclassified items including contributions to community groups, advertising, insurances and other miscellaneous expenditure items.

Whilst the overall increase is \$426k, waste disposal costs have increased by \$523k with other line items decreasing.

4.1.13 Adjusted underlying deficit

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 2019/20 year is a deficit of \$1.454 million which is an increase of \$1.744 million from the projected 2018/19 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent or are not matched to operating expenses 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.

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000
Total income	69,211	42,787	(26,424)
Total expenses	(49,259)	(42,026)	7,233
Surplus (deficit) for the year	19,952	761	(19,191)
Grants – capital non-recurrent	(19,402)	(2,215)	17,187
Contributions - non-monetary assets	-	-	-
Capital contributions - other sources	(260)	-	260
Adjusted underlying surplus (deficit)	290	(1,454)	(1,744)

4.2 Balance Sheet

4.2.1 Assets

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 decrease by \$10.394 million during the year mainly due to the value of capital works and capital funding received for multiple year projects.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non-current) relating to loans to community organisations and principal and interest debtors for private streets, Kerb & Channel and Footpath Schemes will decrease in accordance with agreed repayment terms.

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

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$12.790 million increase in this balance is attributable to the net result of the capital works program (\$23.443 million of additional asset value), less depreciation of assets (\$10.072 million) and sale of plant and equipment (\$0.581 million).

4.2.2 Liabilities

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2018/19 levels.

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

Interest-bearing loans and borrowings are borrowings of Council. Council is budgeting to repay loan principal of \$0.365 million over the year. Council is anticipating borrowing \$2 million in the 2019/20 year.

4.2.3 Borrowings

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

	2018/19 \$	2019/20 \$
Total amount borrowed as at 30 June of the prior year	2,262	1,854
Total amount to be borrowed	-	2,000
Total amount projected to be redeemed	409	365
Total amount proposed to be borrowed as at 30 June	1,853	3,489

3.1.3 Working Capital

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.

Councils will not be able to hold working capital in 2019/20 (Current assets \$10.828 million less current liabilities \$11.835 million). Council will need to manage its cash payments and receipts carefully to maintain a positive cash balance. It should be noted, however that current liabilities will reduce during the year when the landfill provision is reduced to take into consideration works carried out during the 2018/19 and 2019/20 years thereby reducing current liabilities.

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.

4.3 Statement of Changes in Equity

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; and
- 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.

	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000
Accumulated Surplus	152,429	153,130	701
Reserve – Asset Revaluation	200,463	200,463	-
Reserve - Open Space/Subdividers Contributions	273	283	10
Reserve – Parking Development	98	98	-
Reserve – Drainage Headworks	97	97	-
Reserve – Waste Management	401	451	50
	353,761	354,522	761

Subdividers Contributions are in lieu of provision of recreational land within a subdivision. These funds are used to develop strategically located parks and reserves for the benefit of residents in the general area, as provided in the Subdivision Act 1988 and Planning and Environment Act 1987.

The Parking Development Reserve is in lieu of provision of off-site parking as part of a development. These funds are used for the purchase and development of public access parking in the general area.

The Drainage Headworks Reserve is in lieu of meeting the cost to develop, upgrade and/or renew drainage infrastructure downstream of any subdivision development, a charge is levied on subdivision developers.

The Waste Levy Reserve is in lieu of meeting the cost to develop, upgrade and/or renew waste infrastructure. A charge is levied on waste fees and transfer stations as waste is deposited in these facilities.

4.4 Statement of Cash Flows

4.4.1 Operating activities

The increase in cash inflows from operating activities is due mainly to increases in operating grants and capital grants.

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 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000
Surplus (deficit) for the year	19,952	761	(19,191)
Depreciation	11,017	10,072	(945)
Loss (gain) on disposal Assets	0	0	0
Loss on impairment of Assets	0	0	0
Net movement in current assets and liabilities	139	323	184
Cash flows available from operating activities	31,108	11,156	(19,952)

4.4.2 Investing activities

The decrease in payments for investing activities (\$16.692 million) represents the planned decrease in capital works expenditure due to reinstatement of flood impacted and other projects from Council's Major Projects Priority Listing.

Proceeds from sale of assets are forecast to increase by \$0.120 million.

4.4.3 Financing activities

For 2019/20 the total of principal repayments is projected to be \$0.365 million and finance charges are projected to be \$0.323 million. Council is also budgeting to take up a new loan of \$2 million.

4.4.4 Cash and cash equivalents at end of the year

Overall, total cash and investments is forecast to decrease by \$10.394 million to \$4.966 million as at 30 June 2020, reflecting Council's strategy of using cash and investments to enhance existing and create new infrastructure before borrowing.

4.4.5 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 2020 it will have cash and investments of \$4.966 million, which has been restricted as shown in the following table.

There are also a number of discretionary reserves which Council desires to have backed by cash, however there is no requirement to do so.

