



**AGENDA APPENDIX**  
**Council Meeting**  
**Wednesday 24 June 2015**

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.1 ADOPTION OF ANNUAL BUDGET 2015-2016, DECLARATION OF RATES AND CHARGES AND UPDATED STRATEGIC RESOURCE PLAN**

Appendix 3 – Revised Council Plan 2013-2017, incorporating the Strategic Resource Plan 2016-2019



# **South Gippsland Shire Council Plan 2013-2017**



**Leongatha South - Photo by Ken Fraser**

**As at 24 June 2015**

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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

Over the past three years of this plan it has been Council's intent to introduce better ways of working with our communities to ensure a continually evolving vision for the future is really taking shape. We are moving from a 'traditional' representative model to a more 'participatory' one.

Increasingly, community members are having a say in the services Council delivers and in budgetary considerations. These discussions apply a 'want', 'need' and 'afford' approach which in turn provides the opportunity to rationalise, consolidate and perhaps compromise, to achieve desired community outcomes.

We endeavour to deliver affordable community services and facilities to attract new businesses and families to the shire and build a vibrant economy. This is enhanced by an integrated approach to planning and infrastructure development. We 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.

Concurrently we pursue best practice and productivity savings through continuous improvement refinements.

South Gippsland is extremely resilient because of its strong community ethic and Council will continue to support volunteers and community groups with free training opportunities and its highly effective Community Grants Program.

There are always competing interests and opinions amongst community members on the mix and level of services Council should provide. This creates an interesting challenge for Council to work through and it is important that you are able to participate in sharing your views, while listening and understanding the opinions shared by others.

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. Amazing results can be achieved when the community raises its own funds, combines these with Council's, and then together seek government grant funds. Community dreams can become a reality when we work in partnership together.

Please continue to share your ideas and suggestion with us – we are listening and responding.

Cr Jeanette Harding

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

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

## 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

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

## 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

## 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

## 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



## **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

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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

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Councillor Don Hill

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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

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Cr Andrew McEwen

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Cr Robert (Bob) Newton

Phone: 0408 515 923

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## 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 three Directorates responsible for delivering over 120 services.

CHIEF EXECUTIVE OFFICER



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## 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.

