



**AGENDA APPENDIX**  
**Council Meeting**  
**Wednesday 25 June 2014**

AGENDA ITEM FOR SEPARATE DISTRIBUTION TO COUNCILLORS AND EXECUTIVE LEADERSHIP TEAM DUE TO DOCUMENT SIZE.

THE ITEM IS ACCESSIBLE VIA THE COUNCIL WEBSITE OR BY CONTACTING COUNCIL ON 03 5662 9200.

**E.2 ADOPTION OF ANNUAL BUDGET 2014-2015 AND DECLARATION OF RATES AND CHARGES**

Appendix 2 - Revised Council Plan 2013-2017, incorporating the 2014-2018 Strategic Resource Plan





# Council Plan 2013-2017

As at 25 June 2014



Perspective taken at Ruby Creek – Photo by June Ernst

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You can contact Council to request a copy of the Council Plan by:

- Visiting the main office at 9 Smith Street, Leongatha Vic 3953
- Calling our customer service centre on (03) 5662 9200
- Sending an email to [council@southgippsland.vic.gov.au](mailto:council@southgippsland.vic.gov.au)
- Visiting Council's website [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au) for more information

## Mayors Message

Sometimes conversations need to be prompted, but once started they can be hard to stop. And nor would we want to!

Your new Council formed at the October 2012 election holds a strong vision to move the organisation from a traditional 'representative' model to a more participatory one. Every resident deserves a say in how Council's plans might impact their community and future.

Among our first steps is a keen intent to introduce enhanced ways to work with our communities as a continually evolving Vision for the future emerges to guide us. This will be based on ongoing engagement with the community in applying a want, need and afford approach which will provide the opportunity to rationalise, consolidate and achieve desired community outcomes.

We will endeavour to deliver affordable community services and facilities to attract new businesses and families to the shire and build a vibrant economy. This will be enhanced by an integrated approach to planning and infrastructure development. We will work with existing businesses to develop diverse employment opportunities and continue our advocacy work with state and federal politicians on local and regional issues such as road, rail and sewerage. New revenue streams and efficiencies will also be sought to support the financial sustainability of Council.

Underpinning these goals is an underlying commitment to pursue best practice in the development and operations of Council.

South Gippsland is extremely resilient because of the strong community ethic that binds us and Council will continue to support its volunteers and community groups through free training opportunities and its highly effective community grants program.

There's a line in a song that says "We're all in this together" and it is apt for local government. We are the vehicle that is legislated to take care of your health and wellbeing at a grass roots level and we can be the most effective when we are working closely in partnership with you. You have skills, local knowledge and resources that we can build on to strengthen our communities.

Please share your ideas and suggestion with us – we're all part of an amazing jigsaw which has the potential to make South Gippsland a showcase to the State.

Cr James Fawcett

Mayor

## Executive Summary

South Gippsland Shire is rich with an abundance of coastal, agriculture and natural resources. However the Shire's greatest strength is its communities and their commitment to volunteering, good will, self-help and hard work.

Since this Council term commenced in October 2012, the ground work has been laid for the next four years. Council has adopted a collaborative leadership style, with community partnership at the forefront of every step of the journey. Councillors welcome vigorous debate in the community, seeing it as a healthy airing of views leading to development of creative ways of doing things.

Council wants to collaborate with our unique communities, to explore and develop a vision for the future, along with setting themes and goals to achieve it.

Council has been concerned that legislative constraints on Council applying to the adoption of a Council Plan (required by 30 June of the year following an election), has not allowed time to fully engage the community in establishing the directions for the next four years. Consequently Council has had to produce a Council Plan 2013-2017 without the extensive engagement it desired. Given these statutory limitations, Council has committed to working collaboratively with the community in the development of a new and continually evolving Vision for the Shire.

The key themes of the Council Plan indicated at this stage are:

1. Engagement with the community through an engagement strategy and development of a shared vision;
2. Developing strategies for financial sustainability of the Shire;
3. Strengthening economic development; and
4. Renewal of community infrastructure.

These themes were based on community aspirations and feedback received throughout the past two years from consultations including:

- Council strategies and plans;
- Community Satisfaction Surveys;
- Community Directions Statements;
- Presentations given by community groups and individuals to Council;
- Feedback gathered by Councillors during their discussions with individuals and groups; and
- Customer requests.

Information arising from the proposed visioning work will assist Council in making refinements to the Council Plan and in the development of future Long Term Financial Plans, Annual Plans and Budgets.

The 'Outcomes' and 'Objectives' established by Council as the foundation of the Council Plan 2013-2017 are:

### **OUTCOME 1. A Prosperous Shire**

Objective 1.1: Work with the business community to support existing businesses, diversify employment opportunities and to attract new businesses.

Objective 1.2: Raise the awareness of local and regional issues with State and Federal decision makers.

Objective 1.3: Improve the sustainability of the local and regional environment.

### **OUTCOME 2. Closely Connected Communities**

Objective 2.1: Engage and work collaboratively with our community.

### **OUTCOME 3. Integrated Services and Infrastructure**

Objective 3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.

### **OUTCOME 4. A Leading Organisation**

Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams.

Objective 4.2: Pursue best practice in organisational development and operations of the organisation.

These Objectives are underpinned by Strategies that set out key priorities required to achieve the Outcomes and Objectives. Together the Outcomes, Objectives and Strategies are realised through specific Actions, Measures and Targets determined in the Annual Plan and funded in the Annual Budget each year. The Strategic Resource Plan sets out the resources required to deliver the Council Plan over the coming four years. This is a rolling plan that will be updated annually.

## Introduction

### **Vision: Our future desired state**

Council's Vision 2020 developed in 2006/2007 represents the aspirations of our diverse communities and articulates a vision of what South Gippsland should be like in the year 2020. The vision has been refined slightly by the current Council to reflect changing community needs and expectations. This vision still aspires to achieve a number of key outcomes with the aim of creating South Gippsland into a place which has:

- a caring community where people feel safe and secure;
- a wide range of recreation and leisure amenities;
- high grade transport links;
- appropriate infrastructure to meet community needs;
- respect for the environment by being clean and green;
- sustainable economic growth;
- coordinated health services;
- youth who are valued and participate in the community;
- a sustainable agricultural industry, including direct and indirect support for businesses;
- a sustainable thriving tourism industry;
- arts and culture that are encouraged and promoted; and
- quality early childhood and education facilities.

The development of a continually evolving vision for the Shire is vital to guide and assist Council in the development of its strategies and plans to ensure they respond to the needs of the community. As communities are dynamic and constantly changing, Council is committed to re-engage with the community throughout its four year term to continually shape and redefine a Vision that reflects new and emerging issues and future desired outcomes for the Shire.



