



Minutes

Special Meeting of Council
Tuesday, 11 April 2017

Held in the
Council Chambers
1 Merrijig Drive, Torquay
Commencing at 6.00pm

Council:

Cr Brian McKitterick (Mayor)
Cr David Bell
Cr Libby Coker
Cr Martin Duke
Cr Clive Goldsworthy
Cr Rose Hodge
Cr Carol McGregor
Cr Margot Smith
Cr Heather Wellington

MINUTES FOR THE SPECIAL COUNCIL MEETING OF SURF COAST SHIRE COUNCIL
TO BE HELD IN THE COUNCIL CHAMBERS, 1 MERRIJIG DRIVE, TORQUAY
ON TUESDAY 11 APRIL 2017 COMMENCING AT 6.00PM

PRESENT:

Cr Brian McKitterick (Mayor)
Cr Libby Coker
Cr Martin Duke
Cr Rose Hodge
Cr Carol McGregor
Cr Margot Smith
Cr Heather Wellington

In Attendance:

Chief Executive Officer – Keith Baillie
General Manager Governance & Infrastructure – Anne Howard
General Manager Environment & Development – Phil Rowland
General Manager Culture & Community – Chris Pike
Coordinator Communications and Community Relations – Darryn Chillier
Coordinator Governance & Corporate Planning – Danielle Foster
Manager Finance – John Brockway
Team Leader Governance – Danni Vasiloski

1 member of press

OPENING:

Council acknowledge the traditional owners of the land where we meet today and pay respect to their elders past and present and Council acknowledges the citizens of the Surf Coast Shire.

PLEDGE:

Cr Carol McGregor recited the pledge on behalf of all Councillors.

As Councillors we carry out our responsibilities with diligence and integrity and make fair decisions of lasting value for the wellbeing of our community and environment.

APOLOGIES:

Cr Clive Goldsworthy
Cr David Bell

Council Resolution

MOVED Cr Margot Smith, Seconded Cr Carol McGregor

That an apology be received from Cr Clive Goldsworthy and Cr David Bell.

CARRIED 7:0

CONFLICTS OF INTEREST:

Nil.

BUSINESS:

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1. GOVERNANCE & INFRASTRUCTURE

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

Author's Title: Coordinator Governance & Corporate Planning **General Manager:** Chris Pike

Department: Governance & Risk **File No:** F16/396

Division: Governance & Infrastructure **Trim No:** IC17/282

Appendix:

1. Surf Coast Shire Council Plan 2017 – 2021 Community Engagement Report (D17/40900) [↓](#)
2. Surf Coast Shire Council Plan 2017 – 2021 Plan on a Page (D17/43178) [↓](#)
3. Surf Coast Shire Council Plan 2017 – 2021 (incorporating the Health and Wellbeing Plan) (D17/42415) [↓](#)

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1989 – Section 80C:

Yes

No

Reason: Nil

Status:

Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c):

Yes

No

Reason: Nil

Purpose

The purpose of this report is for Council to formally resolve on the Draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021, and commence the public exhibition process.

Summary

Section 125 (1) of the *Local Government Act 1989* (the Act) requires Council to prepare and approve a Council Plan within the period of 6 months after each general election or by the next 30 June, whichever is later, and to provide a copy of the adopted Council Plan to the Minister for Local Government by 30 June. Prior to final adoption of the Council Plan, the Act requires Council to publically exhibit the draft document and to receive and consider submissions in this regard.

Section 26 of the *Public Health and Wellbeing Act 2008* requires Council to prepare a Municipal Public Health and Wellbeing Plan (Health and Wellbeing Plan) within the period of 12 months after each general election of the Council. Section 27 of this Act allows for the integration of the Health and Wellbeing Plan into the Council Plan.

The Council Plan and Health and Wellbeing Plan for 2017 - 2021 have been integrated to strengthen and streamline reporting processes.

The draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021 (The Plan) has been prepared in accordance with the above statutory requirements and following an extensive community engagement process. The Plan outlines the priorities for the Council for the next four years and provides broad direction for the organisation.

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

Recommendation

That Council:

1. Give public notice that it has prepared a draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021, as required by Section 125 of the *Local Government Act 1989*, and Sections 26 and 27 of the *Public Health and Wellbeing Act 2008*.
2. Receive submissions and, where requested, allow submitters to be heard by Council in support of those submissions, pursuant to Section 223 of the *Local Government Act 1989*, on any proposal contained in the Plan at a Hearing of Submissions Committee Meeting, scheduled to be held on 30 May 2017 commencing at 6pm in the Council Chambers, 1 Merrijig Drive, Torquay.
3. Intend to consider the draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021 for adoption at a Special meeting of Council, scheduled to be held on Thursday 22 June 2017, commencing at 6pm in the Council Chambers, 1 Merrijig Drive, Torquay.
4. Pursuant to Section 125 (11) of the *Local Government Act 1989*, nominate the following places for the display of the draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021:
 - a. Council Offices, 1 Merrijig Drive, Torquay
 - b. Aireys Inlet, Anglesea, Lorne and Winchelsea Post Offices
 - c. Lorne Visitor Information Centre
 - d. Deans Marsh and Moriac General Stores
 - e. Torquay and mobile libraries servicing the Surf Coast Shire
 - f. Community Houses at Anglesea, Deans Marsh, Lorne and Winchelsea.
 - g. Online at www.surfcoastconversations.com.au
5. Promote the opportunity for the community to make formal submissions or provide informal comment via a series of community meetings and listening posts across the Shire during the exhibition period.

Council Resolution

MOVED Cr Libby Coker, Seconded Cr Margot Smith

That Council:

1. Give public notice that it has prepared a draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021, as required by Section 125 of the *Local Government Act 1989*, and Sections 26 and 27 of the *Public Health and Wellbeing Act 2008*.
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5. Promote the opportunity for the community to make formal submissions or provide informal comment via a series of community meetings and listening posts across the Shire during the exhibition period.

CARRIED 7:0

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

Report

Background

The Surf Coast Shire Council general election was conducted on 22 October 2016.

Section 125 of the *Local Government Act 1989* requires that:

- (1) A Council must prepare and approve a Council Plan within the period of 6 months after each general election or by the next 30 June, whichever is later.
- (2) A Council Plan must include-
 - (a) The strategic objectives of the Council
 - (b) Strategies for achieving the objectives for at least the next 4 years
 - (c) Strategic indicators for monitoring the achievement of the objectives
 - (d) A Strategic Resource Plan containing the matters specified in section 126
 - (e) Any other matters which are prescribed by the regulations.
- (3) A person has a right to make a submission under section 223 on the proposed Council Plan.
- (3A) For the purposes of subsection (3), the Council must ensure that, for at least 28 days after the public notice is published under section 223(1)(a)-
 - (a) A copy of the proposed Council Plan is available for inspection by the public at-
 - (i) The Council office and any district officers
 - (ii) Any other place required by the regulations
 - (b) The proposed Council Plan is published on the Council's Internet website.

Sections 26 and 27 of the *Public Health and Wellbeing Act 2008* require that -

- (1) A Council must, in consultation with the Secretary, prepare a municipal public health and wellbeing plan within the period of 12 months after each general election of the Council.
- (2) A municipal public health and wellbeing plan must-
 - (a) include an examination of data about health status and health determinants in the municipal district
 - (b) identify goals and strategies based on available evidence for creating a local community in which people can achieve maximum health and wellbeing
 - (c) provide for the involvement of people in the local community in the development, implementation and evaluation of the public health and wellbeing plan
 - (d) specify how the Council will work in partnership with the Department and other agencies undertaking public health initiatives, projects and programs to accomplish the goals and strategies identified in the public health and wellbeing plan
 - (e) be consistent with-
 - (i) The Council Plan prepared under section 125 of the *Local Government Act 1989*; and
 - (ii) the municipal strategic statement prepared under section 12A of the *Planning and Environment Act 1987*.
- (3) In preparing a municipal public health and wellbeing plan, a Council must have regard to the State Public Health and Wellbeing Plan prepared under section 49.
- (4) A Council must review its municipal public health and wellbeing plan annually and, if appropriate, amend the municipal public health and wellbeing plan.
- (5) Despite subsection (2)(c), a Council is not required to provide for the involvement of people in the local community when reviewing or amending a municipal public health and wellbeing plan under subsection (4).
- (6) A Council must give a copy of the current municipal public health and wellbeing plan to the Secretary.
- (7) A copy of the current municipal public health and wellbeing plan must be available for inspection by members of the public at the places at which the current Council Plan must be available under section 125(11) of the *Local Government Act 1989*.

Discussion

The Council Plan is the key corporate document that provides direction to the operations of Council, as well as articulating to the community what Council hopes to achieve during its elected term. A copy of the adopted Council Plan, including a Strategic Resource Plan, is required to be submitted to the Minister for Local Government prior to 30 June following a general election.

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

Section 26 of the *Public Health and Wellbeing Act 2008* requires Council to prepare a Municipal Public Health and Wellbeing Plan (Health and Wellbeing Plan) within the period of 12 months after each general election of the Council. Section 27 of this Act allows for the integration of the Health and Wellbeing Plan into the Council Plan.

The Council Plan and Health and Wellbeing Plan for 2017 - 2021 have been integrated to strengthen and streamline reporting processes.

The Draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021 has been prepared following an extensive community engagement survey process held in January and February 2017 which attracted responses from over 930 people.

Other engagement activities included:-

- targeted engagement activities for people under 25 and over 65 years of age
- review of the Youth Survey completed in 2016
- review of the customer satisfaction survey completed in 2016.

Council considered the community's input during March and April 2017 and reviewed Council's proposed vision and strategic objectives for the next four years. Council used the agreed vision and objectives to develop draft strategies to show how Council could achieve each objective and measures to assist the community to assess Council's performance each year.

Prior to adopting its Council Plan, Council is required to publicly exhibit the draft document, and to receive and consider public submissions in regard to the draft document. Section 223 of the *Local Government Act 1989*, requires this public exhibition process to continue for a period of not less than 28 days after the date on which a public notice is published.

This report is provided for Council to authorise the commencement of the public exhibition process.

Financial Implications

Council allocated staff resources to assist in the preparation of the document and additional project funds (estimated at \$69,000) to complete this project.

Council Plan

Theme 2 Governance
Objective 2.2 High performing accountable organisation
Strategy Nil

Theme 2 Governance
Objective 2.5 Enhanced community engagement
Strategy 2.5.2 Provide opportunities for all members of the community to engage with Council on issues that matter to them.

Policy/Legal Implications

Section 125 (1) of the *Local Government Act 1989* requires Council to prepare and approve a Council Plan within the period of 6 months after each general election or by the next 30 June, whichever is later.

Section 26 of the *Public Health and Wellbeing Act 2008* requires Council to prepare a Municipal Public Health and Wellbeing Plan (Health and Wellbeing Plan) within the period of 12 months after each general election of the Council. Section 27 of this Act allows for the integration of the Health and Wellbeing Plan into the Council Plan.

The Draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021 complies with Section 125 of the *Local Government Act 1989* and section 26 of the *Public Health and Wellbeing Act 2008*.

Officer Direct or Indirect Interest

No officers involved in the preparation of this report have a conflict of interest.

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

Risk Assessment

This report is provided to Council to ensure compliance with relevant legislation in regard to the preparation and adoption of the Council Plan and Health and Wellbeing Plan.

Social Considerations

The level of participation of the community in the engagement activities has been significantly higher than in previous years. This increased participation is indicative of the level of community interest in Council's planning and decision making processes.

Community Engagement

Council completed an extensive community engagement process to develop the Draft Plan and received feedback from over 930 people on Council's "Have Your Say" Discussion Paper.

In addition, feedback from other recent and targeted engagement activities was considered by Council prior to preparing the Draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021.

Further community engagement is planned at listening posts across the shire during the exhibition period.

Environmental Implications

The Council Plan (incorporating the Health and Wellbeing Plan) 2017 - 2021 will be an online document accessed via Council's website www.surfcoast.vic.gov.au. Hard copy plans will only be printed for exhibition and administrative purposes.

Communication

The public will be notified of the exhibition of the draft Council Plan (incorporating the Health and Wellbeing Plan) 2017 – 2021 through advertisements in local media, and on Council's website. Copies of the document will be made available across the shire, including visitor centres, community houses, and Council offices.

Submitters wishing to address Council in regard to their submission will be provided with an opportunity to do so prior to Council considering the adoption of the final Council Plan.

Conclusion

It is recommended that Council publicly exhibit the Draft Council Plan 2017 - 2021 as presented.

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

APPENDIX 1 SURF COAST SHIRE COUNCIL PLAN 2017 – 2021 COMMUNITY ENGAGEMENT REPORT

THE PLAN



Community Engagement Findings The Plan 2017 - 2021

High Level Overview Of Process

Process summary

- Councillor workshop was held in mid- December which identified a number of potential themes and outcomes
- From this workshop a discussion paper was formulated and provided to the community for review and commentary

Engagement activities summary

- **Engagement Survey**
 - An engagement survey was open between 25 January and 26 February 2017
 - The survey was available online at surfcoastconversations, and via paper copy at various physical outlets
 - 494 people completed the individual survey
 - 26 Community and Business Groups completed the groups survey (est.345 people)
 - 17 Organisational areas completed the staff survey (est.100 people)
- **Other Engagement**
 - Targeted engagement activities for people under 25 and over 65
 - Review of the Youth survey completed in 2016 against the themes (est. 650 people)
 - Review of the customer satisfaction survey completed in 2016 against the themes (est. 600 people)

THE PLAN



**Analysis by Theme
The Plan 2017 - 2021**

Note on the analysis

Information on analysis

- The data (quantitative analysis) is primarily reflective of the individual survey, however the community group survey showed similar responses
- The analysis of the key messages is reflective of all engagement sources and there was a consistent message across all sources in these messages
- Not all people completed all themes and tended to focus on their key interest areas, this was particularly true for the community group survey

Sensitivity Analysis (individual survey)

- As part of the survey analysis a sensitivity analysis of quantitative responses was undertaken to assess for differences in the below demographic areas
 - Gender: Female, male
 - Age: Under 12-59, 60 and over
 - Residency: Permanent, non-permanent
 - Location: Rural, coastal, Torquay with Jan Juc
- All differences were found to be less than 20%.
- The largest difference in responses was 15.4% when we compared female to male for the 'People' theme.
- It can therefore be assessed that there are no key differences in the support for the themes and the intent of the themes

Survey responses vs Actual Data

Age	Actual data	Survey response	Difference from actual
5-59	71.7%	58%	-13.7%
60+	21.2%	40%	+20%

Gender	Actual data	Survey response	Difference from actual
Female	50.4%	54%	+3.1%
Male	49.6%	43%	-6.6%

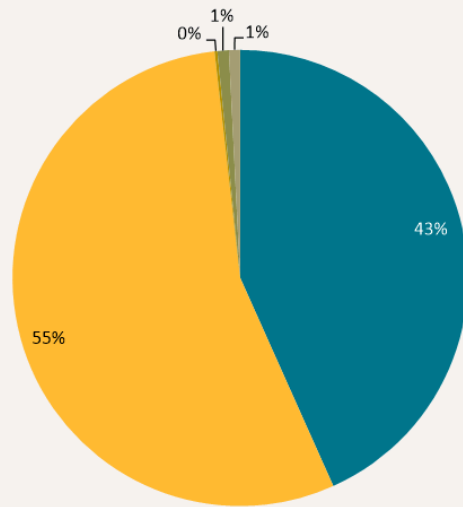
Place	Actual data	Survey response	Difference from actual
Lorne	3.71%	10.32%	6.61%
Deans Marsh & District	4.22%	2.46%	-1.76%
Aireys Inlet, Fairhaven & District	3.93%	12.53%	8.60%
Anglesea	8.65%	15.23%	6.58%
Winchelsea	7.47%	2.46%	-5.01%
Moriac and District	11.09%	7.86%	-3.23%
Torquay North	22.34%	17.94%	-4.41%
Old Torquay – Torquay West	20.34%	17.94%	-2.40%
Jan Juc – Bellbrae – Bells Beach	18.57%	13.27%	-5.30%

Note: While this slide shows some differences in the responses received in comparison to the demographics, the sensitivity analysis shows that these differences are not likely to have had an impact on the overall analysis of the survey.

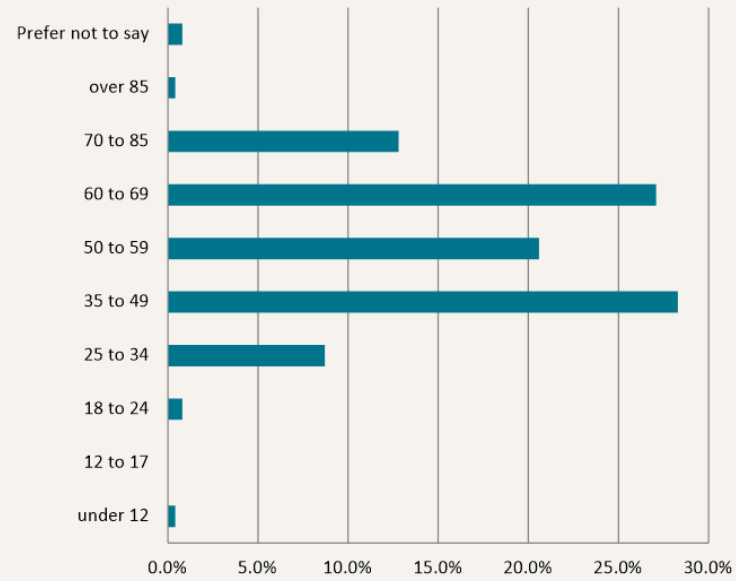
Demographics – Individual Survey

Gender

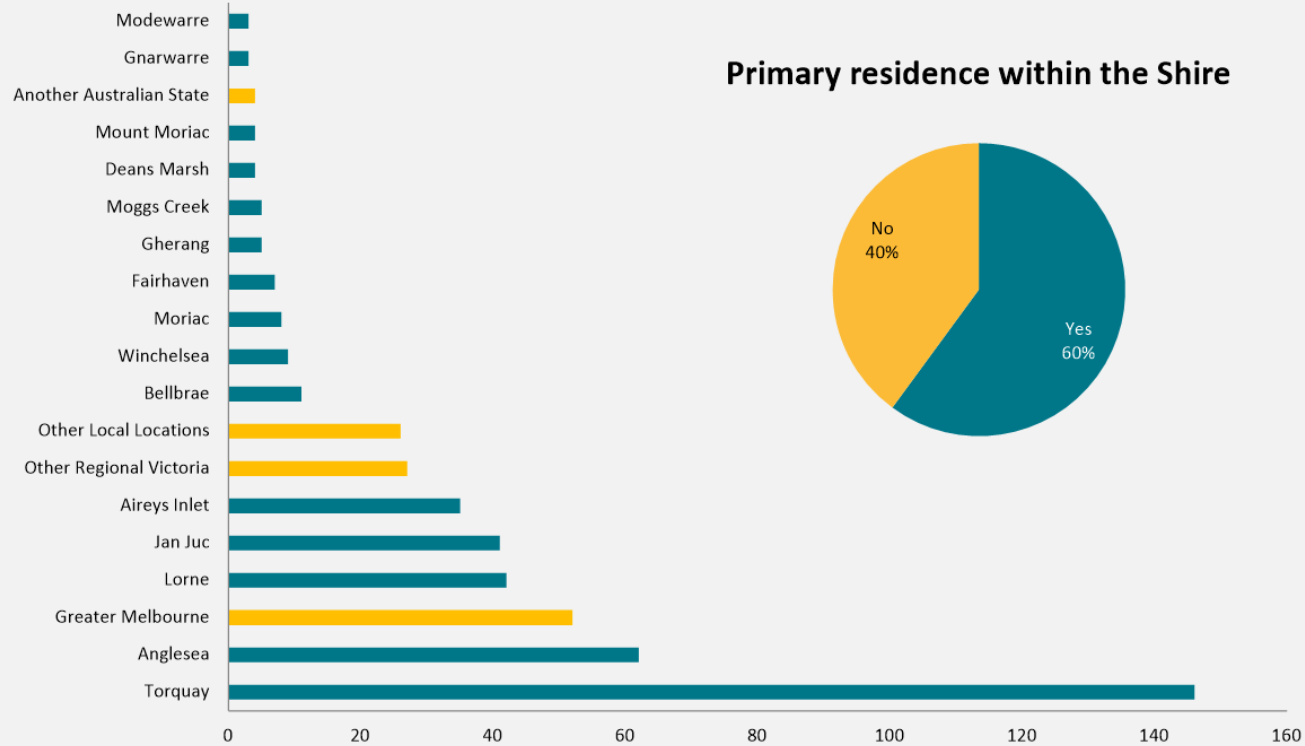
■ Man ■ Woman ■ Trans ■ Prefer not to say ■ Prefer to self-describe



Age

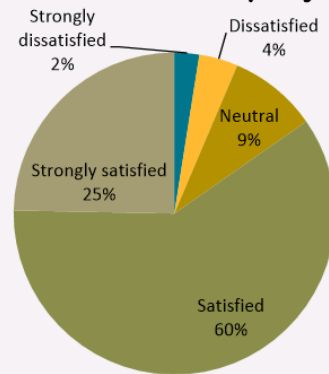


Location of respondents – Individual Survey



Overall satisfaction – Individual Survey

Satisfaction with overall quality of life



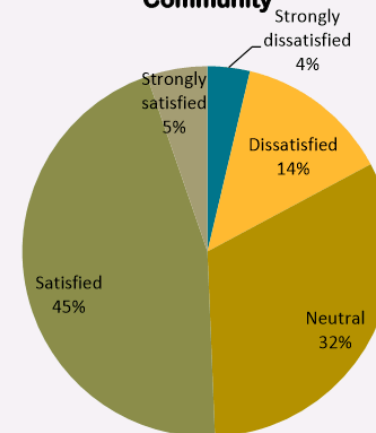
KEY THEMES – QUALITY OF LIFE

- The lifestyle within the Surf Coast Shire is very good, however may be adversely impacted by growth. In particular, people are concerned that the unique properties of townships may be damaged.
- It is important that basic amenities as well as infrastructure related to health and wellbeing are maintained.

KEY THEMES – COUNCIL'S ROLE

- Councillors are effective in representation their community
- It is important that Council is transparent and timely in its decision making and continues to engage with the community
- Council should consider the diverse needs of residents and ratepayers across the Shire

Satisfaction with Council's Role in the Community



Overall Analysis – Key Messages (Includes all sources of analysis)

- The Surf Coast Shire is a wonderful place to live, due to the natural environment and community atmosphere
- There are concerns with population growth and the potential for the loss of township identity and amenity
- There was general acknowledgement of the importance of the natural environment and tourism
- The provision of public transport or alternative transport was considered essential
- Ongoing community engagement is a high priority for the community
- Community and emergency safety is becoming more of a concern for some people
- Service and infrastructure delivery must be balanced with appropriate income generation
- Overall people appreciated the opportunity to participate in the survey and the development of the plan. There was some concern that the plan was not yet well-defined. It should be noted that the draft plan will be available for feedback from Mid-April and people who provided their details as part of the survey will be contacted to provide an opportunity for then comment.

**All themes were well supported,
including the intent of those themes**

People Theme

THE CHALLENGE

The Surf Coast Shire scores very well on the bulk of health and wellbeing indicators, however there are a number of areas that are challenging, including access to health services, supporting our growing population over 65 and connecting with and supporting our young people.

WHAT IS THE RIGHT RESULT?

Local communities in Surf Coast Shire are resilient and sustainable. Communities are inspired to determine their own priorities and take the lead to achieve these priorities.

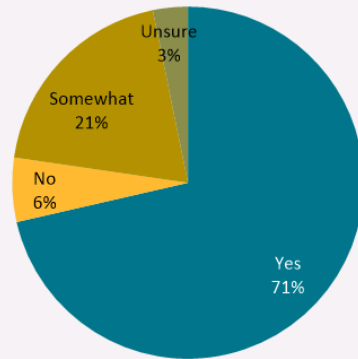
COULD INCLUDE

Population growth, ageing, young people, families, all abilities, local action, public transport, social connectedness, mental health, physical health, road toll, healthy eating, prevention of violence, empowerment, arts, culture, learning, community, recreation, sport.

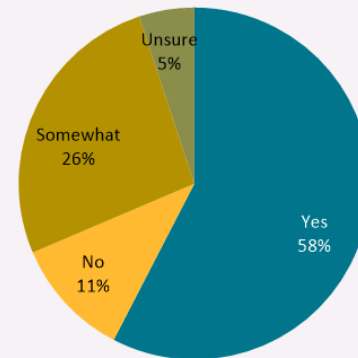


People Theme – Individual Survey

Agree that this is a priority for Council

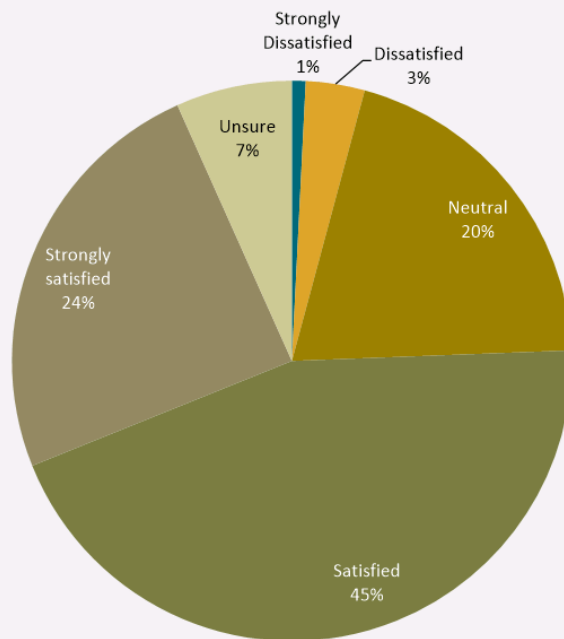


Agree with the intent of the theme



Satisfaction with community life

Satisfaction with the community as a place to raise children

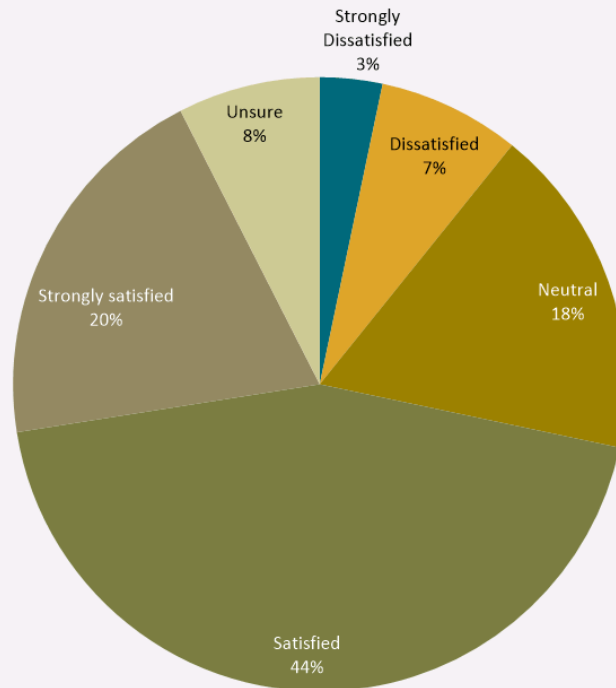


KEY THEMES

- The community is a safe and welcoming place to raise children, although safety needs to continue to be monitored
- Services which allow young people to “grow in place” would be beneficial
- Improved public transport and transport connections are essential for young people
- More diversity for social activities is needed
- Provision of health services which tailor to young people

Satisfaction with community life

Satisfaction with the community as a place to grow old

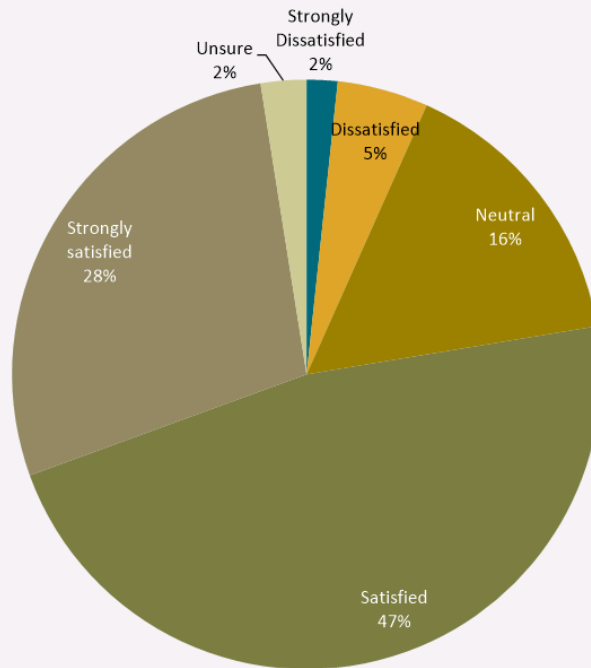


KEY THEMES

- There are significant concerns around the limited access to health and support services which suit older people
- Public transport provision is considered essential for this age group
- There are concerns around supports and social provision for older people who are no longer mobile
- Support for older people during emergency events should be considered

Satisfaction with community life

Satisfaction with access to healthy food



KEY THEMES

- Access to healthy food is generally excellent, however is dependent on a few outlets and can be cost prohibitive
- Respondents commented this is not a core Council role

Key Messages – People Theme (Includes all sources of analysis)

- **Council should focus on supporting a diverse population (age, culture, ability, gender, etc.)**
- **Communities should be empowered and set their own priorities, however some communities may need Council support to achieve this**
- **It is important to engage with and listen to the community and for the community to listen to each other**
- **Provision of public transport would make it easier for some groups to participate in the community**
- **Provision of infrastructure and services to support diverse community needs, particularly in relation to health and wellbeing, is essential**

Environment Theme

THE CHALLENGE

Surf Coast Shire is an area of high environmental significance, in which the environment underpins our lifestyle and economy. It has a large coastline and state and national parks which are home to threatened species.

Climate change is likely to have a significant impact in the shire. Rising sea levels and increased bush fire risk are possible scenarios.

WHAT IS THE RIGHT RESULT?

The preservation, rehabilitation and enhancement of the natural environment.

Surf Coast Shire becomes a leader in areas such as renewable energy use and protection of natural flora and fauna. The environment is appreciated for its effect on people's health and wellbeing.

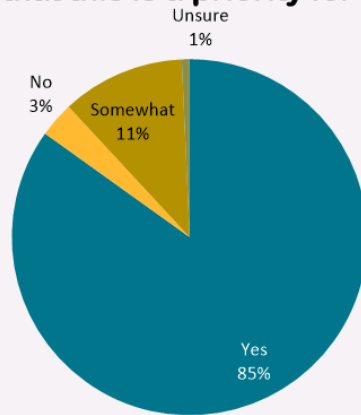
COULD INCLUDE

Renewable energy, active transport, public transport, food production, climate change, fire, flooding, planning, recycled water, habitat, threatened species, off-grid, wildlife, land use, waste.

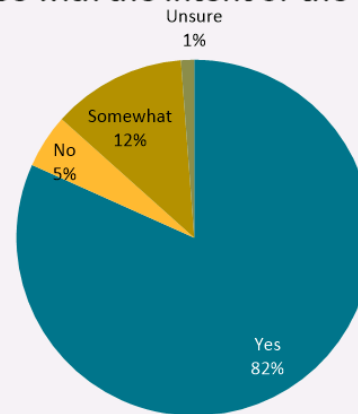


Environment Theme - Individual Survey

Agree that this is a priority for Council

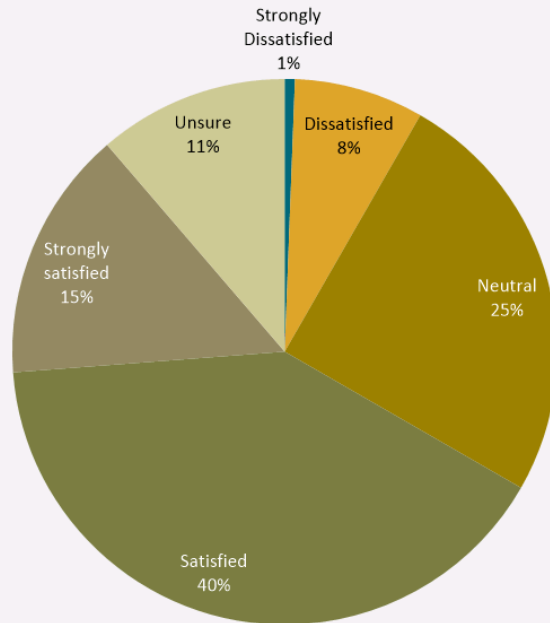


Agree with the intent of the theme



Satisfaction with the environment

Satisfaction with emergency management

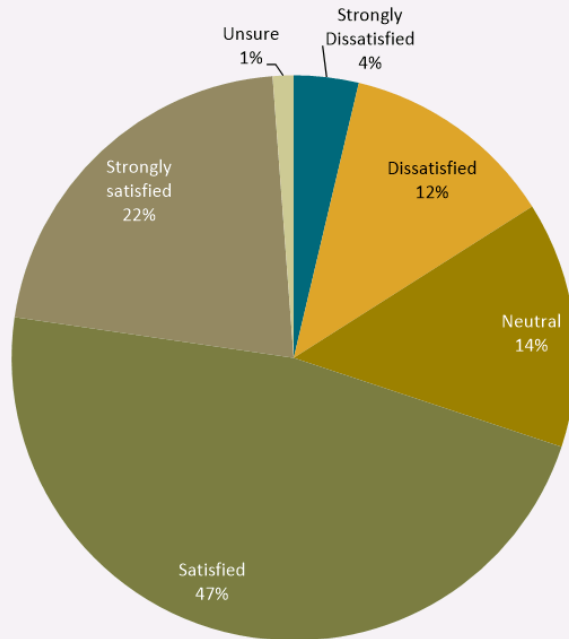


KEY THEMES

- There are concerns regarding the ability to evacuate from some areas due to a limited number of roads
- Good work has been done in the prevention space
- Respondents commented the community would benefit from more communication regarding bush fire preparedness and during an actual event
- Emergency management requires the support of a number of agencies

Satisfaction with the environment

Satisfaction with open space, pathways and recreation facilities

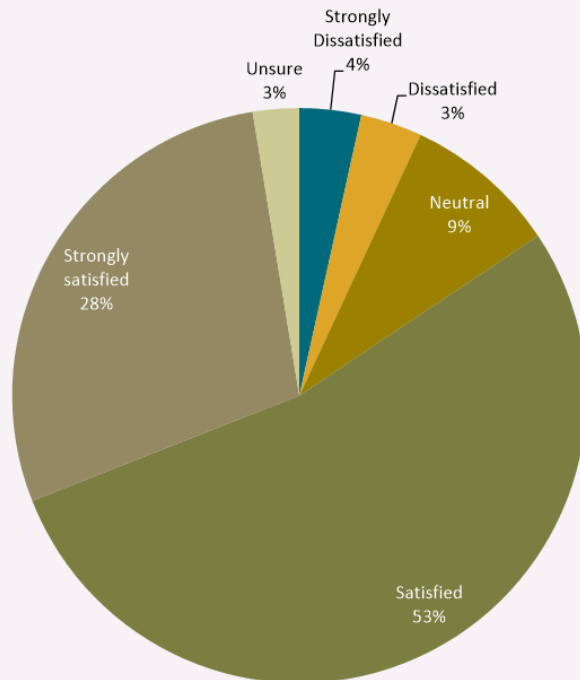


KEY THEMES

- While this is a strength of the area, continued focus is necessary
- It is important to balance the needs of the environment with the needs of people. This includes the considered development of footpaths, recreation spaces and open spaces
- Consideration should be given to encouraging housing diversity and ensuring that green spaces are maintained in housing developments
- Bike paths may assist promotion of alternative transport opportunities

Satisfaction with the environment

Satisfaction with natural environment



KEY THEMES

- Natural places are essential for the Shire and one of the key reasons that people choose to live and visit the area
- Continued maintenance of natural places is important and the community is keen to participate in these activities
- People should be able to access these areas in a controlled manner, in order to increase community ownership and appreciation
- Care for the natural environment is essential in the context of growth

Key Messages – Environment Theme (Includes all sources of analysis)

- **The environment was most supported as an important theme**
- **Some issues within the environment theme were contentious**
- **There is general recognition that Council is already leading in this area**
- **The environment is essential for a good quality of life and for tourism**
- **Council can take a leadership role in environmental issues, however this should be balanced with practical policy changes that Council can control**
- **It is important to balance the wellbeing and economic sustainability of people with the preservation of the environment**
- **Climate change adaptation is an important consideration**

Growth Theme

THE CHALLENGE

The total population of the Surf Coast Shire is forecast to increase from 29,000 in 2016 to 44,000 in 2036. Most of this growth will occur in Torquay, however Winchelsea will grow significantly in the longer term. Population growth in neighbouring shires such as the City of Greater Geelong will increase even more. The combined population of neighbouring suburbs Armstrong Creek, Mount Duneed and Marshall is expected to increase from 6,500 in 2016 to 42,000 in 2036. Visitation to Surf Coast Shire is expected to increase by one third in the next 25 years.

WHAT IS THE RIGHT RESULT?

Population is well distributed across the shire. Services and infrastructure are available to meet community expectations. Growth is sustainable.

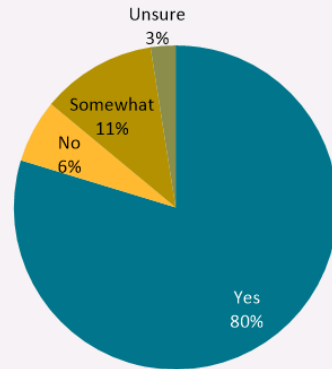
COULD INCLUDE

Planning scheme, town boundaries, land development, affordable housing, housing density, food production, open space, traffic, parking, tourism, hinterland, Great Ocean Road, inland routes, public transport, major employers, Armstrong Creek, use of digital technology.

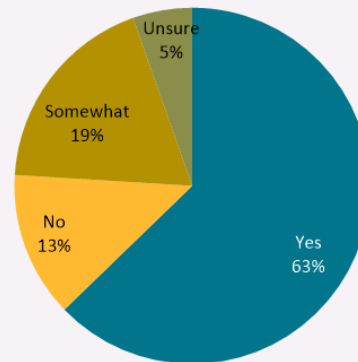


Growth Theme

Agree that this is a priority for Council

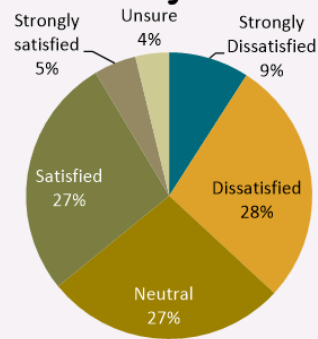


Agree with the intent of the theme



Satisfaction with community services

Satisfied with infrastructure and community facilities



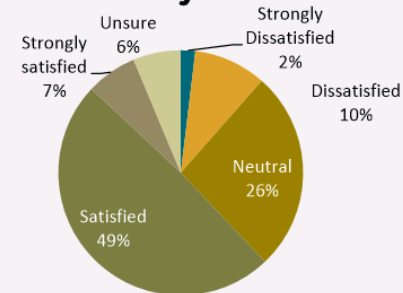
KEY THEMES – INFRASTRUCTURE AND FACILITIES

- Provision of infrastructure will be challenging in the context of population growth
- Some interest areas are not as well catered for as others
- Infrastructure needs to be better planned
- Better transport options should be considered
- More health services may be needed to support a growing population

KEY THEMES – SERVICES

- Travel is required to access many services
- Service provision in some areas is very good
- Communication relating to available services could be improved

Satisfaction with access to community services



Key Messages – Growth Theme (Includes all sources of analysis)

- **The growth theme was the most contentious and there was a mix of positive and negative comments toward growth**
- **The primary negative comments regarding growth related to the need to preserve the environment and retain the unique character and amenity of townships**
- **The primary positive comments regarding growth related to how it might assist in the sustainability of townships and economic growth**
- **It is important to ensure that infrastructure keeps pace with growth, including public transport and roads**
- **Consideration should be given to how to provide affordable housing**
- **There was discussion on housing types including concern over ‘cookie cutter’ residential developments**
- **Limitation of urban sprawl was very important**
- **There was discussion about increased levies, and other controls, on developers**

Economy Theme

THE CHALLENGE

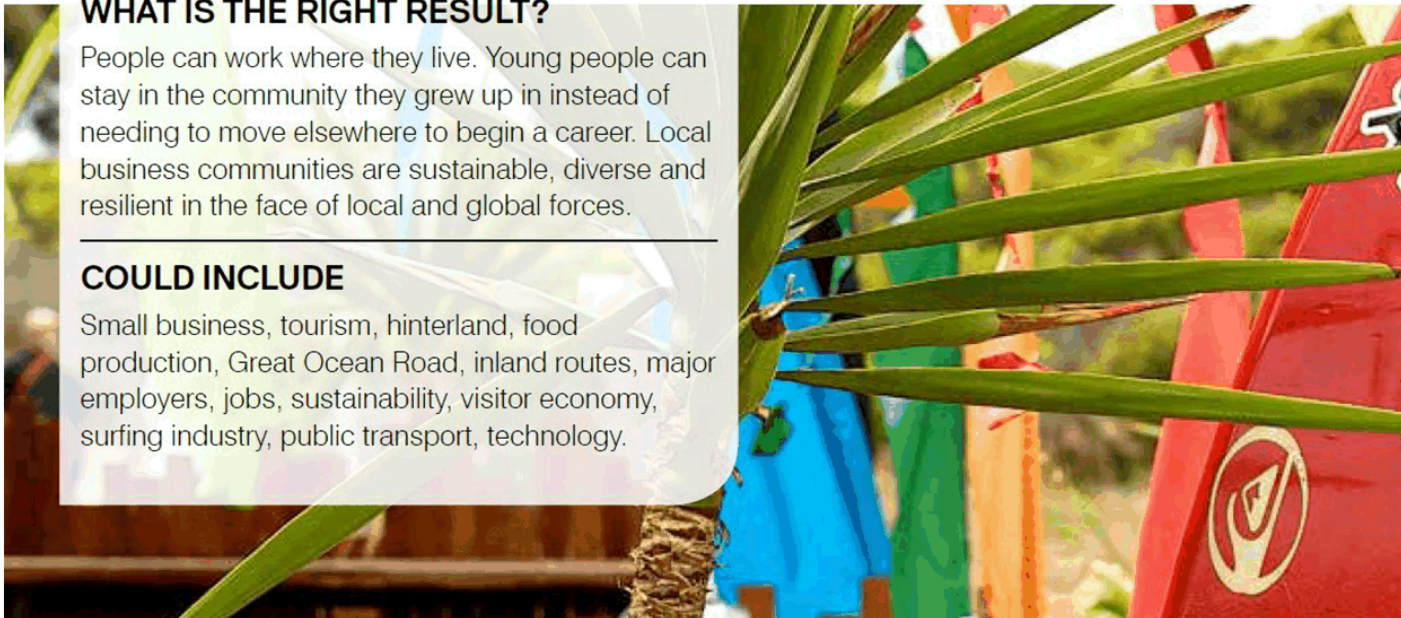
At least 2000 new jobs need to be created in Surf Coast Shire by 2036 just to maintain the current level of local employment. As at 2016 approximately 40% of people living in the shire have a job in the shire.

WHAT IS THE RIGHT RESULT?

People can work where they live. Young people can stay in the community they grew up in instead of needing to move elsewhere to begin a career. Local business communities are sustainable, diverse and resilient in the face of local and global forces.

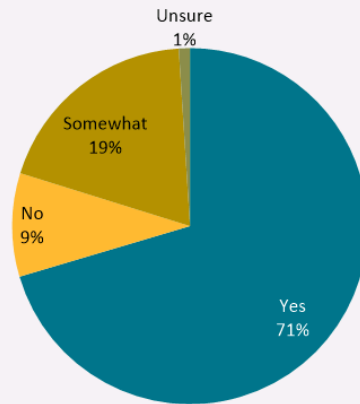
COULD INCLUDE

Small business, tourism, hinterland, food production, Great Ocean Road, inland routes, major employers, jobs, sustainability, visitor economy, surfing industry, public transport, technology.

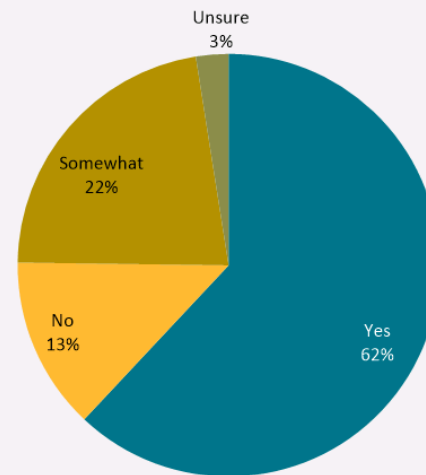


Economy Theme

Agree that this is a priority for Council

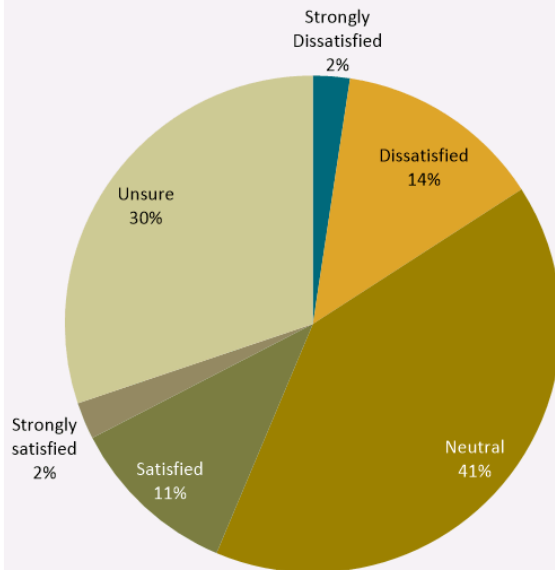


Agree with the intent of the Theme



Satisfaction with business services

Satisfaction with services that support businesses

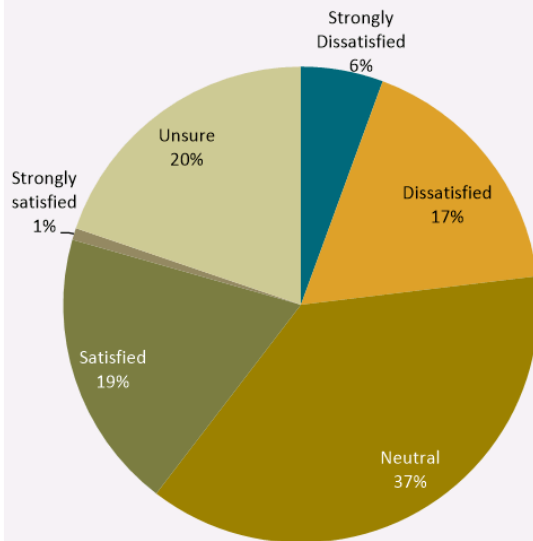


KEY THEMES

- There was not consistent support for this service as a core Council function
- Many respondents said they did not have direct experience of Council's role within this theme
- More clarity and promotion of these services would be beneficial
- Many home-based businesses would benefit from better infrastructure such as the NBN
- Costs and red tape in the area may make it more difficult to start some types of businesses

Satisfaction with business services

Satisfaction with types of employment

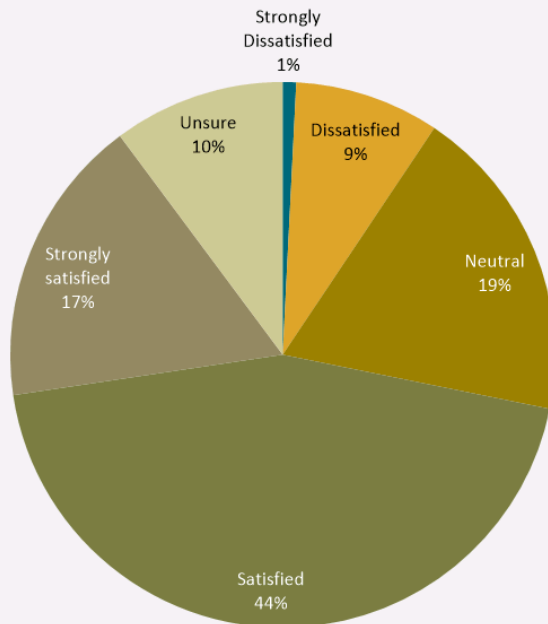


KEY THEMES

- It may be difficult for the shire to support a wide variety of employment opportunities, however focus could be placed on promoting professional, non-seasonal, home-based and youth employment opportunities
- Employment for residents may be located outside of the shire and provision for better transport to those areas could be improved

Satisfaction with business services

Satisfaction with events



KEY THEMES

- The events are of good quality but could be more diverse, particularly provision of events which focus on the local resident population
- Council could promote events more in order to capture tourists in off-peak season
- It is important that events are of benefit to local residents

Key Messages – Economy Theme (Includes all sources of analysis)

- **There was a lack of consensus regarding Council's role in the economy and in jobs creation**
- **It is equally important to provide jobs in the region as it is to provide transport to jobs outside**
- **There may be benefit in making it easier for people to start and sustain businesses (reduce red tape)**
- **Education and diversity of jobs is important for employment sustainability (i.e. youth, non-seasonal)**
- **Tourism and other key industries should be supported**
- **Events are also an important component of tourism**
- **There was some discussion on whether Council could levy tourists to assist with the cost of infrastructure**

Governance Theme

THE CHALLENGE

The State Government's Fair Go Rates System limits how much revenue councils can collect through rates. Council must seek authorisation from the government to vary this limit. How can Surf Coast Shire Council continue to meet community expectations for services and infrastructure whilst maintaining a responsible budget?

WHAT IS THE RIGHT RESULT?

Council is financially sustainable and allocates its funding as the result of having a clear understanding of community needs and priorities.

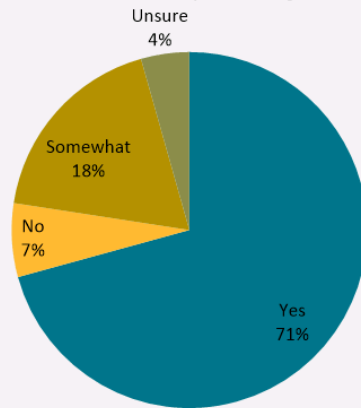
COULD INCLUDE

Services, facilities and roads, rates, fees, alternative income, savings and efficiencies, use of digital technology, financial planning, and Council's ward structure.

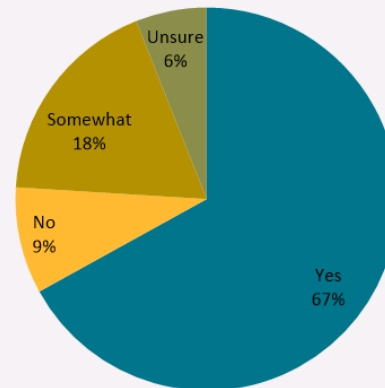


Governance Theme

Agree that this is a priority for Council

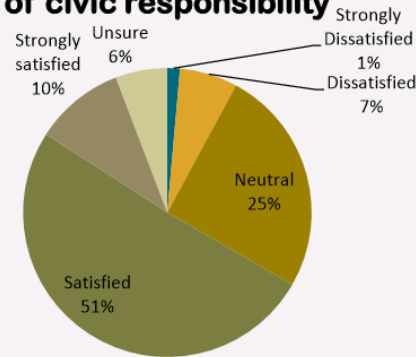


Agree with the intent of the Theme



Satisfaction with civic life

Satisfaction with community's sense of civic responsibility

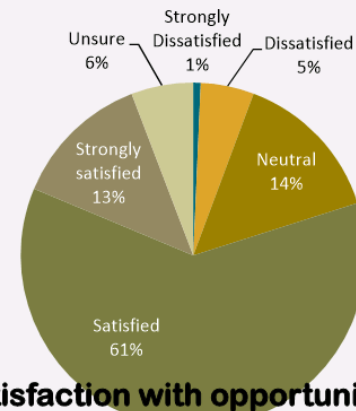


KEY THEMES – CIVIC RESPONSIBILITY

- This is generally positive but may be at risk due to population and visitation growth
- It is important to facilitate and develop this in different ways for different people
- Volunteering and other opportunities to be involved are essential for maintaining community linkages

KEY THEMES – COMMUNITY LIFE

- There are many opportunities to participate, however individuals must be proactive in accessing these and the opportunities may not suit all people



Satisfaction with opportunities to contribute to community life

Key Messages – Governance Theme (Includes all sources of analysis)

- **There was a mix of responses on the need to limit rate increases, contrasted with a response from some areas that service delivery is more of a priority**
- **Older people tended to favour a reduction in rates**
- **It is essential that Council is open and transparent in its decision making and engages with the community on its decisions**
- **Good financial management practices are important, including ensuring an efficient and streamlined organisation**
- **Consider different ways to balance the budget, including alternative income streams, partnerships with developers or others, and reducing services in some areas**

THE PLAN



Notes on Specific Engagement Activities

Youth Engagement – Early Years

- A targeted activity was run with 30 children aged 0 – 6 years in family day care and occasional care in the shire.
- The children were asked to draw a picture which reflected what they liked about living on the Surf Coast and included a statement about what the picture represented.
- People in this age group had high levels of appreciation for:
 - Open space, particularly the beach
 - Facilities which provide opportunities for socialisation with friends and family

Youth Engagement – Middle Years

- A targeted activity was run with 20 children aged 6 – 13 years in vacation care in the Shire.
- The children were asked to draw a picture or write a short story which reflected what they liked about living on the Surf Coast.
- People in this age group appreciated:
 - Recreation spaces, such as skate parks and playgrounds as well as opportunities and infrastructure to participate in formal sports
 - A clean and preserved environment which is free of litter
 - Provision of infrastructure to support non-sporting interests
 - The friendliness of the community

Youth Engagement – 13 – 25 Years

- A comprehensive survey of 650 people aged 13 – 25 years was conducted in late 2016
- While the Plan was not a focus for this survey, significant information could be extrapolated from this survey
- Key messages relating to the Plan included:
 - Infrastructure and support for health and wellbeing activities of all types is essential, including sport, entertainment, arts and culture and employment
 - Age appropriate health and mental health services are important and undersupplied
 - Improved public transport is important for education and employment opportunities
 - Preservation of the environment is a key focus area
 - Population growth is of concern to this age group
 - Accessible employment opportunities located in the area are essential to allow young people to grow into adulthood
 - Consultation and engagement with Council were highly rated by young people

Older Person Engagement

- **As part of the Council's café style support program, a High Tea was held in order to obtain information from people aged over 65**
- **More than 30 people attended this session**
- **Key messages relating to the Plan included:**
 - **It is important to provide public transport around and outside the Shire to allow for attendance at medical appointments and to visit family**
 - **It is important that Council provides core services, such as safe footpaths, rubbish collection and roadside maintenance**
 - **Provision of support services to enable independence is essential**
 - **Social supports are important as they help to ensure community connectedness**

Community Satisfaction Survey

- **An annual community satisfaction survey is conducted by the State Government, and the 2016 version was utilised to support the analysis for the development of the Plan**
- **400 resident and 200 non-resident ratepayers participated in the survey**
- **The following key issues were noted:**
 - **Council needs to improve community engagement, town planning services and roads**
 - **Provision of high quality community services was important**
 - **The environment, growth and governance were all important themes in the survey**

THE PLAN



END REPORT

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

APPENDIX 2 SURF COAST SHIRE COUNCIL PLAN 2017 – 2021 PLAN ON A PAGE

COUNCIL PLAN SUMMARY 2017–2021

(Incorporating the Health
and Wellbeing Plan)

COUNCIL VISION

An engaged, innovative and
sustainable community

COUNCIL PURPOSE

To help our community and
environment to thrive

ORGANISATION DIRECTION

An innovative and flexible
leader, and a constructive
partner, that values the
strengths of others; a place
where people can do their
best and be proud of their
achievements.

www.surfcoast.vic.gov.au



COUNCIL PLAN APPROACH

While there are many highly valued things that the Council does, this plan focuses on areas where Council is endeavouring to make a significant difference relative to the current situation. This year our health and wellbeing objectives and actions are documented in the Council Plan for the first time.

