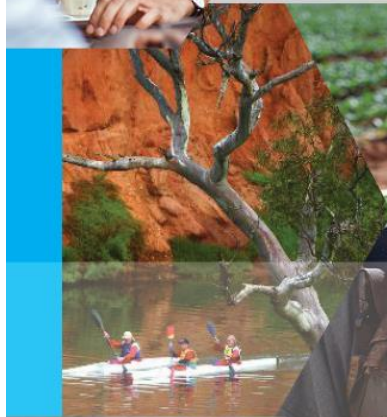




2016/17

Integrated Plan & Budget



Community First

Initiatives & Budget
for Year 4 of Council's
4 year City Plan 2013-2017

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Integrated Plan & Budget 2016/17 - Foreword

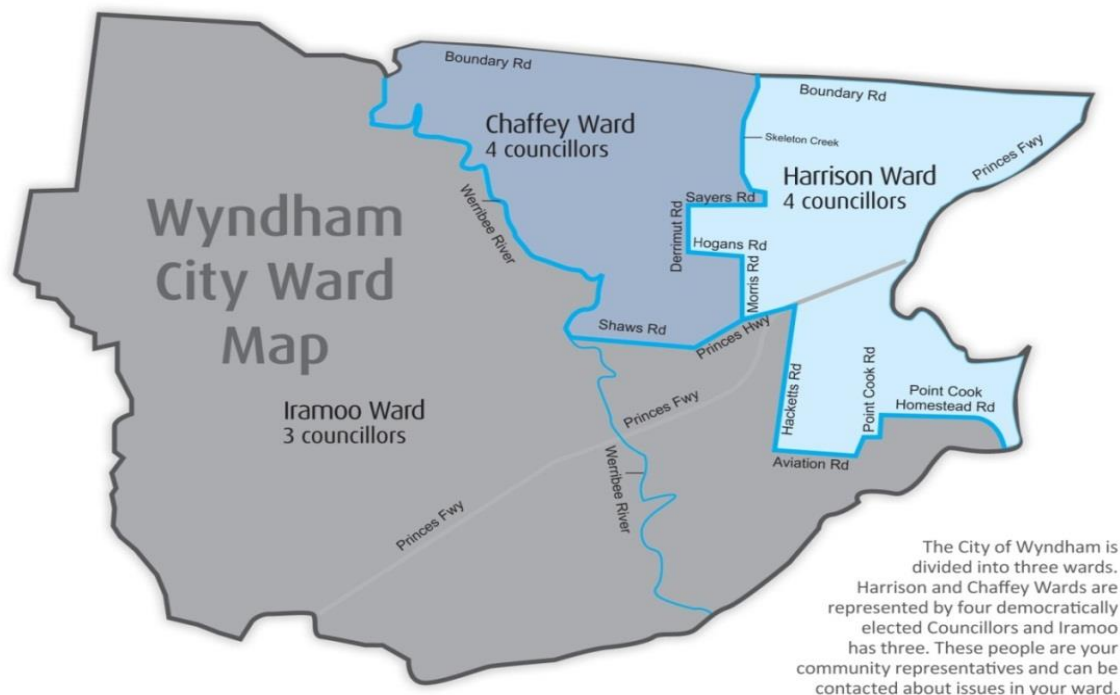
The Wyndham City Plan 2013-17 details how Council plans to secure Wyndham's prosperity, sustainability and liveability. 2016/17 is the fourth and final year of the current City Plan. This Integrated Annual Plan and Budget details what actions are to be taken in 2016/17 and how they will be funded.

The Victorian Government's newly adopted Fair Go Rates System limits the maximum amount councils may increase rates in a year without seeking additional approvals. For 2016/17, the rate cap has been set at 2.5%. The Wyndham City Plan 2013-17 was developed based on a rate increase of 5.5% per year, resulting in an initial funding shortfall of \$4.4 million as a consequence of the Fair Go policy. In response to this budget shortfall, and having considered a range of feedback received from the community and stakeholders, Council has committed to delivering around \$1.4 million in operational productivity to close a portion of the funding gap. On 31 March 2016, Council applied to the Essential Services Commission for a rate cap variation of 2%, which would have closed the remaining funding gap by allowing rates to be levied at 4.5%. Council then planned and released for Public Exhibition a Proposed Integrated Plan and Budget 2016/17 that included two fiscal scenarios, one in which rates were levied at a 4.5% increase and one in which they were levied at a 2.5% increase.

On 31 May 2016, the Commission handed down its decision that Wyndham's rate cap variation was unsuccessful. As a result, Council has forgone about \$3 million of capital initiatives which would have been delivered under the 4.5% rate increase scenario, as was identified in the alternative draft budget. These initiatives have been removed from the Capital Works Program in section 6 of this document. This Integrated Plan & Budget 2016/17 incorporates the Strategies, Policies and Plans to be delivered into the short to medium term while remaining financially sustainable under the new 2.5% rate increase scenario.

Progress of this Plan is reported regularly to Council together with measures that are both performance and output/outcome based. At the end of the year Council's Annual Report and Financial Statements will include an audit of the performance statement to share with the community how we performed against what we set out to do as articulated in this document.

A Snapshot of Wyndham



The City of Wyndham is located on the western edge of Melbourne, between the metropolitan area and Geelong. Wyndham covers an area of 542km and features 27.4 km of coastline bordering Port Phillip to the east. As a meeting place for people of the Kulin nations, Wyndham City has a rich and diverse Aboriginal cultural heritage.

The City of Wyndham has a forecasted population of over 209,000 for 2016. As the second fastest growing municipality in Victoria, Wyndham is characterised by its strategically placed location with excellent logistic connections to air and sea ports. The City also offers intensive agriculture at Werribee South, major retail precincts and the Werribee Park tourism precinct - one of the largest and most frequently visited tourism destinations in metropolitan Melbourne.

Sustained population growth places significant pressure on Wyndham's liveability. Important elements of liveability include strong communities, good planning and urban design, community infrastructure, accessible and efficient transport and a healthy environment. Council is vigilant in striving to match its actions to meet the changing needs of the community, and to maintain that liveability.

As the second fastest and largest growing municipality Victoria wide (5.1% or 10,202 persons)¹, Wyndham is experiencing growth across all age groups. The largest age group is 35 to 49 years, with a population of 48,988 people. This is followed by 25 to 34 years with a total of 37,686 people. Based on Council's 2015 records², 4,274 babies were born in Wyndham, which is around 12 babies born each day.

¹ ABS, Regional Population Growth, Australia, 2014-15 (cat.no.3218.0)

² Maternal & Child Health Notices, Wyndham City

There are approximately 71,137 households in Wyndham with the majority being Couple Families (42%). This is followed by Couples (24%), Lone Person (17%) and Single Parent Families (12%)³. Almost 50% of households have a mortgage and a quarter of households rent their home.

Wyndham is an increasingly diverse community with 25% of people coming from countries where English is not their main language. 34% of Wyndham's population was born overseas. The top five countries of birth of Wyndham residents (other than Australian) in 2011 were India, United Kingdom, New Zealand, Philippines and China.

Twenty six religions are represented in Wyndham. While people of Christian faiths remain the largest in number, between 2006 and 2011 the non-Christian faiths experienced the fastest growth. This included a doubling of followers of Islam and Buddhism, a fivefold increase in followers of Hinduism and a six fold increase in followers of the Sikh tradition.⁴

With over 10,000 new residents to Wyndham each year⁵, Council's services must be sensitive to changing needs and must ensure that residents know about the range of services they may want to access. An increasing population, its changing composition, and changing community expectations necessitates the ongoing review of Council service delivery and accessibility.

³ id forecast - Population and household forecasts, 2011 to 2036, prepared by .id, the population experts, April 2014

⁴ ABS, Census of Population and Housing 2006 - 2011

⁵ ABS, Regional Population Growth, Australia, 2014-15 (cat.no.3218.0)

Our Council



Front row, left to right:

Ward: Harrison

Cr Intaj Khan

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Ward: Iramoo

Cr Heather Marcus

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Ward: Iramoo

Cr Peter Maynard

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Ward: Chaffey

Cr Gautam Gupta

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Ward: Chaffey

Cr Michele Wharrie

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Ward: Iramoo

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Ward: Chaffey

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Elected by the community, the Council is the decision making body that sets the strategic direction and policy of the municipality. It delivers the:

1. Four Year City Plan which sets out what Council will achieve during its four year term to further the community vision; and
2. Annual Integrated Plan and Budget, which describes Council's Strategic Objectives and activities for the twelve month period, and explains through the Budget and Strategic Resource Plan how the activities can be resourced.

Council's Role

Depending on the matter at hand, Council performs one or more of the following roles; and involves the community, key partners and other levels of government to realise shared aspirations.

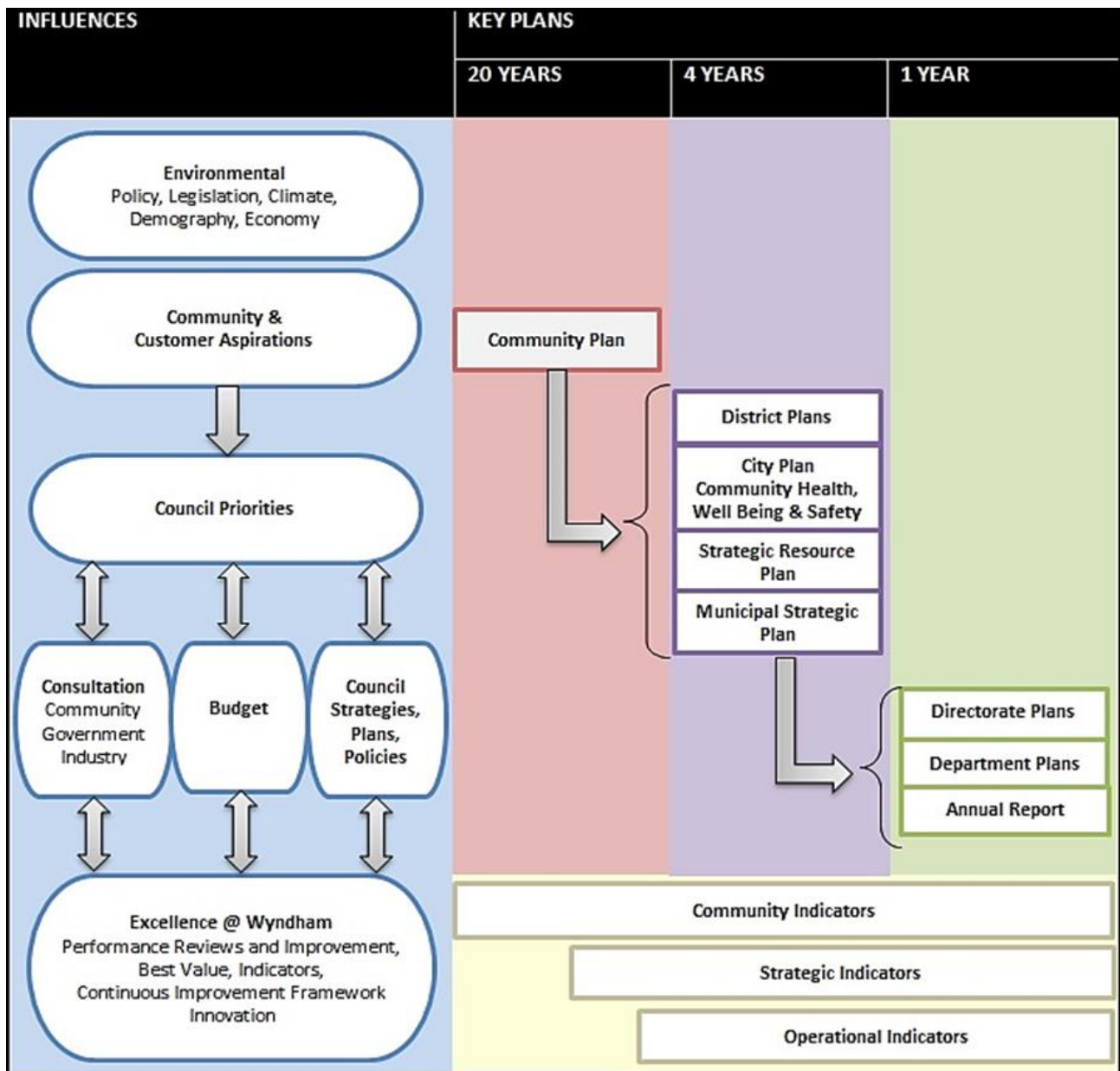
Council's role	Council will	Example
Leader	Lead by example	Demonstrate local leadership in water and energy efficiencies
Service Provider	Deliver services to meet community needs	Home and Community Care services to the aged and those with a disability
Partner	Contribute staff time or funds	Work with Government and other organisations to deliver major capital works projects
Facilitator/Broker	Promote City, area, service gap to market to fill need; and bring together those who have a stake in an issue	Meet with mental health service providers to establish a youth counselling service
Advocate	Proactively make representation to State and Federal Governments on key issues for Wyndham	Advocate for more public transport services (buses, trains)
Regulator	Take direct legal responsibility	Conduct inspections of local food premises and issue licences

The administration of Council, headed by the Chief Executive Officer appointed by the Council, delivers the vision of the elected Council. It does this by:

- providing advice to the Council in a timely manner,
- resourcing the administration to deliver the results sought by the Council,
- complying with statutory responsibilities required under legislation,
- delivering services to the community required under legislation or by the Council, and
- implementing the decisions made by the Council.

Wyndham City's Planning Framework

The Integrated Planning Framework was introduced in the Annual Plan and Budget process for 2015/16 as an improvement project developed through the Excellence@Wyndham organisational self assessment. The deployment of the framework was reviewed and improvements implemented for the 2016/17 planning process. The framework has the potential to provide a consistent approach to business planning and ensure alignment and integration of plans across the organisation. The Framework will be continuously reviewed and improved annually. The diagram below depicts the relationship between Council's influences, key plans and performance indicators.



Integrated Plan & Budget 2016/17 - Mayor's Introduction

I present the Integrated Annual Plan and Budget 2016/17 which is the last stage of Council's 4 year City Plan first published in 2013. It includes some important priorities that my fellow councillors and I are pleased to see implemented during our term. In the past 3 years Council has invested \$350 million per year in programs, services and key infrastructure investments. We are thrilled that major long term projects supported by previous and current Councils, such as Saltwater Promenade Community & Arts Centre, Eagle Stadium, Encore Events Centre and AquaPulse, are now completed and it is exciting to see them being used and enjoyed.

Our community deserves and expects great services and infrastructure and it is important that the community participates in planning for a vibrant future for Wyndham. In 2015 the Wyndham 2040 Community Plan was developed from 2,040 stories, 330 consultation events and research from a broad section of community and data sources. It is the carefully crafted blueprint for Council's future programs, services, facilities, parks and community hubs. Starting from a strong foundation it guides Council planning and initiatives towards making Wyndham a contemporary city, role modelling diversity, liveability and sustainability.

As an organisation, Council has embarked upon a change process consistent with the Wyndham 2040 Vision. These organisational changes are designed to promote an innovative approach to customer service, economic growth, activity centre development and service planning that will shape how we respond to community needs in the future. The Wyndham 2040 vision will also be achieved in great part through our four District Plans. As we support the establishment of the District Community Advisory Committees, the next Council will further integrate their local priorities into the next 4 year City Plan.

Council's understanding of Wyndham's growth challenges has informed our Long Term Financial Plan and Rating Strategy. In the past Council was able to plan for a level of rate increase which for Wyndham Council has been 5.5% over the preceding three years. Under the Victorian Government regime of "Rate Capping" at CPI, rates for 2016/17 must be levied at only a 2.5% increase. Even prior to the introduction of rate capping, the organisation commenced looking for ways to do more with less. Council has ensured \$1.4 million in operational savings within this budget with no impact on service delivery; but this on its own is insufficient. On the basis of our rapid growth and much needed community infrastructure, this Council applied to the Essential Services Commission for a variation to the State imposed rate cap which would allow us to levy rates at a 4.5% increase. This would help us close the \$4.4 million funding gap projected for 2016/17.

To ensure transparency and accountability to the community for our planning and budget while we waited for the Essential Services Commission decision, we drafted and released for public exhibition our proposed plan and budget for both the 2.5% and the 4.5% rate increase scenarios. Unfortunately the Essential Services Commission did not grant our variation and this final Integrated Plan and Budget 2016/17 has been structured recognising the tight fiscal scenario of the 2.5% rate increase. As a result, in 2016/17 we must defer 14 capital works projects valued at around \$3 million, including parks upgrades, a pedestrian/cyclist bridge over the Princes Hwy, a portion of road resurfacing projects and master planning for future projects such as the Werribee Integrated Learning Hub and a third indoor sports facility for the City. Beyond 2016/17, we anticipate that the cumulative effect of a rate cap will be a funding shortfall of approximately \$50 million over the next four years.

Despite this result, Council's priority will be to continue delivering what is needed for our City and we are confident that residents will work with us to prioritise services and projects in light of our future financial capacity. We will work with the State Government to ensure the needs of our growing City are met now and in the future.

In 2016/17 we will be working towards the community's vision articulated in the Wyndham 2040 Community Plan and the priorities of the City Plan through a range of key initiatives, which are listed herein under the five City Plan themes of:

People – community and Council working together

Place – strong identity and managed growth

Services – for community wellbeing
Environment (natural and built) – local leadership and working towards best practice
Organisational Excellence – increasing our capacity to respond to changes and needs

Some examples of the key initiatives we will deliver this year across these themes include:

- A new Economic Development Strategy 2016-2020, and commencing an Industrial Land Development Strategy to encourage suitable development and jobs in appropriate locations across the municipality.
- Progressing the vitalisation and promotion of the Werribee City Centre and the delivery of the Catalyst Site Development Project.
- Continuing strong advocacy for additional train and bus services, upgraded arterial roads, commuter parking and the removal of level crossings.
- Enhancing Neighbourhood Hubs within each Wyndham district, and improving access to a more diverse range of Council services at the Hubs.
- Working in partnership on the health of our coast and waterways, in particular the Werribee River, specifically for environmental flows, litter prevention and monitoring.