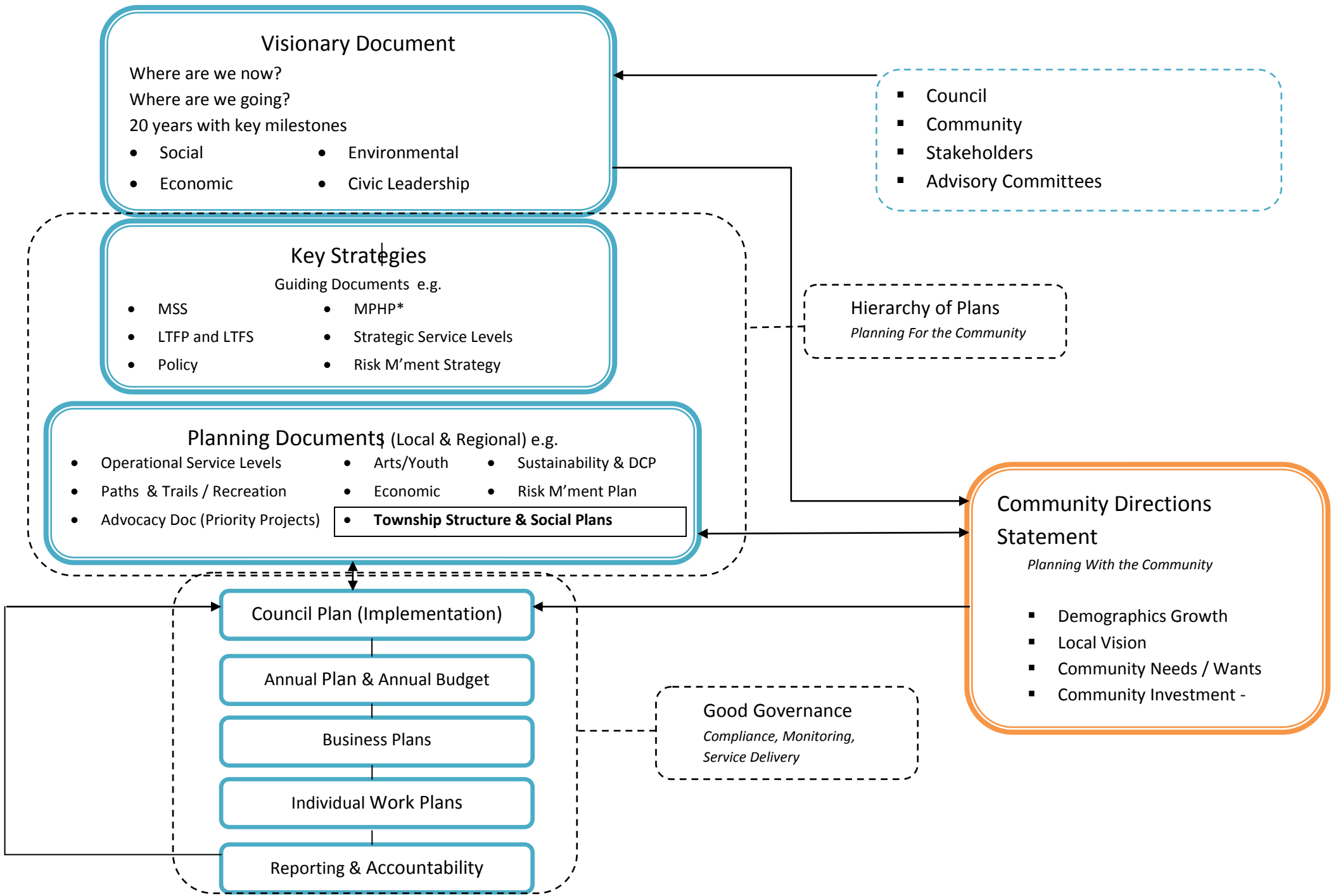
The Community Vision is the overarching strategic 'Visioning' Plan for the Shire. Council has committed resources to commence development of a new evolving Vision. It will be used to inform the future direction of the Shire and as a reference point for future strategies and plans developed by Council.

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).

### Long Term Financial Strategies

- 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, Loan Reserve excepted.
- 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, upgrade and expansion capital work proposals in the first four years of the Long Term Financial Plan 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 Victorian State Government has announced that local government rates will be capped from 2016/17.

The rate rise for 2015/16 will now be 4.9%. The rate rise for 2015/16 in the previous years' Long Term Financial Plan was 5.5%. The rate rises in the forward years have been set at 3.0% from 2016/17 to 2022/23 and thereafter at 4.0%. When compared to the previous year's Long Term Financial Plan, Council over a 14 year period (2015/16-2026/27) will collect \$57.8m less rates and charges.

Victorian councils will be provided definite direction by January 2016 on how rate capping will be required to be implemented for the following year's 2016/17 Budget.

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 2.8% for 2015/16 and following years.



Where an inflation movement has been used in material and consumable calculations, it has been modelled at being 2.5% in 2015/16. 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 2.7% movement to occur in 2015/16 and then to increase to 3.0% 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 2015/16 have been adjusted to take into account Enterprise Agreement wage movements and banding movements. Employee Enterprise Agreement cost increments have been set at 2.85% from 2016/17 to 2019/20 and 3.00% from 2020/21 onwards. It also has factored in the increase in superannuation contributions from 9.5% to 10.0% to occur in 2021/22 and then to increase by 0.5% each year thereafter till it reaches 12.0% in 2025/26.

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 was an average of 3.9% for the five year period ending March 2015.

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.

As the 15 year capital works program stabilises, one would anticipate that this would allow the Engineering Services Directorate to schedule and prioritise design work and as a result, further refine the required budgets for individual projects. This would be reflected in subsequent versions of the Long Term Financial Plan produced in future years.

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 2015/16 will increase by 4.90%. The waste services charges for garbage collection / recycling / street sweeping / litter bins will increase by 2.00%. A new \$78 charge has been introduced for those receiving the new green waste service.