	Forecast 2019 \$'000	Budget 2020 \$'000	Variance \$'000
Total cash and investments	15,360	4,966	(10,394)
Restricted cash and investments			
- Statutory reserves	-	-	0
- Trust funds and deposits	353	353	0
Unrestricted cash and investments	15,007	4,613	(10,394)
Discretionary Reserves/Funds			
- Discretionary reserves – See Note 4.3	869	929	60
- Sir Irving Benson Bequest	693	693	0
- Defined Benefit Shortfall	2,400	2,800	400
- Landfill Rehabilitation	2,750	750	(2,000)
- Long Service Leave Entitlement	3,120	3,000	(120)
Total Discretionary Reserves/Funds	9,832	8,172	(1,660)
Unrestricted cash adjusted for discretionary Reserves	5,175	(3,559)	(8,734)

4.4.5a Statutory reserves

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

4.4.5b Trust Funds & Deposits

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

4.4.5c Discretionary reserves/Funds

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. Each of these reserves/funds are backed by cash investments.

4.4.5d Unrestricted cash adjusted for discretionary reserves

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

4.5 Capital Works Program

4.5.1 Funding sources

Sources of Funding	Forecast 2018/19 \$'000	Budget 2019/20 \$'000	Variance \$'000	Variance %
Grants	33,823	4,200	(29,623)	(88%)
Contributions	0	0		
Reimbursements	260	0	(260)	(100%)
Borrowings	0	0		
Council cash				
- proceeds from sale of assets	461	581	120	26%
- reserve cash and investments	0	0		
- unrestricted cash and investments	5,591	18,662	13,071	333%
Total funding sources	40,135	23,443	(16,672)	(42%)

4.5.1a Grants

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for Roads to Recovery, Industrial Estate Development, Livestock Exchange Development, Cox Street Redevelopment and other minor grants. See Section 5 for more details by project.

4.5.1b Council cash - proceeds from sale of assets

Proceeds from sale of assets include construction fleet and motor vehicle sales.

4.5.1c Council cash - reserve cash and investments

Council has significant cash reserves set aside for specific purposes such as waste management, public open space and car parking development. It is not anticipated to spend any of these funds in 2019/20.

4.5.1d Council cash - unrestricted cash and investments

In addition to reserve investments, Council has uncommitted cash and investments which represent unrestricted cash and investments.

5. Detailed capital works

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Property									
Land Improvements									
Industrial Land	3,550,000				3,550,000		(150,000)		(3,400,000)
Airport Security Gate Renewal		30,000	30,000						(30,000)
	3,550,000	30,000	30,000	0	3,550,000	0	(150,000)	0	(3,430,000)
Buildings									
Livestock Exchange - Roofover Cattle Yards	1,650,000				1,650,000		(715,000)		(935,000)
Building Renewals	750,000		750,000						(750,000)
Public Toilet Strategy Implementation	200,000		200,000						(200,000)
Melville Oval Clubrooms	150,000		150,000						(150,000)
Pedrina Park Hockey Club Rooms	100,000				100,000				(100,000)
HILAC Floor Surfacing	10,000		10,000						(10,000)
	2,860,000	0	1,110,000	0	1,750,000	0	(715,000)	0	(2,145,000)
Total Property	6,410,000	30,000	1,140,000	-	5,300,000	-	(865,000)	0	(5,575,000)
Plant & Equipment									
Plant Machinery & Equipment									
Heavy Fleet Renewals	1,720,500		1,720,500					(238,500)	(1,482,000)
Light Fleet Renewals	805,000		805,000					(342,000)	(463,000)
Animal Management Pod & Vehicle		35,000			35,000				(35,000)
	2,525,500	35,000	2,525,500	0	35,000	0	0	(580,500)	(1,980,000)
Fixtures, Fittings & Furniture									
HILAC - Pool Medium Filter	50,000		50,000						(50,000)
HILAC - Power Board Upgrade		20,000		20,000					(20,000)
	50,000	20,000	50,000	20,000	0	0	0	0	(70,000)
Computers & Telecommunications									
Civica Actus SmartPhone App		25,000			25,000				(25,000)
	0	25,000	0	0	25,000	0	0	0	(25,000)
Library Books									
Library Books	70,000		70,000						(70,000)
	70,000	0	70,000	0	0	0	0	0	(70,000)
Art Collection									
AAR - Art Collection	15,000		15,000						(15,000)
	15,000	0	15,000	0	0	0	0	0	(15,000)
Total Plant & Equipment	2,660,500	80,000	2,660,500	20,000	60,000	-	0	(580,500)	(2,160,000)