In the coming year we are looking forward to completion of the following major Capital Works projects:

- Finalisation of pavilions and car parks at Hummingbird Boulevard and Mainview Boulevard Reserves (\$4.6 million this year)
- Carbon abatement projects on our 10 biggest energy usage buildings (\$2.8 million)

And commencement of the following key works:

- Williams Landing Boulevard Reserve Ovals (\$5.7 million)
- the long awaited Chirnside Park Hub Precinct Development (\$6.5 million this year)
- Design for the Wyndham Aboriginal Community Centre and Wyndham Vale Integrated Family Centre (\$1 million)
- Developing the Active Youth Space in Baden Powell Drive Park (\$3.1 million)

Some of the many road and path projects include:

- Commencing Armstrong Road – MRR Greens – Black Forest (\$2.3 million)
- Dohertys Road Duplication – Fitzgerald to Foundation Roads (\$4 million)
- Tarneit Road Duplication – Hogans Road to Good News School (\$3.5 million)
- \$11.2 million of road reconstruction and surface renewals.

I look forward to an exciting year, the last for this Council and the first for implementing the Wyndham 2040 Community Plan. I take this opportunity to thank my fellow councillors for their hard work and dedication, and to the CEO and staff for supporting our sincere desire to see Wyndham as prosperous, sustainable and liveable for all.



Cr Adele Hegedich
Mayor

Integrated Plan & Budget 2016/17 - Chief Executive Officer's Summary

This Integrated Plan and Budget 2016 represents the final year for this Council prior to Council elections in October 2016. Last year Council consulted and adopted the Wyndham 2040 Community Plan which articulates the community's desired long term future. Therefore this Integrated Plan and Budget 2016/17 can be considered the first step in that exciting journey to a locally-focused, strengths-based and community-driven City by 2040.

I wish to thank and congratulate all councillors on their thoughtful direction and contributions to the community throughout their term and commend this final Integrated Plan and Budget for Council's operations in 2016/17. It includes service delivery consistent with recent years, as well as investment in infrastructure – both new, and maintaining existing assets. This is within a constrained fiscal environment where the Victorian Government is requiring Local Government to maintain rates at CPI from 2016/17 onwards.

In December 2015, through a number of Rate Capping Community Panels and the many Wyndham 2040 conversations, Council discussed a range of operational and funding options including service and infrastructure cuts, additional significant borrowings, expanding user-pays services, increases to fees and charges as well as support for an application for rate variation. The strong argument for Wyndham to be given the relief of a variation to rate capping was the enormous challenges and infrastructure needs of a city that is growing to the size of Canberra in only 20 years! On this basis, we applied to the Essential Services Commission for a 2% variation to the rate cap of 2.5%. We drafted and presented to the community two budget and planning scenarios for 2016/17, one in which we could continue to deliver all of our planned community infrastructure projects under a 4.5% rate increase, and one in which the constraints of the 2.5% increase would prevent us from progressing a range of projects. Unfortunately the rate cap variation was not granted to Wyndham, resulting in a reduction in capital works projects by about \$3 million for 2016/17. Ongoing discussions will need to occur with the community as part of Council's decision making to deal with this restricted fiscal environment in the future.

Prior to the imposition of rate capping, as part of Council's commitment to continuous improvement, we planned and will now deliver productivity and efficiency gains of around \$1.4 million from the organisation's operations. Examples of recent improvements and efficiencies which support confidence in the projected \$1.4 million efficiency gains include the use of mobile paperless technologies in a range of on-site inspection activities; streamlined subdivision approvals, electronic service improvements; active forward planning and community engagement in Urban Spaces and Civil Works, as well as improved internal audit processes, improved procurement and tendering processes and cost reviews.

In addition, all team members across the organisation were recently invited to contribute to identifying and implementing structural and process improvements to enhance service delivery, drive efficiency and deliver the best possible value to the community. Arising from this input will be a contemporary organisation that will deliver on the vision in the Wyndham 2040 Community Plan within a new Local Government paradigm that is affordable and sustainable into the future.

To understand the extent of on-going services and programs the organisation delivers each year across the municipality, let me share the statistics from the year 2014-15:

- 24,064 young people engaged in Council facilitated programs
- 14,000 telephone calls to Council's Customer Service each month
- 11,836 incoming mail items processed monthly
- 823,223 visits to Wyndham's libraries and 1.6 million items borrowed; 11,186 new library members, 99,057 bookings to use a library computer
- 116,342 WynLearn visits (community learning portal)
- 1,092 subscribers to the Advocacy E-Newsletters and 1,383 for Get Wyndham Moving Campaign
- 2,797,744 page views to Council's website
- 8 major events and 21 citizenship ceremonies

- Monthly Business e-newsletter and quarterly e-magazine distributed to a database of 16,000 local ABN holders
- 19 small business seminars and workshops conducted with total attendance of 475
- 3 Major Business forums conducted with total attendance of 570
- 49,500 attendees to live performances at the Wyndham Cultural Centre
- 1,731 town planning decisions made over development value of \$529 million
- 4,156 Building Permits certified
- 32,915 vaccinations delivered to protect the health of community members
- 1,489 food premises monitored
- 24,913 animals registered and 2,728 animals impounded
- 10,547 vacant properties inspected
- 1,172 disability parking permits issued
- 37,500 meals delivered to 436 residents
- 80,124 hours of care provided to enable older residents or people with a disability to stay at home
- 49,031 Maternal and Child Health consultation hours to families of children 0-4 living in Wyndham
- 1,458 km of storm water pipes and 53,020 pits to be kept clear
- 110,184 sq metres of new footpath constructed in new subdivisions; 6,520 sq metres of shared paths constructed in reserves
- 3.85 million garbage bins collected annually
- 8,852 maintenance requests over 160 Council buildings responded to
- 73,239 street trees and 71,593 park trees maintained
- 4,563 pieces of open space furniture maintained
- 1,198,817 sq metres of mowing areas and 962,888 sq metres of garden beds.

The Capital Works Program for 2016/17 amounts to \$100 million. A full list of 2016/17 projects is appended to this document and includes the following categories:

- Roads and pavements - road reconstructions, road upgrades and expansions and footpath constructions (\$26.1 million)
- Open space - including various master plan implementations, oval improvements, parks upgrades and landscaping (\$15.1 million)
- Buildings - community centre construction and pavilion upgrades (\$20.2 million)
- Plant, equipment and Information Technology (\$10.5 million)

In addition to the crucial rate capping environment within which Local Government in Victoria is asked to operate, Wyndham is also required to adapt to a number of internal and external influences. For information on the full range of influences that have impacted upon this budget, please see the "Budget Influences" section 9 later in this Integrated City Plan and Budget.

Managing these external constraints and cost shifting is an ongoing challenge for a Council which is enthusiastic to maintain service levels and adequate infrastructure for its community – residents, businesses and visitors.

Staffing:

In 2016 I have launched an exciting organisational change process that will enable us to better meet new and emerging community needs and aspirations. With an emphasis on 'community focus', Our Wyndham, Towards 2040 will look for structural and process improvements to achieving best value service delivery while attaining efficiencies for the organisation. Staff at all levels and work areas have contributed to planning for this change, and have had input into shaping the way we will work together to meet our future challenges and opportunities. Our Wyndham, Towards 2040 responds to the following drivers of change:

- Recognising the role of Wyndham into the future as a 'regional' City
- Evolving Local Government structure, increased State, Federal and local scrutiny
- Tightening fiscal environment, increasing efficiencies and focus on excellence
- Ensuring a robust corporate and support systems for the long term health and sustainability of the organisation.

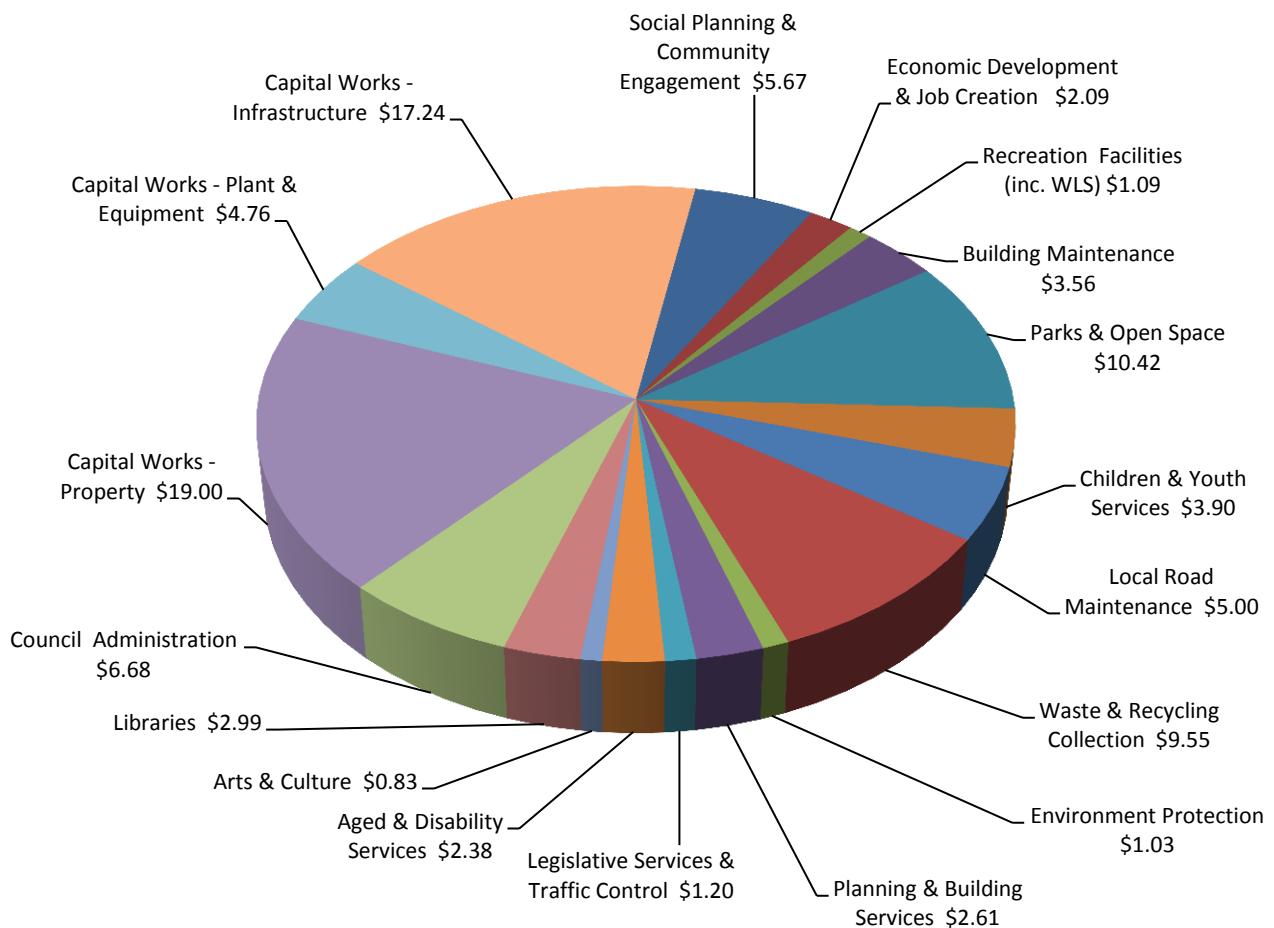
Legacy issues and long term challenges:

In this Integrated Plan and Budget, Council is continuing to take action to address the City's long term challenges and opportunities, including advocacy on transport congestion, accommodating a growing population, maintaining assets, and helping to build the local economy. It is very keen to advance the aspirations of Wyndham Towards 2040 to develop a leading city that is healthy, prosperous and connected, that revels in its cultural diversity, that has established processes to advance local places collaboratively, and one that values and invests in knowledge and environmental sustainability to ensure liveability for its people.

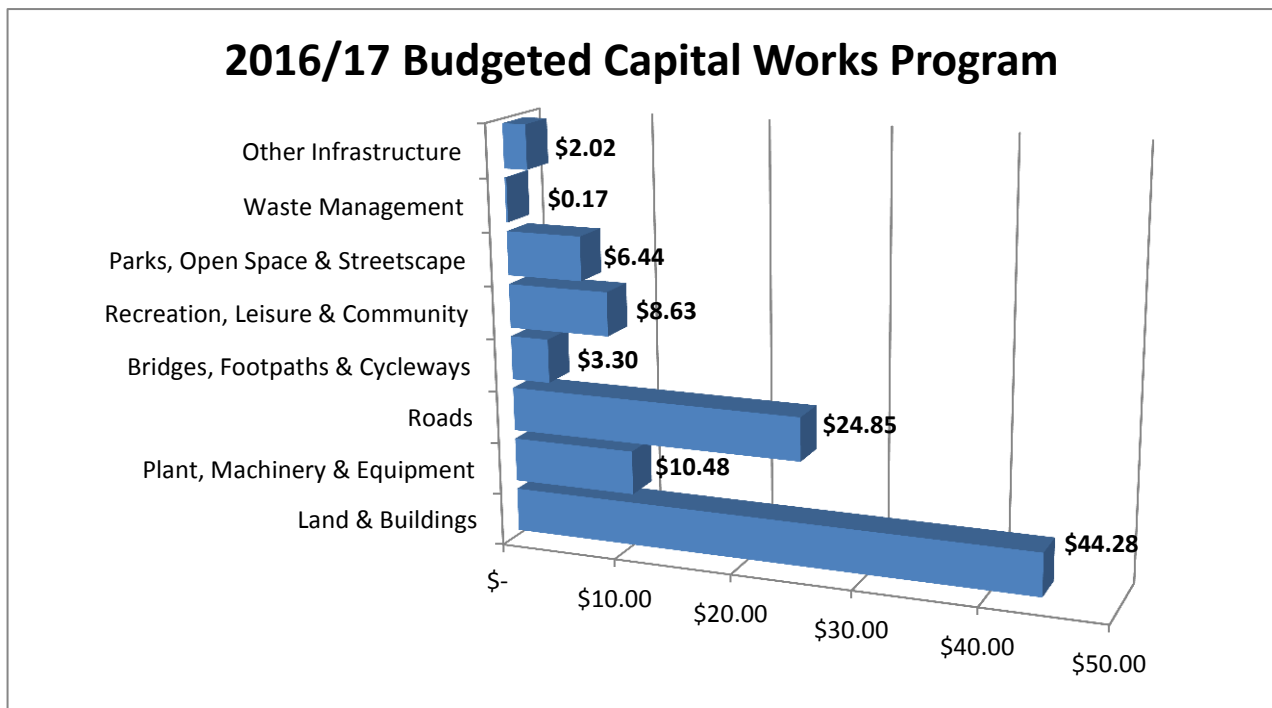
Section 8 of this document describes how Council will fund all of this activity, including information about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and the strategic objectives of the Council.

The two graphics below summarises how Council has budgeted to spend the rates revenue it collects, and a split of the new capital works program for 2016/17 into their different categories.

Council expenditure allocations for 2016/17



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends.



This Integrated Plan and Budget has been developed through a rigorous process of consultation and review. There is more detailed activity and budgetary information provided further in this document. Council's Executive Management Team endorses this Integrated Plan and Budget 2016/17 as financially responsible while advancing the Council's objective of being responsive to the diverse needs of the community and creating a place that our residents and businesses are proud to call home.



Kelly Grigsby
Chief Executive Officer

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 15 of this report.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

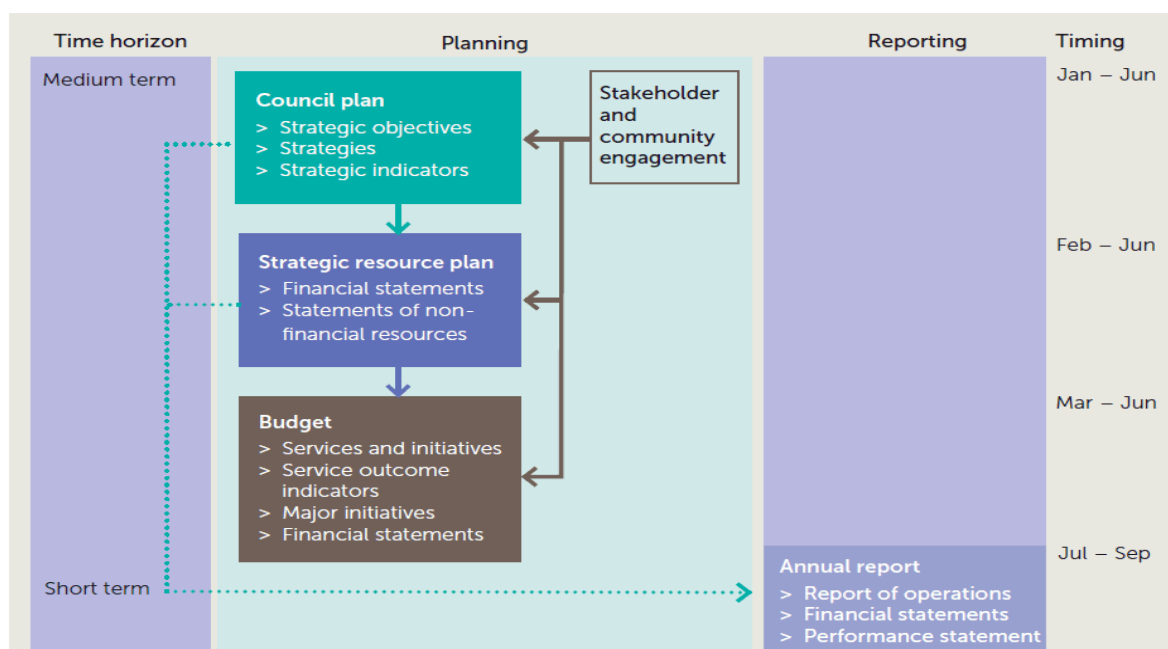
- 1 Links to City Plan
- 2 Services and service indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Budget Overview

1.1 Linkage to the City Plan

The Budget provides the funding for the operations of Council which are articulated in this integrated Annual Plan. The Annual Plan is Year 4 of the 4 year City Plan which is in turn informed by Council's Vision, and its long term Community Plan.