THEMES

Community Wellbeing:

Create an inclusive community
where everyone can participate and
contribute

Strategic Objectives

- a) Support people to participate in and contribute to community life
- b) Support people to be healthy and active
- c) Improve community safety
- d) Provide support for people in need

Environmental Leadership:

Preserve and enhance the natural
environment

Strategic Objectives

- e) Drive the use of renewable energy
- f) Improve the re-use of resources
- g) Support local food production

Balancing Growth:

Provide for growth whilst ensuring
the intrinsic values and character of
the shire are retained

Strategic Objectives

- h) Ensure infrastructure is in place to support existing communities and provide for growth
- i) Strengthen township boundaries and support unique township character
- j) Retain and enhance rural land for appropriate and sustainable uses
- k) Understand and manage the impact of population and visitation growth in neighbouring municipalities and our own shire

Vibrant Economy:

Support innovative, sustainable
businesses and activities that
create jobs and are valued by the
community and visitors

Strategic Objectives

- l) Support the creation and retention of jobs in existing and new businesses to meet the needs of a growing community
- m) Facilitate high quality events throughout the year
- n) Strengthen the vitality of town centres
- o) Support key industry sectors such as surfing, tourism, home based, construction and rural businesses

High Performing Council:

Deliver valued services to the
community

Strategic Objectives

- p) Ensure Council is financially sustainable and has the capability to deliver strategic objectives
- q) Ensure that Council decision making is balanced and transparent and the community is involved and informed
- r) Provide quality customer service that is convenient, efficient, timely and responsive
- s) Ensure the community has access to the services they need

1.1 Exhibition of the Draft Council Plan (Incorporating the Health and Wellbeing Plan) 2017 - 2021

APPENDIX 3 SURF COAST SHIRE COUNCIL PLAN 2017 – 2021 (INCORPORATING THE HEALTH AND WELLBEING PLAN)



DRAFT FOR EXHIBITION

COUNCIL PLAN

Incorporating the Health & Wellbeing Plan 2017 – 2021



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Surf Coast Shire Council
1 Merrijig Drive (PO Box 350) TORQUAY VIC 3228
P. 03 5261 0600; F. 03 5261 0525; E. info@surfcoast.vic.gov.au

Welcome from the Mayor

Message from the Mayor Brian McKitterick to be provided following public exhibition of the draft Council Plan.

Our Vision

“An engaged, innovative and sustainable community.”

This plan identifies five main themes that support our vision and will guide Council's focus throughout the current four-year term.

Each theme is aligned with a number of strategic objectives and outcomes.

Our Themes

1. Community Wellbeing
2. Environmental Leadership
3. Balancing Growth
4. Vibrant Economy
5. High Performing Council

About the Council Plan (incorporating the Health and Wellbeing Plan)

The Surf Coast Shire Council Plan 2017-2021 is a plan for our community. It sets Council's strategic direction for the next four years, identifying the key priorities and themes that will help guide decision-making during this time.

This Council Plan also incorporates the Surf Coast Shire's Health and Wellbeing Plan for the first time, reflecting Council's commitment to improving the health and wellbeing of the local population. Enhancing the quality of life of our residents and visitors is intrinsic to Council's vision for an engaged, innovative and sustainable community.

Working in partnership with all levels of government, peak bodies, local organisations and members of our community, Council aims to deliver better health and wellbeing outcomes for all and to contribute to the overall success of the *Victorian Public Health and Wellbeing Plan 2015-2029*.

Community members have helped shape this plan by providing Council with ideas and important feedback on the five key themes. A survey was made available online at *Surf Coast Conversations* and distributed through various community groups, allowing people across the shire to share insights that have helped Council determine priorities and tailor strategies accordingly.

As part of the plan, Council commits to evaluating its own performance and publishing results within its annual report each October. Strategic measurement tools are in place to give the community an opportunity to assess Council's annual performance against the priorities outlined in this plan.

The Council Plan directs the priorities of the Strategic Resource Plan, which ensures there are sufficient funds and resources to deliver the **actions outlined in the Council Plan**.

With the recent introduction of the 'Fair Go Rates System' by the Victorian Government, Council is mindful of the ongoing requirement to meet community needs for services and infrastructure, while safeguarding the long-term social, economic and environmental viability and sustainability of the Surf Coast Shire.

Why do we need a Plan?

Developing a Council Plan helps our community – residents, visitors, local businesses, organisations, agencies, staff and other important partners – to have a shared understanding of our vision and priorities.

As well as planning for the future needs of our municipality, Council plays a key role in promoting health and wellbeing across our community. These important functions are requirements under state government law, as outlined in:

- i) Section 125 of the *Local Government Act 1989 (Vic)*; and
- ii) Section 26(2) of the *Public Health and Wellbeing Act 2008*.

Section 125 of the *Local Government Act 1989* requires a Council to prepare and approve a Council Plan within six months of a general election or by the next 30 June, whichever is later. The Council Plan must include:

- a) the strategic objectives of the Council;
- b) strategies for achieving the objectives for at least the next four years;
- c) strategic indicators for monitoring the achievement of the objectives;
- d) a Strategic Resource Plan containing the matters specified in section 126 of the Act;
- e) any other matters which are prescribed by the regulations.

The *Victorian Public Health and Wellbeing Act 2008* requires that municipal public health plans are also developed within 12 months of a general council election, or included in the overall Council Plan, with a focus that:

- builds on priority areas evident in the Council Plan;
- examines data about health status and determinants in the municipal district;

- is consistent with the municipal strategic statement and other related plans, e.g. heatwave plan;
- incorporates evidence-based goals and strategies for creating a local community in which people can achieve maximum health and wellbeing;
- specifies how the council will work in partnership with the Department of Health and other agencies undertaking public health initiatives, projects and programs to accomplish the goals and strategies identified in the public health plan;
- provides for the involvement of people in the local community in the development, implementation and evaluation of the public health and wellbeing plan; and
- supports a social model of health.

Surf Coast Shire Policy Context

The Surf Coast Shire Council Plan takes into account the range of policies and documents already existing across the organisation to ensure ongoing consistency. These documents provide guidance at a more operational level and the full list is available on our website.

This plan also forms part of the *G21 Health and Wellbeing Plan* for our region, which was developed through collaboration with local communities, organisations and regional partners, with an aim to support and strengthen the capacity of communities and individuals to achieve better health.

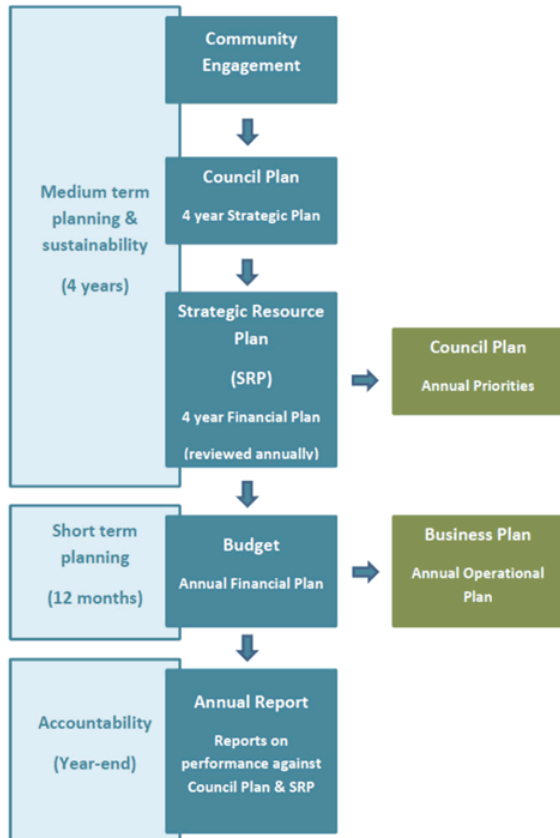
G21 is the formal alliance of government, business and community organisations within the Geelong region across five member municipalities – Colac Otway, Golden Plains, Greater Geelong, Queenscliff and Surf Coast. The Surf Coast Shire Council works closely with the G21 alliance to help develop strategies that will improve the lives and experience of people who live, visit and work in our communities.

The priorities identified in the *G21 Health and Wellbeing Plan* include the promotion of active living and healthy eating and the prevention of violence against women and children.

The Surf Coast Shire Council Plan also acknowledges the priorities set out in the *Victorian Health Priorities Framework 2012 – 2022: Rural and Regional Health Plan* and supports the vision of the *Victorian Public Health and Wellbeing Plan 2015–2019* for a Victoria free of the avoidable burden of disease and injury, so that all Victorians can enjoy the highest attainable standards of health, wellbeing, and participation at every age.

Council Planning Hierarchy

Our integrated corporate planning framework starts with community engagement as the foundation for developing the Council Plan and Strategic Resource Plan. Both act as important touchstones for establishing our annual priorities and preparing a budget and business plan for the year ahead.



Community Engagement

Surf Coast Shire Council recognises that keeping people informed and inviting them to take part in decision-making makes our community a better place to live, work and visit.

As detailed in the Surf Coast Shire's *Communications and Community Engagement Strategy 2015 – 2018*, Council agrees that community members have a right to know and contribute to decisions that affect them.

In accordance with the *Local Government Act 1989*, "the primary objective of a council is to endeavour to achieve the best outcomes for the local community with regard to the long-term and cumulative effects of decisions". The 'Best Value Principles' also contained in the Act support a program of regular consultation with the community in relation to the services provided by Council and its responsiveness to community needs.

Council recognises that this can only be achieved if people are involved in planning for their future.

Through consultation, collaboration and engagement with the Surf Coast Shire Council, our community has contributed to the development, implementation and evaluation of the Council Plan, which is not only a requirement under the *Local Government Act 1989* and the *Public Health and Wellbeing Act 2008*, but helps improve the quality of the plan. Council believes this plan reflects the views and aspirations of our community.

Using the online hub *Surf Coast Conversations*, community members have been able to help shape the Council Plan by sharing feedback about priorities for the next four years, including goals for better health and wellbeing, as well as providing input into the five themes and what might be delivered under each of them.

Almost 1,000 people provided their views via this portal. While many views were diverse, there was a consistent message that people love to live in and visit the Surf Coast Shire and there are many things that make the area special. Our community is looking for the opportunity to participate further in community life and provide support for others in the community.

The draft Council Plan 2017-2021 was made available on the Surf Coast Shire website and at the following exhibition locations for further public comment, with additional feedback considered in development of the final plan.

Hard copies of the survey and draft Council Plan were available for inspection at:

- The Council Offices, 1 Merrijig Drive, Torquay
- Aireys Inlet, Anglesea, Lorne & Winchelsea Post Offices
- Lorne Visitor Centre
- Deans Marsh and Moriac General Stores
- Torquay and Mobile Libraries
- Community Houses at Anglesea, Deans Marsh, Lorne and Winchelsea

Implementation

Each theme in the Council Plan is underpinned by a number of strategic objectives. Each objective has a number of outcomes and strategies that set out the agreed priorities for the next four years.

The plan also includes strategic indicators designed to help Council reflect and measure the success of the whole plan as well as the strategic objectives within it.

Council is committed to leading the plan and implementing it in partnership with the community, organisations and agencies providing services, and other levels of government.

Monitoring and Evaluation

It is important that Council has an opportunity to reflect on the implementation of the Council Plan on an annual basis, not only as a requirement of the *Victorian Local Government Act 1989* and the *Public Health and Wellbeing Act 2008*, but to ensure that delivery of the plan is on target and to check that the plan's strategies remain the best way for Council to deliver its priorities.

Annual monitoring and review allows Council to determine whether it has achieved what it set out to do; how well it did it; what difference it has made; and whether any adjustments are needed to the plan for the remainder of its term. Section 125 (7) of the *Local Government Act 1989* specifies that "At least once in each financial year, a Council must consider whether the current Council Plan requires any adjustment in respect of the remaining period of the Council Plan".

Indicators are included in the plan to demonstrate how Council will measure its performance against the strategic objectives. The *Local Government (Planning and Reporting) Regulations 2014* require Council to report twice a year on these indicators.

The *Public Health and Wellbeing Act 2008* requires that "A Council must review its municipal public health and wellbeing plan annually and, if appropriate, amend the municipal public health and wellbeing plan". The Act does not require a specific reporting requirement. Integration of the Health and Wellbeing Plan within the Council Plan will ensure that performance will be reported against health and wellbeing outcomes every six months. The plan will also be submitted to the Regional Director for review.

Your Council

Message from the CEO Keith Baillie to be provided following public exhibition of the draft Council Plan.

Council Purpose and Organisation Direction

This Council Plan includes our Council Purpose and Organisation Direction, which were developed to help ensure the Council's activities remain focused on community needs. Much thought has been given to developing statements that define Council's strategic focus and decision-making.

These statements were made available for community consultation in June 2016.

The Surf Coast Shire Council Purpose states the Council exists to:

Help our community and environment to thrive.

The Organisation Direction was introduced to guide thinking on future challenges and opportunities.

There are many influences likely to impact the way a Council operates – factors such as rate capping, pervasive technology, alternatives to government-provided services, environmental change and social disadvantage – will all influence Council's future direction.

The Organisation Direction is intended to address these influences and articulate Council's future focus.










The Organisation Direction states that the Surf Coast Shire Council will be:

An innovative and flexible leader, and a constructive partner, that values the strengths of others; a place where people can do their best and be proud of their achievements.

Your Councillors

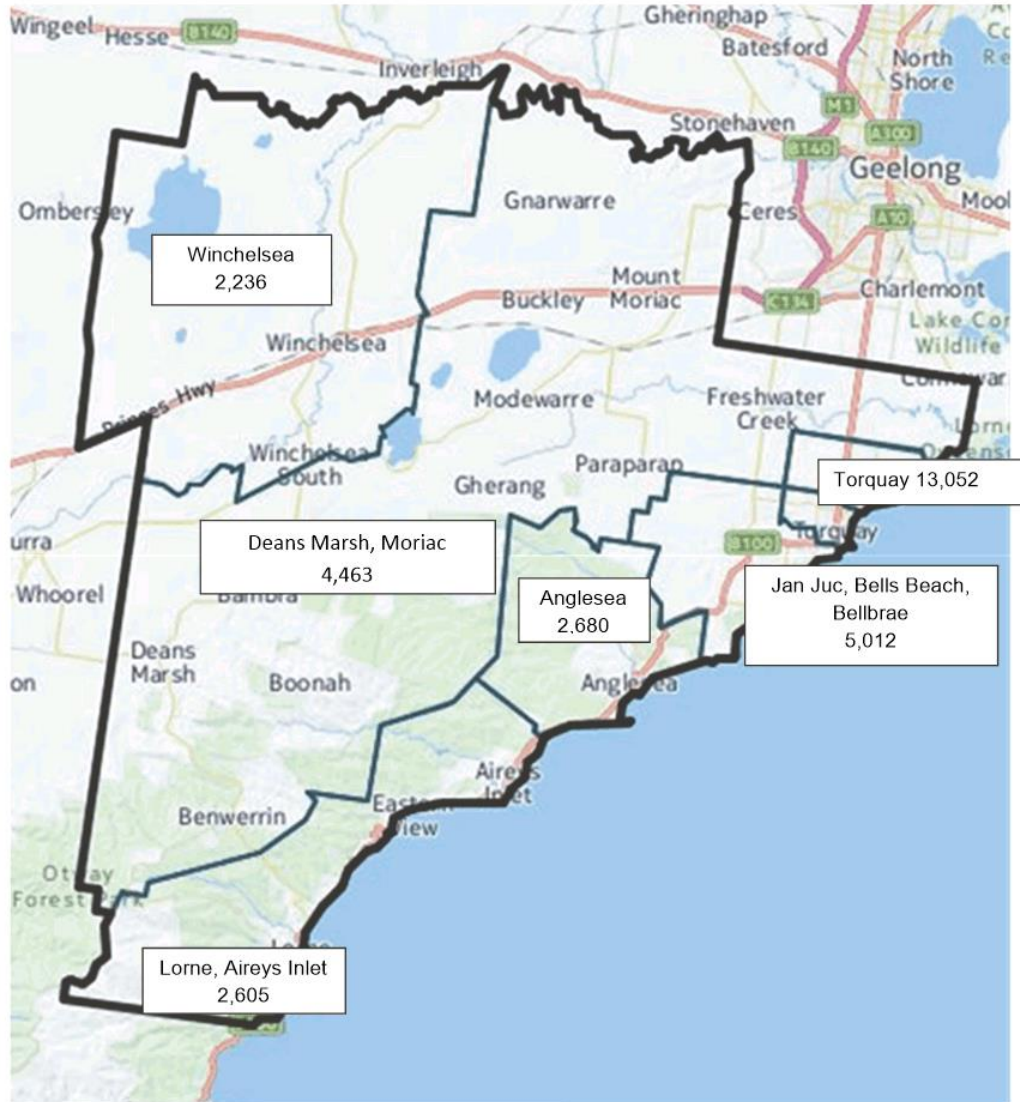
The Council election held in October 2016 saw the election of nine Councillors and the continuation of a four-ward structure for our municipality. The Anglesea, Lorne, Torquay and Winchelsea Wards ensure that communities have local representation in Council.

Surf Coast Shire Councillors are elected by residents and ratepayers to govern the municipality. The Mayor of the Surf Coast Shire Council is chosen by the Councillors in November each year for a 12-month term.

Anglesea Ward		Torquay Ward	
	<p>Cr Margot Smith</p> <p>P. 5261 0852 M. 0400 271 574 E. msmith@surfcoast.vic.gov.au</p>		<p>Cr David Bell</p> <p>P. 5261 0859 M. 0409 626 614 E. dbell@surfcoast.vic.gov.au</p>
	<p>Cr Libby Coker</p> <p>P. 5261 0855 M. 0427 337 558 E. lcoker@surfcoast.vic.gov.au</p>		<p>Cr Rose Hodge</p> <p>P. 5261 0857 M. 0407 552 025 E. rhodge@surfcoast.vic.gov.au</p>
Winchelsea Ward			<p>Cr Martin Duke</p> <p>P: 5261 0856 M: 0409 806 073 E: mduke@surfcoast.vic.gov.au</p>
	<p>Cr Carol McGregor</p> <p>P. 5261 0858 M. 0400 169 741 E. cmcgregor@surfcoast.vic.gov.au</p>		
	<p>Cr Heather Wellington</p> <p>P. 5261 0853 M. 0417 542 967 E. hwellington@surfcoast.vic.gov.au</p>		<p>Cr Brian McKiterick - Mayor</p> <p>P. 5261 0851 M. 0428 570 094 E. bmckiterick@surfcoast.vic.gov.au</p>
Lorne Ward			
	<p>Cr Clive Goldsworthy</p> <p>P. 5261 0854 M. 0400 756 854 E. cgoldsworthy@surfcoast.vic.gov.au</p>		

About Surf Coast Shire

Id. Consulting (Forecast.id), 2017 Surf Coast Shire population forecast by district = 30,048



Our Community

The Council Plan 2017-21, adopted in June 2017, is a reflection of our community. Where we live, who we are, what we do, what we value and what we consider to be our future challenges, are all elements that were considered in developing a strategic action plan. Consultation with the Surf Coast Shire community provided significant insight into local needs and priorities. Where possible, relevant statistical data has been used to provide an understanding of our demographic profile and expected future trends.

Location

The Surf Coast Shire, with its beach, bushland and rural environment, is located in south-western Victoria, 120km from Melbourne, 21km south of Geelong and close to the Geelong Ring Road. It is an appealing destination for holidaymakers and international visitors, or those looking to make a permanent sea change. The shire is home to some of the world's best surfing locations and the iconic Great Ocean Road, with other important attractions including the Great Otway National Park, Bells Beach and Erskine Falls.

Population

The Surf Coast Shire continues to be one of the fastest growing municipalities in Victoria, with the permanent population forecast to rise from 30,048 in 2017 to almost 44,000 by 2036 (*forecast id March 2017*). Over the life of this Council Plan 2017-21, around 3,000 more people are expected to live in the Surf Coast Shire, taking the total population above 32,837 by 2021(*forecast.id*).

The main townships of the Surf Coast Shire include Aireys Inlet, Anglesea, Bellbrae, Deans Marsh, Fairhaven Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each of these townships has a keen sense of community, a unique identity and a strong desire to protect and nurture the environment. There is also a significant rural population including farming and rural-based residential communities.

The greatest population growth in the shire over the past 20 years has generally been focused in Torquay and neighbouring Jan Juc, aided by easy transport connections to Geelong and Melbourne. While most of the shire's growth in housing development is expected to continue in Torquay, particularly to the north and west of the township, Winchelsea is recognised as the secondary growth centre within the shire, with residential dwelling numbers forecast to increase by 43 per cent by 2036 (*forecast.id March 2017*).

Ongoing population growth in the shire is based predominantly on two factors – the attractiveness of a coastal lifestyle to young families, and the significant demand from retirees moving from Melbourne and Geelong. This latter group can be expected to increase as the 'baby boomer' generation reaches retirement age.

The shire continues to accommodate significant numbers of tourists, particularly in summer, when the population generally doubles in size. Part-time populations are also significant, with holiday-home residents, seasonal visitors, event crowds and day-trippers all adding to the number of people who visit, live and work here. Visitation to the Surf Coast Shire is expected to increase by one third in the next 25 years.

Total voting population and its distribution throughout the shire is another important consideration and is used by the Victorian Electoral Commission to ensure equitable Councillor representation within each ward. In January 2017, the voting population of the wards was Anglesea: 3,043 (two-Councillor ward); Lorne: 1,314 (one-Councillor ward); Torquay: 11,328 (four-Councillor ward); and Winchelsea: 6,444 (two-Councillor ward), with a total of 22,129 registered voters.

Managing anticipated growth in the permanent population, as well as the ongoing temporary increases in populations during peak periods, is critical due to the impact such growth will have on local communities, infrastructure and environments. This plan looks at how we can ensure local communities in the shire are resilient and sustainable.

Additional information about population forecasts and demographics of the Surf Coast Shire can be accessed via forecast.id. (<http://forecast.id.com.au/surf-coast>)

Strategic Opportunities and Risks

Key influences on the population of the Surf Coast Shire are: the natural environment; access to major centres; change in demographics; rapid population and housing growth; tourism; and age composition. The Surf Coast Shire Council has considered the strategic opportunities and risks inherent in each of these factors, in order to plan effectively for them. The challenge for Council is to maximise opportunities presented by these influences, whilst minimising risks, in a climate of strong population growth and limited funding. Some of these opportunities and risks include:

❖ **Natural environment:**

The proven health and wellbeing benefits of the natural environment mean the Surf Coast Shire is well placed to achieve positive quality-of-life outcomes for its residents and visitors. From a walk on the beach, a picnic in the bush and surfing in the ocean, to sightseeing down the Great Ocean Road, our shire is naturally built for good health and wellbeing. With this advantage, comes the associated risk of bushfire and potential mental stress, as well as the need to protect public open spaces and green belts as the population and dwelling numbers grow.

❖ **Access to major centres:**

With close proximity to Geelong (including Waurn Ponds and Armstrong Creek) and direct access to Melbourne, the Surf Coast Shire offers considerable choice and opportunities to fulfil employment, social, medical and educational needs. This proximity, coupled with a coastal lifestyle, attracts many to the shire. The risk is that it may limit the development of local services, such as public transport and health.

❖ **Change in demographics:**

The influx of more affluent residents, including 'sea-changers' migrating from Melbourne, has seen the socio-economic landscape of the shire change considerably over the years. With more people in the highest income quartile – and fewer in the lowest – the Surf Coast Shire has become one of the least disadvantaged municipalities in Victoria. However, this shire-wide result masks smaller areas of disadvantage. Similarly, rising house prices and decreases in affordable rentals limit the opportunity for young families to move to or live in the shire. Although wealthier people tend to be healthier, issues around work-life balance also pose a risk.

❖ **Rapid population and housing growth:**

The shire's rapidly growing population provides more opportunities for connecting with other people than some other municipalities. However, the high number of permanent residents forecast to live in the shire places pressure on a range of services, infrastructure and natural places that contribute to overall health and wellbeing. Another risk is the lower than average diversity within the population, including ethnicity and disability, which may increase feelings of alienation for people belonging to these groups.

❖ **Tourism:**

As one of Australia's top tourist destinations, the Surf Coast Shire attracts a culturally diverse, visitor population. Tourism provides benefits to the local community through increased facilities, services, events, employment and recreation. The challenge is that large numbers of visitors may negatively impact on amenity and the environment, including noise and pollution, road congestion, safety, bushfire risk, crime rates and access to services during the summer months.

❖ **Age composition:**

The age distribution in the shire is unusual for a regional municipality, encompassing strong family growth as well as the typical ageing population. Generally, communities with a good cross-section of ages are able to maintain a broader range of services and facilities. Cross-generational support and volunteering is also strengthened. A risk factor is the local variations within the shire, with the smaller coastal towns ageing more rapidly and attracting fewer families, creating pressure for local employment and services. The increase in numbers of older people will impact communities as health issues become more acute with age.

Our Themes for 2017-2021

The Surf Coast Shire Council Plan focuses on five themes that capture the essence of what Council is hoping to achieve over the next four years in order to make a difference in our community.

Each theme comes with its own set of challenges, which Council has responded to by detailing what it hopes to achieve (strategic objectives) and what the community can expect to see as a result of our actions.

Council will report on its performance against these themes in February and October each year. The full year performance results are included in the Surf Coast Shire Annual Report in October, and published online at www.surfcoast.vic.gov.au

This section also identifies services Council already delivers to support each theme, as well as existing strategies and legislation that determine how Council delivers its services.

COMMUNITY WELLBEING:	Create an inclusive community where everyone can participate and contribute to community life.
ENVIRONMENTAL LEADERSHIP:	Preserve and enhance the natural environment.
BALANCING GROWTH:	Provide for growth whilst ensuring the intrinsic values and character of the shire are retained.
VIBRANT ECONOMY:	Support innovative, sustainable businesses and activities that create jobs and are valued by the community and visitors.
HIGH PERFORMING COUNCIL:	Deliver valued services to the community.

Our Themes: Making a Difference

Council Vision	An engaged, innovative and sustainable community.
Council Purpose	To help our community and environment to thrive.
Organisation Direction	An innovative and flexible leader, and a constructive partner, that values the strengths of others; a place where people can do their best and be proud of their achievements.
Council Plan Approach	While there are many highly valued things that Council does, this plan focuses on areas where Council is endeavouring to make a significant difference relative to the current situation. This year, our health and wellbeing objectives and actions are documented in the Council Plan for the first time.

Measuring our Performance

Proposed Strategic Indicator	Regularity	Proposed Collection Method	Related Strategic Objective
1. Improved VicHealth Health and Wellbeing (subjective wellbeing score)	Annually	In partnership with G21 Health and Wellbeing Pillar	All strategic objectives relate to this indicator
2. Improved participation rates of older people in community, social & health activities	Annually	Collection from existing service data	a, b, g, h, k, m, n, p, q, r
3. Young people are more resilient	Annually	Annual youth survey	a, b, e, f, g, h, k, l, m, n, o, p, q, r
4. Improved perceptions of gender and service access equity in the shire	Annually	New internal measure	a, b, h, k, l, m, p, q, r
5. Renewable energy within shire (achieve 25% by 2020)	Annually	TBC	c, d, e, g
6. Population objectives are achieved in Winchelsea & Moriac	Annually	Id.forecast	a, b, e, f, h, i, j, k, l, n, o
7. Appropriate management of the Torquay growth corridor	Annually	New internal measure	a, b, h, i, k, l
8. Increased utilisation of public transport services	Annually	Public transport providers	a, c, h,
9. Unemployment rate in the shire is maintained or reduced	Quarterly	Department of Employment	a, b, e, f, k, l, m, n, o
10. Viable 10-year Long-Term Financial Plan in place	Annually	LGPRF	d, k, p, q, r
11. Increase in the per cent of Council interactions that occur via digital channels	Monthly	Authority Data	a, b, p, q, r
12. Increase in the per cent of non-council financial contribution to program	Monthly	Authority Data	a, i, j, k, l, o, p, q
13. Improvements in the management of statutory planning processes	Quarterly	Open Office Data	r

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Executive Summary

Theme	Strategic Objective	Outcome (What we will see)	Strategy (What we will do - actions / programs)
Council Vision	An engaged, innovative and sustainable community.		
Council Purpose	To help our community and environment to thrive.		
Organisation Direction	An innovative and flexible leader, and a constructive partner, that values the strengths of others; a place where people can do their best and be proud of their achievements.		
Council Plan Approach	While there are many highly valued things that Council does, this plan focuses on areas where Council is endeavouring to make a significant difference relative to the current situation. This year, our health and wellbeing objectives and actions are documented in the Council Plan for the first time.		
COMMUNITY WELLBEING: Create an inclusive community where everyone can participate and contribute	a) Support people to participate in and contribute to community life	Local people participating in and contributing to local life (HW, SS, CP, CC, L)	1) Develop and implement a program to support communities of interest, and provide a place for them to identify and achieve their community aspirations 2) Facilitate and support high levels of volunteering in the community 3) Work in partnership with the community to review, update and continue to implement the heritage, arts and culture strategy
	b) Support people to be healthy and active	High levels of quality physical activity and health, including mental wellbeing (HW, SS, CP, CC, L)	4) Develop and implement local programs to support <i>Healthy Eating and Active Living</i> 5) Implement health and wellbeing impact assessments as part of infrastructure and project planning 6) Develop and implement an alcohol, tobacco and drug strategy based on local evidence and best practice 7) Reinforce policies to manage electronic gaming machines
	c) Improve community safety	People feel safe in their community (HW, SS, CP, CC, L)	8) Understand community safety issues and needs, and design an appropriate local response 9) Continue to build community resilience to prepare for emergencies
	d) Provide support for people in need	Young people and their families are able to access the services and support they need (HW, SS, CP, CC, L) Older people are supported to live independent and meaningful lives (HW, SS, CP, CC, L) Culture, all abilities and diversity are celebrated (HW, SS, CP, CC, L)	10) Work in partnership with community and agencies to improve young people and their families' access to the services and support they need 11) Pursue <i>Age Friendly City</i> status 12) Contribute to the delivery of the <i>Strategic Plan for prevention and addressing violence against women and children in the G21 region</i> 13) Implement the <i>Accessible and Inclusive Surf Coast Shire Strategic Plan</i>
ENVIRONMENTAL LEADERSHIP: Preserve and enhance the natural environment	e) Drive the use of renewable energy	Surf Coast Shire is a state leader in the take up of renewable energy (L)	14) Implement the <i>Renewable Energy Roadmap</i> 15) Support the work of the <i>Renewable Energy Taskforce</i>
	f) Improve the re-use of resources	More waste is diverted from landfill for reuse and recycling (CP, L) Recycled water is used to support agribusiness appropriate to the shire (L)	16) Develop and implement organic waste diversion pilot program 17) Develop and implement a waste reduction program to increase the life of the landfill 18) Review and expand <i>Plastic Wise Program</i> 19) Work in partnership with relevant stakeholders to investigate the feasibility of recycled water to support agriculture in the Thompson Valley and other rural areas
	g) Support local food production	An increase in the production and consumption of locally grown food (HW, CC, CP, L)	20) Develop and implement a local food program in partnership with community
BALANCING GROWTH: Provide for growth whilst ensuring the intrinsic values and character of the shire are retained	h) Ensure infrastructure is in place to support existing communities and provide for growth	Infrastructure demands, including public transport, are planned and provided for (HW, SS, CP, CC, L)	21) Advocate for better public transport, including buses, and investigate the provision of community transport and transport connections 22) Explore the potential rail link in Torquay and the level of service on the Warrnambool line 23) Conduct a review of the existing pathway strategy and implement recommendations 24) Ensure appropriate funding mechanisms are in place to support future growth including developer contributions 25) Work with the community and stakeholders to implement the <i>Anglesea Futures</i> program
	i) Strengthen township boundaries and support unique township character	Sprawl is contained and townships remain distinct communities with designated settlement breaks between (HW, SS, CP, CC, L)	26) Work with the community to identify and define desired town footprints and ensure that Township Structure Plans reflect this 27) Encourage in-fill development and direct growth to designated areas 28) Develop a communications strategy to explain the implications of living in different planning zones
	j) Retain and enhance rural land for appropriate and sustainable uses	Rural land use is productive and sustainable and in keeping with environmental values of the shire (CP, L)	29) Finalise and implement the <i>Rural Hinterland Strategy</i> 30) Advocate for supporting infrastructure (e.g. NBN, water supply, roads) 31) Develop partnerships to better manage interfaces between public and private land 32) Effectively manage pests, plants and animals on Council land
	k) Understand and manage the impact of population and visitation growth in neighbouring municipalities and our own shire	Measures are in place to limit negative impacts on amenity (HW, SS, CP, CC, L)	33) Advance a Winchelsea and Moriac Development Program 34) Conduct an impact analysis of Torquay's growth including Armstrong Creek 35) Explore the impact of increased traffic on the road network including inland transport routes
VIBRANT ECONOMY: Support innovative, sustainable businesses and activities that create jobs and are valued by the community and visitors	l) Support the creation and retention of jobs in existing and new businesses to meet the needs of a growing community	Continued growth in local employment (HW, SS, CP, CC)	36) Support and build capability of businesses and business / tourism groups 37) Investigate how the strategic road network impacts on commercial transport 38) Facilitate and enable stronger relationships between industry and education 39) Plan for industrial and commercial zones in growing communities
	m) Facilitate high quality events throughout the year	Diverse series of events that deliver economic, environmental and social benefits to the community (HW, SS, CP, CC, L)	40) Further develop diverse, major and signature events, communication and promotion program
	n) Strengthen the vitality of town centres	Town Centres are a good place to be and an important part of community life (HW, SS, CP, CC, L)	41) Identify and support the economic and social drivers of town centres within the shire
	o) Support key industry sectors such as surfing, tourism, home-based, construction and rural businesses	There are a number of strong industry sectors, which create a sustainable year-round economy (HW, SS, CP, CC, L)	42) Work with key stakeholders to encourage visitors to stay longer and spend more in the shire 43) Develop and implement an industry development and attraction program 44) Advocate for and drive the Great Ocean Road visitor economy 45) Develop and implement an agribusiness strategy
HIGH PERFORMING COUNCIL: Deliver valued services to the community	p) Ensure Council is financially sustainable and has the capability to deliver strategic objectives	Council has a viable long-term financial plan (HW, CP, CC) Council has the capacity to deliver on new things (HW, CP, CC)	46) Establish long-term financial principles and incorporate into the long-term financial plan 47) Develop and implement an organisational capability and capacity program 48) Develop innovative funding partnerships with community, business and government 49) Build on relationships with agencies and key stakeholders for the benefit of the community
	q) Ensure that Council decision-making is balanced and transparent and the community is involved and informed	Council uses a range of engagement approaches to inform its decision-making (HW, CP, CC) Council communicates its decisions clearly and widely (HW, CP, CC)	50) Prepare for <i>Local Government Act</i> review recommendations 51) Evolve our community engagement approach to inform strategic Council direction and decision-making 52) Use technology to make Council decision-making more accessible
	r) Provide quality customer service that is convenient, efficient, timely and responsive	People are comfortable to approach Council for assistance, and have confidence in our response (HW, CP, CC) We see improvements in Council performance in areas of high importance to the community (HW, CP, CC)	53) Implement <i>Digital Transformation Program</i> , including opportunities for customer self-service 54) Investigate the feasibility of a certified quality system 55) Improve how we manage customer requests and complaints 56) Continued reforms in statutory planning service delivery 57) Further update and implement a customer service strategy
	s) Ensure the community has access to the services they need	High quality services are available to the community (HW, SS, CP, CC, L)	58) Review Council-delivered services to ensure they are of high quality and delivering best value 59) Conduct service reviews to identify best service delivery model 60) Advocate for services that are best delivered by others 61) Review arrangements for governance of the coast
Proposed Strategic Indicator	Regularity	Proposed Collection Method	Related Strategic Objective
1. Improved VicHealth Health and Wellbeing (subjective wellbeing score)	Annually	In partnership with G21 Health and Wellbeing Pillar	All strategic objectives relate to this indicator
2. Improved participation rates of older people in community, social & health activities	Annually	Collection from existing service data	a, b, g, h, k, m, n, p, q, r
3. Young people are more resilient	Annually	Annual youth survey	a, b, e, f, g, h, k, l, m, n, o, p, q, r
4. Improved perceptions of gender and service access equity in the shire	Annually	New internal measure	a, b, h, k, l, m, p, q, r
5. Renewable energy within shire (achieve 25% by 2020)	Annually	TBC	c, d, e, g
6. Population objectives are achieved in Winchelsea & Moriac	Annually	Id.forecast	a, b, e, f, h, i, j, k, l, n, o
7. Appropriate management of the Torquay growth corridor	Annually	New internal measure	a, b, h, i, k, l
8. Increased utilisation of public transport services	Annually	Public transport providers	a, c, h,
9. Unemployment rate in the shire is maintained or reduced	Quarterly	Department of Employment	a, b, e, f, k, l, m, n, o
10. Viable 10-year Long-Term Financial Plan in place	Annually	LGPRF	d, k, p, q, r
11. Increase in the per cent of Council interactions that occur via digital channels	Monthly	Authority Data	a, b, p, q, r
12. Increase in the per cent of non-council financial contribution to program	Monthly	Authority Data	a, i, j, k, l, o, p, q
13. Improvements in the management of statutory planning processes	Quarterly	Open Office Data	r

Health and Wellbeing Focus Areas

Healthy & Well (HW) Safe and Secure (SS) Capabilities to Participate (CP) Connected to culture and community (CC) Liveable (L)

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Theme 1: COMMUNITY WELLBEING

People make our community what it is ... so your health and wellbeing is our priority. Our aim is for the Surf Coast Shire to be a place where people are proud to live, participate and contribute to local life. As a community, we value healthy and active lifestyles and we care about our mental wellbeing. We should all feel safe and have access to the services and support we need, whilst living independent and meaningful lives. Importantly, we want to celebrate culture and diversity.

Health and Wellbeing

Councils play a key role in planning for health and wellbeing across their municipalities, as recognised in both the *Local Government Act 1989*, which outlines a council's role in the protection, improvement and promotion of health and wellbeing, and the *Victorian Health and Wellbeing Act 2008*, which requires that councils develop a health and wellbeing plan – or incorporate it into the overall Council Plan – by 30 June following a general council election.

The Surf Coast Shire Health and Wellbeing Data Profile compiles the latest population health and Census data, and wellbeing indicators, to provide a snapshot of health and wellbeing across the shire and is included as an appendix in this plan.

The general health and wellbeing of a community can be measured and reviewed through the examination of five key 'environments' – social, built, natural, economic and cultural.

The Surf Coast Shire scores very well on the bulk of health and wellbeing indicators, including diet and exercise, mental health and welfare, general health conditions/disease, some aspects of community engagement, recreation facilities, urban design, open space, nature, sustainable living and economic circumstances overall.

We are more challenged with issues such as access to health services, supporting our growing population over 65, and connecting with and supporting our young people. Other areas of concern include long commutes, work-life balance, transport, affordable housing, employment opportunities, ethnicity, alcohol, increasing vulnerability of children in some areas, youth, and some health services.

It is important to note that some issues draw on total shire characteristics, while other indicators are from smaller surveys and may require further validation. Where there is a comparison with 'an average', this refers to Victoria.

A deeper understanding of how the community is impacted by the five key environments affecting our health and wellbeing is provided [here](#).

COMMUNITY WELLBEING: Create an inclusive community where everyone can participate and contribute

Strategic Objective	Outcome (What we will see)	Strategy (What we will do - actions / programs)		
a) Support people to participate in and contribute to community life	Local people participating in and contributing to local life (HW, SS, CP, CC, L)	62) Develop and implement a program to support communities of interest, and provide a place for them to identify and achieve their community aspirations 63) Facilitate and support high levels of volunteering in the community 64) Work in partnership with the community to review, update and continue to implement the heritage, arts and culture strategy		
b) Support people to be healthy and active	High levels of quality physical activity and health, including mental wellbeing (HW, SS, CP, CC, L)	65) Develop and implement local programs to support <i>Healthy Eating and Active Living</i> 66) Implement health and wellbeing impact assessments as part of infrastructure and project planning 67) Develop and implement an alcohol, tobacco and drug strategy based on local evidence and best practice 68) Reinforce policies to manage electronic gaming machines		
c) Improve community safety	People feel safe in their community (HW, SS, CP, CC, L)	69) Understand community safety issues and needs, and design an appropriate local response 70) Continue to build community resilience to prepare for emergencies		
d) Provide support for people in need	Young people and their families are able to access the services and support they need (HW, SS, CP, CC, L)	71) Work in partnership with community and agencies to improve young people and their families' access to the services and support they need		
	Older people are supported to live independent and meaningful lives (HW, SS, CP, CC, L)	72) Pursue <i>Age Friendly City</i> status		
	Culture, all abilities and diversity are celebrated (HW, SS, CP, CC, L)	73) Contribute to the delivery of the <i>Strategic Plan for prevention and addressing violence against women and children in the G21 region</i> 74) Implement the <i>Accessible and Inclusive Surf Coast Shire Strategic Plan</i>		
Health and Wellbeing Focus Areas				
Healthy & Well (HW)	Safe & Secure (SS)	Capabilities to Participate (CP)	Connected to culture and community (CC)	Liveable(L)

Theme 2: ENVIRONMENTAL LEADERSHIP

Surf Coast Shire Council has raised the bar as an environmental steward and remains committed to preserving and enhancing the natural local environment. From driving the uptake of renewable energy and re-use of resources, to supporting the production and consumption of locally grown food, Council is working with local communities to build our region as a leader in sustainable and environmentally-friendly practices.

Environment

The Surf Coast Shire is an area of high environmental significance, which underpins our lifestyle and economy. With spectacular physical features, including a large coastline and state and national parks, unique natural character and significant biological diversity, the environment is a defining feature of the Surf Coast Shire. This influences decisions on local urban development and land management.

As owner or manager of less than one per cent of land in the shire, it is critical that Council works in partnership with the community and other agencies to oversee and protect the natural environment, particularly through the management of public open spaces, as well as the supervision of planning controls on environmentally significant land. An important focus is managing invasive pests, plants and animals, and the impacts of climate change, such as rising sea levels and increased bush fire risk.

The Surf Coast Shire recently implemented its Towards Environmental Leadership program which clearly sets out a series of specific environmental actions.
https://www.surfcoast.vic.gov.au/My_Environment/Towards_Environmental_Leadership

ENVIRONMENTAL LEADERSHIP: Preserve and enhance the natural environment

Strategic Objective	Outcome (What we will see)	Strategy (What we will do - actions / programs)		
e) Drive the use of renewable energy	Surf Coast Shire is a state leader in the take up of renewable energy (L)	75) Implement the <i>Renewable Energy Roadmap</i> 76) Support the work of the <i>Renewable Energy Taskforce</i>		
f) Improve the re-use of resources	More waste is diverted from landfill for reuse and recycling (CP, L) Recycled water is used to support agribusiness appropriate to the shire (L)	77) Develop and implement organic waste diversion pilot program 78) Develop and implement a waste reduction program to increase the life of the landfill 79) Review and expand <i>Plastic Wise Program</i> 80) Work in partnership with relevant stakeholders to investigate the feasibility of recycled water to support agriculture in the Thompson Valley and other rural areas		
g) Support local food production	An increase in the production and consumption of locally grown food (HW, CC, CP, L)	81) Develop and implement a local food program in partnership with community		
Health and Wellbeing Focus Areas				
Healthy & Well (HW)	Safe & Secure (SS)	Capabilities to Participate (CP)	Connected to culture and community (CC)	Liveable(L)

Theme 3: BALANCING GROWTH

Council recognises the intrinsic values and unique character of townships in the Surf Coast Shire should be protected. With more people expected to live in and visit the shire, we will work to understand and manage the impact of population growth. Our focus includes containment of residential sprawl, advocacy for more public transport, appropriate use of rural land and working to ensure our towns remain a desirable place to live.

Infrastructure

Continued growth places increased pressure on infrastructure. Council's investment priority is to ensure existing, well-utilised assets are renewed, redeveloped and, in some instances, expanded or replaced over time to extend their service life. Planning and investment in infrastructure is necessary as new residential neighbourhoods develop.

The 'Fair Go Rates System' recently introduced by the Victorian government limits the amount of revenue councils can collect through rates. Developer contributions to new community infrastructure are collected relative to the timing of development and only partially cover the cost.

Surf Coast Shire Council will need to attract funding from state and federal governments to deliver some projects, and will work closely with local members to advocate for this financial support. Additionally, there will be a strong focus on constructive partnerships, where Council can work alongside community, business and agencies to advocate for government funding, contribute funding and deliver projects together.

Through its budget process, Council will contribute a funding allocation to support its Council Plan. This will include funds to maintain and renew existing infrastructure, and to build necessary new infrastructure. Investment in new digital technology is planned to provide customer service in keeping with community expectations, including more and better digital channels.

BALANCING GROWTH: Provide for growth whilst ensuring the intrinsic values and character of the shire are retained

Strategic Objective	Outcome (What we will see)	Strategy (What we will do - actions / programs)		
h) Ensure infrastructure is in place to support existing communities and provide for growth	Infrastructure demands, including public transport, are planned and provided for (HW, SS, CP, CC, L)	82) Advocate for better public transport, including buses, and investigate the provision of community transport and transport connections 83) Explore the potential rail link in Torquay and the level of service on the Warrnambool line 84) Conduct a review of the existing pathway strategy and implement recommendations 85) Ensure appropriate funding mechanisms are in place to support future growth including developer contributions 86) Work with the community and stakeholders to implement the <i>Anglesea Futures</i> program		
i) Strengthen township boundaries and support unique township character	Sprawl is contained and townships remain distinct communities with designated settlement breaks between (HW, SS, CP, CC, L)	87) Work with the community to identify and define desired town footprints and ensure that Township Structure Plans reflect this 88) Encourage in-fill development and direct growth to designated areas 89) Develop a communications strategy to explain the implications of living in different planning zones		
j) Retain and enhance rural land for appropriate and sustainable uses	Rural land use is productive and sustainable and in keeping with environmental values of the shire (CP, L)	90) Finalise and implement the <i>Rural Hinterland Strategy</i> 91) Advocate for supporting infrastructure (e.g. NBN, water supply, roads) 92) Develop partnerships to better manage interfaces between public and private land 93) Effectively manage pests, plants and animals on Council land		
k) Understand and manage the impact of population and visitation growth in neighbouring municipalities and our own shire	Measures are in place to limit negative impacts on amenity (HW, SS, CP, CC, L)	94) Advance a Winchelsea and Moriac Development Program 95) Conduct an impact analysis of Torquay's growth including Armstrong Creek 96) Explore the impact of increased traffic on the road network including inland transport routes		
Health and Wellbeing Focus Areas				
Healthy & Well (HW)	Safe & Secure (SS)	Capabilities to Participate (CP)	Connected to culture and community (CC)	Liveable(L)

Theme 4: VIBRANT ECONOMY

A growing community needs to create jobs to ensure a sustainable year-round economy. A key theme in the Council Plan is to support initiatives that build the job market. Support for innovative businesses, high quality events and key industry sectors is an important focus. Strengthening the vitality of each township is also a strategic priority.

Economic Development & Tourism

The townships and rural hinterland of the Surf Coast Shire support more than 3,000 businesses, which provide more than 7,000 local jobs. The shire economy is worth more than \$1 billion annually and currently growing at a rate of more than 4%. Small business drives the economy with approximately 87% of local businesses employing less than 4 people. The top three standard industry sectors for employment are accommodation and food, construction and retail.

The economy of the Surf Coast Shire is unique and distinctly different to that of Victoria, Geelong and surrounding regions, with the non-standard surfing industry representing almost 27% of all jobs and 26.5% (\$217 million) of all 'Value Add' activity. In recognising this, Council has formed collaborative partnerships with industry and key organisations to ensure the sector's growth and stability.

Tourism also plays a vital role. In the year ended June 2016, more than 2.161 million visitors came to the Surf Coast Shire, directly expending over \$430 million. Summer periods dominate visitation patterns with the March Quarter accounting for just over 41% of annual visitation (based on a 10-year period). The December (28%), June (17%) and September quarters (13%) showed distinctly lower visitor numbers reflecting the strong influence of the beach. There is a need to focus on 'off-beach' attractions to ease pressure on this important asset.

Continued population growth will create the need for at least 2,000 new jobs by 2036 to maintain the current ratio of local jobs.

Signature events, including the Falls Festival, Cadel Evans Great Ocean Road Race, Amy's Gran Fondo, Bells Beach Rip Curl Pro, Surf Coast Century and the Great Ocean & Otway Classic Ride, headline a calendar of events that bring visitors from across the globe and play a vital role in sustaining businesses throughout the off-peak periods. In total, events generate more than \$105 million annually in expenditure. The significance of our major events results in an annual viewer audience of over 32 million people globally.

Construction also plays a key role in the Surf Coast Shire economy, with more than 700 businesses in this sector alone, employing close to 1000 people. These businesses have played a key role in the \$2.25 billion worth of development that has taken place in the Surf Coast Shire over the past 10 years. A significant component of this construction takes place in and around Torquay.

Our hinterland, with its agricultural and aesthetic attributes, is starting to play a growing role in the development of the Surf Coast Shire's economy, particularly in local food and niche tourism opportunities. Agriculture was one of the fastest growing sectors (by percentage) for the Surf Coast Shire in 2016, reflecting its increasing contribution and importance.

While the growth of the economy is important, the natural environment is a critical factor in our planning and decision-making.

VIBRANT ECONOMY: Support innovative, sustainable businesses and activities that create jobs and are valued by the community and visitors

Strategic Objective	Outcome (What we will see)	Strategy (What we will do - actions / programs)		
l) Support the creation and retention of jobs in existing and new businesses to meet the needs of a growing community	Continued growth in local employment (HW, SS, CP, CC)	97) Support and build capability of businesses and business / tourism groups 98) Investigate how the strategic road network impacts on commercial transport 99) Facilitate and enable stronger relationships between industry and education 100) Plan for industrial and commercial zones in growing communities		
m) Facilitate high quality events throughout the year	Diverse series of events that deliver economic, environmental and social benefits to the community (HW, SS, CP, CC, L)	101) Further develop diverse, major and signature events, communication and promotion program		
n) Strengthen the vitality of town centres	Town Centres are a good place to be and an important part of community life (HW, SS, CP, CC, L)	102) Identify and support the economic and social drivers of town centres within the shire		
o) Support key industry sectors such as surfing, tourism, home-based, construction and rural businesses	There are a number of strong industry sectors, which create a sustainable year-round economy (HW, SS, CP, CC, L)	103) Work with key stakeholders to encourage visitors to stay longer and spend more in the shire 104) Develop and implement an industry development and attraction program 105) Advocate for and drive the Great Ocean Road visitor economy 106) Develop and implement an agribusiness strategy		
Health and Wellbeing Focus Areas				
Healthy & Well (HW)	Safe & Secure (SS)	Capabilities to Participate (CP)	Connected to culture and community (CC)	Liveable(L)

Theme 5: HIGH PERFORMING COUNCIL

The community deserves a council that is financially sustainable and capable of delivering valued services. We will involve the community in decision-making and ensure our approach is fair and transparent. Our goal is to ensure that people feel comfortable and confident to approach Council for support, advice or to give feedback. Ultimately, all people in our community deserve access to the services they require.

Services

The ongoing challenge for Council is to keep pace with the demands of rapid growth within the Surf Coast Shire; ensuring services are available to meet a diverse range of community needs, whilst maintaining a responsible budget.

This plan anticipates that ongoing pressures on shire services over the next four years will require Council to continue to advocate to the state and federal governments for support. This will be necessary to ensure that people across the municipality have access to services, programs and infrastructure to meet their needs and that any Council-provided services are delivered within a framework of responsible financial management.

Council has a strong emphasis on ensuring that the services it provides are of high quality and meet the needs of the customer. The Council also seeks to continuously improve service delivery through technological and other innovations in a cost effective manner.