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Infrastructure									
Roads									
RTR Funding							(1,588,203)		1,588,203
Rural Road Rehabilitations									
Cameron Rd, Pigeon Ponds - Seal Change 30 - Pavement Change 510		60,673	60,673						(60,673)
Wilderness Rd, Grijurk - Cavendish Coleraine Rd 0 - Old Seal Change 1140		187,030	187,030						(187,030)
Lake Rd, Croxton East - Uebergang Rd 2755 - Hamilton-Chatsworth 5105		244,386	244,386						(244,386)
Hensley Park Rd, Hensley Park - 16.55 Mt Cavendish 16760 - Pave Change 17250		90,142	90,142						(90,142)
Mill Rd, Strathkellar - Pave Change 7450 - Seal Change 7935		89,208	89,208						(89,208)
Mill Rd, Moutajup - Warburtons 15770 - Seal Change 16110		66,999	66,999						(66,999)
Mill Rd, Moutajup - Seal Change 12645 - Seal Change 13515		174,061	174,061						(174,061)
Mill Rd, Moutajup - Seal Change 13515 - Seal Change 14345		166,011	166,011						(166,011)
Mill Rd, Moutajup - Seal Change 14345 - Seal Change 15270		185,130	185,130						(185,130)
Morgiana Rd, Wannon - 2.97 Claytons 3410 - Culvert 4540		210,142	210,142						(210,142)
Rudolfs La, Moutajup - Finkmeyers Ln 2180 - Forest La 3550		176,217	176,217						(176,217)
Schofield Rd, Culla - Mooree Culla 0 - Portland Ln 1990		250,922	250,922				(250,922)		0
McDougalls Lane, Nareen - Change 10300 - Nareen Rd 11480		146,129	146,129				(146,129)		0
Urban Road Rehabilitations									
Wedge St, Hamilton - Henderson 783 - Seal Change 1300		51,700	51,700						(51,700)
Mt Baimbridge Rd 1, Hamilton - Stewart 1275 - Leahy 1425		39,000	39,000						(39,000)
Mt Baimbridge Rd 1, Hamilton - Leahy 1425 - Chamberlain 1525		26,000	26,000						(26,000)
Mt Baimbridge Rd 1, Hamilton - Chamberlain 1525 - King 1625		20,800	20,800						(20,800)
Kent Rd, Hamilton - McDonald 1338 - Park 1557		25,185	25,185						(25,185)
Hector St, Hamilton - Park St 0 - Clarence 306		49,699	49,699						(49,699)
Cameron St, Coleraine - Pitcher St 83 - Service Lane 355		27,200	27,200						(27,200)
Laidlaw St Hamilton, Hamilton - Steel St 0 - Mt Napier Rd 563		110,416	110,416						(110,416)
Rural Road Reseals									
Ackerleys Rd, Hamilton - Mt Baimbridge Rd G70 to Sobey's Rd 630		12,285	12,285						(12,285)
Annetts Rd, Morgiana - Loats Rd G70 to Pave Change 935		17,765	17,765						(17,765)
Annetts Rd, Morgiana - Pave Change G7935 to End of Seal 1835		17,100	17,100						(17,100)
Ardachy Estate Rd, Branhholme - Condah Coleraine Rd G70 to Change 1500		27,750	27,750						(27,750)
Ardachy Estate Rd, - Change G71500 to Change 3500		37,000	37,000						(37,000)
Bensch's Rd, Tarrington - Hamilton Hwy G70 to End of Seal 240		4,440	4,440						(4,440)
Blackwood-Dunkeld Rd, Dunkeld - Seal Change G719610 to Bridge 20500		16,910	16,910						(16,910)
Byaduk Ardoon Rd, Byaduk North - Bridge G7515 to Culvert 725		4,095	4,095						(4,095)
Byaduk Ardoon Rd, Byaduk North - Culvert G7725 to Ardoon Rd 1445		14,040	14,040						(14,040)
Byaduk Penshurst Rd, Byaduk - 2.89 Chamberlains G72865 to 3.40 Handrecks 3750		16,815	16,815						(16,815)
Byaduk Penshurst Rd, Byaduk - 3.40 Handrecks G73750 to 4.90 Millards 5990		43,387	43,387						(43,387)
Byaduk Penshurst Rd, Byaduk - 4.90 Millards G75990 to Bridge at Shire Boundary 6240		7,875	7,875						(7,875)
Byaduk Penshurst Rd 2, Byaduk - Bridge at Shire Boundary G76240 to J. Forsyths 6900		21,120	21,120						(21,120)
Byaduk Penshurst Rd 2, Byaduk - J. Forsyths G76900 to Seal Change 7055		3,023	3,023						(3,023)
Byaduk Penshurst Rd 2, Byaduk - Seal Change G77055 to Seal Change 8160		20,995	20,995						(20,995)
Byaduk Penshurst Rd 2, Byaduk - Seal Change G78160 to Seal Change 8710		10,175	10,175						(10,175)
Byaduk Penshurst Rd 2, Byaduk - Seal Change G79515 to Gates 10350		15,865	15,865						(15,865)
Byaduk Penshurst Rd 2, Byaduk - Gates G710350 to Seal Change 11305		18,145	18,145						(18,145)
Byaduk Penshurst Rd 2, Byaduk - Seal Change G711305 to Seal Change 11620		6,143	6,143						(6,143)
Byaduk Penshurst Rd 2, Byaduk - Seal Change G713050 to Mt Napier 14220		22,815	22,815						(22,815)