The Strategic Resource Plan is part of and prepared in conjunction with the City Plan, and is a rolling 4 year plan that outlines the financial and non-financial resources that Council requires to achieve Council's strategic objectives. The Annual Budget is framed within the Strategic Resource Plan taking into account the services and initiatives described herein. The diagram below depicts the accountability framework that applies to Local Government in Victoria.



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

In addition, Council has a long term plan the Wyndham 2040 Community Plan, developed through extensive consultation with the Wyndham Community. This will inform future iterations of the Annual Plan and the next 4 year City Plan which follows a general election of Council in late 2016.

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

1.2 Our purpose

Our vision “Diverse people, one community, our future”

In this one brief sentence, the vision aspires for Wyndham to be one community of people from many different cultures, working together for the good of the community now and into the future. In working towards achieving this vision of an inclusive City, Council foresees an approach in which:

- a diversity of backgrounds, cultures and ideas are respected,
- the City partners with its community to meet community aspirations,
- the community is consulted on how community objectives are set, prioritised and achieved.

Our mission

We strive to serve the best interests of the Wyndham community by providing quality services; managing growth; and supporting residents to lead healthy, safe, vibrant and productive lives, while protecting our local environment.

Council plays an important role in shaping and strengthening the quality of life for current and future generations of people living, working and visiting in Wyndham.

The City's mission statement recognises Wyndham City Council's role in planning for the future whilst also efficiently managing for today.

Our Mission will be faced with challenges as the City's population grows. Our ability to balance the 'triple bottom line' of people, place (natural and built) and prosperity will be governed by our roles and responsibilities under legislation. Council is committed to working in close collaboration with the community, drawing on a wide cross-section of contributors, including 'hard to reach' groups through a variety of forums and partnerships to better engage, develop, represent, and communicate with our community. Council will fulfil its statutory and legal obligations to the community and manage the municipality in a financially sustainable manner to meet the current needs of our community and those of future generations.

Our values

We are committed to implementing core values in our corporate and community planning. Our values are important to us because they place special emphasis on 'future focused decision making', and engaging with all sectors of our community. Our values demand that we act with integrity and advocate strenuously on behalf of our community.

- **Community Focus** - Working for and with the community in the best interests of Wyndham.
- **Integrity** - The consistent commitment to apply moral and ethical behaviour, encompassing honesty, openness and respect.
- **Respect** - Being conscious and aware of others values, beliefs and opinions, appreciating that they could be different from our own and treating them accordingly.
- **Commitment** - To consistently adhere to our core values through our commitment to achieving our vision and mission.
- **Leadership** - Creating an environment that empowers individuals, the organisation and the community to achieve our vision and mission.
- **Teamwork** - The ability of a group of individuals to work collaboratively and collegially to achieve agreed outcomes by the team.

1.3 Other Wyndham City Plans and Strategies

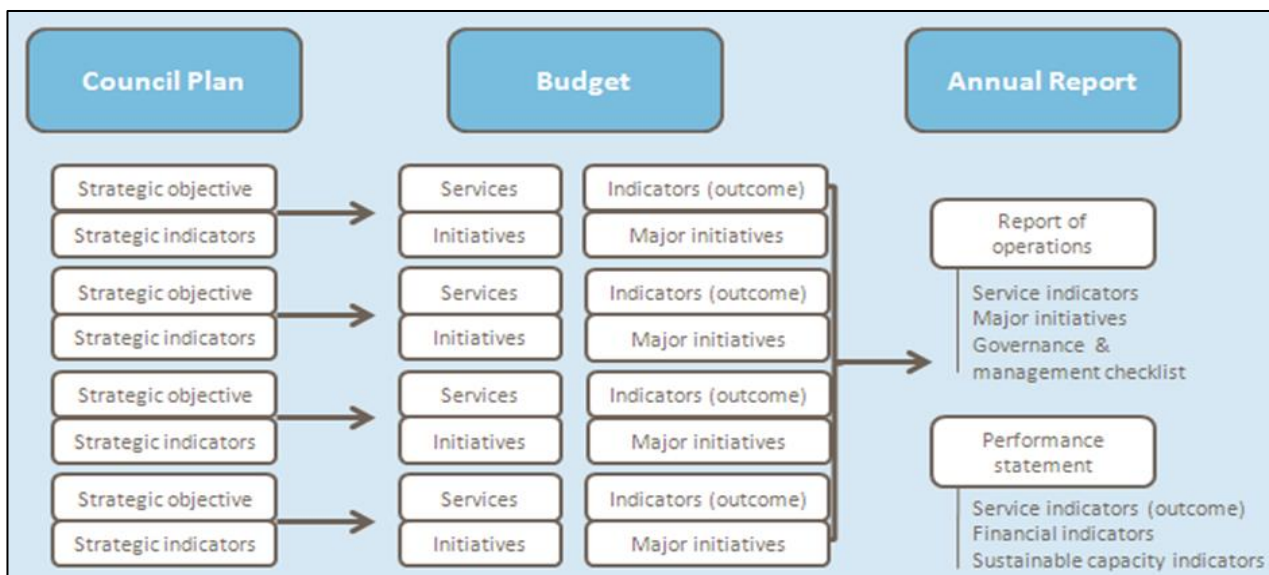
The following key strategic planning documents which Council has developed in consultation with the community over preceding years, have also informed the preparation of this year's Annual Plan and Budget:

- Wyndham 2040 Community Plan
- Community Health, Wellbeing and Safety Plan 2013-17
- Wyndham's Municipal Strategic Statement
- Long Term Financial Plan
- Long Term Capital Works Program
- Wyndham City Environment and Sustainability Strategy 2011-2015
- Wyndham Advocacy Strategy
- Wyndham Growth Management Strategy
- Multicultural Policy and Action Plan 2013-2017

2. Contributing to the Community's Vision: Services, Initiatives and Service Performance Indicators

The Initiatives in this Annual Plan and Budget, together with the prescribed Local Government Performance Reporting Framework Indicators listed under each Theme, will form part of Council's Annual Report to the community which details how it has performed in relation to the commitments in this document. In addition, Council receives a quarterly report on progress against all the initiatives in this Annual Plan and Budget at Ordinary Council meetings which are open to the public.

The relationship between these accountability requirements in the City Plan, the Budget and the Annual Report is shown below.



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

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.

Note: Where there are +1/-1 variances in this document, this will be due to rounding of source data.

2.1 Contributing to the Community's Vision

When reviewing the budget for 2016/17 in the context of its long term Vision, Mission and Values, Council felt it must focus this year on an immediate vision of *Community First*. This means the organisation working in partnership with councillors to ensure it is an organisation that inspires confidence, is community focussed, innovative, responsive to the diverse needs of our community and that Wyndham is a place that our residents and businesses are proud to call home.

Council delivers services and initiatives for *Community First*, under 5 main themes which are detailed in the following pages:

Theme 1

People: Community and Council working together

Council acknowledges that the City of Wyndham is a community of people from many cultures. As Wyndham's population continues to grow it will be important to maintain a healthy, inclusive community, where diversity is valued and strong bonds are formed through partnerships and ongoing participation in community life.

Community engagement is the process through which Council can support community involvement in planning and policy development, service delivery and advocacy. This process increases community awareness and education, opening opportunities for community members to be consulted and involved in all aspects of community life. It is a fundamental element of the City Plan development process and links to Council's Governance Framework.

Council will increase opportunities for community members, organisations and service providers to participate in planning and policy development, service delivery improvements and advocacy in accordance with community priorities.

Key objectives under this theme in the City Plan are:

1.1 Sense of Community - To actively promote opportunities for building a sense of community identity, inclusion and connectedness between residents.

1.2 Community Engagement & Building - To actively engage with the community to capture diverse perspectives and opportunities to improve the quality of Council decisions on policies, services and programs.

- To strengthen the capacity of citizens and community groups to participate in community life by providing opportunities for individuals to acquire knowledge, confidence, skills and experience.

1.3 Diversity – To foster an inclusive City where diversity is valued and where groups at greater risk of exclusion are supported to participate fully in community life.

1.4 Partnerships – To work in partnership with residents, community groups and agencies to educate and enable the wider Wyndham community to make changes to their lifestyles for physical and mental health and wellbeing.

1.5 Economic prosperity – To grow business investment, industry diversification skills development and employment opportunities in Wyndham.

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Community Strengthening	This activity works towards building a sense of community identity and engagement by providing opportunities for residents to connect with each other, and to provide input to Council. This service supports Council's grants and subsidies program, and community engagement activities, including the Wyndham Exchange, Wyndham Household Survey, customer service and a range of community events.	2,717 (277) 2,440
Economic Development	These activities relate to town centre planning in conjunction with business facilitation. The Economic Development Unit offers a business facilitation service for local businesses and those looking to set up in business for the first time, and an annual program to help businesses grow. The Economic Development Unit is the central focus of Council's commitment to promoting, facilitating and targeting new businesses and retaining existing businesses within the municipality.	1,553 (201) 1,353
Community Planning & Development	Community Planning and Development activities relate to the delivery and planning of community services across the life stages. This is for Council delivered services as well as broader social planning and needs analysis. Cultural development, social cohesion, social research & advocacy, and community infrastructure projects are also delivered.	1,619 (180) 1,439
Arts Tourism & Events	Promoting Wyndham City as a place to live, a place to do business and as a tourist destination. This activity serves to promote the City through the development and facilitation of local tourism initiatives and events. Key services include the Tourism and Events Strategy, to guide the City's future directions in this area, the Visitor Information Centre, The Victorian State Rose and Garden Show. This service also provides a varied ongoing program of arts, cultural events, and community events, engaging with our community to promote participation in the arts.	3,255 (693) 2,561

(* indicate initiatives that have been allocated additional funds outside of the general operating budget).

Major Initiative

- 1) Embed the Wyndham 2040 Community Plan - Vision Statement into the ongoing work of the organisation.

Initiatives

- 2) Engage with the local arts community, local film makers, and culturally diverse communities to deliver film activities that reflect Wyndham's cultural, artistic and linguistic diversity.
- 3) Support the 4 District Advisory Committees to work in partnership to become active conduits between local communities and Council in delivering district plans.
- 4) Continue to build Council's capacity to engage with the Wyndham community and foster active citizenship, including through Wyndham Exchange community activities.
- 5) Implement the first year of a 4 year Reconciliation Action Plan to build strong relationships and enhanced respect between Aboriginal and Torres Strait Islander peoples and other Australians.

- 6) Consult widely in the development of a new Tourism & Events Strategy 2016-2020 that will influence industry development and growth, promote Wyndham as a tourist destination, grow visitation and increase tourism yield and dispersal across the municipality.
- 7) Consult widely in the development of a new Economic Development Strategy 2016-2020 to guide Council's role in influencing economic growth and sustainability through business retention and expansion, new job creation and investment, and the development of a skilled workforce to meet the needs of the knowledge economy.
- 8) Commence an Industrial Land Management Strategy to encourage suitable development in appropriate locations throughout the City and support future jobs for residents.*

Wyndham's 'sense of place' is derived from its natural beauty of rivers, wetlands, coastline, and remnant trees and grasslands; our cultural heritage and tourism icons; our productive farming region; and close proximity to Melbourne. Community engagement and participation in shaping the City's direction and working together to realise shared goals enhance Wyndham's liveability.

Key objectives under this theme in the City Plan are:

2.1 City Image – To enhance Wyndham's character and liveability through neighbourhood planning and civic improvement projects.

2.2 City Infrastructure – To deliver and maintain Wyndham's facilities and infrastructure in an efficient and equitable manner that meets community needs.

2.3 Sustainable Growth – To ensure Wyndham's population growth is matched by the development of new physical, social and economic infrastructure, while protecting the City's existing assets and natural environment.

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Parks & Public Open Spaces	Council provides open space facilities such as parks, playgrounds, wildlife observation, walking, and biking.	1,876 (975) 901
Street Beautification	This activity relates to the street tree planting and wetlands maintenance programs in the municipality.	1,188 (128) 1,060
Traffic Control	This area is concerned with traffic engineering and control, transport planning and implementation of Road Safety Schemes. Council has identified that road safety issues are a major concern not just in Wyndham but the whole of Victoria. This function of Council endeavours to maintain and better achieve certain safety measures in road safety through various new initiatives and programs.	1,913 (51) 1,862
Engineering Services	Engineering Services encompass the provision of engineering support and design services for roads and associated infrastructure. It also manages new subdivisions and the road component of the capital works program.	3,176 (2,059) 1,118
Sustainable Development	Areas of activity designated to Sustainable Development comprise Urban Design, Strategic Planning, Statutory Planning and city presentation management. These activities aim for sustainable growth whilst maintaining the City of Wyndham as an attractive place to live and work. The activities also operate within the philosophy of Wyndham City utilising urban design and landscaping to improve Wyndham's image.	5,886 (1,539) 4,347

Roads & Asset Rehabilitation	This activity is responsible for Council's annual and routine maintenance programs in the critical areas of roads , kerb & channel, and footpaths. Activities include Council's road resheeting program, routine maintenance and road rehabilitation program.	11,631 (5,973) 5,658
Street Lighting	Street lighting operations are primarily centred around the annual operating costs of the provision of street lighting within the municipality. This service also covers the annual operating costs related to the maintenance of non-standard street lighting systems that are the partial responsibility of Council.	2,573 0 2,573
Other Infrastructure Services	Other infrastructure services cover the core functions of Council's building maintenance program (preventative, cyclical and re-active works), and the provision of Asset Management services support to the organisation.	7,640 (971) 6,669

(* indicate initiatives that have been allocated additional funds outside of the general operating budget).

Major Initiative

9) Continue the vitalisation and promotion of the Werribee City Centre and the delivery of the Catalyst Site Development Project to enhance economic development and jobs growth, encourage place based arts and cultural activities, grow visitation and develop a regional presence as a major activity centre.*

Initiatives

10) Increase Wyndham's urban tree canopy coverage by planting 6500 trees to improve amenity, combat urban heat island effects and provide ecological corridors.*

11) Progress major community infrastructure projects, including the Chirnside Park Hub Precinct Development; Wyndham Aboriginal Community Centre and the Wyndham Vale Integrated Family Centre.

12) Secure State Government funding for the Ison/Armstrong Road bridge, to complete the Ison/Armstrong Road link to open up Wyndham West.

13) Implement the Wyndham Integrated Transport Strategy including the development of a Principal Pedestrian Network and a new bicycle strategy to increase safety for pedestrians and cyclists and improve connectivity between local places.*

14) Continue to advocate for additional train and bus services, upgraded arterial roads, commuter parking and seek a firm commitment from the Victorian Government to remove level crossings as a priority.

15) Prepare Precinct Structure Plans and Development Contribution Plans in conjunction with the Metropolitan Planning Authority for the establishment of new communities and employment areas in the municipality's Urban Growth Zone.

16) Continue the development of systems and protocols to more proactively manage Development Contribution Plans to ensure necessary infrastructure is delivered in an appropriate timeframe and budget.

17) Adopt the Residential Growth Management Strategy, and continue to advocate for the more timely provision of infrastructure, partnering with the development industry on advocacy and key projects, and securing a framework for the better management of the sequencing of residential growth.

Service Performance Outcome Indicators⁶

Service	Indicator	Performance Measure	Computation
Statutory Planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

⁶ The mandatory indicators in this section form part of Council's Performance Statement in the next Annual Report.

Council provides many services and facilities important to the community's health and wellbeing. Integral to Council's mission is our commitment to continued service improvements in line with the Best Value Principles of providing services that are accessible, equitable, responsive to need and informed by regular consultation.

Key objectives under this theme in the City Plan are:

3.1 Community – To assist local residents to enhance their health, wellbeing, safety and independence through the delivery of a range of services.

3.2 Customer Service – To be a Council easy to do business with by gaining a better understanding of needs and expectations, delivering our service commitments while continually striving to improve our customer-focused culture.

3.3 Leisure, Sports and Recreation – To provide residents of all ages and abilities with opportunities to participate in a wide range of leisure, sports and recreation pursuits.