HIGH PERFORMING COUNCIL: Deliver valued services to the community

Strategic Objective	Outcome (What we will see)	Strategy (What we will do - actions / programs)		
t) Ensure Council is financially sustainable and has the capability to deliver strategic objectives	Council has a viable long-term financial plan (HW, CP, CC) Council has the capacity to deliver on new things (HW, CP, CC)	107) Establish long-term financial principles and incorporate into the long-term financial plan 108) Develop and implement an organisational capability and capacity program 109) Develop innovative funding partnerships with community, business and government 110) Build on relationships with agencies and key stakeholders for the benefit of the community		
u) Ensure that Council decision-making is balanced and transparent and the community is involved and informed	Council uses a range of engagement approaches to inform its decision-making (HW, CP, CC) Council communicates its decisions clearly and widely (HW, CP, CC)	111) Prepare for <i>Local Government Act</i> review recommendations 112) Evolve our community engagement approach to inform strategic Council direction and decision-making 113) Use technology to make Council decision-making more accessible		
v) Provide quality customer service that is convenient, efficient, timely and responsive	People are comfortable to approach Council for assistance, and have confidence in our response (HW, CP, CC) We see improvements in Council performance in areas of high importance to the community (HW, CP, CC)	114) Implement <i>Digital Transformation Program</i> , including opportunities for customer self-service 115) Investigate the feasibility of a certified quality system 116) Improve how we manage customer requests and complaints 117) Continued reforms in statutory planning service delivery 118) Further update and implement a customer service strategy		
w) Ensure the community has access to the services they need	High quality services are available to the community (HW, SS, CP, CC, L)	119) Review Council-delivered services to ensure they are of high quality and delivering best value 120) Conduct service reviews to identify best service delivery model 121) Advocate for services that are best delivered by others 122) Review arrangements for governance of the coast		
Health and Wellbeing Focus Areas				
Healthy & Well (HW)	Safe & Secure (SS)	Capabilities to Participate (CP)	Connected to culture and community (CC)	Liveable(L)

Appendices

Appendix 1: Surf Coast Shire Health and Wellbeing Data (in development)

Appendix 2: Strategic Resource Plan

Comprehensive Income Statement

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Income					
Rates and charges	47,871	49,263	51,183	53,300	55,493
Statutory fees and fines	1,700	1,940	1,836	1,872	1,910
User charges	5,794	6,168	6,214	6,383	6,558
Grants - Operating	7,990	7,617	7,334	7,481	7,630
Grants - Capital	6,188	664	694	708	708
Contributions - monetary	3,538	3,554	4,456	4,294	3,954
Contributions - non-monetary assets	8,065	12,580	10,220	9,660	10,200
Other Income	921	883	905	962	989
Total Income	82,067	82,669	82,842	84,661	87,443
Expenses					
Employee costs	27,326	29,144	29,757	29,967	31,251
Materials and services	22,491	24,996	21,419	20,705	22,377
Bad and doubtful debts	79	80	81	84	86
Depreciation	11,241	11,564	12,318	12,829	13,368
Borrowing costs	1,077	1,031	1,155	1,095	1,002
Asset write offs	795	414	1,022	1,108	1,187
Net loss/(gain) on disposal of property infrastructure, plant and equipment	29	150	(41)	(30)	18
Other Expenses	1,166	1,262	1,286	1,318	1,350
Total expenses	64,204	68,639	66,996	67,075	70,639
Surplus/(deficit) for the year	17,864	14,030	15,846	17,586	16,804
Other Comprehensive Income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment	6,164	1,104	2,928	8,498	1,340
Total Comprehensive Result	24,027	15,133	18,775	26,084	18,144

Balance Sheet

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Assets					
Current assets					
Cash and cash equivalents	22,185	21,354	22,205	24,610	25,793
Trade and other receivables	3,022	3,082	3,144	3,206	3,271
Other financial assets	15,000	15,000	15,000	15,000	15,000
Inventories	293	299	305	311	317
Non-current assets classified as held for sale	280	-	-	-	-
Other assets	542	553	564	575	587
Total current assets	41,322	40,288	41,218	43,702	44,967
Non current assets					
Trade and other receivables	70	70	70	70	70
Other financial assets	1,000	1,000	1,000	1,000	1,000
Property, infrastructure plant & equipment	472,780	490,148	507,178	529,904	542,502
Investments in associates and joint ventures	537	537	537	537	537
Total non current assets	474,386	491,755	508,784	531,510	544,108
Total assets	515,708	532,043	550,002	575,213	589,075
Liabilities					
Current liabilities					
Trade and other payables	3,651	3,688	3,725	3,762	3,799
Trust funds and deposits	1,863	1,900	1,938	1,977	2,017
Provisions	6,372	5,165	5,217	8,595	5,322
Interest bearing liabilities	675	951	1,010	1,094	1,155
Other Liabilities	36	36	36	36	36
Total current liabilities	12,597	11,740	11,925	15,464	12,329
Non current liabilities					
Provisions	12,467	12,475	12,483	9,165	9,174
Interest bearing liabilities	14,262	16,311	15,301	14,208	13,053
Total non current liabilities	26,728	28,786	27,785	23,373	22,227
Total liabilities	39,325	40,526	39,710	38,837	34,555
Net assets	476,384	491,517	510,292	536,376	554,520
Equity					
Accumulated surplus	196,818	211,678	226,674	241,855	257,476
Assets revaluation reserve	242,512	243,616	246,545	255,043	256,383
Other reserves	37,054	36,222	37,073	39,478	40,661
Total equity	476,384	491,517	510,292	536,376	554,520

Statement of Changes in Equity

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Equity Opening Balance	452,356	476,384	491,517	510,292	536,376
Surplus for the Year	17,864	14,030	15,846	17,586	16,804
Net Asset Revaluation	6,164	1,104	2,928	8,498	1,340
Total Equity	476,384	491,517	510,292	536,376	554,520

Statement of Cash Flows
For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Cash flow from operating activities					
Rates and charges	47,879	49,263	51,183	53,300	55,493
Grants - operating	8,395	7,880	7,587	7,739	7,893
Grants - capital	6,188	664	694	708	708
Contributions	3,538	3,554	4,456	4,294	3,954
Interest received	921	883	905	962	989
Statutory fees and fines	1,687	1,940	1,836	1,872	1,910
User charges	5,984	6,323	6,217	6,386	6,561
Net GST refund/payment	3,355	3,772	3,616	3,668	3,870
Trust funds received/(taken)	192	37	38	39	40
Employee costs	(27,132)	(29,084)	(29,697)	(29,906)	(31,190)
Materials and Services	(28,963)	(31,826)	(26,699)	(26,078)	(31,320)
Net cash provided from operating activities	22,044	13,406	20,135	22,985	18,909
Cash Flows from investing activities					
Proceeds from sale of property, plant & equipment	673	528	439	427	380
Payments for property, plant, equipment & infrastructure assets	(14,403)	(16,060)	(17,618)	(18,903)	(16,010)
Cash Flows from investing activities	8,600	-	-	-	-
Net cash used in investing activities	(5,130)	(15,532)	(17,179)	(18,476)	(15,630)
Cash flows from financing activities					
Finance costs	(1,077)	(1,031)	(1,155)	(1,095)	(1,002)
Proceeds from interest bearing loans and borrowings	-	3,000	-	-	-
Repayment of interest bearing loans and borrowings	(628)	(675)	(951)	(1,010)	(1,094)
Net cash provided from financing activities	(1,706)	1,294	(2,105)	(2,105)	(2,095)
Net increase/(decrease) in cash & cash equivalents held	15,208	(831)	851	2,404	1,183
Cash & cash equivalents at the beginning of the period	6,977	22,185	21,354	22,205	24,610
Cash & cash equivalents at the end of the period	22,185	21,354	22,205	24,610	25,793
Investments (current and non-current financial assets)	16,000	16,000	16,000	16,000	16,000
Total cash & investments at the end of the period	38,185	37,354	38,205	40,610	41,793

Statement of Capital Works

For the four years ending 30 June 2021

	Forecast 2016/17 \$'000	Budget 2017/18 \$'000	Forecast 2018/19 \$'000	Forecast 2019/20 \$'000	Forecast 2020/21 \$'000
Property					
Land	-	2	-	-	-
Buildings	2,323	5,172	3,191	3,197	2,781
Total Property	2,323	5,174	3,191	3,197	2,781
Plant and Equipment					
Plant, Machinery and Equipment	724	1,350	1,331	1,429	1,293
Fixtures, Fittings and Furniture	38	-	-	-	-
Computers and Telecommunications	421	998	1,946	837	218
Total Plant and Equipment	1,184	2,348	3,276	2,265	1,511
Infrastructure					
Roads	5,715	5,915	5,880	7,302	8,226
Bridges	14	40	59	63	70
Footpaths and Cycleways	550	257	587	608	590
Drainage	429	338	973	1,003	510
Recreational, Leisure and Community Facilities	3,113	774	3,178	3,979	1,819
Parks, Open Space and Streetscapes	912	1,215	473	486	504
Expensed Capital Works	1,144	3,830	750	270	1,304
Landfill Provision Works	1,293	1,258	-	-	3,327
Total Infrastructure	13,169	13,626	11,900	13,711	16,349
Total Capital Works Expenditure	16,676	21,147	18,368	19,173	20,640
Represented by					
New Asset Expenditure	6,073	6,219	5,610	5,115	2,797
Asset Renewal Expenditure	3,973	4,669	6,463	6,995	7,171
Asset Upgrade Expenditure	4,194	5,172	5,545	6,793	6,042
Expensed Capital Works	1,144	3,830	750	270	1,304
Landfill Provision Works	1,293	1,258	-	-	3,327
Total Capital Works Expenditure	16,676	21,147	18,368	19,173	20,640

Reconciliation of net movement in property, plant and equipment

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Total Capital Works	16,676	21,147	18,368	19,173	20,640
Asset Revaluation Increment	6,164	1,104	2,928	8,516	1,340
Depreciation and Amortisation	(11,241)	(11,564)	(12,318)	(12,835)	(13,387)
Written Down Value of Assets Sold	(421)	(398)	(398)	(398)	(398)
Assets Written Off	(795)	(414)	(1,022)	(1,108)	(1,187)
Expensed Capital Works	(2,437)	(5,088)	(750)	(270)	(4,630)
Granted Assets	8,065	12,580	10,220	9,660	10,200
Transfer to Current Assets	(280)	-	-	-	-
Winchelsea Units Right Repurchase	164	-	-	-	-
Net Movement in Property, Plant and Equipment	15,895	17,368	17,029	22,737	12,579

Statement of Human Resources

For the four years ending 30 June 2021

	2016/17	2017/18	2018/19	2019/20	2020/21
	Forecast	Budget	Forecast	Forecast	Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff Expenditure					
Employee Costs - Operating	27,326	29,144	29,757	29,967	31,251
Employee Costs - Capital	1,167	1,561	1,595	1,630	1,666
Total Staff Expenditure	28,493	30,704	31,352	31,597	32,917
	FTE	FTE	FTE	FTE	FTE
Staff Numbers					
Employees	292.1	309.2	305.9	303.7	303.7
Total Staff Numbers	292.1	309.2	305.9	303.7	303.7

Four Year Financial Plan

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Recurrent EBITDA less Waste and Other Special Purposes					
Property Rates and Charges	41,183	42,560	44,233	46,073	47,976
Garbage Charges	-	-	-	-	-
Grants	7,177	7,190	7,334	7,481	7,630
Other Revenue	6,081	6,443	6,572	6,703	6,837
Total Recurrent Income	54,441	56,193	58,139	60,256	62,444
Employee Benefits	(26,226)	(26,917)	(27,510)	(28,197)	(28,959)
Materials and Services	(14,734)	(14,645)	(15,011)	(15,386)	(15,771)
Business Improvement Program Benefits	-	59	409	659	909
Business Case Benefits	-	-	100	200	300
Digital Transformation Benefits	-	-	100	200	300
Total Expenditure - Existing Operations	(40,959)	(41,504)	(41,912)	(42,525)	(43,221)
Compliance Costs (recurrent)	-	(310)	(400)	(800)	(1,200)
Compliance Costs (projects)	-	-	(600)	(600)	(600)
Non-Discretionary Growth	-	(144)	(400)	(1,000)	(1,600)
Discretionary Growth	-	(214)	-	-	-
Total Expenditure - New Operations	-	(668)	(1,400)	(2,400)	(3,400)
Recurrent EBITDA less Waste and Other Special Purposes	13,482	14,021	14,827	15,332	15,823
Recurrent EBITDA Waste					
Property Rates and Charges	-	-	-	-	-
Garbage Charges	6,352	6,682	6,950	7,228	7,517
Other Revenue	1,925	2,112	2,197	2,285	2,376
Total Recurrent Income	8,277	8,795	9,146	9,512	9,893
Employee Benefits	(468)	(521)	(542)	(564)	(587)
Materials and Services	(5,206)	(5,438)	(5,655)	(5,882)	(6,117)
Total Expenditure - Existing Operations	(5,674)	(5,959)	(6,198)	(6,446)	(6,703)
Discretionary Growth	-	(25)	-	-	-
Total Expenditure - New Operations	-	(25)	-	-	-
Recurrent EBITDA Waste	2,602	2,810	2,949	3,067	3,189
Recurrent EBITDA Other Special Purposes					
Other Revenue	451	454	464	474	484
Total Recurrent Income	451	454	464	474	484
Employee Benefits	-	(5)	(5)	(6)	(6)
Materials and Services	(155)	(169)	(173)	(176)	(180)
Total Expenditure - Existing Operations	(155)	(174)	(178)	(182)	(186)
Recurrent EBITDA Other Special Purposes	296	279	286	292	298
Total Recurrent EBITDA	16,380	17,111	18,061	18,690	19,311

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Total Recurrent EBITDA	16,380	17,111	18,061	18,690	19,311
Cash Adjustments:-					
Balance Sheet Adjustments	253	19	18	18	17
Interest Revenue	921	883	905	962	989
Asset sales - plant/fleet	342	338	439	427	380
Asset sales - land	331	190	-	-	-
Total Cash Adjustments	1,847	1,430	1,362	1,407	1,386
Total Cash Available for Allocation	18,227	18,541	19,423	20,097	20,696
Allocations to Commitments					
Debt Interest & Principal	1,706	1,706	2,105	2,105	2,095
Torquay/Jan Juc Developer Plan Allocation	2,076	2,163	2,254	2,349	2,447
Spring Creek Infrastructure Plan Allocation	-	-	700	729	760
Winchelsea Infrastructure Plan Allocation	-	-	200	208	217
Developer Contribution Interest Allocation	52	27	27	27	53
Waste Allocation	2,602	2,810	2,949	3,067	3,189
Asset Renewal Allocation	5,833	6,073	6,507	6,970	7,457
Business Case Investments	500	500	500	500	500
Growth and Compliance Costs (non-recurrent)	1,011	833	-	-	-
Total Allocations to Commitments	13,781	14,112	15,241	15,955	16,719
Discretionary Cash Available	4,446	4,429	4,182	4,143	3,977
Discretionary Allocations					
Discretionary Capital Works	1,927	1,058	-	-	-
Discretionary Operating Projects	817	594	-	-	-
Defined Benefits Superannuation Allocation	250	250	250	250	250
Gravel Pits Allocation	286	273	279	285	291
Aireys Inlet Aged Units	10	7	7	7	7
Towards Environmental Leadership	-	250	250	250	250
Building Better Regions Project Allocation	-	357	-	-	-
Repayment Anglesea Bowls Club Commitment	-	225	-	-	-
Discretionary Project Allocation	-	-	2,400	2,501	2,606
Total Discretionary Allocations	3,290	3,013	3,186	3,293	3,404
Unallocated Cash Surplus / (Deficit)	1,157	1,416	997	850	573
Accumulated Unallocated Cash					
Opening Balance	3,666	3,404	3,045	1,942	1,892
Annual Surplus/(Deficit)	1,157	1,416	997	850	573
Return to AUC as per Council Resolution 13 Sept 2016	-	225	-	-	-
Merrijig Drive Contribution	-	-	400	-	-
Net Allocations during the Year	(419)	-	-	-	-
Transfer for Digital Transformation	(1,000)	(2,000)	(2,500)	(900)	-
Closing Balance	3,404	3,045	1,942	1,892	2,465

1.2 Exhibition of the Draft Budget 2017 - 2018

Author's Title: Manager Finance

General Manager: Anne Howard

Department: Finance

File No: F16/1483

Division: Governance & Infrastructure

Trim No: IC17/324

Appendix:

1. Draft Budget 2017-2018 (D17/43852) ↓

Officer Direct or Indirect Conflict of Interest:

Status:

In accordance with Local Government Act 1989 –
Section 80C:

Information classified confidential in accordance with
Local Government Act 1989 – Section 77(2)(c):

Yes

No

Yes

No

Reason: Nil

Reason: Nil

Purpose

The purpose of this report is to place the Surf Coast Shire Council Draft Budget 2017-2018 on public exhibition

Summary

Section 127 of the Local Government Act 1989 requires Council to prepare a budget for each financial year. Section 129 of the Act requires Council to issue a Public Notice in relation to the proposed budget and invite submissions in accordance with Section 223 of the Act.

The Draft Budget for the 2017-2018 financial year has been prepared.

Recommendation

That Council:

1. The Proposed Budget attached to this report be the budget prepared by Council for the purposes of section 127 of the Local Government Act 1989.
2. The Chief Executive Officer be authorised to give public notice of the preparation of such budget in accordance with section 129 of the Local Government Act 1989.
3. Council hear any submissions and where requested, allow submitters to be heard by Council in support of those submissions, pursuant to Sections 129 and 223 of the Local Government Act 1989, on any proposal contained in the Budget at a Hearing of Submissions Committee Meeting, Scheduled to be held on Tuesday 30 May 2017 commencing at 6.00pm in the Council Chambers, 1 Merrijig Drive, Torquay.
4. Council consider the adoption of the budget and the declaration and levy of rates and charges for the 2017-18 financial year at a Special Council Meeting to be held on Tuesday 22 June 2017, commencing at 6.00pm, in the Council Chambers, 1 Merrijig Drive, Torquay.
5. Pursuant to section 129(4) of the Local Government Act 1989 specify the following places for the display of prescribed information required under Regulation 8, Local Government (Finance and Reporting) Regulations 2004:
 - Council Offices, 1 Merrijig Drive, Torquay
 - Aireys Inlet, Anglesea, Lorne and Winchelsea Post Offices
 - Lorne Visitor Information Centre
 - Deans Marsh and Moriac General Stores
 - Torquay and mobile libraries servicing the Surf Coast Shire
 - Community houses at Anglesea, Deans Marsh, Lorne and Winchelsea
 - On the Council website: www.surfcoast.vic.gov.au

1.2 Exhibition of the Draft Budget 2017 - 2018

Council Resolution

MOVED Cr Margot Smith, Seconded Cr Martin Duke

That Council:

1. The Proposed Budget attached to this report be the budget prepared by Council for the purposes of section 127 of the Local Government Act 1989.
2. The Chief Executive Officer be authorised to give public notice of the preparation of such budget in accordance with section 129 of the Local Government Act 1989.
3. Council hear any submissions and where requested, allow submitters to be heard by Council in support of those submissions, pursuant to Sections 129 and 223 of the Local Government Act 1989, on any proposal contained in the Budget at a Hearing of Submissions Committee Meeting, scheduled to be held on Tuesday 30 May 2017 commencing at 6.00pm in the Council Chambers, 1 Merrijig Drive, Torquay.
4. Council consider the adoption of the budget and the declaration and levy of rates and charges for the 2017-18 financial year at a Special Council Meeting to be held on Tuesday 22 June 2017, commencing at 6.00pm, in the Council Chambers, 1 Merrijig Drive, Torquay.
5. Pursuant to section 129(4) of the Local Government Act 1989 specify the following places for the display of prescribed information required under Regulation 8, Local Government (Finance and Reporting) Regulations 2004:
 - Council Offices, 1 Merrijig Drive, Torquay
 - Aireys Inlet, Anglesea, Lorne and Winchelsea Post Offices
 - Lorne Visitor Information Centre
 - Deans Marsh and Moriac General Stores
 - Torquay and mobile libraries servicing the Surf Coast Shire
 - Community houses at Anglesea, Deans Marsh, Lorne and Winchelsea
 - On the Council website: www.surfcoast.vic.gov.au

CARRIED 7:0

1.2 Exhibition of the Draft Budget 2017 - 2018

Report

Background

Section 127 of the Local Government Act 1989 requires that:

- “(1) A Council must prepare a budget for each financial year.
- (2) The Council must ensure that the budget contains—
- (a) the standard statements in the form and containing the matters required by the regulations;
 - (b) a description of the activities and initiatives to be funded in the budget;
 - (c) a statement as to how the activities and initiatives described under paragraph (b) will contribute to achieving the strategic objectives specified in the Council Plan;
 - (d) separately identified Key Strategic Activities to be undertaken during the financial year and performance targets and measures in relation to each Key Strategic Activity;
 - (e) any other details required by the regulations.”

Section 127 (3) further outlines the requirements for disclosure of proposed rates and charges in the budget:

- “(3) The Council must ensure that the budget also contains—
- (a) the information the Council is required to declare under section 158(1);
 - (b) if the Council intends to declare a differential rate under section 161, the details listed in section 161(2);
 - (c) if the Council intends to declare a differential rate under section 161A, the details listed in section 161(2).”

Section 129 outlines the requirements for the Public Notice.

- “(1) As soon as practicable after a Council has prepared a proposed budget or revised budget, the Council must give public notice.
- (2) A person has a right to make a submission under section 223 on any proposal contained in the proposed budget or revised budget.
- (3) In addition to any other requirements specified by this Act, the notice referred to in subsection (1) must—
- (a) contain any information required by the regulations; and
 - (b) advise that copies of the proposed budget or revised budget are available for inspection for at least 28 days after the publication of the notice at—
 - (i) the Council office and any district offices; and
 - (ii) any other place required by the regulations; and
 - (c) advise that the proposed budget or revised budget is published on the Council's Internet website for at least 28 days after the publication of the notice.
- (4) A copy of the proposed budget or revised budget must be available and published as set out in subsection (3)(b) and (c).”

Discussion

Budget Process

1. Officers update Council's long term financial projections
2. Officers prepare operating and capital budgets
3. Councillors consider draft budgets at seven briefings
4. Public notice advising intention to adopt draft budget
5. Proposed budget submitted to Council for approval
6. Draft Budget available for public inspection and comment
7. Public submission process undertaken
8. Submissions period closes
9. Submissions considered by Council
10. Final Budget presented to Council for adoption
11. Copy of adopted Final Budget submitted to the Minister

Timing

- Dec-Mar
- Jan-Feb
- Dec-Apr
- 6 Apr
- 11 Apr
- 12 Apr
- Apr/May
- 11 May
- 30 May
- 22 June
- June

1.2 Exhibition of the Draft Budget 2017 - 2018

Prior to Council adopting its draft budget, it is required to publicly exhibit the draft document, and to receive and consider related public submissions. Section 223 of the Local Government Act 1989, requires this public exhibition process to continue for a period of not less than 28 days after the date on which a public notice is published.

This report is provided to Council to authorise the commencement of the public exhibition process.

Financial Implications

The implications of the draft budget are set out in the attached appendix Surf Coast Shire Council Budget Draft 2017-2018.

Council Plan

Theme 2 Governance
Objective 2.4 Transparency in decision making and access to information
Strategy 2.4.2 Provide relevant and easy to understand financial information to the community.

Theme 2 Governance
Objective 2.4 Transparency in decision making and access to information
Strategy 2.4.3 Ensure decision-making is as transparent as possible.

Policy/Legal Implications

The Budget is required to be prepared pursuant to Section 127 of the Local Government Act 1989, and must include:

1. The standard statements in the form and containing the matters required by the regulations.
2. A description of the activities and initiatives to be funded in the budget.
3. A statement as to how the activities and initiatives described above (part 2) will contribute to achieving the strategic objectives specified in the Council Plan.
4. Separately identified Key Strategic Activities to be undertaken during the financial year and performance targets and measures in relation to each Key Strategic Activity.
5. Any other details required by the regulations.

The budget must also include details of the rates and charges which Council intends to levy.

The Draft 2017-2018 Budget complies with Section 127 of the Act.

Section 129 of the Act requires Council to publicly exhibit the draft Budget, giving the public the right to make a submission pursuant to Section 223 of the Act.

Officer Direct or Indirect Interest

No officer involved in the preparation of this report has any conflicts of interest.

Risk Assessment

This report is provided to Council to ensure that it complies with the relevant legislation in regard to the preparation and adoption of the Budget.

Social Considerations

Council has remained considerate of social matters that impact on the operations of Council when formulating the proposed Budget.

Community Engagement

Following Council decision to place the draft budget on public exhibition, a Public Notice will be issued and written submissions invited from the community over a period of 28 days.

The public exhibition period for the proposed budget will be advertised in local media, and on Council's web site. Copies of the document will be made available at various locations across the shire, including visitor centres, community houses, and Council offices.

In addition, information sessions will be held across the four wards to obtain feedback from the community.

1.2 Exhibition of the Draft Budget 2017 - 2018

Submitters wishing to address Council in regards to their submission will be provided with an opportunity to do so prior to Council considering adoption of the final budget.

Environmental Implications

Environmental Leadership is one of five key themes included in the Draft Council Plan 2017 – 2021. The Draft Budget includes a range of strategic objectives relating to the environment as described in the Draft Council Plan.

Communication

As included under the heading – Community Engagement.

Conclusion

The Draft Surf Coast Shire Council Budget 2017-2018 has been prepared in accordance with Section 127 of the Local Government Act 1989. It is recommended that the draft budget be now placed on public exhibition for a period of 28 days.

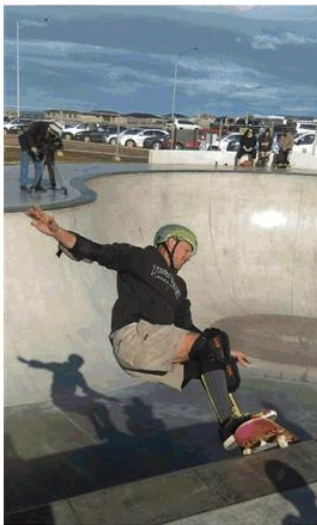
1.2 Exhibition of the Draft Budget 2017 - 2018

APPENDIX 1 DRAFT BUDGET 2017-2018



DRAFT BUDGET

2017-2018



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Mayor's Introduction



It is my pleasure to present the 2017/18 budget to the Surf Coast Shire community, the first in the new term of Council. This budget brings together our commitments to previous strategies and priorities agreed with the community and Council's investment in new priorities identified by our community through the election period and the development of the Council Plan 2017-2021.

Council has aligned its rate revenue increase to 2%, in line with the cap set by the State Government's *Fair Go Rates System*. Working within this constraint Council developed a budget that supports existing services and delivers a range of important initiatives.

The Waste Service charge is not subject to a cap and is proposed to increase by 4% overall. This increase is important to ensure that Council can invest in major waste infrastructure projects and landfill rehabilitation works in future years.

Council is excited about the future of the Surf Coast Shire and is committed to helping the community and environment to thrive. Council is also mindful of its current financial environment and its obligations to future generations. The 2017/18 Annual Budget is developed in the context of a Long Term Financial Plan over the next ten years that incorporates short, medium and long term goals and demands.

The proposed 2017/18 capital works budget sees \$16.77 million allocated to 63 projects. Combined with existing commitments already underway, Council plans to deliver an unprecedented \$21.1 million of capital works in the 2017/18 year.

The State Government has designated two growth nodes within the Shire, Torquay and Winchelsea, and the budget provides for planning and infrastructure projects that will be important to support these communities as they adapt to growth. Council has also retained its commitment to asset renewal ensuring that all communities continue to benefit from existing assets where they are still needed.

The Surf Coast Shire has a proud tradition of leadership across many community and environmental issues that are important to the community. Council is committed to doing its fair share to support the Victorian community to achieve a range of objectives important to our future. These are clearly demonstrated through the budget commitments to key focus areas such as renewable energy targets and road safety goals.

Business improvement and financial sustainability remain a priority in the years ahead and the 2017/18 budget includes a further \$0.5 million commitment to pursue projects that will reduce Council costs in the future. This budget also allocates funds to key partnerships as Council recognises that these will be essential to local government industry reforms. Council also supports ongoing reform, including the use of technology to transform the organisation, and has allocated \$2.0 million towards its digital transformation program.

Council is committed to quality customer service and engaging our community and this budget lays a strong foundation for our future. I would like to thank the Councillors and Council staff for their efforts in preparing this budget and present the budget to our community.

Cr Brian McKitterick
Mayor

CEO Summary

Council has developed its second budget under the Fair Go Rates System and the first in this term of Council. The success of Council's business improvement program has again made an important contribution to the annual budget. This enables us to provide our ongoing services and fund new community initiatives.

Each year the budget is enhanced through financial improvements, with some key enhancements this year including:

- The recognition of corporate overheads as a cost to service delivery
- The articulation of anticipated project expenditure in the financial year
- The inclusion of a ten year Long Tem Financial Plan

The 2017/18 budget document also retains important features including equity tables and ward maps to provide transparency to Council's funding commitments across the Shire.

Council continues to invest in reforming the organisation through financial commitments to the Business Improvement Program, investing in projects that have a clear financial business case and notably the second year of funding to the Digital Transformation Program.

Thank you to staff and Councillors for the ongoing commitment to building our organisation's capabilities to meet the community's needs with a strong focus on our customer service.

Keith Baillie
Chief Executive Officer

Executive Summary

The Surf Coast Shire is located in south-western Victoria, 95km from Melbourne and 21km south of Geelong. The Shire comprises a mix of urban settlements, rural communities and numerous towns and villages. The largest population centre is Torquay.

The Shire is home to ten distinct townships; Aireys Inlet, Anglesea, Bellbrae, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each of these townships has its own distinct identity and community priorities. There is also a significant rural population including farming and rural/residential communities. Many townships are popular tourism destinations for both domestic and international holidaymakers. A large percentage of homeowners in the Shire are not permanent residents, instead the owners use their Shire properties as weekenders or for holiday rentals.

The Shire is home to some of the world's best surfing locations, with the iconic Great Ocean Road beginning in the Surf Coast Shire. Surfing is a major industry in the Shire. In the rural hinterland agriculture (including gourmet food production) is a key industry sector.

The natural environment is a defining feature of the Surf Coast Shire. From rugged coastlines to native forests and rural plains, the Shire is strongly influenced by its physical and natural features. The environmental values of the Shire are widely regarded and conservation is a high priority.

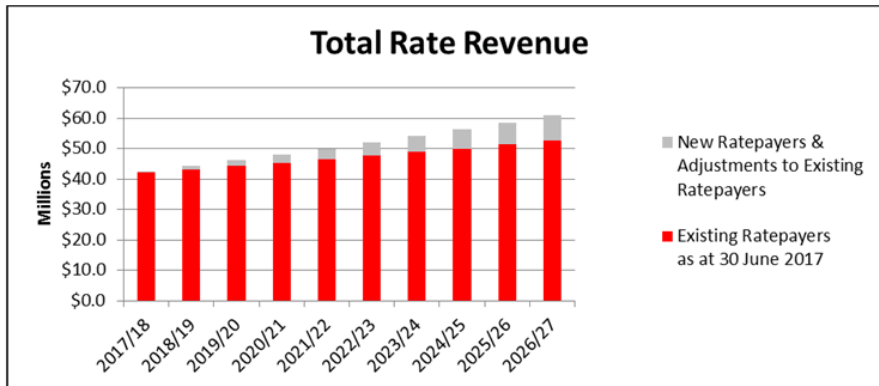
The Shire has two identified growth nodes, with Torquay to double its population to 30,000 by 2036 and Winchelsea to lift from 1,500 to 10,000 by 2050.

In preparing this budget Council has sought to support the needs of each community and the shire-wide priorities. Council's purpose states that it exists to help our community and environment to thrive, and this principle guides the preparation of the 2017/18 budget.

Rates

Council proposes to increase rate revenue in line with the Fair Go Rates System cap of 2.0%. The cap applies to both general rates and the municipal charge. Council's rate revenue also increases from supplementary rates, which mostly comprises new ratepayers and adjustments to existing ratepayers that are created throughout the year (from the building of new properties, subdivisions or existing property development).

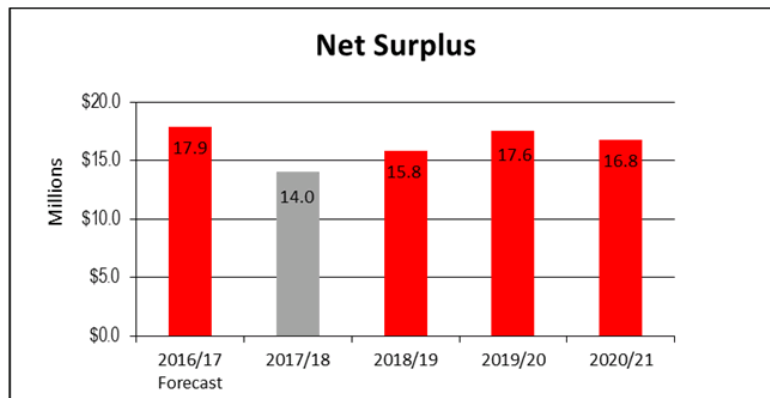
Council's long term financial planning anticipates the rate revenue to be raised from new ratepayers. Funds received from these supplementary rates are important to support the needs of a growing population.



Net Surplus

The expected net surplus for the 2017/18 year is \$14.0 million. The net surplus represents all operating revenues less expenses and makes up part of Council’s formal financial statements.

It is important to note this result includes many one-off factors such as grants received from the Commonwealth and Victorian Governments that are solely for projects. These one-off items change from year to year and can make the comparison of results difficult over time. Accordingly, Council also provides its financial information in an alternate format to show the annual result as an unallocated cash surplus or deficit.



Annual Result

Local government financial reporting often includes a number of pre-allocated items that can make it difficult for readers to easily understand the performance of Councils’ day to day operations. This reporting may include items such as specific charges, contributions, grants and project funding that are one-off and are required to be allocated to specific purposes. Council also then makes additional allocations through the budget process. Accordingly it is useful to consider the annual result in the form of the unallocated cash surplus or deficit.

Recurrent EBITDA and Allocations

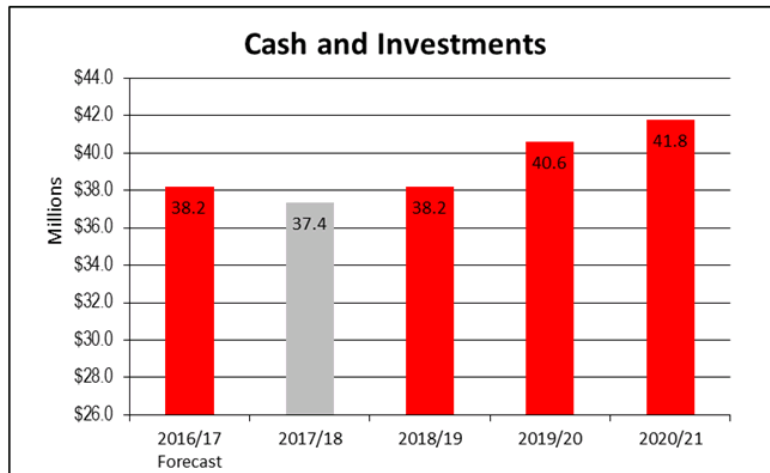
Council has introduced a management reporting format based on recurrent EBITDA and the calculation of unallocated cash. EBITDA stands for “Earnings Before Interest, Tax, Depreciation, and Amortisation” and is a measure of normal operations without the impact of one-off revenue and expenses. Recurrent EBITDA allows a clear focus on Council’s operational performance, without the impact of one-off revenue and expenses. As is suggested by the term unallocated cash, this states the funds that are available for Council to allocate to other priorities.

	2016/17 Forecast \$'000	2017/18 Budget \$'000
Recurrent EBITDA	16,380	17,111
Cash Adjustments	1,847	1,430
Total Cash Available for Allocation	18,227	18,541
Allocations to Commitments		
Debt Interest & Principal	1,706	1,706
Torquay/Jan Juc Developer Plan Allocation	2,076	2,163
Developer Contribution Interest Allocation	52	27
Waste Allocation	2,602	2,810
Asset Renewal Allocation	5,833	6,073
Business Case Investments	500	500
Growth and Compliance Costs (non-recurrent)	1,011	833
Total Allocations to Commitments	13,781	14,112
Discretionary Cash Available	4,446	4,429
Discretionary Allocations		
Discretionary Capital Works	1,927	1,890
Discretionary Operating Projects	817	594
Defined Benefits Superannuation Allocation	250	250
Gravel Pits Allocation	286	273
Aireys Inlet Aged Units	10	7
Total Discretionary Allocations	3,290	3,013
Unallocated Cash Surplus / (Deficit)	1,157	1,416
Accumulated Unallocated Cash (AUC)		
Opening Balance	3,666	3,404
Annual Surplus/(Deficit)	1,157	1,416
Return to AUC as per Council Resolution 13 Sept 2016	-	225
Net Allocations during the Year	(419)	-
Transfer for Digital Transformation	(1,000)	(2,000)
Closing Balance	3,404	3,045

Allocations to commitments represent Council’s contractual commitments and adopted strategies. Discretionary allocations represent Council’s allocation of cash to special purpose reserves, adopted masterplans and strategies, and new operational and capital projects across the Shire.

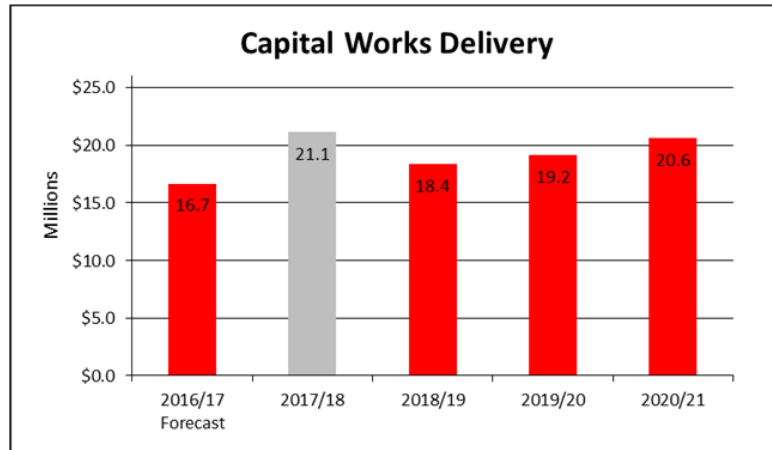
Recurrent EBITDA will increase by \$0.7 million on the 2016/17 year. An important financial principle is that Council continues to grow the surplus from its recurrent operating activities. Increasing Recurrent EBITDA year on year is fundamental to the financial sustainability of Council, and enables Council to allocate funds to meet its increasing commitments and maintain discretionary allocations to new projects that come with growth and rising costs.

Cash and Investments



Cash and investments are expected to decrease by \$0.8 million during the year to \$37.4 million. This is mainly due to higher project spend in the 2017/18 financial year. Council is continuing to allocate cash to reserves in line with its longer term capital works plan that anticipates a greater value of projects to be delivered in 2021/22 and beyond. Accordingly, Council's cash holding will increase over the next few years. Over half of the cash balance in 2020/21 will be held in reserves specifically for the rehabilitation of the Anglesea Landfill (\$8.7 million) and delivery of growth infrastructure under the Torquay/Jan Juc Developer Contributions Plan (\$12.8 million).

Capital Works

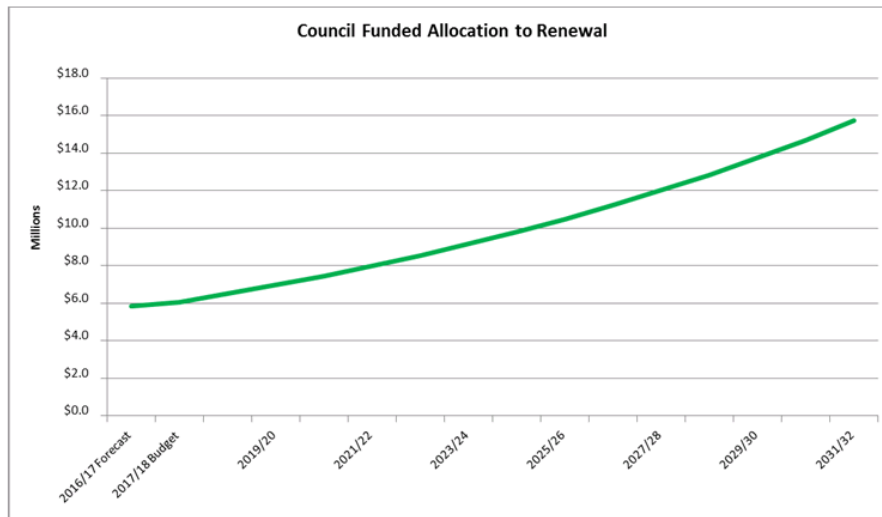


The capital works allocation to new projects for 2017/18 is \$16.8 million as outlined in Section 6. In addition there will be projects that are incomplete and carried forward for the 2016/17 financial year. While Council aspires to get all works on the ground as quickly as possible, it recognises that some projects may be delivered after this year due to a variety of reasons, including weather events and consultation with the community. Therefore the actual delivery value will be less than the total capital works program budget available.

The capital works delivery budget for 2017/18 is \$21.1 million. This high planned spend is in part due to the higher than usual value of projects expected to be carried forward from the 2016/17 year. Council's capital works program delivery in 2018/19 is planned to be lower but increases again in following years.

The capital works program has been based on analysis and consultation that has enabled Council to assess needs and develop a sound understanding and justification for each project. The budget also continues Council's commitment to asset renewal funding based on an enhanced 20 year and 100 year funding model. Council has also included a funding model to address its obligations under the Torquay / Jan Juc Developer Contribution Plan.

Asset Renewal Allocation

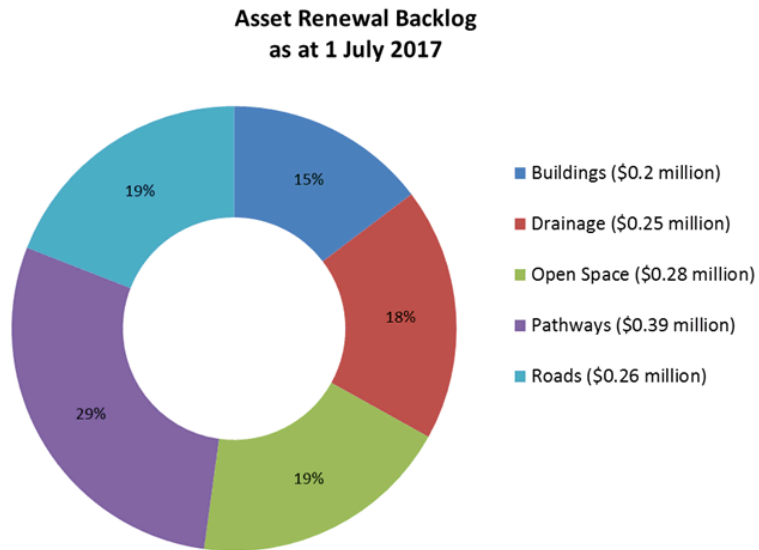


In 2016 Council adopted a refreshed Strategic Asset Management Policy that sets out key commitments. Council will provide and maintain assets and replace them subject to agreed prioritisation.

It is important that Council integrates its asset renewal funding requirements into its longer term financial planning framework in a manner that avoids short term peaks and shocks and supports a strategic approach to asset renewal works. To achieve this, Council has established an asset renewal funding strategy that provides an overall allocation to asset renewal, rather than determining each year's funding from the projects that are to be undertaken that year. This approach is based on predicting the level of asset renewal funding required in the longer term and smoothly increasing the annual allocation over the next twenty years to achieve that target.

This approach aims to smooth the impact of increasing renewal allocations on Council's budgets. Council is also focused on improving its long term modelling for the renewal requirement and also has a 100 year model enabling the target to be affirmed each year and the continual refinement of Council's funding level.

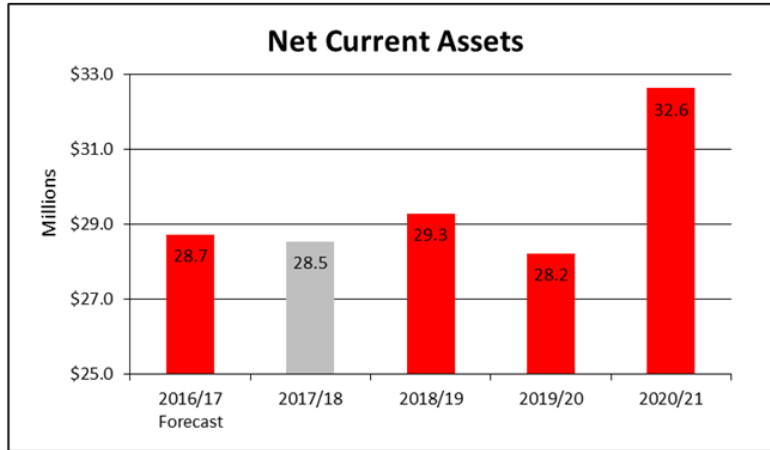
Asset Renewal Backlog



Council has assets such as buildings and roads to support its diverse range of services. When the condition of an asset degrades to the point that it impedes the service then Council needs to consider whether the asset will be renewed. Council then prioritises renewal candidates within available renewal funding, with those unable to be funded identified as being on the Asset Renewal Backlog. Design information, condition assessment and maintenance history are all used as inputs to predict asset renewal requirements into the future.

Council's currently-identified backlog is \$1.4 million with those assets currently on the backlog listed in Appendix J of this document. This is an increase of \$0.1 million from last year, however this is considered low relative to most Victorian councils. When a project is completed any unexpended portion of the budget allocation is returned to the asset renewal reserve. Related projects will be considered for funding in future budgets, along with other assets whose condition reaches a critical intervention point within the next 12 months.

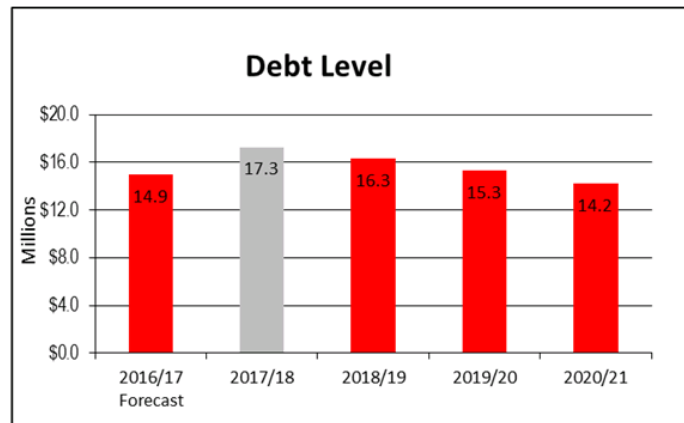
Financial Position



Net Current Assets (Working Capital) will decrease by \$0.2 million to \$28.5 million as at 30 June 2018 due to decrease in cash (\$0.8 million) and non-current assets held for resale (\$0.3 million) offset by a decrease in the current landfill provision due to the delivery of major landfill rehabilitation projects (\$1.2 million).

The increase of \$4.4 million from 2019/20 to 2020/21 is largely attributable to a decrease in the current portion of the landfill provision in 2020/21 of \$3.3 million due to delivery of a landfill rehabilitation project.

Debt Management



Council continues to maintain a moderate level of debt and is planning to increase borrowings by \$3.0 million in 2017/18 in order to help fund the completion of the Kurrabee Myaring Community Centre.

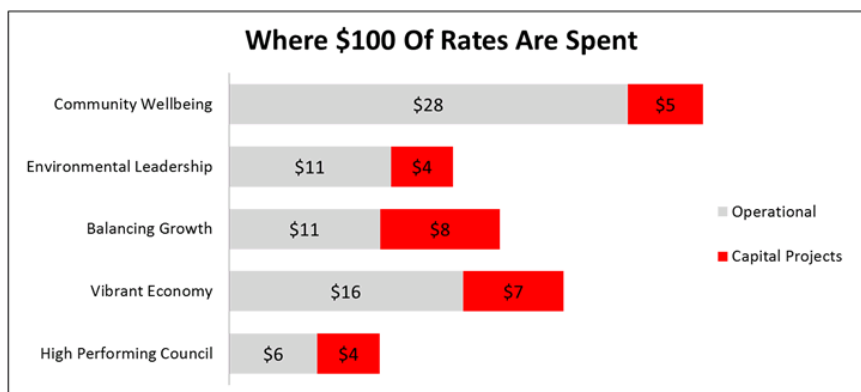
Council's debt level at 30 June 2018 will be \$17.3 million, being 35% of Rate Revenue (excluding special rate charges). Debt as a percentage of rate revenue is a commonly referred to industry indicator, with the recommended prudential guidelines to be within 60%.

Strategic Objectives



Council has developed a draft Council Plan that sets the strategic objectives that it will focus on over the Council term. The draft Council plan has set the strategic objectives in a framework in five key themes. Section 2 provides a description of the services and initiatives to be funded in the budget for the 2017/18 year. The above graph shows the net cost to Council for each key theme for the budget and forecast years. It is important to note that corporate overheads within Council have been, for the first time, distributed to primary services. This approach provides greater clarity about the true cost of service delivery. Recognition of corporate overheads is recommended by the Victorian Auditor General and is utilised by many Victorian councils.

Where Rates Are Spent



Digital Transformation Program

Council is committed to a strategic and constructive response to rate-capping and the restrictions this places on Council's revenue. Central to this response is reforming the way Council delivers services through innovative use of technology and contemporary work practices. As a result, Council will be easy to access and to deal with, convenient, efficient and responsive into the future. The Digital Transformation program will respond to customer's expectations as well as provide important financial benefits into the future.

The Digital Transformation program represents a significant investment over three years and will deliver a range of benefits including an improved customer experience, better financial outcomes and capability improvements. The Digital Transformation Program has been incorporated into the 2017/18 Annual Budget and the investment and benefits are incorporated into the Long Term Financial Plan. The 2017/18 allocation of \$2.0 million is Council's second instalment to this major reform initiative which has a total anticipated cost in the order of \$6.3 million over three years. Financial benefits are expected to begin to be realised in 2018/19.

Business Improvement

This budget also continues important reform initiatives highlighted in previous budgets. Firstly, the Business Improvement team is reviewing Council services and operations to affirm Council's role and the service delivery approach. Secondly, Council is investing \$0.5 million per year into business case initiatives that provide a financial payback that benefits future budgets.

Great Ocean Road Gateway

Tourism is an important driver of jobs and the Surf Coast economy and will be increasingly important in the future. Council is developing a significant attraction to boost the visitor economy, the Great Ocean Road Gateway, comprising a holistic arrival experience for visitors to the region. While Council has made preliminary funds available within this 2017/18 budget to define the project, it should be noted that this project anticipates a multi-million dollar commitment from Council and substantial Victorian and Commonwealth Government grants. Council's Long Term Financial Plan does not currently include Council's investment. It is anticipated that this investment may substantively be funded through additional debt. Further work will be undertaken to define this project during 2017/18 and Council will then consider the project and its financial implications.

Budget Process

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2017/18 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. Financial projections for at least four years are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with Officers preparing the operating and capital components of the annual budget during January and February. Councillors are engaged in the budget preparation process through a number of briefings held between December and March.

A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days' notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the Victorian Government's Fair Go Rates System legislation in 2015 councils are now unable to independently determine the level of rate increase and instead are limited by a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year.

If a council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will assess the submission then the Minister will determine if a rate variation is approved and at what level. The Minister is required to take into consideration the ESC's assessment. Councils will be notified of the outcome of their submission by 30 June. In many cases this will require councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. a rate under the Minister's maximum rate increase and the rate in the Council's submission to the ESC.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including focus groups and other techniques. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 31 August and a copy submitted to the Minister within 28 days after adoption. Notwithstanding this, Council believes it is financially responsible to have the budget adopted by 30 June and is planning to achieve this. The key dates for the budget process are summarised following:

Budget process	Timing
1. Officers update Council's long term financial projections	Dec-Mar
2. Officers prepare operating and capital budgets	Jan-Feb
3. Councillors consider draft budgets at seven briefings	Dec-Apr
4. Proposed budget submitted to Council for approval to advertise	11 Apr
5. Public notice advising intention to adopt draft budget	12 Apr
6. Draft Budget available for public inspection and comment	12 Apr
7. Public submission process undertaken	Apr/May
8. Submissions period closes	11 May
9. Submissions considered by Council	30 May
10. Final Budget presented to Council for adoption	22 June
11. Copy of adopted Final Budget submitted to the Minister	June

1. Linkage to the Council Plan

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

1.1 Strategic planning framework

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



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

1.2 Vision, Purpose and Direction

The draft budget is guided by Council's long-term vision, a clear purpose and a direction statement for the organisation.

The Vision is community-focused and describes the future state we strive for:

An engaged, innovative and sustainable community

The Purpose states why the Council exists:

We exist to help our community and environment to thrive

The Organisation Direction describes what the organisation needs to be like in the future:

*An innovative and flexible leader,
and a constructive partner,
that values the strength of others;
a place where people can do their best
and be proud of their achievements*

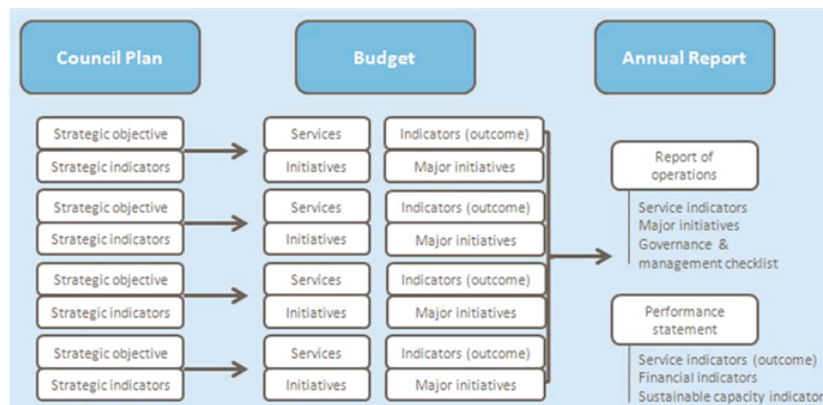
1.3 Strategic objectives

The Surf Coast Shire Council delivers activities and initiatives that contribute to the achievement of the key Strategic Objectives as set out in the draft Council Plan for the years 2017-2021. The following table lists the Strategic Objectives as described in the draft Council Plan.

Themes	Strategic Objectives
1. Community Wellbeing	<ul style="list-style-type: none"> All Residents feel safe and included, and are empowered to contribute to community life Specific support is provided for the more vulnerable and less connected in the community Culture and diversity are celebrated and a person's background, gender, race or ability is not a barrier to a fair, fulfilling life
2. Environmental Leadership	<ul style="list-style-type: none"> Drive the use of renewable energy Reduce household waste volume Drive the use of recycled water for sustainable agribusiness opportunities Support the sustainable production of local food and other agribusinesses
3. Balancing Growth	<ul style="list-style-type: none"> Infrastructure is in place to support existing communities and provide for growth Unique township characters and boundaries are strengthened Rural land is preserved for appropriate and sustainable uses Impact of population growth in neighbouring municipalities and our own Shire is understood and managed
4. Vibrant Economy	<ul style="list-style-type: none"> Support the creation and retention of jobs to meet the needs of a growing community Facilitate high quality events throughout the year Strengthen the vitality of town centres Key industry sectors such as surfing, tourism, home based and rural businesses are supported
5. High Performing Council	<ul style="list-style-type: none"> Council is financially sustainable and has the capability to deliver strategic objectives Council decisions are fair and transparent and the community is involved and informed.

2. Services, Initiatives and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/18 year and how these will contribute to achieving the strategic objectives outlined in the draft Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning.

Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are shown in **bold** and underlined in the following sections. The reconciliation between the surplus for the year recorded on the Comprehensive Income Statement and the activities and initiatives is detailed in the following sections is provided below.

	Net Cost (Income) \$'000	Expenditure \$'000	(Income) \$'000
Strategic Theme			
Community Wellbeing	13,974	20,120	(6,146)
Environmental Leadership	5,418	8,570	(3,152)
Balancing Growth	4,392	7,563	(3,171)
Vibrant Economy	7,904	10,452	(2,548)
High Performing Council	2,991	8,433	(5,441)
Total Activities and Initiatives	34,678	55,137	(20,459)
Non-attributable Items			
Asset Write Offs	414	414	-
Bad & Doubtful Debts	80	80	-
Debt Servicing	1,031	1,031	-
Depreciation	11,564	11,564	-
Expensed Capital Works	3,830	3,830	-
Granted Assets	(12,580)	-	(12,580)
Interest on Investments	(883)	-	(883)
Net Gain on Disposal of Property, Plant & Equipmer	150	678	(528)
Deficit before Funding Sources	38,283		
Funding Sources			
Rates and Charges	(49,242)		
Capital Grants	(664)		
Special Rates and Charges	(21)		
Capital Contributions	(2,385)		
Total funding sources	(52,313)		
(Surplus)/Deficit for the Financial Year	(14,030)		

2.1 Theme: Community Wellbeing

This theme represents an inclusive community where everyone can participate and contribute. As a result, Council is committed to the following strategic objectives:

- All Residents feel safe and included, and are empowered to contribute to community life.
- Specific support is provided for the more vulnerable and less connected in the community.
- Culture and diversity are celebrated and a person's background, gender, race or ability is not a barrier to a fair, fulfilling life.

The activities and initiatives for each Council service area are described below.

Services

Description of Services Provided	Classification	Expenditure (Revenue) Net Cost \$'000
Communications, Community Engagement, and Advocacy		
This service is responsible for coordinating Council communications, including liaising with media, formulating media releases, preparing publications and delivering digital communication. The unit also provides support to the Mayor and Councillors in regard to media matters. Council's community engagement and advocacy activity is led and supported by the unit.	Recurrent Operations	1,097 <u>(50)</u> 1,047
	Operating Projects	- <u>-</u> -
	Capital Allocation	-
Community Emergency Management		
This service assists community and Council plan for, respond to and recover from all potential emergencies and their consequences. This includes coordinating arrangements for the utilisation and implementation of Council resources in response to emergencies and arrangements for the provision of assistance to the community during recovery from emergencies. The unit prepares and maintains fire and other emergency management plans integrated with other local, regional and state plans. The unit also delivers fire prevention programs under the CFA Act and community resilience outreach programs with high risk communities.	Recurrent Operations	818 <u>-</u> 818
	Operating Projects	290 <u>(240)</u> 50
	Capital Allocation	-
Early Years and Youth		
This service aims to support families, children and young people to achieve their full potential. This is achieved through the provision of family oriented support services including kindergartens, toy libraries, maternal and child health , youth development programs, family day care, vacation and occasional care programs. The unit also supports playgroups, visiting specialists and the provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees.	Recurrent Operations	4,840 <u>(3,054)</u> 1,786
	Operating Projects	118 <u>(48)</u> 70
	Capital Allocation	3,207
Facilities & Open Space Operations		
This service maintains and renews a wide range of Council facilities and associated infrastructure (e.g. recreation, early years, public toilets, community halls). It is responsible for managing and programming several sports and multi-purpose community facilities, which provide a source of income through user fees. The unit also maintains and develops Council's parks and open space assets (e.g. recreation reserves, playgrounds, skate parks, trees, nature reserves).	Recurrent Operations	6,706 <u>(390)</u> 6,316
	Operating Projects	348 <u>(-)</u> 348
	Capital Allocation	1,333

Description of Services Provided	Classification	Expenditure (Revenue) Net Cost \$'000
Library and Arts Development		
This service provides a varied program of arts and cultural activities. Council develops policies and strategies to facilitate art practice often in partnership with community members. The function is also responsible for the provision of library services and manages a service agreement with the Geelong Regional Library. Library services are provided at Torquay and across the municipality with a mobile service.	Recurrent Operations	832 <u>(2)</u> 830
	Operating Projects	33 <u>(5)</u> 28
	Capital Allocation	-
Open Space Planning		
The open space activities of Council include ensuring that the management of public open space is conducted with a focus on environmental planning. The Open Space Planning unit is responsible for planning the development of public open space and working closely with community groups.	Recurrent Operations	229 <u>-</u> 229
	Operating Projects	7 <u>-</u> 7
	Capital Allocation	-
Positive Ageing		
This service provides a range of home and community care and social support services for older people and people with a disability to assist them to remain independent and active participants in the community. Services include in-home assessment, home delivered and community meals, in-home domestic respite and personal care, home maintenance and modifications, senior citizens, café style support programs, service coordination, and community development activities. Revenue in this area is generated mainly from government grants and user service fees.	Recurrent Operations	3,687 <u>(2,263)</u> 1,425
	Operating Projects	249 <u>(56)</u> 193
	Capital Allocation	-
Recreation Planning		
This service plans for the development and management of Council facilities with a primary focus on recreation and multi-purpose facilities. It is responsible for assessing community-led recreation projects and delivering numerous recreation and open space projects. The unit also focuses on community capacity building via community development activities and grants.	Recurrent Operations	866 <u>(38)</u> 828
	Operating Projects	- <u>-</u> -
	Capital Allocation	978

Major Initiative

1. Torquay / Jan Juc Social Infrastructure Needs Study

Initiatives – Operational Projects

1. Community Initiatives
2. Engage Program
3. Freeza Project

4. HACC Café Style Support
5. Health and Wellbeing Officer (Year Two of Two)
6. Irrigation Project Winchelsea Golf Course
7. Pop Up Art Space
8. Recreation Facilities Officer

Initiatives – New Recurrent Expenditure

1. Kurrabee Myaring Community Centre Operating Budget
2. Proactive Tree Works Annual Allocation
3. Increased Street Tree Management
4. Increased Township Maintenance

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population

2.2 Theme: Environment Leadership

This theme represents preserving and enhancing the natural environment. As a result, Council is committed to the following strategic objectives:

- Drive the use of renewable energy.
- Reduce household waste volume.
- Drive the use of recycled water for sustainable agribusiness opportunities.
- Support the sustainable production of local food and other agribusinesses.

The activities and initiatives for each Council service area are described below.

Services

Description of Services Provided	Classification	Expenditure
		(Revenue) Net Cost \$'000
Environment		
This service ensures that Council complies with Victorian and Commonwealth Government legislative requirements regarding the environment, including: native vegetation; listed species and ecological communities; pest plants and animals; and statutory planning referrals. A wide range of Council Plan strategies related to pest plant and animal management, sustainability, environmental leadership and climate change are also delivered. The unit is the designated land manager for Council's many nature reserves (including the world famous Bells Beach Surfing Recreation Reserve), 1500km of rural roadsides and also some waterways. The unit provides specialist environmental and sustainability advice internally to Council and externally to community groups, local businesses, agencies and members of the public.	Recurrent Operations	1,109
		-
		1,109
	Operating Projects	467
	(5)	
	462	
	Capital Allocation	832
Waste Management		
The Waste Management function involves management of Council's landfill and transfer stations, waste collection including kerbside rubbish collection and street cleaning and maintenance of street litter bins. The Waste Management unit has a strong focus on community education and waste services planning. Revenue in this area is generated mainly from waste disposal fees.	Recurrent Operations	6,994
		(3,147)
		3,847
	Operating Projects	-
	-	
	Capital Allocation	1,544

Major Initiative

1. Street Light Program Upgrade (Business Case)

Initiatives – Operational Projects

1. Anglesea Futures and Anglesea River
2. Bells Beach Coastal Management Plan
3. Bells Beach Master Plan Stage 1
4. Bells Beach Planning Panel
5. Towards Environmental Leadership Initiatives
6. Municipal Emergency Management Program
7. RACV Water Harvesting Agreement Licence

Initiatives – New Recurrent Expenditure

1. Anglesea Resale Shed Resource

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

2.3 Theme: Balancing Growth

This theme represents providing for growth whilst ensuring the intrinsic values and character of the Shire are retained. As a result, Council is committed to the following strategic objectives:

- Infrastructure is in place to support existing communities and provide for growth.
- Unique township characters and boundaries are strengthened.
- Rural land is preserved for appropriate and sustainable uses.
- Impact of population growth in neighbouring municipalities and our own Shire is understood and managed.