Coastal Promontory Ward



Strzelecki Ward



Tarwin Valley Ward



## team

WE:

- stand behind our decisions
- learn and work together for continuous improvement with a 'no blame' approach
- have a disciplined approach
- creatively solve problems
- are supportive and tolerant and embrace our diversity
- support a 'no surprises' environment
- are outcomes and solutions focused
- appreciate all team members contributions
- respectfully share views and analyse options
- collaborate, cooperate and communicate

## leadership

WE:

- do not avoid making difficult decisions
- promote equity & fairness in decision making
- make leadership an inclusive process
- show a united voice in the community
- encourage informed, transparent and responsible debate
- listen with open minds and value contribution
- facilitate personal growth
- encourage innovation and celebrate successes
- aspire to work in partnership with the community
- promote a harmonious and healthy environment

## VISION

Communities in charge of their destinies in partnership with Council

## MISSION

To achieve a resilient & sustainable community

## VALUES

Integrity • Community Engagement  
Collaboration • Innovation & Achievement  
Openness & Honesty • Equity  
Diversity & Inclusion

## 'integrity

WE:

- act honestly and authentically
- treat others respectfully
- honour the decisions of Council
- demonstrate open and transparent democracy
- build trustworthy relationships
- have the courage to stand up and be counted

## open & honest

WE:

- respectfully speak our minds
- are courageous and true to our convictions
- listen and give fair consideration
- own our decisions
- respect the diversity of opinions and skills

## community focus

WE:

- aspire to work in partnership with the community
- support a community budgeting process
- enable the community to plan and decide their own priorities
- promote community resilience

## **Purpose: What we do, why and how**

Council's purpose is to provide leadership for the good governance of the Shire and its local communities. Council undertakes its responsibilities in accordance with the Local Government Act 1989 and other Acts for the peace, order and good government of the Shire.

This purpose will be achieved by ensuring:

**Cohesive leadership** is embracing a collaborative approach to develop one team, one direction, working together and ready for change.

**An enquiring approach** is practiced, where people seek to be informed of the issues, facts, aspirations and constraints, leading to better and shared decision making.

**A wide range of services** are provided that improve the liveability of everyday life for residents, visitors and workers.

**Assets, infrastructure and strategic land-use planning** provide the foundation for growth, development and community life within the Shire.

**A sustainable financial position** is established through a rolling 15year Long Term Financial Plan, with a focus on exploring other sources of revenue to reduce pressure on rates and determining clear and transparent objectives for setting differential rates.

**The achievement of Council's strategic directions** are monitored and reported to Council and the community, providing transparency and accountability in the delivery of services and responsible use of resources.

## **Values: moral principles, beliefs and accepted standards of behaviour**

Values shared by a group of individuals are developed over time. These create the culture by which a group, organisation or community are perceived by themselves and others.

The Councillors have made the following commitments:

- “We will uphold the key value of mutual respect and to work together as a team with, and for, the community;
- We welcome vigorous debate, to hold each other to account and to ensure we achieve the best outcomes for our community;
- We have committed to a process of recognising differing views, engaging in vigorous yet respectful dialogue and ultimately making agreements and decisions in a positive way forward.”

During 2012, Council staff developed a statement that encapsulates the organisation’s values. Titled “Our Story 2012” it states:

- “We will grasp opportunities as one committed and visible team, leading by example, taking time to think, plan and act strategically;
- Demonstrating courageous leadership and not accepting mediocrity;
- Listening to and trusting our people to make it happen.
- We will communicate and celebrate our successes.
- We will work together as a united team;
- Take responsibility, be accountable and own your job;
- Behave with integrity, respect and understand each other;
- Seek out feedback and learn from mistakes and achievements.
- By sharing ideas and exploring new ways of doing things, we will welcome our customers and deliver quality service.
- We will create a great place for us in an environment where people can flourish and have fun, are happy, energised and proud to wear the badge.
- By attracting and retaining the best people, and providing career opportunities, we become an example of how things are done well; and
- South Gippsland is ready and open for business.”

## Background Information

South Gippsland Shire is located in coastal south eastern Victoria, approximately 100 kilometres south-east of Melbourne.

South Gippsland is named for the southern part of Gippsland, which honoured Sir George Gipps, the then Governor (1838-1846). The original inhabitants of the South Gippsland area were the Gunnai, Bun Wurrung and Wurundjeri Aboriginal people.

The Shire is a rural, residential and tourist area. It encompasses 3,308 square kilometres, including extensive coastal areas and the spectacular Wilsons Promontory National Park.

Other major attractions of the Shire include Cape Liptrap Coastal Park, Strzelecki Ranges, Coal Creek Community Park & Museum, The Great Southern Rail Trail, South Gippsland Tourist Railway, Grand Ridge Rail Trail, Nyora Speedway, Stony Creek Racecourse, Mirboo North Regional Park, Agnes Falls, Grand Ridge Brewery and specialist wineries.

Much of the rural area is used for forestry and agriculture; with dairy, beef, sheep, and snow pea farming being the main agricultural pursuits. Fishing, viticulture and tourism are also important industries that contribute economic diversity to the Shire.

### Shire Statistics

A statistical snapshot of South Gippsland Shire provided by the 2011 Australian Bureau of Statistics:

- A resident population of 27,506 - an increase of 1,769 residents from the 2006 Census.
- An average annual growth rate of 5.4% since the last Census.
- The most populous towns were Leongatha (5,332), Korumburra (4,373), Mirboo North (2,296), Foster (1,677) and Nyora (1,332).
- There were a further 23 townships and hamlets.
- Key industry sectors were manufacturing \$688 million, agriculture, forestry and fishing \$416 million, property services \$218 million, construction \$215 million, mining \$136 million, wholesale trade \$129 million, health care and social assistance \$116 million and retail trade \$101 million.
- The dominant family type was 'couples without children' comprised 47% of the population and 'couples with children' comprised 26% of the population.
- The average household size was 2.4 people.
- The median age of people was 44 years.
- The population density was 0.08 persons per hectare.
- 5% of the population comes from non-English speaking backgrounds.
- 4% of the population were unemployed in 2011.
- The median weekly household income was \$920.



# South Gippsland Shire Council Nine Councillors Three Wards



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## Local Representation

South Gippsland Shire Council was subject to a Representation Review in 2012. As a result of the review the Shire is divided into three Wards, represented by three Councillors in each Ward.

### Coastal-Promontory Ward

The Coastal-Promontory Ward includes Venus Bay, Waratah Bay, Sandy Point, Wilson's Promontory, Foster, Mount Best, Toora, Welshpool and Port Welshpool.

The three Ward Councillors are:



Councillor Mohya Davies

Phone: 0429 386 297

Email: [mohya.davies@southgippsland.vic.gov.au](mailto:mohya.davies@southgippsland.vic.gov.au)



Councillor Jeanette Harding

Phone: 0417 546 578

Email: [jeanette.harding@southgippsland.vic.gov.au](mailto:jeanette.harding@southgippsland.vic.gov.au)



Councillor Kieran Kennedy (Mayor 2012-2013)

Phone: 0407 838 820

Email: [kieran.kennedy@southgippsland.vic.gov.au](mailto:kieran.kennedy@southgippsland.vic.gov.au)

## Tarwin Valley Ward

The Tarwin Valley Ward includes Leongatha, part of Fish Creek, Mirboo North and Foster North.

The three Ward Councillors are:



Councillor James Fawcett

Phone: 0418 461 439

Email: [james.fawcett@southgippsland.vic.gov.au](mailto:james.fawcett@southgippsland.vic.gov.au)



Councillor Don Hill

Phone: 0419 934 233

Email: [don.hill@southgippsland.vic.gov.au](mailto:don.hill@southgippsland.vic.gov.au)



Councillor Nigel Hutchinson-Brooks

Phone: 0419 758 400

Email: [nigelhb@southgippsland.vic.gov.au](mailto:nigelhb@southgippsland.vic.gov.au)



## Strzelecki Ward

The Strzelecki Ward includes Nyora, Poowong, Korumburra, Leongatha South and part of Fish Creek.

