

DRAFT COUNCIL BUDGET 2018-19 SUMMARY

MAYOR MESSAGE



Dear Residents

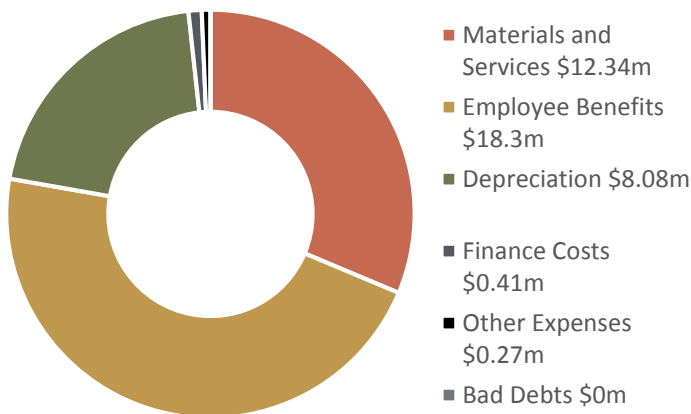
I am pleased to present Council's draft 2018-19 Budget to you. This leaflet is designed to give you an idea of what's included in the draft Budget, the process it will follow, and how you can find out more information (look out for magnifying glasses at the bottom of each section). We have also provided an overview of the national recycling crisis, and the affect on Golden Plains Shire, on the back page.

This Budget seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, within the 2.25% rate increase mandated by the State Government.

I believe this draft Budget answers many of the questions, priorities and concerns raised by the community over the last few years. The draft Budget has been prepared based on the adopted principles within the 2017-2021 Council Plan and Strategic Resource Plan, which can be found on our website.

Cr Helena Kirby – Mayor

BUDGET AT A GLANCE: WHERE THE MONEY WILL BE SPENT



While a large proportion of Council's operating expenditure goes toward total staff costs, this is expected for a service delivery organisation. Council's draft Budget includes revenue from sources such as grants, rates and charges, user fees and contributions.



You can find this graph plus a 'How Council's revenue is generated' graph on page 3 of the Budget.

IT ALL STARTS WITH THE COUNCIL PLAN 2017-2021

The Council Plan 2017-2021 is the key document setting out the strategic direction for Golden Plains Shire for the next four years and beyond; it also sets the vision and guiding principles for our Strategic Resource Plan and annual Budget.

The Council Plan was developed in 2017 and included widespread community engagement. It focusses on four Strategic Objectives that reflect the key activity areas of Council and the services that contribute to the health and wellbeing of the Golden Plains community:

1. Promoting healthy and connected communities
2. Enhancing local economies
3. Managing natural and built environments
4. Delivering good governance and leadership.



Find out more about how the Budget is linked to the Council Plan on pages 5, 14 and 20 of the Budget



BUDGET HIGHLIGHTS



- Ongoing delivery of services to the Golden Plains community funded by a budget of \$39.4M. These services are summarised in Section 3 of the Budget.
- Continued investment in capital assets (\$15.1M). This includes: infrastructure (\$6.2M), buildings (\$6.1M), plant, machinery and equipment (\$1.7M), recreation, leisure and community facilities (\$720K), computers and telecommunications (\$282K), car parks (\$50K), parks, open space and streetscapes (\$30K).
- Increased expenditure of \$750K allocated to assist in the maintenance of sealed and gravel roads, bridges, trees, drainage and footpaths.



Further details can be found in Section 1.2, the Executive Summary of the Budget, on pages 5-13.

CHALLENGES FOR OUR BUDGET



Golden Plains Shire is a large Shire with a relatively low number of residents and ratepayers, and as such we face many challenges, such as:

- High population growth and an increased demand for new services
- A comparatively low rating revenue base
- A history of significant dependence on grants, contributions and recoupments
- Managing the competing interests of rural and urban communities
- Maintaining the extensive road network of over 1,800km.



You can find out more about the challenges faced by Council on pages 9-10 of the Budget.

THE BALANCE SHEET



The cash balance of \$10.4M.



An additional \$2.7m cash invested, to meet future debt repayments



Property, infrastructure, plant and equipment \$446M



Working capital is in surplus \$8.0M



The retained earnings balance at 30 June 2019 is budgeted to be \$8.0M



\$5.15M will be borrowed for the GPCCC redevelopment and Haddon Stadium floor



Council's net worth will increase by \$3.1M to \$442M.



You can find the full Balance Sheet on page 21 of the draft Budget.

HOW TO HAVE YOUR SAY

Council encourages those wishing to see a change to the draft Budget to make a submission.

Anyone may make a written submission on the draft Budget in accordance with section 223 of the Local Government Act 1989. They may request to appear in person or be represented by another specified person to present the submission at a special meeting of Council at 6pm on 12 June 2018 at the Bannockburn Shire Hall, High Street, Bannockburn.

Copies of the draft 2018-19 Budget will be available for inspection online at goldenplains.vic.gov.au/budget at Council's Bannockburn, Smythesdale and Linton Customer Service Centres and the Bannockburn Library from Monday 30 April.

Written submissions should be lodged no later than Monday 28 May 2018, and forwarded to the Chief Executive Officer, PO Box 111, Bannockburn, 3331.



Visit goldenplains.vic.gov.au/budget to see an online copy of the draft Budget, fact sheets and much more.