The activities and initiatives for each Council service and key strategic activities are described below.

Services

Description of Services Provided	Revenue (Expenditure)	Expenditure (Revenue) Net Cost \$'000
Asset Management		
This service is responsible for integrated and prioritised capital works planning. This includes development and implementation of asset management plans for planning for the expansion of Council's asset portfolio for the needs of a growing population, as well as planning the renewal management of Council's existing Infrastructure. In addition the function manages and maintains Council's fleet portfolio. As a Council support service, \$1.2 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service.	Recurrent Operations	1,862 <u>(1,637)</u> 224
	Operating Projects	221 <u>-</u> 221
	Capital Allocation	1,223
Engineering Services		
This service is responsible for the design of traffic and drainage infrastructure projects as well as subdivision design approval and works inspections. They also manage traffic management, street lighting and bus shelters throughout the Shire. Revenue in this area is generated mainly from government grants received and user service fees.	Recurrent Operations	1,751 <u>(494)</u> 1,257
	Operating Projects	43 <u>-</u> 43
	Capital Allocation	5,444
Gherang Gravel Pits		
Revenue in this service area relates to gravel pit royalties. Expenditure relating to this service relates to Crown royalty and leasing costs, maintenance, management and associated fees.	Recurrent Operations	159 <u>(432)</u> (273)
	Operating Projects	- <u>-</u> -
	Capital Allocation	-
Planning & Development		
This service is responsible for municipal building surveying and strategic and statutory planning . It includes processing all planning applications, providing advice and assessing development proposals which require a planning permit, and representing Council at the Victorian Civil and Administrative Tribunal where necessary. It is also responsible for monitoring Council's planning scheme, developing land use policy and preparing and processing amendments to the Planning Scheme. Review of policies and strategies relating to urban design issues are also processed under this function. Revenue in this area is generated mainly from government grants and user service fees.	Recurrent Operations	2,833 <u>(608)</u> 2,226
	Operating Projects	694 <u>-</u> 694
	Capital Allocation	-

Major Initiative

1. Municipal Strategic Statement Review

Initiatives – Operational Projects

1. Asset Condition Audits
2. Growing Winchelsea Planning Panel
3. Land Use Monitoring Report & website
4. Matching Project Funds
5. Planning Customer Support Officer
6. Planning for Growth
7. Spring Creek Developer Contribution Plan and Planning Scheme Amendment
8. Supporting Growth Initiatives
9. VicSmart Planning Scheme Amendment
10. Winchelsea Infrastructure for Growth Review

Initiatives – New Recurrent Expenditure

1. Municipal Building Surveyor
2. Principal Investigations Officer
3. Roads Compliance Officer
4. Strategic Planning Support

Service Performance Outcome Indicators

Key Strategic Activity	Performance Measure	Performance Target
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)
		[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100

2.4 Theme: Vibrant Economy

This theme represents supporting innovative, sustainable businesses and activities that create jobs and are valued by the community and visitors. As a result, Council is committed to the following strategic objectives:

- Support the creation and retention of jobs to meet the needs of a growing community.
- Facilitate high quality events throughout the year.
- Strengthen the vitality of town centres.
- Key industry sectors such as surfing, tourism, home based and rural businesses are supported.

The activities and initiatives for each Council service area are described below.

Services

Description of Services Provided	Revenue (Expenditure)	Expenditure (Revenue) Net Cost \$'000
Civil Works		
This service is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed <u>road</u> network, ensuring that it can support day-to-day activities including businesses moving customers, supplies and products across the Shire. The Civil Works team also maintains drains and footpaths and other civil infrastructure. In undertaking these responsibilities, the	Recurrent Operations	4,184 <u>(73)</u> 4,111
	Operating Projects	-

Description of Services Provided	Revenue (Expenditure)	Expenditure (Revenue) Net Cost \$'000
unit is also required to source and manage contracting services to assist with the completion of works, regularly review the standard and cost of materials, and to keep up to date with improved work practices.		-
	Capital Allocation	-
Development Compliance & Local Laws		
These diverse services support the economy through overseeing issue and compliance with Building development controls and planning enforcement, permits for footpath trading, local law enforcement and Victorian Government agencies enforcement activities. This service provides staff at school crossings to ensure that all pedestrians are able to cross the road safely. It also provides animal management services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after-hours service and an emergency service. Revenue in this area is generated mainly from the issuance of infringement notices.	Recurrent Operations	2,237 <u>(1,459)</u> 778
	Operating Projects	234 <u>(140)</u> 94
	Capital Allocation	-
Economic Development & Tourism		
The Economic Development and Tourism service is responsible for business engagement and support, grants administration, tourism marketing, visitor centres, event facilitation and the Australia National Surfing Museum. It includes supporting existing business, attracting new business, providing economic data, grants administration, developing business profiles and contributing to local trader groups. Tourism development functions include promoting the conference market, product development and marketing and funding Great Ocean Road Regional Tourism. The service also facilitates a range of small to internationally recognised events via our event liaison team and provides an event grants funding program. Four visitor centres and the Australian National Surfing Museum service and distribute information to visitors. Revenue in this area is generated mainly from Museum and Visitor Information Centre sales.	Recurrent Operations	2,939 <u>(599)</u> 2,339
	Operating Projects	105 <u>-</u> 105
	Capital Allocation	25
Environmental Health		
This service provides public and environmental health protection services to the community and ensures Council complies with its legislative duties. Services include: food safety - registration and monitoring compliance of food, accommodation, caravan parks and health (hairdressers, tattooist, beauty etc.) businesses; Inspection and issuing permits for wastewater treatment systems and septic tanks; Investigations of public health complaints such as nuisances, food safety, pest control, noise, emissions, odour, pollution, asbestos, water quality; Customer Services/Expert Advice on public and environmental health matters; Public health emergency response; and Childhood and School Immunisation Services. Revenue in this area is generated mainly from health registration fees.	Recurrent Operations	754 <u>(277)</u> 476
	Operating Projects	- <u>-</u> -
	Capital Allocation	-

Major Initiative

1. Great Ocean Road Gateway

Initiatives – Operational Projects

1. Road Safety Officer
2. Growing Adventure Tourism

Initiatives – New Recurrent Expenditure

1. ANZAC Day Contribution
2. Support Headline Event

Service Performance Indicators

Service	Indicator	Performance Measure	Computation
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Food Safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100

2.5 Theme: High Performing Council

This theme represents delivering valued services to the community. As a result, Council is committed to the following strategic objectives:

- Council is financially sustainable and has the capability to deliver strategic objectives.
- Council decisions are fair and transparent and the community is involved and informed.

The activities and initiatives for each Council service area are described below.

Services

Description of Services Provided	Revenue (Expenditure)	Expenditure (Revenue) Net Cost \$'000
Business Improvement		
This service leads Council's efforts to identify and implement business improvement opportunities in order to deliver financial, service and other benefits. In particular, realising financial gains is important to ensure Council can deliver and maintain the services and new infrastructure required by our growing community.	Recurrent Operations	223
		<u>-</u>
		223
	Operating Projects	133
		<u>-</u>
		133

Description of Services Provided	Revenue (Expenditure)	Expenditure (Revenue) Net Cost \$'000
Capital Allocation		-
Corporate Planning		
<p>This service coordinates the development of organisational policy, strategy and systems, and provides support in the areas of corporate planning, community satisfaction data, performance measurement and reporting. As a Council support service, \$0.2 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service.</p>	Recurrent Operations	338 - 338
	Operating Projects	5 - 5
Capital Allocation		-
Customer Service		
<p>This service is responsible for coordinating Council's front of house customer services activities, including attending to customer phone and face to face enquiries.</p>	Recurrent Operations	639 - 639
	Operating Projects	- - -
Capital Allocation		-
Councillors, Council Support & Executive Services		
<p>This area provides support for the nine elected representatives of Council as well as the four members of the Executive Management Team and includes costs of \$914k that relate to Council administration and meeting support, a portion of governance, legal support, risk management and other corporate overheads. This area also includes \$130k to strategic partnerships.</p>	Recurrent Operations	2,978 - 2,978
	Operating Projects	30 - 30
Capital Allocation		-
Financial Management		
<p>This service provides financial services to both internal and external customers of the organisation. The unit is responsible for ensuring that Council complies with its statutory obligations in regard to financial planning and reporting as well as provision of accounting services and management of Council funds. Duties include managing creditors, payroll and financial reporting. The Financial Management unit plays an integral part in Council's long term financial planning processes, the formulation of Council's annual budget, and the regular reporting of Council's financial performance. This function also includes management of raising and collection of Council's primary revenue source, rates and charges. Revenue in this area is generated mainly from debt collection recoupments and receipt of the Financial Assistance Grant. As a Council support service, \$1.4 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service.</p>	Recurrent Operations	1,267 <u>(4,436)</u> (3,169)
	Operating Projects	- - -
Capital Allocation		-
Governance		
<p>This service provides statutory and corporate support to the organisation in the development and review of organisational policies and procedures, Council meeting administration, ensuring compliance with legislative requirements, managing Freedom of Information and privacy requests,</p>	Recurrent Operations	62 <u>(-)</u> 62

Description of Services Provided	Revenue (Expenditure)	Expenditure (Revenue) Net Cost \$'000
management of procurement and contracts, Council property administration, maintenance of public registers, Council election services and management of delegations and authorisations. As a Council support service, \$0.7 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service.	Operating Projects	15
		<u>-</u>
		15
Capital Allocation		-
Information Services		
This service includes two main sections, Information Technology (incl. Geospatial Information systems) and Records Management. The Information Technology area supports the organisations requirements for computer services (incl. provision, support, maintenance, licencing and infrastructure), communications (fixed, mobile and data) and geospatial mapping facilities for council and external uses. The Records Management area manages document compliance (incl. creating, capturing, classifying and archival maintenance), and processing of incoming and outgoing correspondence. The Information Services unit has the responsibility to support the organisation with a cost effective and efficient technology service which seeks to improve the performance of the organisation. As a Council support service, \$1.0 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service.	Recurrent Operations	100
		<u>-</u>
		100
	Operating Projects	122
		<u>-</u>
		122
Capital Allocation		2,060
People and Culture		
This service is responsible for supporting the organisation with strategic and operational human resources management and includes learning and development and occupational health and safety. The activities of the unit include developing and implementing strategies, policies and procedures that promote high level human resources and industrial relations services. The unit also supports the organisation in attracting new staff, retaining existing staff and the ongoing development of the skills within Council's work force. As a Council support service, \$1.3 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service.	Recurrent Operations	47
		<u>-</u>
		47
	Operating Projects	-
		<u>-</u>
		-
Capital Allocation		-
Program Management Office		
This service provides leadership, analysis and support for Council's program of projects. This includes a standardised and integrated approach to project management across the organisation to ensure the successful delivery of Council's annual program. It has accountability for the successful management of all program management processes, systems and functions, including the Project Delivery Framework, Project Delivery Process and Program Status Reporting for all capital and operational projects. The \$0.9 million net cost includes \$0.7 million of corporate overheads that has been attributed to the Program Management Office primarily due to the higher volume of financial transactions.	Recurrent Operations	915
		<u>-</u>
		915
	Operating Projects	-
		<u>-</u>
		-
Capital Allocation		-
Project Management Recovery		
Provides project management services to Council to enable delivery of the Capital Works Program and many Operational Projects in accordance with defined scope, financial and quality standards. Project management costs are included in project budgets enabling resources to be scaled up and down with the changing size of the program. All direct project costs are cost recovered, the \$0.3 million net cost reflects corporate overheads not cost recovered.	Recurrent Operations	1,257
		<u>(980)</u>
		277
	Operating Projects	-
		<u>-</u>
		-
Capital Allocation		-

Description of Services Provided	Revenue (Expenditure)	Expenditure (Revenue) Net Cost \$'000
Risk Management & Legal Services		
This service involves developing and monitoring Council's risk management system, including provision of support to the organisation in relation to managing risk, insurance policies and business continuity. As a Council support service, \$0.4 million is distributed as corporate overhead to the primary services within Council and therefore is not included in the recurrent operations of this service.	Recurrent Operations	295 <u>(25)</u> 269
	Operating Projects	8 <u>-</u> 8
	Capital Allocation	-

Major Initiative

- Digital Transformation

Initiatives – Operational Projects

- Business Continuity Exercise
- Land Under Roads Audit & Capitalisation
- Business Improvement Program (Business Case)
- Records Management Program (Business Case)

Initiatives – New Recurrent Expenditure

- Software Support and Development
- Strategic Partnership Support Fund
- Workplace Health & Safety Initiatives

Service Performance Outcome Indicators

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

2.6 Performance statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017/18 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

3. Budget Influences

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

3.1 Snapshot of Surf Coast Shire Council

The Surf Coast Shire is located in south-western Victoria, 95km from Melbourne, 21km south of Geelong and close to the extended Geelong Ring Road. With its internationally renowned beaches, bushland and rural environment, the Surf Coast Shire is an appealing destination for holiday makers and international visitors, and is increasingly attractive to those looking to make a permanent sea change. The Shire is home to some of the world's best surfing locations and the start of the iconic Great Ocean Road. The natural environment is a defining feature of the Surf Coast Shire. From spectacular rugged coastlines to dense native forests and rolling rural plains, the Shire is strongly influenced by physical and natural features that impact on urban development and land management.

The Shire is home to ten distinct townships; Aireys Inlet, Anglesea, Bellbrae, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each of these townships has a keen sense of community, a unique identity and a strong desire to protect and nurture the environment. There is also a significant rural population including farming and rural/residential communities.

Torquay is at the start of the Great Ocean Road and is the fastest growing location within the municipality, with census data showing that Torquay has grown on average by 8% per annum between 2006 and 2011. Torquay and neighbouring Jan Juc continue to attract a large number of young families to the Shire given the coastal lifestyle and ease of commuting to Geelong and Melbourne.

Winchelsea has been identified as a town that is also capable of supporting substantial residential growth and is the principal agricultural centre of the Shire. Duplication of the Princes Highway together with access to good physical and community infrastructure support Winchelsea's position as our secondary growth centre within the shire.

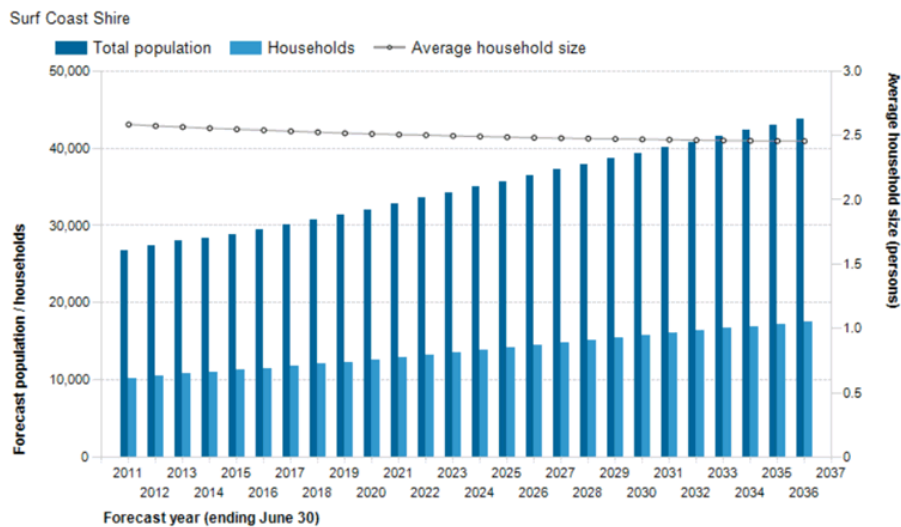
Lorne, in the south-west of the Shire, is another iconic destination. Bordered by Loutitt Bay, the Great Ocean Road and the Otways National Park, this town is a scenic and recreational wonderland. Smaller coastal towns of Anglesea and Aireys Inlet offer magnificent seaside and bushland experiences while the hinterland villages of Deans Marsh and Moriac maintain strong links to the land, much of which is highly productive agricultural countryside adjacent to the Otways National Park.

The Surf Coast Shire, with its natural beauty, proximity to the beach and bushland, and its ability to sustain thriving vibrant communities, continues to deliver jobs and create economic development opportunities. These townships and the rural hinterland support over 3,000 businesses which drive an economy estimated to be worth \$1 billion annually. The economy is unique, dominated by surfing, tourism, construction and retail sectors. Traditional and emerging sectors of agriculture and health compliment to create a distinctly different economy to that of Geelong and surrounding regions.

Critical to achieving sustained economic growth is the unique natural surrounds which includes world famous beaches, pristine coastal areas and National Parks. These natural assets are a corner stone in attracting almost 2.1 million visitors who spend over \$500 million annually visiting Surf Coast Shire.

Population

Location and lifestyle continue to contribute to the Surf Coast Shire being one the fastest growing municipalities in Victoria. Since 2001 the permanent population of the Surf Coast Shire has grown from 20,872 to 29,346 in 2016 (latest official Estimated Resident Population). By the end of 2017 the Shire's population is forecast to grow above 30,000 residents for the first time (30,048 estimated), reflecting annual growth of 2.4%.



Forecasts estimate that 87% of the population increase between 2016 and 2017 will occur in the Torquay/Jan Juc area.

The Shire’s population is forecast to grow to nearly 43,800 by 2036 (forecast .id). The forecast average annual growth rate through to 2031 is the fifth highest in regional Victoria (Department of Planning and Community Development, Victoria in Future 2014).

Census and forecasts population data is available on the Surf Coast Shire website and includes community profile data for all Surf Coast Shire townships (Go to My Council/Population Information).

Economy

Over a five year period, the Gross Regional Product of the Surf Coast Shire grew by an average of 4.19%. The economy has expanded at four times the rate of other regional Council’s in Victoria over the past 15 years and 1.3 times faster than the State average. Fuelled by over 3,000 businesses, Surf Coast’s economy is estimated to be \$1.007 billion annually.

Industry breakdowns for the top 4 employment sectors are as follows:

- Accommodation and Food Services 15.5%,
- Retail 13.5%,
- Construction 13.4%, and
- Health Care and Social Assistance 7.9%.

There are many micro and small businesses within the Surf Coast with over 87% of all businesses employing 4 or less people. When identified as a distinct industry sector the surf sector represents approximately 27% of total employment in Surf Coast Shire (REMplan 2016).

Visitation and part time populations

While the region’s permanent population continues to grow, part time populations are also significant in Surf Coast Shire including holiday home residents, seasonal visitors, event populations and day trippers.

At years end June 2016, nearly 2.1 million visitors came to Surf Coast Shire, a 24% increase in figures from the prior year, driven by an increase in day trippers. Of those visitors, 38% stayed overnight.

Summer periods dominate visitation patterns with the March Quarter accounting for just 41% of annual visitation to year end June 2016. The December (28%), June (17%) and September Quarters (13%) held distinctly lower visitation periods reflecting the strong influence of the beach and better weather.

During peak visitation periods, the population of Surf Coast Shire is estimated to increase from its usual population of 29,346 to over 85,000 (Economic Indicators Bulletin Geelong 2013). This does not include day trippers to the area or those people attending festivals, events or other activities which can significantly increase these numbers.

Age structure

Surf Coast Shire has a younger age profile in 2011 compared to the Geelong Region. In 2011, 25% of our population was in the younger age groups (0 to 17) and 21% was aged 60 years or older, compared with 23.1% and 22.7% respectively for the Geelong Region (Australian Bureau of Statistics, Census of Population and Housing). By 2036 in Surf Coast Shire, it is forecast that the proportion of people aged 0 to 17 years will be around 22% and aged 60 years or older 29%, reflecting the ageing of the population.

Births

New births are also contributing to Council's increasing population. In 2014 there were around 300 births in Surf Coast Shire (Australian Bureau of Statistics, Registered Births). Between 2016 and 2025 it is projected that there will be a further 3,800 births (forecast .id).

Dwellings and households

Strong dwelling growth has also occurred with approximately 4,000 additional dwellings between 2001 and 2011 (Australian Bureau of Statistics, Census of Population and Housing). Since the 2011 Census count of about 16,630 dwellings, forecasts indicate growth to 18,770 dwellings in 2017. It is anticipated that residential development will grow at a rate of about 2.0% during 2017/18 with about 370 additional dwellings (forecast .id).

Only 46% of properties within the Surf Coast Shire are owned by people residing in the shire. On Census night, in August 2011, 42% of private dwellings were unoccupied, reflecting the large number of holiday homes in the shire.

In 2011 34.1% of all households in Surf Coast Shire were couples with children, 28.1% were couples without children, 8.5% were one-parent families and 20.0% were lone person households. (Australian Bureau of Statistics, Census of Population).

Over \$2.25 billion of building and construction activity has taken place in Surf Coast Shire in the past 10 years. Of this approximately \$1.5 billion has occurred in Torquay/Jan Juc. Since 2004 only the Regional Cities of Geelong, Bendigo and Ballarat have had greater construction activity than Surf Coast Shire. Construction activity in Torquay/Jan Juc alone is greater than 50% of Victoria's Regional Cities.

Education

In Surf Coast Shire, 50% of people aged over 15 years had completed Year 12 schooling (or equivalent) as of 2011 (38% in the G21 Region) increasing from 45% in 2006. The proportion of residents who have post-school qualifications has also increased from 47% in 2006 to 54% in 2011 (Australian Bureau of Statistics, Census of Population and Housing).

Employment

Surf Coast Shire is strongly influenced by the impact of tourism and surfing. Total employment in the municipality is estimated at just over 7,500 jobs with major employers including Rip Curl, Quiksilver, Barwon Health and Surf Coast Shire. Construction businesses account for approximately 23% of businesses in the Shire.

Budget implications

As a result of the Shire's demographic profile there are a number of budget implications in the short and long term as follows:

- The development of Torquay North continues with the construction of the Kurrabee Myaring Community Centre, open space pathways, recreation areas and facilities, a regional bicycle route, road widening and an intersection upgrade to support the growing population and demand placed on Council provided community infrastructure.
- Winchelsea has been identified as an important future growth zone for the Shire, and as such, Council is supporting growth in the area with over \$2.0m of project investment in the 2017/18 budget. Projects include urban street improvements, playground and pathway improvements, and investment in rural roads to support the better movement of both tourism visitors and agricultural products.
- Various strategic projects are planned to prepare Council for the anticipated growth and development in the Shire, including:
 - New infrastructure such as roads and footpaths, and upgrades to existing infrastructure assets
 - Planning for Winchelsea and Spring Creek growth areas
 - Implementing the Bells Beach Coastal Management Plan
 - Opening of the Kurrabee Myaring Community Centre in Torquay North in 2018
 - A review of the Torquay/Jan Juc Developer Contributions Plan
 - Further investment in Council's Planning and Development resources
 - Torquay Jan Juc Social Infrastructure Needs Study
- The budget also recognises that an increasing population continues to bring pressure on Council's asset maintenance services, including buildings, recreation reserves, pathways, and drainage.

3.2 External influences

In preparing the 2017/18 budget a number of external influences have been taken into consideration, as they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The Victorian Government's cap on rate increases (introduced in 2016/17). The cap for 2017/18 has been set at 2.0%.
- State-wide CPI is forecast to be 2.0% for the 2017/18 year.
- An annual inflation rate (CPI) of 2.0% has been applied to all expense categories in 2017/18 with the exception of wages, construction, contract and materials maintenance costs. This is in line with the Victorian Government's Department of Treasury forecasts.
- The Commonwealth Government's freeze on indexation of Financial Assistance Grants to local government is still in place, and Council has not budgeted for any grant increase in 2017/18.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the Victorian Government with the introduction of the Fire Services Property Levy Act 2012.
- The Commonwealth funding through the Roads to Recovery program will return to normal levels in 2017/18. The program had seen an injection of funds following the Commonwealth Government's decision to freeze the Financial Assistance Grants and to re-introduce the indexation of fuel excise to inflation, but this additional funding concluded in 2016/17. The funding allocation for Surf Coast Shire drops from \$2.3m in 2016/17 to \$0.7m in 2017/18.

Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of government in Australia. In addition councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.

3.3 Internal influences

As well as external influences, there are also a number of internal influences that are expected to have a significant impact on the preparation of the 2017/18 Budget. These matters have arisen from events occurring in the 2016/17 year resulting in variances between the budgeted results and the forecast for that year and from matters expected to arise in the 2017/18 year. These include:

- The Business Improvement program operation in 2016/17 has delivered savings of \$0.45 million in the 2017/18 budget year, and represents \$3.6 million over the next four years.
- Council has key strategies and obligations that influence Council's allocations to capital programs and projects. These include (but are not limited to) the Council Plan, Council's Asset Management policies and plans, the Torquay/Jan Juc Developer Contributions Plan, Council's strategic waste plans, and a variety of road, pathway, playground, open space and facility strategies and masterplans.
- Council negotiated a new Enterprise Agreement during the 2016/17 year, which commenced on 1 September 2016. The Enterprise Agreement sets the key parameters for staff-related expenses in the 2017/18 budget and future years.
- The 2017/18 Capital Works Program includes works that are related to Council assets that do not meet asset recognition criteria and cannot be capitalised to the Balance Sheet. This has an operating impact of a \$3.5 million increase in expenses, plus a further \$1.6 million for landfill rehabilitation that is charged directly against the provision.

3.4 Financial principles

The key financial principles on which the 2017/18 budget is based are:

- **Transparency**
 - In how we do things
 - In our decision making
 - In how we raise rates and allocate ratepayer funds
 - In how we report our performance
- **Sustainability**
 - The responsible allocation of limited resources
 - Planning for long-term financial sustainability
 - The responsible use of debt
 - Maintaining capacity to fund new things
 - Responsible asset management
- **Strong Financial Framework**
 - Good control over finances
 - Confidence in the process
 - Delivery of plans
 - Meeting regulatory requirements

This budget has also been constructed based on the principle of continuous improvement of Council's financial reporting to the community, and includes a number of new inclusions and appendices designed to provide better understanding of Council's financial decisions and obligations to the community.

3.5 Long term strategies

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a medium term Strategic Resource Plan (section 8), Rating Strategy (section 9) and Other Long Term Strategies (section 10) including borrowings, infrastructure and service delivery, and a Ten Year Financial Plan (appendix M).

3.6 Advocacy priorities

Council will continue to advocate to other levels of government on ratepayers' behalf for support of advocacy priorities such as:

- **The Great Ocean Road Visitor Economy**, including the following projects:
 - The Shipwreck Coast Masterplan
 - Renewal works on the Great Ocean Road
 - The Great Ocean Road Gateway
 - Growing Adventure Tourism (including Surf Coast trails)

- **Towards Environmental Leadership**, including the following projects:
 - Energy Efficient Streetlight Conversions
 - Permanent Town Boundaries
 - Renewable Energy Microgrids
 - Hinterland Futures

- **Building Our Future**, including the following projects:
 - Torquay Soccer Facilities
 - Torquay Active Transport
 - Winchelsea Netball Facilities Upgrade
 - Improved Phone and Internet Coverage

3.7 Cost Shifting

Cost shifting occurs when Commonwealth and Victorian Governments' Programs transfer responsibilities to local government with insufficient funding or grants that don't keep pace with delivery costs. These services do not meet the traditional role of local government and may be better viewed as a Commonwealth or Victorian Governments' responsibility.

Cost shifting occurs for specific services such as:

- Home and Community Care (HACC)
- Maternal and Child Health
- School Crossing Supervision
- Emergency Services funding
- Disability Services

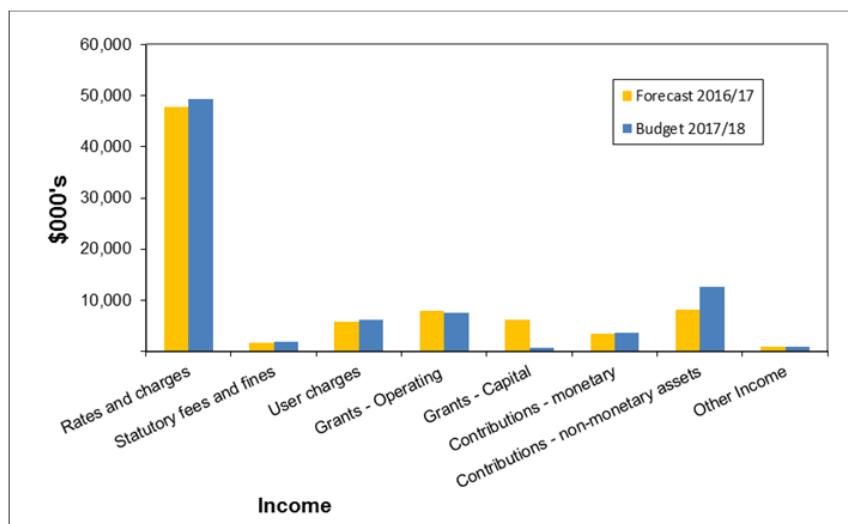
Cost shifting also occurs where other levels of government reduce funding for specific programs. For instance, in 2014 the Commonwealth government announced a freeze in indexation of financial assistance grants paid to local government. By Government estimates, over the four years to 30 June 2018, the sector will have seen a \$925 million reduction in revenue as a result of the freeze. This directly impacts Council's funding that is necessary to provide better infrastructure and better services for our local communities. The cumulative impact on Surf Coast Shire Council was nearly \$1 million to 30 June 2018.

4. Analysis of Operating Budget

This section analyses the expected revenues and expenses of the Council for the 2017/18 year.

4.1 Operating income

	Ref	2016/17 Forecast \$'000	2017/18 Budget \$'000	Variance \$'000
Income				
Rates and charges	4.1.1	47,871	49,263	1,392
Statutory fees and fines	4.1.2	1,700	1,940	239
User charges	4.1.3	5,794	6,168	373
Grants - Operating	4.1.4	7,990	7,617	(374)
Grants - Capital	4.1.5	6,188	664	(5,524)
Contributions - monetary	4.1.6	3,538	3,554	17
Contributions - non-monetary assets	4.1.7	8,065	12,580	4,515
Other Income	4.1.8	921	883	(38)
Total Income		82,067	82,669	601



4.1.1 Rates and charges (\$1.4 million increase)

It is proposed that income raised by all rates and charges be increased by 2.9% or \$1.4 million in 2017/18 to \$49.3 million. This includes an increase from existing rate payers (including municipal charge) of 2.0%; Garbage Charge increase of 4.0%; the annualised effect of new ratepayers from 2016/17 paying a full year's worth of rates in 2017/18 of \$0.4 million; income from new ratepayers in 2017/18 of \$0.4 million for general rates and municipal charge and \$0.02 million for new garbage charges.

4.1.2 Statutory fees (\$0.2 million increase)

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation and include fees for planning certificates, subdivision certificates, building certificates and local law infringements. Statutory fees are forecast to increase by 14.1% or \$0.2 million compared to 2016/17. This increase is mainly due to an

increase in planning income (planning fees have recently been revised by the Victorian Government) and supervision/plan checking fees for new subdivisions.

4.1.3 User charges (\$0.4 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council services. User charges are forecast to increase by 6.4% or \$0.4 million compared to 2016/17.

4.1.4 Operating grants (\$0.4 million decrease)

Operating government grants include all monies received from Victorian and Commonwealth Government sources for the purposes of funding the delivery of Council's services. Total operating grants will incur an annual decrease of \$0.4 million for 2017/18, mainly due to lower funding from the Victorian Government for non-recurrent projects in 2017/18.

Council has not budgeted for an increase in the Commonwealth Government's Financial Assistance Grants in 2017/18.

Operating Grants Funding and Source	2016/17 Forecast '000	2017/18 Budget '000	Variance '000
Recurrent - Commonwealth Government			
Commonwealth Home Support	116	116	-
Flexible Service Response	18	18	-
HACC Assessment and Care	170	173	3
HACC Cafe Style Support	52	56	4
HACC Property Maintenance	71	72	2
HACC Services	739	739	-
HACC Minor Capital	19	-	(19)
Home Care Packages	366	369	3
Grants Commission	3,701	3,700	(1)
Total Recurrent - Commonwealth Government	5,252	5,242	(9)
Non Recurrent - Commonwealth Government			
Roads to Recovery	-	30	30
Total Non Recurrent - Commonwealth Government	-	30	30
Recurrent - State Government			
Family Day Care Services	41	41	-
Fleet Management	7	7	(1)
Health Services Administration	17	18	1
Immunisations	7	9	1
Kindergarten Cluster Management	1,361	1,336	(25)
Local Laws - School Crossings	42	38	(5)
Maternal & Child Health Services	239	246	7
Meals on Wheels	68	62	(5)
Positive Ageing Administration	57	58	1
Rural Access Services	49	50	1
Senior Citizens	29	32	2
SSRC Holiday Program	45	45	-
Community Arts Projects	2	2	-
Youth Services	101	81	(20)
Total Recurrent - State Government	2,065	2,022	(42)
Non Recurrent - State Government			
Community Emergency Management	240	240	-
Public Safety projects	231	-	(231)
Economic Development & Tourism projects	40	-	(40)
Environmental projects	41	-	(41)
Planning Scheme projects	116	-	(116)
Leisure & Wellbeing	5	-	(5)
Youth Services	1	-	(1)
Kindergarten projects	-	82	82
Total Non Recurrent - State Government	674	322	(352)
Total Operating Grants	7,990	7,617	(373)

4.1.5 Capital grants (\$5.5 million decrease)

Capital grants include all monies received from Victorian and Commonwealth Government sources for the purposes of funding the Capital Works Program.

Overall, the level of capital grants has decreased by 89.3% or \$5.5 million compared to 2016/17. Council has not budgeted to receive any significant capital grants in 2017/18, however Council has been proactive in seeking external funding through grants and has a number of applications lodged and under consideration. The Commonwealth Government's Roads to Recovery program is also budgeted to return to traditional levels after temporary increases over the last two years. Note \$0.03 million of Roads to Recovery funding will be allocated to non-capital projects in 2017/18 in accordance with Council's adopted Road Safety Strategy 2017-2021.

Capital Grants Funding and Source	2016/17	2017/18	Variance
	Forecast	Budget	
	\$'000	\$'000	\$'000
Non Recurrent - Commonwealth Government			
Roads to Recovery	2,289	664	(1,625)
Total Non Recurrent - Commonwealth Government	2,289	664	(1,625)
Non Recurrent - State Government			
Community Buildings	194	-	(194)
Drainage	197	-	(197)
Recreation Facilities	497	-	(497)
Transport	3,010	-	(3,010)
Total Non Recurrent - State Government	3,899	-	(3,899)
Total Capital Grants	6,188	664	(5,524)

4.1.6 Contributions – Monetary (\$0.02 million increase)

Contributions relate to recoupment of expenditures, community contributions to capital works, and monies paid by developers in regard to new subdivision works. A small increase in contributions is budgeted in 2017/18.

4.1.7 Contributions – Non monetary assets (\$4.5 million increase)

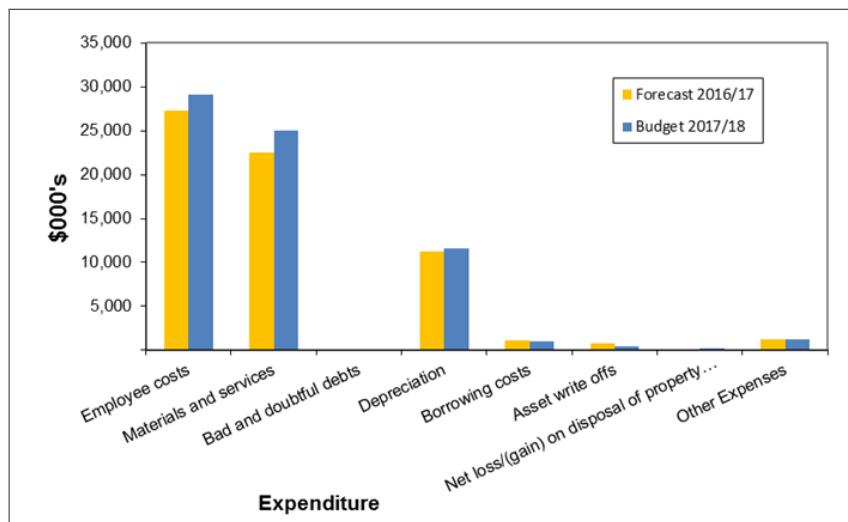
Contributions relate to recoupment of expenditures, community contributions to capital works, and monies paid by developers in regard to new subdivision works. Contributions are forecast to increase by 56% or \$4.5 million compared to 2016/17 due to increased granted asset revenue from developers.

4.1.8 Other income (\$0.04 million decrease)

Other income relates to interest on investments, interest charges on properties and debtors. Other income is forecast to decrease by 4.1% or \$0.04 million compared to 2016/17, attributed predominately to interest on investments which will decrease by approximately \$0.03 million.

4.2 Operating Expenditure

	Ref	2016/17 Forecast \$'000	2017/18 Budget \$'000	Variance \$'000
Expenses				
Employee costs	4.2.1	27,326	29,144	1,818
Materials and services	4.2.2	22,491	24,996	2,505
Bad and doubtful debts	4.2.3	79	80	
Depreciation	4.2.4	11,241	11,564	323
Borrowing costs	4.2.5	1,077	1,031	(46)
Asset write offs	4.2.6	795	414	(381)
Net loss/(gain) on disposal of property infrastructure, plant and equipment	4.2.7	29	150	121
Other Expenses	4.2.8	1,166	1,262	96
Total expenses		64,204	68,639	4,436



4.2.1 Employee benefits (\$1.8 million increase)

Employee benefits include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation and workers compensation insurance.

Employee costs are forecast to increase by 6.7% or \$1.8 million compared to 2016/17. The increase relates to the following key factors:

- Annual wage increase of 2.0% as per the conditions of the Surf Coast Shire Council Enterprise Bargaining Agreement No 9 (2016-2019)
- Position level increments
- Improving Council's customer service
- Addressing emerging risks to the community, organisation and the environment
- Delivering community projects

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

Division	2017/18 Budget \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Chief Executive	741	741	-
Culture and Community	10,967	5,662	5,306
Environment and Development	7,175	5,270	1,905
Governance and Infrastructure	7,503	6,294	1,269
Total Permanent Staff Expenditure	26,387	17,967	8,480
Casuals and Other Expenditure	2,757		
Capitalised Labour Costs	1,561		
Total Expenditure	30,704		

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

Division	2017/18 Budget	Comprises	
		Permanent Full Time	Permanent Part Time
Chief Executive	5.0	5.0	-
Culture and Community	129.2	59.2	70.0
Environment and Development	71.7	49.7	22.0
Governance and Infrastructure	78.1	63.3	14.9
Total Permanent Staff	284.0	177.1	106.9
Casuals and Other	8.3		
Capitalised Labour	16.9		
Total Staff	309.2		

Some of the key variances to the 2016/17 forecast in staff positions are:

- Additional FTE in Aged and Family Services, including:
 - Increased resources for the delivery of aged care services to meet increased demand
 - New staff for the Kurrabee Myaring Community Centre (opening January 2018)
 - Increased staff in Council's kindergarten services to meet growth in enrolment numbers
- Additional Project Management resources to deliver Council's Capital and Operational Projects
- Temporary position vacancies experienced in 2016/17 that are budgeted to be filled in 2017/18

4.2.2 Materials and services (\$2.5 million increase)

Materials and services include the purchase of consumables, payments to contractors for the provision of services, utility costs and expensed capital works. Materials and services are forecast to increase by 11.1% or \$2.5 million compared to 2016/17.

The increase in materials and services is due to a combination of factors including expensed capital works. Expensed capital works are works associated with Council assets and major projects that do not meet the definition of asset expenditure under Australian Accounting Standards. Expensed capital works are forecast to increase by \$2.7 million to \$3.8 million compared to 2016/17. Note \$1.3 million of expensed capital expenditure recorded in the capital works program in Appendix C relates to the rehabilitation of the landfill site and is accounted for in the landfill provision. Expensed works are mainly attributable to projects carried forward to 2017/18 (\$3.2 million) including the Surf Coast Highway/Beach Road traffic lights construction, Anglesea Landfill Cell Wall Liner, Torquay South Beach Road/Surf Coast Highway Intersection upgrade and stormwater improvements at the Anglesea Landfill.

Excluding the expensed capital works and operational projects, the underlying growth of materials and services have generally risen by 2.1%.

4.2.3 Bad and doubtful debts (in line with forecast)

Bad and doubtful debts are projected to remain at similar levels to the 2016/17 forecast of \$0.08 million.

4.2.4 Depreciation (\$0.3 million increase)

Depreciation measures the allocation of the value of an asset over its useful life for Council's property, plant and equipment (including infrastructure assets such as roads and drains) as a result of delivering services to the community. The increase of \$0.3 million or 2.9% is due mainly to the completion of the 2017/18 capital works program and the full year effect of depreciation on the 2016/17 capital program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/18 year.

4.2.5 Borrowing Costs (\$0.05 million decrease)

Finance costs relate to interest charged by financial institutions on funds borrowed. The reduction of \$0.05 million or 4.3% compared to the 2016/17 forecast is in accordance with Council's loan borrowing schedule. New borrowings of \$3.0 million are proposed for the 2017/18 financial year. The new loan is scheduled to be taken out in June 2018 so will have minimal impact on borrowing costs in the 2017/18 financial year.

4.2.6 Asset write-off (\$0.4 million decrease)

Asset write-off relates to the estimated value of infrastructure assets removed from Council's property, plant and equipment assets when replaced by new assets in the capital works program during 2017/18. Asset write-off is forecast to decrease by 48.0% or \$0.4 million compared to 2016/17.

4.2.7 Net Loss on Disposal (\$0.1 million increase)

Net loss on disposal relates to sale of heavy plant and light fleet.

4.2.8 Other Expenses (\$0.1 million increase)

Other expenses are projected to increase by \$0.1 million compared to the 2016/17 forecast.

4.3 Adjusted Underlying Result

	2016/2017 Forecast \$'000	2017/2018 Budget \$'000
Total income	82,067	82,669
Total expenses	(64,204)	(68,639)
Surplus for year	17,864	14,030
Less Grants - capital non-recurrent	(6,188)	(664)
Less Contributions - non-monetary assets	(8,065)	(12,580)
Less Capital Contributions - other sources	(678)	(359)
Adjusted underlying surplus/(deficit)	2,932	426

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is an alternative measure of financial sustainability defined in the Local Government Performance Reporting Framework. It is a measure of Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/18 year is a surplus of \$0.4 million which is a decrease of \$2.5 million. The decrease relates predominately to expensed capital works which is \$2.7m higher in 2017/18.

In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and the capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

Although the adjusted underlying result removes the effect of non-recurrent income from the surplus, it does not adjust the balance for non-recurrent expenditure or non-cash items. For this reason, Council considers Recurrent EBITDA a better indication of operating performance (see section 8.4).

5. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2016/17 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

5.1 Budgeted cash flow statement

		2016/17 Forecast	2017/18 Budget	Variance
	Ref	\$'000	\$'000	\$'000
Cash flow from operating activities				
Rates and charges		47,879	49,263	1,384
Grants - operating		8,395	7,880	(515)
Grants - capital		6,188	664	(5,524)
Contributions		3,538	3,554	17
Interest received		921	883	(38)
Statutory fees and fines		1,687	1,940	252
User charges		5,984	6,323	338
Net GST refund/payment		3,355	3,772	417
Trust funds received/(taken)		192	37	(154)
Employee costs		(27,132)	(29,084)	(1,952)
Materials and Services		(28,963)	(31,826)	(2,863)
Net cash provided from operating activities	5.1.1	22,044	13,406	(8,638)
Cash Flows from investing activities				
Proceeds from sale of property, plant & equipment		673	528	(145)
Payments for property, plant, equipment & infrastructure assets		(14,403)	(16,060)	(1,656)
Cash Flows from investing activities		8,600	-	(8,600)
Net cash used in investing activities	5.1.2	(5,130)	(15,532)	(10,402)
Cash flows from financing activities				
Finance costs		(1,077)	(1,031)	46
Proceeds from interest bearing loans and borrowings		-	3,000	3,000
Repayment of interest bearing loans and borrowings		(628)	(675)	(47)
Net cash provided from financing activities	5.1.3	(1,706)	1,294	3,000
Net increase/(decrease) in cash & cash equivalents held		15,208	(831)	(16,040)
Cash & cash equivalents at the beginning of the period		6,977	22,185	15,208
Cash & cash equivalents at the end of the period	5.1.4	22,185	21,354	(831)
Investments (current and non-current financial assets)		16,000	16,000	-
Total cash & investments at the end of the period		38,185	37,354	(831)

5.1.1 Operating activities (\$8.6 million decrease)

The decrease in net cash provided from operating activities is due mainly to a decrease in capital grants (\$5.5 million) and an increase in materials and services materials. Only grants that have signed funding agreements are included in the budget. An increase of \$2.7 million in expensed capital works is the main driver of the increase in materials and services.

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

The granted assets relate to the road infrastructure from subdivisions handed to Council. Some of the estates in next year's budget include parts of Grossmans Road, Surf View Estate and the Dunes Estate.

	2016/17 Forecast \$'000	2017/18 Budget \$'000
Surplus for the year	17,864	14,030
Add Depreciation	11,241	11,564
Less Granted assets	(8,065)	(12,580)
Add Asset write offs	795	414
Add Debt servicing	1,077	1,031
Add Net loss/(gain) on disposal of property infrastructure, plant and equipment	29	150
Add Net Movement in current assets and liabilities	(896)	(1,201)
Cash flows available from operating activities	22,044	13,406

5.1.2 Investing activities (\$10.4 million decrease)

The decrease in payments for investing activities relates to a non-recurring inflow of \$8.6 million in the forecast budget 2016/17 and an increase in the outflow for capital works (\$1.7 million). Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of the capital works program.

5.1.3 Financing activities (\$3.0 million increase)

The increase in receipt of monies from financing activities relates to the \$3.0 million loan scheduled to be taken out in June 2018 for the Kurrabee Myaring Community Centre.

5.1.4 Cash & cash equivalents at end of the period (\$0.8 million decrease)

Total cash and cash equivalents are forecast to decrease to \$21.4 million in 2017/18. There is no movement expected in current and non-current financial assets. Total cash and investments (including current and non-current financial assets) are forecast to decrease to \$37.4 million.

5.2 Restricted and unrestricted cash and investments

Much of Council's cash and cash equivalents are held for specific purposes, and as such are not fully available for Council's operations. The budgeted Balance Sheet statement indicates that Council is estimating total cash and investments of \$37.4 million as at 30 June 2018. The following table shows the cash and cash equivalents as at 30 June 2018 which have been set aside for specific purposes in the future:

Description	2016/17 Forecast \$'000	2017/18 Budget \$'000
Restricted		
Open Space	1,017	1,034
Main Drainage	201	201
Developer Contributions	3,241	4,826
Home Care Packages	36	36
Trust and Deposits	1,863	1,900
Total Restricted Reserves	6,358	7,997
Unrestricted		
Plant Replacement	817	537
Asset Renewal	6	193
Waste	3,828	5,094
Aireys Inlet Units	353	360
DCP Council Funds	1,220	1,411
Gherang Gravel Pits	1,542	1,815
Defined Benefits Superannuation	724	974
Carried Forward Capital Works	13,868	10,491
Carried Forward Operational Projects	1,494	926
Adopted Strategy Implementation	3,439	3,379
Accumulated Unallocated Cash	3,404	3,045
Total Unrestricted Reserves	30,695	28,225
Total Reserves	37,054	36,222
Reserve Based Debtors and Project Creditors	1,132	1,132
Total Cash and Investments	38,185	37,354

The following table outlines the proposed movements through the cash reserves during 2017/18. The carried forward amounts for capital works and operational projects reflect funds that will be cash backed at the end of the year and do not include grant funding not received.

Reserve	Opening Balance	Transfer To Reserve	Transfer From Reserve	Closing Balance
	\$'000 01/07/2017	\$'000	\$'000	\$'000 30/06/2018
Open Space	1,017	120	103	1,034
Main Drainage	201	-	-	201
Developer Contributions	3,241	2,282	697	4,826
Home Care Packages	36	-	-	36
Trust and Deposits	1,863	37	-	1,900
Plant Replacement	817	943	1,223	537
Asset Renewal	6	5,131	4,944	193
Waste	3,828	2,810	1,544	5,094
Aireys Inlet Units	353	7	-	360
DCP Council Funds	1,220	2,163	1,973	1,411
Gherang Gravel Pits	1,542	273	-	1,815
Defined Benefits Superannuation	724	250	-	974
Carried Forward Capital Works	13,868	8,819	12,195	10,491
Carried Forward Operational Projects	1,494	856	1,423	926
Adopted Strategy Implementation	3,439	-	60	3,379
Accumulated Unallocated Cash	3,404	1,641	2,000	3,045
Totals:	37,054	25,330	26,162	36,222

	2016/17 Forecast	2017/18 Budget
	\$'000	\$'000
Accumulated Unallocated Cash (AUC)		
Opening Balance	3,666	3,404
Annual Surplus/(Deficit)	1,157	1,416
Return to AUC as per Council Resolution 13 Sept 2016	-	225
Net Allocations during the Year	(419)	-
Transfer for Digital Transformation	(1,000)	(2,000)
Closing Balance	3,404	3,045

Cash and cash equivalents that have been restricted by statute (legislative reserves) and by Council (policy reserves) as shown in the following table (Reserves that are allocated by Council but do not meet the definition of "Restricted" are included as part of "Unrestricted cash and investments" balance):

	Ref	2016/17 Forecast	2017/18 Budget	Variance
		\$'000	\$'000	\$'000
<i>Restricted Cash & Investments</i>				
- Legislative Reserves	5.2.1	4,459	6,061	1,602
- Other Restricted Reserves	5.2.2	1,899	1,936	37
Total Restricted cash and investments		6,358	7,997	1,639
Unrestricted cash and investments	5.2.3	30,695	28,225	(2,470)
Reserve Based Debtors and Project Creditors		1,132	1,132	-
Total Cash & Investments		38,185	37,354	(831)

5.2.1 Legislative reserves (\$1.6 million increase)

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

Legislative reserves are made up of:

- Open Space
- Main Drainage
- Developer Contributions

Open Space contributions for new subdivision works are budgeted to increase by \$0.02 million. These funds will be allocated to fund future strategic open space development.

The Developer Contributions Reserve will increase by \$1.6million in the 2017/18 year in line with Council's Torquay and Jan Juc Developer Contributions Plan. Funds from this reserve will be allocated to the construction of bike routes on Blackgate Road and South Beach Road (\$0.4 million) and the Deep Creek Linear Reserve (\$0.3 million).

Council must retain cash at all times to match these reserves.

5.2.2 Other Restricted Reserves (\$0.04 million increase)

These funds must be applied for specified purposes in accordance with Council's contractual commitments. While these funds earn interest revenues for Council, the funds are not available for other purposes.

Other Restricted reserves are made up of:

-
- Home Care Packages
- Trust and Deposits

Council must retain cash at all times to match these reserves.

5.2.3 Unrestricted Reserves (\$2.5 million decrease)

Unrestricted Reserves are applied for specific purposes in accordance with Council's adopted policies. These funds are available to meet Council's cash flow requirements, including the running of operations, provision for long service leave entitlements, unexpected short term needs, and ensuring that Council can meet its future capital works commitments.

While Council can utilise these funds throughout the year to support its operations and project delivery, Council must ensure that there is equivalent cash available to match these reserves at year-end.

Unrestricted reserves are made up of:

- Plant Replacement
- Asset Renewal
- DCP Council Funds
- Waste
- Aireys Inlet Units
- Gherang Gravel Pits
- Defined Benefits Superannuation
- Carried Forward Capital Works
- Carried Forward Operational Projects
- Adopted Strategy Implementation
- Accumulated Unallocated Cash

The Asset Renewal Reserve will increase by \$0.2 million following the annual allocation of \$5.1 million to the reserve and the reserve funding to the capital works program of \$4.9 million.

The DCP Council Funds Reserve balance will increase by \$0.2 following the annual allocation of \$2.2 million to the reserve and the reserve funding to the capital works program of \$2.0 million.

The Waste Reserve will increase by \$1.3 million in the 2017/18 year. Council will fund the Anglesea Landfill Composting (\$0.1 million); Anglesea Landfill Leachate Pond (\$0.4 million); and the Anglesea Landfill Stage 3d Liner (\$1.1 million) projects from this reserve.

Carried Forward Capital Works will decrease by \$3.4 million in the 2017/18 year in line with completion of programmed capital works budgeted for in 2016/17. The Defined Benefits Superannuation Reserve will increase by \$0.25 million.

The Accumulated Unallocated Cash Reserve will decrease by \$0.4 million as a result of the annual surplus of \$1.4 million and the transfer of \$2.0 million to the Digital Transformation Program and the return to the reserve of \$0.2 million for the Anglesea Bowls Club project that was pre-allocated in 2016/17.

Information regarding cash reserves and their purpose are included in Appendix G of this document.

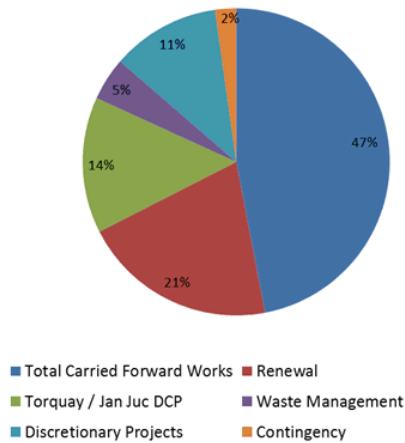
6. Analysis of Capital Budget

This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget.

6.1 Capital works

Capital Works Areas	Ref	2017/18	2017/18
		Budget Allocation \$'000	Budget Spend \$'000
Carried Forward Capital Works			
Renewal		1,478	1,478
Torquay / Jan Juc DCP		3,376	3,376
Waste Management		3,253	3,253
<i>Discretionary Projects:</i>			
Vibrant Economy		3,348	3,348
Environmental Leadership		24	24
High Performing Council		246	246
Balancing Growth		70	70
Community Wellbeing		1,400	1,400
Contingency		1,673	-
Total Carried Forward Works	6.1.1	14,868	13,195
New Works			
Renewal	6.1.2	6,485	3,068
Torquay / Jan Juc DCP	6.1.3	4,537	3,317
Waste Management	6.1.4	1,434	300
Discretionary Projects			
Vibrant Economy	6.1.5	449	177
Environmental Leadership	6.1.6	114	-
High Performing Council	6.1.7	2,000	1,000
Balancing Growth	6.1.8	136	50
Community Wellbeing	6.1.9	914	41
Contingency	6.1.10	702	-
Total New Works		16,771	7,952
Total Capital Works		31,639	21,147
Represented by			
New Asset Expenditure		8,401	6,219
Asset Renewal Expenditure		8,509	4,669
Asset Upgrade Expenditure		7,235	5,172
Asset Expansion Expenditure		110	-
		24,254	16,060
Expensed Capital Works		5,768	3,830
Landfill Provision Works		1,617	1,258
Total Capital Works		31,639	21,147

Budgeted Capital Works Allocation by Category 2017/18



Whilst Council strategically allocates funding it does not initiate projects until they are well scoped and ready for delivery. In addition Council may hold off projects in order to leverage grant opportunities. Given this, a disparity can exist between capital allocations and project delivery within the same year.

Council's newly established Project Delivery Framework and focus on project management places it well to effectively deliver the Capital Projects scheduled. The project delivery focus for the 2017/18 year is summarised in the preceding table.

6.1.1 Carried Forward Works

At the end of each financial year there are projects that are either incomplete or not commenced due to planning issues, weather delays, extended consultation etc. In some cases, Council makes decisions not to pursue immediate project delivery to seek grant opportunities that may realise greater benefit to the community through partnership funding.

Carried forward capital work projects for 2017/18 totals \$14.9 million of which \$1.6 million relates to Anglesea Landfill Rehabilitation Stage 3, \$1.5 million for the Upgrade of Forest and Grays Road, \$1.4 million towards the construction of Kurrabee Myaring Community Centre in Torquay, and \$1.3 million for the Surf Coast Highway and Beach Road Traffic Light Construction.

6.1.2 Renewal

Renewal works includes the renewal of existing roads, drains, pathways, parks assets, active recreation facilities, buildings, stairways and retaining structures. The 2017/18 \$6.8 million expenditure includes the following: \$0.8 million for Heavy Plant Replacement, \$0.8 million Unsealed Road Renewal, \$0.6 million Forest and Grays Road, \$0.6 million for Cape Otway Road Widening, and \$0.4 million Light Fleet Replacement.