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Building Control	Areas of activity include the issue of building permits, inspections and associated statutory building requirements.	2,372 (1,831) 541
Local Laws	This area of Council activity administers and enforces local laws including legislative services, animal management and building, and local laws administration support services.	5,349 (4,964) 385
Families & Children	Activities within this area are responsible for providing services for children 0 - 12 years and their families. Programs and business areas include maternal and child health services, Hoppers Crossing Children's Centre, Kindergarten planning, Children's Services planning and family support. The service area is also responsible for facilitating the Best Start program and delivery of Wyndham City's Municipal Early Years Plan.	7,948 (3,850) 4,098
Education	Education services relate to Wyndham's kindergarten operations and the services of Pre-School Field Officers. Kindergarten services are being increased to accommodate the expansion of local demand.	14,139 (13,941) 198
Preventative Services	This activity encompasses the administration, statutory and enforcement activities of the Health Act, management of environmental health issues, including food safety programs, provision of Council's immunisation service and provision of advice for the community on associated environmental health issues.	1,780 (1,003) 777

Aged & Disability Services	Council's Aged and Disability department provides <u>home and community care</u> services to older and frail people, people with a disability of all ages and the family members who care for them, in order to improve their quality of life. Services include assistance with daily life routines, personal care, respite, meals and home maintenance as well as social and physical activities. This area also provides community transport to support the above programs.	10,835 <u>(6,385)</u> 4,451
Community Wellbeing	This service area provides advice, support and programs to strengthen community health and wellbeing for all members of the Wyndham Community.	3,163 <u>(233)</u> 2,930
Active Recreation	Council provides a selection of recreational facilities, including the boat ramp facilities at Werribee South, and the sporting complex at Victoria University. This activity also encompasses the recreation and open space planning function of Council.	2,149 <u>(794)</u> 1,355
Public Halls	This area coordinates activities at the community centres at Central Park, Featherbrook, Tarneit, Wyndham Vale, Point Cook, Arndell, Penrose, and Yerambooee. It also includes the centres at Diggers Road Hall, Kelly Park and the Old Shire Offices. The property running expenses are defrayed by income from hire charges.	2,080 <u>(1,255)</u> 824
Swimming Areas	The City of Wyndham is home to two public swimming <u>pool/aquatic facilities</u> ; an outdoor Olympic sized pool, and the indoor aquatic centre (AquaPulse). This service provides the community with a range of recreational facilities.	11,636 <u>(11,848)</u> (212)
Youth Services	In identifying and responding to the needs of the youth of the community, Wyndham City provides a range of services and programs for young people. These services are provided from Council's Youth Resource Centre in Hoppers Crossing and also from a variety of community facilities across Wyndham. Council works in partnership with young people, service providers and schools to ensure that the planning and development of new youth programs meets the needs of Wyndham's growing youth population.	3,307 <u>(301)</u> 3,006
Community & Road Safety	This service provides advice, support and programs to strengthen community safety in order that neighbourhood amenity is protected, people feel safe and enjoy public spaces, and individual rights are preserved. School crossing supervisors are included as part of this service area.	2,158 <u>(382)</u> 1,776
Libraries	There are five <u>library</u> sites within the City of Wyndham All the libraries have modern facilities with reference as well as non-reference books available and are equipped with up-to-date computer equipment with internet access available for research. These services are available for use by members of the public. Weekly programmes to improve literacy and numeracy, such as story time and rhyme time are provided at each branch.	7,095 <u>(1,507)</u> 5,589

Arts and Cultural Development	Wyndham City offers a broad range of arts and cultural opportunities across Wyndham's City Centres and suburbs in support of its Cultural Development Strategy – 'Creative Communities & Cultural Places'. With regionally significant venues such as the Wyndham Cultural Centre, with its large Performing Arts Centre and Art Gallery, the City provides high quality visual and performing arts programs promoting local interest and cultural tourism. Council's Arts Activation program also sponsors community participation through its Wyndham Arts Spaces art exhibitions and residencies, Music in Our City, and Public Art Program. Local artists also have a range of Council run arts networking, education, development and sponsorship opportunities to promote active engagement in the local arts events and development of professional career paths.	2,256 (700) 1,556
Parks & Gardens	The parks and gardens operation looks after the maintenance and expansion of the City's reserves, parks, roadside areas and other designated public open space, providing pleasant recreational and relaxation areas for local enjoyment.	19,341 (904) 18,437

(* indicate initiatives that have been allocated additional funds outside of the general operating budget).

Major Initiative

18) Continue the establishment of enhanced Neighbourhood Hubs within each Wyndham district, and improve access to a more diverse range of Council services at the Hubs.

Initiatives

19) Progress strategic partnerships to ensure Wyndham is well positioned for the implementation of the National Disability Insurance Scheme and reforms in the Aged Care sector.

20) Explore the youth and early years needs of families in each neighbourhood, identify service planning and infrastructure requirements, and develop integrated and accessible service models to suit life stage needs.

21) Strengthen and enhance the delivery of Wyndham City's Arts and Cultural service with a focus on the Public Art Program and neighbourhood and City activation.

22) Work in partnership with stakeholders and the community to increase available support services and raise community awareness to help prevent family violence.

23) Taking an integrated place based approach, undertake detailed service planning of Council's community services to respond to growth and community needs into the future across the life stages from early years to older adults.*

24) Develop a Libraries Strategic Plan 2018-2028 to guide the development of future library infrastructure and services.*

25) Consult and develop the Wyndham Sports Strategy to define the required infrastructure to meet the community's sporting needs to 2040.*

26) Determine current and future demand for public swimming pools and aquatic services to guide the planning and timing of Council's third aquatic facility and assess ways to address demand in the short term.*

Service Performance Outcome 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
Maternal & 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
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
Home & 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
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
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100

Council acknowledges that it plays a leading role in protecting and enhancing the long term health of the environment. With this in mind, Council can also improve its water, energy and waste management efforts while helping our community to also adopt more sustainable practices.

Key objectives under this theme in the City Plan are:

4.1 Natural – To ensure the natural assets and biodiversity of Wyndham are protected and managed in a sustainable manner so they can be enjoyed now and by future generations.

4.2 Built – To work in partnership with the Wyndham community to educate and enable residents and businesses to plan and make changes to their lifestyles and practices, to contribute to a sustainable, green and clean Wyndham City.

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Recycling, Re-use and Waste	This area includes Waste Management collection for Wyndham residents. This service includes the core domestic collection services in addition to the domestic recycling services and the optional green waste program. Council takes a proactive view of good practice in this area and encourages recycling of materials where possible, through its school waste educational program and waste management promotional campaigns.	22,418 (4,555) 17,863
Business Undertakings (Property)	Activities in this area include the Refuse Disposal Facility, which is run as a separate commercial exercise from other Council activities. The operations of the Refuse Disposal Facility are clearly segregated from those of Council's Waste Management Service, with the profits redirected toward Council to fund its annual capital program.	37,728 (61,540) (23,812)
Environment Protection	Promoting good land management practice throughout the municipality including plant and animal control, as well as the administration of land management incentive programs and community awareness programs in the areas of land management.	2,499 (573) 1,926

(* indicate initiatives that have been allocated additional funds outside of the general operating budget).

Major Initiative

27) Create partnerships with State authorities and the community on the health of our coast and waterways, in particular the Werribee River, specifically for environmental flows, litter prevention and monitoring.

Initiatives

28) Enhance staff capacity at the Refuse Disposal Facility to provide responsible waste management for Wyndham.

- 29) Implement the Stormwater Management Plan, including the development of local guidelines for use by Council and developers to model proposed water sensitive urban design drainage systems.*
- 30) Complete a coastal erosion assessment for Wyndham's coastline to inform the new coastal strategy to guide future land use.
- 31) Increase awareness and reduce litter in the municipality through programs such as hosting an anti-dumping hard waste community event and promoting the addition of food scraps into green bins to reduce waste to landfill.
- 32) Implement actions from the new Environment and Sustainability Strategy such as installing solar panels on Council's top 10 energy usage buildings.
- 33) Commence Council's 30 year Open Space Strategy to provide a well-connected open space network and improved access for all to adequate open space.
- 34) Advocate for improved water quality and security to support farming in Werribee South.

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

Council is committed to increasing the organisation's capacity to respond to changes in its operating environment. While Council can influence decision making through policy development, advocacy and networks, it has a critical role to play in developing effective partnerships with community members, government, community agencies and businesses to build understanding, transfer knowledge, and agree priority services and initiatives.

Key objectives under this theme in the City Plan are:

5.1 Good Governance – To maintain community confidence in the integrity and efficiency of the organisation. To continue to ensure there is a focus and commitment to transparency and accountability in Council decision making processes.

5.2 Communications – To keep the community well informed of Council services, programs and activities. To promote Wyndham City's natural and heritage assets in order to attract increased visitation, local expenditure and community pride.

5.3 Business Operations – To deliver best practice management, governance, administrative and human resource systems that support the delivery of Council services and programs to the Wyndham community.

5.4 Advocacy – To promote and campaign to outside agencies such as State and Federal Governments in order to secure projects, funding and partnership initiatives for the benefit of the community.

5.5 Financial Services – To manage resources efficiently and effectively to ensure Council's financial sustainability now and into the future.

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Advocacy	This area advocates for the interests of Wyndham City with a focus on traffic and transport, employment and skills, environment, infrastructure, community health, wellbeing and safety. Wyndham City has developed an Advocacy Strategy to engage and work with residents, community organisations and other stakeholders in its advocacy campaigns.	427 0 427
Plant Operating	This area of activity is responsible for overseeing and coordinating maintenance of the Council's fleet of motor vehicles and other motorised and mechanical equipment. The forecast costs represent Workshop Management and parts and services for the fleet.	6,395 (6,653) (258)
Corporate Services	This area of activity represents the Council's financial management and finance functions, payroll and personnel departments, records management, customer service, information technology support services, risk and compliance management, and human resources management. These activities perform a critical support function that is crucial to an efficient functioning of the Council.	26,266 (3,592) 22,674

Council Operations	This activity represents the management of Council, including the core governance functions of the Chief Executive Officer and expenses relating to Councillors' activities. The budgeted amount further represents forecast costs in relation to various insurances and other statutory requirements. Additionally, rate enforcement activities, research services, and other governance related functions are included here. The costs in this area also include the full complement of employee related insurance and employment on-costs for the financial year.	25,076 (35,603) (10,527)
Other Administration	Activities included in this area represent costs related to the Corporate planning function including the completion and implementation of Wyndham 2040 in addition to the external audit functions of the Council. This activity also encompasses the central administration of all Council memberships and affiliations with external agencies.	933 (325) 608

(* indicate initiatives that have been allocated additional funds outside of the general operating budget).

Major Initiative

35) Embed the revitalised organisation structure to support Council's role in delivering the Wyndham 2040 Community Plan through wise and efficient initiatives; and grow an organisation culture which is passionate about innovation and motivated to achieve.

Initiatives

36) Continue with Excellence@Wyndham using the Australian Business Excellence Framework to improve productivity, innovation and efficiencies throughout the organisation.*

37) Support the Victorian Electoral Commission in the conduct of the 2016 Council Election and implement an Induction and training program for the 2016 – 2020 Council.

38) Develop the new 2017-2021 Council Plan, together with the Community Health Wellbeing and Safety plan 2017-2021, within the context of Council's integrated planning framework and Wyndham 2040 District Plans.*

39) Work towards a high performance culture across the organisation through implementing the Culture Plan and People Strategy, establishing a high performance capability framework, and providing continued support for staff learning and development.*

40) Establish a Project Management Office to improve effective and efficient delivery of a variety of projects across Council through establishing a Project Management Framework supported by staff mentoring and training.

41) Review Council's marketing and public relations approach (including social media) to ensure the community is aware of Council's actions and achievements.

42) Implement the findings of the Town Planning Health Check to streamline processes primarily for sub-divisions and major projects.

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

2.2 Performance statement

The service performance indicators detailed in the preceding pages will be reported 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 2016/17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 4) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.3 Reconciliation with budgeted operating result for 2016/17

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
People	7,793	9,144	1,351
Place	24,187	35,882	11,695
Services	45,710	95,608	49,898
Environment	(4,023)	62,646	66,669
Organisational Excellence	12,925	59,099	46,174
Total services & initiatives	86,591	262,379	175,787
Asset write off / written down value	5,100		
Depreciation & Amortisation	70,658		
Total non-attributable expenses	75,758		
Deficit before funding sources	162,349		
Rates & charges	168,876		
Contributions	13,455		
Contributions - non monetary	61,000		
Capital grants	8,186		
Proceeds on sale of assets	1,540		
Total funding sources	253,057		
Surplus for the year	90,707 *		

* The 'Surplus for the year' is reconciled to the Income Statement in Section 3.

Note:-

The Expenditure and Revenue totals include internal service charges and cost recoveries between departments. The Net Cost total reflects the actual overall cost, after internal transactions have been negated.

3. Financial Statements

This section presents information in regard to the consolidated Financial Statements for Wyndham City Council, including its 100% owned subsidiary Western Leisure Services Pty Ltd. The budget information for the years 2017/18 to 2019/20 has been extracted from the Strategic Resource Plan.

The following financial statements are included in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

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

(Note: +1/-1 variances in these statements will be due to rounding of source data).

3.1 Comprehensive Income Statement For the 4 years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	2015/16	2016/17	Projections		
	\$'000	\$'000	2017/18	2018/19	2019/20
			\$'000	\$'000	\$'000
Income					
Rates and charges	161,426	168,876	184,419	198,691	214,014
Statutory fees and fines	11,282	11,450	11,874	12,586	13,342
User fees	72,561	79,619	84,475	89,671	95,166
Grants - operating	27,772	35,353	37,527	39,775	42,166
Grants - capital	12,875	8,186	2,973	4,097	9,252
Contributions - monetary	29,643	13,712	15,212	36,176	52,281
Contributions - non-monetary assets	85,000	61,000	63,000	66,000	68,000
Fair value adjustments for investment property	0	0	0	0	0
Share of netprofits/(losses) of associates & joint ventures	0	0	0	0	0
Other income	4,712	5,052	5,929	6,288	6,751
Total income	405,270	383,248	405,409	453,285	500,972
Expenses					
Employee costs	109,976	117,016	126,083	137,367	149,521
Materials and services	93,259	95,153	99,714	104,225	109,827
Bad and doubtful debts	113	101	101	101	101
Depreciation and amortisation	66,212	70,658	76,354	82,178	86,159
Borrowing costs	2,304	3,015	3,304	3,915	4,881
Other expenses	3,281	3,037	3,076	3,153	3,232
Net loss on disposal of property, infrastructure, plant and equipment	1,309	3,560	3,380	2,823	3,342
Total expenses	276,454	292,540	312,012	333,761	357,063
Surplus (deficit) for the year	128,816	90,707	93,397	119,523	143,909
Other Comprehensive Income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment/(decrement)	182,716	3,438	16,382	197,522	22,633
Share of other comprehensive income of associates and joint ventures	0	0	0	0	0
Items that may be reclassified to surplus or deficit in future periods	0	0	0	0	0
Total Comprehensive Result	311,532	94,145	109,779	317,045	166,542

3.2 Balance Sheet

For the 4 years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	2015/16	2016/17	Projections		
	\$'000	\$'000	2017/18	2018/19	2019/20
			\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	16,374	14,921	15,621	14,539	14,238
Other financial assets	132,483	120,721	126,387	117,634	115,197
Trade and other receivables	40,295	38,749	41,616	49,292	55,946
Inventories	154	158	165	173	182
Other assets	3,540	3,612	3,785	3,956	4,168
Non-current assets classified as held for sale	23	23	23	23	23
Total current assets	192,870	178,183	187,596	185,616	189,754
Non-current assets					
Trade and other receivables	2,391	2,223	2,371	2,918	3,376
Investments in associates & joint ventures	0	0	0	0	0
Property, infrastructure, plant & equipment	3,162,623	3,269,547	3,377,513	3,711,767	3,891,404
Investment property	0	0	0	0	0
Intangible assets	17,535	11,953	21,882	15,407	26,999
Total non-current assets	3,182,549	3,283,723	3,401,766	3,730,092	3,921,779
Total assets	3,375,418	3,461,907	3,589,362	3,915,708	4,111,533
Liabilities					
Current liabilities					
Trade and other payables	30,812	31,334	32,801	34,263	36,074
Trust funds and deposits	8,708	8,856	9,270	9,683	10,195
Interest-bearing loans and borrowings	0	0	0	0	0
Provisions	17,512	18,624	20,056	21,839	23,758
Total current liabilities	57,033	58,814	62,127	65,786	70,027
Non-current liabilities					
Interest-bearing loans and borrowings	55,000	55,000	63,000	73,000	97,000
Provisions	4,871	5,183	5,585	6,085	6,623
Carbon tax	6,267	0	0	0	0
Landfill rehabilitation	18,585	15,101	21,064	16,205	16,709
Total non-current liabilities	84,723	75,284	89,649	95,290	120,332
Total liabilities	141,756	134,098	151,776	161,076	190,359
Net assets	3,233,662	3,327,808	3,437,587	3,754,632	3,921,174
Equity					
Accumulated surplus	1,631,943	1,727,142	1,818,470	1,935,798	2,077,267
Reserves	1,601,719	1,600,666	1,619,118	1,818,835	1,843,907
Total equity	3,233,662	3,327,808	3,437,587	3,754,632	3,921,174

3.3 Statement of Changes in Equity For the 4 years ending 30 June 2020

	Total \$'000	Accumm Surplus \$'000	Reval'n Reserve \$'000	Other Reserves \$'000
2017				
Balance at beginning of the financial year	3,233,662	1,631,943	1,534,055	67,664
Surplus/(deficit) for the year	90,707	90,707	-	-
Net asset revaluation increment (decrement)	3,438	-	3,438	-
Transfer to reserve	-	(13,978)	-	13,978
Transfer from reserve	-	18,470	-	(18,470)
Balance at end of the financial year	3,327,808	1,727,142	1,537,493	63,173
2018				
Balance at beginning of the financial year	3,327,808	1,727,142	1,537,493	63,173
Surplus/(deficit) for the year	93,397	93,397	-	-
Net asset revaluation increment (decrement)	16,382	-	16,382	-
Transfer to reserve	-	(17,034)	-	17,034
Transfer from reserve	-	14,965	-	(14,965)
Balance at end of the financial year	3,437,587	1,818,470	1,553,875	65,242
2019				
Balance at beginning of the financial year	3,437,587	1,818,470	1,553,875	65,242
Surplus/(deficit) for the year	119,523	119,523	-	-
Net asset revaluation increment (decrement)	197,522	-	197,522	-
Transfer to reserve	-	(38,118)	-	38,118
Transfer from reserve	-	35,923	-	(35,923)
Balance at end of the financial year	3,754,632	1,935,798	1,751,397	67,438
2020				
Balance at beginning of the financial year	3,754,632	1,935,798	1,751,397	67,438
Surplus/(deficit) for the year	143,909	143,909	-	-
Net asset revaluation increment (decrement)	22,633	-	22,633	-
Transfer to reserve	-	(54,460)	-	54,460
Transfer from reserve	-	52,021	-	(52,021)
Balance at end of the financial year	3,921,174	2,077,267	1,774,030	69,877