The three Ward Councillors are:



Councillor Lorraine Brunt

Phone: 0419 199 673

Email: [lorraine.brunt@southgippsland.vic.gov.au](mailto:lorraine.brunt@southgippsland.vic.gov.au)



Cr Andrew McEwen

Phone: 0427 209 079

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Cr Robert (Bob) Newton

Phone: 0408 515 923

Email: [robert.newton@southgippsland.vic.gov.au](mailto:robert.newton@southgippsland.vic.gov.au)



## The Organisation

The organisational side of Council is responsible for delivering services and implementing policy decisions and local laws determined by Council.

The organisation is also required to meet legislated requirements under a range of Acts and Regulations of the State and Federal Governments.

The organisation is led by the Chief Executive Officer with support from the Executive Leadership Team, managing four Directorates responsible for delivering over 120 services.



## Strategic Integrated Planning Framework

Council's Strategic Integrated Planning Framework outlined on the following pages, illustrates the inter-relationships between Council, Community and relevant Government strategic plans. The focus of these documents varies through short, medium or long term. Some provide an overarching or conceptual direction, while others are the operational means to achieve specific outcomes.

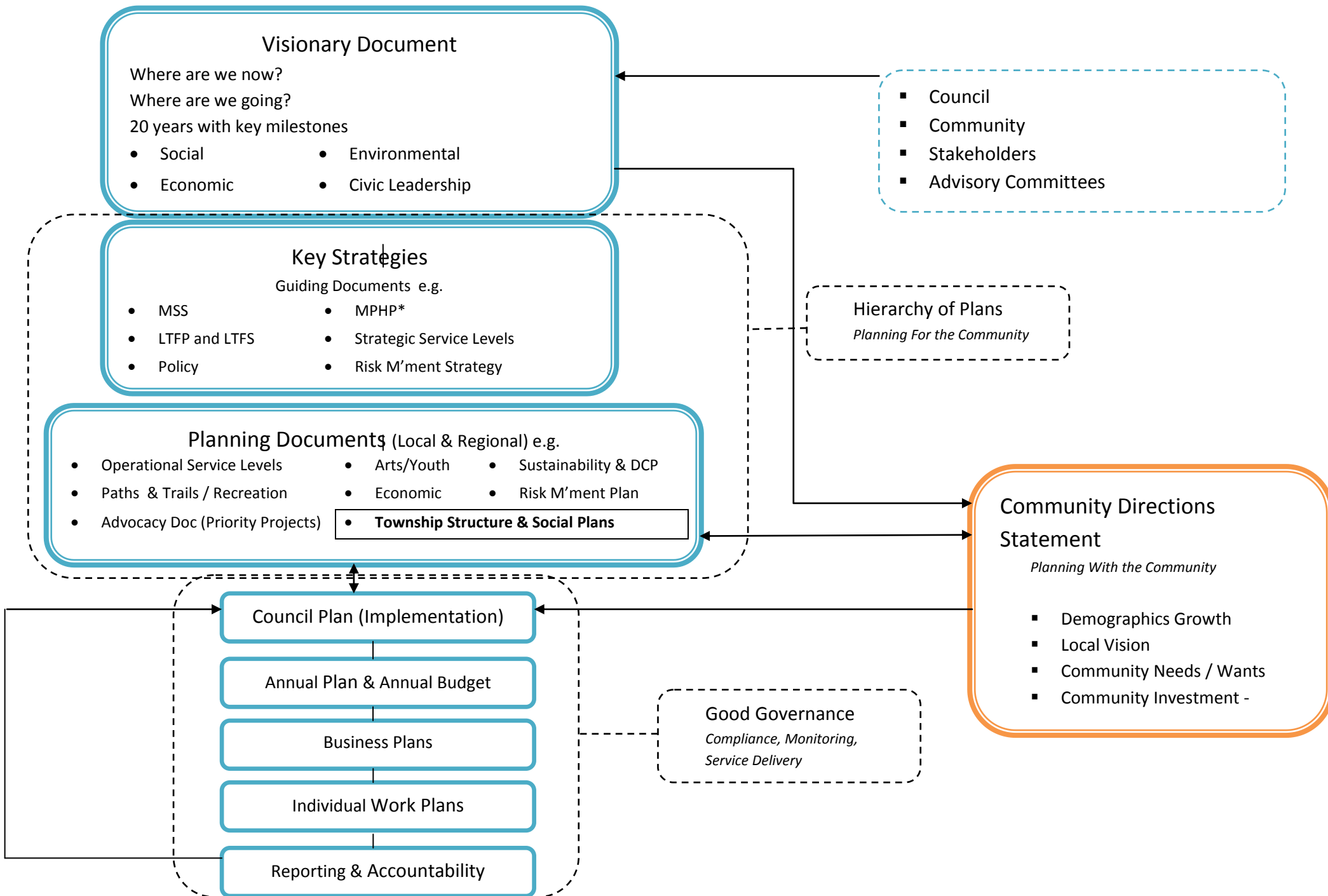
The Community Vision is the overarching strategic 'Visioning' Plan for the Shire. Council has committed resources to commence development of a new evolving Vision. It will be used to inform the future direction of the Shire and as a reference point for future strategies and plans developed by Council.

The Council Plan is located at the centre of the framework. It is the implementation tool that turns the concepts, desired directions and aspirations adopted by Council into practical, measurable and actionable activities.

Neither the Council, nor its communities, have the resources to implement everything the community desires. The Council Plan, with its corresponding Annual Plans, Department Business Plans and Annual Budgets, are the tools used to prioritise what can realistically be achieved and delivered in the four year term of Council.

Council has indicated its desire to build on the integrated planning that has taken place so far, by working in partnership with its communities to:

- educate the community on the services Council currently provides including current service levels;
- build an understanding of which services the community want Council to deliver, or more importantly, no longer want the Council to deliver;
- determine services levels for discretionary services;
- determine if the minimum service levels for legislated or regulated services are sufficient, or if an increased level of service is desired and willing to be funded by the community.
- build an understanding by the community of the implications of changes to service levels, including the impact on costs and thereby the rates or charges required; and
- further develop the integration between various plans and strategic directions to achieve improved holistic outcomes for the Shire.



## VISIONARY DOCUMENTS:

A Vision provides an organisation with a clear picture of how it sees itself in a future state. Strategies and actions provide the way forward to turn the vision from a dream into reality. Measures monitor progress and trends over time to determine if the strategy implementation is achieving the desired outcomes.

Hierarchy of Plans  
↓

### KEY STRATEGIES:

These are strategic long term *guiding* documents – be they legislated or not. They guide the business of Council focusing on a combination of related factors that need to work together to achieve one or more Strategic Outcomes over the longer horizon.

A 'Strategy' provides the direction the organisation and its service areas need to take in response to a wide range of internal and external factors with the intent of creating a clearly articulated desired future state.

### PLANNING DOCUMENTS

These are *planning* documents that address one significant component of a higher level strategy to set operational level outcomes with shorter term goals and deliverable measurable results.

A Plan must have built in flexibility so that it remains realistic in terms of resource and financial requirements with each year of implementation.

Planning Documents can be local (driven/led by the Shire), regional (not driven/led by the Shire but important/influential to our local and regional area) or area/group specific. They are normally of a four to five year focus.

### COMMUNITY DIRECTIONS STATEMENT

Community Direction Statements are planning documents developed to articulate the desires and directions of communities. These plans often require assistance from government, private, not for profit and volunteer organisations to fulfil the identified requests.