6.1.3 Torquay/Jan Juc Developer Contributions Plan (DCP)

Projects relating to the adopted Torquay / Jan Juc DCP and included in the 2017/18 program include the \$3.2 million Kurrabee Myaring Community Centre, Bike Routes for: \$0.7 million Blackgate to South Beach Roads and \$0.1 million South of South Beach Road, \$0.4 million Deep Creek Linear Reserve and \$0.1 Bells Beach Reserve.

6.1.4 Waste Management

Waste management projects typically include landfill site rehabilitation works, and upgrade of building facilities such as transfer stations and recycling facilities. The 2017/18 program includes \$1.0 million for the Anglesea Landfill Stage 3D Liner and \$0.3 million for the Anglesea Landfill Leachate Pond.

6.1.5 Vibrant Economy

In 2017/18 Vibrant Economy projects include \$0.2 million each for Drainage Discretionary Works, \$0.1 million for Rural Road Safety Improvements, and \$0.1 million for Road Safety at School Sites across the Shire.

6.1.6 Environmental Leadership

The Environmental Leadership project in the 2017/18 program relates to the \$0.1 million Surf Coast Civic Precinct Microgrid.

6.1.7 High Performing Council

High Performing Council projects in the 2017/18 program are related to \$2 million expenditure in Digital Transformation.

6.1.8 Balancing Growth

Balancing Growth projects in the 2017/18 program have \$0.1 million budget for the Township Local Area Traffic Management program, Parking and Pedestrian Improvement project, and Future Concept Design projects.

6.1.9 Community Wellbeing

Community Wellbeing projects in the 2017/18 program relate to the \$0.3 million Winchelsea Netball Pavilion Upgrade, \$0.1 million Winchelsea Pathway Project, \$0.1 million Jan Juc Zone 2 Masterplan Implementation, \$0.1 million Disability Discrimination Act Program Annual Allocation, and \$0.1 million Lorne Stribling Reserve Change Room Design.

6.1.10 Contingency

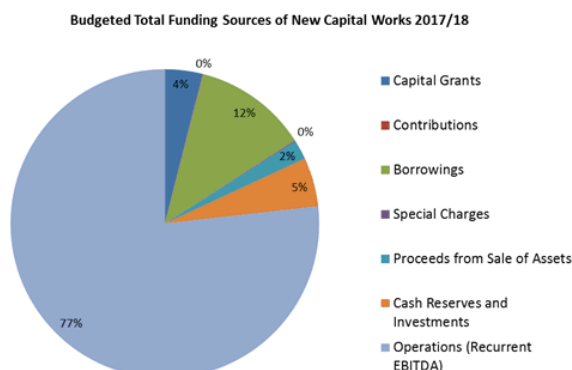
Contingency allocation to the capital works program is \$0.7 million in 2017/18. The contingency allocation is developed through assessment of each project's complexity and needs, and will be accessed through Council's Program Management Office governance arrangements. When a project is completed the unexpended portion of contingency will be returned to its funding source.

6.2 Funding sources

	Ref	2016/17 Forecast \$'000	2017/18 Budget \$'000	Variance \$'000
Carried Forward Capital Works				
Funded by Council Funds and Grants Received		5,582	13,868	8,286
Funded by Borrowings		-	1,000	1,000
Total Carried Forward Capital Works	6.2.1	5,582	14,868	9,286
New Capital Works				
<i>External</i>				
Capital Grants	6.2.2	6,188	664	(5,524)
Contributions	6.2.3	212	10	(202)
Borrowings	6.2.4	-	2,000	2,000
Special Charges	6.2.5	336	21	(315)
		6,736	2,695	(4,041)
<i>Internal</i>				
Proceeds from Sale of Assets	6.2.6	342	338	(4)
Cash Reserves and Investments	6.2.7	(8,035)	860	8,895
Operations (Recurrent EBITDA)	6.2.8	12,050	12,877	827
Total New Capital Works		11,094	16,771	5,677
Total Funding Sources		16,676	31,639	14,963

6.2.1 Carried forward capital works (\$9.3 million increase)

The carried forward reserves fund \$13.9 million and new borrowings will fund \$1.0 million of the carried forward capital works program.



6.2.2 Capital grants (\$5.5 million decrease)

Capital grants include all monies received from Victorian and Commonwealth Government sources for the purposes of funding the capital works program. The major grants that are budgeted to be received in 2017/18 include \$0.6 million for the Cape Otway Road Widening project, and \$0.1 million for Hesse Street, Winchelsea renewal works.

6.2.3 Capital contributions (\$0.2 million decrease)

Contributions relate to community contributions to capital works. The only budgeted contribution for the 2017/18 program is the \$0.01 million for the 1st stage of the Torquay Tigers Cricket Club Practice Facility Improvements project.

6.2.4 Borrowings (\$2.0 million increase)

Borrowings relate to the funding of capital works projects. During the 2017/18 financial year a total of \$3.0 million borrowings are budgeted for the Kurrabee Myaring Community Centre construction, of which \$2.0 million relates to funding of new capital works and \$1.0 million to the carried forward component of this project.

6.2.5 Special charges (\$0.3 million decrease)

Special charges are declared under Section 163 of the Local Government Act 1989 for the purpose of raising revenue from ratepayers who will receive a specific benefit from new capital works projects. During 2017/18 two projects make up the \$0.02 million budgeted to be received, the Winchelsea Pathway Project and the Moriac Pathway Project.

6.2.6 Proceeds from sale of assets (\$0.0 million decrease)

Council has a planned program for replacing fleet vehicles, heavy plant and equipment, which is partially funded by proceedings from sale of these assets each year. The 2017/18 year's \$0.3 million proceeds relate to the sale of Council light fleet and heavy plant.

6.2.7 Cash reserves and investments (\$8.9 million increase)

Council's cash reserves are held to meet cash flow requirements and future capital works commitments. Council has allocated cash reserve funds to new capital works commitments in 2017/18, including the two Torquay / Jan Juc DCP Projects - Deep Creek Linear Reserve \$0.4 million, and a new bike route project from Blackgate Road to South Beach Road \$0.3 million. In 2016/17 the cash reserves and investments shows negative on the table due to the large carry forward.

6.2.8 Operations (Recurrent EBITDA) (\$0.8 million increase)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. Refer to section 5 'Budgeted Cash Position' for more information on funds from operations.

7. Analysis of Budgeted Financial Position

This section analyses the movements in assets, liabilities and equity between 2016/17 and 2017/18.

7.1 Budgeted balance sheet

	Ref	2016/17 Forecast \$'000	2017/18 Budget \$'000	Variance \$'000
Assets				
Current assets				
Cash and cash equivalents		22,185	21,354	(831)
Trade and other receivables		3,022	3,082	60
Other financial assets		15,000	15,000	-
Inventories		293	299	6
Non-current assets classified as held for sale		280	-	(280)
Other assets		542	553	11
Total current assets	7.1.1	41,322	40,288	(1,034)
Non current assets				
Trade and other receivables		70	70	-
Other financial assets		1,000	1,000	-
Property, infrastructure plant & equipment		472,780	490,148	17,368
Investments in associates and joint ventures		537	537	-
Total non current assets	7.1.2	474,386	491,755	17,368
Total assets		515,708	532,043	16,334
Liabilities				
Current liabilities				
Trade and other payables		3,651	3,688	37
Trust funds and deposits		1,863	1,900	37
Provisions		6,372	5,165	(1,206)
Interest bearing liabilities		675	951	276
Other Liabilities		36	36	-
Total current liabilities	7.1.3	12,597	11,740	(857)
Non current liabilities				
Provisions		12,467	12,475	8
Interest bearing liabilities		14,262	16,311	2,049
Total non current liabilities	7.1.4	26,728	28,786	2,058
Total liabilities		39,325	40,526	1,201
Net assets	7.1.5	476,384	491,517	15,133
Equity				
Accumulated surplus		196,818	211,678	14,861
Assets revaluation reserve		242,512	243,616	1,104
Other reserves		37,054	36,222	(831)
Total equity	7.1.6	476,384	491,517	15,133

7.1.1 Current assets (\$1.0 million decrease)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash, and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$0.8 million in 2017/18. Non-current assets classified as held for sale will reduce by \$0.3m due to the sale of those assets in 2016/17.

7.1.2 Non-current assets (\$17.4 million increase)

Property, infrastructure, plant and equipment is the largest component of Council's balance sheet and represents the value of all the land, buildings, roads, drainage, recreation facilities and plant and equipment. The increase of \$17.4 million in this balance is mainly attributable to the total capital works program excluding expensed capital works (\$16.0 million), granted assets (\$12.6 million), cyclical revaluation of assets (\$1.1 million), less depreciation of assets (\$11.6 million), asset write-off (\$0.4 million), and disposal of assets (\$0.7 million).

7.1.3 Current liabilities (\$0.9 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to decrease in 2017/18 by \$0.04 million. Provisions include accrued long service leave, annual leave and future landfill rehabilitation. The movement in provisions relates to the expected increase in employee provisions (\$0.1 million), and landfill rehabilitation works funded by the provision (\$1.3 million).

7.1.4 Non-current liabilities (\$2.1 million increase)

The decrease of \$2.1 million in 2017/18 is mainly due to the movement in interest bearing liabilities with new borrowings of \$3.0 million and the transfer to current liabilities (\$0.95 million) as they fall due for payment.

7.1.5 Net assets (\$15.1 million increase)

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June each year. The increase in net assets of \$15.1 million is a result of the operating surplus plus the revaluation of property, infrastructure, plant and equipment.

7.1.6 Equity (\$15.1 million increase)

Total equity always equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which Council has committed. These amounts are separated from the Accumulated Unallocated Cash Reserve of the Council to be disclosed
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time.

It has been budgeted that during the year a net amount of \$0.8 million is to be transferred from other reserves. This is a transfer between equity balances only and does not impact on the total balance of equity. The increase in the asset revaluation reserve of \$1.1 million reflects the anticipated revaluation of Council assets in the 2017/18 year.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Trade creditors to be based on a proportion of total capital expenditure, operating expenditure and employee costs at 2017/18 levels. Payment cycle is 30 days;
- Other debtors are anticipated to be 3% of total revenue;
- The current provision for future landfill rehabilitation is \$0.0 million at June 30 2018, as there are no rehabilitation works scheduled to be carried out at the Anglesea Landfill in 2018/19;
- Non-current provision for future landfill rehabilitation is \$11.6 million as at June 30 2018, relating to future rehabilitation works at the Anglesea Landfill, which is forecast to close in 2023/24;
- Provisions for employees to the value of \$6.0 million in 2017/18;
- Repayment of loan principal to be \$0.7 million and new borrowings of \$3.0 million in 2017/18;
- Total capital works to be \$21.1 million (including works to be expensed \$3.8 million, landfill rehabilitation provision works \$1.3 million and projects carried forward from 2016/17 \$13.2 million);
- Operational projects carried forward from 2016/17 (\$1.4 million);
- A total of \$14.7 million to be transferred from cash reserves to fund the capital works program for the 2017/18 year (including carried forward projects);
- Asset revaluations will be undertaken in the 2017/18 year and are expected to total \$1.1 million in relation to scheduled revaluations of Council's footpaths and bike paths; recreational, leisure and community facilities; and parks, opens space and streetscapes.

8. Strategic Resource Plan and Key Financial Indicators

This section considers the medium term financial projections of the Council. The Act requires a Strategic Resource Plan to be prepared covering both financial and non-financial resources, and including key financial indicators for at least the next four financial years to support the Council Plan.

8.1 Plan development

Council has prepared a Strategic Resource Plan (SRP) for 4 years as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the draft Council Plan and expresses them in financial terms for the next 4 years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium term while still achieving Council's strategic objectives as specified in the draft Council Plan. The key financial objectives that underpin the SRP are:

- Rate increases that are compliant with the *Fair Go Rates* rate capping legislation
- Equitable and affordable distribution of rate revenue keeping in mind economic conditions;
- Responsible use of debt subject to debt levels remaining below local government prudential guidelines;
- Increase funding levels for capital works focusing on asset renewal and infrastructure asset growth to accommodate population growth;
- Work towards reduced reliance on rates;
- Maintenance of a strong liquidity position; and
- Achieve an operating surplus every year and work towards achieving a positive underlying operating result.

In preparing the SRP, the Council has also been mindful of the need to comply with the following principles of sound financial management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities;
- Provide reasonable stability in the level of rate burden;
- Consider the financial effects of Council decisions on future generations; and
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually as part of the budget preparation process.

8.2 Financial resources

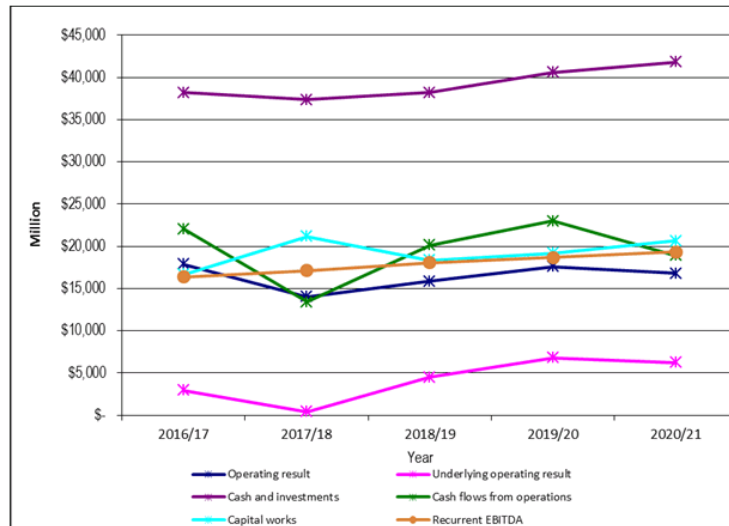
The following table summarises the key financial results for the next four years as set out in the SRP. Appendix A includes a more detailed analysis of the financial resources to be used over the four-year period.

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	Trend
Operating result	17,864	14,030	15,846	17,586	16,804	+
Underlying operating result	2,932	426	4,493	6,790	5,516	+
Cash and investments	38,185	37,354	38,205	40,610	41,793	+
Cash flows from operations	22,044	13,406	20,135	22,985	18,909	+
Recurrent EBITDA	16,380	17,111	18,061	18,690	19,311	+
Capital works expenditure	16,676	21,147	18,368	19,173	20,640	o

Key to Forecast Trend:

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

The following graph shows the general financial indicators over the five year period.



The key outcomes of the SRP are as follows:

- Financial sustainability (section 5)** - Cash and investments are slightly increasing over the four year period with benefits from the Business improvement program and reflects levels of capital works.

Council will also have accumulated a reserve in excess of \$5.0 million by 30 June 2018 for planned waste management infrastructure and significant rehabilitation of the Anglesea landfill which commenced in 2015/16 and is to be completed by 2023/24.
- Recurrent EBITDA** is a measure of normal operations without the impact of one-off revenue and expenses. Council needs to generate enough cash from normal operations to pay for other activities such as loan repayments, asset renewal, DCP commitments, Rehabilitation of the Anglesea Landfill, and other Capital works and non-recurring projects. As we are a growing Council with growing commitments, EBITDA needs to grow to meet these commitments.
- Rating strategy (section 9)** – The effect of the 2017/18 rate increase will be that properties will experience an average increase in the general rate and municipal charge of 2.0% in line with the rate cap under the *Fair Go Rates* Legislation.

Council has not applied to the Essential Services Commission for a rate cap exemption and is currently undertaking several strategies to manage the financial challenge. These strategies include implementing a business improvement program and business case projects that represent an investment to deliver future savings.

Annual rate increases for 2018/19 onwards are based on the Victorian Government’s Department of Treasury inflation forecast. Rate increases above this threshold will require an application to the Essential Service Commission for consideration and approval by the Minister.
- Service delivery strategy (section 10)** – There is a 4.0% increase in the garbage charge for kerbside waste collections for the forecast period as per Council’s Strategic Resource Plan. Other service levels will remain steady in the 2017/18 year. Operating surpluses are forecast in the coming years, capital grant revenue is not budgeted for unless there is a grant agreement in place. Excluding the effects of non-operating items such as capital contributions, capital grants and non-monetary asset contributions, the underlying result fluctuates in line with expensed capital works (2017/18 increase of \$2.7million and 2018/19 decrease of \$3.0 million from the respective prior years). The underlying result is an important measure of financial sustainability as once-off items can often mask the operating result, but there are

still once-off fluctuating items that effect this measure with expensed capital works being a good example.

- **Borrowing strategy (section 10)** – \$3.0 million of new borrowings are planned in 2017/18 as part of the funding for the construction of the Kurrabee Myaring Community Centre. Note that the \$1.0 million of borrowings planned for in the 2016/17 budget have been deferred and form part of the \$3.0 million borrowings in this budget. Borrowing levels are within the local government prudential guidelines that set limits for working capital, levels of debt and debt commitment costs compared to levels of rate revenue and assets.
- **Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total \$79.3 million at an average of \$19.8 million each year. Expenditure on renewal and upgrade of existing assets will total \$48.9 million and expenditure on new assets will total \$19.7 million.

8.3 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also require non-financial resources, in particular human resources. The following table summarises the non-financial resources required for the next four years.

	2016/17	2017/18	2018/19	2019/20	2020/21
	Forecast	Budget	Forecast	Forecast	Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Staff Expenditure (operating & capital)	28,493	30,704	31,352	31,597	32,917
Total Employee Numbers (FTE)	292.1	309.2	305.9	303.7	303.7

Refer to 4.2.1.

8.4 Recurrent EBITDA and Allocations

Council has introduced EBITDA reporting in an effort to focus on operating performance, simplify financial reporting and improve transparency in Council decisions.

EBITDA stands for "Earnings Before Interest, Tax, Depreciation, and Amortisation". Recurrent EBITDA in general terms means how much cash is generated from the day to day operating activities of Council. Recurrent means ongoing and recurring.

Recurrent EBITDA is an important measure, as Council needs to generate enough cash from normal operations to pay for other activities such as loan repayments, asset renewal, DCP commitments, Rehabilitation of the Anglesea Landfill, new assets, and non-recurring projects.

The table below identifies how much Recurrent EBITDA is generated by measuring recurrent income and expenditure for existing operations, and growth and compliance costs:

	2016/17 Forecast \$'000	2017/18 Budget \$'000
Recurrent EBITDA		
Property Rates and Charges	41,183	42,560
Garbage Charges	6,352	6,682
Grants	7,177	7,190
Other Revenue	8,457	9,009
Total Recurrent Income	63,169	65,441
Employee Benefits	(26,693)	(27,444)
Materials and Services	(20,095)	(20,252)
Business Improvement Program Benefits	-	59
Total Expenditure - Existing Operations	(46,789)	(47,637)
Compliance Costs (recurrent)	-	(310)
Non-Discretionary Growth	-	(144)
Discretionary Growth	-	(239)
Recurrent EBITDA	16,380	17,111

Once the Recurrent EBITDA is calculated, Council includes non-recurrent cash adjustments to define the total cash available for allocation. These adjustments include interest earned on investments, balance sheet operating movements and sale of Council Assets.

	2016/17 Forecast \$'000	2017/18 Budget \$'000
Recurrent EBITDA	16,380	17,111
Cash Adjustments	1,847	1,430
Total Cash Available for Allocation	18,227	18,541

Council then allocates the cash on the basis of commitments. Contractual commitments and asset renewal are priorities, then adopted masterplans and strategies, and then additional discretionary projects and allocations (as approved by Council).

	2016/17 Forecast \$'000	2017/18 Budget \$'000
Allocations to Commitments		
Debt Interest & Principal	1,706	1,706
Torquay/Jan Juc Developer Plan Allocation	2,076	2,163
Developer Contribution Interest Allocation	52	27
Waste Allocation	2,602	2,810
Asset Renewal Allocation	5,833	6,073
Business Case Investments	500	500
Growth and Compliance Costs (non-recurrent)	1,011	833
Total Allocations to Commitments	13,781	14,112
Discretionary Cash Available	4,446	4,429
Discretionary Allocations		
Discretionary Capital Works	1,927	1,058
Discretionary Operating Projects	817	594
Defined Benefits Superannuation Allocation	250	250
Gravel Pits Allocation	286	273
Aireys Inlet Aged Units	10	7
Towards Environmental Leadership	-	250
Building Better Regions Project Allocation	-	357
Repayment Anglesea Bowls Club Commitment	-	225
Total Discretionary Allocations	3,290	3,013
Unallocated Cash Surplus / (Deficit)	1,157	1,416

Unallocated cash refers to the cash available after allocations are made to meet Council's funding commitments and priorities. The budget delivers a substantial surplus this financial year this is important to deliver major reforms and initiatives in the future such as the digital transformation program.

Accumulated unallocated cash refers to the accumulation of prior years' unallocated cash. It comprises the prior year closing balance plus the unallocated cash for the current financial year, plus or minus any unanticipated cash items or cash allocations.

Council has established a financial planning principle of maintaining a minimum accumulated unallocated cash balance of \$0.25 million. This will support Council's ability to respond to opportunities or issues that may arise throughout the year.

A dedicated reserve account exists for accumulated unallocated cash. A formal resolution at a Council meeting is required to utilise these funds.

	2016/17 Forecast \$'000	2017/18 Budget \$'000
Accumulated Unallocated Cash		
Opening Balance	3,666	3,404
Annual Surplus/(Deficit)	1,157	1,416
Return Anglesea Bowls to AUC	-	225
Net Allocations during the Year	(419)	-
Transfer for Digital Transformation	(1,000)	(2,000)
Closing Balance	3,404	3,045

9. Rating Strategy

This section considers the Council's rating strategy including strategy development and assumptions underlying the current year rate increase and rating structure.

9.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 8), rates and charges were identified as an important source of revenue, accounting for 65% (excludes special charge scheme income) of the total recurrent income received by Council annually. Rates therefore represent an important aspect of planning for financial sustainability. The Victorian Government has introduced the Fair Go Rates System which sets out the maximum amount councils may increase rates in a year. For 2017/18 the rate cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

9.2 Current year rate increase

Council has not applied to the Essential Services Commission for a rate cap exemption, applying the rate cap set by the Minister for Local Government of 2.0%. This is significantly under the increase forecast by Council's previous financial plans of 5.0%. Council has undertaken several strategies to manage the financial challenge including the implementation of a business improvement program and business case initiatives that reduce expenditure and/or increase revenue streams. Council has also begun the process to review its fees and charges strategies to ensure, where appropriate, cost recovery in line with the Victorian Auditor-General's report on fees and charges in local government

The table below sets out the rate increases over the past ten years. These rate increase levels have been required to maintain service levels, a strong capital expenditure program including delivering on the Torquay Jan Juc Development Contribution Plan and fund operational projects that meet the needs of a rapidly growing population.

Year	Surf Coast Shire
2008/09	6.90%
2009/10	5.80%
2010/11	6.90%
2011/12	6.30%
2012/13	4.90%
2013/14	5.90%
2014/15	4.75%
2015/16	5.50%
2016/17	2.50%
2017/18	2.00%
Average Increase	5.15%

9.3 Rating structure

Council has established a rating structure which is comprised of three key elements. These are:

- Property values, which reflect capacity to pay and form the central basis of rating under the *Local Government Act 1989*;
- A 'user pays' component to reflect usage of services provided by Council; and
- A 'fixed' municipal charge per property to cover some of the administrative costs of Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used; that is, whether the property is used for residential, commercial/industrial or farming purposes. This distinction is based on the concept that different property categories should pay a fair and equitable contribution to rates, taking into account the benefits those properties derive from the local community and Council.

Council's rating structure comprises five differential rates (residential or general, commercial/industrial, farm, vacant residential and vacant provisional). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act, and in line with the ministerial guidelines for differential rating 2013. The commercial/industrial rate is set at 190% of the residential rate, the farm rate at 75% of the residential rate, vacant residential at 200% of the residential rate and vacant provisional equals the residential rate. Council also has a municipal charge and a kerbside collection charge as permitted under the Act.

The effect of the 2017/18 rate increase will be that properties will experience an average increase in the general rate and municipal charge of 2.0%.

There will be an increase of 4.0% in the garbage charge for kerbside waste collections in 2017/18 bringing the fee to \$379 per collection. The rural garbage collection fee will increase by 3.97% bringing the fee to \$314.

The following table summarises the rates to be made for the 2017/18 year. A more detailed analysis of the rates to be raised is contained in Appendix B 'Statutory Disclosures'.

Rate Type	2015/16 cents/\$CIV	2016/17 cents/\$CIV	2017/18 cents/\$CIV	Change
General Rates	Cents in \$ of CIV	0.24591	0.25083	2.00%
Farm Rates	Cents in \$ of CIV	0.18443	0.18812	2.00%
Commercial/Industrial Rates	Cents in \$ of CIV	0.46723	0.47657	2.00%
Vacant Residential Rates	Cents in \$ of CIV	0.49182	0.50166	2.00%
Vacant Provisional Rates	Cents in \$ of CIV	0.24591	0.25083	2.00%
Municipal Charge	\$ per property	\$ 200	\$ 204	2.00%
Urban Garbage (all residential tenements)	\$ per property	\$ 364	\$ 379	4.12%
Rural Garbage (optional)	\$ per property	\$ 302	\$ 314	3.97%

9.4 General revaluation of properties

A general revaluation of all properties within the Council's municipal district occurs every two years, with the last general revaluation carried out 1 January 2016 that took effect on 1 July 2016.

10. Other Strategies

This section sets out the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

10.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see section 8), borrowings are identified as an important funding source for capital works programs. In the recent past, Council has borrowed strongly to finance large infrastructure projects.

For the 2017/18 year, Council has proposed to take out new borrowings of \$3.0 million to fund construction of the Kurrabee Myaring Community Centre. Note in the 2016/17 budget it was planned to take out \$1.0 million in 2016/17 and a further \$2.0 million in 2017/18. Council's borrowing has been reviewed due to the forecast cash available at the end of 2016/17 and the full \$3.0 million borrowings are proposed to be taken out in 2017/18.

After making loan repayments of \$0.7 million and the new borrowings of \$3.0 million are taken out, total borrowings will increase to \$17.3 million as at 30 June 2018.

After taking into account Council's expected Accumulated Unallocated Cash Surplus as at 30 June 2018, Council's net debt level will be \$14.2 million.

The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	-	628	1,077	14,937
2017/18	3,000	675	1,031	17,262
2018/19	-	951	1,155	16,311
2019/20	-	1,010	1,095	15,301
2020/21	-	1,094	1,002	14,208
2021/22	-	1,155	935	13,053

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

	2016/17 \$'000	2017/18 \$'000
Total amount borrowed as at 30 June of the prior year	15,565	14,937
Total amount to be borrowed	-	3,000
Total amount projected to be redeemed	628	675
Total amount proposed to be borrowed as at 30 June	14,937	17,262

10.2 Infrastructure

The Council has developed an Asset Management Strategy based on the knowledge provided by various Asset Management Plans, which set out Council's capital expenditure requirements for the next 10 years and is a key input to the SRP. It predicts infrastructure consumption, renewal and infrastructure needs to meet future community service expectations. Asset Management Plans summarise the anticipated needs of the asset class and are sourced from master plans, developer contribution plans (DCP's), structure plans and service strategies (e.g. Early Learning Strategy). The Asset Management Strategy has been developed based on industry standards developed through the Municipal Association of Victoria and adapted to meet the needs of the Surf Coast Shire. The key aspects of the process are as follows:

- A long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and the annual budget;
- Identification of capital works by preparation of asset management plans and various master plans, DCP's and service strategies;
- Prioritisation of capital works within asset classes on the basis of evaluation criteria that incorporate strategic, economic, social and environmental factors;
- Application of a methodology to allocate annual funding to classes of capital works; and
- Preparation of business cases to document capital works submissions.

A key objective of the Asset Management Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community. Council has established an asset renewal funding strategy that provides an overall allocation to asset renewal, rather than determining each year's funding from the projects that are to be undertaken that year. This approach is based on predicting the level of asset renewal funding required in the longer term (at this stage 20 years) and smoothly increasing the annual allocation to achieve that target. The annual allocation is placed into the Asset Renewal Reserve, with approved renewal projects drawing on that balance as required.

The following influences have had a significant impact on Council's Asset Management Strategy:

- Use of cash and investment reserves and special charge schemes to fund future capital expenditure programs;
- Continuing availability of significant Commonwealth Government funding for the renewal and upgrade of roads (Roads to Recovery);
- Availability of significant funding for other capital projects; and
- Allocation of funds to meet Council's commitment to implement the new infrastructure identified in the Torquay Jan Juc Developer Contribution Plan.

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

Year	Total Capital Works Program \$'000	External Funding \$'000	Borrowings \$'000	Proceeds From Sale of Assets \$'000	Cash Reserves \$'000	2017/18 Direct Funded \$'000
2016/17	16,676	6,736	-	342	(2,452)	12,050
2017/18	21,147	695	3,000	338	4,237	12,877
2018/19	18,368	694	-	439	5,246	11,989
2019/20	19,173	708	-	427	5,246	12,792
2020/21	20,640	708	-	380	-	19,552

In addition to using cash generated from its annual operations (direct funding), borrowings and external contributions (such as government grants and special rates), Council has significant cash or investment reserves that are also used to fund a variety of capital projects.

These cash reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by statute and include contributions to car parking, drainage and public resort and recreation. Policy cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose. Section 5.2 includes a Statement of Reserves which summarises reserves for the 2016/17 and 2017/18 financial years.

10.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 8) that directly impact the future service delivery strategy are to maintain existing service levels while meeting the increased demands of a growing community and to achieve a sustainable financial result.

The general influences affecting all operating revenue and expenditure are set out in the following table.

	2017/18	2018/19	2019/20	2019/21
	%	%	%	%
Consumer Price Index	2.0	2.25	2.5	2.5
Wages growth	2.6	2.6	2.6	2.6
Rate increases	2.0	2.25	2.5	2.5
Garbage Charge increases	4.0	4.0	4.0	4.0
Grants Commission	0.0	2.0	2.0	2.0
Government funding	2.0	2.0	2.0	2.0
Interest on New Borrowings	6.0	6.0	6.0	6.0

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that while the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page #
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Appendix A - Financial Statements

This appendix presents information in regard to the Financial Statements.

Presentation currency is Australian Dollars.

The appendix includes the following budgeted information:

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Statement of Capital Works;
- Statement of Human Resources;
- Reconciliation of Recurrent EBITDA to Income Statement; and
- Long Term Financial Plan

Comprehensive Income Statement

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Income					
Rates and charges	47,871	49,263	51,183	53,300	55,493
Statutory fees and fines	1,700	1,940	1,836	1,872	1,910
User charges	5,794	6,168	6,214	6,383	6,558
Grants - Operating	7,990	7,617	7,334	7,481	7,630
Grants - Capital	6,188	664	694	708	708
Contributions - monetary	3,538	3,554	4,456	4,294	3,954
Contributions - non-monetary assets	8,065	12,580	10,220	9,660	10,200
Other Income	921	883	905	962	989
Total Income	82,067	82,669	82,842	84,661	87,443
Expenses					
Employee costs	27,326	29,144	29,757	29,967	31,251
Materials and services	22,491	24,996	21,419	20,705	22,377
Bad and doubtful debts	79	80	81	84	86
Depreciation	11,241	11,564	12,318	12,829	13,368
Borrowing costs	1,077	1,031	1,155	1,095	1,002
Asset write offs	795	414	1,022	1,108	1,187
Net loss/(gain) on disposal of property infrastructure, plant and equipment	29	150	(41)	(30)	18
Other Expenses	1,166	1,262	1,286	1,318	1,350
Total expenses	64,204	68,639	66,996	67,075	70,639
Surplus/(deficit) for the year	17,864	14,030	15,846	17,586	16,804
Other Comprehensive Income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment	6,164	1,104	2,928	8,498	1,340
Total Comprehensive Result	24,027	15,133	18,775	26,084	18,144

Balance Sheet

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Assets					
Current assets					
Cash and cash equivalents	22,185	21,354	22,205	24,610	25,793
Trade and other receivables	3,022	3,082	3,144	3,206	3,271
Other financial assets	15,000	15,000	15,000	15,000	15,000
Inventories	293	299	305	311	317
Non-current assets classified as held for sale	280	-	-	-	-
Other assets	542	553	564	575	587
Total current assets	41,322	40,288	41,218	43,702	44,967
Non current assets					
Trade and other receivables	70	70	70	70	70
Other financial assets	1,000	1,000	1,000	1,000	1,000
Property, infrastructure plant & equipment	472,780	490,148	507,178	529,904	542,502
Investments in associates and joint ventures	537	537	537	537	537
Total non current assets	474,386	491,755	508,784	531,510	544,108
Total assets	515,708	532,043	550,002	575,213	589,075
Liabilities					
Current liabilities					
Trade and other payables	3,651	3,688	3,725	3,762	3,799
Trust funds and deposits	1,863	1,900	1,938	1,977	2,017
Provisions	6,372	5,165	5,217	8,595	5,322
Interest bearing liabilities	675	951	1,010	1,094	1,155
Other Liabilities	36	36	36	36	36
Total current liabilities	12,597	11,740	11,925	15,464	12,329
Non current liabilities					
Provisions	12,467	12,475	12,483	9,165	9,174
Interest bearing liabilities	14,262	16,311	15,301	14,208	13,053
Total non current liabilities	26,728	28,786	27,785	23,373	22,227
Total liabilities	39,325	40,526	39,710	38,837	34,555
Net assets	476,384	491,517	510,292	536,376	554,520
Equity					
Accumulated surplus	196,818	211,678	226,674	241,855	257,476
Assets revaluation reserve	242,512	243,616	246,545	255,043	256,383
Other reserves	37,054	36,222	37,073	39,478	40,661
Total equity	476,384	491,517	510,292	536,376	554,520

Statement of Changes in Equity

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Equity Opening Balance	452,356	476,384	491,517	510,292	536,376
Surplus for the Year	17,864	14,030	15,846	17,586	16,804
Net Asset Revaluation	6,164	1,104	2,928	8,498	1,340
Total Equity	476,384	491,517	510,292	536,376	554,520

Statement of Cash Flows

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Cash flow from operating activities					
Rates and charges	47,879	49,263	51,183	53,300	55,493
Grants - operating	8,395	7,880	7,587	7,739	7,893
Grants - capital	6,188	664	694	708	708
Contributions	3,538	3,554	4,456	4,294	3,954
Interest received	921	883	905	962	989
Statutory fees and fines	1,687	1,940	1,836	1,872	1,910
User charges	5,984	6,323	6,217	6,386	6,561
Net GST refund/payment	3,355	3,772	3,616	3,668	3,870
Trust funds received/(taken)	192	37	38	39	40
Employee costs	(27,132)	(29,084)	(29,697)	(29,906)	(31,190)
Materials and Services	(28,963)	(31,826)	(26,699)	(26,078)	(31,320)
Net cash provided from operating activities	22,044	13,406	20,135	22,985	18,909
Cash Flows from investing activities					
Proceeds from sale of property, plant & equipment	673	528	439	427	380
Payments for property, plant, equipment & infrastructure assets	(14,403)	(16,060)	(17,618)	(18,903)	(16,010)
Cash Flows from investing activities	8,600	-	-	-	-
Net cash used in investing activities	(5,130)	(15,532)	(17,179)	(18,476)	(15,630)
Cash flows from financing activities					
Finance costs	(1,077)	(1,031)	(1,155)	(1,095)	(1,002)
Proceeds from interest bearing loans and borrowings	-	3,000	-	-	-
Repayment of interest bearing loans and borrowings	(628)	(675)	(951)	(1,010)	(1,094)
Net cash provided from financing activities	(1,706)	1,294	(2,105)	(2,105)	(2,095)
Net increase/(decrease) in cash & cash equivalents held	15,208	(831)	851	2,404	1,183
Cash & cash equivalents at the beginning of the period	6,977	22,185	21,354	22,205	24,610
Cash & cash equivalents at the end of the period	22,185	21,354	22,205	24,610	25,793
Investments (current and non-current financial assets)	16,000	16,000	16,000	16,000	16,000
Total cash & investments at the end of the period	38,185	37,354	38,205	40,610	41,793

Statement of Capital Works

For the four years ending 30 June 2021

	Forecast 2016/17 \$'000	Budget 2017/18 \$'000	Forecast 2018/19 \$'000	Forecast 2019/20 \$'000	Forecast 2020/21 \$'000
Property					
Land	-	2	-	-	-
Buildings	2,323	5,172	3,191	3,197	2,781
Total Property	2,323	5,174	3,191	3,197	2,781
Plant and Equipment					
Plant, Machinery and Equipment	724	1,350	1,331	1,429	1,293
Fixtures, Fittings and Furniture	38	-	-	-	-
Computers and Telecommunications	421	998	1,946	837	218
Total Plant and Equipment	1,184	2,348	3,276	2,265	1,511
Infrastructure					
Roads	5,715	5,915	5,880	7,302	8,226
Bridges	14	40	59	63	70
Footpaths and Cycleways	550	257	587	608	590
Drainage	429	338	973	1,003	510
Recreational, Leisure and Community Facilities	3,113	774	3,178	3,979	1,819
Parks, Open Space and Streetscapes	912	1,215	473	486	504
Expensed Capital Works	1,144	3,830	750	270	1,304
Landfill Provision Works	1,293	1,258	-	-	3,327
Total Infrastructure	13,169	13,626	11,900	13,711	16,349
Total Capital Works Expenditure	16,676	21,147	18,368	19,173	20,640
Represented by					
New Asset Expenditure	6,073	6,219	5,610	5,115	2,797
Asset Renewal Expenditure	3,973	4,669	6,463	6,995	7,171
Asset Upgrade Expenditure	4,194	5,172	5,545	6,793	6,042
Expensed Capital Works	1,144	3,830	750	270	1,304
Landfill Provision Works	1,293	1,258	-	-	3,327
Total Capital Works Expenditure	16,676	21,147	18,368	19,173	20,640

Reconciliation of net movement in property, plant and equipment

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Total Capital Works	16,676	21,147	18,368	19,173	20,640
Asset Revaluation Increment	6,164	1,104	2,928	8,516	1,340
Depreciation and Amortisation	(11,241)	(11,564)	(12,318)	(12,835)	(13,387)
Written Down Value of Assets Sold	(421)	(398)	(398)	(398)	(398)
Assets Written Off	(795)	(414)	(1,022)	(1,108)	(1,187)
Expensed Capital Works	(2,437)	(5,088)	(750)	(270)	(4,630)
Granted Assets	8,065	12,580	10,220	9,660	10,200
Transfer to Current Assets	(280)	-	-	-	-
Winchelsea Units Right Repurchase	164	-	-	-	-
Net Movement in Property, Plant and Equipment	15,895	17,368	17,029	22,737	12,579

Statement of Human Resources

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Staff Expenditure					
Employee Costs - Operating	27,326	29,144	29,757	29,967	31,251
Employee Costs - Capital	1,167	1,561	1,595	1,630	1,666
Total Staff Expenditure	28,493	30,704	31,352	31,597	32,917
	FTE	FTE	FTE	FTE	FTE
Staff Numbers					
Employees	292.1	309.2	305.9	303.7	303.7
Total Staff Numbers	292.1	309.2	305.9	303.7	303.7

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

Division	2017/18 Budget \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Chief Executive	741	741	-
Culture and Community	10,967	5,662	5,306
Environment and Development	7,175	5,270	1,905
Governance and Infrastructure	7,503	6,294	1,269
Total Permanent Staff Expenditure	26,387	17,967	8,480
Casuals and Other Expenditure	2,757		
Capitalised Labour Costs	1,561		
Total Expenditure	30,704		

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

Division	2017/18 Budget	Comprises	
		Permanent Full Time	Permanent Part Time
Chief Executive	5.0	5.0	-
Culture and Community	129.2	59.2	70.0
Environment and Development	71.7	49.7	22.0
Governance and Infrastructure	78.1	63.3	14.9
Total Permanent Staff	284.0	177.1	106.9
Casuals and Other	8.3		
Capitalised Labour	16.9		
Total Staff	309.2		

Reconciliation of Recurrent EBITDA to Income Statement

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Recurrent EBITDA					
Property Rates and Charges	41,183	42,560	44,233	46,073	47,976
Garbage Charges	6,352	6,682	6,950	7,228	7,517
Grants	7,177	7,190	7,334	7,481	7,630
Other Revenue	8,457	9,009	9,232	9,462	9,698
Total Recurrent Income	63,169	65,441	67,749	70,243	72,821
Employee Benefits	(26,693)	(27,444)	(28,057)	(28,767)	(29,551)
Materials and Services	(20,095)	(20,252)	(20,839)	(21,444)	(22,068)
Business Improvement Program Benefits	-	59	409	659	909
Business Case Benefits	-	-	100	200	300
Digital Transformation Benefits	-	-	100	200	300
Total Expenditure - Existing Operations	(46,789)	(47,637)	(48,288)	(49,153)	(50,110)
Compliance Costs (recurrent)	-	(310)	(400)	(800)	(1,200)
Compliance Costs (projects)	-	-	(600)	(600)	(600)
Non-Discretionary Growth	-	(144)	(400)	(1,000)	(1,600)
Discretionary Growth	-	(239)	-	-	-
Recurrent EBITDA	16,380	17,111	18,061	18,690	19,311
Reserve Transfers					
Developer Contributions (DCP Torquay)	1,766	2,245	2,744	2,067	1,559
Developer Contributions (Spring Creek)	-	-	-	891	1,035
Developer Contributions (non-DCP)	2	10	10	10	11
Open Space Contributions	200	120	120	120	120
Defined Benefits Super Call	-	-	(1,000)	-	-
Sale of Land	331	190	-	-	-
Cash Adjustment of Available Funds					
Interest Revenue	921	883	905	962	989
Finance Costs	(1,077)	(1,031)	(1,155)	(1,095)	(1,002)
Projects					
Special Rates & Charges	336	21	-	-	-
Grants Capital Projects	6,188	664	694	708	708
Contributions Capital Projects	212	10	400	-	-
Sale of Plant	342	338	439	427	380
Expensed Capital Works	(1,144)	(3,830)	(750)	(270)	(1,304)
Operational Projects Expenses	(2,629)	(2,746)	(1,106)	(250)	(250)
Operational Projects - Business Case Expenses	(500)	(375)	-	-	-
Operational Projects Revenue	1,209	494	-	-	-
Non Cash Items					
Depreciation	(11,241)	(11,564)	(12,318)	(12,829)	(13,368)
Contributions - non-monetary assets	8,065	12,580	10,220	9,660	10,200
WDV of Assets Sold	(702)	(678)	(398)	(398)	(398)
Asset Write Offs	(795)	(414)	(1,022)	(1,108)	(1,187)
Surplus/(Deficit)	17,864	14,030	15,846	17,586	16,804

Four Year Financial Plan

For the four years ending 30 June 2021

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Recurrent EBITDA less Waste and Other Special Purposes					
Property Rates and Charges	41,183	42,560	44,233	46,073	47,976
Garbage Charges	-	-	-	-	-
Grants	7,177	7,190	7,334	7,481	7,630
Other Revenue	6,081	6,443	6,572	6,703	6,837
Total Recurrent Income	54,441	56,193	58,139	60,256	62,444
Employee Benefits	(26,226)	(26,917)	(27,510)	(28,197)	(28,959)
Materials and Services	(14,734)	(14,645)	(15,011)	(15,386)	(15,771)
Business Improvement Program Benefits	-	59	409	659	909
Business Case Benefits	-	-	100	200	300
Digital Transformation Benefits	-	-	100	200	300
Total Expenditure - Existing Operations	(40,959)	(41,504)	(41,912)	(42,525)	(43,221)
Compliance Costs (recurrent)	-	(310)	(400)	(800)	(1,200)
Compliance Costs (projects)	-	-	(600)	(600)	(600)
Non-Discretionary Growth	-	(144)	(400)	(1,000)	(1,600)
Discretionary Growth	-	(214)	-	-	-
Total Expenditure - New Operations	-	(668)	(1,400)	(2,400)	(3,400)
Recurrent EBITDA less Waste and Other Special Purposes	13,482	14,021	14,827	15,332	15,823
Recurrent EBITDA Waste					
Property Rates and Charges	-	-	-	-	-
Garbage Charges	6,352	6,682	6,950	7,228	7,517
Other Revenue	1,925	2,112	2,197	2,285	2,376
Total Recurrent Income	8,277	8,795	9,146	9,512	9,893
Employee Benefits	(468)	(521)	(542)	(564)	(587)
Materials and Services	(5,206)	(5,438)	(5,655)	(5,882)	(6,117)
Total Expenditure - Existing Operations	(5,674)	(5,959)	(6,198)	(6,446)	(6,703)
Discretionary Growth	-	(25)	-	-	-
Total Expenditure - New Operations	-	(25)	-	-	-
Recurrent EBITDA Waste	2,602	2,810	2,949	3,067	3,189
Recurrent EBITDA Other Special Purposes					
Other Revenue	451	454	464	474	484
Total Recurrent Income	451	454	464	474	484
Employee Benefits	-	(5)	(5)	(6)	(6)
Materials and Services	(155)	(169)	(173)	(176)	(180)
Total Expenditure - Existing Operations	(155)	(174)	(178)	(182)	(186)
Recurrent EBITDA Other Special Purposes	296	279	286	292	298
Total Recurrent EBITDA	16,380	17,111	18,061	18,690	19,311

	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Total Recurrent EBITDA	16,380	17,111	18,061	18,690	19,311
Cash Adjustments:-					
Balance Sheet Adjustments	253	19	18	18	17
Interest Revenue	921	883	905	962	989
Asset sales - plant/fleet	342	338	439	427	380
Asset sales - land	331	190	-	-	-
Total Cash Adjustments	1,847	1,430	1,362	1,407	1,386
Total Cash Available for Allocation	18,227	18,541	19,423	20,097	20,696
Allocations to Commitments					
Debt Interest & Principal	1,706	1,706	2,105	2,105	2,095
Torquay/Jan Juc Developer Plan Allocation	2,076	2,163	2,254	2,349	2,447
Spring Creek Infrastructure Plan Allocation	-	-	700	729	760
Winchelsea Infrastructure Plan Allocation	-	-	200	208	217
Developer Contribution Interest Allocation	52	27	27	27	53
Waste Allocation	2,602	2,810	2,949	3,067	3,189
Asset Renewal Allocation	5,833	6,073	6,507	6,970	7,457
Business Case Investments	500	500	500	500	500
Growth and Compliance Costs (non-recurrent)	1,011	833	-	-	-
Total Allocations to Commitments	13,781	14,112	15,241	15,955	16,719
Discretionary Cash Available	4,446	4,429	4,182	4,143	3,977
Discretionary Allocations					
Discretionary Capital Works	1,927	1,058	-	-	-
Discretionary Operating Projects	817	594	-	-	-
Defined Benefits Superannuation Allocation	250	250	250	250	250
Gravel Pits Allocation	286	273	279	285	291
Aireys Inlet Aged Units	10	7	7	7	7
Towards Environmental Leadership	-	250	250	250	250
Building Better Regions Project Allocation	-	357	-	-	-
Repayment Anglesea Bowls Club Commitment	-	225	-	-	-
Discretionary Project Allocation	-	-	2,400	2,501	2,606
Total Discretionary Allocations	3,290	3,013	3,186	3,293	3,404
Unallocated Cash Surplus / (Deficit)	1,157	1,416	997	850	573
Accumulated Unallocated Cash					
Opening Balance	3,666	3,404	3,045	1,942	1,892
Annual Surplus/(Deficit)	1,157	1,416	997	850	573
Return to AUC as per Council Resolution 13 Sept 2016	-	225	-	-	-
Merrijig Drive Contribution	-	-	400	-	-
Net Allocations during the Year	(419)	-	-	-	-
Transfer for Digital Transformation	(1,000)	(2,000)	(2,500)	(900)	-
Closing Balance	3,404	3,045	1,942	1,892	2,465

Appendix B - Statutory Disclosures

This appendix presents information which the Local Government Act and the Regulations require to be disclosed in the Council's annual budget.

The appendix includes the following budgeted information:

- Borrowings;
- Rates and charges; and
- Differential rates.

Statutory disclosures

1. Borrowings

	2016/17	2017/18
	\$	\$
New borrowings (other than refinancing)	-	3,000,000
Debt redemption	628,397	674,948

2. Rates and charges

At the time of preparing Council's draft budget, not all supplementary rate notices for 2016/17 have been processed. The final data may differ from that which is disclosed below due to a change in the mix of differentials (types of property) once all of the supplementary rate notices for 2016/17 are processed. The rate increase of 2.0% will still apply.

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

Type of Property	2016/17 cents/\$CIV	2017/18 cents/\$CIV	Change
General rate land	0.24591	0.25083	2.00%
Farm rate land	0.18443	0.18812	2.00%
Commercial/Industrial rate land	0.46723	0.47657	2.00%
Vacant Residential rate land	0.49182	0.50166	2.00%
Vacant Provisional rate land	0.24591	0.25083	2.00%

2.2 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type of Property	2016/17 \$	2017/18 \$	Change
General rate land	29,041,617	29,959,392	3.16%
Farm rate land	1,950,353	1,985,631	1.81%
Commercial/Industrial rate land	3,190,488	3,308,320	3.69%
Vacant Residential rate land	2,327,238	2,188,666	(5.95%)
Vacant Provisional rate land	172,540	291,756	69.09%
Total amount to be raised by general rates	36,682,236	37,733,764	2.87%

Note: Increases in total revenue raised by different rates is influenced by rate increases, general revaluation of Capital Improved values, the full year effect of supplementary rates, and the reclassification of land to different classes, for example vacant land to residential land.

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

Type of Property	2016/17	2017/18	Change
General rate land	17,724	17,964	1.35%
Farm rate land	965	965	0.00%
Commercial/Industrial rate land	970	991	2.16%
Vacant Residential rate land	977	875	(10.44%)
Vacant Provisional rate land	224	355	58.48%
Total number of assessments	20,860	21,150	1.39%

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

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

Type of Property	2016/17 \$	2017/18 \$	Change
General rate land	11,809,856,000	11,944,194,500	1.14%
Farm rate land	1,057,503,000	1,055,507,000	(0.19%)
Commercial/Industrial rate land	682,851,600	694,189,100	1.66%
Vacant Residential rate land	473,189,000	436,288,000	(7.80%)
Vacant Provisional rate land	70,164,000	116,317,000	65.78%
Total Value	14,093,563,600	14,246,495,600	1.09%

2.6 The proposed unit amount to be levied for each type of charge under sections 159 and 162 of the Act

Type of Charge	Per Rateable Property 2016/17 \$	Per Rateable Property 2017/18 \$	Change
Municipal	200	204	2.00%
Urban Garbage (all residential tenements)	364	379	4.12%
Rural Garbage (optional)	302	314	3.97%

2.7 The estimated amounts to be raised for each type of charge to be levied, compared to the previous year

	2016/17 \$	2017/18 \$	Change
Municipal Charge	4,119,000	4,261,764	3.47%
Urban Garbage (all residential tenements)	5,921,854	6,155,353	3.94%
Rural Garbage (optional)	513,295	527,074	2.68%
Total	10,554,149	10,944,191	3.70%

2.8 The estimated total amount to be raised by rates and charges

	2016/17	2017/18	
	\$	\$	Change
General Rates Revenue	36,682,236	37,733,764	2.87%
Municipal Charge	4,119,000	4,261,764	3.47%
Kerbside Collection and Recycling	6,435,149	6,682,427	3.84%
Total	47,236,385	48,677,955	3.05%

2.9 Any significant changes that may affect the estimated amounts to be raised by rates and charges

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

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes in use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes in use of land classification, such as vacant land becoming residential or commercial/industrial rate land and vice versa.

3. Differential rates

3.1 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 100% (0.25083 cents in the dollar of CIV) for all rateable residential properties.
- A farm rate of 75% (0.18812 cents in the dollar of CIV) for all rateable farm properties.
- A commercial/industrial rate of 190% (0.47657 cents in the dollar of CIV) for all rateable business properties.
- A vacant residential land rate of 200% (0.50166 cents the dollar of CIV) for all rateable vacant residential land.
- A vacant provisional residential land rate of 100% (0.25083 cents in the dollar of CIV) for all rateable vacant provisional residential land.

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

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land that are subject to each differential rate and the uses of each differential rate are set out below.

3.2 General Rate land

General Rate is any land, which is:

- Any land which does not have the characteristics of the following rating differentials:
 - Farm Rate land;
 - Commercial/Industrial Rate land; or
 - Vacant Rate land.

The objectives of this differential rate are:

- To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations; and
- To ensure that the differential rate in the dollar declared for defined general rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

3.3 Farm Rate Land

Farm Rate is any land, which is:

- 2 or more hectares in area;
- Used primarily for primary producing purposes from its activities on the land;
- Used primarily for grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities; and
- Used by a business that:
 - Has a significant and substantial commercial purpose of character;
 - Seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - Is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

The objectives of this differential rate are:

- To maintain agriculture as a major industry in the municipal district;
- To facilitate the longevity of the farm sector;
- To achieve a balance between providing for growth and retaining the important agricultural economic base; and
- To ensure that the rate in the dollar declared for defined Farm Land properties is fair and equitable having regard to the cost and the level of benefits derived from provision of Council services to the farm sector.

3.4 Commercial/Industrial Rate Land

Commercial/Industrial Rate is any land, which is:

- Used primarily for the carrying out the manufacture or production of, or trade in goods or services (including tourist facilities and in the case of a business providing accommodation for tourists, is prescribed accommodation under the *Public Health and Wellbeing Act (Vic) 2008*; or
- Unoccupied building erected which is zoned Commercial or Industrial under the Surf Coast Shire Planning Scheme; or
- Unoccupied land which is zoned Commercial or Industrial under the Surf Coast Shire Planning Scheme

The objectives of this differential rate are:

- To enhance the economic viability of the Commercial / Industrial sector through targeted programs and projects;
- To extend regional initiatives toward the establishment of ventures and themes that complement Council's strategic objectives;
- To identify, develop and market the strengths and attractions of each town and village;
- To determine the feasibility of establishing tourism education facilities;
- To identify and develop opportunities for rural tourism;
- To participate as an active partner in regional tourism initiatives;
- To encourage employment opportunities;
- To promote economic development;
- To facilitate the establishment or improvement of tourism infrastructure;
- To ensure that signage, street scaping and promotional activity is complementary to the achievement of commercial and tourism objectives; and
- To ensure that the differential rate in the dollar declared for defined Commercial / Industrial land properties is fair and equitable having regard to the cost and the level of benefits derived from provision of council services to the commercial / industrial sector.

The level of funding applied to the above objectives is a 90% loading levied on Commercial/Industrial properties, which is additional to the amount that would have been raised if there were no differential applied. The remaining balance of the funds (i.e. the amount equivalent to the General Rate) is to be applied to the provision of general council services.

3.5 Vacant Residential Rate Land

Vacant Residential Rate is any land, which is:

- On which no building is erected on land which is zoned residential under the Surf Coast Shire Planning Scheme, except for any:
 - Uninhabitable shed or shelter, the size of which does not exceed 5% of the total area of land; or
 - Vacant land that is newly reclassified as a result of a new subdivision or becoming vacant as a result of demolition of an existing dwelling for a period of one year from the reclassification date will only pay the general residential rate.

The objectives of this differential rate are summarised below:

- To facilitate building development on vacant allotments;
- To provide a financial incentive for land to be developed and not held as an investment; and
- To promote affordable housing within Council boundaries.

3.6 Vacant Provisional Rate Land

Vacant Provisional Rate Land is any land on which no building is erected which is zoned residential under the Surf Coast Shire Planning Scheme and is newly reclassified as a result of a new subdivision or becoming vacant as a result of demolition of an existing dwelling. After the period of the remainder of the rating year plus one year the land will no longer be classified as vacant provisional rate land and will be classified into the appropriate differential category.

The objectives of this differential rate are summarised below:

- To facilitate building development on vacant allotments;
- To provide a financial incentive for land to be developed and not held as an investment;
- To promote affordable housing within Council boundaries; and
- To not impose the full vacant rate on newly reclassified vacant land.

4. Charges

4.1 Municipal Charge

The municipal charge is declared for the purpose of covering some of the administrative costs of Council.

The municipal charge is declared in respect of all rateable land within the municipality district in respect of which a municipal charge may be levied.

4.2 Service Charges

An annual service charge is declared for the collection and disposal of waste (garbage).

The objectives of the annual service charge (refuse collection and disposal) are:

- To recover the contract cost of provision of the refuse collection service;
- To recover the cost of disposal of collected refuse in Council's waste disposal sites; and
- To recover the cost of collection of refuse from:
 - Residential premises within the township areas, in accordance with the Waste Collection Contract and Waste Collection Maps;
 - Residential premises in the rural collection area (optional); and
 - Commercial premises within the township areas (optional) subject to approval by Council's Environmental Health Services department.

The criteria for the annual service charge are:

- An urban garbage charge per service for all residential tenements and each commercial tenement (optional) where approval has been given by the environmental health services department, in respect of which a garbage collection is made in the urban townships; and
- A rural garbage charge per service for each residential tenement in respect of which garbage collection is made in the rural collection area (optional) within the municipality.

Appendix C - Capital and Operational Works Program

This appendix presents a listing of the capital and operational works projects that will be undertaken for the 2017/18 year.