3.4 Statement of Cash Flows

For the 4 years ending 30 June 2020

	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	160,391	168,289	183,196	197,568	212,809
Statutory fees & fines	11,029	12,461	12,443	12,716	13,688
User fees	70,937	86,656	88,521	90,601	97,628
Grants - operating	29,577	37,651	39,966	42,361	44,907
Grants - capital	13,712	8,719	3,167	4,364	9,853
Contributions - monetary	28,979	14,924	15,941	36,552	53,633
Interest received	4,712	5,052	5,929	6,288	6,751
Dividends received	0	0	0	0	0
Trust funds & deposits taken	1,126	207	580	579	717
Other receipts	0	0	0	0	0
Net GST refund/payment	9,329	11,280	11,831	14,395	16,360
Employee costs	-107,048	-115,592	-124,249	-135,084	-147,063
Materials & services	-114,553	-129,104	-123,203	-137,356	-147,136
Trust funds & deposits repaid	-322	-59	-166	-165	-205
Other payments	0	0	0	0	0
Net cash provided by/(used in) operating activities	107,870	100,483	113,955	132,817	161,942
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	-93,401	-112,681	-114,379	-151,634	-186,127
Proceeds from sale of property, infrastructure, plant and equipment	3,691	1,540	1,720	2,377	1,958
Payment for investments	-47,078	11,762	-5,666	8,753	2,436
Loan and advances made	0	0	0	0	0
Payments of loans and advances	0	0	0	0	0
Net cash provided by/(used in) investing activities	-136,787	-99,379	-118,326	-140,505	-181,732
Cash flows from financing activities					
Finance costs	-1,983	-2,558	-2,930	-3,395	-4,511
Proceeds from borrowings	15,000	0	8,000	10,000	24,000
Repayment of borrowings	0	0	0	0	0
Net cash provided by/(used in) financing activities	13,017	-2,558	5,071	6,606	19,490
Net increase/(decrease) in cash & cash equivalents	-15,900	-1,454	700	-1,082	-301
Cash & cash equivalents at the beginning of financial year	32,274	16,374	14,921	15,621	14,539
Cash & cash equivalents at the end of the financial year	16,374	14,921	15,621	14,539	14,238

3.5 Statement of Capital Works For the 4 years ending 30 June 2020

	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Capital works areas					
Property					
Land	9,845	20,786	4,075	8,970	9,704
Land improvements	8,355	4,762	9,699	5,787	6,134
Buildings	27,034	17,635	25,279	37,167	32,374
Heritage buildings	0	0	0	0	0
Building improvements	1,718	5,580	9,400	2,758	681
Leasehold improvements	0	0	0	0	0
Total property	46,952	48,763	48,453	54,682	48,892
Plant & equipment					
Heritage and culture	0	250	260	270	281
Plant, machinery and equipment	2,301	7,923	4,096	6,946	7,307
Fixtures, fittings and furniture	2,616	165	172	178	186
Computers and telecommunications	1,747	2,672	0	0	0
Library books	1,514	1,055	2,313	125	1,405
Total plant and equipment	8,177	12,065	6,840	7,520	9,179
Infrastructure					
Roads	20,169	25,912	37,137	54,055	110,334
Bridges	358	3,472	52	811	562
Footpaths and cycleways	1,611	1,270	1,581	1,644	3,960
Drainage	125	1,194	596	502	432
Recreational, leisure and community facilities	6,337	10,752	12,473	11,588	1,125
Waste management	300	515	2,120	0	0
Parks, open space and streetscapes	3,398	7,708	5,128	20,831	11,643
Aerodromes	0	0	0	0	0
Off street car parks	669	410	0	0	0
Other infrastructure	5,304	850	0	0	0
Total infrastructure	38,271	52,084	59,086	89,432	128,056
Total capital works expenditure	93,401	112,912	114,379	151,634	186,126
Represented by:					
New asset expenditure	35,763	60,564	53,849	92,205	143,113
Asset renewal expenditure	17,299	21,884	23,317	23,635	26,113
Asset expansion expenditure	2,026	8,257	14,849	4,110	0
Asset upgrade expenditure	38,313	22,207	22,365	31,684	16,900
Total capital works expenditure	93,401	112,912	114,379	151,634	186,126

Total capital works of \$112.91 million in 2016/17 includes \$12.74 million in carried forward projects from 2015/16 to be completed in 2016/17.

3.6 Statement of Human Resources For the 4 years ending 30 June 2020

	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Strategic Resource Plan Projections		
			2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Staff expenditure					
Employee costs - operating	112,907	119,964	129,128	140,512	152,770
Employee costs - capital	-2,931	-2,948	-3,045	-3,146	-3,249
Total staff expenditure	109,976	117,016	126,083	137,367	149,521
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	1,209.44	1,255.13	1,301.03	1,349.03	1,398.03
Total staff numbers	1,209.44	1,255.13	1,301.03	1,349.03	1,398.03

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

Directorate/Business unit	Budget 2016/17 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
CEO & support staff	521	521	0
Advocacy	308	308	0
Community Development	49,515	18,137	31,378
Corporate Services	19,720	15,080	4,640
Infrastructure	26,930	25,989	940
Sustainable Development	8,686	7,642	1,044
Western Leisure Services (WLS) - 100% subsidiary	3,837	3,574	263
Total permanent staff expenditure	109,517	71,251	38,265
Casuals and other expenditure	10,447		
Capitalise labour costs	- 2,948		
Total Wyndham City & WLS expenditure	117,016		

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

Directorate/Business unit	Budget FTE	Comprises	
		Permanent Full time	Permanent Part time
CEO & support staff	2.00	2.00	0.00
Advocacy	2.00	2.00	0.00
Community Development	485.96	178.00	307.96
Corporate Services	193.54	148.00	45.54
Infrastructure	266.59	257.36	9.23
Sustainable Development	85.25	75.00	10.25
Western Leisure Services - 100% subsidiary	41.10	37.00	4.10
Total permanent staff	1,076.44	699.36	377.08
Casuals and other	152.05		
Capitalised labour costs	26.64		
Total Wyndham City & WLS FTE	1,255.13		

4. Financial performance indicators

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

Indicator	Measure	Notes	Actual 2014/15	Forecast 2015/16	Budget 2016/17	Strategic Resource Plan Projections			Trend +/-o/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-4%	1.7%	4.3%	4.7%	4.7%	4.8%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	297%	338.2%	303.0%	302.0%	282.2%	271.0%	-
Unrestricted cash	Unrestricted cash / current liabilities	3	37%	76.4%	97.5%	89.7%	73.8%	61.2%	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	27%	34.1%	32.6%	34.2%	36.7%	45.3%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans & borrowings / rate revenue		29%	1.2%	1.5%	1.6%	1.7%	2.1%	o
Indebtedness	Non-current liabilities / own source revenue		34%	33.9%	28.4%	31.2%	31.0%	36.5%	-
Asset renewal	Asset renewal expenditure / depreciation	5	83%	26.1%	31.0%	30.5%	28.8%	30.3%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	63%	57.4%	55.3%	56.3%	56.7%	57.1%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$3,085	\$3,302	\$3,348	\$3,445	\$3,561	\$3,678	-
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,494	\$1,598	\$1,612	\$1,702	\$1,728	\$1,756	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	o

Key to Forecast Trend:

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

Notes to indicators

1 Adjusted underlying result - An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Consistent financial performance is expected over the period.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to remain stable in the 2016/17 year even after the spending of cash reserves to complete that year's capital program. The trend in later years is to remain steady at an acceptable level.

3 Unrestricted Cash – Although aggregate cash holdings are increasing, this is primarily due to increase in developer contributions received. The developer contribution funds are required to be held for specific projects and are therefore considered 'restricted' funds. This leaves a lower proportion of our cash holdings that are unrestricted.

4 Debt compared to rates - Trend reflects Council's intention to borrow further funds; \$8 million in 2017/18, \$10 million in 2018/19, and \$24 million in 2019/20. The borrowings are required for the construction of Armstrong/Ison Roads in the Wyndham West area.

5 Asset renewal - This percentage indicates the amount of spend by Council on renewal of assets against the depreciation charge (depreciation is an indication of the decline in the value of its existing capital assets). A percentage less than 100 suggests that assets are not being renewed at the same rate that they deteriorate. Wyndham is in a high growth phase and this requires capital funding to be prioritised towards new assets. The level of funding allocated to Asset renewal is reviewed as part of the planning and budgeting process and prioritised based on asset condition assessments.

6 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates a steady reliance on rate revenue compared to all other revenue sources during this 4 year period.

5. Other budget information (required by the Regulations)

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

5.1.1 Grants - Operating (\$7.58 million increase)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants has increased by 27.3% or \$7.58 million compared to 2015/16. The increase in grants from 2015/16 to 2016/17 is mostly due to a timing difference. In 2015/16, approximately 50% of the Victoria Grants Commission (VGC) funding was disbursed early, in 2014/15. As no advice has been received at this time, the 2016/17 budget has assumed that VGC funding for the year will be fully received in the 2016/17 financial year, resulting in a significant variance when the 2 years are compared.

A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below:

Operating Grants	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Aged Care	-211	0	211
Family Support	44	48	4
Victorian Grants Commission	6,478	13,020	6,542
Recurrent - State Government			
Aged Care	5,644	5,326	-318
Community Health & Wellbeing	472	421	-51
Family Support	284	292	8
Kindergarten	9,783	11,339	1,557
Libraries	1,237	1,268	31
Maternal & Child Health	2,703	2,831	127
Preschool Field Officers	171	174	3
School Crossing Supervisors	290	297	7
Youth Services	109	102	-6
Total Recurrent Operating Grants	27,003	35,119	8,116
Non-recurrent - Commonwealth Government			
Environment	185	0	-185
Non-recurrent - State Government			
Aged Care	0	3	3
Business Development	15	15	0
Community Health & Wellbeing	277	85	-192
Environment	86	128	41
Kindergarten	163	0	-163
Maternal & Childhealth	31	0	-31
Recreation	11	3	-8
Total Non-Recurrent Operating Grants	769	234	-535
Total operating grants	27,772	35,353	7,581

Increase in specific operating grant funding reflect expected increased demand for these services. The level of VGC grants to Victorian Councils has been affected by the Commonwealth Government's decision to pause indexation for 3 years commencing in 2014/15. The VGC analysis indicates that Victorian Councils will be impacted by \$200 million during the pause as well as lowering the base from which indexation will be resumed by approximately 12.5%.

5.1.2 Grants - Capital (\$4.69 million decrease)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Overall, the level of capital grants has decreased by 36.4% or \$4.69 million compared to 2015/16. In its budgetary practices, Council adopts a conservative approach to the budgeting of one-off capital grants. Only those grants that are confirmed and certain are included in the budget. Council's policy recognises that any project that warrants inclusion in the Capital budget be justified on its own merits, rather than being contingent on the receipt of capital grants. Section 12. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2016/17 year.

A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Capital Grants	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Victorian Grants Commission	977	1,950	972
Roads to Recovery	2,586	2,987	401
Total Recurrent Capital Grants	3,563	4,936	1,373
Non-recurrent - Commonwealth Government			
Building	4,715	3,250	-1,465
Other Structures	207	0	-207
Non-recurrent - State Government			
Building	1,547	0	-1,547
Roads	129	0	-129
Cycleway & Footpaths	1,150	0	-1,150
Other Structures	1,565	0	-1,565
Total Non-Recurrent Capital Grants	9,312	3,250	-6,062
Total Capital Grants	12,875	8,186	-4,689

5.1.3 Statement of Borrowings

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

	2015/16 \$'000	2016/17 \$'000
Total amount borrowed as at 30 June of the prior year	40,000	55,000
Total amount to be borrowed	15,000	0
Total amount projected to be redeemed	0	0
Total borrowings as at 30 June	55,000	55,000

6. Detailed list of Capital Works

This section presents a listing of the capital works projects that will be undertaken for the 2016/17 year.

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

- New works for 2016/17
- Works carried forward from the 2015/16 year.

In August 2015 Council adopted an Environmentally Sustainable Design (ESD) Framework for all new buildings, renovations and building maintenance. In accordance with the Council resolution, all new building projects will comply with the ESD Framework from the 2016/17 financial year onwards. Capital works project budgets account for these requirements where required.

Council intends to undertake a formal mid-year review of the capital works program as part of its ongoing focus to improve project governance. This may involve deferring projects that have not progressed as per the plan and/or bringing forward projects identified in future years of the Strategic Resource Plan into the 2016/17 program of works. Council may also consider those projects reliant on external funding sources should the funding become available through the course of the 2016/17 financial year. The capital works program expenditure and funding requirements will be managed through the forecast process and reported to Council on a quarterly basis.

Capital works program Plan
For the year ending 30 June 2017

6.1 New works

Capital Works Area	Project Cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Reserves \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land									
Strategic Land Acquisition - Open Space & RDF	17,871	17,871	0	0	0	0	0	17,871	0
Land - Alfred Rd - For Active Open Space	1,665	1,665	0	0	0	0	0	1,665	0
Land - Hobbs Rd - For Active Open Space	750	750	0	0	0	0	0	750	0
100 Sayers Rd, Commonwealth Land (Lawrie Emmins)	500	500	0	0	0	0	0	500	0
Total Land	20,786	20,786	0	0	0	0	0	20,786	0
Land Improvements									
RDF CSR Airspace Payment	807	807	0	0	0	0	0	807	0
RDF New Cells - Design & Construction of Cell 5A	1,000	1,000	0	0	0	0	0	1,000	0
RDF Reconstruction of Existing Leachate Pond	500	0	500	0	0	0	0	500	0
RDF Landscape Project	150	150	0	0	0	0	0	150	0
Review RDF Master Plan	200	0	200	0	0	0	0	200	0
RDF Alternate Cover System	350	350	0	0	0	0	0	350	0
RDF Leachate Pond Aerator	300	0	0	300	0	0	0	300	0
Total Land Improvements	3,307	2,307	700	300	0	0	0	3,307	0
Buildings									
Hummingbird Boulevard Pavilion & Car Park	1,600	1,600	0	0	0	0	354	1,246	0
Mainview Blvd Reserve - Pavilion & Car Park	2,987	2,987	0	0	0	0	103	2,884	0
Chirnside Park Hub Precinct Development	6,533	0	0	6,533	0	3,250	1,500	1,783	0
Regional Pound	2,000	2,000	0	0	0	0	0	2,000	0
The Grange Community Centre Expansion	160	0	0	0	160	0	160	0	0
Wyndham Cultural Centre Upgrade	250	0	0	250	0	0	0	250	0
Newmarket Road Reserve Pavilion & Car Park	20	20	0	0	0	0	20	0	0
Williams Landing estate - Pavilion & Car	200	200	0	0	0	0	200	0	0

Capital Works Area	Project Cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council cash \$'000	Borrowings \$'000
Truganina South Kindergarten	700	700	0	0	0	0	327	373	0
Integrated Family Centre - Ballan Road	540	540	0	0	0	0	0	540	0
Depot Store Improvements	75	0	0	75	0	0	0	75	0
Wyndham Vale Kindergarten - Facility Upgrade	55	0	0	55	0	0	0	55	0
Point Cook CLC Kindergarten - Facility Upgrade	50	0	0	50	0	0	0	50	0
Public Toilet Strategic Implementation - Werribee South Boat Ramp	40	0	0	40	0	0	0	40	0
Total Buildings	15,210	8,047	0	7,003	160	3,250	2,664	9,296	0
Building Improvements									
Large Scale Solar	2,814	0	0	2,814	0	0	2,814	0	0
Yerambooe Community Centre - Roof & Flooring Repairs	200	0	200	0	0	0	0	200	0
Building Asset Renewal Plan	455	0	455	0	0	0	0	455	0
Enhanced Neighbourhood Hubs Upgrade	762	0	0	0	762	0	0	762	0
Wyndham Aboriginal Community Centre	500	0	0	0	500	0	0	500	0
Aged and Disability Department Office Alterations	64	0	0	64	0	0	0	64	0
Central Park Retrofit	180	0	0	180	0	0	0	180	0
Total Building Improvements	4,975	0	655	3,058	1,262	0	2,814	2,162	0
TOTAL PROPERTY	44,278	31,140	1,355	10,360	1,422	3,250	5,477	35,551	0
PLANT AND EQUIPMENT									
Heritage and Culture									
Public Art Funding Pool	250	250	0	0	0	0	0	250	0
Total Heritage and Culture	250	250	0	0	0	0	0	250	0

Capital Works Area	Project Cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council cash \$'000	Borrowings \$'000
Plant, Machinery and Equipment									
Motor Vehicle and Plant Replacement Program	3,313	0	3,313	0	0	0	1,568	1,745	0
Acquisition of Additional Fleet	318	318	0	0	0	0	0	318	0
Werribee Outdoor Olympic Pool - Pool Plant Upgrade	12	0	0	12	0	0	0	12	0
Garbage truck to replace litter cage truck (Unit 153)	250	250	0	0	0	0	0	250	0
Upgrade Eductor truck for Hydrostatic excavation	25	0	0	25	0	0	0	25	0
RDF Traxcavator Replacement	700	0	700	0	0	0	0	700	0
RDF Loader Replacement	600	0	600	0	0	0	0	600	0
RDF Water Truck Purchase	95	95	0	0	0	0	0	95	0
RDF Purchase of Electro Lifting Magnet System	300	300	0	0	0	0	0	300	0
RDF New Portable Fuel Tank	40	40	0	0	0	0	0	40	0
RDF Compactor Replacement	1,250	0	1,250	0	0	0	0	1,250	0
Total Plant, Machinery and Equipment	6,903	1,003	5,863	37	0	0	1,568	5,335	0
Fixtures, Fittings and Furniture									
Community Centres & Facilities Furniture & Equipment Upgrade	165	0	165	0	0	0	0	165	0
Total Fixtures, Fittings and Furniture	165	0	165	0	0	0	0	165	0
Computers and Telecommunications									
Vehicle Utilisation and Work Planning Support Project	250	250	0	0	0	0	0	250	0
Computer and Storage Hardware Refresh	1,300	1,300	0	0	0	0	0	1,300	0
Wireless Infrastructure Refresh	60	60	0	0	0	0	0	60	0
Asset Management System Procurement	345	345	0	0	0	0	0	345	0
Project Management Office (PMO)	150	150	0	0	0	0	0	150	0
Total Computers and Telecommunications	2,105	2,105	0	0	0	0	0	2,105	0
Library books									
Library Resource Collection	1,055	1,055	0	0	0	0	0	1,055	0
Total Library books	1,055	1,055	0	0	0	0	0	1,055	0
TOTAL PLANT AND EQUIPMENT	10,478	4,413	6,028	37	0	0	1,568	8,911	0