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Infrastructure Cont'd									
Roads cont'd									
Cameron Rd, Pigeon Ponds - Coleraine Edenhope Rd G70 to Seal Change 30		900	900						(900)
Cameron Rd, Pigeon Ponds - 4.22 Hobbs G74250 to End of Seal 5505		23,845	23,845						(23,845)
Careys Rd, Nareen - Seal Change G75650 to SJ 7080		27,170	27,170						(27,170)
Careys Rd, Nareen - SJ G77080 to Seal Change 8115		20,183	20,183						(20,183)
Cavendish Coleraine Rd, Coleraine - Seal Change G715310 to Gates Stn Side 16860		50,375	50,375						(50,375)
Cavendish Coleraine Rd, Coleraine - Gates Stn Side G716860 to 17.98 Dundas Gap Rd 17790		30,225	30,225						(30,225)
Cavendish Coleraine Rd, Coleraine - 17.98 Dundas Gap Rd G717790 to Pave Change 18610		25,420	25,420						(25,420)
Cavendish Coleraine Rd, Cavendish - Hawkins Creek Bridge G720270 to Seal Change 20420		4,800	4,800						(4,800)
Cavendish Coleraine Rd, Coleraine - Melville Forest Vasey Rd G720990 to Loading Ramps 22700		57,620	57,620						(57,620)
Cavendish Coleraine Rd, Coleraine - Seal Change G730430 to Seal Change 30850		13,650	13,650						(13,650)
Cavendish Coleraine Rd, Coleraine - 31.53 Foleys La G731420 to Seal Change 31920		15,750	15,750						(15,750)
Cavendish Glendinning Rd, Cavendish - Seal Change G76970 to 7.58 Luhrs 7915		18,900	18,900						(18,900)
Cavendish Glendinning Rd, Cavendish - 7.58 Luhrs G77915 to Seal Change 10065		67,725	67,725						(67,725)
Cavendish Glendinning Rd, Coleraine - Seal Change G723840 to Seal Change 24110		5,400	5,400						(5,400)
Cemetery Lane, Peshurst - 0.85 Road G71020 to Boram Boram Ln 1670		12,025	12,025						(12,025)
Chetwynd Nareen Rd, Nareen - 3.85 McCorkindales G73565 to 4.40 Knapdale 5200		31,065	31,065						(31,065)
Chetwynd Nareen Rd, Nareen - 4.40 Knapdale G75200 to Seal Change 6920		32,680	32,680						(32,680)
Chetwynd Nareen Rd, Nareen - Seal Change G76920 to Careys Rd 7270		6,650	6,650						(6,650)
Chetwynd Nareen Rd, Nareen - Carey's Rd G77270 to Woodacres Rd 9580		43,890	43,890						(43,890)
Coojar La, Coojar - Seal Change G75645 to Change 7000		25,745	25,745						(25,745)
Coojar La, Coojar - Change G77000 to SJ 8790		34,010	34,010						(34,010)
Coojar La, Coojar - SJ G78790 to SJ 10155		26,618	26,618						(26,618)
Coojar La, Coojar - SJ G710155 to Nareen Rd 10390		4,583	4,583						(4,583)
Diproses Rd, Bulart - Seal Joint G71010 to Seal Joint 2405		26,505	26,505						(26,505)
Diproses Rd, Bulart - Seal Joint G72405 to 3.27 Red 4000		30,305	30,305						(30,305)
Diproses Rd, Bulart - 3.27 Red G74000 to Change 5500		28,500	28,500						(28,500)
Diproses Rd, Bulart - Change G75500 to Bulart Bridge Rd 6475		18,525	18,525						(18,525)
Dunbar Crt, Hamilton - Woodbridge Crt G70 to End Bowl 62		2,409	2,409						(2,409)
Glendinning Rd, Cavendish - Natimuk Hamilton Rd G70 to Change 1500		27,000	27,000						(27,000)
Glendinning Rd, Cavendish - Change G71500 to Pave Change 2500		19,000	19,000						(19,000)
Glendinning Rd, Cavendish - Pave Change G72500 to Old Seal Change 3410		17,290	17,290						(17,290)
Glendinning Rd, Cavendish - Old Seal Change G73410 to Change 5000		29,415	29,415						(29,415)
Glendinning Rd, Cavendish - Change G75000 to Change 6500		27,750	27,750						(27,750)
Glendinning Rd, Cavendish - Change G76500 to Seal Change 7540		19,240	19,240						(19,240)
Glendinning Rd, Cavendish - Seal Change G77540 to 8.65 Cavendish Glendinning 9375		34,865	34,865						(34,865)
Glendinning Rd, Cavendish - 8.65 Cavendish Glendinning G79375 to Yarramyijup 11230		35,245	35,245						(35,245)
Hensley Park Rd, Hensley Park - Pave Change G717250 to Seal Joint 18880		30,970	30,970						(30,970)
Hensley Park Rd, Hensley Park - Seal Joint G718880 to Henty Hwy 20120		23,560	23,560						(23,560)
Koornong Estate Rd, Branxholme - Start of Seal G71235 to End of Seal 1635		7,600	7,600						(7,600)
Langes Lane, Yatshaw - Start of Seal G72520 to end of seal 2700		5,670	5,670						(5,670)
Lovatdale La, Glen Thompson - Glenelg Hwy G70 to Railway Crossing 1110		21,090	21,090						(21,090)
Lovatdale La, Glen Thompson - Railway Crossing G71110 to Culvert 2080		18,430	18,430						(18,430)
Lovatdale La, Glen Thompson - Culvert G72080 to 3.81 Vanrenans 3810		32,870	32,870						(32,870)
Lovatdale La, Glen Thompson - 3.81 Vanrenans G73810 to Bundoran Ln 4960		21,850	21,850						(21,850)
Lovells Lane, Dunkeld - Seal Change G72440 to Seal Change 2940		9,750	9,750						(9,750)
Lovells Lane, Dunkeld - Seal Change G72940 to Seal Change 3645		13,395	13,395						(13,395)
Lovells Lane, Dunkeld - Seal Change G73645 to Forest Lane 4785		22,135	22,135						(22,135)