Council plays a pivotal role in assisting communities to develop their plans, but only has a limited role in addressing those aspects of the plans Council can realistically achieve.

## **COUNCIL PLAN:**

The Council Plan is a legislative requirement where each local government must submit a four-year strategic plan that draws from the planning documents to create integration between desired outcomes, realistic resources and deliverable actions achievable over the four year term of Council. The Council Plan is a key component in the corporate planning framework. It provide guidance and direction to the organisation by setting organisational goals, outcomes, strategies, actions, resource requirements and performance measures for the next four years. The Council Plan focuses on the strategic goals of providing 1) A vibrant, engaged community 2) A sustainable environment 3) A strong economy 4) Appropriate infrastructure 5) A leading organisation.

## **ANNUAL PLAN & ANNUAL BUDGET**

The Annual Budget provides details on Council's financial position and financial management for the financial year. The Annual Plan sets out the activities and indicators for the current year. As each year in the four year cycle continues, the activities and indicators in the Council Plan should be realised.

## **BUSINESS PLANS**

The Business Plan sets out the activities and indicators for each team/department, with the Annual Plan items cascaded down into these plans to ensure units achieve the set goals of Council and articulate the remaining aspects of the services they provide to the Community.

## **INDIVIDUAL WORK PLANS**

These plans set the specific or general requirements of each individual to ensure the Business Unit Plans and Annual Plan requirements are achieved. These also include individual career development and training requirements to ensure staff are equipped with the skills to perform their duties.

## **REPORTING AND ACCOUNTABILITY**

Council is accountable to the residents it represents and reporting on Council and Annual Planning commitments closes the loop and ensures transparency throughout the community. Reporting keeps plans on track and allows Council to identify those items which are tracking as projected and those which require attention or reassessment. Council is also accountable to other government bodies to report annually on our plans and financial situation.

## **Establishing a Foundation for the Future**

The Council recognises within the Charter of Human Rights that people have the right to be engaged in key policy and planning decisions that affect them. Each person has a right to an opinion. It is each Councillors role to listen to the various views and opinions of others, as they form their own view regarding each matter that comes before Council.

Council wants to give people a positive experience of working with Council and to understand directions and outcomes resulting from aligned intent and informed reasoning. To this end the Council will seek to find better ways to engage and work collaboratively with the community.

### **Community Aspirations: What the community have asked of Council**

The community aspirations outlined here reflect key themes arising from consultations undertaken with the community in the development of a range of strategic plans and community satisfaction surveys.

#### ***“Engage and communicate with us better”***

- Speak to us, listen to us; get out and about to talk to us.
- Be more supportive of what the community needs.
- Cut the red tape and be more progressive and quicker in making decisions.
- Be more proactive and let the community know of Council’s plans and what they are doing.
- Continue to provide attentive customer service, be accessible and talk through our concerns with us.
- Let us talk to a person, not a message bank.
- Provide more information on Council’s services and decisions.

#### ***“Improve access to public and other transport options”***

- Make the bus stop in Leongatha more accessible.
- Ask for better regional bus services, particularly to Wonthaggi, Leongatha and Yarram.
- Provide better facilities for cyclists to encourage people to ride to school, work or the shops.

#### ***“Repair our local roads and liaise with VicRoads to maintain their roads”***

- Continue the good work in fixing our local roads, particularly damaged roads, signs, lighting and overhanging trees and especially during winter.
- Liaise more with VicRoads and other road bodies to maintain roads.

***“Improve and expand waste management options”***

- Look to provide extra garbage collections, recycling and green waste services.

***“Provide clarity on land issues”***

- Reduce the time it takes to get permits through Council.
- Provide greater clarity around land use and development issues and what we can or cannot do with our land.

***“Support business development”***

- Improve infrastructure so that economic development is supported.
- Promote and assist businesses, especially retail.
- Need to plan more, especially for farmers and end-service users.

***“Improve our small towns and town planning provisions”***

- Improve town planning by making the right provisions for future development and progress.
- Improve small towns and bigger towns.
- Develop a one ‘go to’ point in each town, such as a Community Hub.
- Continue to keep the parks and gardens tidy and well mown.
- Help us develop and implement plans for our towns.

***“Increase transparency in financial management”***

- Need to be more transparent in Council’s accounting practices.
- Continue to manage finances well, spend wisely and get good value for money with the limited funds available.

***“Provide better services for our rates”***

- Continue to attend to requests quickly.
- Review rates to see if they can be reduced.
- Need to provide better services for the rates charged.

## **Our Current Situation: Issues that shape where we are and will impact on where we are going**

### **Strengths and Opportunities**

The Shire has an effective network of nearly 200 businesses and extensive agriculture land that provide a valuable food bowl source for local, national and international communities.

Growth in the Shire is slower than in many surrounding Shires, however this allows for better planning to go into determining where growth should be encouraged and how it can be managed so that the unique identity of the Shire is retained.

The Shire has the capacity for growth with opportunities to build on our industrial, commercial, retail, agriculture and residential areas.

Proactive community groups covering a wide range of interest areas are active across the Shire. These involve people with many talents and abilities and are led by skilled leaders that provide a valuable point of access into their wider communities.

Volunteering is strong in our community with many people willingly to participate actively in community life.

Council's Community Grants Program empowers community groups to implement projects deemed valuable to their local communities.

The shared Council and community approach to jointly fund projects is resulting in numerous grants being supported by the State and Federal Governments.

Council's advocacy approaches are targeted toward adopted priority projects and these are pursued at every meaningful opportunity.

State Government support for the Shire is strong, with many grants funded and support given to Council and community priority projects.

Synergies are being established with other service providers, government agencies and other councils, so resources are not wasted through duplicated services and other benefits can be derived by working closely with other agencies.

Strong financial strategies have effectively reduced Council's debt and provided funds for new initiatives and carefully considered changes to service provision.

Enterprise Bargaining Agreement has been negotiated for four years providing a stable basis for Council's workforce, with minimal disruptions to service provision anticipated.



## **Challenges and Concerns**

Damage by numerous storm events requires Council resources to be diverted away from regular maintenance programs, placing pressure on the effective management and protection of Council's assets.

Cost shifting and increased legislative requirements by other levels of Government are increasing the requirement for staff to manage these imposts with little or no income to offset them. This places pressure on Council's capacity to provide discretionary services desired by the community.

Unavoidable costs impacts have been identified and funded responsibly, however continued uncertain economic conditions may place further pressure on Council's resources in the future.

Many volunteers in the community are ageing and are increasingly unable to serve how they have in the past. This can create an increasing dependency on Council for services.

The Shire's ageing population need increased support to remain living comfortably within the Shire. Suitable housing options, health and medical services, home help and changing recreational requirements are some emerging requirements needed.

Many 'sea and tree change' people coming here from the city want the range of services provided in city life, however they struggle to understand the increased costs of these services in the country is due to much smaller population numbers sharing the rate burden.

Risk management is an ongoing concern requiring pre-emptive actions to mitigate strategic and operational risks to manageable levels.

## **Where to from here**

Over the next four years Council will build on these strengths and opportunities to create better futures for the unique communities and townships within the Shire. At the same time Council will aim to minimise the impact of challenges and concerns that can divert resources or attention away from the strategic directions required by the community.

To this end, Council aims to engage and work collaboratively with the community to create a prosperous Shire, create closer connections with communities, integrate service and infrastructure requirements and develop a leading organisation.