STAYING SUSTAINABLE

The Budget shows a stable position in relation to the key indicators associated with financial sustainability, with:

- Low debt servicing ratio, 0.86% of total revenue
- Working capital ratio of 2.02
- Interest bearing liabilities 56% of total rates and charges
- Strong cash flow and reserves; and
- Staff Levels of 9.4 per 1,000 residents (considerably lower than the average of similar councils).



Find out more about this on our [Financial Sustainability Fact Sheet](#) (available at goldenplains.vic.gov.au/Budget)

HOW YOUR RATES ARE CALCULATED

Rates are an important part of Council's ability to fund and deliver essential community infrastructure and services. The rates your council collects are a form of property tax. The value of each property is used as the basis for calculating what each property owner will pay.

The total amount of money to be raised in general rates is divided by the total value of all rateable properties in your area. The resulting figure is called the 'rate in the dollar'.

Council will then determine the amount to be paid in rates by applying a 'rate in the dollar' to the assessed value of each property (which is determined by independent professional valuers).

Rates and charges total \$22.9M of revenue in the Budget.



Find out more in the analysis of the comprehensive income statement on page 42 of the Budget.

MAJOR INITIATIVES



Stage one of the Bannockburn Heart Precinct

This will be a \$2.6M project to create a play space with water play elements, a new car park, public toilets, a BBQ area, shade and a paved plaza next to the Bannockburn Library and Cultural Centre.

Golden Plains Community and Civic Centre

Council is focused on providing quality customer service and achieving efficiencies for residents and this Budget allocates \$5M to the redevelopment of the existing customer service centre in Bannockburn, following an extensive community consultation process that was undertaken during 2017-18.

Improving asset management

Council will be further developing its current asset management practices and processes, including better asset management software, a review of Council's road management plan, and increased funding for maintenance and renewal of gravel and sealed local roads.

Focus on Occupational Health and Safety

Council is participating in the MAV WorkCare initiative to further improve its focus on occupational health and safety. The new scheme began on 1 November 2017 and will produce significant benefits for Council and its employees.



You can find out more about the major initiatives on pages 6-7 of the Budget.

FOCUS ON CAPITAL WORKS IN GOLDEN PLAINS



The Statement of Capital Works is on page 24 and the capital works budget can be found on pages 56-59 of the Budget.

ABOUT THE NATIONAL RECYCLING CRISIS



The 'National Sword Policy' implemented by China's General Administration of Customs on 1 January 2018 aims to improve recovery and reuse of domestic solid waste while restricting the import of contaminated paper, cardboard and plastics. The policy has severely disrupted recycling markets worldwide with significant impacts on Victoria.

While much of Victoria's kerbside recyclable material is processed in Victoria or Australia, significant quantities are exported to China for processing meaning the new restrictions are already having impacts on recycling processors. This market impact coincides with tighter stockpiling restrictions in Victoria being enforced to reduce the risk of fire.

The recycling issue is Australia-wide and while Council officers and management have worked tirelessly with our suppliers and the State Government to ensure the impact on residents is as low as possible, unfortunately the overall situation is not within Council's control and the cost burden will fall on local communities.

EFFECT ON THE GARBAGE CHARGE

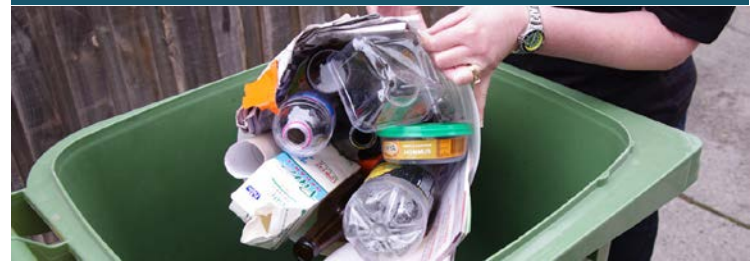


Council can confirm that recycling services currently remain unchanged despite recent pressure faced by the recycling industry. Approximately 40% of our waste is recyclable product and to make sure recycling can continue to be collected and processed, the garbage charge will increase to \$330 for the 2018/19 financial year.

This increase is necessary as we will now have to pay our recycler to accept our recycling material. Previously we were paid for this material which enabled Council to offset our recycling costs and keep the garbage charge as low as possible. In addition to this, China's stricter import permits will focus on contamination levels, meaning we will be charged more for recycling that doesn't meet their standards. We can assist in this area by ensuring our bins contain no contaminants.

As a community we need to support our recycler who is in this difficult position due to the international recycling market. We hope that this national recycling situation will be worked out and that recycling costs will come down as the industry recovers.

GOOD RECYCLING CAN KEEP PROCESSING COSTS DOWN



Council is working with contractors to ensure that pricing for recycling services reflect current market conditions. Council will seek to minimise the cost to residents, however new pricing arrangements are necessary to ensure that the recycling industry remains sustainable in the long term.

Council is supporting the recycling industry to meet China's new quality standards by making sure that residents know what can and can't be put in their recycling bin. Here are four ways you can help:

- **Prevent waste from the start.** Using reusable drink bottles and coffee cups is a great start.
- **Continue to recycle as normal.** We will inform you if there are changes in your kerbside collection service.
- **Know what you can and can't recycle.** If in doubt, find out at goldenplains.vic.gov.au/recycling_rubbish
- **Buy Australian recycled products.** Recycled office paper and toilet paper are easy ways to start.



Find out more about recycling in Golden Plains by visiting our website and searching for 'Recycling and rubbish'.