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Infrastructure Cont'd									
Roads cont'd									
McFarlanes Lane, Pigeon Ponds - Coleraine Edenhope Rd G70 to Change 1500		30,400	30,400						(30,400)
McFarlanes Lane, Pigeon Ponds - Change G71500 to Seal Change 3245		34,900	34,900						(34,900)
Melville Forest Rd, Melville Forest - Width Change G74745 to Width Change 5785		29,640	29,640						(29,640)
Melville Forest Rd, Melville Forest - Width Change G75785 to Width Change 6350		10,735	10,735						(10,735)
Melville Forest Rd, Melville Forest - Width Change G76350 to Springwood Rd 7175		20,720	20,720						(20,720)
Mill Rd, Strathkellar - 6.27 Strachan's G76255 to Pave Change 6530		9,213	9,213						(9,213)
Mill Rd, Strathkellar - Pave Change G76530 to Pave Change 6920		13,260	13,260						(13,260)
Mill Rd, Strathkellar - Pave Change G76920 to Pave Change 7450		18,815	18,815						(18,815)
Mill Rd, Strathkellar - Seal Change G77935 to Tarrington 8110		6,112	6,112						(6,112)
Mill Rd, Moutajup - Seal Change G715270 to Warburtons 15770		17,000	17,000						(17,000)
Mill Rd, Moutajup - Seal Change G720280 to Seal Change 21950		52,605	52,605						(52,605)
Moodies Rd, Hamilton - Henty Hwy G70 to Seal Change 360		7,020	7,020						(7,020)
Moodies Rd, Hamilton - Seal Change G7360 to Seal Change 1035		12,488	12,488						(12,488)
Moodies Rd, Hamilton - Seal Change G71035 to Seal Change 2390		25,068	25,068						(25,068)
Moodies Rd, Hamilton - Seal Change G72390 to Seal Change 2595		6,970	6,970						(6,970)
Moodies Rd, Hamilton - Seal Change G72595 to Seal Change 2900		5,490	5,490						(5,490)
Moodies Rd, Hamilton - Seal Change G72900 to Nigretta Rd 3740		15,540	15,540						(15,540)
Morris Rd, Wannon - Glenelg Hwy G70 to Seal Change 1150		21,275	21,275						(21,275)
Morris Rd, Wannon - Seal Change G71150 to Seal Change 2910		33,440	33,440						(33,440)
Nareen Rd, Nareen - Wando River G711940 to Kochs Rd 12510		18,743	18,743						(18,743)
Nareen Rd, Nareen - Kochs Rd G712510 to Pave Change 13285		24,413	24,413						(24,413)
Nareen Rd, - Coojar La G723005 to Seal Change 23540		17,120	17,120						(17,120)
Nareen Rd, - Seal Change G724075 to Seal Change 24200		3,938	3,938						(3,938)
Nareen Rd, Nareen - Seal Change G724400 to Tarrayoukian Rd 24690		9,765	9,765						(9,765)
Satimer Rd, - Sawpit Gully G79220 to Seal Change 9285		1,300	1,300						(1,300)
Satimer Rd, - Seal Change G79285 to Seal Change 10105		15,580	15,580						(15,580)
Satimer Rd, Wando Vale - Seal Change G710105 to Shire Boundary 11520		26,178	26,178						(26,178)
Satimer Rd, Wandovale - Shire Boundary G711520 to Change 12780		23,940	23,940						(23,940)
Satimer Rd, Wandovale - Change G712780 to 13.99 Haydens 13835		19,380	19,380						(19,380)
Satimer Rd, Wandovale - 13.99 Haydens G713835 to Seal Change 14685		16,575	16,575						(16,575)
Satimer Rd, Wandovale - Seal Change G714685 to 15.94 Wando dale 15780		21,353	21,353						(21,353)
Satimer Rd, Wandovale - 15.94 Wando dale G715780 to Width Change 17045		23,403	23,403						(23,403)
Satimer Rd, Wandovale - Width Change G717045 to Seal Change 18375		25,935	25,935						(25,935)
Shaws SS Rd, Tahara - Width Change G71945 to 2.62 Coopers 3850		36,195	36,195						(36,195)
Shaws SS Rd, Tahara - 2.62 Coopers G73850 to Peppers Rd 5860		38,190	38,190						(38,190)
Walkenhorst Rd, Tarrington - Tarrington-Strathkellar G71070 to End Seal 1280		3,990	3,990						(3,990)
Woodward St, Hamilton - End Bowl G70 to Peck 105		1,736	1,736						(1,736)
Urban Road Reseals									
Brimacombe St, Glenthompson - Park St G70 to Seal Change 37		1,081	1,081						(1,081)
Brimacombe St, Glenthompson - Seal Change G737 to Brady St 230		5,819	5,819						(5,819)
Casterton Rd S/R, Coleraine - End of Bowl G7290 to Cameron St 390		4,650	4,650						(4,650)
Casterton Rd S/R, Coleraine - Cameron St G7390 to Templeton St 870		15,278	15,278						(15,278)
Church St, Coleraine - Robertson G70 to Young St 217		4,340	4,340						(4,340)
Church St, Coleraine - Young St G7217 to Read St 441		18,256	18,256						(18,256)
Church St, Coleraine - Gage St G71106 to Laidlaw St 1328		6,111	6,111						(6,111)
Church St, Coleraine - Laidlaw St G71328 to Gardiner St 1491		9,932	9,932						(9,932)
Church St, Coleraine - Gardiner St G71491 to Cameron St 1581		5,292	5,292						(5,292)