The following three years the general rate rises are projected to be increased by 3.00% and the waste charges by 2.00% each year.

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 175 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 262.50 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 2019

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000
<b>INCOME</b>					
Rates and charges	35,810	38,275	39,698	41,171	42,696
Statutory fees and fines	537	576	614	640	623
User fees	4,010	4,179	4,641	4,805	4,970
Grants - Operating	15,297	13,216	11,406	11,286	11,803
Grants - Capital	2,149	5,516	5,890	1,917	1,672
Contributions - monetary	247	344	69	67	262
Contributions - non monetary	337	370	379	389	399
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	(35)	423	3	55	38
Other income	2,336	2,179	2,239	2,280	2,332
<b>TOTAL INCOME</b>	<b>60,688</b>	<b>65,078</b>	<b>64,939</b>	<b>62,610</b>	<b>64,795</b>
<b>EXPENSES</b>					
Employee costs	22,014	23,089	23,626	24,358	25,138
Materials and services	19,666	22,036	18,856	18,061	18,303
Bad and doubtful debts	1	1	1	1	1
Depreciation and amortisation	10,766	11,166	11,787	12,242	12,794
Borrowing costs	123	142	142	142	142
Other expenses	3,073	3,352	3,445	3,533	3,624
<b>TOTAL EXPENSES</b>	<b>55,643</b>	<b>59,786</b>	<b>57,857</b>	<b>58,337</b>	<b>60,002</b>
<b>SURPLUS (DEFICIT)</b>	<b>5,045</b>	<b>5,292</b>	<b>7,082</b>	<b>4,273</b>	<b>4,793</b>
<b>OTHER COMPREHENSIVE INCOME Items that will not be reclassified to surplus or deficit</b>					
Net Asset revaluation increment (decrement)	0	23,854	0	25,655	0
Previously unrecognised assets	0	0	0	0	0
<b>TOTAL COMPREHENSIVE RESULT</b>	<b>5,045</b>	<b>29,146</b>	<b>7,082</b>	<b>29,928</b>	<b>4,793</b>

## BALANCE SHEET

For the four years ended 30 June 2019

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000
<b>BUDGETED BALANCE SHEET</b>					
<b>Current assets</b>					
Cash and cash equivalents	15,218	13,850	14,652	15,972	21,032
Trade and other receivables	4,624	4,624	4,624	4,624	4,624
Other financial assets	351	351	351	351	351
Inventories	248	248	248	248	248
Other assets	212	212	212	212	212
<b>Total current assets</b>	<b>20,653</b>	<b>19,285</b>	<b>20,087</b>	<b>21,407</b>	<b>26,467</b>
<b>Non current assets</b>					
Trade and other receivables	0	0	0	0	0
Investments in associates and joint ventures	776	776	776	776	776
Property, infrastructure, plant and equipment	486,492	517,104	522,814	551,526	551,366
Investment property	716	716	716	716	716
<b>Total non current assets</b>	<b>487,984</b>	<b>518,596</b>	<b>524,306</b>	<b>553,018</b>	<b>552,858</b>
<b>Total assets</b>	<b>508,637</b>	<b>537,881</b>	<b>544,393</b>	<b>574,425</b>	<b>579,325</b>
<b>Current liabilities</b>					
Trade and other payables	4,202	4,202	4,202	4,202	4,202
Trust funds and deposits	526	526	526	526	526
Provisions	5,356	5,893	5,262	5,302	5,342
Interest bearing loans and borrowings	0	0	0	0	3,350
<b>Total current liabilities</b>	<b>10,084</b>	<b>10,621</b>	<b>9,990</b>	<b>10,030</b>	<b>13,420</b>
<b>Non current liabilities</b>					
Provisions	754	315	376	440	507
Interest bearing loans and borrowings	3,350	3,350	3,350	3,350	0
<b>Total non current liabilities</b>	<b>4,104</b>	<b>3,665</b>	<b>3,726</b>	<b>3,790</b>	<b>507</b>
<b>Total liabilities</b>	<b>14,188</b>	<b>14,286</b>	<b>13,716</b>	<b>13,820</b>	<b>13,927</b>
<b>Net assets</b>	<b>494,449</b>	<b>523,595</b>	<b>530,677</b>	<b>560,605</b>	<b>565,398</b>
<b>Equity</b>					
Accumulated surplus	193,434	197,687	203,697	206,863	210,321
Reserves	301,015	325,908	326,980	353,742	355,077
<b>Total equity</b>	<b>494,449</b>	<b>523,595</b>	<b>530,677</b>	<b>560,605</b>	<b>565,398</b>