The capital works projects are grouped by class and include the following:

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

The operational works program includes the following grouped by ward:

- Operational projects for 2017/18;
- Operational projects carried forward for 2016/17;
- New recurrent operational expenditure for 2017/18; and
- Business case investments.

Note: Allocation to project funding/expenditure are shown excluding contingency in the following tables. Contingency allocation is shown at a program level except for projects where there is a requirement to expend the total project budget, for example external grant funded project.

Capital Works Program

For the year ending 30 June 2018

Works Description - New Funding	Expenditure						Funding							Total Funding \$'000
	Renewal \$'000	Upgrade \$'000	Expansion \$'000	New \$'000	Expensed \$'000	Total Expenditure \$'000	External Funds			Council Cash			2017/18 Direct Funded \$'000	
							Grants \$'000	Contrib's \$'000	Borrowings \$'000	Cash Reserve Funds \$'000	Special Rates \$'000	Asset Sales \$'000		
Renewal Program														
Bike Park Renewal Program	27					27							27	27
Bridge Renewal Program	51					51							51	51
Building Renewal Program	391					391							391	391
Drainage Renewal Program	47					47							47	47
Facility Signage Renewal Program	15					15							15	15
Fencing Renewal Program	72					72							72	72
Footpath Renewal Program	83					83							83	83
Heavy Plant Replacement Program	780					780						166	614	780
I.T. Renewal Program	162					162							162	162
Kerb Renewal Program	87					87							87	87
Light Fleet Replacement Program	443					443						171	272	443
Lighting Renewal Program	25					25							25	25
Nature Reserve Renewal Program	43					43							43	43
Park Furniture Renewal Program	144					144							144	144
Playground Renewal Program	95					95							95	95
Sealed Road Renewal Program	243					243							243	243
Soft Playing Surface Renewal Program	102					102							102	102
Structures Renewal Program	143					143							143	143
Unsealed Road Renewal Program	763					763							763	763
Barwon River Playground Renewal	156					156							156	156
Cape Otway Road Widening	237	331				568	554						14	568
Coogoorah Playground Renewal	186					186							186	186
Forest / Grays Road Upgrade	250	310				560							560	560
Sealed Road Renewal - Horseshoe Bend Road	371					371							371	371
Sealed Road Renewal - Pavement Rehabilitation	165					165							165	165
Bob Pettitt Tennis Courts	70					70							70	70
Duncan Street Footpath	61					61							61	61
Gnarwarre Road Culvert	97					97							97	97
Hesse Street, Winchelsea	298		110			408	110						298	408
Spring Creek Reserve Toilet	127					127							127	127
Renewal Contingency Allocation	346					346							346	346
Total Renewal	6,080	641	110			6,831	664					338	5,829	6,831

Works Description - New Funding	Expenditure						Funding								
	Renewal \$'000	Upgrade \$'000	Expansion \$'000	New \$'000	Expensed \$'000	Total Expenditure \$'000	External Funds			Council Cash				Total Funding \$'000	
							Grants \$'000	Contrib's \$'000	Borrowings \$'000	Cash Reserve Funds \$'000	Special Rates \$'000	Asset Sales \$'000	2017/18 Direct Funded \$'000		
<u>Torquay / Jan Juc DCP Projects</u>															
Bells Beach Reserve (OR10)		108				108								108	108
Bike Routes Blackgate Rd-South Beach Rd (PC03)		726				726				270				456	726
Bike Routes South of South Beach Rd (PC03)		77				77								77	77
Deep Creek Linear Reserve (OR06)		387				387				387				387	387
Grass Tree Park (OR05)		33				33								33	33
Kurrambee Myaring Community Centre (CY01B)				3,207		3,207			2,000					1,207	3,207
Torquay / Jan Juc DCP Contingency Allocation		133				133				40				93	133
Total Torquay / Jan Juc DCP		1,463		3,207		4,670			2,000	697				1,973	4,670
<u>Waste Management Projects</u>															
Anglesea Landfill Composting Area D&C					90	90								90	90
Anglesea Landfill Leachate Pond					328	328								328	328
Anglesea Landfill Stage 3D Liner					1,016	1,016								1,016	1,016
Waste Management Contingency Allocation					110	110								110	110
Total Waste Management					1,544	1,544								1,544	1,544

Works Description - New Funding	Expenditure						Funding							
	Renewal \$'000	Upgrade \$'000	Expansion \$'000	New \$'000	Expensed \$'000	Total Expenditure \$'000	External Funds			Council Cash			2017/18 Direct Funded \$'000	Total Funding \$'000
							Grants \$'000	Contrib's \$'000	Borrowings \$'000	Cash Reserve Funds \$'000	Special Rates \$'000	Asset Sales \$'000		
Discretionary Program Allocation														
Vibrant Economy														
Drainage Upgrades Discretionary Works		150				150							150	150
Road Safety Discretionary Works					15	15							15	15
Road Safety Improvements at School Sites				55		55							55	55
Road Safety Strategy Implementation				61		61							61	61
Rural Road Safety Improvements				131		131							131	131
Street Light Upgrades and Maintenance		15				15							15	15
Shopping Centre Improvements		23				23							23	23
Environmental Leadership														
Surf Coast Civic Precinct Microgrid (Business Case)				114		114							114	114
High Performing Council														
Digital Transformation				1,400	600	2,000							2,000	2,000
Balancing Growth														
Future Concept Design Budget					50	50							50	50
Township LATM, Parking and Pedestrian Improvements				86		86							86	86
Community Wellbeing														
DDA Program Annual Allocation	24			67		91							91	91
Bike Path & Pathway Infrastructure				38		38							38	38
Jan Juc Zone 2 Masterplan Implementation				108		108					103		5	108
Lorne Pathway Project				28		28							28	28
Moriac Pathway Project				22		22						1	21	22
Torquay Grossmans Road Pathway Project				13		13							13	13
Winchelsea Pathway Project				120		120						20	100	120
Stribling Reserve Change Rooms Design		86				86							86	86
Winchelsea Netball Pavilion Upgrade	245	68				313							313	313
Torquay Cricket Club Practice Facility Improvement Stg1		20				20							20	20
Anglesea Netball Club Car Park Design				10		10			10				10	10
Torquay Cricket Club Practice Facility Improvement Stg2				5		5							5	5
Painkalac Creek Pathway				60		60					60		60	60
Discretionary Capital Works Contingency Allocation		49		65		114							114	114
Total Discretionary Capital Works	269	410		2,382	665	3,726		10			163	21	3,532	3,726
Total New Funding Allocations	6,349	2,514	110	5,589	2,209	16,771	664	10	2,000	860	21	338	12,877	16,771
Carried Forward Capital Works Projects														
Carried Forward Capital Works Projects	1,978	4,613		2,167	4,438	13,195			1,000	12,195				13,195
Carried Forward Capital Works Contingency	182	108		645	738	1,673				1,673				1,673
Total Carried Forward Capital Works Projects	2,160	4,721		2,812	5,176	14,868			1,000	13,868				14,868
Total Capital Works Program	8,509	7,235	110	8,401	7,385	31,639	664	10	3,000	14,728	21	338	12,877	31,639

Operational Works Program
For the year ending 30 June 2018

Works Description - New Funding	Expenditure					Total Expenditure \$'000	External Funds				Funding				Total Funding \$'000
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000		Grants \$'000	Fees & Charges \$'000	Contrib's \$'000	Borrowings \$'000	Cash Reserve Funds \$'000	Special Rates \$'000	Asset Sales \$'000	Direct Funded \$'000	
Operational Projects															
Anglesea Futures and Anglesea River	35					35								35	35
Asset Condition Audits					91	91								91	91
Bells Beach Coastal Management Plan					75	75								75	75
Bells Beach Master Plan Stage 1				32		32								32	32
Bells Beach Planning Panel				12		12								12	12
Business Continuity Exercise				8		8								8	8
Community Initiatives					100	100								100	100
Environmental Leadership					250	250								250	250
Great Ocean Road Gateway					65	65								65	65
Growing Adventure Tourism					23	23								23	23
Growing Winchelsea Planning Panel				10		10								10	10
Irrigation Project Winchelsea Golf Course				7		7								7	7
Kurrabee Myaring Centre Operational Model					23	23								23	23
Land Under Roads Audit & Capitalisation					40	40								40	40
Land Use Monitoring Report & Website					10	10								10	10
Matching Project Funds					30	30								30	30
Municipal Strategic Statement Review					90	90								90	90
Planning Customer Support Officer					50	50								50	50
Planning for Growth					40	40								40	40
Pop Up Art Space					28	28								23	28
RACV Water Harvesting Agreement Licence					5	5								5	5
Torquay/Jan Juc Social Infrastructure Needs Study				48		48								48	48
Spring Creek DCP and Planning Scheme Amendment				30		30								30	30
Street Light Program Upgrade (Business Case)					228	228								228	228
Supporting Growth Initiatives					100	100								100	100
VicSmart Planning Scheme Amendment					18	18								18	18
Winchelsea Infrastructure for Growth Review				23		23								23	23
Operational Projects Outside of PMO Program															
2016 Council Elections					10	10								10	10
Business Improvement Officer (Business Case)					115	115								115	115
Engage Program					23	23	23							23	23
Fixed Term (Two Years) Local Laws Officer					124	124		140						(15)	124
Freeza Project					25	25								25	25
HACC Café Style Support					56	56								56	56
Health & Wellbeing Officer (Year Two of Two)					53	53								53	53
Municipal Emergency Management Program					240	240								240	240
Records Management Program (Business Case)					32	32		240						32	32
Recreation Facilities Officer				48		48								48	48
Road Safety Officer					38	38								38	38
Statutory Planning Growth & Back Log					183	183								183	183
Temporary Planner					81	81								81	81
Contingency Allocation	5		8	3	39	55								55	55
Total Operational Projects	40		186	43	2,285	2,553	344	140	10					2,959	2,553

Works Description	Expenditure						External Funds				Funding				Total Funding \$'000	
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000	Total Expenditure \$'000	Grants \$'000	Fees & Charges \$'000	Contrib's \$'000	Borrowings \$'000	Council Cash					
											Cash Reserve Funds \$'000	Special Rates \$'000	Asset Sales \$'000	Direct Funded \$'000		
<u>Carried Forward Operational Projects</u>																
Carried forward operational projects	20	20	149	92	1,143	1,423					1,423					1,423
Contingency Allocation	5		12	4	50	71					71					71
Total Carried Forward Operational Projects	25	20	161	95	1,193	1,494					1,494					1,494
Total Operational Works Program	65	20	346	138	3,478	4,047	344	140	10		1,494				2,059	4,047

Business Cases

For the year ending 30 June 2018

(Business Cases are included in the Operational and Capital Works Programs)

Description - New Funding	Expenditure						External Funds				Funding				Total Funding \$'000	
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000	Total Expenditure \$'000	Grants \$'000	Fees & Charges \$'000	Contrib's \$'000	Borrowings \$'000	Council Cash					
											Cash Reserve Funds \$'000	Special Rates \$'000	Asset Sales \$'000	Direct Funded \$'000		
<u>Business Cases</u>																
Business Improvement Officer					115	115									115	115
Records Management Program					32	32									32	32
Street Light Program Upgrade					228	228									228	228
Surf Coast Civic Precinct Microgrid			114			114									114	114
Contingency Allocation			11			11									11	11
Total Business Cases			125		375	500									500	500

New Recurrent Operational Expenditure

For the year ending 30 June 2018

Description - New Funding	Expenditure					Total Expenditure \$'000	External Funds				Funding				Total Funding \$'000	
	Anglesea \$'000	Lorne \$'000	Torquay \$'000	Winchelsea \$'000	Shire Wide \$'000		Grants \$'000	Fees & Charges \$'000	Contrib'g \$'000	Borrowings \$'000	Council Cash					
											Cash Reserve Funds \$'000	Special Rates \$'000	Asset Sales \$'000	Direct Funded \$'000		
New Recurrent Operational Expenditure																
Anglesea Resale Shed Resource					25	25					25				25	
ANZAC Day Contribution					10	10									10	
Building Surrounds					12	12									12	
Building Utilities					28	28									28	
Kurrambee Myaring Centre Operating Budget					246	246	82	118							46	
Municipal Building Surveyor					50	50									50	
Passive Reserves			15			15									15	
Playground Maintenance			6			6									6	
Principal Investigations Officer					110	110									110	
Proactive Tree Works Annual Allocation					50	50									50	
Roads Compliance Officer					100	100									100	
Software Support and Development					100	100									100	
Strategic Partnership Support Fund					50	50									50	
Strategic Planning Wages					13	13									13	
Street Tree Management					22	22									22	
Support Headline Event					10	10									10	
Township Maintenance					1	1									1	
Video Equipment and Editing Software					1	1									1	
WorkPlace Health & Safety					43	43									43	
Total Recurrent Operational Expenditure			21		871	893	82	118			25				668	893

Appendix D - Four Year Capital Program

Capital Works Program	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
<u>Renewal Program</u>				
Bike Park Renewal Program	27	31	33	37
Bridge Renewal Program	51	59	63	70
Building Renewal Program	391	615	653	727
Drainage Renewal Program	47	177	188	210
Facility Signage Renewal Program	15	15	15	15
Fencing Renewal Program	72	84	90	101
Footpath Renewal Program	83	189	201	224
Hard Court Renewal Program		72	77	86
Heavy Plant Replacement Program	780	919	992	885
I.T. Renewal Program	162	196	207	218
Kerb Renewal Program	87	95	100	112
Light Fleet Replacement Program	443	412	437	408
Lighting Renewal Program	25	25	25	25
Nature Reserve Renewal Program	43	60	64	72
Park Furniture Renewal Program	144	170	148	197
Playground Renewal Program	95	408	521	361
Sealed Road Renewal Program	243	1,741	1,911	2,096
Soft Playing Surface Renewal Program	102	119	127	142
Structures Renewal Program	143	166	177	198
Unsealed Road Renewal Program	763	886	941	1,048
Barwon River Playground Renewal	156			
Cape Otway Road Widening	568			
Coogoorah Playground Renewal	186			
Forest / Grays Road Upgrade	560			
Sealed Road Renewal - Horseshoe Bend Road	371			
Sealed Road Renewal - Pavement Rehabilitation	165			
Bob Pettitt Tennis Courts	70			
Duncan Street Footpath	61			
Gnarwarre Road Culvert	97			
Hesse Street, Winchelsea	408			
Spring Creek Toilet	127			
Renewal Contingency Allocation	346			
Total Renewal	6,831	6,438	6,970	7,230
<u>Torquay / Jan Juc DCP Projects</u>				
Bells Beach Reserve (OR10)	108			
Bike Routes Blackgate Rd-South Beach Rd (PC03)	726			
Bike Routes South of South Beach Rd (PC03)	77			
Deep Creek Linear Reserve (OR06)	387			348
Grass Tree Park (OR05)	33			
Kurrambee Myaring Community Centre (CY01B)	3,207			
Duffields Road Upgrade (RD08)		45	646	
Duffields/Grossmans Intersection (RD15)		26	357	
Torquay Central & North (OR01) South Beach		136		
Torquay Central & North (OR01) Various		330		66
CCP Active Recreation (OR02)			1,036	
South Beach Road Upgrade (RD09)			87	2,929
Anderson St Turning Lanes (RD06)				208
Spring & Deep Creek's Pathways (PC01)				205
Surf Coast Hwy/Zeally Bay Rd Intersection (RD05)				54
Torquay / Jan Juc DCP Contingency Allocation	133	53	222	203
Total Torquay / Jan Juc DCP	4,670	589	2,348	4,014

Capital Works Program	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000
Waste Management Projects				
Anglesea Landfill Composting Area D&C	90			
Anglesea Landfill Leachate Pond	328			
Anglesea Landfill Stage 3D Liner	1,016			
Anglesea Landfill Options Study				44
Anglesea Landfill Stage 4 Rehab				2,911
Torquay Transfer Station Construction				860
Winch & Lorne Site Shed Upgrades				61
Anglesea Landfill Stage 3E Liner				1,009
Waste Management Contingency Allocation	110			698
Total Waste Management	1,544			5,583
Discretionary Program Allocation				
Vibrant Economy				
Drainage Upgrades Discretionary Works	150			
Road Safety Discretionary Works	15			
Road Safety Improvements at School Sites	55			
Road Safety Strategy Implementation	61			
Rural Road Safety Improvements	131			
Street Light Upgrades and Maintenance	15			
Shopping Centre Improvements	23			
Roads to Recovery Program		634	648	648
Discretionary Vibrant Economy Projects		1,084	1,160	1,202
Environmental Leadership				
Surf Coast Civic Precinct Microgrid	114	82		
High Performing Council				
Digital Transformation	2,000	2,500	900	
Balancing Growth				
Future Concept Design Budget	50			
Township LATM, Parking and Pedestrian Improvements	86			
Community Wellbeing				
DDA Program Annual Allocation	91	91	91	91
Bike Path & Pathway Infrastructure	38			
Jan Juc Zone 2 Masterplan Implementation	108			
Stribling Reserve Change rooms Design	86			
Winchelsea Netball Pavilion Upgrade	313			
Torquay Tigers Cricket Club Practice Facility Improvement Project Stg1	20			
Anglesea Netball Club Additional Car Park Project	10			
Torquay Tigers Cricket Club Practice Facility Improvement Project Stg2	5			
Painkalac Creek Pathway	60			
Discretionary Community Wellbeing Projects		1,626	1,741	1,804
Discretionary Capital Works Contingency Allocation	114	77	69	69
Total Discretionary Capital Works	3,726	6,094	4,609	3,814
Total Capital Works Program	16,771	13,122	13,927	20,640

Appendix E - Multi Year Operational Program

Multi Year Operational Program	Expenditure					Funding				
	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	Total Expenditure \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	Total Funding \$'000
Multi-Year Operational Projects										
Anglesea Futures and Anglesea River	35	20			55	35	20			55
Bells Beach Coastal Management Plan	75	75			150	75	75			150
Business Continuity Exercise	8	5	10		23	8	5	10		23
Environmental Leadership	250	250			500	250	250			500
Growing Adventure Tourism	23	23	33		78	23	23	33		78
Pop Up Art Space	28	28			56	28	28			56
RACV Water Harvesting Agreement Licence	5	5	5	5	20	5	5	5	5	20
Multi-Year Non Recurrent Operations										
Road Safety Officer	38	40	42	43	163	38	40	42	43	163
Statutory Planning Growth & Back Log	183	78			261	183	78			261
Multi-Year Business Cases										
Business Improvement Officer	115				115	115				115
Records Management Program	32	32			64	32	32			64
Street Light Program Upgrade	228	500			728	228	500			728
Contingency Allocation	12	12			24	12	12			24
Total Multi Year Projects	1,031	1,067	89	48	2,235	1,031	1,067	89	48	2,235

Appendix F - Fees and Charges Schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the budget year.

Fees and charges include GST where applicable.

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
COMMUNITY				
Council Operations				
Full Copy Council Minutes		32.00	N	Council
Minutes are available free of charge from Council's website – www.surfcoast.vic.gov.au				Council
Facsimile/per page		2.20	N	Council
Local Calls		2.20	Y	Council
STD Call to 3 Minutes		7.00	Y	Council
Receive Fax (per sheet)		0.80	Y	Council
Customer Service				
Black & White Photocopying/Printing per page		0.90	N	Council
Colour Photocopying/Printing per page		2.15	N	Council
Charity Groups (per page)		0.40	N	Council
Community Transport				
Community Bus hire only (Petrol by User)	Km	0.83	Y	Council
Winchelsea Large Capacity Community Bus (25 seat) - Youth activities	per Day	53.50	Y	Council
Winchelsea Large Capacity Community Bus (25 seat) - Adult activities up to 400 km round trip	per Day	133.00	Y	Council
Winchelsea Large Capacity Community Bus (25 seat) - Adult activities over 400 km round trip	per Day	265.50	Y	Council
Building Hire				
Public Hall Hire				
Shire based Community Group	Hour	10.00	Y	Council
Commercial and Non-Shire Community Group	Hour	20.00	Y	Council
Functions, Weddings, Parties & Major Events				
Funeral Afternoon Teas	Hour	10.00	Y	Council
Bellbrae Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	160.00	Y	Council
Bellbrae Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	128.00	Y	Council
Moriac Community Centre - Private Hirer Standard Function Rate (6pm-12am)	Block	160.00	Y	Council
Moriac Community Centre - Private Hirer Half Day Function Rate (2-5 hours)	Block	128.00	Y	Council
Freshwater Creek Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	160.00	Y	Council
Freshwater Creek Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	128.00	Y	Council
The Quay Pavilion - Private Hirer Standard Function Rate (6pm-12am)	Block	263.00	Y	Council
The Quay Pavilion - Private Hirer Half Day Function Rate (2-5 hours)	Block	170.00	Y	Council
Bob Pettit Pavilion - Private Hirer Standard Function Rate (6pm-12am)	Block	263.00	Y	Council
Bob Pettit Pavilion - Private Hirer Half Day Function Rate (2-5 hours)	Block	170.00	Y	Council
Wurdale Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	160.00	Y	Council
Wurdale Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	128.00	Y	Council
Anglesea Hall - Private Hirer Standard Function Rate (6pm-12am)	Block	263.00	Y	Council
Anglesea Hall - Private Hirer Half Day Function Rate (2-5 hours)	Block	170.00	Y	Council
Security Bonds – No Alcohol		320.00	N	Council
Security Bonds – With Alcohol		639.00	N	Council
Winchelsea Swimming pool				
Family Season Pass	Season	187.00	Y	Council
Family Season Pass (Early Bird)	Season	165.00	Y	Council
Adult per Swim Person		5.50	Y	Council
Child per Swim Person		4.50	Y	Council
Schools Person		3.50	Y	Council
Spectator Person		1.00	Y	Council
School Carnival (plus entry fee person)	Hour	73.00	Y	Council
Regional Carnival		1128.00	Y	Council
Season Swim Pass - Single	Season	76.00	Y	Council
Season Swim Pass - Single Concession	Season	69.00	Y	Council
Season Swim Pass - Single (Early Bird)	Season	55.50	Y	Council
Eastern Reserve Gymnasium				
Membership - Individual				
3 month		206.00	Y	Council
6 month		362.50	Y	Council
12 month		669.50	Y	Council
Monthly Direct Debit		57.00	Y	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
COMMUNITY				
Membership - Concession				
3 month		186.50	Y	Council
6 month		324.50	Y	Council
12 month		602.50	Y	Council
Monthly Direct Debit		46.50	Y	Council
Membership - Youth				
3 month		147.50	Y	Council
6 month		250.50	Y	Council
12 month		466.50	Y	Council
Monthly Direct Debit		40.50	Y	Council
Membership - Family (max of 2 Adults & 2 Children)				
3 month		289.50	Y	Council
6 month		502.50	Y	Council
12 month		932.00	Y	Council
Monthly Direct Debit		80.00	Y	Council
10 Visit Pass Health Club or Group Fitness		101.00	Y	Council
Casual Single Visit - Health Club or Group Fitness		13.00	Y	Council
Personal Training Member	Hour	51.50	Y	Council
Personal Training Member	Half Hour	35.00	Y	Council
Personal Training 2:1 Members	Hour	57.00	Y	Council
Personal Training 3:1 Members	Hour	69.00	Y	Council
Personal Training Non Member	Hour	57.00	Y	Council
Personal Training ½ hour - (Non Member)	Half Hour	40.50	Y	Council
Surf Coast Sport & Recreation Centre				
Sport per game				
Adults Basketball	Team	69.00	Y	Council
Adults Netball	Team	74.00	Y	Council
Junior Basketball and Netball	Team	55.50	Y	Council
Badminton - Adults	Player	7.50	Y	Council
Badminton - Child/student	Player	6.60	Y	Council
Indoor Soccer - Juniors	Player	7.50	Y	Council
Indoor Soccer - Seniors	Team	55.00	Y	Council
Minor Sports	Player	5.50	Y	Council
Kinder gym - Casual	Week Casual	14.50	Y	Council
10 Visit Pass				
Kindergym		127.00	Y	Council
Fit for Fifties		101.00	Y	Council
Little Champs		48.50	Y	Council
Badminton		60.50	Y	Council
Play Groups		31.00	Y	Council
Team Registrations & Insurance				
Adult Registration per Season		62.00	Y	Council
Junior Registration per Season		51.50	Y	Council
Insurance Senior Basketball per Season (Set by Victorian Country Basketball Council)	Player (est)	42.00	Y	Council
Insurance Junior Basketball per Year (Set by Victorian Country Basketball Council)	Player (est)	42.00	Y	Council
Insurance Senior Netball per Year (Set by Netball Victoria)	Player (est)	73.00	Y	Council
Insurance Junior (Under 18 years) Netball per Year (Set by Netball Victoria)	Player (est)	53.00	Y	Council
Insurance Soccer – Senior (Set by Football Federation Victoria)	Player (est)	45.50	Y	Council
Insurance Soccer – Junior (Set by Football Federation Victoria)	Player (est)	35.00	Y	Council
Fitness Classes				
Casual	Visit	14.50	Y	Council
Concession	Visit	13.50	Y	Council
10 Visit Concession Card		111.00	Y	Council
1 Month Membership		92.50	Y	Council
3 Month Membership		199.00	Y	Council
6 Month Membership		370.00	Y	Council
12 Month Membership		553.00	Y	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
COMMUNITY				
Crèche				
Per Child Visit		5.50	N	Council
10 Visit Concession Card		51.00	N	Council
Birthday Parties				
Stadium/Kitchen/Staff Member	Party up to 2 Hours 26 - 50 Children	269.00	Y	Council
Stadium/Kitchen/Staff Member	Party up to 2 Hours up to 25 Children	198.00	Y	Council
Multipurpose Room/Kitchen Staff	Party up to 2 Hours	198.00	Y	Council
Main Stadium				
Sport – Casual Hire - Day Time - Off Peak Use				
Commercial Groups	Hour	50.50	Y	Council
Registered Teams	Hour	31.00	Y	Council
Community Groups	Hour	31.00	Y	Council
Teams ½ Court	Hour	20.00	Y	Council
Individual Hire ½ Court	Person	5.50	Y	Council
Functions – Social/Commercial - Peak Use				
Fri/Sat/Sun (6pm-12am max Hire)	Block	520.00	Y	Council
½ Hall Only	Block	361.50	Y	Council
Fri/Sat/Sun (6pm-12am) per Hour	Hour	92.00	Y	Council
Community Group Rate 6pm-12am	Block	344.00	Y	Council
Bonds				
Functions - No Alcohol		329.50	N	Council
Functions - With Alcohol		658.00	N	Council
Multi-Purpose Room				
Social & Commercial Functions (Meetings/Workshops)				
Sat/Sun (6pm-12am max. Hire)	Block	225.50	Y	Council
Sat/Sun (6pm-12am Hourly Rate)	Hour	42.50	Y	Council
Mon/Fri (9am-9pm Hourly Rate)	Hour	19.50	Y	Council
Full Room (Day & Evening Hourly Rate)	Hour	19.50	Y	Council
Kitchen Hire (if Required Fee Applies in Addition to Room Charge)	Hour	15.00	Y	Council
Community Group Hire (Non Profit)	Hour	10.00	Y	Council
Bonds				
Functions - No Alcohol		320.00	N	Council
Functions - With Alcohol		640.00	N	Council
Equipment Hire				
Trestle Table Hire	Each	15.50	Y	Council
Chair Hire	Each	2.50	Y	Council
Stage Hire	Day	43.00	Y	Council
PA Hire (Portable One Speaker System)	Day	30.50	Y	Council
Bond Applies for All Equipment Hire		106.00	N	Council
Volleyball Posts / Nets	Day	20.00	Y	Council
Recreation Reserves				
Recreation Reserve Licence Fees	Min Fee	126.00	N	Council
Community & Civic Precinct Recreation Facility (Banyul-Warri Fields)				
Playing Field/Court:				
Tenant/Anchor Club		0.00		Council
Incorporated Community Club/Group/School - Based in Surf Coast Shire		0.00		Council
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)		0.00		Council
Commercial Use and Non Surf Coast Shire Club/Group/School (Per Court/Field):				
- Oval & Synthetic/Grass Pitch	Half Day	300.00	Y	Council
	Full Day	477.00	Y	Council
	Hour	34.00	Y	Council
- Netball Court	Half Day	122.00	Y	Council
	Full Day	220.00	Y	Council
	Hour	34.00	Y	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
COMMUNITY				
Community Hub Change Rooms (NB: Fee Applies to Each Pair of Change Rooms)				
Tenant/Anchor Club		Free access during allocated periods		Council
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Cleaning Fee	60.50	Y	Council
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Cleaning Fee	60.50	Y	Council
Commercial Use and Non Surf Coast Shire Club/Group/School (Per Court/Field):	Cleaning Fee	182.00	Y	Council
Grant Pavilion - Peter Troy and China Gilbert Meeting Rooms				
Tenant/Anchor Club - Free access to one meeting room during allocated training and game-day sessions.		See comment		Council
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Hour	12.00	Y	Council
	Half Day / 4 Hours	48.50	Y	Council
	Full Day / 8 Hours	83.00	Y	Council
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Hour	24.00	Y	Council
	Half Day / 4 Hours	71.00	Y	Council
	Full Day / 8 Hours	132.00	Y	Council
Commercial Use and Non Surf Coast Shire Club/Group/School	Hour	43.00	Y	Council
	Half Day / 4 Hours	142.50	Y	Council
	Full Day / 8 Hours	273.00	Y	Council
Grant Pavilion – Tantau and Cooper Function Rooms				
Note Whole 2nd Level Available by Booking Both Rooms				
Tenant/Anchor Club - Free access for Surf Coast Football (Soccer Club) for home games and for up to 6 bookings per year. Other tenant clubs have up to 6 bookings per year. Cleaning undertaken by volunteers or by contractor paid by hirer \$160.00 per function.		See comment		Council
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Hour	24.00	Y	Council
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Half Day	71.00	Y	Council
Incorporated Community Club/Group/School - Based in Surf Coast Shire	Full Day	132.00	Y	Council
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Hour	29.50	Y	Council
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Half Day	96.00	Y	Council
Surf Coast Shire Residents - Individual or Group (Non-Commercial Activity)	Full Day	181.00	Y	Council
Commercial Use and Non Surf Coast Shire Club/Group/School	Hour	60.50	Y	Council
Commercial Use and Non Surf Coast Shire Club/Group/School	Half Day	241.00	Y	Council
Commercial Use and Non Surf Coast Shire Club/Group/School	Full Day	414.00	Y	Council
Grant Pavilion				
Grant Pavilion Function Cleaning		186.50	Y	Council
Event Logistics Crew - Staff Member	Hour	35.00	Y	Council
Waste Removal 240L Recycling Bin	Each	23.00	Y	Council
Family & Children Services				
Family Day Care				
Family Day Care Administration Levy	Hour	1.70	N	Council
Children's Services Hub				
Occasional Care 4 Hour Session	Session	44.00	N	Council
3 Year Old Activity Program	Term	300.00	N	Council
Kindergarten				
4 Year Old Program (Jan Juc, Torquay, Kurrumbee Myaring, Lorne, Anglesea and Winchelsea)	Term	350.00	N	Council
3 Year Old Program (Lorne) (5 Hour Session)	Term	475.00	N	Council
3 year Old Program (Jan Juc) (3 Hour Session)	Term	315.00	N	Council
3 year Old Program (Jan Juc) (4 Hour Session)	Term	420.00	N	Council
3 year Old Program (Winchelsea) (4 Hour Session)	Term	400.00	N	Council
3 year Old Program (Anglesea) (4 Hour Session)	Term	360.00	N	Council
3 year Old Program (Kurrumbee Myaring) (3 Hour Session) - Commencing 2018	Term	330.00	N	Council
Vacation Care				
All Day Care per Child		58.50	N	Council
Excursion Costs per Child		35.00	N	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
COMMUNITY				
Children's Services, Community Groups & Non-Profit Organisations				
Business Hours				
Single Room	Hour	16.00	Y	Council
Playgroups	Hour	8.00	Y	Council
After Hours (5.30pm – 10pm)				
Single Room	Hour	25.50	Y	Council
Commercial Use				
Business Hours				
Single Room	Hour	32.00	Y	Council
After Hours (5.30pm – 10pm)				
Single Room	Hour	47.50	Y	Council
Office Hire				
For-Profit Organisations	Day	106.00	Y	Council
Non-Profit Organisations	Day	75.50	Y	Council
Aged & Disability Services				
Home and Community Care Services - Client Fees				
Fees are income tested based on ranges set by Victorian Department of Health. Fees charged are within the range of fees recommended by the Department.				
Delivered Meals - Low, Medium & High Income Clients				
2 Course & Juice	per meal	8.90 - 16.10	N	Council
3 Course & Juice	per meal	10 - 17.90	N	Council
Domestic Assistance (Domestic Home Care) (Low, Medium & High Income Clients)				
Personal Care	Hour	6.70 - 38.70	N	Council
Respite Care	Hour	3.30 - 35.70	N	Council
Property Maintenance (Low, Medium & High Income Clients)	Hour	12.70 - 50.30	N	Council
Morning Melodies - Includes Meal & Transport	5 Event Season	195.00	N	Council
Client Travel Charge	Km	0.70	N	Council
Home Care Packages				
Case Management Fee	per hour	95.00	N	Council
On Call (Care Coordination for after hours, weekends and emergencies)	per hour	95.00	N	Council
Package Administration Fee	monthly at 20%			Council
Package Exit Fee(if client wishing to move to another provider. Does not apply if client moving into perm care, hospital, deceased) Please see brokered fees for service fees	flat fee at exit of package	500.00	N	Council
Aged and Disability Services - Brokerage Fees				
Minimum shift fee-(Minimum 30 minutes, except when stand alone, when minimum fee will be for 60mins)				
Hourly rates are inclusive of staffing and operational cost, including non-client related travel. Rate applied will be based on time and day of service provision.				
Delivered Meals - 3 Course & Juice				
Domestic Assistance (General Home Care) 7am-7pm (mon-Fri)	Hour	21.55	N	Council
Domestic Assistance (Domestic Home Care) Weekend rate Before 7am and between 7-9pm Mon-Fri. Before 12pm Saturday and first two hours only. Surcharge rate applies after 2 hours	Hour	52.60	N	Council
Domestic Assistance (Domestic Home Care) Surcharge Rate: After 9pm(Mon-Fri) Saturday(after first two hours on Weekend rate, and after 12pm) All day Sunday	hour	66.30	N	Council
Sleep Over Care	Hour	83.10	N	council
Personal Care 7am-7pm (Mon-Fri)	Hour	170.00	N	Council
Personal Care Weekend. Before 7am and between 7-9pm Mon-Fri. Before 12pm Saturday and first two hours only. Surcharge rate applies after 2 hours	Hour	56.70	N	Council
Personal Care Surcharge Rate: After 9pm(Mon-Fri). Saturday (after first two hours on Weekend rate, and after 12pm). All day Sunday	Hour	67.30	N	Council
	Hour	82.80	N	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
COMMUNITY				
Personal Care Public Holiday	Hour	98.30	N	Council
Respite Care 7am-7pm Mon-Fri	Hour	57.50	N	Council
Respite Care Weekend Rate Before 7am and between 7-9pm Mon-Fri. Before 12pm Saturday and first two hours only. Surcharge rate applies after 2 hours	Hour	71.50		Council
Surcharge Rate: After 9pm(Mon-Fri) Saturday(after first two hours on Weekend rate, and after 12pm) All day Sunday.	Hour	87.50		Council
Respite Public Holiday rate	Hour	105.00		Council
Property Maintenance (materials are additional at cost.)	Hour	65.00	N	Council
Uneventful or late cancellation (cancellation received after 12 midday, the day prior to the scheduled service)	as per rate of rostered shift			council
Veterans Affairs services	hour			
NDIS	hour			
Client Travel Charge	Km	1.30	N	Council
CORPORATE				
Financial Services				
Rate Administration				
Rate Searches – Hard Copy	Hour	125.00	N	Council
Rate Searches – Computer Records		26.00	N	Council
Land Information Certificate –Set by Statute		24.80	N	Statutory
Payment Rejection Administration Fee - Rates and Debtors		45.00	N	Council
Recovery Referral Fee		37.00	N	Council
Sales Register (Issued Quarterly not Including Names and Addresses)		235.00	N	Council
Interest on Sundry Debtors (Penalty Interest Act)		9.50%	N	Statutory
Information Services				
Freedom of Information				
Freedom of Information Fee – Set by Statute		27.90	N	Statutory
Administration Cost for FOI Searches	Hour	20.90	N	Statutory
Risk Management				
Insurance				
Contents Insurance for Approved Community Groups				
Contents up to \$10,000	Council	44.00	Y	Council
Each Additional \$10,000 Contents or Part Thereof	Council	44.00	Y	Council
GIS IMAGES				
Low Resolution Images 40 dpi via Email		0.00	N	Council
Printed Images - First Copy of an Image				
Size A0	Each	58.00	N	Council
Size A1	Each	46.00	N	Council
Size A2	Each	34.00	N	Council
Size A3	Each	24.00	N	Council
Size A4	Each	12.50	N	Council
Printed Images - Additional Copies of an Image				
Size A0	Each	44.00	N	Council
Size A1	Each	34.00	N	Council
Size A2	Each	27.00	N	Council
Size A3	Each	18.00	N	Council
Size A4	Each	10.50	N	Council
Laminating A3	Each	23.00	N	Council
Laminating A4	Each	18.00	N	Council
Job specific mapping (Including Digital Data Supply)	Hour	56.00	N	Council
Election Fines				
Election Fines – Set by State Government		76.00	N	Statutory
Events				
Application Fee to Stage new Commercial/Major events in Surf Coast Shire		290.00	N	Council
Visitor Centres				
Marketing display fee - Lorne Visitor Centre A3 Display	Week	10.00	Y	Council
Marketing display fee - Lorne Visitor Centre Light Box	Week	23.00-37.00	Y	Council
Marketing display fee - Lorne Visitor Centre Floor Display	Week	26.00 - 74.00	Y	Council
Marketing display fee - Lorne Visitor Centre Local Arts Display	Week	13.00	Y	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
PLANNING & ENVIRONMENT				
Tourism				
Commercial Tour Operator Licences				
Annual Fee – Standard One Year Licence		282.00	N	Statutory
Use Fee – General Visitor	Visitor	2.40	N	Statutory
Use Fee – School Student and Child	Visitor	1.60	N	Statutory
Use Fee Cap (Maximum)		13488.00	N	Statutory
Business Road Signage Assessment and Installation	Minimum Cost	495.00	N	Council
Surf World Surfing Museum				
Theatre Hire Day Rate	Hour	73.00	Y	Council
Theatre Hire Night Rate	Hour	134.00	Y	Council
Whole Facility (Day or Night)	Hour	158.00	Y	Council
Bond (Only for Whole Facility and Dependent on Group)		600.00	N	Council
Bond (for Hiring of Theatre Room Alone)		200.00	N	Council
Adult Entry		12.00	Y	Council
Child Entry		8.00	Y	Council
Children Under 5yrs		0.00	Y	Council
Concession Entry		8.00	Y	Council
Family Entry		25.00	Y	Council
School Groups Entry		6.50	Y	Council
Bells Tour School Groups		9.00	Y	Council
Theatre Hire Day Rate (Community Group)	Hour	52.00	Y	Council
Theatre Hire Night Rate (Community Group)	Hour	109.00	Y	Council
Research Fee without Museum Officer	Hour	10.50	Y	Council
Research Fee with Museum Officer	Hour	37.00	Y	Council
Copying / Image Reproduction				
Books, Magazines, Newspapers and Journals (PDF)	Per 50 Pages	18.00	Y	Council
Books, Magazines, Newspapers and Journals (TIFF)	Page	16.00	Y	Council
Pictures and Photographs	Each	21.00	Y	Council
Local Laws				
Dog & Cat Registrations				
Dog or Cat Eligible for Reduced Rate Under the Domestic Animals Act 1994. Includes:				
- Sterilised Dog & Cat				
- Dog or Cat kept for Breeding in Registered Domestic Business				
- Cat Registered with Prescribed Feline Association				
- Dogs Registered with Victorian Canine Association				
- Dogs that have Undergone Obedience Training which Complies with Regulations				
- Working Dog				
- Dogs Older than 10 Years Old				
Dangerous, Menacing or Restricted Breed Dogs		344.50	N	Council
All Other Dogs & Cats		143.10	N	Council
Late Payment Surcharge		8.60	N	Council
Pensioner Fees for Each Registration Category Other than Dangerous, Menacing or Restricted Breed Dogs				Statutory
Dog & Cat Fees				
Cat Cage Hire	Week	38.00	Y	Council
Cat Cage Deposit		63.90	N	Council
Dogs Citronella Collar Hire		45.30	Y	Council
Dogs Citronella Collar Deposit		63.90	N	Council
Dogs Citronella Collar Refill		18.70	Y	Council
Domestic Animal Business		536.70	N	Council
Excess Dog Application and Inspection Fee		227.60	N	Council
Dog Pound Release Fee		167.30	Y	Council
Cat Pound Release Fee		167.30	Y	Council
Pound release (Unregistered Animal Surcharge)		25.60	N	Council
Replacing Dog/Cat Tags		3.10	N	Council
Impounding of Livestock (Other Than Dogs/Cats)				
Cattle and Horses (Varies to Market Price)	Head	219.30	Y	Council
Sheep, Pigs and Goats (Varies to Market Price)	Head	219.30	Y	Council
Others (Varies to Market Price)	Head	14.50	Y	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
PLANNING & ENVIRONMENT				
After Hours Call Out		339.20	N	Council
Sustenance	Head	74.70	N	Council
Penalties				
Parking for a period longer than fixed		155.00	N	Statutory
Road Safety Act Parking Enforcement (Set by Statute)		Various	N	Statutory
Release fee for impounded goods		100.70	N	Council
Towing of Abandoned Vehicles		195.70	N	Council
Permits				
Shopfront 'Street' Trading Permits				
A Frame Inspection and Application Fee		72.10	N	Council
A Frame Permit		217.30	N	Council
Permit Inspection and Application Fee		37.00	N	Council
To Occupy Public Place to Sell Merchandise – Winchelsea, Deans Marsh and Moriac	m2 of Used Space	53.60	N	Council
To Occupy Public Place to Sell Merchandise – All Other Areas	m2 of Used Space	72.10	N	Council
Street Furniture (Alfresco Dining) – Annual Permit – Winchelsea, Deans Marsh and Moriac	m2 of Used Space	104.00	N	Council
Street Furniture (Alfresco Dining) – Annual Permit – All Other Areas	m2 of Used Space	135.90	N	Council
Miscellaneous Permits				
Disabled Parking Permits		0.00		Council
Open for Inspection Signage Permit		235.90	N	Council
Camping Permit Fee (Private Property)		196.20	N	Council
Occupy Temp Accommodation on Land	6 Months	261.60	N	Council
Occupy Road	Day	196.20	N	Council
Waste Bin (Regardless of Size) < 30 Days		103.00	N	Council
Skip Waste Bin (up to 3 m³)	7 Days	0.00	N	Council
Hopper Waste Bin (greater than 3m³)	7 Days	0.00	N	Council
Hopper Waste Bin (greater than 3m³)	30 Days	0.00	N	Council
Hoardings (fencing or barriers) Permit Fee		261.60	N	Council
Wedding Application Permit Fee - Conduct a Wedding on Council Land and Reserves		170.00	N	Council
Statutory Planning				
Town Planning Application Fees (Set by Statute)		Various	N	Statutory
Public Notice Fee – Up to 15 Notifications 1st Property		126.00	N	Council
Subsequent Properties		9.00	N	Council
Erect Public Notice on a property (Per Notice)		200.00	N	Council
Extension of Time		306.70	N	Council
Property Enquiries		46.50	N	Council
Demolition Consent Permit		61.00	N	Statutory
Amendment of Plans/Permits		306.70	N	Council
Subdivision Applications (Set by Statute)		Various	N	Statutory
Subdivision Certification (Set by Statute)		Various	N	Statutory
Building Approvals for Properties Search		48.60	N	Statutory
Plans for Approval (Ocean Acres, SUZ etc.)		306.70	N	Council
Written Advice		132.00	N	Council
Copy of Planning Permit		50.00	N	Council
Copy of Plans				
A3 or A4 size		11.50	N	Council
A0 or A1 size		22.50	N	Council
Building Control - Building Charges (Minister's Guidelines + 25%)				
Building Notice Resolution		280.00	N	Council
Storm Water Application (Legal Point of Discharge)		64.10	N	Statutory
Building over Easement		256.90	N	Statutory
Form 10 (Statutory Charge) Legal Enquiry		51.15	N	Statutory
Copy of Plans		152.00	N	Council
Copy of Building Approval/Certificate of Occupancy		46.50	N	Council
Variation of Regulations		256.90	N	Statutory
Inspections		152.00	N	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
PLANNING & ENVIRONMENT				
Lodgement Fee (Statutory Charge)		38.35	N	Statutory
Issue of Building Approval		Various	N	Statutory
Property Request Info		115.30	N	Statutory
Property Request Info 2.10 (Statutory)		51.15	N	Statutory
Environment Protection Act 1970				
Septic Tanks				
Septic Tank Application Fee – Install		590.00	N	Council
Septic Tank Application Fee – Alter		260.00	N	Council
Building Regulation 801 Consent Request		235.00	N	Council
Septic Tank File Request		32.00	N	Council
Urgent Septic Tank File Request		128.00	N	Council
Food Act 1984				
New Registration				
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		1263.00	N	Council
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		860.00	N	Council
Class 2 Premises (includes mobile & temporary food premises)		685.00	N	Council
Class 2 - Each Additional Mobile and Temporary Food Premises		106.00	N	Council
Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises)		398.00	N	Council
Class 3 - Each Additional Mobile and Temporary Food Premises		55.00	N	Council
Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises)		191.00	N	Council
Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises)		116.00	N	Council
Mobile and Temporary Food Premises - Once Off Event		25% of New Registration Fee		Council
Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year)		0.00	N	Council
Bi-annual pro-rata rates apply				
Renewal of Registration				
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		838.00	N	Council
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		573.00	N	Council
Class 2 Premises (includes mobile & temporary food premises)		457.00	N	Council
Class 2 - Each Additional Mobile and Temporary Food Premises		105.00	N	Council
Class 3 Premises & Class 2 Small Premises (includes mobile & temporary food premises)		265.00	N	Council
Class 3 - Each Additional Mobile and Temporary Food Premises		55.00	N	Council
Class 3 Small Premises & Class 2 Community Groups (includes mobile & temporary food premises)		128.00	N	Council
Class 3 Minor Premises & Class 3 Community Groups (includes mobile & temporary food premises)		74.00	N	Council
Mobile and Temporary Food Premises Not for Profit/Community Group (<12 single events per year)		0.00	N	Council
Mobile and Temporary Food Premises - Once Off Event		25% of New Registration Fee		Council
Renewal of Registration - 5 Star Rating				
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		758.00	N	Council
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		520.00	N	Council
Class 2 Premises (includes mobile & temporary food premises)		414.00	N	Council
Renewal of Registration - 2 Star Rating				
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		1087.00	N	Council
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		743.00	N	Council
Class 2 Premises (includes mobile & temporary food premises)		589.00	N	Council
Renewal of Registration - 1 Star Rating				
Class 1 Premises(Aged Care/Hospitals) & Class 2 Large (Supermarkets, licensed hotel, resort, large manufacturers)		1172.00	N	Council
Class 1 Small Premises (Child Care & Delivered Meals Organisation)		796.00	N	Council

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
PLANNING & ENVIRONMENT				
Class 2 Premises (includes mobile & temporary food premises)		636.00	N	Council
Transfer of Registration				
Application for Transfer of Registration		50% Renewal of Registration Fee	N	Council
Request for Inspection/assessment and report fee		254.50	N	Council
Urgent request for Inspection/assessment and report fee (within 2 working days)		493.50	N	Council
Note: Food premises are classed in accordance with section 19c of the Food Act 1984				
Public Health and Wellbeing Act 2008				
Registered Premises – New Application:				
Hairdressing and/or Temporary Make Up				
New Application Once off Application		150.00	N	Council
Transfer		150.00	N	Council
Beauty Therapy (excl. Temporary Make Up)				
New Application		150.00	N	Council
Renewal		150.00	N	Council
Transfer		80.00	N	Council
Skin Penetration, Tattooing, Colonic Irrigation				
New Application		207.00	N	Council
Renewal		207.00	N	Council
Transfer		100.00	N	Council
Prescribed Accommodation – New Application / Renewal				
6-15 people		292.00	N	Council
16-25 people		415.00	N	Council
26-50 people		530.00	N	Council
> 50 people		705.00	N	Council
Prescribed Accommodation – Transfer		50% of new application / renewal fee	N	Council
Bi-annual pro-rata rates apply				
Caravan Parks (Fee per Unit, 1 Fee Unit = \$13.24)				
Caravan Park Registration - Fee Lesser of Council Fee or Cap Under Residential Tenancies Act 1997	Site	10.00	N	Statutory
Transfer of Caravan Park Registration		5 fee units	N	Statutory
Immunisations				
Immunisation (Vaccines)		At cost per dose plus 30%	N	Council
Immunisation History Search		22.00	N	Council
Fire Prevention				
CFA Act Infringement Notice (legislated penalty) (1 penalty unit fee is \$155.46)	10 Penalty Units	1554.60	N	Statutory
Block Clearing		Cost + 160.00	N	Council
Application for Permit to Burn		0.00		Council
INFRASTRUCTURE				
Infrastructure Administration				
Vehicle Crossings (Non-Utilities)		175.00	N	Council
Additional Inspection		77.50	N	Council
Memorandum of Authorisation (Traffic Management Plan Approval)		93.00	N	Council
Asset Protection Permit		175.00	N	Council
Road Works Permits (Fee per Unit, 1 Fee Unit = \$13.93)				
Arterial Road – Works, Other than Minor Works on Roadway, Shoulder or Pathway	Fee Units	43.20	N	Statutory
Arterial Road – Works, Other than Minor Works not on Roadway, Shoulder or Pathway	Fee Units	30.20	N	Statutory
Arterial Road – Minor Works on Roadway, Shoulder or Pathway	Fee Units	16.00	N	Statutory
Arterial Road – Minor Works not on Roadway, Shoulder or Pathway	Fee Units	9.50	N	Statutory
Other Roads Speed Over 50km/h – Works, Other than Minor Works on Roadway, Shoulder or Pathway	Fee Units	43.10	N	Statutory
Other Roads Speeds Over 50km/h – Works, Other than Minor Works not on Roadway, Shoulder or Pathway	Fee Units	23.50	N	Statutory
Other Roads Speeds Over 50km/h – Minor Works on Roadway, Shoulder or Pathway	Fee Units	9.30	N	Statutory
Other Roads Speeds Over 50km/h – Minor Works not on Roadway, Shoulder or Pathway	Fee Units	6.00	N	Statutory
Other Roads Speed Under 50km/h – Works, Other than Minor Works on Roadway, Shoulder or Pathway	Fee Units	23.50	N	Statutory
Other Roads Speeds Under 50km/h – Works, Other than Minor Works not on Roadway, Shoulder or Pathway	Fee Units	6.00	N	Statutory
Other Roads Speeds Under 50km/h – Minor Works on Roadway, Shoulder or Pathway	Fee Units	9.30	N	Statutory
Other Roads Speeds Under 50km/h – Minor Works not on Roadway, Shoulder or Pathway	Fee Units	6.00	N	Statutory

Description	Unit	2017/18 \$	Includes GST (Y/N)	Fee Type
INFRASTRUCTURE				
Water Permits				
Water Permits - Minimum Charge Includes First 3,000 Litres		21.22	N	Council
Water Permits - Cost per Kilolitre Above 3,000 litres		2.37	N	Council
Developer Levies				
Non-Standard Public Lighting Levy		300.00	N	Council
Admin. Fee – Special Rate Projects	Percentage	6.00%	N	Council
Subdivision Supervision Fees	Percentage	2.50%	N	Statutory
Subdivisions Plan - Checking Fees	Percentage	0.75%	N	Statutory
Drainage Investigation for Unit Developments (Up-to Three Units)		420.00	N	Council
Drainage Investigation Hourly Rate		120.00	N	Council
Waste Disposal				
Domestic Garbage - Uncompacted Waste	Cubic Metre	82.00	Y	Council
Domestic Hard Waste - Uncompacted Waste	Cubic Metre	82.00	Y	Council
Commercial Garbage – Compacted Waste	Tonne	141.00	Y	Council
Commercial Garbage - Uncompacted Waste	Cubic Metre	82.00	Y	Council
Commercial Hard Waste – Uncompacted Waste	Cubic Metre	82.00	Y	Council
Clean Fill (Anglesea Only – Subject to Demand)	Tonne	22.50	Y	Council
Construction & Demolition – Waste Mixed	Tonne	141.00	Y	Council
Construction & Demolition – Recyclable Timber (Anglesea)	Tonne	30.00	Y	Council
Construction & Demolition – Recyclable Timber	Cubic Metre	37.00	Y	Council
Construction & Demolition – Recycle Plaster (Anglesea)	Tonne	30.00	Y	Council
Construction & Demolition – Recyclable Concrete/Bricks (Anglesea)	Tonne	62.00	Y	Council
Construction & Demolition – Recyclable Concrete/Bricks (Lorne)	Cubic Metre	99.00	Y	Council
Recyclable Material (if more than 0.5m3)	Cubic Metre	13.00	Y	Council
Green Waste	Cubic Metre	29.00	Y	Council
Tree stumps (Anglesea only)	Tonne	40.00	Y	Council
Sand (Anglesea only)	Tonne	0.00		Council
General Items				
Car Tyres	Each	8.00	Y	Council
Light Truck/4wd Tyres	Each	9.50	Y	Council
Truck Tyres	Each	21.00	Y	Council
Car Bodies	Each	57.00	Y	Council
Mattresses (& Bases)	Each	22.50	Y	Council
TVs	Each	7.50	Y	Council
Sale of Mulch (Subject to Availability)	Cubic Metre	14.50	Y	Council
Sale of Second Hand Bins (Anglesea only – Subject to Availability)	Each	15.00	Y	Council
Sale of Compost Bins	Each	55.00	Y	Council
Sale of Reusable Items - Fee for Items to be Determined by Coordinator Waste Management	Each	See comment	Y	Council
Sale of Timber Grindings (subject to availability)	Cubic Metre	0.00	Y	Council
Sale of Crushed Masonry (subject to availability)	Cubic Metre	15.00	Y	Council
Sale of Ground Plaster (Anglesea only - subject to availability)	Cubic Metre	0.00	Y	Council
Kerbside Waste Collection				
Residential Garbage Service Upgrade - 240L Bin	Year	180.00	N	Council
Additional Residential Recycle Service – 120L, 240L or 360L Bin	Year	66.00	N	Council
Upgrade Residential Recycle Service to 360L Bin	Occasion	61.00	N	Council
Additional Residential Green Waste Service – 120L, 240L or 360L Bin	Year	71.00	N	Council
Upgrade Residential Green Waste Service to 360L Bin	Year	61.00	N	Council
Event Bin Hire	Each	18.50	N	Council
Infrequently Occupied Residence Bin Placement Fee	Occasion	6.50	N	Council
Replacement Key	Each	2.00	N	Council
Gravity Lock Bin Lid	Each	43.00	N	Council
Safe/Waste bin strap	Each	2.50	N	Council

Standpipe Water Charges

Note water charges do not attract GST charges.

Litres	Gallons	2017/18 (\$)
0-3,000	600	21.22
3,000 - 6,000	1,200	27.58
9,000	2,000	36.07
11,400	2,500	40.31
13,600	3,000	45.62
15,900	3,500	51.98
18,200	4,000	58.35
20,500	4,500	66.84
22,700	5,000	73.20
25,000	5,500	80.63
27,300	6,000	88.05
29,500	6,500	96.54
31,800	7,000	102.91
34,100	7,500	110.33
36,400	8,000	117.76
38,600	8,500	126.25
40,900	9,000	132.61
43,200	9,500	140.04
45,500	10,000	147.47
50,000	11,000	162.32
54,600	12,000	177.17
59,100	13,000	192.02
63,600	14,000	205.81
68,200	15,000	221.73
72,700	16,000	235.52
77,300	17,000	251.43
81,800	18,000	265.23
86,400	19,000	281.14
91,000	20,000	294.93
95,500	21,000	310.84
100,000	22,000	324.64
104,600	23,000	340.55
109,100	24,000	353.28
113,700	25,000	368.13
118,200	26,000	382.98
122,700	27,000	396.78
127,300	28,000	412.69
131,800	29,000	426.48

Appendix G - Cash Reserves

This appendix presents the Restricted and Unrestricted Cash Reserves held by Council and their Purposes.

Restricted Reserves

Open Space Reserve (legislative)

Purpose

The purpose of this reserve is to provide improved recreational facilities for the Surf Coast Shire, both of an active and a passive nature.

Typical Sources of Inflows and Outflows:

Inflows to the open space reserve are solely composed of contributions from subdividers in lieu of the 5 per cent public open space requirement. It is noteworthy that substantial income flows into this Reserve occur annually and these funds will be critical in delivering key outcomes of the Open Space Strategy.