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Infrastructure Cont'd									
Roads cont'd									
Clarence St, Hamilton - King St G70 to Hector St 210		7,590	7,590						(7,590)
Clarendon St, Hamilton - Forster G7438 to Rountree 661		11,373	11,373						(11,373)
Coleraine Caravan Park Rd, Coleraine - Winter St G70 to Turnbull St 75		2,795	2,795						(2,795)
Coleraine Depot Main Pavement, Coleraine - Start of Kerb Nth G717 to End of Main Pavement 100		7,885	7,885						(7,885)
Coleraine Depot South Pavement, Coleraine - Back of Workshop G70 to End of Kerb Nth Side 34		4,590	4,590						(4,590)
Coleraine Pool Sealed Area, Coleraine - West End G70 to East End 17		595	595						(595)
Cox St, Hamilton UC, Hamilton - Lonsdale St EOS G7492 to Alexandra Pde EOS 599		6,486	6,486						(6,486)
Digby Rd S/R, Hamilton - Dartmoor Hamilton Rd G70 to Dartmoor Hamilton Rd 63		2,016	2,016						(2,016)
Factory La, Penshurst - Chesswas St G70 to French St 238		8,357	8,357						(8,357)
French St East, Penshurst - Bell G7409 to Cox 553		3,744	3,744						(3,744)
Gardiner St, Coleraine - Church St G70 to McKebery St 115		4,480	4,480						(4,480)
George St, Hamilton - Mt Napier Rd G70 to Tantallon 99		6,283	6,283						(6,283)
George St, Hamilton - Tantallon G799 to White 253		8,701	8,701						(8,701)
George St, Hamilton - White G7253 to Cameron 430		10,001	10,001						(10,001)
George St, Hamilton - Cameron G7430 to McMillan 504		3,729	3,729						(3,729)
George St, Hamilton - McMillan G7504 to Surface Change 793		16,781	16,781						(16,781)
George St, Hamilton - Surface Change G7793 to Ballarat Rd 814		1,313	1,313						(1,313)
Horwitz St, Hamilton - Alexandra Pde G70 to Chaucer 114		6,018	6,018						(6,018)
Horwitz St, Hamilton - Chaucer G7114 to Shakespeare St 181		3,953	3,953						(3,953)
Hyland St, Hamilton - Glenelg Hwy G70 to Shannahan 80		2,822	2,822						(2,822)
Hyland St, Hamilton - Shannahan G780 to Hewett 168		2,992	2,992						(2,992)
Hyland St, Hamilton - Hewett G7168 to Strachan 253		2,890	2,890						(2,890)
Hyland St, Hamilton - Strachan G7253 to Seal Change 298		1,553	1,553						(1,553)
Hyland St, Hamilton - Seal Change G7298 to Lord 342		1,518	1,518						(1,518)
Hyland St, Hamilton - Lord G7342 to End Seal 354		414	414						(414)
Janet Ave, Hamilton - McMillan St G70 to End Bowl 84		3,375	3,375						(3,375)
King St, Hamilton - King St S/R G786 to Mt Bainbridge 704		33,052	33,052						(33,052)
Lodge Rd, Hamilton - Portland Rd G70 to Monivae 109		4,851	4,851						(4,851)
Lodge Rd, Hamilton - Monivae G7109 to Coffey 325		8,424	8,424						(8,424)
Lodge Rd, Hamilton - Coffey G7325 to Pierrepont 810		18,430	18,430						(18,430)
Lodge Rd, Hamilton - Pierrepont G7810 to Dunn 1116		11,628	11,628						(11,628)
Lodge Rd, Hamilton - Dunn G71116 to Bridge 1270		4,332	4,332						(4,332)
McConochie St, Coleraine - Robertson St G70 to Young St 201		15,008	15,008						(15,008)
McConochie St, Coleraine - Young St G7201 to Read St 432		20,790	20,790						(20,790)
McConochie St, Coleraine - Read St G7432 to Henty St 653		19,669	19,669						(19,669)
McConochie St, Coleraine - Henty St G7653 to Winter St 871		20,492	20,492						(20,492)
McConochie St, Coleraine - Gage St G71094 to Laidlaw St 1315		12,045	12,045						(12,045)
McConochie St, Coleraine - Laidlaw St G71315 to WC 1480		14,685	14,685						(14,685)
McKebery St, Coleraine - Gage St G71097 to Laidlaw St 1317		4,180	4,180						(4,180)
McKebery St, Coleraine - Laidlaw St G71317 to Gardner St 1479		5,964	5,964						(5,964)
Memorial Road S/R Forward, Glen Thompson - Thompson St G70 to Scott 124		4,288	4,288						(4,288)
Memorial Road S/R Forward, Glen Thompson - Scott G7124 to McLennan 226		4,896	4,896						(4,896)
Memorial Road S/R Forward, Glen Thompson - McLennan G7226 to Memorial Rd 369		4,576	4,576						(4,576)
Mt Napier Rd 1 Urban, Hamilton - Berry G7305 to Greed 400		5,320	5,320						(5,320)
Mt Napier Rd 1 Urban, Hamilton - Greed G7400 to Laidlaw 502		5,814	5,814						(5,814)
Mt Napier Rd 1 Urban, Hamilton - Laidlaw G7502 to George St 591		5,207	5,207						(5,207)