Capital Works Area	Project Cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council cash \$'000	Borrowings \$'000
INFRASTRUCTURE									
Roads									
Road Reconstructions (Various) *	7,845	0	7,845	0	0	4,936	0	2,909	0
Armstrong Rd - MRR (Greens - Black Forest)	2,272	2,272	0	0	0	0	974	1,298	0
Road Safety Improvements	150	0	0	150	0	0	0	150	0
Princes Highway Service Rd - (David Cr - Old Geelong Rd)	500	0	0	500	0	0	0	500	0
Hacketts Rd - Dunnings to Sneydes	2,000	0	0	0	2,000	0	2,000	0	0
Dohertys Rd Duplication - Fitzgerald Rd to Foundation Rd	4,043	0	0	4,043	0	0	0	4,043	0
Old Geelong Rd Service Rd - Design	20	0	0	20	0	0	0	20	0
Leakes Rd Upgrade & Duplication - Fitzgerald Rd - Woods Rd	450	0	0	0	450	0	0	450	0
Hoppers Lane Service Relocation - Princes Hwy - Sneydes Rd	350	0	0	350	0	0	0	350	0
Ison Road - Princes Highway to Melbourne-Geelong Rail Line	200	200	0	0	0	0	0	200	0
Ison Road - Melbourne-Geelong Rail Line - Regional Rail Line	300	300	0	0	0	0	0	300	0
Road Surface Renewal Program *	2,770	0	2,770	0	0	0	0	2,770	0
Road Reconstruction Forward Design Program	450	0	450	0	0	0	0	450	0
Tarneit Road Duplication (Hogans Rd to Good News School)	3,500	0	0	0	3,500	0	3,500	0	0
Total Roads	24,850	2,772	11,065	5,063	5,950	4,936	6,474	13,440	0
Bridges									
Rothwell Road Bridge Crossing, Little River	30	30	0	0	0	0	0	30	0
Skeleton Creek Bridges & Talliver Terrace Park	2,000	2,000	0	0	0	0	0	2,000	0
Total Bridges	2,030	2,030	0	0	0	0	0	2,030	0

Capital Works Area	Project Cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council cash \$'000	Borrowings \$'000
Footpaths and Cycleways									
Bicycle Plan - Implementation	300	300	0	0	0	0	0	300	0
Shared Path in Reserves	500	0	0	500	0	0	0	500	0
Footpath Construction Program	470	470	0	0	0	0	0	470	0
Total Footpaths and Cycleways	1,270	770	0	500	0	0	0	1,270	0
Drainage									
Ballan Road Drainage Installation Stage 3	584	584	0	0	0	0	0	584	0
Beamish Street - Drainage Improvement	25	0	0	25	0	0	0	25	0
Werribee River Drainage Outlet Works (Cottrell St)	115	115	0	0	0	0	0	115	0
Wyndham Storm Water Management Plan	170	170	0	0	0	0	0	170	0
RDF - Road and Drainage upgrade	300	0	0	300	0	0	0	300	0
Total Drainage	1,194	869	0	325	0	0	0	1,194	0
Recreational, Leisure and Community									
Mossfiel Reserve Masterplan Implementation	990	0	0	990	0	0	0	990	0
Newmarket Road Reserve Oval	220	220	0	0	0	0	220	0	0
Williams Landing Blvd Reserve - Ovals & Landscape	5,700	5,700	0	0	0	0	1,532	4,168	0
Saltwater Active Youth Space	54	54	0	0	0	0	0	54	0
Wyndham Vale South Reserve Boardwalk	527	527	0	0	0	0	0	527	0
Open Space Lighting Upgrade	533	0	0	533	0	0	0	533	0
Wyndham Youth Resource Centre Outdoor Area Redevelopment	30	30	0	0	0	0	0	30	0
Point Cook Skate Park Expansion Project	30	0	0	0	30	0	0	30	0
VU Athletics Track & Grange Res Synthetic Pitch Resurfacing	300	0	300	0	0	0	0	300	0
Galvin Park Master Plan Implementation	250	0	0	250	0	0	0	250	0
Total Rec, Leisure and Comm'y Facilities	8,634	6,531	300	1,773	30	0	1,752	6,882	0

Capital Works Area	Project Cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council cash \$'000	Borrowings \$'000
Waste Management									
RDF Litter Net fence & Litter Cages	80	80	0	0	0	0	0	80	0
RDF Wheel Wash Stage 2	50	50	0	0	0	0	0	50	0
RDF Wash Bay Upgrade	35	0	0	35	0	0	0	35	0
Total Waste Management	165	130	0	35	0	0	0	165	0
Parks, Open Space and Streetscapes									
Cobbedicks Ford Reserve Management Plan Implementation	170	0	170	0	0	0	0	170	0
Baden Powell Drive Park - Active Youth Space	3,116	3,116	0	0	0	0	0	3,116	0
James Cook Drive Park	431	431	0	0	0	0	0	431	0
Landscape Drive Park	455	455	0	0	0	0	0	455	0
Price Reserve Playground Upgrade	200	0	0	200	0	0	0	200	0
Presidents Park - Minor Landscape Works	321	321	0	0	0	0	0	321	0
Sports Facility Strategy - Implementation	1,000	1,000	0	0	0	0	0	1,000	0
Playground / Park upgrade	750	0	0	750	0	0	0	750	0
Total Parks, Open Space and Streetscapes	6,442	5,322	170	950	0	0	0	6,442	0
Off Street Car Parks									
Civic Centre Augmentation	250	0	0	0	250	0	0	250	0
Cherry Street Car Park - Werribee City Centre	160	160	0	0	0	0	0	160	0
Total Off Street Car Parks	410	160	0	0	250	0	0	410	0
Other Infrastructure									
Caravan Park - Park Optimisation, Security & Safety Works	20	0	0	20	0	0	0	20	0
Lighting the West	100	0	100	0	0	0	0	100	0
RDF Public Toilet Facility	300	300	0	0	0	0	0	300	0
Total Other Infrastructure	420	300	100	20	0	0	0	420	0
TOTAL INFRASTRUCTURE	45,415	18,884	11,635	8,666	6,230	4,936	8,226	32,253	0
TOTAL NEW CAPITAL WORKS 2016/17	100,172	54,438	19,018	19,063	7,652	8,186	15,271	76,715	0

6.2 Works carried forward from the 2015/16 year

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council Cash \$'000	Borrow's \$'000
PROPERTY									
Land Improvements									
RDF Reconstruction of Existing Leachate Pond	1,455	0	1,455	0	0	0	0	1,455	0
Total Land Improvements	1,455	0	1,455	0	0	0	0	1,455	0
Buildings									
Hummingbird Boulevard Pavilion & Car Park	955	955	0	0	0	0	0	955	0
Clearwood Drive Pavilion & Car Park	300	300	0	0	0	0	0	300	0
Cultural Centre Upgrade	311	0	311	0	0	0	0	311	0
Truganina South Kindergarten	859	859	0	0	0	0	0	859	0
Total Buildings	2,425	2,114	311	0	0	0	0	2,425	0
Building Improvements									
Enhanced Neighbourhood Hubs Upgrade	605	0	0	0	605	0	0	605	0
Total Building Improvements	605	0	0	0	605	0	0	605	0
TOTAL PROPERTY	4,485	2,114	1,766	0	605	0	0	4,485	0
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Motor Vehicle and Plant Replacement Program	1020	0	1,020	0	0	0	0	1,020	0
Total Plant, Machinery and Equipment	1020	0	1,020	0	0	0	0	1,020	0
Computers and Telecommunications									
Vehicle Utilisation and Work Planning Support Project	150	150	0	0	0	0	0	150	0
Asset Management System Procurement	417	417	0	0	0	0	0	417	0
Total Computers and Telecommunications	567	567	0	0	0	0	0	567	0

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council Cash \$'000	Borrow's \$'000
TOTAL PLANT AND EQUIPMENT	1,587	567	1,020	0	0	0	0	1,587	0
INFRASTRUCTURE									
Roads									
Princes Highway Service Rd - (David Cr - Old Geelong Rd)	562	0	0	562	0	0	0	562	0
Tarniet & Hogans Rd Service Relocations	500	0	0	500	0	0	0	500	0
Total Roads	1062	0	0	1,062	0	0	0	1,062	0
Bridges									
Skeleton Creek Bridges & Talliver Terrace Park	1,442	1,442	0	0	0	0	0	1,442	0
Total Bridges	1,442	1,442	0	0	0	0	0	1,442	0
Recreational, Leisure and Community									
Mossfiel Reserve Masterplan Implementation	96	0	0	96	0	0	0	96	0
1160 Sayers Road - Masterplan	250	250	0	0	0	0	0	250	0
Mainview Boulevard Reserve	1107	1,107	0	0	0	0	0	1,107	0
Lawrie Emmins Reserve - Motor Cross	664	0	0	664	0	0	0	664	0
Total Rec, Leisure and Community Facilities	2118	1,357	0	761	0	0	0	2,118	0
Waste Management									
RDF Water Mains Upgrade	350	0	0	350	0	0	0	350	0
Total Waste Management	350	0	0	350	0	0	0	350	0
Parks, Open Space and Streetscapes									
Cobbledicks Ford Reserve Management Plan Implementation	80	0	80	0	0	0	0	80	0
Alison Steet Park	575	575	0	0	0	0	0	575	0
Baden Powell Drive Park - Active Youth Space	71	71	0	0	0	0	0	71	0
Regatta Cove	49	0	0	49	0	0	0	49	0

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council Cash \$'000	Borrow's \$'000
Price Reserve Playground Upgrade	184	0	0	184	0	0	0	184	0
Wyndham Park	240	0	0	240	0	0	0	240	0
Landscape Master Plans - Forward Planning	67	0	0	67	0	0	0	67	0
Total Parks, Open Space and Streetscapes	1,266	646	80	540	0	0	0	1,266	0
Other Infrastructure									
Werribee CBD Activation	285	0	0	285	0	0	0	285	0
Caravan Park - Park Optimisation, Security & Safety Works	145	0	0	145	0	0	0	145	0
Total Other Infrastructure	430	0	0	430	0	0	0	430	0
TOTAL INFRASTRUCTURE	6,668	3,445	80	3,144	0	0	0	6,668	0
TOTAL C/FWD CAPITAL WORKS 2015/16	12,740	6,125	2,866	3,144	605	0	0	12,740	0

6.3 Summary

Capital Works Area	Project Cost \$'000	Asset Expenditure Type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib's/ Reserves \$'000	Council Cash \$'000	Borrow's \$'000
PROPERTY	48,763	33,254	3,121	10,360	2,027	3,250	5,477	40,036	0
PLANT AND EQUIPMENT	12,065	4,980	7,048	37	0	0	1,568	10,497	0
INFRASTRUCTURE	52,084	22,329	11,715	11,810	6,230	4,936	8,226	38,922	0
TOTAL CAPITAL WORKS (NEW + C/FWD)	112,912	60,564	21,884	22,207	8,257	8,186	15,271	89,455	0

7. Rates & Charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for an average of 52.1% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Victorian Government has introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2016/17 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of Council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Wyndham community.

The 2016/17 operating position anticipates a significant impact of wages growth and reductions in government funding. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve a sustainable financial position. Additionally, Wyndham faces continued pressure in funding community infrastructure and regional facilities.

In order to maintain service levels at a high level and a strong capital expenditure program, the average general rate and municipal charge is budgeted to increase by 2.5% in line with the rates cap that has been set. The kerbside collection charge will reduce by 4.1% due to a once-off carbon tax refund of \$17 included on each relevant property, since the tax was repealed in July 2014. This will raise total general rates and municipal charges for 2016/17 of \$149.13 million, supplementary rates and charges of \$2.27 million, as well as \$17.88 million in waste management charges, \$0.17 million in revenue in lieu of rates offset by a rebate of \$0.57 million to the Sanctuary Lakes residents.

7.1 Rates & charges

7.1.1 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 or class of land	2015/16 cents/\$CIV	2016/17 cents/\$CIV	Change
Recreational	0.1696	0.1617	-4.7%
Government	0.1696	0.1617	-4.7%
Developed Land	0.3392	0.3234	-4.7%
Commercial Developed Land	0.5088	0.4850	-4.7%
Industrial Developed Land	0.5427	0.5174	-4.7%
Residential Development Land	0.5767	0.5497	-4.7%
Vacant Residential Land	0.5427	0.5174	-4.7%
Vacant Commercial Land	0.5767	0.5497	-4.7%
Vacant Industrial Land	0.6105	0.5820	-4.7%
Farm Land	0.2713	0.2587	-4.7%
Rural Lifestyle	0.3053	0.2910	-4.7%
Vacant Rural Land	0.3392	0.3234	-4.7%

7.1.2 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 or class of land	2015/16 \$	2016/17 \$	Change
Recreational	39,899	38,027	-4.7%
Government	5,064	4,826	-4.7%
Developed Land	91,325,105	98,396,252	7.7%
Commercial Developed Land	10,719,991	11,409,285	6.4%
Industrial Developed Land	18,060,119	17,074,814	-5.5%
Residential Development Land	4,286,588	3,484,426	-18.7%
Vacant Residential Land	6,840,841	7,984,937	16.7%
Vacant Commercial Land	314,788	281,946	-10.4%
Vacant Industrial Land	2,444,194	1,904,615	-22.1%
Farm Land	1,553,113	1,899,741	22.3%
Rural Lifestyle	1,747,790	1,775,704	1.6%
Vacant Rural Land	59,278	99,368	67.6%
Total amount to be raised by general rates	137,396,770	144,353,941	5.1%

7.1.3 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 or class of land	2015/16 Number	2016/17 Number	Change
Recreational	6	6	0.0%
Government	7	7	0.0%
Developed Land	70,201	72,609	3.4%
Commercial Developed Land	2,106	2,130	1.1%
Industrial Developed Land	2,102	2,161	2.8%
Residential Development Land	64	54	-15.6%
Vacant Residential Land	5,014	5,556	10.8%
Vacant Commercial Land	42	41	-2.4%
Vacant Industrial Land	316	275	-13.0%
Farm Land	381	393	3.1%
Rural Lifestyle	478	473	-1.0%
Vacant Rural Land	28	29	3.6%
Total number of assessments	80,745	83,734	3.7%

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

The valuations for 2016 will be certified by the Valuer General in June 2016. The following information is therefore based on the draft valuations prepared by Council's Valuer, Westlink.

7.1.5 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 or class of land	2015/16 \$	2016/17 \$	Change
Recreational	24,085,733	23,520,000	-2.3%
Government	2,797,623	2,985,000	6.7%
Developed Land	26,925,063,941	30,429,465,800	13.0%
Commercial Developed Land	2,106,806,741	2,352,247,000	11.6%
Industrial Developed Land	3,327,876,401	3,300,287,600	-0.8%
Residential Development Land	743,343,686	633,867,000	-14.7%
Vacant Residential Land	1,260,538,390	1,543,360,200	22.4%
Vacant Commercial Land	54,587,862	51,290,000	-6.0%
Vacant Industrial Land	400,340,688	327,228,001	-18.3%
Farm Land	572,373,648	734,379,000	28.3%
Rural Lifestyle	572,450,928	610,160,000	6.6%
Vacant Rural Land	17,476,727	30,730,000	75.8%
Total	36,007,742,368	40,039,519,601	11.2%

7.1.6 The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property \$ 2015/16	Per Rateable Property \$ 2016/17	Change
Municipal	55.65	57.04	2.5%

7.1.7 The estimated total amount to be raised by municipal charges compared with the previous financial year. Note the % increase is reflective of both a change in the charge rate and the number of properties to which it is applied.

Type of Charge	2015/16 \$	2016/17 \$	Change
Municipal	4,493,459	4,776,187	6.3%

7.1.8 The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property \$ 2015/16	Per Rateable Property \$ 2016/17	Change
Waste Management Charge *	253.50	243.00	-4.1%

* The increase in EPA levy in 2016/17 from \$60.52 to \$62.03 per tonne has contributed to the cost of the Waste Management Charge.

7.1.9 The estimated total amount to be raised by the Waste Management Charge compared with the previous financial year. Note the % increase is reflective of both a change in the charge rate and the number of properties to which it is applied. (In 2016/17, the WMC includes a once-off refund of \$17 per assessment where applicable, for the carbon tax which was paid in previous years)

Type of Charge	2015/16 \$	2016/17 \$	Change
Waste Management Charge	18,189,870	17,879,499	-1.7%

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

Type of Charge	2015/16 \$	2016/17 \$	Change
James Street special rate *	39,449	39,449	0.0%

* denotes special charge and rate schemes which will be levied in 2016/17 but for which the revenue recognition has occurred in previous financial years.

7.1.11 The estimated total amount to be raised by rates and charges:

	2015/16 \$	2016/17 \$	Change
Rates and charges	160,080,099	167,009,628	4.3%
Supplementary rates and charges	3,089,720	2,272,121	-26.5%
Payments in lieu of rates	106,797	168,162	57.5%
Total	163,276,616	169,449,911	3.8%

Summary of Rates & Charges:-

	2016/17 \$
Total Rates & Charges (inc. supplementary Rates & Charges, and in lieu payments)	169,449,911
Less Sanctuary Lakes Rebate	(574,329)
Total Net Rates & Charges	<u>168,875,582</u>

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

- the making of supplementary valuations,
- the variation of returned levels of value (e.g. valuation appeals/objections),
- changes of use of land such that rateable land becomes non-rateable land and vice versa,
- changes of use of land such that residential land becomes business land and vice versa.