## STATEMENT OF CHANGES IN EQUITY

For the four years ended 30 June 2019

STATEMENT OF CHANGES IN EQUITY				
For the four years ending 30 June				
	Total	Accumulated	Revaluation	Other
	\$'000	Surplus	Reserve	reserves
		\$'000	\$'000	\$'000
<b>2015/16</b>				
Balance at beginning of the financial year	494,449	193,434	299,985	1,030
Adjustment on change in accounting policy	-	-		
Comprehensive result	29,146	5,292	23,854	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(2,640)		2,640
Transfer from reserves		1,601		(1,601)
<b>Balance at end of the financial year</b>	<b>523,595</b>	<b>197,687</b>	<b>323,839</b>	<b>2,069</b>
<b>2016/17</b>				
Balance at beginning of the financial year	523,595	197,687	323,839	2,069
Adjustment on change in accounting policy	-	-		
Comprehensive result	7,082	7,082	-	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(2,524)		2,524
Transfer from reserves		1,452		(1,452)
<b>Balance at end of the financial year</b>	<b>530,677</b>	<b>203,697</b>	<b>323,839</b>	<b>3,141</b>
<b>2017/18</b>				
Balance at beginning of the financial year	530,677	203,697	323,839	3,141
Adjustment on change in accounting policy	-	-		
Comprehensive result	29,928	4,273	25,655	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(2,568)		2,568
Transfer from reserves		1,461		(1,461)
<b>Balance at end of the financial year</b>	<b>560,605</b>	<b>206,863</b>	<b>349,494</b>	<b>4,248</b>
<b>2018/19</b>				
Balance at beginning of the financial year	560,605	206,863	349,494	4,248
Adjustment on change in accounting policy	-	-		
Comprehensive result	4,793	4,793	-	
Impairment losses on revalued assets				
Reversal of impairment losses on revalued assets				
Transfer to reserves		(2,833)		2,833
Transfer from reserves		1,498		(1,498)
<b>Balance at end of the financial year</b>	<b>565,398</b>	<b>210,321</b>	<b>349,494</b>	<b>5,583</b>

## STATEMENT OF CASH FLOWS

For the four years ended 30 June 2019

SOUTH GIPPSLAND SHIRE COUNCIL	Projected 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000
<b>BUDGETED CASH FLOW STATEMENT</b>					
<b>Cash flows from operating activities</b>					
Rates and charges	35,810	38,275	39,698	41,171	42,696
Statutory fees & fines	537	576	614	640	623
User fees	4,010	4,179	4,641	4,805	4,970
Grants - operating	15,297	13,216	11,406	11,286	11,803
Grants - capital	2,149	5,516	5,890	1,917	1,672
Contributions- monetary	247	344	69	67	262
Interest received	442	491	519	526	542
Other receipts	1,894	1,688	1,720	1,754	1,790
Employee costs	(21,920)	(22,991)	(23,525)	(24,254)	(25,031)
Materials and services	(19,667)	(22,037)	(18,857)	(18,062)	(18,304)
Other payments	(3,073)	(3,352)	(3,445)	(3,533)	(3,624)
<b>Net cash provided by (used in) operating activities</b>	<b>15,726</b>	<b>15,905</b>	<b>18,730</b>	<b>16,317</b>	<b>17,399</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant & equipment	(12,411)	(18,475)	(19,197)	(15,892)	(13,205)
Proceeds from sale of property, infrastructure, plant and equipment	601	1,344	1,411	1,037	1,008
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>(11,810)</b>	<b>(17,131)</b>	<b>(17,786)</b>	<b>(14,855)</b>	<b>(12,197)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(123)	(142)	(142)	(142)	(142)
Proceeds from borrowing	0	0	0	0	0
Repayment of borrowings	0	0	0	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>(123)</b>	<b>(142)</b>	<b>(142)</b>	<b>(142)</b>	<b>(142)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,793</b>	<b>(1,368)</b>	<b>802</b>	<b>1,320</b>	<b>5,060</b>
Cash and cash equivalents at the beginning of the financial year	11,425	15,218	13,850	14,652	15,972
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15,218</b>	<b>13,850</b>	<b>14,652</b>	<b>15,972</b>	<b>21,032</b>