The Outcomes, Objectives, Strategies and Indicators (outlined below in more detail) provide the direction Council aspires to achieve in the coming four years.

## **Outcomes and Objectives – 4 year themes**

### **OUTCOME 1. A Prosperous Shire**

Objective 1.1: Work with the business community to support existing businesses, diversify employment opportunities and to attract new businesses.

Objective 1.2: Raise the awareness of local and regional issues with State and Federal decision makers.

Objective 1.3: Improve the sustainability of the local and regional environment.

### **OUTCOME 2. Closely Connected Communities**

Objective 2.1: Engage and work collaboratively with our community.

### **OUTCOME 3. Integrated Services and Infrastructure**

Objective 3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.

### **OUTCOME 4. A Leading Organisation**

Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams.

Objective 4.2: Pursue best practice in organisational development and operations of the organisation.

# Strategies and Indicators

## OUTCOME 1. A Prosperous Shire

**Objective 1.1: Work with the business community to support existing businesses, diversify employment opportunities and to attract new businesses.**

Strategy 1.1.1: We will actively plan for growth and economic development.

Strategy 1.1.2: We will protect and retain the unique identity of town, villages and farming districts.

Strategy 1.1.3: We will actively encourage sustainable development and growth of agriculture, industry and commercial business.

Strategy 1.1.4: We will promote and encourage tourism through development support.

**Objective 1.2: Raise the awareness of local and regional issues with State and Federal decision makers.**

Strategy 1.2.1: We will advocate for effective integrated transport connectivity for people and freight.

Strategy 1.2.2: We will advocate for priority projects that assist in stimulating economic growth, agricultural development, tourism infrastructure and community facilities.

**Objective 1.3: Improve the sustainability of the local and regional environment**

Strategy 1.3.1: We will actively engage businesses, farmers, industries and individuals in creating a clean, green Shire, where environmental sustainability is embraced and practiced.

Strategy 1.3.2: We will promote sustainable waste management practices, energy efficiency and management of our natural resources.

*Indicators to measure if we are achieving our objectives*

- *The value of total investments in the Shire measured through Building Permits, by investment sector.*
  - *Target: Aim for an increase in investments annually (Baseline: To be established)*
- *Shovel ready projects prepared*
  - *Target: Aim for at least two ready at any time*
- *Number of representations made to State and Federal politicians.*
  - *Target: At least one delegation annually*

## **OUTCOME 2. Closely Connected Communities**

### **Objective 2.1: Engage and work collaboratively with our community.**

Strategy 2.1.1: We will develop a continually evolving Vision for the Shire that encourages community participation in defining what it wants, needs and can afford to guide rationalisation, consolidation and achievement of desired community outcomes.

Strategy 2.1.2: We will develop an integrated approach to planning with the community incorporating budgeting/funding strategies and project development.

Strategy 2.1.3: We aim to minimise barriers and find ways to support our volunteers, community groups and committees to provide services beyond those that Council, by itself, can provide.

*Indicators to measure if we are achieving our objectives*

- *Council supported Community Direction Statement priority projects identified and reported to Council for consideration.*
  - *Target: Council supported priority projects from Community Directions Statements to be funded in the following financial year, identified and funded by 30 June annually.*
- *Development activities for volunteers provided.*
  - *Target: A program of activities developed and implemented annually.*

## **OUTCOME 3. Integrated Services and Infrastructure**

### **Objective 3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.**

Strategy 3.1.1: We will deliver Council and community projects and leverage project funds to attract investment from external sources.

Strategy 3.1.2: We will collaborate with other agencies and service providers to focus attention on growth areas and avoid duplication of services.

Strategy 3.1.3: We will develop an integrated planning approach for our townships and villages, so that facilities are located in areas where they are most appropriate

Strategy 3.1.4: We will plan for the service needs of the Shire's changing demographic.

Strategy 3.1.5: We will encourage sustainable development that promotes the health, well-being and unique character of the community.

Strategy 3.1.6: We will refine the provision of Council services through reviews focused on evolving community needs, realistic and affordable service standards and efficient management of resources.

*Indicators to measure if we are achieving our objectives*

- *Number of grants submitted to State and Federal programs for funding and number of grants announced for South Gippsland Shire projects.*
  - *Target: Aim for 30% of applications submitted to be funded.*
- *Sustainability activities for various sectors provided, in partnership with others where possible.*
  - *Target: A program of activities developed and implemented annually.*

## **OUTCOME 4. A Leading Organisation**

### **Objective 4.1: Improve the financial sustainability of Council, including diversifying revenue streams.**

Strategy 4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure.

### **Objective 4.2: Pursue best practice in organisational development and operations of the organisation**

Strategy 4.2.1: We will establish portfolio core leadership groups to draft policy and shape specific projects.

Strategy 4.2.2: We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement.

Strategy 4.2.3: We will make informed decisions and provide opportunities for the community to participate in the decision making process.

Strategy 4.2.4: We will create an environment for people to be their best, to optimise the performance of the organisation and to deliver quality outcomes for the community.

*Indicators to measure if we are achieving our objectives*

- *Policy portfolios and/or specific project groups developed and implemented*

- *Target: Portfolio or project scope and committee structure endorsed by Council prior to establishment.*
- *An Annual Plan and Annual Budget developed*
  - *Target: Adopted by Council by 30 June annually.*
- *Council will encourage community members to provide information to Council on matters affecting them.*
  - *Target: Public presentations sessions will be available for community members to participate.*
- *Department Service Summaries, Business Plans and corresponding Budgets will be developed annually.*
  - *Target: By 30 June annually.*
- *Developer contributions will be established and implemented*
  - *Target: By 30 June 2014*
- *Community Satisfaction Survey results published annually*
  - *By 30 June annually*

### **Delivering the Council Plan 2013-2017**

Key Strategic Activities to achieve the Outcomes, Objectives and Strategies are outlined in the Annual Plan 2013-2014. A new Annual Plan will be developed each year. Progress to achieve Annual Plan actions will be presented in Quarterly Performance Reports and in the Annual Report at the end of each financial year.

## Strategic Resource Plan

The Strategic Resource Plan (SRP) describes the financial and non-financial resource requirements over a four-year period.

The Strategic Resource Plan is derived from the Annual Budget document that incorporates the 15-year the Long Term Financial Plan. The financial projections are reviewed and updated on a yearly basis. This document is available from [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au).