7.2 Rate Rebates

7.2.1 Sanctuary Lakes public works and service

The Body Corporate that has been established for the Sanctuary Lakes Estate undertake a range of public works and services on behalf of residents of that development.

Council has agreed to contribute an amount equal to that which would normally be spent by Council in providing public works and services within the estate to the standard that Council applies across the municipality. Payments towards the public works and services will be paid to the ratepayer via an annual rate rebate.

The amount of the rate rebate for 2016/17 is \$197.40 per rateable property within Sanctuary Lakes.

The rebate provided is consistent with the costs that Council would otherwise incur and is cost neutral from the viewpoint of Council and other ratepayers.

7.3 Mayoral and Councillor Allowances

In accordance with the requirements of Section 74 of the Local Government Act 1989, the Mayoral and Councillor allowances be determined at the following levels until the next general election:

- the Mayoral allowance be set at \$92,333 per annum
- the Councillor allowance be set at \$28,907 per annum
- plus an amount equivalent to the superannuation guarantee contribution of 9.5%.

Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

This section includes the following analysis and information.

- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Rating information
- 16 Summary of other strategies

8. Summary of financial position

Legacy issues and long term challenges

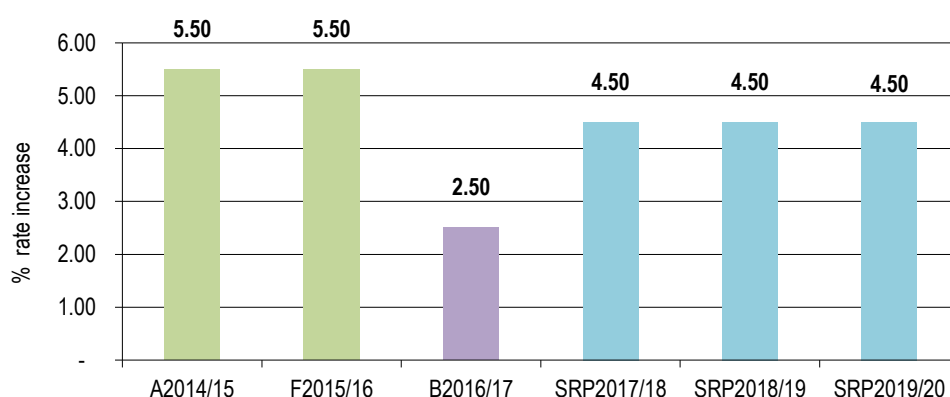
In this budget, Council is continuing to take action to address the City's long term challenges and opportunities, including advocacy on transport congestion, accommodating a growing population, maintaining assets, taking advantage of advancements in technology and growing and supporting the local economy. The budget caters for the dramatic growth through new facilities and growth in core services.

In order to fund all this activity we present below, information about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

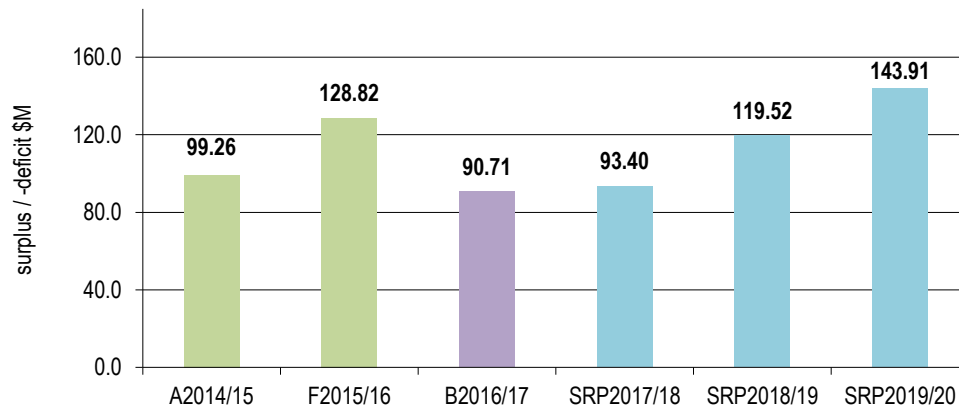
(Note: Where there are +1/-1 variances in this document, this will be due to rounding of source data).

8.1 Rates



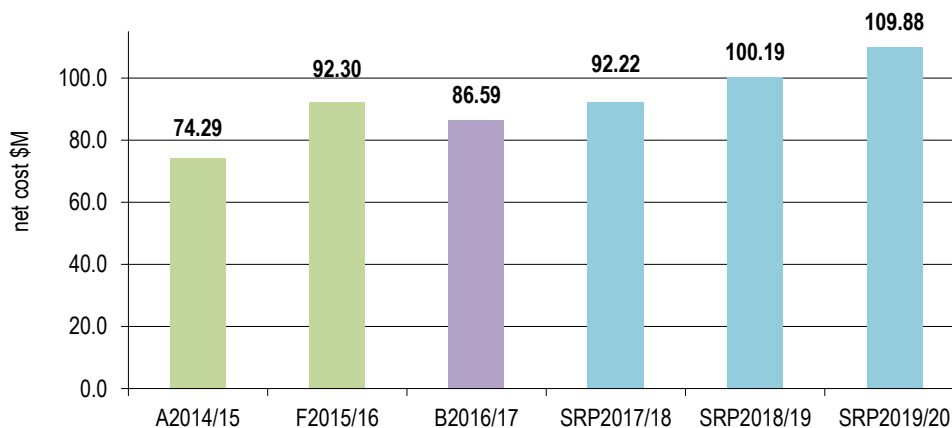
General rates will increase by 2.5% for the 2016/17 year in line with the rates cap set by the Minister for Local Government. With a 2.5% increase total rates raised will be \$168.88 million. This includes \$2.27 million generated from supplementary rates and charges, \$4.78 million in municipal charge, \$17.88 million in Waste Management Charges, \$0.17 million in payments in lieu of rates, offset by \$0.57 million in rebates for the Sanctuary Lakes estate. Of the 2.5% increase, 1.48% will go toward maintaining service levels and meeting the cost of a number of external influences affecting the operating budget including a \$0.81 million reduction in the Victoria Grants Commission allocation. The remaining 1.02% increase will go towards capital works to address the infrastructure needs of the City. (The rate increase for the 2015/16 year was 5.50%).

8.2 Operating result



The expected operating result for the 2016/17 year is a surplus of \$90.71 million, which is a decrease of \$38.11 million from the 2015/16 forecast. This decline is mostly as a result of 2015/16 forecast developer cash contributions and donated assets being significantly higher than the budgeted equivalent for 2016/17. The adjusted underlying result, which excludes items such as non-recurrent capital grants, capital cash contributions, and non-cash contributions, is a surplus of \$13.00 million, an increase of \$7.83 million above the 2015/16 forecast underlying result. (The forecast underlying operating result for the 2015/16 year is a surplus of \$5.17 million).

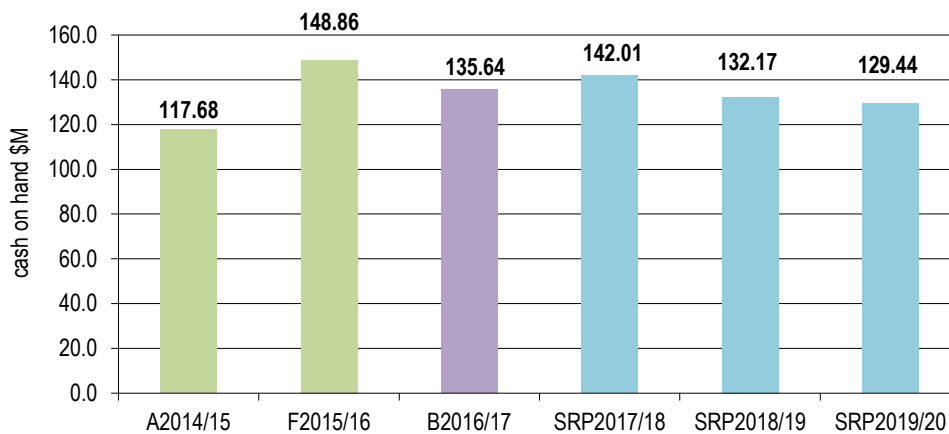
8.3 Services



The net cost of services delivered to the community for the 2016/17 year is expected to be \$86.59 million which is a decrease of \$5.71 million compared to 2015/16. Although there will be growth in population, with subdivisional and building activity predicted to remain strong in the medium to long term, efforts continue to be made across the organisation to work effectively and efficiently within the resources available.

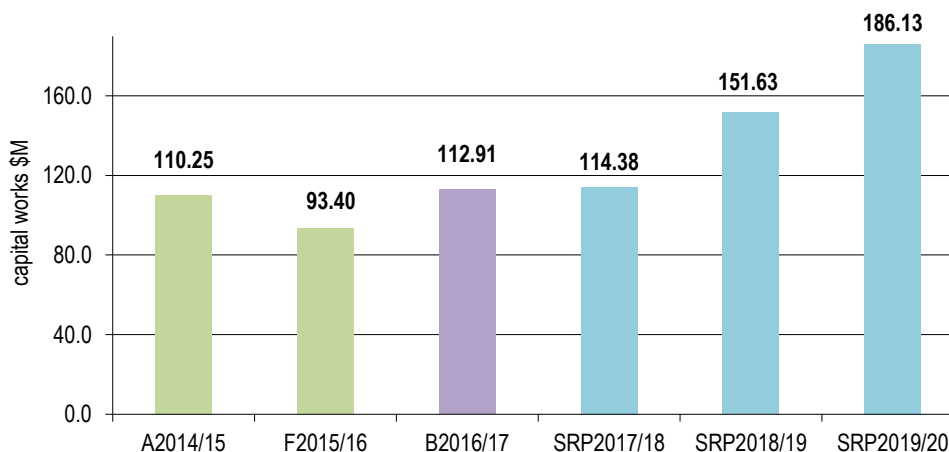
For the 2016/17 year, service levels have been maintained and where necessary expanded to meet now and ongoing community needs. Furthermore, a number of initiatives have been planned. (The forecast net cost of services for the 2015/16 year is \$92.30 million).

8.4 Cash and investments



Cash and investments are expected to decrease by \$13.22 million during the year to \$135.64 million as at 30 June 2017. The unfavourable cash position is in part due to a higher spend on the capital works program, employee costs and procurements to run the Council's business. In 2015/16 Wyndham experienced a significant peak in developer cash contributions, with actual receipts expected to exceed budget by over \$16 million. However, it is important to note that these contributions are tied to specific developments and capital projects and are therefore restricted in how they can be used. (Cash and investments are forecast to be \$148.86 million as at 30 June 2016).

8.5 Capital works

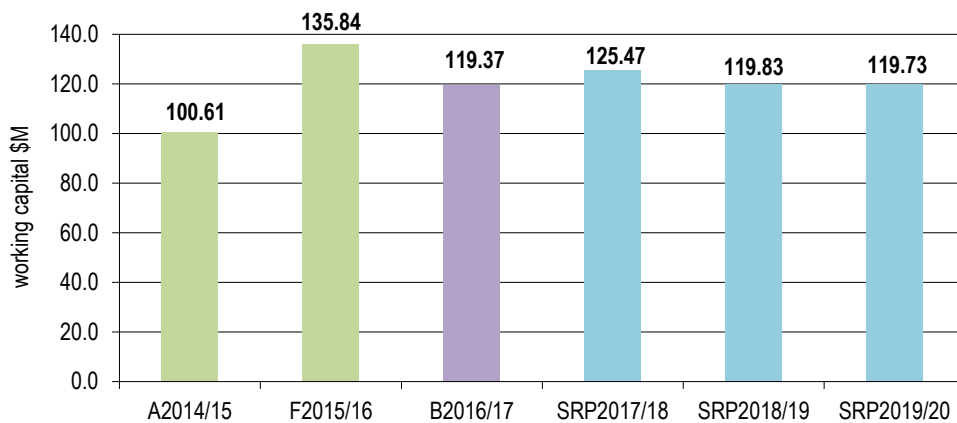


The total capital works program for the 2016/17 year is expected to be \$112.91 million. This includes \$12.74 million in carried forward works from 2015/16 which relate to projects that were commenced in 2015/16, to be completed in 2016/17. The carried forward component is fully funded from Council operations from the 2015/16 budget. The carry forward of works often relate to projects which are either incomplete or partly commenced and can be due to planning issues, weather delays, and extended consultations. The new 2016/17 capital works program of \$100.17 million will be funded as follows:

- \$76.71 million from Council operations;
- \$13.73 million in cash reserves from developer contributions;
- \$8.19 million from capital grants;
- \$1.54 million from the proceeds of sale of assets; and
- No borrowings is expected in 2016/17 to support the capital works program.

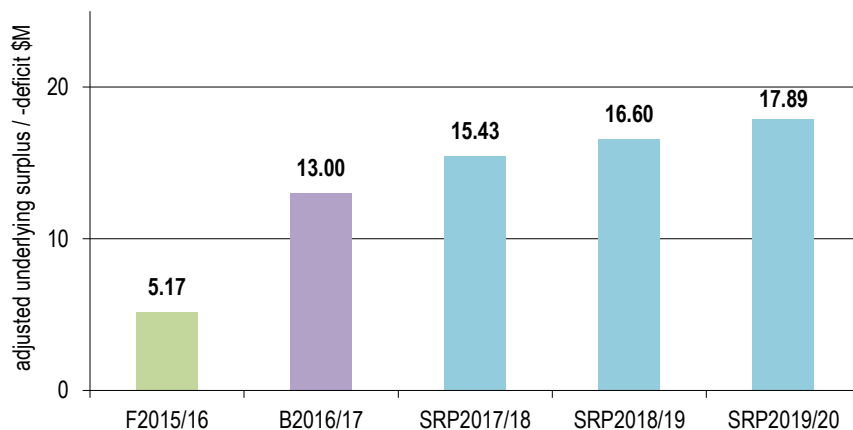
The capital expenditure program has been set and prioritised based on a rigorous process of consultation, strategy development and policy setting that has enabled Council to assess needs and develop sound business cases for each project. (Capital works is forecast to be \$93.40 million for the 2015/16 year).

8.6 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$94.15 million to \$3,327.81 million. Net current assets (working capital) will decrease by \$16.47 million to \$119.37 million as at 30 June 2017. This is based on the assumption that all of 2016/17 capital works program, including the carry forward portion, will be completed by 30 June 2017. (Total equity is forecast to be \$3,233.66 million as at 30 June 2016).

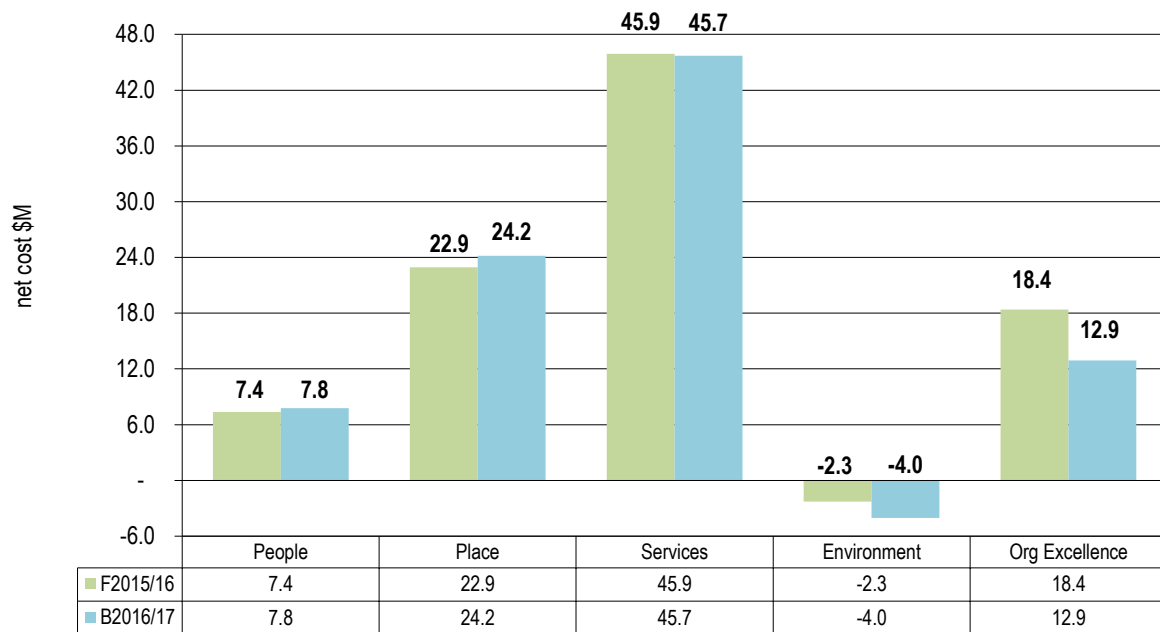
8.7 Financial sustainability



A high level Strategic Resource Plan for the years 2016/17 to 2019/20 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the City Plan. The adjusted underlying result, which is a measure of financial sustainability, projects that Council's operating result will be in surplus over the next 4 financial years, based on a 2.5% increase in rates in 2016/17 and 4.5% rates increase in the 3 following years. The underlying operating result demonstrates that Council is not reliant on one off grants and contributions to support and sustain its recurrent operations, which is important in an environment where cost shifting is prevalent.

The favourable result for the 3 outer years is based on the success of Council's application for a variation to the rates cap to 4.5% in those years of the SRP.

8.8 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the City Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the City Plan for the 2016/17 year. The Environment category includes a business undertaking which generates revenue and this serves to offset the expenses within this category.

8.9 Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends.