## STATEMENT OF CAPITAL WORKS

For the four years ended 30 June 2019

Capital Works Areas	Forecast	Budget	Strategic Resource Plan		
			Projections		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
<b>Property</b>					
Land	-	265	1,173	281	290
Buildings	591	3,600	3,258	1,768	1,918
Heritage Building	110	237	126	130	135
<b>Total property</b>	701	4,102	4,557	2,179	2,343
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,822	2,020	1,802	2,280	2,621
Computers and telecommunications	610	1,101	619	638	657
<b>Total plant and equipment</b>	2,432	3,121	2,421	2,918	3,278
<b>Infrastructure</b>					
Roads	6,372	7,831	7,016	5,400	5,754
Kerb & Channel	247	-	-	-	-
Bridges	445	279	216	225	233
Major Culverts	-	64	43	97	77
Footpaths and cycleways	257	549	467	541	350
Drainage	83	110	115	140	123
Off street car parks	-	-	-	-	-
Waste management #	271	1,898	420	371	39
Other infrastructure	703	521	3,272	4,020	1,008
<b>Total infrastructure</b>	8,378	11,252	11,549	10,794	7,584
<b>Total capital works expenditure</b>	11,511	18,475	18,527	15,891	13,205
<b>Represented by:</b>					
New asset expenditure	-	-	-	-	-
Asset renewal expenditure	9,487	14,623	10,888	13,027	12,536
Asset upgrade expenditure	1,659	2,187	3,340	1,104	302
Asset expansion expenditure	365	1,665	4,299	1,760	367
<b>Total capital works expenditure</b>	11,511	18,475	18,527	15,891	13,205
# Excludes Landfill rehabilitation provision	898	-	671	-	-

## STATEMENT OF HUMAN RESOURCES

For the four years ended 30 June 2019

	<b>Forecast Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Staff expenditure</b>					
Employee costs - operating	<b>22,014</b>	23,089	23,626	24,359	25,138
Employee costs - capital	<b>999</b>	1,038	1,071	1,105	1,140
<b>Total staff expenditure</b>	<b>23,013</b>	<b>24,127</b>	<b>24,697</b>	<b>25,464</b>	<b>26,278</b>
<b>Staff numbers</b>					
Employees	<b>261.48</b>	262.50	262.50	262.50	262.50
<b>Total staff numbers</b>	<b>261.48</b>	<b>262.50</b>	<b>262.50</b>	<b>262.50</b>	<b>262.50</b>