### Financial Strategy

1. Target consistent underlying surpluses that provide sufficient funds for both recurrent service level and asset renewal and upgrade requirements.
2. Target the Balance Sheet having at least a 1.5 to 1 underlying working capital ratio in the Long Term Financial Plan.
3. Transfers to discretionary reserves will only be included in the Annual Budget if matched by an equivalent budgeted underlying surplus in the Income Statement to preserve the accumulated surplus position of Council.
4. Material favourable budget variations realised at year's end in a given financial year will be allocated to a general reserve (unless required to finance projects deemed as 'unavoidable') that can be used as a funding source for future one off, unexpected or unavoidable costs.
5. Annual transfers of equivalent to 1.0% of rate income are made to the general reserve.
6. Annual transfers equivalent to the average interest earned on investments during the financial year are made to all reserves (General Reserve excepted) and to the General Reserve in later years when it is financially viable to do.
7. Budgeted underlying cash at the end of each year shall be measured by referencing it against the underlying working capital ratio in the Long Term Financial Plan.
8. Service level funding gaps will be identified and classified as primary or secondary in nature to clearly distinguish the cash flow requirements of maintaining existing service levels (primary gaps) and for service level enhancements (secondary gaps).
9. A series of key financial performance indicators, with appropriate threshold targets, will be utilised to strategically analyse the financial integrity of the Plan. These include:

- underlying working capital ratio – greater than 1.5
  - underlying result – greater than 0.0
  - financial sustainability indicator – greater than 95%
  - self-financing greater than 20%
  - indebtedness – less than 40%
  - total debt as a % of rate revenue – less than 60%
  - debt service costs as a % of total revenue – less 5%
10. The amount of asset renewal funding required to maintain specified service levels as documented in asset management plans will be updated into the Long Term Financial Plan, subject to the available resource requirements, to ensure that the financial integrity of the plan is not compromised.
  11. Any new capital work (capital extension) proposals must include a lifecycle cost evaluation that identifies the asset's construction, maintenance and operating cash flow requirements as well as the depreciation impact.
  12. Capital income must only be utilised as a funding source for capital or 'one off' expenditure requirements.
  13. Council consider borrowing for new capital projects only when consistent underlying operating surplus results are being achieved.
  14. For borrowings to be considered, projects must have had a full lifecycle cost analysis undertaken, proving that future cash inflows will exceed the cash outlays, or alternatively that the additional costs are quantified in the Long Term Financial Plan and the integrity of the financial strategies are not compromised.
  15. Where reasonably possible, fees and charges are increased by the same general rates increase until full cost recovery is achieved for direct service provision. Any fees that are not increased in line with the planned rate rise be clearly identified and documented for Council's consideration.
  16. Council consider the most appropriate rating strategy to provide adequate funds to:
    - achieve sustainable underlying surpluses;
    - achieve sustainable cash flows; and
    - fund capital renewal projects;

in both the Annual Budget and Long Term Financial Plan to support defined service and infrastructure asset requirements.

The Financial Strategies are reviewed and updated on a yearly basis. This document is also available from [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au).



## **Financial challenges**

The key longer term financial strategic performance targets are to:

- Achieve consistent underlying operating surpluses.
- Produce strengthening underlying working capital and liquidity positions.
- Progressively increase funding for asset maintenance / capital renewal expenditure.
- Provide a reasonable degree of consistency and stability in the level of the rates burden.

These initiatives will enhance the longer term financial sustainability of Council to:

- Achieve the strategic objectives documented in the Council Plan.
- Address the infrastructure funding gap issues of Council.
- Achieve long term financial sustainability, that being, having adequate level of funding for a defined level of services in current and forward budgets.

## **Financial Resource requirements**

The SRP has a very strong focus on short to medium term financial outcomes. Budgeted statements are documented further in this section.

## **Budgeting methodology used for the Standard Financial Statements Strategic Resource Plan**

The Budgeted Financial Statements are a subset of Council's 15 year Long Term Financial Plan. It has been prepared at the lowest accounting level within the Council's general ledger system. At this level, certain accounts were coded for manual adjustment rather than broad percentage increases. For example, election expenses occur only once every four years. It is therefore not possible to simply multiply the previous year's base by a percentage and achieve the same outcomes as presented.

The Reserve Bank of Australia target rate for inflation (as measured in the CPI), is that it remains between 2% and 3%.

CommSec forecasts that inflation will be 2.7% for 2014/15, increasing in the following financial year to 2.9%.

The base point used for modelling forward budgets has been the last financial year's Long Term Financial Plan.

Where an inflation movement has been used in material and consumable calculations, it has been modelled at being 2.5% in 2014/15. In the following years, the default inflation index in the Long Term Financial Plan has been modelled to remain at 2.5% per annum.

Commsec Wages Prices Index project a 3.4% movement to occur in 2014/15 and then to increase to 3.8% in following years. Council is party to Enterprise Agreement that remains in force until June 2016. The quantum and timing of salary increases under the agreement is an increase of 4% or \$40 per week, whichever is the greater payable September each year.

The employee costs for 2014/15 and forward budgets have also been adjusted to take into account Enterprise Agreement wage movements and banding movements. It also has factored in the increase in superannuation contributions from 9% to 12% by July 2019.

Program service delivery areas that include construction type projects will have a tendency to have costs that increase more than CPI. The Australian Bureau of Statistics showed that the Road Bridge Construction Index for Victoria increased by 3.3% for the year on year period ending December 2013.

The budgeting methodology used in the capital works program depends on the nature and timing of the projects. For the majority of infrastructure projects that occur yearly, such as roads, bridges culverts and drains, the costing in future years is based on an indexed increase of 3.80% per annum. The increase over and above the Road Bridge Construction Index allows for regional cost impacts of the closed quarry and creates a conservative buffer for the forward capital works program.

Fees and charges increases are generally modelled to increase by greater than CPI until full cost recovery is achieved for the direct costs of service provision.

## **Rates**

The general rate for 2014/15 will increase by 5.50%. The waste services charges for garbage collection / recycling / street sweeping / litter bins will reduce by 16.00%. Overall, the rates and charges increase will be 4.13% for 2014/15.

The following years overall rates and charges rises are projected to be 5.29% in 2015/16, 4.83% in 2016/17 and 4.59% in 2017/18.

The rationale for rate rises being above CPI and inflation indexes is to generate progressively increasing revenue streams to fund a steadily increasing capital works program and increasing service level requirements.

In past budgets, the modelling had only allowed, in a very limited manner, a growth inflator for income and associated costs to cater for increased population growth. This current Annual Budget and Long Term Financial Plan has allowed for a growth factor of 200 additional supplementary valuations each year. This has a significant compounding impact on rate income in the forward budgets.

## **Non-Financial Resources**

The range of services undertaken by Council involves the abilities, efforts and competencies of 261.49 Equivalent Full Time (EFT) staff. The skill base of Council's workforce is diverse, with staff holding qualifications in areas such as aged care, civil engineering, accounting, health care, planning, building, and other fields.

There are also a vast number of volunteers that provide unpaid assistance across many services of Council.

## COMPREHENSIVE INCOME STATEMENT

For the four years ended 30 June 2018

### SOUTH GIPPSLAND SHIRE COUNCIL

	Projected 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000
<b>INCOME</b>					
Rates and charges	33,710	35,677	37,708	39,836	41,988
Statutory fees and fines	476	588	603	618	633
User fees	3,565	4,267	4,525	4,743	4,972
Contributions - cash	296	66	60	61	1,037
Contributions - non monetary assets	1,304	1,337	1,370	1,404	1,440
Grants - Operating (recurrent)	6,224	10,867	10,654	10,985	10,975
Grants - Operating (non recurrent)	5,610	4,597	84	22	0
Grants - Capital (recurrent)	1,636	1,636	1,636	1,636	1,636
Grants - Capital (non recurrent)	1,817	3,176	466	1,256	0
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	179	290	722	190	330
Other income	1,909	1,770	1,908	1,977	2,049
<b>TOTAL INCOME</b>	<b>56,726</b>	<b>64,271</b>	<b>59,736</b>	<b>62,728</b>	<b>65,060</b>
<b>EXPENSES</b>					
Employee costs	21,158	22,241	23,169	24,065	25,173
Materials and services	21,896	21,483	16,610	17,056	17,610
Bad and doubtful debts	1	1	1	1	1
Depreciation and amortisation	10,061	10,855	11,385	12,427	12,956
Borrowing costs	140	151	151	151	151
Other expenses	3,402	3,454	3,369	3,453	3,534
<b>TOTAL EXPENSES</b>	<b>56,658</b>	<b>58,185</b>	<b>54,685</b>	<b>57,153</b>	<b>59,425</b>
<b>SURPLUS (DEFICIT)</b>	<b>68</b>	<b>6,086</b>	<b>5,051</b>	<b>5,575</b>	<b>5,635</b>
<b>OTHER COMPREHENSIVE INCOME</b> <b>Items that will not be reclassified to</b> <b>surplus or deficit</b>					
Net Asset revaluation increment (decrement)	48,015	7,717	56,987	2,394	69,328
Previously unrecognised assets	0	0	0	0	0
<b>TOTAL COMPREHENSIVE RESULT</b>	<b>48,083</b>	<b>13,803</b>	<b>62,038</b>	<b>7,969</b>	<b>74,963</b>