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Infrastructure Cont'd									
Roads cont'd									
Mt Napier Rd 2 Urban, Hamilton - George St G7591 to Bayley 814		10,147	10,147						(10,147)
Mt Napier Rd 2 Urban, Hamilton - Bayley G7814 to Steel 997		10,706	10,706						(10,706)
Mt Napier Rd 2 Urban, Hamilton - Steel G7997 to Width Change 1165		9,156	9,156						(9,156)
Mt Napier Rd 2 Urban, Hamilton - Width Change G71165 to Lodge 1380		12,363	12,363						(12,363)
Mt Napier Rd 2 Urban, Hamilton - Lodge G71380 to Petschells 1553		10,294	10,294						(10,294)
Mt Napier Rd 2 Urban, Hamilton - Surface Change G71702 to South Boundary Rd 1816		6,384	6,384						(6,384)
Shanahan Cr, Hamilton - Hyland St G70 to End Bowl 147		11,325	11,325						(11,325)
Tyers St, Hamilton - Haig St EOS G70 to Bree Rd 77		2,968	2,968						(2,968)
Rural Road Final Seals									
Balochile Rd, Coleraine - Seal Change 5150 to Seal Change 5505		8,800	8,800						(8,800)
Zig Zag Rd, Coleraine - Coleraine Balmoral Rd 0 to Seal Change 1845		36,900	36,900						(36,900)
Chesswas St - French st 373 to Martin St 835		17,325	17,325						(17,325)
Balochile Rd, Coleraine - Seal Change 1970 to Seal Change 2385		17,700	17,700						(17,700)
McIntyres Crossing Rd, Moutajup - Change 1900 to Mill Rd 2665		15,300	15,300						(15,300)
Tabor Rd, Tabor - Pave Change 5905 to Macarthur Penhurst Rd 7180		26,100	26,100						(26,100)
Dickens St Hamilton, Hamilton - Coleraine Rd 0 to Stephen 185		9,682	9,682						(9,682)
Shire Depot West C/P, Hamilton - South End 0 to Seal Change 42		8,295	8,295						(8,295)
Gray St, Hamilton, Hamilton - Cross st 2038 to Elva 2167		6,515	6,515						(6,515)
Winninburn Rd, Tarrenlea - Seal Change 4765 to Property Entrance 5130		12,775	12,775						(12,775)
Branxholme-Byaduk Rd, Branxholme - Seal Change 14700 to Seal Change 15580		17,600	17,600						(17,600)
McIntyres Crossing Rd, Moutajup - Glenelg Hwy 0 to Change 1900		38,000	38,000						(38,000)
Tulse Hill Settlement Rd, Carapook - Carapook Rd 0 to Pavement Change 545		10,900	10,900						(10,900)
Carapook Rd, Carapook - Pavement Change 10330 to Tulsehill Settlement 10655		6,500	6,500						(6,500)
Branxholme-Byaduk Rd, Branxholme - Seal Change 15580 to Hamilton-Port Fairy Rd 16090		10,200	10,200						(10,200)
Fenton St, Hamilton - Eddy st 427 to Form Change 661		0	0						0
Lonsdale St 2, Hamilton - Kennedy st 435 to Scoresby St 483		1,536	1,536						(1,536)
Careys Ranges Rd, Branxholme - 4.59 Ardachy Est Rd 5400 to Murndal-Branxholme Rd 6510		22,200	22,200						(22,200)
Gray St, Hamilton, Hamilton - Rountree st 1787 to Tyers 1899		5,712	5,712						(5,712)
Bree Rd, Hamilton - King st 311 to Beggs 584		12,422	12,422						(12,422)
Winninburn Rd, Tarrenlea - Seal Change 3435 to Seal Change 4765		26,600	26,600						(26,600)
Gray St, Hamilton, Hamilton - Tyers St 1899 to Cross 2038		6,881	6,881						(6,881)
Salimar Road, Wondo Vale - Glenelg Border 13240 to Hayden's Road 13990		15,000	15,000						(15,000)
Red Road, Bulart - 2680 to 3380		14,000	14,000						(14,000)
Red Road, Bulart - 4680 to 4830		3,000	3,000						(3,000)
Melville Forest Road, Bulart - 4155 to 4720		11,300	11,300						(11,300)
Gravel Road Resheets									
Les Burgers Lane, Glenthompson - Glenelg Hwy 0 to Change 1000		26,000	26,000						(26,000)
Les Burgers Lane, Glenthompson - Change 1000 to Old Ararat Rd 2000		26,000	26,000						(26,000)
Les Burgers Lane, Glenthompson - Old Ararat Rd 2000 to North Boundary Rd 2880		22,880	22,880						(22,880)
Vanrenans Lane, Glenthompson - Caramut-Glenthompson Rd 0 to Dingwalls 1630		65,120	65,120						(65,120)
	0	5,537,050	5,537,050	0	0	0	(397,051)	0	(5,140,000)