**OTHER INFORMATION**

**SUMMARY OF PLANNED CAPITAL WORKS EXPENDITURE**

For the four years ended 30 June 2019

	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions /	Council	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Sales \$'000	\$'000	\$'000
<b>2015/16</b>										
<b>Property</b>										
Land	265	-	-	265	-	265	-	265	-	-
Total Land	265	-	-	265	-	265	-	265	-	-
Buildings	3,600	-	2,578	1,022	-	3,600	1,600	110	1,890	-
Heritage buildings	237	-	237	-	-	237	-	-	237	-
Total buildings	3,837	-	2,815	1,022	-	3,837	1,600	110	2,127	-
<b>Total property</b>	<b>4,102</b>	<b>-</b>	<b>2,815</b>	<b>1,287</b>	<b>-</b>	<b>4,102</b>	<b>1,600</b>	<b>375</b>	<b>2,127</b>	<b>-</b>
<b>Plant and equipment</b>										
Plant, machinery and equipment	2,020	-	2,020	-	-	2,020	-	569	1,451	-
Computers and telecommunications	1,101	-	1,101	-	-	1,101	-	-	1,101	-
<b>Total plant and equipment</b>	<b>3,121</b>	<b>-</b>	<b>3,121</b>	<b>-</b>	<b>-</b>	<b>3,121</b>	<b>-</b>	<b>569</b>	<b>2,552</b>	<b>-</b>
<b>Infrastructure</b>										
Roads	7,831	-	7,660	45	126	7,831	3,691	-	4,140	-
Bridges	279	-	279	-	-	279	70	-	209	-
Major culverts	64	-	64	-	-	64	-	-	64	-
Footpaths and cycleways	549	-	286	263	-	549	-	-	549	-
Drainage	110	-	-	-	110	110	-	-	110	-
Waste management	1,898	-	-	-	1,898	1,898	-	-	1,898	-
Other infrastructure	521	-	397	70	54	521	7	-	514	-
<b>Total infrastructure</b>	<b>11,252</b>	<b>-</b>	<b>8,686</b>	<b>378</b>	<b>2,188</b>	<b>11,252</b>	<b>3,768</b>	<b>-</b>	<b>7,484</b>	<b>-</b>
<b>Total capital works expenditure</b>	<b>18,475</b>	<b>-</b>	<b>14,622</b>	<b>1,665</b>	<b>2,188</b>	<b>18,475</b>	<b>5,368</b>	<b>944</b>	<b>12,163</b>	<b>-</b>

	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions / Sales	Council	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2016/17</b>										
<b>Property</b>										
Land	1,173	-	-	1,173	-	1,173	-	773	400	-
<b>Total Land</b>	<b>1,173</b>	<b>-</b>	<b>-</b>	<b>1,173</b>	<b>-</b>	<b>1,173</b>	<b>-</b>	<b>773</b>	<b>400</b>	<b>-</b>
Buildings	3,258	-	2,368	890	-	3,258	1,600	-	1,658	-
Heritage buildings	126	-	126	-	-	126	-	-	126	-
<b>Total buildings</b>	<b>3,384</b>	<b>-</b>	<b>2,494</b>	<b>890</b>	<b>-</b>	<b>3,384</b>	<b>1,600</b>	<b>-</b>	<b>1,784</b>	<b>-</b>
<b>Total property</b>	<b>4,557</b>	<b>-</b>	<b>2,494</b>	<b>2,063</b>	<b>-</b>	<b>4,557</b>	<b>1,600</b>	<b>773</b>	<b>2,184</b>	<b>-</b>
<b>Plant and equipment</b>										
Plant, machinery and equipment	1,802	-	1,802	-	-	1,802	-	638	1,164	-
Computers and telecommunications	619	-	619	-	-	619	-	-	619	-
<b>Total plant and equipment</b>	<b>2,421</b>	<b>-</b>	<b>2,421</b>	<b>-</b>	<b>-</b>	<b>2,421</b>	<b>-</b>	<b>638</b>	<b>1,783</b>	<b>-</b>
<b>Infrastructure</b>										
Roads	7,016	-	4,446	45	2,525	7,016	2,690	-	4,326	-
Bridges	216	-	216	-	-	216	-	-	216	-
Major culverts	43	-	43	-	-	43	-	-	43	-
Footpaths and cycleways	467	-	297	170	-	467	-	-	467	-
Drainage	115	-	-	-	115	115	-	-	115	-
Waste management	420	-	-	-	420	420	-	-	420	-
Other infrastructure	3,271	-	971	2,020	280	3,271	1,600	-	1,671	-
<b>Total infrastructure</b>	<b>11,548</b>	<b>-</b>	<b>5,973</b>	<b>2,235</b>	<b>3,340</b>	<b>11,548</b>	<b>4,290</b>	<b>-</b>	<b>7,258</b>	<b>-</b>
<b>Total capital works expenditure</b>	<b>18,526</b>	<b>-</b>	<b>10,888</b>	<b>4,298</b>	<b>3,340</b>	<b>18,526</b>	<b>5,890</b>	<b>1,411</b>	<b>11,225</b>	<b>-</b>