## BALANCE SHEET

For the four years ended 30 June 2018

### SOUTH GIPPSLAND SHIRE COUNCIL

	Projected 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000
<b>BUDGETED BALANCE SHEET</b>					
<b>Current assets</b>					
Cash and cash equivalents	9,169	9,657	8,134	8,995	13,546
Trade and other receivables	4,345	4,335	4,335	4,335	4,335
Financial assets	1,700	1,700	1,700	1,700	1,700
Inventories	219	219	219	219	219
Other assets	113	113	113	113	113
<b>Total current assets</b>	<b>15,546</b>	<b>16,024</b>	<b>14,501</b>	<b>15,362</b>	<b>19,913</b>
<b>Non current assets</b>					
Investments in regional library corporation	603	603	603	603	603
Property, infrastructure, plant and equipment	519,266	532,318	595,977	602,517	673,037
Investment property	674	674	674	674	674
<b>Total non current assets</b>	<b>520,543</b>	<b>533,595</b>	<b>597,254</b>	<b>603,794</b>	<b>674,314</b>
<b>Total assets</b>	<b>536,089</b>	<b>549,619</b>	<b>611,755</b>	<b>619,156</b>	<b>694,227</b>
<b>Current liabilities</b>					
Trade and other payables	3,399	3,389	3,389	3,389	3,389
Trust funds and deposits	529	529	529	529	529
Provisions	5,463	5,146	5,857	5,226	5,266
Interest bearing loans and borrowings	3,350	0	0	0	0
<b>Total current liabilities</b>	<b>12,741</b>	<b>9,064</b>	<b>9,775</b>	<b>9,144</b>	<b>9,184</b>
<b>Non current liabilities</b>					
Provisions	1,003	1,057	444	507	575
Interest bearing loans and borrowings	0	3,350	3,350	3,350	3,350
<b>Total non current liabilities</b>	<b>1,003</b>	<b>4,407</b>	<b>3,794</b>	<b>3,857</b>	<b>3,925</b>
<b>Total liabilities</b>	<b>13,744</b>	<b>13,471</b>	<b>13,569</b>	<b>13,001</b>	<b>13,109</b>
<b>Net assets</b>	<b>522,345</b>	<b>536,148</b>	<b>598,186</b>	<b>606,155</b>	<b>681,118</b>
<b>Equity</b>					
Accumulated surplus	190,780	195,666	197,963	202,463	206,500
Reserves	331,565	340,482	400,223	403,692	474,618
<b>Total equity</b>	<b>522,345</b>	<b>536,148</b>	<b>598,186</b>	<b>606,155</b>	<b>681,118</b>

## STATEMENT OF CHANGES IN EQUITY

For the four years ended 30 June 2018

	<b>Total \$'000</b>	<b>Accumulated Surplus \$'000</b>	<b>Revaluation Reserve \$'000</b>	<b>Other reserves \$'000</b>
<b>2014/15</b>				
Balance at beginning of the financial year	522,345	190,780	330,919	646
Adjustment on change in accounting policy	-	-		
Comprehensive result	13,803	6,086	7,717	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(3,841)		3,841
Transfer from reserves		2,641		(2,641)
<b>Balance at end of the financial year</b>	<b>536,148</b>	<b>195,666</b>	<b>338,636</b>	<b>1,846</b>
<b>2015/16</b>				
Balance at beginning of the financial year	536,148	195,666	338,636	1,846
Adjustment on change in accounting policy	-	-		
Comprehensive result	62,038	5,051	56,987	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(4,262)		4,262
Transfer from reserves		1,508		(1,508)
<b>Balance at end of the financial year</b>	<b>598,186</b>	<b>197,963</b>	<b>395,623</b>	<b>4,600</b>
<b>2016/17</b>				
Balance at beginning of the financial year	598,186	197,963	395,623	4,600
Adjustment on change in accounting policy	-	-		
Comprehensive result	7,969	5,575	2,394	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(3,677)		3,677
Transfer from reserves		2,602		(2,602)
<b>Balance at end of the financial year</b>	<b>606,155</b>	<b>202,463</b>	<b>398,017</b>	<b>5,675</b>

	<b>Total \$'000</b>	<b>Accumulated Surplus \$'000</b>	<b>Revaluation Reserve \$'000</b>	<b>Other reserves \$'000</b>
<b>2017/18</b>				
Balance at beginning of the financial year	606,155	202,463	398,017	5,675
Adjustment on change in accounting policy	-	-		
Comprehensive result	74,963	5,635	69,328	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(3,702)		3,702
Transfer from reserves		2,104		(2,104)
<b>Balance at end of the financial year</b>	<b>681,118</b>	<b>206,500</b>	<b>467,345</b>	<b>7,273</b>

## STATEMENT OF CASH FLOWS

For the four years ended 30 June 2018  
SOUTH GIPPSLAND SHIRE COUNCIL

	Projected 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000
<b>BUDGETED CASH FLOW STATEMENT</b>					
<b>Cash flows from operating activities</b>					
Rates and charges	33,710	35,677	37,708	39,836	41,988
Statutory fees & fines	476	588	603	618	633
User fees	3,565	4,267	4,525	4,743	4,972
Contributions	296	66	60	61	1,037
Grants - operating	11,834	15,464	10,738	11,007	10,975
Grants - capital	3,453	4,812	2,102	2,892	1,636
Interest	537	529	574	609	645
Other receipts	1,372	1,241	1,334	1,368	1,404
Employee costs	(21,068)	(22,147)	(23,071)	(23,962)	(25,065)
Materials and consumables	(21,062)	(20,812)	(15,557)	(16,647)	(16,503)
Utilities	(978)	(1,029)	(1,054)	(1,081)	(1,108)
Other payments	(3,402)	(3,454)	(3,369)	(3,453)	(3,534)
<b>Net cash provided by (used in) operating activities</b>	<b>8,733</b>	<b>15,202</b>	<b>14,593</b>	<b>15,991</b>	<b>17,080</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant & equipment	(13,363)	(15,476)	(17,353)	(15,833)	(13,415)
Proceeds from sale of property, infrastructure, plant and equipment	731	913	1,388	854	1,037
Trust Funds and deposits	0	0	0	0	0
Loan advances made	0	0	0	0	0
Repayment of loans and advances	0	0	0	0	0
<b>Net cash provided by (used in) investing activities</b>	<b>(12,632)</b>	<b>(14,563)</b>	<b>(15,965)</b>	<b>(14,979)</b>	<b>(12,378)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(140)	(151)	(151)	(151)	(151)
Proceeds from borrowing	4,000	0	0	0	0
Repayment of borrowings	(784)	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>3,076</b>	<b>(151)</b>	<b>(151)</b>	<b>(151)</b>	<b>(151)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(823)</b>	<b>488</b>	<b>(1,523)</b>	<b>861</b>	<b>4,551</b>
Cash and cash equivalents at the beginning of the financial year	9,992	9,169	9,657	8,134	8,995
<b>Cash and cash equivalents at the end of the financial year</b>	<b>9,169</b>	<b>9,657</b>	<b>8,134</b>	<b>8,995</b>	<b>13,546</b>