Outflows have been limited to capital works on parks, playgrounds, and both active and passive recreation reserves. The level of anticipated growth in this reserve is not fully allocated in the capital works program over the life of the SRP. On the basis of our knowledge to-date, it is difficult to predict requirements beyond the short term. For this reason, limited allocation of reserves has been made in later years of the SRP.

Forecast Balance as at 30 June 2017:	\$1,017,000
Budgeted Balance as at 30 June 2018:	\$1,034,000

Main Drainage Reserve (legislative)

Purpose

The purpose of this reserve is to hold developer contributions for main drainage works at a later point than the initial development. As such they are also tied to works within the catchment area from which funds were derived.

Typical Sources of Inflows and Outflows:

Inflows are from contributions collected from developers and outflows are on the works specified.

Forecast Balance as at 30 June 2017:	\$201,000
Budgeted Balance as at 30 June 2018:	\$201,000

Developer Contributions Reserve (legislative)

Purpose

The purpose of this reserve is to hold funds contributed by developers for specific works associated with subdivisions. Funds are contributed for works such as footpaths, fencing, streetscape works, lighting and other such items where it is deemed that these works should occur at a later point than the initial development. Funds are also kept in this reserve for the Torquay/Jan Juc Developer Contributions Plan. Funds collected are very specific and tied to particular projects.

Typical Sources of Inflows and Outflows:

Inflows are from contributions collected from developers and outflows are on the works specified.

Forecast Balance as at 30 June 2017:	\$3,241,000
Budgeted Balance as at 30 June 2018:	\$4,826,000

Home Care Packages Reserve (contractual)

Purpose

The purpose of this reserve is to meet Council's obligation under Commonwealth Government legislation to carry any unspent individual client funds into future periods.

Typical Sources of Inflows and Outflows:

Inflows are from unspent client funds at year end and outflows are from client's utilising funds from the prior period.

Forecast Balance as at 30 June 2017:	\$36,000
Budgeted Balance as at 30 June 2018:	\$36,000

Trust and Deposits Reserve (contractual)

Purpose

Whilst not technically a reserve, Trust and Deposits represent cash that Council holds under a contractual agreement, and therefore should be considered part of restricted cash holdings. Council has decided to utilise a reserve for this purpose to provide clarity.

Typical Sources of Inflows and Outflows:

Cash inflows and to the Trust and Deposits Reserve will arise from contractual agreements between Council and other parties. Outflows generally occur when the agreement expires.

Forecast Balance as at 30 June 2017:	\$1,863,000
Budgeted Balance as at 30 June 2018:	\$1,900,000

Unrestricted Reserves

Plant Replacement Reserve

Purpose

The purpose of this reserve is to establish a fund whereby Council's heavy plant (graders, trucks, etc) can be replaced at the end of their useful lives. The changeover cost of small vehicles is also funded from this reserve.

Typical Sources of Inflows and Outflows:

Inflows to this reserve accrue out of plant hire charges made to jobs on which the plant works. The total of plant hire income is then offset against the operating expenses of the plant, with the surplus amount being transferred to the plant reserve.

Outflows from this reserve are typically the changeover cost of plant.

Forecast Balance as at 30 June 2017:	\$817,000
Budgeted Balance as at 30 June 2018:	\$537,000

Asset Renewal Reserve

Purpose

The purpose of this reserve is to provide funding based on the Asset Renewal Funding Strategy.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis increasing year on year at a predetermined rate as set by Council. Funds from renewal projects completed under budget will also be returned to this reserve. Outflows from this reserve will be spent on renewal of Council assets.

Forecast Balance as at 30 June 2017:	\$6,000
Budgeted Balance as at 30 June 2018:	\$193,000

Waste Reserve

Purpose

The purpose of this reserve is to ensure that the full cost of the waste function is met by the waste charges (garbage charge and fee income from landfill) and that surpluses and deficits on an annual basis can be covered without any adverse impact on the balance of Council's budget. This facet is particularly relevant in terms of Council meeting its long-term obligations for landfill rehabilitation where funds need to be set aside in the interim to plan for large-scale costs in the future. The rehabilitation of the Anglesea Landfill is expected to take place in 2023/24.

Typical Sources of Inflows and Outflows:

Cash inflows to the reserve arise from any surplus funds remaining from the combined income from garbage charges and landfill fees, less the cost of operating the landfills, waste administration, kerbside collection, recycling and other associated waste costs. Outflows are due to waste capital expenditures.

Forecast Balance as at 30 June 2017:	\$3,828,000
Budgeted Balance as at 30 June 2018:	\$5,094,000

Aireys Inlet Units Reserve (legislative)

Purpose

The purpose of this reserve is as the funding source for the maintenance of social housing for disadvantaged low income earners. Four social housing units currently exist in Aireys Inlet.

Typical Sources of Inflows and Outflows:

Inflows are received by way of rent. Outflows cover future maintenance and capital expenditure related to the units.

Forecast Balance as at 30 June 2017:	\$353,000
Budgeted Balance as at 30 June 2018:	\$360,000

DCP Council Funds Reserve

Purpose

The purpose of this reserve is to provide funding based on the Torquay/Jan Juc Developer Plan.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis at a predetermined rate as set by Council. Funds from Torquay/Jan Juc DCP projects completed under budget will also be returned to this reserve. Outflows from this reserve will be spent on the delivery of DCP projects.

Forecast Balance as at 30 June 2017:	\$1,220,000
Budgeted Balance as at 30 June 2018:	\$1,411,000

Gherang Gravel Pits Reserve

Purpose

The purpose of this reserve is to provide funding for road improvements for Council roads.

Typical Sources of Inflows and Outflows:

Inflows to this reserve accrue revenue from the operation of Council's gravel pits. The total of Gravel Pit income is then offset against the operating expenses of the facility, with the surplus amount being transferred to the Gherang Gravel Pits Reserve.

Outflows from this reserve are earmarked for road improvement projects.

Forecast Balance as at 30 June 2017:	\$1,542,000
Budgeted Balance as at 30 June 2018:	\$1,815,000

Defined Benefits Superannuation Reserve

Purpose

The purpose of this reserve is to provide funding for future defined benefits superannuation fund shortfalls.

Typical Sources of Inflows and Outflows:

Inflows to this reserve are at the discretion of Council, set via the Annual Budget process. Council will make an estimate on the future defined benefits superannuation funding shortfalls and build a reserve in order to meet the shortfall.

Outflows from this reserve will fund defined benefit funding calls from Council's superannuation provider.

Forecast Balance as at 30 June 2017:	\$724,000
Budgeted Balance as at 30 June 2018:	\$974,000

Carried Forward Capital Works Reserve

Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for capital works that are still in progress at year end.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated at end of financial year relating to incomplete projects. Outflows will be funds allocated in the new financial year to complete the projects in progress.

Forecast Balance as at 30 June 2017:	\$13,868,000
Budgeted Balance as at 30 June 2018:	\$10,491,000

Carried Forward Operational Projects Reserve

Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for operational projects that are still in progress at year end.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated at end of financial year relating to incomplete projects. Outflows will be funds allocated in the new financial year to complete the projects in progress.

Forecast Balance as at 30 June 2017:	\$1,494,000
Budgeted Balance as at 30 June 2018:	\$926,000

Adopted Strategy Implementation Reserve

Purpose

The purpose of this reserve is to provide funding for projects in line with approved strategies adopted by Council and is funded from operations or grants received.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated via Council resolution. Outflows will be funds allocated to specific projects by Council resolution.

Forecast Balance as at 30 June 2017:	\$3,439,000
Budgeted Balance as at 30 June 2018:	\$3,379,000

Accumulated Unallocated Cash Reserve

Purpose

The purpose of this reserve is to separately identify Council's unallocated cash.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated by Council based on operational savings or unallocated sources of funding. Outflows from this reserve will be allocations based solely on Council resolutions.

Forecast Balance as at 30 June 2016:	\$3,404,000
Budgeted Balance as at 30 June 2017:	\$3,045,000

Appendix H - Financial Performance Indicators

Indicator	Measure	2016/17 Forecast	2017/18 Budget	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	Trend +/-
Operating position							
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	4.37%	0.62%	6.29%	9.19%	7.24%	+
Liquidity							
Working Capital	Current assets / current liabilities	328.04%	343.18%	345.63%	282.61%	364.74%	+
Obligations							
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	31.20%	35.04%	31.87%	28.71%	25.60%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	3.66%	4.02%	4.23%	4.11%	3.89%	-
Indebtedness	Non-current liabilities / own source revenue	46.93%	48.97%	45.87%	37.13%	34.02%	+
Asset renewal	Asset renewal and upgrade expenses / Asset depreciation	72.65%	85.10%	97.49%	107.48%	98.85%	+
Stability							
Rates concentration	Rate revenue / adjusted underlying revenue	70.80%	71.33%	71.60%	72.14%	72.87%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.33%	0.35%	0.36%	0.37%	0.38%	o
Efficiency							
Expenditure level	Total expenses/ no. of property assessments	\$3,078	\$3,245	\$3,124	\$3,085	\$3,204	o
Revenue level	Residential rate revenue / No. of residential property assessments	\$1,891	\$1,936	\$1,993	\$2,055	\$2,118	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	7.50%	7.50%	7.50%	7.50%	7.50%	o

Appendix I - Council Contributions to External Parties

Category / Organisation	2017/18 (\$)
Business / Tourism / Traders Associations	163,407
Great Ocean Road Regional Tourism	153,407
Aireys Inlet Tourism and Traders Association	2,000
Anglesea Business and Tourism Association	2,000
Growing Winchelsea	2,000
Lorne Business and Tourism Association	2,000
Torquay Commerce and Tourism Association	2,000
Early Years / Education Providers	21,108
Torquay School Stadium Project - Joint Use Agreement	15,608
Moriac Kindergarten	4,000
Surf Coast Toy Library	1,500
Funding Programs	233,500
Major Events Program	87,500
Minor Community Grants	75,000
Signature Events Program	45,000
ANZAC Day Contributions	15,000
Community Events Program	11,000
Local Government	134,000
G21 Regional Alliance	60,000
Municipal Association of Victoria	30,000
Peri Urban Group of Councils	15,000
Victorian Local Government Association	10,000
Rural Councils Victoria	6,000
Committee for Geelong	5,000
LG Pro	3,000
Timber Towns Victoria	2,500
Municipal Engineering Foundation Scholarships Program	1,500
Australian Local Government Women's Association	1,000
Other Programs & Services	774,195
Geelong Regional Library Corporation	697,133
Victorian State Emergency Services	33,815
Barwon South West Waste Management Group	17,000
TX Australia Pty Ltd - Anglesea Television Blackspot	15,000
Barwon Sports Academy	5,647
Corangamite Catchment Management	4,000
Mt Gellibrand Fire Tower Lookout Committee	1,600
Senior Citizens / Community Houses & Groups	49,500
Anglesea Community House	5,000
Deans Marsh Community Cottage	5,000
Lorne Community House	5,000
Spring Creek Community House	5,000
Winchelsea Community House	5,000
Anglesea and Aireys Inlet Senior Citizens Club	4,400
Lorne Senior Citizens Centre	4,400
Moriac and District Seniors Citizens Club	4,400
Torquay Senior Citizens Centre	4,400
Winchelsea Senior Citizens Centre	4,400
Barwon Neighbourhood House Network	2,500
Total Contributions	1,375,710

Appendix J - Asset Renewal Backlog

The asset renewal backlog lists assets that have reached the service level at which Council renews assets, but at this stage have not been allocated funding. These items will be prioritised for consideration in Council's 2018/19 budget.


Township	Asset Location	Works Description	Estimated Replacement Cost \$
Unsealed Roads			
Various	Small road segments	Gravel Resheet	9,000
Sealed Roads			
Buckley	Blackgate Road - Ghazeeopore Rd To Anglesea Rd	Pavement Renewal	12,000
Lorne	Mousley Road - Gosney Street To Alsop Drive	Pavement Renewal	57,000
Freshwater Creek	Portreath Road - Vickerys Rd To Eagle Point Road	Pavement Renewal	100,000
Lorne	Lorne Transfer Station	Surface Renewal	18,000
Freshwater Creek	Freshwater Creek Recreation Reserve Car Park	Surface Renewal	17,000
Anglesea	Anglesea McMillan Precinct Front Car Park	Surface Renewal	16,000
Anglesea	Fernald Avenue - Mawson St To Murray St	Surface Renewal	8,000
Various	Small road segments	Surface Renewal	23,000
Kerb			
	Nil at intervention		
Buildings			
Winchelsea	Hesse Street Reserve - Tennis Clubroom	Replace Building (Awaiting outcome of Scout/Council discussions)	200,000
Drainage			
Torquay	Spring Creek Catchment 1	Replace 750m - Various Locations	160,000
Jan Juc	Jan Juc Catchment 7	Replace 180m - Various Locations	50,000
Jan Juc	Jan Juc Catchment 4	Replace 140m - Various Locations	41,000
Footpaths (Roads and Parks)			
Jan Juc	Sunset Strip - Alexandra Ave to Cantala Dr - right lane	Footpath Replacement	37,000
Torquay	Almeida Close - Conside Crescent To T- Junction	Footpath Replacement	31,000
Lorne	Mountjoy Parade Service Road - Sealed section outside Grand Pacific Hotel	Footpath Replacement	30,000
Anglesea	Gabba Court - Arinya Cres To End Of Court	Footpath Replacement	29,000
Winchelsea	Harding Street - Hopkins St To Willis Street	Footpath Replacement	23,000
Jan Juc	St Andrews Drive - Hoylake Avenue To Court Bowl	Footpath Replacement	23,000
Lorne	Otway Street - 0629003 - Mountjoy Parade To Lower Otway st	Footpath Replacement	20,000
Anglesea	Noble Street - 0602001 - Reserve Rd To Roundabout at Murray St	Footpath Replacement	19,000
Anglesea	Great Ocean Rd Service Rd, Anglesea - 0705001 - Camp to McDougall Rds	Footpath Replacement	16,000
Lorne	Grove Road - 0359003 - Mountjoy Parade To Otway St	Footpath Replacement	16,000
Aireys Inlet	Aireys Inlet Allen Noble Sanctuary	Footpath Replacement	15,000
Torquay	Frog Hollow Drive - 0884001 - Messmate Road to Property 14	Footpath Replacement	13,000
Lorne	Mountjoy Parade - 0576007 - Beal St to Francis St (Roadside Only)	Footpath Replacement	11,000
Torquay	Torquay Spring Creek Nature Reserve	Footpath Replacement	11,000
Various	Various small pathway segments	Footpath Replacement	98,000


Township	Asset Location	Works Description	Estimated Replacement Cost \$
Open Space			
Lorne	Stribling Reserve	Renewal of Open Space Items	74,000
Winchelsea	Eastern Reserve	Renewal of Open Space Items	51,000
Bellbrae	Bellbrae Picnic Reserve	Renewal of Open Space Items	35,000
Lorne	Lorne Community House	Renewal of Open Space Items	35,000
Aireys Inlet	Anderson Roadknight Reserve	Renewal of Open Space Items	20,000
Jan Juc	Jan Juc Creek Reserve	Renewal of Open Space Items	10,000
Various	Various Other Reserves	Renewal of Open Space Items	35,000
Total Assets			1,363,000

Appendix K - Budget Highlights by Ward

Note: New project allocations excluding contingency.

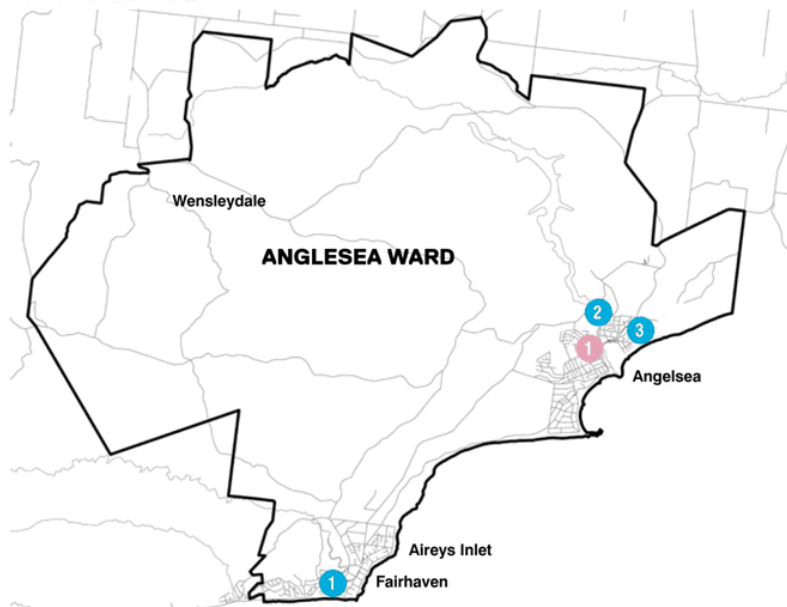
THE BUDGET 2017-2018





Snapshot of new funding allocations

ANGLESEA WARD



Capital and Operational Projects				
Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)	
1	Painkalac Creek Pathway*	60,000	-	60,000
2	Anglesea Futures and Anglesea River	35,000	-	35,000
3	Anglesea Netball Club Car Park Design	10,000	-	10,000
	Other Capital and Operational Projects	-	-	-
Total Capital and Operational Projects		105,000	-	105,000

* Funded in prior year

Renewal Projects				
Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)	
1	Coogoorah Playground Renewal	186,000	-	186,000
	Other Renewal Projects	-	-	-
Total Renewal Projects		186,000	-	186,000

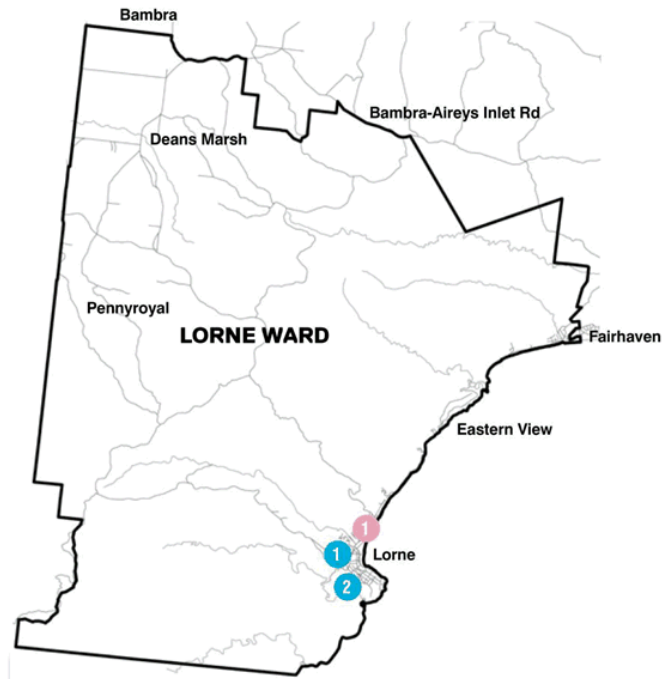
THE BUDGET 2017-2018





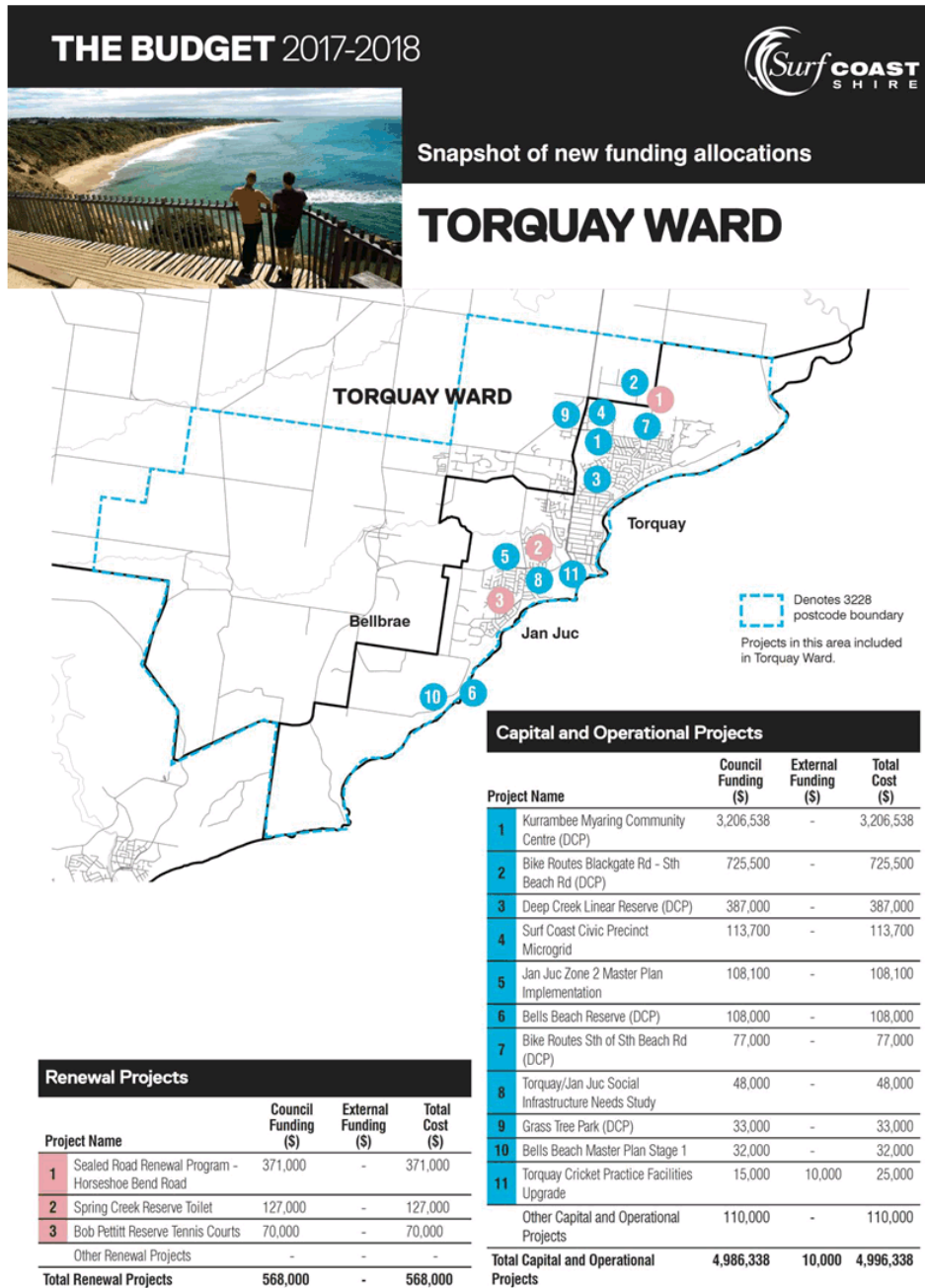
Snapshot of new funding allocations

LORNE WARD



Capital and Operational Projects			
Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)
1 Stribling Reserve Change Rooms Design	86,000	-	86,000
2 Lorne Pathway Project	28,000	-	28,000
Other Capital and Operational Projects	-	-	-
Total Capital and Operational Projects	114,000	-	114,000

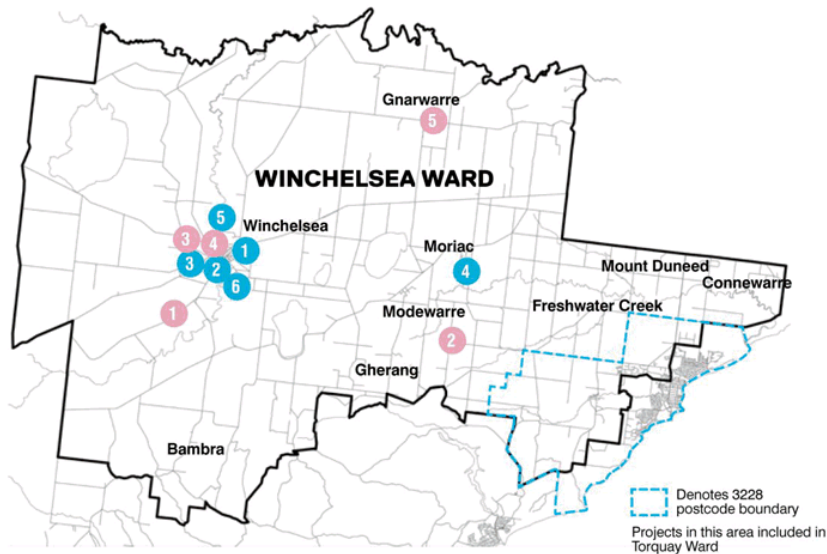
Renewal Projects			
Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)
1 Duncan Street Footpath	61,000	-	61,000
Other Renewal Projects	-	-	-
Total Renewal Projects	61,000	-	61,000



THE BUDGET 2017-2018 

Snapshot of new funding allocations

WINCHELSEA WARD



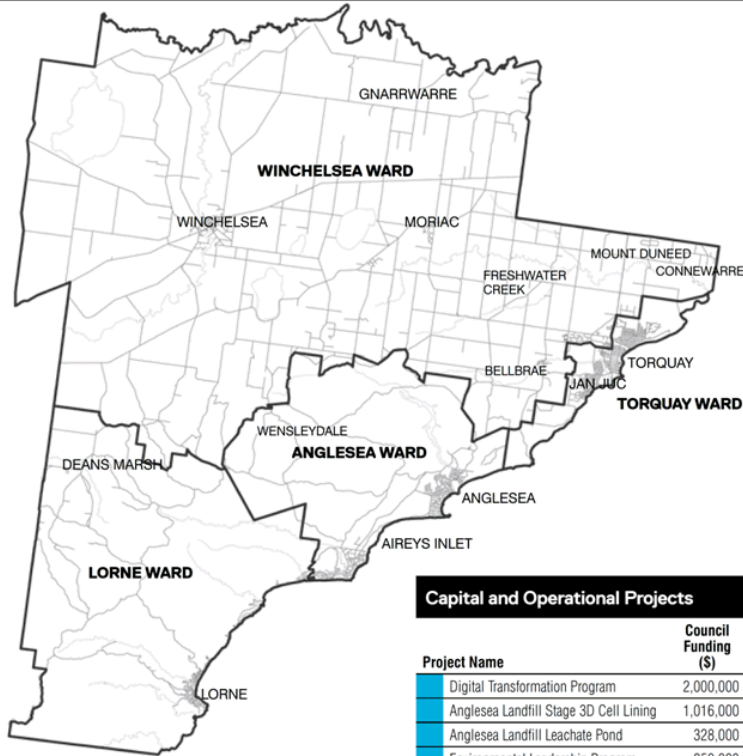
Capital and Operational Projects			
Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)
1 Winchelsea Netball Pavilion Upgrade	313,000	-	313,000
2 Winchelsea Pathway Project	100,000	20,000	120,000
3 Winchelsea DCP Review	23,000	-	23,000
4 Moriac Pathway Project	21,000	1,000	22,000
5 Growing Winchelsea Planning Panel	10,000	-	10,000
6 Irrigation Project Winchelsea Golf Course	7,000	-	7,000
Other Capital and Operational Projects	-	-	-
Total Capital and Operational Projects	474,000	21,000	495,000

Renewal Projects			
Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)
1 Cape Otway Road	13,558	554,442	568,000
2 Forest / Grays Road	560,000	-	560,000
3 Hesse Street, Winchelsea	298,000	110,000	408,000
4 Barwon River Playground	156,000	-	156,000
5 Gnarwarre Road Culvert	97,000	-	97,000
Other Renewal Projects	-	-	-
Total Renewal Projects	1,124,558	664,442	1,789,000

THE BUDGET 2017-2018



Snapshot of new funding allocations SHIRE WIDE



Renewal Projects

Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)
Heavy Plant Replacement Program	780,000	-	780,000
Other Renewal Projects	3,100,800	-	3,100,800
Total Renewal Projects	3,880,800	-	3,880,800

Capital and Operational Projects

Project Name	Council Funding (\$)	External Funding (\$)	Total Cost (\$)
Digital Transformation Program	2,000,000	-	2,000,000
Anglesea Landfill Stage 3D Cell Lining	1,016,000	-	1,016,000
Anglesea Landfill Leachate Pond	328,000	-	328,000
Environmental Leadership Program	250,000	-	250,000
Street Light Upgrade Program	228,000	-	228,000
Rural Road Safety Improvements	131,000	-	131,000
Community Initiatives	100,000	-	100,000
DDA Program Annual Allocation	91,000	-	91,000
Anglesea Landfill Composting Area D&C	90,000	-	90,000
Bells Beach Coastal Management Plan	75,000	-	75,000
Great Ocean Road Gateway	65,000	-	65,000
Road Safety Strategy Implementation	61,000	-	61,000
Road Safety Improvements at School Sites	54,500	-	54,500
Pop Up Art Space	23,000	5,000	28,000
Other Capital and Operational Projects	1,364,500	489,410	1,853,910
Total Capital and Operational Projects	5,877,000	494,410	6,371,410

Appendix L - Equity Considerations

Introduction

Council believes it is important the community understands how the annual budget is prepared, including from the perspective of equity. This is a common question across all levels of government however this is a complex matter that requires a broad consideration.

This Appendix has been added to the budget document to assist this discussion. Council has not considered or adopted principles in this regard, but views this as an ongoing topic that can be further developed over time.

Council also cautions about forming a view on equity from considering one data indicator alone, from any one year or in isolation from Council's longer term strategic plans.

The Victorian Government introduced rate capping from the 2016/17 financial year. It is estimated that even with a 2% lower rate increase per year, this will result in Council funding reducing by more than \$100m over 15 years. This reduction is in addition to the impact of the Commonwealth government freezing the indexing of Financial Assistance Grants for 3 years.

This reduction in funding will have a dramatic impact on Council's ability to provide services and to support discretionary projects. Equity will remain an element in Council's consideration; however funding constraints will drive an increased focus on allocating funding on the basis of adopted strategic planning.

Equity Considerations

Council is seeking to assist an understanding of funding equity across the Shire. The following table represents initial work on this concept; even at this preliminary stage it is evident the perspective of equity requires a broad consideration. Potential considerations are grouped into like categories.

Category 1: General

No.	Consideration	Overview
1	Equity Discussion	Council acknowledges that the community desire to understand budget equity is important and will seek to provide information to assist. Council also recognises its responsibility to the Shire as a whole, and to both current and future generations.
2	Holistic View	The assessment of equity requires a broad consideration that takes into account the full range of Council's circumstances and long term strategic imperatives. Equity cannot reasonably be reflected through a single metric in any one year.
3	Assessment Timeframe	Council maintains a medium term financial plan that reflects its funding intentions over time. Funding for particular projects can be large and may cause peaks in allocation to one ward. Additionally, asset renewal funding responds objectively to asset condition rather than a prescribed timeframe. Accordingly it is important to consider equity over time. It can however be challenging to maintain a data time series for consistent comparisons, given factors such as changing ward boundaries.
4	Pragmatic Model	An important principle in preparing any allocation model or suite of indicators is identifying where sufficient value has been provided, beyond which the preparation cost exceeds the incremental benefit. Council's Finance team has many important responsibilities to fulfil with limited resources and Council is mindful of not unreasonably diverting resources.
5	Ward Boundaries	It may be necessary to adjust the analysis to account for any agreed ward boundary anomalies. One example that is often reflected is to attribute the portion of the Winchelsea ward with a 3228 post code to the Torquay ward for the purpose of analysis.

Category 2: Funding

6	Rate Contribution	Rate contribution is recognised as an important element in the consideration of equitable funding allocation as it represents a tangible contribution by households. A rates-based indicator would however need to be supplemented with further indicators to account for other factors outlined in these principles.
7	Supplementary Rates	Some communities within the Shire are growing faster than others and accordingly contribute greater supplementary rates. This is an indicator of the need for higher investment in these communities that can in part be funded by these additional rates.
8	Population Distribution	It is possible to consider equity from the perspective of the Shire's population distribution rather than rate contribution. Rate income is a function of a revenue raising method allowed for within local government and often questions are raised relating to the equity the rating system itself. Rating is a taxation system; it does not automatically follow it should be used as the only basis for considering the equity of Council's funding allocations.
9	Financial Assistance Grants	One of Council major sources of non-rate revenue is the Commonwealth Financial Assistance Grant. This is derived from an assessment of a suite of indicators designed to deliver an equitable distribution across all Councils in Victoria, including but not limited to population.
10	Project Grant Funding	Council rightly puts considerable effort into achieving grant funding for projects. While grants represent external funding, they may well benefit particular communities and this should be considered in an assessment of equity.
11	Realised Savings	Circumstances can arise where discretionary funds become available from the sale of an asset or other windfall funding opportunities. Council makes decisions as to where this funding is applied, either locally associated to its source or for a whole of Shire use. While limited in scale and frequency, these decisions do have an equity consideration.
12	Interest Income	Interest income would need to be considered whole of Shire funding and a basis for its attribution determined, potentially according to population.
13	Service Net Surplus	Councils can operate various services or commercial operations at a surplus in order to raise funds to support allocations across the Shire. Non-ratepayers may also make an important contribution to this outcome. This situation may best be considered whole of Shire funding.

Category 3: Services and Assets

14	Service Net Cost	Council delivers a range of services across the Shire, many of which operate at a net cost that must be funded at least in part from rate income. The delivery location and service cost varies across the Shire, noting that Council typically applies a consistent price. This variation can often arise due to demographic or logistic differences, or historical practice. The localised net cost should be considered within an assessment of equity across wards.
15	Service Distribution	Council services are not provided equally across the Shire, with some communities receiving services due to demographic or logistic differences, or historical circumstances such as the practices of Councils pre-amalgamation. This is not only an issue where a localised service operates at a net cost, but the fact one community receives a service and another doesn't needs to be considered from an equity perspective.
16	Asset Density	Some areas of the Shire have a greater number and value of Council assets (facilities and roads) than other areas. It may be appropriate to have an indicator to identify the relative asset density on a per capita basis in each ward, perhaps delineated into roads and non-road asset categories.
17	Special Charge Schemes	Some projects are jointly funded by Council and benefiting property owners via a Special Charge Scheme. Funding for these projects will need to be correctly categorised to reflect the external contribution.

Category 4: Funding Allocations

18	Whole of Shire Projects	It is reasonable to consider a number of projects as “Whole of Shire” initiatives rather than being associated with individual wards or communities. The inclusion of this funding in an assessment of equity would need to consider an appropriate allocation basis, for example population, rate assessments or rate distribution.
19	Asset Renewal	Council’s Asset Renewal Funding Strategy is based on funding the renewal of roads and facilities when their condition degrades to the point that it impacts service delivery. This represents a commitment to maintain existing services and is particularly important in those communities that do not receive significant new investment due to lower growth.
20	Use of Ratepayer Funds	Council is committed to the efficient and effective use of ratepayer funds, reflected through formal project identification based on: <ul style="list-style-type: none"> • Renewal: objective condition assessment • New/Upgrade: adopted strategies, subject matter expert review The resultant funding allocations are also likely spread over time, rather than necessarily matching to current funding contributions. This emphasises the importance of considering equity over time.
21	Operational Projects	Communities often view infrastructure investment as an indicator of equitable funding contribution. It is also important to include funding allocations to operational projects that deliver a particularly localised benefit.
22	Pre-Growth Investment	Council may need to establish facilities in advance of new ratepayers moving to an area, resulting in funding allocations prior to receiving higher rates. This emphasises the importance of considering equity over a longer timeframe.
23	DCP Commitments	Council is contractually bound to provide funding contributions as part of Developer Contribution Plans. This is often in the order of 60% of the total infrastructure cost, with developers providing 40%. These agreements are a function of growth and often require investment prior to receiving a higher rate income.
24	Project Allocation vs Spend	Data comparisons that utilise project funding should be based on funds allocation rather than spend timing. The timing of project spend may vary due to project cash flow requirements or holding project commencement in order to secure grants. Importantly, allocated project funds are retained on the project budget until spent or formally reallocated by Council.
25	Corporate Overheads	Council’s corporate overheads are allocated based on specific drivers to relevant services and projects. Accordingly these are reflected in net service costs and project budgets, and would form part of any subsequent equity consideration.
26	Debt Funded Projects	Council raises loans for particular project purposes. It is important to treat a project that includes debt funding differently when performing an equity analysis. Rather than including the value of the loan as an up-front portion of the project costing, it is more appropriate to reflect in the analysis the annual loan cost, including both principle and interest payments. The annual loan cost would then continue to be reflected in future year’s analysis until the end of the loan term.
27	Reserve Allocations	Council typically provides allocations to reserves in each year’s budget, some of which may reasonably be attributable to a particular location, while others represent a general allocation. Each allocation would need to be considered individually in relation to equity assessment.

Equity Indicators

Indicator 1 – Adjusted Ward Rate Contribution relative to Council Funded Project Allocation

Consideration of rate contribution is an important element in the notion of equity and can be used as one comparative basis. Rate income does however fund a number of Council activities in addition to projects that are not included in this comparison.

Ward rate contribution and funding has been adjusted to reflect the portion of the Winchelsea ward with a 3228 postcode within the Torquay ward. This adjustment reflects more closely the community of interest.

Council projects include the categories of new/upgrade capital, new operational and renewal capital. These projects often also receive significant external funding however this is not included in this comparison. Indicator 1 includes council funds allocated from the Accumulated Unallocated Cash Reserve, direct funding and annual debt financing for projects (excluding carried forward projects). The budget document also provides the project funding allocations in the form of maps to assist readability.

This comparison is only one data view and alone does not provide a full perspective of ward funding allocation. Additionally, this comparison should be considered over time rather than from an expectation that a single year will demonstrate an equitable allocation.

Council also allocates funding to projects that could reasonably be considered “Whole of Shire” rather than for a single ward or community. These projects have not been included in the project funding below and would require a further comparison potentially on the basis of factors such as population, rate assessments or rate distribution.

Budget 2017/18										
Ward	Rates		Council Funding							
			New Projects (excl. Loans)		Renewal	Loan Costs (Interest)		Total		
Torquay (incl. 3228)	\$20,344,025	48%	\$2,354,038	75%	\$628,000	28%	\$0	0%	\$2,982,038	55%
Anglesea	\$9,871,802	24%	\$110,000	4%	\$211,000	9%	\$0	0%	\$321,000	6%
Winchelsea (excl. 3228)	\$4,979,173	12%	\$532,000	17%	\$1,352,558	60%	\$0	0%	\$1,884,558	35%
Lorne	\$6,800,517	16%	\$128,000	4%	\$71,000	3%	\$0	0%	\$199,000	4%
Total Ward Specific	\$41,995,517	100%	\$3,124,038	100%	\$2,262,558	100%	\$0	0%	\$5,386,596	100%
Whole of Shire			\$6,043,500		\$3,566,271		\$1,030,678			
3228 Rates in Winchelsea	\$2,708,183									
Percentages may not equal 100% due to rounding										

This indicator demonstrates that in this year’s budget, the proportion of council funds to project allocations exceeds the proportion of rate contribution in Torquay (including 3228) and Winchelsea (excluding 3228) wards, but is less than the proportion in the Anglesea and Lorne wards.

For comparative purposes, the 2016/17 budget table has been included below.

Budget 2016/17										
Ward	Rates		Council Funding							
			New Projects (excl. Loans)		Renewal	Loan Costs (Interest)		Total		
Torquay (incl. 3228)	\$19,395,559	48%	\$2,687,295	75%	\$1,212,100	31%	\$0	0%	\$3,899,395	56%
Anglesea	\$9,664,312	24%	\$75,000	2%	\$982,300	26%	\$0	0%	\$1,057,300	13%
Winchelsea (excl. 3228)	\$5,088,652	12%	\$421,450	12%	\$1,456,050	38%	\$0	0%	\$1,877,500	23%
Lorne	\$6,652,713	16%	\$408,500	11%	\$199,400	5%	\$0	0%	\$607,900	7%
Total Ward Specific	\$40,801,236	100%	\$3,592,245	100%	\$3,849,850	100%	\$0	0%	\$8,118,196	100%
Whole of Shire			\$6,663,244		\$2,231,132		\$1,076,738			
3228 Rates in Winchelsea	\$2,355,606									
Percentages may not equal 100% due to rounding										

Indicator 2 – Adjusted Ward Rate Contribution relative to Total Project Allocation

This indicator is as per Indicator 1, however compares relative to the total project allocation (including Council funding and external funding).

Budget 2017/18										
Ward	Rates		Total Funding							
			New Projects (excl. Loan)		Renewal		Loan Costs (Interest)		Total	
Torquay (incl. 3228)	\$20,344,025	48%	\$3,164,038	80%	\$628,000	21%	\$0	0%	\$3,792,038	55%
Anglesea	\$9,871,802	24%	\$110,000	3%	\$211,000	7%	\$0	0%	\$321,000	5%
Winchelsea (excl. 3228)	\$4,979,173	12%	\$553,000	14%	\$2,017,000	69%	\$0	0%	\$2,570,000	37%
Lorne	\$6,800,517	16%	\$128,000	3%	\$71,000	2%	\$0	0%	\$199,000	3%
Total Ward Specific	\$41,995,517	100%	\$3,955,038	100%	\$2,927,000	100%	\$0	0%	\$6,882,038	100%
Whole of Shire			\$6,537,910		\$3,904,000		\$1,030,678			
3228 Rates in Winchelsea	\$2,708,183									
Percentages may not equal 100% due to rounding										

This indicator demonstrates that in this year's budget, the proportion of total funding to project allocations exceeds the proportion of rate contribution in the Torquay (including 3228) and Winchelsea (excluding 3228) wards, but is less than the proportion in the Anglesea and Lorne wards. For comparative purposes, the 2016/17 budget table has been included below.

Budget 2016/17										
Ward	Rates		Total Funding							
			New Projects (excl. Loan)		Renewal		Loan Costs (Interest)		Total	
Torquay (incl. 3228)	\$19,395,559	48%	\$5,404,365	71%	\$1,347,100	34%	\$0	0%	\$7,427,566	61%
Anglesea	\$9,664,312	24%	\$165,000	2%	\$982,300	25%	\$0	0%	\$1,147,300	9%
Winchelsea (excl. 3228)	\$5,088,652	12%	\$1,621,450	21%	\$1,456,050	37%	\$0	0%	\$3,077,500	25%
Lorne	\$6,652,713	16%	\$408,500	5%	\$199,400	5%	\$0	0%	\$607,900	5%
Total Ward Specific	\$40,801,236	100%	\$7,599,315	100%	\$3,984,850	100%	\$0	100%	\$12,260,266	100%
Whole of Shire			\$7,198,244		\$2,231,132		\$1,076,738			
3228 Rates in Winchelsea	\$2,355,606									
Percentages may not equal 100% due to rounding										

Indicator 3 – Asset Distribution by Ward

This indicator reflects data as at 30 June 2016. It indicates the proportion of Council assets relative to rates and rates assessments in different wards.

As at 30 June 2016										
Ward	Rates		Rate Assessments		Asset Valuation				Total	
					Road Assets		Non Road Assets			
Torquay (incl. 3228)	\$18,851,313	48%	10,321	48%	\$164,870,244	49%	\$38,643,249	36%	\$203,513,493	46%
Anglesea	\$9,412,739	24%	5,015	23%	\$55,241,068	16%	\$19,466,512	18%	\$74,707,580	17%
Winchelsea (excl. 3228)	\$4,679,748	12%	3,198	15%	\$84,277,830	25%	\$38,372,274	36%	\$122,650,104	28%
Lorne	\$6,687,623	17%	3,027	14%	\$32,166,016	10%	\$11,163,768	10%	\$43,329,784	10%
Total Ward Specific	\$39,631,424	100%	21,561	100%	\$336,555,158	100%	\$107,645,803	100%	\$444,200,961	100%
Whole of Shire					\$1,750,527		\$23,138,512		\$24,889,039	
Land					\$3,386,000		\$103,925,000		\$107,311,000	
Council Corporate					\$0		\$12,274,000		\$12,274,000	
Shire Total					\$341,691,685		\$246,983,315		\$588,675,000	

The indicator represents a good reflection of investment of funds over time and likely future demand for asset renewal. The table highlights in particular that the proportion of the value of assets in the Winchelsea ward is greater than the proportion of the current rate revenue.

Indicator 4 – Supplementary Rates by Ward

Ward	Budget 2017/18					
	Supplementary Rates		Council Funding		Total Funding	
			New Projects (excl. Loan)		New Projects (excl. Loan)	
Torquay (incl. 3228)	\$306,631	84%	\$2,354,038	75%	\$3,164,038	80%
Anglesea	\$29,872	8%	\$110,000	4%	\$110,000	3%
Winchelsea (excl. 3228)	\$19,246	5%	\$532,000	17%	\$553,000	14%
Lorne	\$11,377	3%	\$128,000	4%	\$128,000	3%
Total Ward Specific	\$350,000	100%	\$3,124,038	100%	\$3,955,038	100%
Whole of Shire			\$6,043,500		\$6,537,910	
3228 Supplementary Rates in Winchelsea	\$87,997					

Percentages may not equal 100% due to rounding

This indicator provides a correlation between supplementary rates, which reflects where growth is occurring in the Shire, and the funding allocations being made to new projects. The table highlights in particular that proportion of investment in new projects relative to the proportion of supplementary rates is higher in the Winchelsea ward. Proactive investment in Winchelsea ward may be appropriate given it's identification as a future growth node and it is important to have the infrastructure in place to support a growing community.

Appendix M - Long Term Financial Plan

Part 1 of 2

Long Term Financial Plan	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	2024/25 Forecast \$'000	2025/26 Forecast \$'000	2026/27 Forecast \$'000
Recurrent EBITDA											
Property Rates and Charges	41,183	42,560	44,233	46,073	47,976	49,947	51,985	54,095	56,277	58,535	60,870
Garbage Charges	6,352	6,682	6,950	7,228	7,517	7,817	8,130	8,455	8,794	9,145	9,511
Grants	7,177	7,190	7,334	7,481	7,630	7,783	7,939	8,097	8,259	8,424	8,593
Other Revenue	8,457	9,009	9,232	9,462	9,698	9,940	10,189	10,445	10,709	10,980	11,258
Total Recurrent Income	63,169	65,441	67,749	70,243	72,821	75,487	78,243	81,093	84,039	87,084	90,233
Employee Benefits	(26,693)	(27,444)	(28,057)	(28,767)	(29,551)	(30,356)	(31,184)	(32,034)	(32,908)	(33,805)	(34,727)
Materials and Services	(20,095)	(20,252)	(20,839)	(21,444)	(22,068)	(22,711)	(23,374)	(24,057)	(24,761)	(25,487)	(26,235)
Business Improvement Program Benefits	-	59	409	659	909	1,159	1,409	1,659	1,909	2,159	2,409
Business Case Benefits	-	-	100	200	300	400	500	600	700	800	900
Digital Transformation Benefits	-	-	100	200	300	400	500	600	700	800	900
Total Expenditure - Existing Operations	(46,789)	(47,637)	(48,288)	(49,153)	(50,110)	(51,109)	(52,149)	(53,232)	(54,360)	(55,533)	(56,753)
Compliance Costs	-	(310)	(400)	(800)	(1,200)	(1,600)	(2,000)	(2,400)	(2,800)	(3,200)	(3,600)
Compliance Costs - Projects	-	-	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)
Non-Discretionary Growth	-	(144)	(400)	(1,000)	(1,600)	(2,200)	(2,800)	(3,400)	(4,000)	(4,600)	(5,200)
Discretionary Growth	-	(239)	-	-	-	-	-	-	-	-	-
Recurrent EBITDA	16,380	17,111	18,061	18,690	19,311	19,978	20,694	21,461	22,279	23,152	24,080
Cash Adjustments:-											
Balance Sheet Adjustments	253	19	18	18	17	16	16	15	14	14	13
Interest Revenue	921	883	905	962	989	920	855	796	740	688	640
Asset sales - plant/fleet	342	338	439	427	380	428	390	401	502	405	341
Asset sales - land	331	190	-	-	-	-	-	-	-	-	-
Total Cash Adjustments	1,847	1,430	1,362	1,407	1,386	1,364	1,261	1,212	1,256	1,107	994
Total Cash Available for Allocation	18,227	18,541	19,423	20,097	20,696	21,342	21,956	22,672	23,535	24,258	25,074

Part 2 of 2

Long Term Financial Plan	2016/17 Forecast \$'000	2017/18 Budget \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	2024/25 Forecast \$'000	2025/26 Forecast \$'000	2026/27 Forecast \$'000
Allocations to Commitments											
Debt Interest & Principal	1,706	1,706	2,105	2,105	2,095	2,090	2,098	2,098	2,098	2,098	2,098
Torquay/Jan Juc Developer Plan Allocation	2,076	2,163	2,254	2,349	2,447	2,550	2,657	2,769	2,885	3,006	3,133
Spring Creek Infrastructure Plan Allocation	-	-	700	729	760	792	825	860	896	934	973
Winchelsea Infrastructure Plan Allocation	-	-	200	208	217	226	236	246	256	267	278
Developer Contribution Interest Allocation	52	27	27	27	53	80	133	133	133	133	133
Waste Allocation	2,602	2,810	2,949	3,067	3,189	3,317	3,450	3,588	3,731	3,880	4,036
Asset Renewal Allocation	5,833	6,073	6,507	6,970	7,457	7,987	8,553	9,150	9,798	10,491	11,236
Business Case Investments	500	500	500	500	500	500	500	500	500	500	500
Growth and Compliance Costs (non-recurrent)	1,011	833	-	-	-	-	-	-	-	-	-
Total Allocations to Commitments	13,781	14,112	15,241	15,955	16,719	17,541	18,451	19,343	20,297	21,309	22,385
Discretionary Cash Available	4,446	4,429	4,182	4,143	3,977	3,801	3,504	3,330	3,238	2,950	2,688
Discretionary Allocations											
Discretionary Capital Works	1,927	1,058	-	-	-	-	-	-	-	-	-
Discretionary Operating Projects	817	594	-	-	-	-	-	-	-	-	-
Defined Benefits Superannuation Allocation	250	250	250	250	250	250	250	250	250	250	250
Gravel Pits Allocation	286	273	279	285	291	298	304	311	318	325	332
Aireys Inlet Aged Units	10	7	7	7	7	7	7	8	8	8	8
Towards Environmental Leadership	-	250	250	250	250	250	250	250	250	250	250
Building Better Regions Project Allocation	-	357	-	-	-	-	-	-	-	-	-
Repayment Anglesea Bowls Club Commitment	-	225	-	-	-	-	-	-	-	-	-
Discretionary Project Allocation	-	-	2,400	2,501	2,606	2,715	2,829	2,948	3,072	3,201	3,335
Total Discretionary Allocations	3,290	3,013	3,186	3,293	3,404	3,520	3,641	3,767	3,897	4,034	4,175
Unallocated Cash Surplus / (Deficit)	1,157	1,416	997	850	573	281	(137)	(437)	(659)	(1,084)	(1,487)
Accumulated Unallocated Cash											
Opening Balance	3,666	3,404	3,045	1,942	1,892	2,465	2,746	2,609	2,172	1,513	429
Annual Surplus/(Deficit)	1,157	1,416	997	850	573	281	(137)	(437)	(659)	(1,084)	(1,487)
Return to AUC as per Council Resolution 13 Sept 2016	-	225	-	-	-	-	-	-	-	-	-
Merrijig Drive Contribution	-	-	400	-	-	-	-	-	-	-	-
Net Allocations during the Year	(419)	-	-	-	-	-	-	-	-	-	-
Transfer for Digital Transformation	(1,000)	(2,000)	(2,500)	(900)	-	-	-	-	-	-	-
Closing Balance	3,404	3,045	1,942	1,892	2,465	2,746	2,609	2,172	1,513	429	(1,058)

1.3 Exhibition of the Road Management Plan

Author's Title: Strategic Initiatives Manager

General Manager: Anne Howard

Department: Governance & Infrastructure

File No: F16/1623

Division: Governance & Infrastructure

Trim No: IC17/273

Appendix:

1. Revised Road Management Plan (D17/43573) ↓

Officer Direct or Indirect Conflict of Interest:

Status:

In accordance with Local Government Act 1989 – Section 80C:

Information classified confidential in accordance with Local Government Act 1989 – Section 77(2)(c):

Yes

No

Yes

No

Reason: Nil

Reason: Nil

Purpose

The purpose of this report is to recommend the Road Management Plan with proposed amendments be placed on exhibition and invite submissions from the community.

Summary

The Road Management Plan outlines how Council will satisfy its obligations under the *Road Management Act 2004* to inspect, repair and maintain those roads management by Council. The purpose of the Road Management Plan is to outline Council's intended management of its road-related duties and responsibilities as defined in the *Road Management Act 2004*.

Council's obligations as a responsible road authority are outlined in the *Road Management Act 2004*.

At its ordinary meeting 13 September Council resolved to suspend its Road Management Plan pending a future review. The Road Management Plan has been reviewed following Council's 22 October 2016 General Election. The Plan has been reviewed in consultation with relevant staff and is now required to be placed on exhibition under Section 223 of the Local Government Act. The revised Road Management Plan is attached as Appendix 1.

The revised Road Management Plan must be endorsed by Council before 30 June 2017.

Recommendation

That Council:

1. Note that amendments to the Road Management Plan are proposed following a review of the plan in accordance with the requirements of the Road Management Act 2004.
2. Place the draft Road Management Plan on exhibition for a period of 28 days.
3. Place a public notice in local papers and on Council's website inviting submissions under Section 223 of the Local Government Act.

Council Resolution

MOVED Cr Carol McGregor, Seconded Cr Heather Wellington

That Council:

1. Note that amendments to the Road Management Plan are proposed following a review of the plan in accordance with the requirements of the Road Management Act 2004.
2. Place the draft Road Management Plan on exhibition for a period of 28 days.
3. Place a public notice in local papers and on Council's website inviting submissions under Section 223 of the Local Government Act.

CARRIED 7:0

1.3 Exhibition of the Road Management Plan

Report

Background

At its 13 September 2016 Ordinary Meeting, Council suspended its Road Management Plan and adopted an interim Road Management Policy. Periodic reviews of the Road Management Plan have been formally completed in accordance with the *Road Management Act 2004*, the latest in 2013. The Road Management Plan is due for review following the General Election for Council on 22 October 2016. The review of the plan must be completed before 30 June 2017.

The Road Management Plan outlines how Council will satisfy its obligations under the *Road Management Act 2004* to inspect, repair and maintain those roads managed by Council.

The Plan has been reviewed in consultation with relevant staff and is now required to be placed on exhibition under Section 223 of the Local Government Act. The revised Road Management Plan is attached as Appendix 1.

Discussion

The purpose of the Road Management Plan is to outline Council's intended management of its road-related duties and responsibilities as defined in the *Road Management Act 2004*.

Council's management of the road network needs to consider both the physical infrastructure and the operation of that infrastructure. To achieve this Council has a range of policies, procedures and programs that involve regular maintenance as well as capital investment.

An important element of Council's management of the road network relates to how Council identifies and addresses hazards or defects that may pose a risk to road users. When Council establishes its approach to road management it needs to consider its obligations and its capacity, as well as the needs and views of the road users.

The Road Management Plan establishes:

- the timeframes for inspection of the road reserve to identify or assess a nominated hazard or defect
- matters which are to be treated as hazards or defects which require repair or a warning
- the circumstances in which intervention action is to be taken with respect to removal of hazards or repair defects
- the period of time within which the intervention action is to be taken.

Council is not responsible for all roads in the municipality and the Road Management Plan only applies to those roads listed on Council's Roads Register for which Council is the Coordinating Road Authority

Compliance with the above goes towards demonstration of Council's duty of care for road users.

As part of the review of the Road Management Plan there are a number of changes including:

- a number of changes to the body of the report to make it easier to follow and read
- the road classification hierarchy has been revised and includes new definitions for Primary Collector, Secondary Collector, Primary Access, Secondary Access, Track, Primary Pathway and Secondary Pathway. These new definitions remove confusion relating to the previous classifications. The road register will be revised to align with the new classifications
- the definition of inspection types have been refined
- the inspection schedule has been aligned to the revised road hierarchy and definition of inspection types and to ensure the inspections times are achievable
- the intervention action and repair timelines have also been reviewed to align to the revised road hierarchy and definition of inspection types and to ensure the inspections times are achievable.

Financial Implications

The overall amendments proposed to the Road Management Plan include a range increase and decreases to the levels of service provided but overall these are expected to be achievable within the current recurrent operating budgets.

1.3 Exhibition of the Road Management Plan

Council Plan

Theme 4 Infrastructure
Objective 4.2 Accessible and well maintained Council facilities
Strategy 4.2.1 Ongoing review of maintenance service levels.

Policy/Legal Implications

Council, as a Road Authority, has a range of functions, powers and duties conferred or imposed on it through a range of legislation including:

- (i) The Road Management Act 2004
- (ii) The Road Safety Act 1986
- (iii) The Local Government Act 1989 (referred to in section 5(2))
- (iv) The Transport (Compliance and Miscellaneous) Act 1983.

Of particular relevance are the following parts of the above legislation:

- Section 40 of the Road Management Act 2004 places a statutory duty on Council to inspect, maintain and repair public roads for which it is responsible
- Section 205 of the *Local Government Act 1989*, requires that Council has the care and management of municipal roads within its responsibility.

Officer Direct or Indirect Interest

No officer involved in the preparation of this report has any conflicts of interest.