	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions /	Council	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Sales	\$'000	\$'000
<b>2017/18</b>										
<b>Property</b>										
Land	281	-	-	281	-	281	-	281	-	-
<b>Total Land</b>	<b>281</b>	<b>-</b>	<b>-</b>	<b>281</b>	<b>-</b>	<b>281</b>	<b>-</b>	<b>281</b>	<b>-</b>	<b>-</b>
Buildings	1,769	-	1,327	-	442	1,769	13	-	1,756	-
Heritage buildings	130	-	130	-	-	130	-	-	130	-
<b>Total buildings</b>	<b>1,899</b>	<b>-</b>	<b>1,457</b>	<b>-</b>	<b>442</b>	<b>1,899</b>	<b>13</b>	<b>-</b>	<b>1,886</b>	<b>-</b>
<b>Total property</b>	<b>2,180</b>	<b>-</b>	<b>1,457</b>	<b>281</b>	<b>442</b>	<b>2,180</b>	<b>13</b>	<b>281</b>	<b>1,886</b>	<b>-</b>
<b>Plant and equipment</b>										
Plant, machinery and equipment	2,280	-	2,280	-	-	2,280	-	756	1,524	-
Computers and telecommunications	638	-	638	-	-	638	-	-	638	-
<b>Total plant and equipment</b>	<b>2,918</b>	<b>-</b>	<b>2,918</b>	<b>-</b>	<b>-</b>	<b>2,918</b>	<b>-</b>	<b>756</b>	<b>2,162</b>	<b>-</b>
<b>Infrastructure</b>										
Roads	5,400	-	5,261	46	93	5,400	1,672	-	3,728	-
Bridges	225	-	225	-	-	225	-	-	225	-
Major culverts	97	-	97	-	-	97	-	-	97	-
Footpaths and cycleways	541	-	308	233	-	541	-	-	541	-
Drainage	140	-	-	-	140	140	-	-	140	-
Waste management	371	-	-	-	371	371	-	-	371	-
Other infrastructure	4,020	-	2,762	1,200	58	4,020	232	-	3,788	-
<b>Total infrastructure</b>	<b>10,794</b>	<b>-</b>	<b>8,653</b>	<b>1,479</b>	<b>662</b>	<b>10,794</b>	<b>1,904</b>	<b>-</b>	<b>8,890</b>	<b>-</b>
<b>Total capital works expenditure</b>	<b>15,892</b>	<b>-</b>	<b>13,028</b>	<b>1,760</b>	<b>1,104</b>	<b>15,892</b>	<b>1,917</b>	<b>1,037</b>	<b>12,938</b>	<b>-</b>

	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions / Sales	Council	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018/19</b>										
<b>Property</b>										
Land	290	-	-	290	-	290	-	290	-	-
<b>Total Land</b>	<b>290</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>-</b>	<b>290</b>	<b>-</b>	<b>290</b>	<b>-</b>	<b>-</b>
Buildings	1,918	-	1,873	-	45	1,918	-	-	1,918	-
Heritage buildings	135	-	135	-	-	135	-	-	135	-
<b>Total buildings</b>	<b>2,053</b>	<b>-</b>	<b>2,008</b>	<b>-</b>	<b>45</b>	<b>2,053</b>	<b>-</b>	<b>-</b>	<b>2,053</b>	<b>-</b>
<b>Total property</b>	<b>2,343</b>	<b>-</b>	<b>2,008</b>	<b>290</b>	<b>45</b>	<b>2,343</b>	<b>-</b>	<b>290</b>	<b>2,053</b>	<b>-</b>
<b>Plant and equipment</b>										
Plant, machinery and equipment	2,621	-	2,621	-	-	2,621	-	718	1,903	-
Computers and telecommunications	657	-	657	-	-	657	-	-	657	-
<b>Total plant and equipment</b>	<b>3,278</b>	<b>-</b>	<b>3,278</b>	<b>-</b>	<b>-</b>	<b>3,278</b>	<b>-</b>	<b>718</b>	<b>2,560</b>	<b>-</b>
<b>Infrastructure</b>										
Roads	5,754	-	5,612	47	95	5,754	1,672	-	4,082	-
Bridges	233	-	233	-	-	233	-	-	233	-
Major culverts	77	-	77	-	-	77	-	-	77	-
Footpaths and cycleways	350	-	320	30	-	350	-	-	350	-
Drainage	123	-	-	-	123	123	-	-	123	-
Waste management	39	-	-	-	39	39	-	-	39	-
Other infrastructure	1,008	-	1,008	-	-	1,008	-	-	1,008	-
<b>Total infrastructure</b>	<b>7,584</b>	<b>-</b>	<b>7,250</b>	<b>77</b>	<b>257</b>	<b>7,584</b>	<b>1,672</b>	<b>-</b>	<b>5,912</b>	<b>-</b>
<b>Total capital works expenditure</b>	<b>13,205</b>	<b>-</b>	<b>12,536</b>	<b>367</b>	<b>302</b>	<b>13,205</b>	<b>1,672</b>	<b>1,008</b>	<b>10,525</b>	<b>-</b>