## STATEMENT OF CAPITAL WORKS

For the four years ended 30 June 2018

### Capital Works Areas

	Forecast Actual 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000
<b>Property</b>					
Land	-	250	265	273	281
Buildings	967	3,498	3,016	2,069	2,338
<b>Total property</b>	967	3,748	3,281	2,342	2,619
<b>Plant and equipment</b>					
Plant, machinery and equipment	2,922	2,344	1,738	1,715	2,280
Computers and telecommunications	747	659	543	619	638
<b>Total plant and equipment</b>	3,669	3,003	2,281	2,334	2,918
<b>Infrastructure</b>					
Roads	4,961	5,863	5,834	5,010	5,146
Bridges	693	673	209	216	225
Footpaths and cycleways	450	313	350	389	427
Drainage	1,001	55	110	115	140
Off street car parks	222	-	-	-	-
Recreation	577	556	439	690	398
Pools	-	-	503	4,130	497
Waste management #	529	262	1,878	-	371
Other infrastructure	294	1,003	2,467	606	674
<b>Total infrastructure</b>	8,727	8,725	11,790	11,156	7,878
<b>Total capital works expenditure</b>	13,363	15,476	17,352	15,832	13,415
<b>Represented by:</b>					
New asset expenditure	-	-	-	-	-
Asset renewal expenditure	10,445	12,994	11,478	11,711	12,168
Asset upgrade expenditure	2,175	1,820	3,680	1,250	754
Asset expansion expenditure	743	662	2,194	2,871	493
<b>Total capital works expenditure</b>	13,363	15,476	17,352	15,832	13,415
# Excludes Landfill rehabilitation provision	143	357	-	671	-

## STATEMENT OF HUMAN RESOURCES

For the four years ended 30 June 2018

	<b>Forecast Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2013/14 \$'000</b>	<b>2014/15 \$'000</b>	<b>2015/16 \$'000</b>	<b>2016/17 \$'000</b>	<b>2017/18 \$'000</b>
<b>Staff expenditure</b>					
Employee costs - operating	21,158	<b>22,240</b>	23,169	24,065	25,173
Employee costs - capital	914	<b>927</b>	970	1,016	1,065
<b>Total staff expenditure</b>	<b>22,072</b>	<b>23,167</b>	<b>24,139</b>	<b>25,081</b>	<b>26,238</b>
<b>Staff numbers</b>					
Employees	256.82	<b>261.49</b>	261.49	261.49	261.49
<b>Total staff numbers</b>	<b>256.82</b>	<b>261.49</b>	<b>261.49</b>	<b>261.49</b>	<b>261.49</b>

## SUMMARY OF PLANNED HUMAN RESOURCES EXPENDITURE

For the four years ended 30 June 2018

	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000
<b>Community Services</b>					
-Permanent full time	2,016	2,130	2,180	2,253	2,351
-Permanent part time	2,298	2,429	2,487	2,570	2,682
<b>Total Community Services</b>	4,314	4,559	4,667	4,823	5,033
<b>Corporate Services</b>					
-Permanent full time	3,442	3,452	3,934	4,112	4,287
-Permanent part time	519	520	593	619	646
<b>Total Corporate Services</b>	3,961	3,972	4,527	4,731	4,933
<b>Development Services</b>					
-Permanent full time	3,226	3,373	3,456	3,623	3,796
-Permanent part time	572	598	613	642	673
<b>Total Development Services</b>	3,798	3,971	4,069	4,265	4,469
<b>Engineering Services</b>					
-Permanent full time	7,250	7,517	7,647	8,012	8,396
-Permanent part time	418	433	440	462	484
<b>Total Engineering Services</b>	7,668	7,950	8,087	8,474	8,880
<b>Executive Services</b>					
-Permanent full time	655	923	955	899	942
-Permanent part time	204	288	298	281	294
<b>Total Executive Services</b>	859	1,211	1,253	1,180	1,236
Total casuals and other	558	576	566	592	621
Capital works	914	927	969	1,016	1,065
<b>Total staff expenditure</b>	22,072	23,166	24,138	25,081	26,237

	FTE	FTE	FTE	FTE	FTE
<b>Community Services</b>					
-Permanent full time	17.08	21.00	21.00	21.00	21.00
-Permanent part time	34.71	31.47	31.47	31.47	31.47
<b>Total Community Services</b>	51.79	52.17	52.17	52.17	52.17
<b>Corporate Services</b>					
-Permanent full time	35.50	34.00	34.00	34.00	34.00
-Permanent part time	4.89	6.08	6.08	6.08	6.0
<b>Total Corporate Services</b>	40.39	40.08	40.08	40.08	40.08
<b>Development Services</b>					
-Permanent full time	35.75	35.00	35.00	35.00	35.00
-Permanent part time	9.05	8.57	8.57	8.57	8.57
<b>Total Development Services</b>	44.80	43.57	43.57	43.57	43.57
<b>Engineering Services</b>					
-Permanent full time	100.83	102.00	102.00	102.00	102.00
-Permanent part time	4.80	6.40	6.40	6.40	6.40
<b>Total Engineering Services</b>	105.63	108.40	108.40	108.40	108.40
<b>Executive Services</b>					
-Permanent full time	6.17	7.00	7.00	7.00	7.00
-Permanent part time	2.57	3.27	3.27	3.27	3.27
<b>Total Executive Services</b>	8.74	10.27	10.27	10.27	10.27
Total casuals and other	5.47	6.70	6.70	6.70	6.70
<b>Total staff numbers</b>	256.82	261.49	261.49	261.49	261.49

## Managing Risks

Council's Risk Management Strategy 2012-2015 demonstrates that Council is committed to meeting the directions set out in the Council Plan. Risk management is a factor that needs to be considered when establishing Council's strategic directions and delivering services. To this end, Council will strive to deliver an integrated approach to managing risk within all of its business areas. Council shall ensure that risk management supports business planning and is used as an integral part of day to day work practices.

By identifying, understanding, controlling and monitoring risk, everyone can add value to the services Council provides to the community.

The Council's Risk Management Framework (RMF) consists of the following sections:

- Risk Management Framework and Strategy: provides a foundation for the design, implementation, monitoring and review of Council's risk management practice.
- Risk Management Policy: states Council's overall intentions and direction with regard to risk management.
- Risk Management Process: states how Council's procedures, practices and tools (including Strategic and Operational Risk Register, Risk Matrix, Risk Committees and Templates) are to be used effectively to manage risk.
- Risk Management Implementation Plan: to guide the design, implementation and review of Council's RMF.

Council's approach to risk management is set out in the Risk Management Strategy 2012-2015. Risks are identified, monitored and managed through a series of committees and registers including an Operational Risk Committee, Operational Risk Register, Strategic Risk Committee, Strategic Risk Register and the Audit Committee. Details associated with these committees and Council's approach to risk management is set out in the Risk Management Strategy 2012-2017.