Risk Assessment

Council is required to have a Road Management Plan under the Road Management Act 2004. The plan outlines Council's commitment to inspections, maintenance and repair of roads to address a nominated hazard or defect. This Plan must be reviewed following a General Election and is required to be exhibited, considered and endorsed by Council by June 30, 2017.

A key principle of the *Road Management Act 2004* that applies to the management of works and infrastructure is the minimisation of road safety hazards. In the application of this principle Council has taken a risk management approach to the development of timeframes and intervention levels that apply to the inspection and repair of hazards and defects.

Council is required to exhibit the Road Management Plan under Section 223 of the Local Government Act.

Social Considerations

Exhibition of the Plan will enable any member of the community to make a submission.

Community Engagement

The community will be invited to make submissions on the proposed amendments to the Road Management Plan under Section 223 of the Local Government Act.

Environmental Implications

There are no environmental implications to placing the Road management Plan on exhibition.

Communication

Council will be placing public notices in local papers and on Council's website inviting submissions from the community on the Draft Road Management Plan.

Conclusion

The Road Management Plan outlines how Council will satisfy its obligations under the *Road Management Act 2004* to inspect, repair and maintain those roads management by Council. The Plan has been reviewed in consultation with relevant staff and is now required to be placed on exhibition under Section 223 of the Local Government Act.

1.3 Exhibition of the Road Management Plan

APPENDIX 1 REVISED ROAD MANAGEMENT PLAN



Road Management Plan 2017-21

DRAFT

April 2017

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1 INTRODUCTION

1.1 Background

The Surf Coast Shire municipality covers an area of 1,556 square kilometres with a seasonally variable resident population of around 28,941. In addition, it was recorded in the 2015/2016 financial year that Surf Coast Shire had 2.139 million visitors to the municipality including day trippers, overnight visitors and international visitors.

As at the commencement of 2017, Council's road network comprises approximately 1,052 kilometres of roads. The road network includes sealed roads (478kms), unsealed roads (574kms) and tracks.

Approximately 27% of Council's roads are in urban areas and usually include pathways, and road furniture, and kerb and channel that discharges into a drainage network. The remaining roads are classified as rural with stormwater usually controlled by open drains and culverts. Road infrastructure also includes major assets such as bridges and major culverts, roadside drainage, kerb and channel, shared paths and pathway networks.

The condition of these assets and the road environment has a significant impact on the safety of the people who use the network each day for recreation, sport, leisure, education and business.

Council's management of the road network needs to consider both the physical infrastructure and the operation of that infrastructure. To achieve this, Council has a range of policies, procedures and programs that involve day-to-day operations, regular maintenance as well as longer-term investment (*refer to Figure 1*).

An important element of Council's management of the road network relates to how Council identifies and addresses hazards or defects that may pose a risk to road users. When Council establishes its approach to road management it needs to consider its obligations and its capacity, the needs and views of the road users and the cost of the service delivery to the ratepayers and residents.

1.2 Legislative Basis

Council, as a Road Authority, has a range of functions, powers and duties conferred or imposed on it through a range of legislation that includes:

- (i) The Road Management Act 2004;
- (ii) The *Road Safety Act 1986* ;
- (iii) The *Local Government Act 1989* (referred to in section 5(2); and
- (iv) The *Transport (Compliance and Miscellaneous) Act 1983*.

The following sections from the above legislation are particularly relevant to this Road Management Plan:

- Section 40 of the *Road Management Act 2004* places a statutory duty on Council to inspect, maintain and repair public roads for which it is responsible.
- Section 205 of the *Local Government Act 1989*, requires that Council has the care and management of municipal roads within its responsibility.

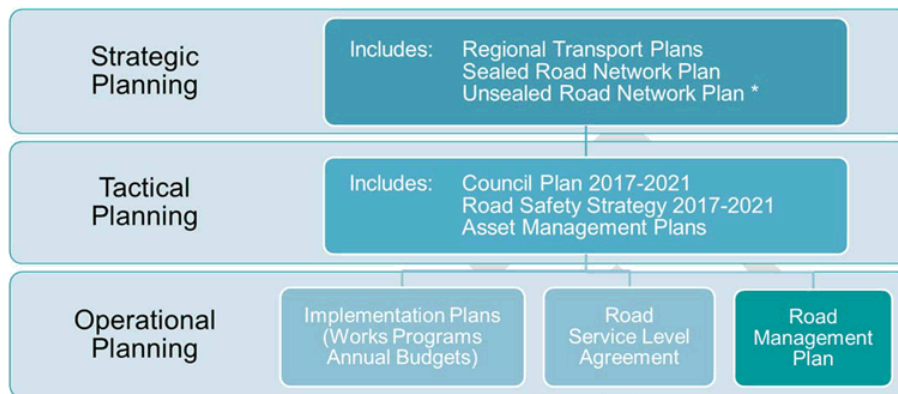
This Road Management Plan is prepared in accordance with Division 5, Sections 49 to 55 of the *Road Management Act 2004*.

1.3 Purpose of the Road Management Plan

The purpose of the Road Management Plan is to set out the management system that Council proposes to implement in the discharge of its duty to inspect, maintain and repair the public roads for which the Council is responsible.

The Road Management Plan is an operational plan within Council's hierarchy of road-related plans, as shown in Figure 1 below.

Figure 1 – Hierarchy of Road-Related Plans



*The Unsealed Road Network Plan was under development at the time of preparing this Road Management Plan.

The Road Management Plan establishes:

- The timeframes for inspection of the road reserve to identify or assess a nominated hazard or defect (refer to Tables 4 and 5);
- Matters which are to be treated as hazards or defects which require repair or a warning;
- The circumstances in which intervention action is to be taken with respect to removal of hazards or repair defects (refer to Tables 6, 7, 8 and 9); and
- The period of time within which the intervention action is to be taken (refer to Tables 6, 7, 8 and 9).

Council is not responsible for all roads in the municipality and the Road Management Plan only applies to those roads listed on Council's [Roads Register](#) for which Council is the Responsible Road Authority.

In accordance with Section 115 of the *Road Management Act 2004*, a person who intends to take court proceedings in relation to a claim for damages arising out of the condition of a public road or infrastructure must first lodge a written notice with the Council. This notice must be lodged with the Council within 30 days of the incident occurring.

Compliance with the Road Management Plan will contribute to Council's evidence of duty of care for road users.

1.4 An Achievable Plan

It is important to both road users and ratepayers that the Road Management Plan is achievable. The development of the Road Management Plan has considered information available to Council regarding its financial and non-financial resources, historical performance and has been developed through discussion with the people that deliver the day-to-day services for Council to ensure that targets and timeframes are achievable.

1.5 A Readable Plan

The Road Management Plan helps the community to understand how Council will meet its obligations under the *Road Management Act 2004*. It is structured and written using simple language where possible. The Road Management Plan presents information in tables where practical and incorporates a number of photos and diagrams to explain some of the more technical terms.

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2 ROLES OF THE ROAD AUTHORITY

2.1 Coordinating Road Authority and Responsible Road Authority

Council is the Coordinating Road Authority as defined by the *Road Management Act 2004* for municipal roads within its boundaries. These are roads that Council considers are reasonably required for general public use.

Council is the Responsible Road Authority for all roads on the register for which the Council is identified as having care and management responsibility. The Road Management Act 2004 sets out the powers and duties of the road authority to manage the roads for which it is the responsible authority, and to install and maintain infrastructure on those roads.

There are a number of other authorities responsible for parts of the road network and/or infrastructure within the road reserves within the municipality.

2.2 VicRoads

VicRoads is the Coordinating Road Authority for all State Roads.

Council is responsible for Council owned assets within road reserves where VicRoads is the Coordinating Road Authority, for example Council pathways on a VicRoads arterial road. Likewise, VicRoads' responsibility can extend into adjoining roads where Council is the Coordinating Road Authority. The demarcation between Council and VicRoads' responsibilities is detailed in the *Road Management Act 2004 Code of Practice – Operational Responsibility for Public Roads (Code of Practice)*.

Figures 2, 3 and 4 provide typical examples of demarcation between VicRoads and Council on roads within the Surf Coast Shire. Other demarcation arrangements can be found by referring to the Code of Practice.

Figure 2 – Demarcation Arrangements Urban Arterial Roads with service roads

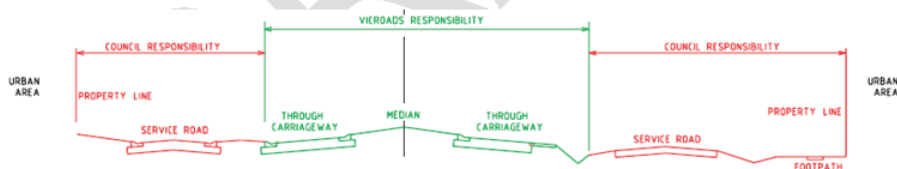
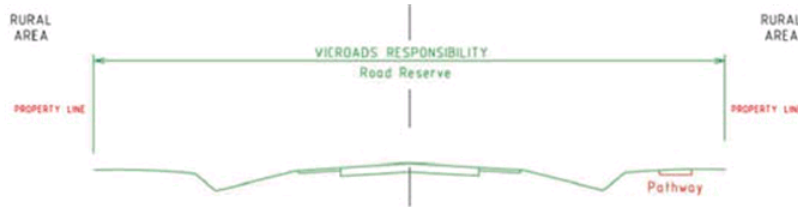


Figure 3 – Demarcation Arrangements Urban Arterial Roads



Figure 4 – Demarcation Arrangements for Typical Rural Arterial Roads



2.3 Department of Environment, Land, Water and Planning (DELWP)

A number of roads and tracks exist on Crown Land (other than road reserves), or Great Ocean Road Coast Committee (GORCC) eg. national and regional parks. In the absence of any other specific arrangements or agreements, DELWP, Parks Victoria or GORCC have management responsibility of these roads.

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3 OTHER STAKEHOLDERS

The Road Management Plan is intended to demonstrate to stakeholders that Council is managing its roads and road-related assets responsibly.

3.1 Key Stakeholders

The key stakeholder groups who are both users of the road network and are affected by it include:

- the community in general;
- residents and businesses adjoining the road network;
- pedestrians;
- users of a range of miscellaneous smaller, lightweight vehicles such as bicycles, motorised buggies, wheelchairs and prams;
- vehicle users using motorised vehicles such as trucks, buses, commercial vehicles, cars and motor cycles;
- tourists and visitors to the area;
- utilities as described in Section 3 of the *Road Management Act 2004*;
- school, bus and public transport operators;
- Emergency agencies (Police, CFA, Ambulance, VIC SES); and
- Victorian and Australian Governments.

3.2 Duty of the Road User

Road users have a duty in respect of the use of a road or road related area as defined by the *Road Safety Act 1986*. This duty is set out in Clause 17A of the *Road Safety Act 1986* and imposes an obligation on all road users to operate in a safe manner having regard to the road conditions. A road user must also:

- Have regard to the rights of other road users and take reasonable care to avoid any conduct that may endanger the safety or welfare of other road users;
- Have regard to the rights of the community and infrastructure managers in relation to road infrastructure and non-road infrastructure on the road reserve and take reasonable care to avoid any conduct that may damage road infrastructure and non-road infrastructure on the road reserve; and
- Have regard to the rights of the community in relation to the road reserve and take reasonable care to avoid conduct that may harm the environment of the road reserve.

The Road Management Plan does not diminish any obligations of the Road User.

3.3 Duty of Persons working on Municipal Roads

Unless an exemption applies under the *Road Management Act 2004*, an organisation or person must not conduct any works in, on, under or over a road without the written consent of the Coordinating Road Authority.

If required permits are not obtained prior to commencement of eligible works in the road reserve, penalties may apply in accordance with the *Road Management Act 2004*. Fees and penalties are indexed annually by the State Government.

Works requiring written consent of the Coordinating Road Authority include works on pathways and nature strips, including the installation or modifications of driveways outside of private property.

In the case of Municipal Roads, Council is the Coordinating Road Authority. Organisations and people seeking consent for works within road reserves are required to apply for a [Works Within Road Reserve Permit](#). Application forms can be obtained from Council offices or the Council website www.surfcoast.vic.gov.au.

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4 SCOPE OF THE ROAD MANAGEMENT PLAN

4.1 What does the Road Management Plan address?

The Road Management Plan outlines how Council will satisfy its obligations under the *Road Management Act 2004* to inspect, repair and maintain those roads management by Council.

The *Road Management Act 2004* imposes a statutory duty to inspect the following parts of a public road:

- a) a roadway;
- b) a pathway;
- c) a shoulder;
- d) road infrastructure.

When Council inspects the roads on the road register, it will look for hazards and defects across a number of asset types that include:

- (i) Road surface and supporting pavement;
- (ii) Constructed pathways (pedestrian, bicycle and equestrian);
- (iii) Constructed car parking (within the road reserve);
- (iv) Road shoulders;
- (v) Bridges and large culverts as part of roads infrastructure;
- (vi) Kerb and channel;
- (vii) Selected regulatory signs.

The above applies to public roads listed on the Road Register and includes boundary roads which Council which has responsibility through agreement with the adjoining council.

4.2 What does the Road Management Plan not address?

The Road Management Plan is part of an integrated management approach to Council's road management responsibilities. Each year Council allocates financial and non-financial resources to the operation and maintenance of the road network to support its intended purpose and function.

Although Council also carries out inspection and maintenance of roadside, stormwater and drainage assets, fire hydrants, street trees and information signs, the maintenance and inspection of these assets is outside the scope of this Road Management Plan. The operation and maintenance of these assets are covered by separate operational plans (refer to Figure 1).

The Road Management Plan does not address recurrent works that are programmed regardless of hazards and defects.

The *Road Management Act 2004* does not impose a statutory duty that creates a duty to upgrade a road or to maintain a road to a higher standard than the standard to which the road is constructed.

The Road Management Plan does not address capital investment or upgrade decisions of Council to upgrade the standard of a road or change its classification in the road hierarchy.

Other matters that are outside the scope of the Road Management Plan are:

- Roads that are managed by VicRoads, other state departments and government authorities (refer to Section 2.2 and 2.3); and
- Private roads and private assets (refer to Sections 4.2.1 and 4.2.2)

4.2.1 Service Utilities

Council is not responsible for service authority assets contained within road reserves where Council is the designated Coordinating Road Authority. These assets include infrastructure for water supply, sewer, telecommunications, gas, electricity, tramways and railway functions, which are the responsibility of the relevant authority.

Table 1 Service Authority Responsibilities

Asset Type	Infrastructure Manager
Powerlines, poles and streetlights	Powercor
Traffic signal installations	VicRoads
Telecommunications Infrastructure	Telstra
Water Infrastructure	Barwon Water
Sewerage Infrastructure	Barwon Water
Gas Infrastructure	SP AusNet
Railway lines and crossings	Victrack (refer to Section 4.2.2)
National Broadband Network	NBN

The provision and maintenance of these assets is to conform to the Management of Infrastructure in Road Reserves Code of Practice – October 2008.

In general, Council does not have the authority to undertake works on service authority assets. Often this is due to the safety-related aspects of certain infrastructure, eg. risks with working around electricity or confined spaces present with sewerage infrastructure. In these instances Council may be unable to take any intervention action and will need to refer the hazard or defect to the relevant service authority or infrastructure manager to take action.

Due to the above, management and intervention of hazards non-road infrastructure that is the responsibility of service authorities are excluded from Council's responsibilities under the Road Management Plan.

4.2.2 Rail-related assets

VicTrack is responsible for maintaining railway level crossings which include the area in the immediate vicinity within three (3) metres of the railway line. Council is responsible for maintaining the approaches to the rail line and approach signage on the municipal road network. VicTrack is also responsible for road and pedestrian bridges over rail and rail over road bridges within the municipality, unless there is an individual agreement stating otherwise

4.2.3 Private roads

Council has a role in supervising the construction of private subdivisional works that occur within the municipality. This ensures that assets are constructed to an appropriate standard. Roads which are constructed as part of a subdivision are generally private roads until such time as the Statement of Compliance is finalised at which point they become public roads. There are some roads which remain privately owned and maintained. Council is not responsible for these roads.

4.2.4 Vehicle Crossovers

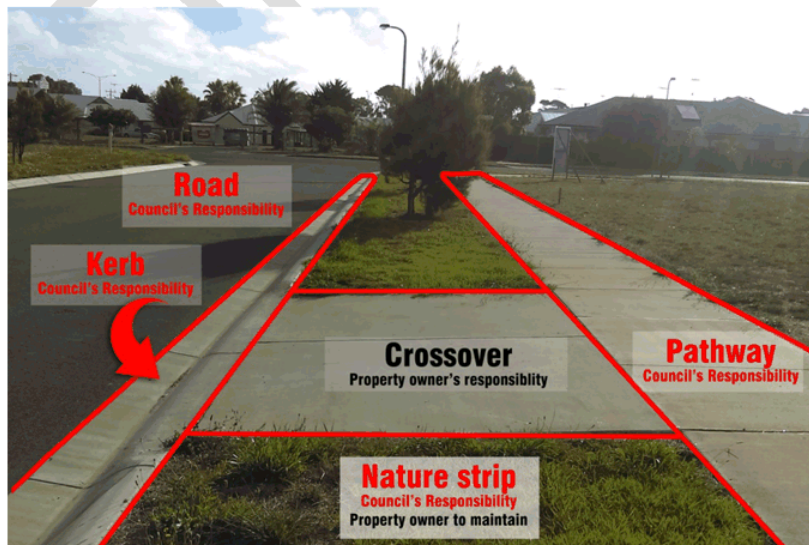
A vehicle crossover (alternatively referred to as a driveway) provides vehicular access to private property from the traffic lane of the public road.

Vehicle crossovers are the responsibility of the abutting landowner and are constructed at the landowner's expense. Landowners are responsible for ensuring the crossovers are maintained in a safe condition.

If a pathway is constructed in front of the property, Council is responsible for the section of pathway through the crossover.

The following diagram illustrates the layout of a typical vehicle crossover in urban areas, showing Council's responsibility and that of the property owner.

Figure 5 – Typical Urban Crossover



In the rural area, the typical crossover may consist of a crushed rock pavement, or sealed pavement, often including a reinforced concrete pipe or culvert and should include endwalls. All elements are the responsibility of the landowner, including general maintenance and cleaning of the pipe.

Roadside maintenance in rural areas where the speed zone is 100 kilometres per hour is the responsibility of the road authority. If landowners wish to do works in the road reserve, they should contact Council to arrange appropriate approvals.

Figure 6 – Typical Rural Crossover (A)

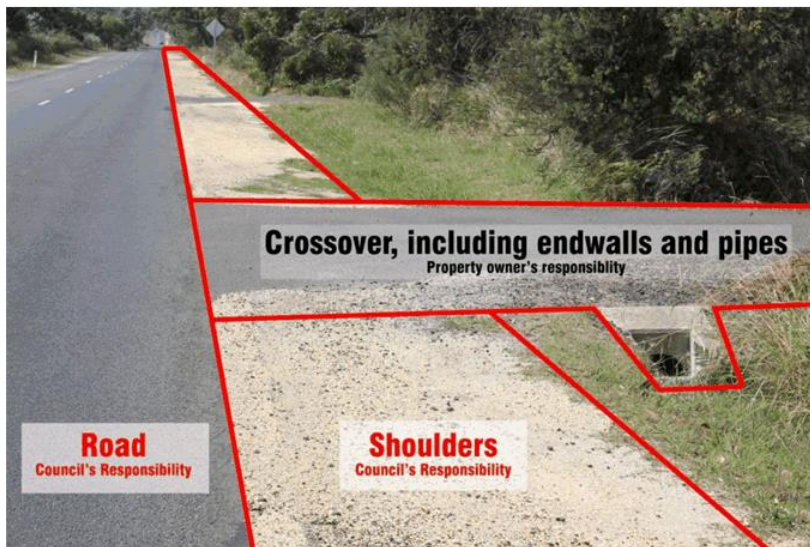
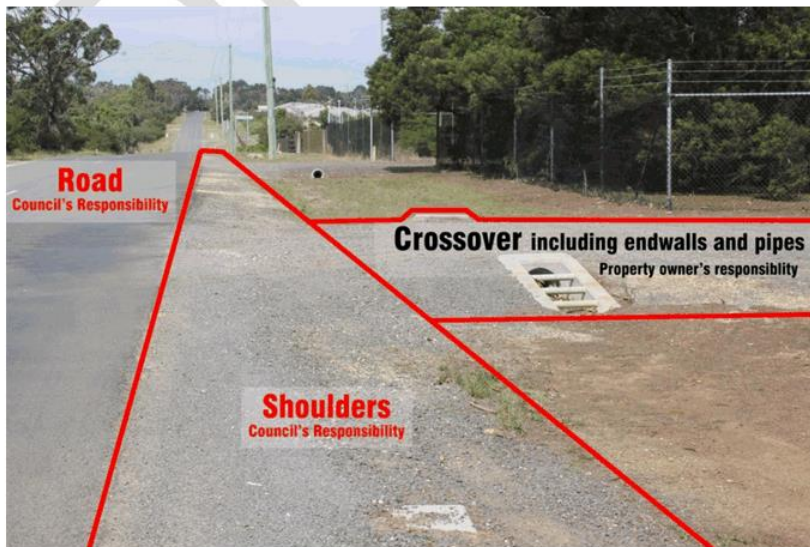


Figure 7 – Typical Rural Crossover (B)



Section 107 of the *Road Management Act 2004* provides that Council is under no statutory duty to inspect, maintain or repair private vehicle crossings (driveways) and pathways on road reserves that provide access to land adjoining a road. This responsibility rests with the adjoining landowner.

Vehicle crossings must comply with Council's specifications and standards. Landowners must obtain a Works Within Road Reserves permit (WWRR) and comply with Council specifications and WWRR permit conditions when constructing vehicle crossovers.

4.2.5 Street Lighting

Streetlights in road reserves provide a service to the community and are funded by the Council, but are owned and maintained by the respective network provider. They are therefore not covered by this Road Management Plan. The levels of service relating to these assets are considered through the Asset Management Plan and arrangements made directly with the appropriate utility.

4.2.6 Works within Road Reserves by Others

Periodically Council will issue permits and approvals for other parties to undertaken works in the road reserve (refer to Section 3.3). The Works Manager responsible for delivery of these works will be responsible for the condition of the road reserve from the commencement of construction until such time that a post-construction inspection has been conducted by Council confirming that reinstatement is satisfactory and that no hazards are present due to the works.

Until a post-construction certification or record is provided by Council, the Works Manager will be deemed to be responsible for the area of works. In situations where hazards or damaged assets are identified through inspection, and have been caused by others undertaking works in the road reserve, Council will make a record of the inspection finding and provide notice to the Works Manager to rectify the issues at their cost as per Schedule 7 of the *Road Management Act 2004*.

Management and intervention relating to hazards or damaged assets that are under the responsibility of a Works Manager or others, as outlined above, are considered to be outside of Council's responsibilities under the Road Management Plan.

5 IMPLEMENTATION OF THE ROAD MANAGEMENT PLAN

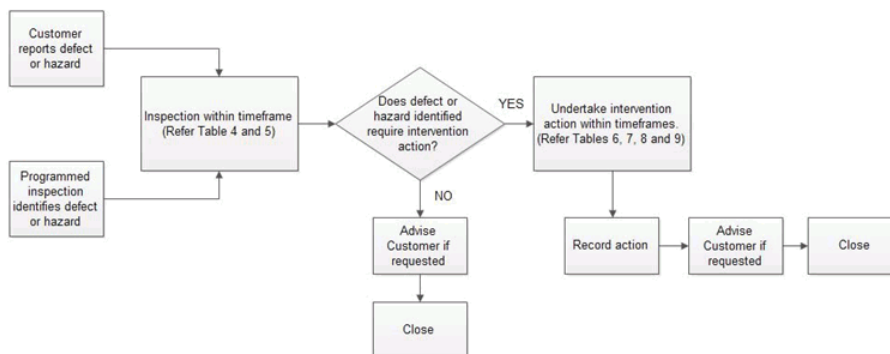
5.1 Systems, processes and skills required to implement the Road Management Plan

Council recognises that establishing targets in the Road Management Plan does not ensure their achievement. As part of the development of this Road Management Plan, Council's road management processes have been reviewed. The systems that support these processes have been aligned to the targets set in the plan and Council staff have been engaged to assure that there is both an understanding and appreciation of the role and importance of the Road Management Plan in Council's day-to-day operations.

Council's commitment to implementation of the Road Management Plan includes:

- Systems and processes that align to the timeframes established in this Road Management Plan;
- Relevant officers will be trained to ensure understanding of the existence, intent and delivery of the Road Management Plan and that annual refresher training will be delivered to staff;
- Regular reporting of the organisation's performance against compliance with this Road Management Plan will be presented to the Executive Management Team, the Audit and Risk Committee and to Council as per agreed reporting schedules; and
- Opportunities to improve the standards, understanding and implementation of the Road Management Plan, particularly noting opportunities emerging through new technology and Digital Transformation.

Figure 8 – Process for actioning identified hazards and defects



5.2 Reviews of the Road Management Plan

The Road Management Plan will be reviewed within the timeframes required under the *Road Management Act 2004*.

Council may also choose to review its Road Management Plan if:

- (a) there are changes to legislation;
- (b) there is an issue identified with the Road Management Plan;
- (c) there is an issue identified with Council's performance against the plan; or
- (d) Council's capacity to meet its obligations under the plan change substantively.

5.3 Suspension of the Road Management Plan

Although Council will make every endeavour to meet all aspects of the Road Management Plan, Council reserves the right to suspend compliance during extreme events. Pursuant to Section 83 of the *Victorian Wrongs Act (1958)*, Council's obligations may be suspended in the event of:

- Natural disasters - including, floods, fires, droughts, etc.
- Human factors - such as unavailability of Council staff or qualified Contractors.
- Any other major event beyond the control of Council.

In such circumstances, the General Manager Governance and Infrastructure may deem that the requirements of Council's Road Management Plan cannot be satisfied and will seek the Chief Executive Officer's approval to suspend all, or part of this Road Management Plan. The General Manager Governance and Infrastructure will advise the Chief Executive Officer which activities and response times in the Road Management Plan cannot be achieved.

If the Road Management Plan is suspended, the Chief Executive Officer will:

- (i) Ensure that there is a record of when the Road Management Plan is suspended and the circumstances that led to the suspension;
- (ii) Determine whether interim timeframes and responses will apply;
- (iii) Determine which parts of the Road Management Plan are to be reactivated and when; and
- (iv) Ensure that there is a record of when the Road Management Plan is reactivated.

In the event that the Chief Executive Officer suspends all or part of the Road Management Plan, Council will issue a public notice on its website and local papers to advise residents about the suspension or reduction of services under the Road Management Plan.

5.3.1 Extreme or Code Red Days

Council's priority on any day declared as Extreme or Code Red by the Country Fire Authority is for the safety of its employees, Councillors, contractors and volunteers. On these days, Council's Code Red and Extreme Fire Danger Policy will apply and have precedence over any aspect of the Road Management Plan.

- Council Services in all areas, except the Civic Offices, will not be provided on days declared as Code Red.
- Council Services in Highest Risk Areas during Highest Risk Times will not be provided on days declared as Extreme in the Surf Coast Shire.
- Council Services based in all other areas on days declared as an Extreme will be provided unless:
 - Staff required to provide these services have to travel through Highest Risk Areas at Highest Risk Times; or
 - Emergency Services advise it is unsafe to provide Council services.

6 ROAD REGISTER

Section 19 of the *Road Management Act 2004* requires that a road authority must keep a Register of Public Roads specifying the public roads in respect of which it is the Coordinating Road Authority.

Council's Register of Public Roads is available for inspection on Council's website via www.surfcoast.vic.gov.au.

The Register of Public Roads includes the following details:

- Road name and locality
- Road section description
- Responsible Road Authority
- Road classification
- Asset hierarchy
- The date on which the road became a public road, if it became a road after 1 July 2004
- Other relevant details

The Road Register will be updated at intervals of no greater than 12 months and the current register will be accessible on Council's website.

6.1 Hierarchy Classifications

Based on factors such as functionality, traffic volumes, traffic type and accessibility, Council has developed a road hierarchy for the Municipal Road Network.

The Levels of Service provided by a particular road will depend in part on its road hierarchy classification. The road hierarchy classifications for each Municipal road and path are detailed in the [Road Register](#).

Table 2 Road and Pathway Hierarchy Classification

Asset type	Road Hierarchy Classification	Road Hierarchy Description
Roads	Primary Collector	Provides a strategic link between arterial roads, suburbs, commercial areas, major housing areas or a defined destination. Access to tourist facilities or industrial centres and may include regional links. These roads carry the heaviest volumes of traffic.
	Secondary Collector	Provides connection into residential areas. These roads carry heavy volumes of traffic.
	Primary Access	Provides access to local residents or secondary access to commercial areas.
	Secondary Access	Provides secondary access to residential properties, or provides access to property (non-residential) only.

Asset type	Road Hierarchy Classification	Road Hierarchy Description
	Tracks	<p>These tracks have little or no imported pavement material but are not closed to the public. They are infrequently used or dry weather or fire access only.</p> <p>These tracks are not maintained to a standard suitable for general public access and are excluded from the inspection and response requirements of the Road Management Plan. Council may undertake maintenance on nominated fire access tracks to allow access for fire fighting vehicles. This is done through specific agreement rather than under the Road Management Plan.</p>
Pathways	Primary Pathway	Pathways, including shared pathways, providing direct access or adjoining to significant facilities such as Shopping Precincts / Aged Care Units / Schools / Kindergartens / Hospitals
	Secondary Pathway	Remainder of constructed pathway network

6.2 Boundary Roads

It is more efficient and economical for certain councils to maintain particular roads due to their isolation from the rest of a neighbouring Council's road network. Surf Coast Shire Council has roads in the following categories:

- Shared roads
- Surf Coast roads maintained by others under written agreement; and
- Another council's roads maintained by Surf Coast Shire Council.

7 SETTING SERVICE LEVELS

7.1 Principles and Risk Management Philosophy

Section 20 of the *Road Management Act 2004* states that “the principal object of road management is to ensure that a network of roads is provided primarily for the movement of persons and goods as part of an integrated transport system and that road reserves are available for other appropriate uses.”

A key principle of the *Road Management Act 2004* that applies to the management of works and infrastructure is the minimisation of road safety hazards. In the application of this principle, Council has taken a risk management approach to the development of timeframes and intervention levels that apply to the inspection and repair of hazards and defects.

The hazards and defects, intervention levels and timeframes documented in this Road Management Plan have considered:

- The anticipated traffic volumes of different classification of roads;
- The likelihood that a particular type or extent of defect or hazard may contribute to an incident resulting in harm to persons or damage to property; and
- The potential harm that might be experienced in the event of an incident.

The above considerations are balanced with the cost to the community of infrastructure and services.

The above principles and considerations are reflected in the nominated timeframes and intervention levels outlined in Tables 4 to 9.

7.2 Community considerations

Council sets levels of service for its roads in accordance with the needs of the community. To do this Council uses various techniques to identify those needs, then considers those needs within the overall context of its road management resources.

Techniques to identify the community needs include:

- Community Satisfaction Measurement Survey;
- Council’s Customer Service Request system data.

7.3 Financial and non-financial considerations

To evaluate its resources, Council’s considerations include:

- Asset Management requirements as outlined in “Strategic Overview of Asset Management” and “Roads Asset Management Plan” documents.
- Level of service (Road Maintenance Service Level Agreement only, but also IDM).
- Annual budget for both recurrent and capital works expenditure.

7.4 Inspection, maintenance and repair commitments

For the purpose of the tables in Section 7, Council defines “days” as usual business days, excluding weekends, public holidays, and common rostered days off.

7.4.1 Inspection types

Council undertakes regular inspections of municipal roads as part of the Road Management Plan. The table below outlines the definition and purpose of each inspection type.

Table 3 Inspection Types

Inspection Type	Definition and Purpose
Reactive inspection	<ul style="list-style-type: none"> • Inspections undertaken in response to notification to council by members of the community. • These inspections allow Council to program required works where an intervention action is warranted.
Proactive Inspection	<ul style="list-style-type: none"> • Inspection undertaken in accordance with a programmed inspection schedule. • These inspections determine if the road asset complies with the levels of service as specified in the Road Service Level Agreement.
Condition Inspection	<ul style="list-style-type: none"> • Inspection undertaken specifically to identify deficiencies in the structural integrity of the various components of the road infrastructure assets which if untreated, are likely to adversely affect network values. The deficiencies may well impact short-term serviceability as well as the ability of the component to continue to perform for the duration of its intended life span. • Condition data will inform Council’s long term asset management planning.
Incident Inspection	<ul style="list-style-type: none"> • An inspection carried out to comply with the requirements the Road Management Act [Division 5 – Claims Procedure, Clause 116]; • This inspection enables an incident condition report to be prepared for use in legal proceedings and the gathering of information for the analysis of the causes of accidents and the planning and implementation of road management and safety measures.

7.4.2 Inspection frequency

An inspection regime has been established for all roads and road related infrastructure identified as part of the Road Management Plan. This regime has been established having considered issues outlined in Section 6.

The frequency of the inspections is greater for roads and road related infrastructure of higher classification and usage. The schedule set out in the table below and identifies the frequency that inspections must take place.

Table 4 Inspection Program and/or Response Times for Roads

Inspection type	Hazard or defect	Collector Roads		Access Roads		Tracks
		Primary Collector	Secondary Collector	Primary Access	Secondary Access	
Reactive Inspection	Water over road Spillage / obstruction Stop and Give Way signage	Respond by inspecting within four (4) hours and implement temporary repairs or signage as required.	Respond by inspecting within four (4) hours and implement temporary repairs or signage as required.	Respond by inspecting within four (4) hours and implement temporary repairs or signage as required.	Respond by inspecting within four (4) hours and implement temporary repairs or signage as required.	No inspections carried out by Council.
Reactive Inspection	Other defects as listed on Tables 6, 7, 8 and 9.	Respond by inspecting within five (5) days and implement temporary repairs or signage as required.	Respond by inspecting within five (5) days and implement temporary repairs or signage as required.	Respond by inspecting within five (5) days and implement temporary repairs or signage as required.	Respond by inspecting within five (5) days and implement temporary repairs or signage as required.	
Proactive Inspection	Refer to Council's Service Level Agreement	Daytime: Cape Otway Road will be inspected every one month. All other roads will be inspected as per maintenance programs, but at least every two months. Night time reflective signage: Every 12 months	Daytime: Based on the maintenance program, but at least every two months. Night time reflective signage: Every 12 months	Daytime: Based on the maintenance program, but at least three months. Night time reflective signage: Every 12 months	Based on the maintenance program, but at least every six months. Night time reflective signage: Every 12 months	
Condition Inspection	As per Council's Condition Inspection methodology	Every 36 months	Every 36 months	Every 36 months	Every 36 months	

Table 5 Inspection Program and/or Response Times for Pathways

Inspection type	Hazard or defect	Primary Pathway	Secondary Pathway
Reactive Inspection	Other defects as listed on Table 6, 7, 8 and 9.	Respond by inspecting within three (3) days and implement temporary repairs or signage as required.	Respond by inspecting within three (3) days and implement temporary repairs or signage as required.
Proactive Inspection	Refer to Council's Service Level Agreement	Based on the maintenance program, but at least every six months.	Based on the maintenance program, but at least every twelve months.
Condition Inspection	As per Council's Condition Inspection methodology	Every 36 months	Every 36 months

7.4.3 Intervention action

Council recognizes that assets deteriorate over time and through use. Road-related assets may deteriorate and defects might be detected that need to be addressed in time, but do not pose an immediate or significant risk to road users.

When a defect has a certain scale, size or location the defects may become a hazard to the road user that needs to be addressed through an intervention action. Council has defined the criteria for which it will take an intervention action in this Road Management Plan. Other defects will be addressed through routine and programmed maintenance activities.

Criteria for interventions actions are presented in Tables 6, 7 and 9 of the Road Management Plan.

Further definitions and clarifications follow to assist the understanding of defects, hazards and intervention actions.

Signage

Regulatory signs are enforceable by law and must be obeyed by road users. The types of regulatory signs are limited to the following:

- Stop
- Give Way
- Roundabout
- One Way
- Keep Left/Right
- No Entry
- No U Turn
- Speed restriction

Warning signs indicate road conditions and are limited to the follow:

- Alignment signs (W1 type)
- Intersection and junction signs (W2) type

Standard signs are all other signs not listed above.

Pipes and Culverts

Council defines a culvert as a transverse and totally enclosed drain under a road, railway or culvert.

A major culvert is a drain greater than six square metres in open flow area.

Table 6 Intervention Actions and Timeframes for Sealed Roads

Hazard or defect	Criteria for Intervention Action	Collector Roads		Access Roads	
		Primary Collector	Secondary Collector	Primary Access	Secondary Access
Water Across Roads	Obstruction to more than 50% of traffic lane with water greater than 300mm deep.	1 day	1 day	1 day	1 day
Spillage / obstruction	Debris, including fallen limbs, on carriageway causing an obstruction to more than 50% of the traffic lane.	1 day	1 day	1 day	1 day
Rutting	Greater than 150mm depth and less than 300mm depth, greater than 25m long, as measured by a three (3) metre straight edge from centreline towards edge of seal.	50 days	50 days	50 days	60 days
	Greater than 300mm depth and greater than 25m long, as measured by a three (3) metre straight edge from centreline towards edge of seal.	15 days	15 days	15 days	15 days
Potholes	Greater than 50mm depth and less than 100mm depth, with a diameter greater than 300mm.	10 days	10 days	15 days	15 days
	Greater than 300mm diameter and greater than 100mm depth	5 days	5 days	10 days	10 days
Edge Breaks	Reduction in original sealed width of greater than 150mm, for greater than 20 metres in length.	25 days	25 days	60 days	NA
	Reduction in original sealed width of greater than 250mm, for greater than 5 metres in length.	15 days	15 days	30 days	NA
Shoulders	Edge of seal drop greater than 100mm, for greater than 20 metre length of seal.	50 days	50 days	60 days	60 days

Table 6 Intervention Actions and Timeframes for Sealed Roads

Hazard or defect	Criteria for Intervention Action	Collector Roads		Access Roads	
		Primary Collector	Secondary Collector	Primary Access	Secondary Access
Sight distances - grass/shrubs	Intersections where grass/shrub height is greater than 900 mm above the general road surface level and within the sight triangle. (Refer to Appendix D).	5 days	10 days	15 days	20 days
Sight distances - overhanging vegetation	Intersections where overhanging vegetation sit below 2 metres above the general road surface and within the sight triangle. (Refer to Appendix C).	5 days	10 days	15 days	20 days
Signage – Stop and Give Way	Signs missing or more than 70% of sign illegible at 100m distance.	4 hours	4 hours	4 hours	4 hours
Signage – Other regulatory signage	Sign missing or more than 70% of sign illegible at 100m distance.	10 days	10 days	10 days	10 days
Vegetation Clearance (Appendix C)	Overhanging vegetation above traffic lanes less than 4.9m from the road surface.	60 days	60 days	200 days	200 days

Table 7 Intervention Actions and Timeframes for Unsealed Roads

Hazard or defect	Criteria for Intervention Action	Collector Roads		Access Roads	
		Primary Collector	Secondary Collector	Primary Access	Secondary Access
Water Across Roads	Obstruction to more than 50% of traffic lane with water greater than 300mm deep.	1 day	1 day	1 day	1 day
Spillage / obstruction	Debris on carriageway causing an obstruction to more than 50% of the traffic lane	1 day	1 day	1 day	1 day
Rutting	Greater than 150mm depth and less than 300mm depth, greater than 25m long as measured by a three (3) metre straight edge from centreline towards edge of road.	50 days	50 days	50 days	60 days
	Greater than 300mm depth, greater than 25m long as measured by a three (3) metre straight edge from centreline towards edge of road.	15 days	15 days	15 days	15 days
Potholes	Greater than 100mm depth and less than 150mm depth, with a diameter greater than 500mm.	NA	30 days	30 days	30 days
	Greater than 150mm depth, with a diameter greater than 500mm.	NA	15 days	15 days	15 days
Corrugations	Corrugations greater than 35mm in depth to less than 75mm in depth, for a length greater than 300 metres road length.	NA	60 days	60 days	60 days
	Corrugations greater than 75mm in depth, for a length greater than 300 metres road length.	NA	15 days	15 days	15 days
Sight distances - grass/shrubs	Intersections where grass/shrub height is greater than 900 mm above the general road surface level and within the sight triangle. (Refer to Appendix D)	5 days	10 days	15 days	20 days

Table 7 Intervention Actions and Timeframes for Unsealed Roads

Hazard or defect	Criteria for Intervention Action	Collector Roads		Access Roads	
		Primary Collector	Secondary Collector	Primary Access	Secondary Access
Sight distances - overhanging vegetation	Intersections where overhanging vegetation sit below 2 metres above the general road surface and within the sight triangle. <i>(Refer to Appendix C)</i>	5 days	10 days	15 days	20 days
Signage – Stop and Give Way	Signs missing or more than 70% of sign illegible at 100m distance	4 hours	4 hours	4 hours	4 hours
Signage – other	Sign missing or more than 70% of sign illegible at 100m distance.	10 days	10 days	10 days	10 days
Vegetation Clearance (Appendix C)	Overhanging vegetation above traffic lanes less than 4.9m from the road surface.	60 days	60 days	200 days	200 days

Table 8 Intervention Actions and Timeframes for Bridges, Major Culverts and Drainage

Hazard or defect	Criteria for Intervention Action	Timeframe
Lid/ pit damage/ open	Lid or pit damaged leaving pit open and exposed	1 day
Bridge damage	Make safe damage to superstructure of bridge	1 day
	Make safe missing planks or railings.	1 day
	Make safe damaged planks, railings or signs.	10 days

Table 9 Intervention Actions and Timeframes for Pathways (concrete, gravel and other)

Hazard or defect	Criteria for Intervention Action	Primary Pathway	Secondary Pathway
Steps/ Breaks	Greater than 20mm step or misalignment in path surface levels (concrete)	30 days	60 days
Pothole	Greater than 300mm diameter and greater than 50mm depth.	30 days	60 days
Signage	Guideposts or reflectors significantly damaged. Signs missing or less than 70% of sign illegible at 100m distance	30 days	30 days

8 DEFINITIONS

8.1 Definitions from the Road Management Act

arterial road means a road which is declared to be an arterial road under section 14 of the *Road Management Act 2004*.

municipal road means any road which is not a State road, including any road which:

- (a) is a road referred to in section 205 of the Local Government Act 1989; or
- (b) is a road declared by VicRoads to be a municipal road under section 14(1)(b) of the RMA
- (c) is part of a Crown land reserve under the Crown Land (Reserves) Act 1978 and has the relevant municipal council as the committee of management;

public highway means any area of land that is a highway for the purposes of the common law;

public road means a road opened or dedicated for the free right of passage of the public on foot, in a vehicle, or otherwise, (together with the right to drive stock or other animals along its length) and declared to be a public road for the purposes

repair means the taking of any action to remove or reduce a risk arising from a defect in a roadway, pathway or road-related infrastructure, including:

- (a) reinstating a road to its former standard following works to install any infrastructure;
- (b) reinstating a road to its former standard following deterioration or damage;
- (c) providing a warning to road users of a defect in a roadway, pathway or road related infrastructure - but does not include the upgrading of a roadway, pathway or road-related infrastructure

Examples: Filling in a pothole in a roadway, resurfacing the roadway and erecting a warning sign would be actions to repair the road.

road includes:

- (a) any public highway;
- (b) any ancillary area;
- (c) any land declared to be a or forming part of a public highway or ancillary area.

road infrastructure means:

- (a) the infrastructure which forms part of a roadway, pathway or shoulder, including
 - (i) structures forming part of the roadway, pathway or shoulder;
 - (ii) materials from which a roadway, pathway or shoulder is made;
- (b) the road-related infrastructure - does not include:
- (c) if the irrigation channel, sewer or drain is **works** within the meaning of the **Water Act 1989**, any bridge or culvert over an irrigation channel, sewer or drain, other than a bridge or culvert constructed by a road authority; or

road-related infrastructure means infrastructure which is installed or constructed by the relevant road authority for road-related purposes to:

- (a) facilitate the operation or use of the roadway or pathway; or
- (b) support or protect the roadway or pathway;

Examples: A traffic control sign, traffic light, street light, road drain or embankment would be road-related infrastructure. A noise wall, gate, post or board installed on the road reserve by the relevant road authority for road-related purposes would be road-related infrastructure.

road reserve means all of the area of land that is within the boundaries of a road.

9 REFERENCES

Legislation, Standards Codes of Practice, Guidelines, Council Strategies, Policies, Quality Plans and Procedures that are relevant to this Road Management Plan include:

Legislation:

- Local Government Act 1989
- Road Management Act 2004
- Transport Act 1983
- Road Safety Act 1986 (Amended 2004)

Regulations:

- Road Management (General) Regulations 2005
- Road Management (Works and Infrastructure) Regulations 2005
- Codes of Practice:
- Road Management Plans
- Clearways on Declared Arterial Roads
- Operation Responsibility for Public Roads
- Worksite Safety – Traffic Management
- Management of Road and Utility Infrastructure in Road Reserves

Council documents:

- Council Plan 2017-2021
- Council Strategic Infrastructure Asset Management Policy 2016
- Council Road Asset Management Plan
- Council Service Agreement for Road Reserve Maintenance
- Council Road Safety Strategy 2017-2021
- Council AusSpec Design & Construction Manual 2003.
- Roadside Vegetation Management Plan
- Construction of Vehicular Property Entrances

APPENDIX A - ROADS THAT ARE THE RESPONSIBILITY OF OTHERS

VicRoads – Arterial Roads (Highways, Main Roads and Tourist Roads)

- Great Ocean Road
- Princes Highway
- Surf Coast Highway
- Anglesea Road
- Barrabool Road (Merrawarp Road to Devon Road)
- Bells Beach Road (Bones Road to Jarosite Road)
- Bells Boulevard
- Birregurra Deans Marsh Road
- Bones Road (Bells Boulevard to Bells Beach Road)
- Deans Marsh Lorne Road
- Devon Road
- Hendy Main Road
- Inverleigh Winchelsea Road
- Winchelsea Deans Marsh Road
- Lower Duneed Road

Shared Road Responsibilities

Roads where the centreline forms the shire boundary, have historically been maintained with a formal or informal agreement between the two Councils.

The *Road Management Act* requires clarification of the responsibilities for these roads and allows Surf Coast Shire Council to transfer responsibility for maintenance to another entity.

The following is a breakdown of the shared boundary roads, roads which the Surf Coast Shire will accept full responsibility (inspect, maintain and repair in accordance with our standards), and roads which we have transferred responsibility to another Road Authority.

Colac Otway Shire

Maintained By Surf Coast Shire Council

- Benwerrin Mt. Sabine Road (1km south of Erskine Falls Road to Shire Boundary)
- Ingleby Road
- Pennyroyal Wymbooliel Road
- Prices Lane (Cressy Road to Ondit Road West)
- Salt Creek Road (Cape Otway Road to Rifle Butts Road)
- Wingeel Road (Cressy Road to McIntyres Road)

Maintained by Colac Otway Shire

- Bushs Lane

- Lidgerwoods Lane
- Prices Lane (Ondit Road West to Princes Highway)
- Salt Creek Lane (Rifle Butts Road to Birregurra Deans Marsh Road)

Golden Plains Shire

Maintained by Surf Coast Shire Council

- McIntyres Road
- Pollocksford Road Bridge

Maintained by Golden Plains Shire

- Gallaghers Road
- Barwon Park Road Bridge
- Flemmings Road Bridge

City of Greater Geelong

Maintained by Surf Coast Shire Council

- Honeys Road
- Mt Duneed Road (Anglesea Road to Pettavel Road)
- Pettavel Road (Princes Hwy to Mt Duneed Road)

Maintained by City of Greater Geelong

- Blackgate Road (Breamlea Road to Bridge)
- Breamlea Road (Barwon Heads Road to Blackgate Road)
- Mt Duneed Road (Surf Coast Hwy to Anglesea Road)
- McCartney's Bridge (Blackgate Road)

Arrangements are in place to clarify maintenance responsibility for these roads. The Road Register identifies which Councils have maintenance responsibilities for various sections of the boundary roads.

Councils generally share road or bridge renewal and rehabilitation costs on an equal basis when these works are require

APPENDIX B - EXAMPLES OF HAZARDS AND DEFECTS

Photo Reference	1 and 2
Inspect for	Rutting
Classification	Sealed road
Photo 1 – Requires intervention action	Photo 2 - Below intervention action
	
Greater than 150mm depth, greater than 25m long.	Less than 150mm depth, less than 25m long.



Photo Reference	3 and 4
Inspect for	Potholes
Classification	Sealed road
Photo 3 – Requires intervention action	Photo 4 - Below intervention action
	
Potholes greater than 300mm diameter and greater than 50mm depth.	Potholes less than 300mm diameter or less than 50mm depth



Photo Reference	5 and 6
Inspect for	Edge breaks
Classification	Sealed road
Photo 5 – Requires intervention action	Photo 6 - Below intervention action
	
Reduction in original seal width. 150mm for greater than 20 metres in length.	Reduction in original seal width. Less than 150mm for less than 20 metres in length.



Photo Reference	7 and 8
Inspect for	Shoulders
Classification	Sealed road
Photo 7 – Requires intervention action	Photo 8 - Below intervention action
	
Edge of seal drop greater than 100mm for greater than 20m in length.	Edge of seal drop less than 100mm for less than 20 metres in length.



Photo Reference	9 and 10
Inspect for	Rutting
Classification	Unsealed road
Photo 9 – Requires intervention action	Photo 10 - Below intervention action
	
Greater than 150mm depth, and greater than 25m long.	Less than 150mm depth, and less than 25m long.



Photo Reference	11 and 12
Inspect for	Potholes
Classification	Unsealed road
Photo 11 – Requires intervention action	Photo 12 - Below intervention action
	
Greater than 500mm diameter and greater than 100mm depth, or more than 10 potholes of this size or greater in 10 linear metres.	Less than 500mm diameter and less than 100mm depth, or less than 10 potholes of this size or smaller in 10 linear metres.



Photo Reference	13 and 14
Inspect for	Corrugation
Classification	Unsealed road
Photo 13 – Requires intervention action	Photo 14 - Below intervention action
	
Corrugations greater than 35mm in depth for a length greater than 300m road length.	Corrugations greater less than 35mm in depth for a length greater than 300m road length.



Photo Reference	15 and 16
Inspect for	Lid or pit damage
Classification	Drainage
Photo 15 – Requires intervention action	Photo 16 - Below intervention action
	
Lid or pit damaged leaving pit open and exposed.	

Photo Reference	17 and 18
Inspect for	Damaged planks, railings or signs
Classification	Bridges
Photo 17 – Requires intervention action	Photo 18 - Below intervention action
	
Make safe damage to hand railings.	


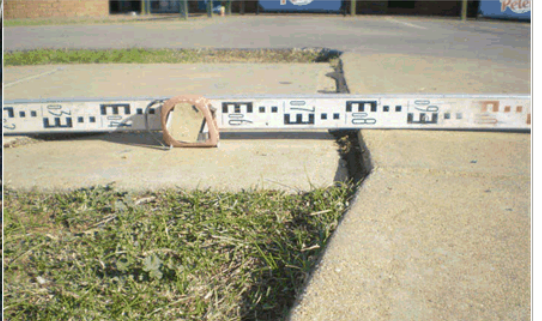
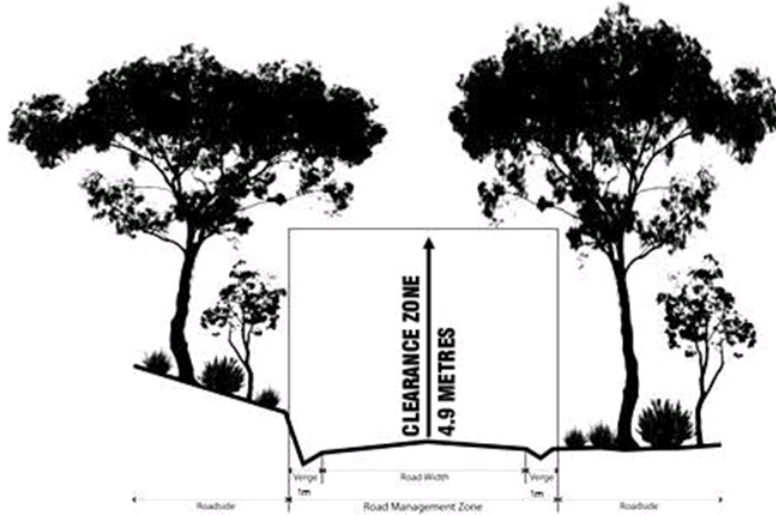
Photo Reference	19 and 20
Inspect for	Steps and breaks
Classification	Primary pathways
Photo 19 – Requires intervention action	Photo 20 - Below intervention action
	
Greater than 20mm step or misalignment in concrete path surface levels.	Less than 20mm step or misalignment in concrete path surface levels.

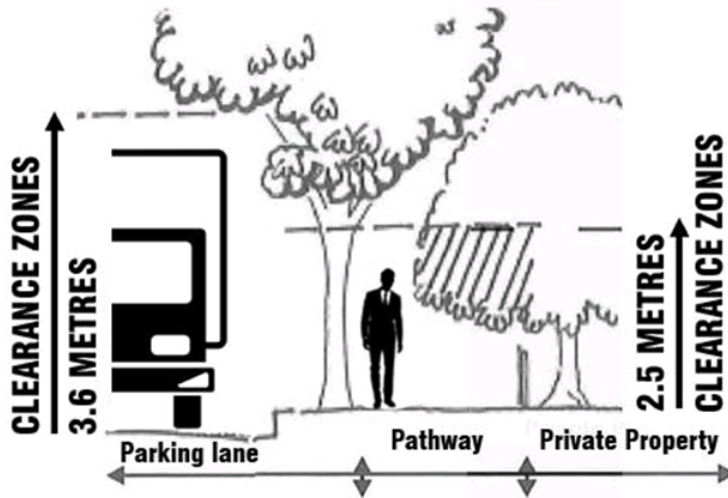
Photo Reference	20 and 21
Inspect for	Water across road, hazard to traffic
Classification	Sealed and unsealed roads
Photo 20 – Requires intervention action	Photo 21 - Requires intervention action
	
Water over the carriageway – hazard to traffic.	Debris on carriageway causing a serious obstacle.

DRAFT

APPENDIX C - VEGETATION CLEARANCE

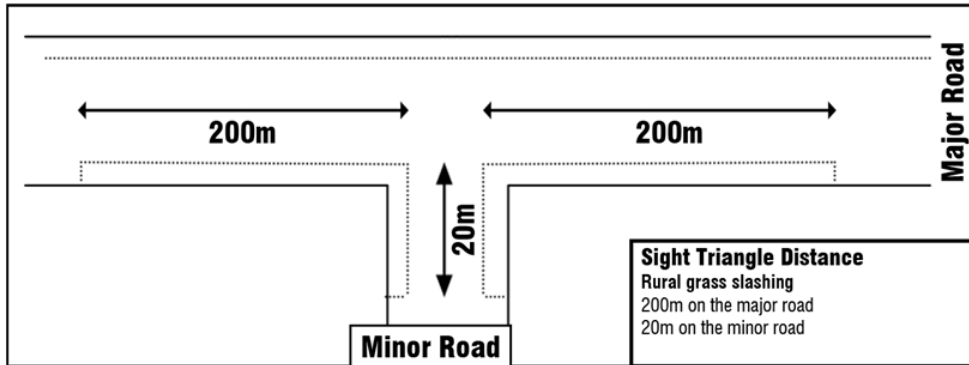


Above: Example of vegetation clearance zone over traffic lanes (urban and rural).

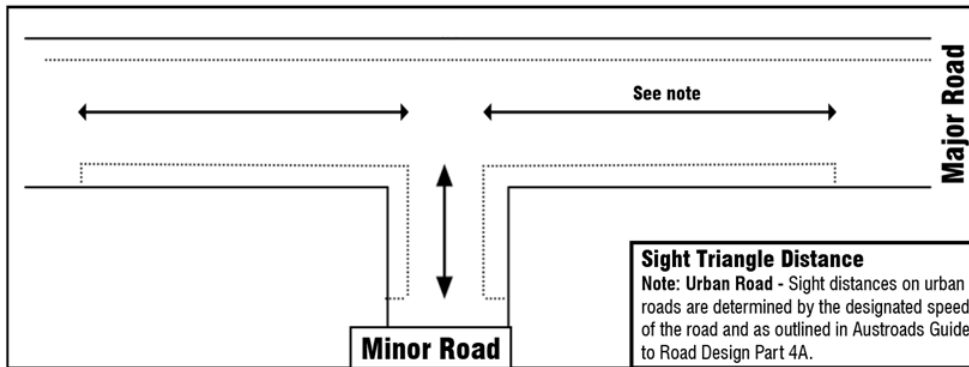


Above: Example of vegetation clearance zones required from private property in urban areas.

APPENDIX D - INTERSECTION SIGHT TRIANGLE



Above: Rural road sight triangle distance



Above: Urban road sight triangle distance

Close: There being no further items of business the meeting closed at 6.22pm.