## SUMMARY OF PLANNED HUMAN RESOURCES EXPENDITURE

For the four years ended 30 June 2019

	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
<b>Community Services</b>					
-Permanent full time	1,919	1,986	2,032	2,095	2,351
-Permanent part time	2,167	2,242	2,294	2,365	2,682
<b>Total Community Services</b>	4,086	4,228	4,326	4,460	5,033
<b>Corporate Services</b>					
-Permanent full time	3,507	3,942	4,034	4,159	4,202
-Permanent part time	327	338	346	357	361
<b>Total Corporate Services</b>	3,834	4,280	4,380	4,516	4,563
<b>Development Services</b>					
-Permanent full time	3,393	3,511	3,593	3,704	3,742
-Permanent part time	502	519	531	547	553
<b>Total Development Services</b>	3,895	4,030	4,124	4,251	4,295
<b>Engineering Services</b>					
-Permanent full time	7,222	7,472	7,645	7,882	7,963
-Permanent part time	327	338	346	357	361
<b>Total Engineering Services</b>	7,549	7,810	7,991	8,239	8,324
<b>Executive Services</b>					
-Permanent full time	818	846	866	893	902
-Permanent part time	324	335	343	354	358
<b>Total Executive Services</b>	1,142	1,181	1,209	1,247	1,260
Total casuals and other	1,508	1,560	1,596	1,646	1,663
Capital works	999	1,038	1,071	1,105	1,140
<b>Total staff expenditure</b>	23,013	24,127	24,697	25,464	26,278
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
<b>Community Services</b>					
-Permanent full time	18.00	18.00	18.00	18.00	18.00
-Permanent part time	28.60	28.60	28.60	28.60	28.60
<b>Total Community Services</b>	46.60	46.60	46.60	46.60	46.60
<b>Corporate Services</b>					
-Permanent full time	35.00	35.00	35.00	35.00	35.00
-Permanent part time	3.28	4.28	4.28	4.28	4.28
<b>Total Corporate Services</b>	38.28	39.28	39.28	39.28	39.28
<b>Development Services</b>					
-Permanent full time	35.00	35.00	35.00	35.00	35.00
-Permanent part time	8.04	7.04	7.04	7.04	7.04
<b>Total Development Services</b>	43.04	42.04	42.04	42.04	42.04
<b>Engineering Services</b>					
-Permanent full time	98.00	100.00	100.00	100.00	100.00
-Permanent part time	4.80	4.80	4.80	4.80	4.80
<b>Total Engineering Services</b>	102.80	104.80	104.80	104.80	104.80
<b>Executive Services</b>					
-Permanent full time	6.80	6.00	6.00	6.00	6.00
-Permanent part time	3.47	3.47	3.47	3.47	3.47
<b>Total Executive Services</b>	10.27	9.47	9.47	9.47	9.47
Total casuals and other	20.49	20.31	20.31	20.31	20.31
<b>Total staff numbers</b>	261.48	262.50	262.50	262.50	262.50

## 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 2012-2015.