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Infrastructure Cont'd									
Bridges & Culverts									
Byaduk Ardoon Bridge	10,000		110,000						(110,000)
Coleraine Cavendish Road (20270m) Hawkins Creek- Bridge		110,000	110,000						(110,000)
East West Road (15720m) Major Culverts		70,000	70,000						(70,000)
East West Road (15400) McGill Creek- Major Culverts		70,000	70,000						(70,000)
Cavendish-Coleraine Road (725m) Major Culverts		137,000	137,000						(137,000)
East West Road (6775m) Minor culverts		41,000	41,000						(41,000)
Hensley Park Road (11485m; 11550m) Minor culverts		72,000	72,000						(72,000)
	10,000	500,000	610,000	0	0	0	0	0	(610,000)
Footpath & Cycleways									
Dunkeld Loop Walk	450,000				450,000			(200,000)	(250,000)
Victoria Park Pathway, Hamilton - Martin St to Stairway		25,000			25,000				(25,000)
Unprioritised	75,000				75,000				(75,000)
	525,000	25,000	0	0	550,000	0	0	(200,000)	(350,000)
Recreational, Leisure & Community Facilities									
Recreation & Leisure Strategy Implementation		500,000	500,000						(500,000)
Turnbull Street Courts	360,000		360,000						(360,000)
	360,000	500,000	860,000	0	0	0	0	0	(860,000)
Pool Shells									
Outdoor Pool Renewal	100,000		100,000						(100,000)
	100,000	0	100,000	0	0	0	0	0	(100,000)
Waste Management									
Landfill Rehabilitation - Hamilton	1,100,000		0	0	0	1,100,000			(1,100,000)
	1,100,000	0	0	0	0	1,100,000	0	0	(1,100,000)
Parks, Open Space & Streetscapes									
Cox Street Front Door Project	3,180,000			3,180,000					(3,180,000)
Hamilton CBD - Detailed Design	400,000				400,000				(400,000)
Penshurst Botanic Gardens Implementation	100,000				100,000				(100,000)
CBD Trees	125,000		125,000						(125,000)
	3,805,000	0	125,000	3,180,000	500,000	0	0	0	(3,805,000)
Other Infrastructure									
Lake Hamilton Dam Wall Reinstatement		1,100,000	1,100,000				(1,100,000)		0
Saleyards Underpass		200,000			200,000			(50,000)	(150,000)
Emerging Priorities	150,000		150,000						(150,000)
Hamilton Gateways	125,000				125,000				(125,000)
MPPL - Lake Hamilton	125,000		125,000						(125,000)
	400,000	1,300,000	1,375,000	0	325,000	0	(1,100,000)	(50,000)	(550,000)
Total Infrastructure	6,300,000	7,862,050	8,607,050	3,180,000	1,375,000	1,100,000	(1,497,051)	(250,000)	(12,515,000)
Total Capital Works	15,370,500	7,972,050	12,407,550	3,200,000	6,735,000	1,100,000	(2,362,051)	(830,500)	(20,250,000)
	23,342,550		23,442,550				(23,442,550)		

6. Financial performance indicators

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

Indicator	Measure	Notes	Forecast Actual 2018/19	Budget 2019/20	Strategic Resource Plan Projections			Trend +/-
					2020/21	2021/22	2022/23	
Operating position								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	28.8%	1.8%	(3.1%)	(1.4%)	(1.2%)	-
Liquidity								
Working Capital	Current assets / current liabilities	2	180.6%	91.5%	105.5%	84.8%	71.2%	-
Unrestricted cash	Unrestricted cash / current liabilities		124.7%	36.0%	41.9%	20.8%	8.3%	-
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	9.2%	16.8%	13.9%	11.2%	17.4%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2.7%	3.3%	3.4%	3.0%	3.1%	-
Indebtedness	Non-current liabilities / own source revenue		8.0%	13.6%	19.4%	17.1%	20.9%	-
Asset renewal	Asset renewal expenses / Asset depreciation	4	306.2%	123.2%	80.5%	74.8%	78.6%	-
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	5	40.4%	51.1%	50.5%	50.6%	50.8%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.5%	0.5%	0.5%	o
Efficiency								
Expenditure level	Total expenses/ no. of property assessments		\$4,487	\$3,829	\$4,000	\$4,103	\$4,228	-
Revenue level	Residential rate revenue / No. of residential property assessments		\$958	\$982	\$1,006	\$1,031	\$1,057	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		10%	10%	10%	10%	10%	o

Key to Forecast Trend:

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

Notes to indicators –

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance is required over the longer term as continued losses means reliance on Council's cash reserves or increased debt to maintain services.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in 2019/20 after a high level in 2018/19. This decrease is to fund the capital program. The trend in later years is declining to a lower than acceptable level.

3 Debt compared to rates - Trend indicates Council's balancing debt against its annual rate revenue as a planned lever to allow additional capital investment whilst maintaining a conservative percentage of borrowing. Currently, Council debt is only 9.2% of rate revenue which is well below the prudential level of 80%.

4 Asset renewal - This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

Generally, Council has been achieving around 80% of its renewal target, however some of the renewal gap is absorbed into asset upgrade and expansion works. Council is also reviewing its asset portfolio to reveal any assets that are not required to be renewed which are inflating the required renewal target and incurring depreciation charges.

The highly inflated percentages in 2018/19 relate to flood reinstatement works which have been classified as renewal, however these works will only return the asset to its previous state. **This indicator is not accurate for these years.**

5 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council is continuing to be reliant on rate revenue compared to all other revenue sources.