9. Budget Influences

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

9.1 Budget implications

As a result of the City's demographic profile (refer to page 4 - 'A Snapshot of Wyndham' section), there are a number of budget implications in the short and long term as follows:

- Cultural and linguistic diversity means that Council needs to use a variety of media in languages other than English for mass communication with citizens, and use interpreting services for interpersonal communication with citizens. Council also draws on the abilities of its multilingual staff.
- Population growth and dwelling growth has resulted in a high demand for the provision of social and physical infrastructure within Wyndham. In addition to this, Council's geographic diversity and size presents a range of transport and land use planning issues that are central to the budget.
- Wyndham has a relatively young population compared to the Melbourne average and high rates of birth. This presents a varied range of issues that have a number of budget implications. Some of these issues range from the need to provide adequate services to keep up with growth (provision of kindergarten, maternal and child health and various other social support programs). Other considerations stem from the demand for a wide array of suitable infrastructure (new community centres, provision of passive / active recreation facilities etc) to meet the needs of the population.
- The budget implications arise in Council having to cope with replacement of infrastructure in the more developed areas, such as roads and footpaths which are at the end of their useful lives.

9.2 External influences

In preparing the 2016/17 budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Consumer Price Index (CPI) increases on goods and services of 1.7% through the year to December quarter 2015 (ABS release 28 January 2015). State-wide CPI is forecast to be 2.5% for the 2016/17 year (Victorian Budget Papers 2015/16).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2015 was 1.7% (ABS release 13 August 2015). The wages price index in Victoria is projected to be 3.25% per annum in 2016/17 and the subsequent two years (Victorian Budget Papers 2015/16).
- Wyndham has one of the largest capital programs of any local government authority in Victoria. Increases in the cost of capital materials such as steel, concrete, crushed rock etc is impacted by the construction cost index which is commonly referenced in the industry and the sector. This index has been averaging well above CPI and is forecast to be 3.5% for the 2016/17 year.
- Reduction of an estimated \$0.81 million in Victoria Grants Commission funding due to the freeze on indexation and lower provision for growth.
- The EPA levy for 2016/17 has increased by 2.5% in line with CPI. This levy is payable to the State Government upon disposal of waste into landfill, and has resulted in additional waste tipping costs of \$0.72 million. Based on a 2.5% increase to the EPA levy in 2016/17, it would have increased from \$9/tonne in 2008/09 to \$62.03/tonne in 2016/17 - a rise of 589% in 8 years.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervision, Library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.

- On 22 December 2015 the Minister for Local Government announced that Victorian council rate rises would be capped to 2.5% for 2016/17. In light of this mandate, Council has had to review the level of rate payer subsidy allocated to those services undertaken by Local Government on behalf of State and Federal Government.
At this lowered level of rates increase, Wyndham will find itself under increasing financial pressure to keep up with the infrastructure demands which has become progressively apparent as the municipal's population and growth continues to boom.
- Councils across Australia raise approximately 3% 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 portion 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.
- The carbon price repeal legislation received Royal Assent on 17 July 2014, effective from 1 July 2014. Councils are expected to account for carbon price refunds received and unused carbon price revenue collected in a transparent way. In 2016/17, Wyndham will be providing a once-off carbon tax refund of \$17 to its residents on their rates notices, with the remainder of the carbon tax fund to be expended on a large scale solar system to be installed on a number of municipal offices, which will deliver savings on utility costs in the long run.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

9.3 Internal influences

There are also internal influences which have had a significant impact on the preparation of the 2016/17 Budget. These matters have arisen from events occurring in the 2015/16 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2016/17 year:-

- Level of uncompleted capital works. Currently, \$12.74 million in works is forecast to be carried forward from the 2015/16 financial year;
- Heightened risk management environment; and
- Greater compliance and requirements for performance reporting.

9.4 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Existing fees and charges to be increased by around 2.5% and taking into account market reference levels
- Grants to be based on confirmed funding levels
- Optimise revenue opportunities where appropriate
- Service levels to be maintained at 2015/16 levels with the aim to use less resources with an emphasis on innovation and efficiency
- Salaries and wages to be increased in line with Council's Enterprise Bargaining Agreement
- Contract labour and consultancy to be minimised where appropriate
- Construction and material costs to increase in line with the Engineering Construction Index
- New initiatives or employee proposals to be justified through a business case
- Real savings in expenditure and increases in revenue identified in 2015/16 to be preserved
- Operating revenues and expenses arising from completed 2015/16 capital projects to be included.

9.5 Long term financial strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2016/17 to 2019/20 (section 14.), Rating Information (section 15.) and Other Long Term Strategies (section 16.) including borrowings, infrastructure and service delivery.

10. Analysis of Operating Budget

This section analyses the operating budget including expected income and expenses of the Council for the 2016/17 year.

10.1 Budgeted income statement

	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Total income	10.2	405,270	383,248	-22,023
Total expenses	10.3	-276,454	-292,540	-16,086
Surplus (deficit) for the year		128,816	90,707	-38,109
Grants - capital non-recurrent	5.1.2	-9,312	-3,250	6,062
Contributions - non monetary assets	10.2.5	-85,000	-61,000	24,000
Capital Contributions - other sources	10.2.4	-29,335	-13,455	15,880
Adjusted underlying surplus (deficit)	10.1.1	5,169	13,002	7,833

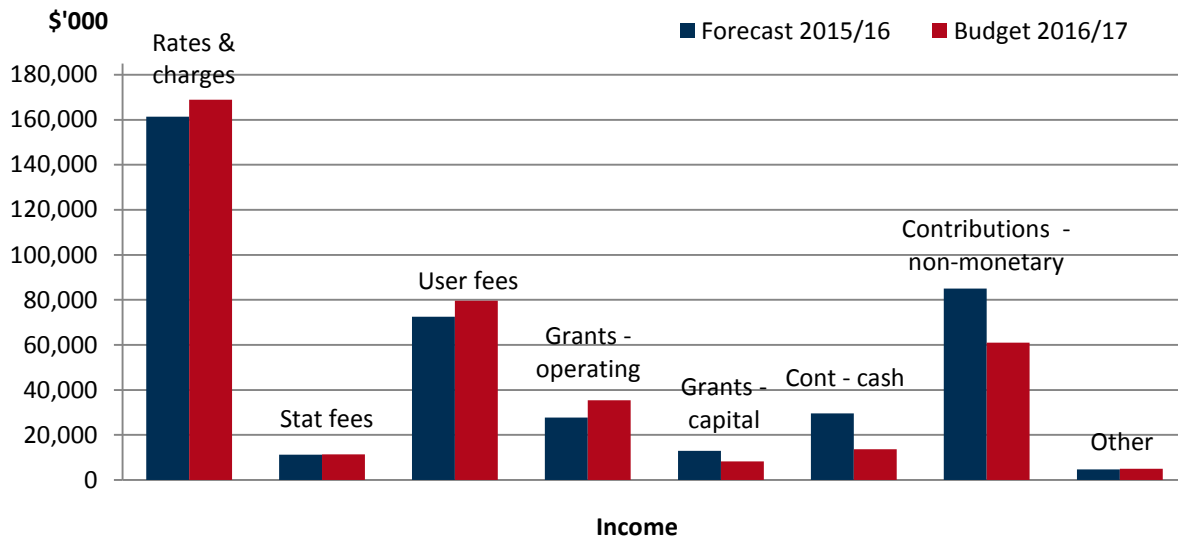
10.1.1 Adjusted underlying surplus (\$7.83 million increase)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result.

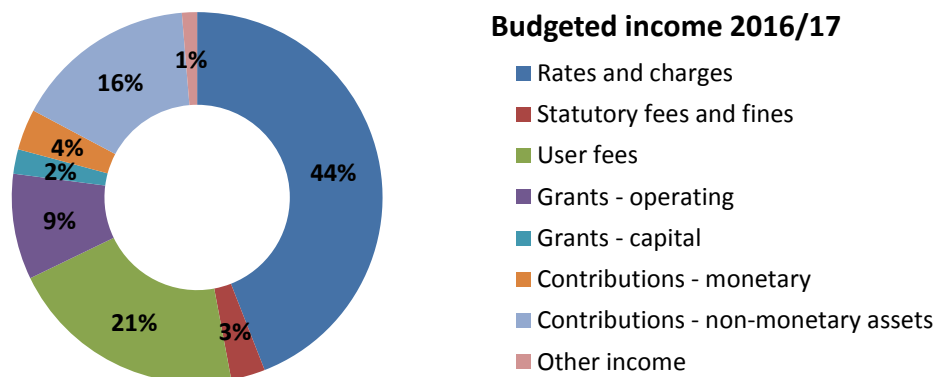
The adjusted underlying result for the 2016/17 year is a surplus of \$13.00 million which is an increase of \$7.83 million from the 2015/16 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

10.2 Income

Income Types	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Rates and charges	10.2.1	161,426	168,876	7,450
Statutory fees and fines	10.2.2	11,282	11,450	168
User fees	10.2.3	72,561	79,619	7,058
Grants - operating	5.1.1	27,772	35,353	7,581
Grants - capital	5.1.2	12,875	8,186	-4,689
Contributions - monetary	10.2.4	29,643	13,712	-15,931
Contributions - non-monetary assets	10.2.5	85,000	61,000	-24,000
Other income	10.2.6	4,712	5,052	340
Total operating revenue		405,270	383,248	-22,023



Source: Section 3



10.2.1 Rates and charges (\$7.45 million increase)

General rate income will increase by 2.50% for 2016/17. The 2.50% rate increase will generate additional income of \$7.45 million over the 2015/16 year. Overall, supplementary rates and charges are budgeted to add \$2.27 million to the revenue base in 2016/17, whilst the Waste Management Charge and municipal charge will generate \$17.88 million and \$4.78 million respectively. Payments in lieu of rates from a number of Wyndham retirement villages will also contribute \$0.17 million to revenue. Section 15 "Rating Information" includes a more detailed discussion of the rating context and the rationale for determining Rates. Information on rates and charges specifically required by the Regulations is included in Section 7 and Appendix D.

10.2.2 Statutory fees and fines (\$0.17 million increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Public Health and Wellbeing Act 2008 registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees and fines are forecast to increase by 1.5% or \$0.17 million compared to 2015/16. This increase in revenue is mostly from fines for non-voting at the next Council elections.

A detailed listing of statutory fees is available on Council's web site and can also be inspected at Council's customer service centres.

10.2.3 User fees (\$7.06 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include tipping at the Refuse Disposal Facility, use of leisure, entertainment and other community facilities and the provision of human services such as kindergarten, child care and home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases are assessed against CPI and market reference levels.

User charges are projected to increase by 9.7% or \$7.06 million over 2015/16.

In 2016/17 one of the main areas contributing to the increase is in leisure services (\$1.04 million) due to increased membership fees, casual use, and swimming lessons. The Refuse Disposal Facility (RDF) is also expected to generate a further \$4.47 million in fees, with kindergarten services contributing an additional \$0.45 million. A portion of the RDF fees relate to the State Government EPA levy which is budgeted to increase by CPI of 2.5% from 2015/16.

Besides the above, Council plans to increase most of its fees and charges by 2.5% in line with expected inflationary trends over the budget period to maintain parity between user charges and the costs of service delivery.

A detailed listing of fees and charges is available on Council's web site and can also be inspected at Council's customer service centres.

10.2.4 Contributions - monetary (\$15.93 million decrease)

Contributions predominantly relate to monies paid by developers in regard to road infrastructure, drainage, community facilities and recreation. These monies are paid in accordance with planning permits issued for property and subdivision development.

Contributions are projected to decrease by \$15.93 million or 53.7% compared to 2015/16. This revenue stream is expected to remain fairly high in 2016/17 whilst the municipality continues to grow, although with some conservatism when compared to the current financial year's level. From a budgetary perspective, all proceeds from developer contributions are transferred to Council's cash reserves to fund infrastructure development in future years. These funds are restricted by how they can be used and are to be expended against specific projects in the precinct structure plan.

10.2.5 Contributions - Non-monetary assets (\$24.00 million decrease)

Contributions - Non-monetary relates to the transfer of subdivision assets such as roads, footpaths and reserves from developers to Council. Upon transfer of these assets, Council assumes ownership and becomes responsible for their maintenance and eventual reconstruction. The transfer of these assets to Council does not represent a cash inflow to Council.

Contributions are projected to decrease by \$24.00 million or 28.2% compared to 2015/16. With significant growth fronts opening up in the West and North of Wyndham (Tarneit, Truganina and Wyndham Vale), this has and will continue to trigger substantial development. There is much work and some time lag before assets will reach Council's asset register. In the meantime, the level of donated assets for 2016/17 is expected to remain high.

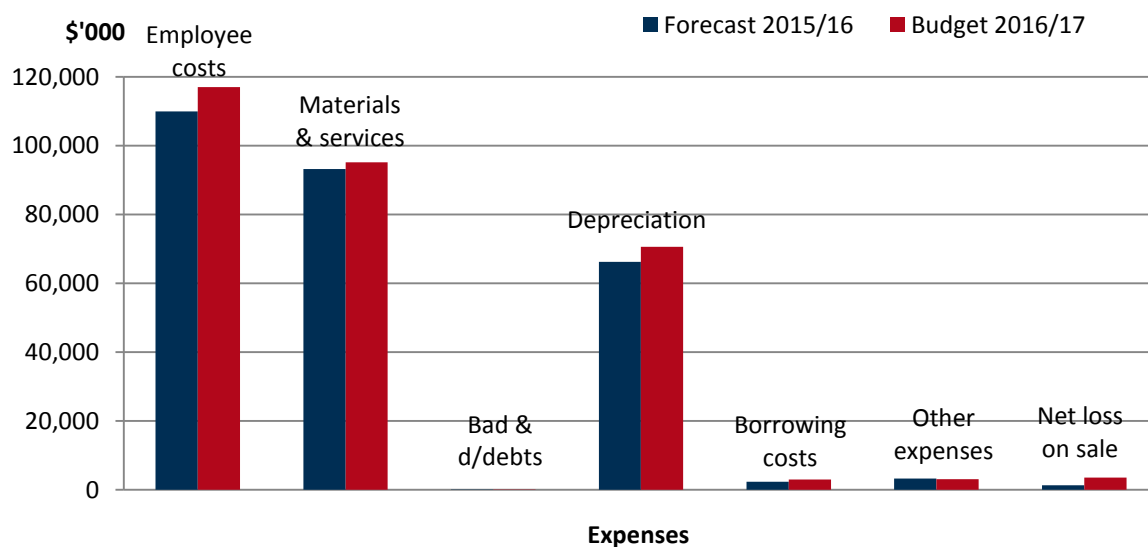
10.2.6 Other income (\$0.34 million increase)

Other revenue relates to interest revenue on investments and late payments of rates and charges.

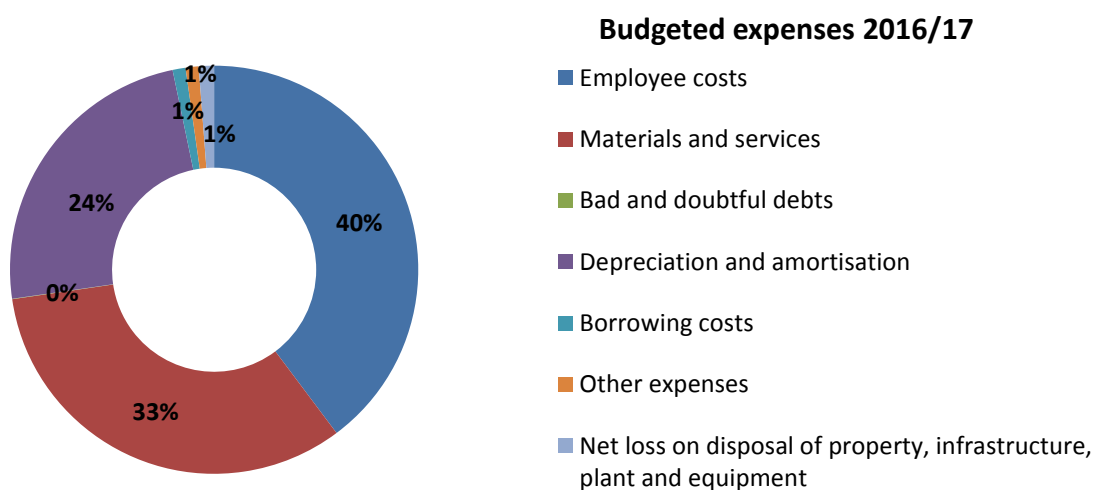
Other revenue is forecast to increase by 7.2% or \$0.34 million compared to 2015/16. The majority of this increase is based on expected interest revenue returns on Council's investments where interest rates are expected to hold for the short to medium term. Additionally, based on current trends, there is an expectation that interest due on late rate instalments will also increase slightly.

10.3 Expenses

Expense Types	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Employee costs	10.3.1	109,976	117,016	7,040
Materials and services	10.3.2	93,259	95,153	1,894
Bad and doubtful debts		113	101	-13
Depreciation and amortisation	10.3.3	66,212	70,658	4,446
Borrowing costs	10.3.4	2,304	3,015	711
Other expenses	10.3.5	3,281	3,037	-244
Net loss on disposal of property, infrastructure, plant and equipment	10.3.6	1,309	3,560	2,251
Total operating expenditure		276,454	292,540	16,086



Source: Section 3



10.3.1 Employee costs (\$7.04 million increase)

Employee costs include all labour related expenditure such as wages, salaries and on-costs such as allowances, leave entitlements, workcover premium, employer superannuation, temporary staff and casuals. Employee costs are forecast to increase by 6.40% or \$7.04 million compared to 2015/16. This increase relates mostly to the following key factors:

- Council's Enterprise Bargaining Agreement (EBA) and increases due to banding increments are estimated to cost \$5.91 million
- Due to Wyndham's steady rate of growth, the number of staff has increased to meet service demand. The cost of new staff is budgeted to be \$0.70 million for the 2016/17 financial year. Generally, only 75% of the cost of new staff is included in the first year. This takes into account the time taken to engage new staff.
- Additional staff brought on by Western Leisure Services to run Wyndham's leisure facilities to meet the additional demand on these services based on projected increases in patronage in the 2016/17 budget. (\$1.35 million).
- Other employee related costs including employer's superannuation contribution, estimated to increase by \$1.15 million, is offset by a reduction in costs associated with the use of casual staff and temporary agency staff (\$1.81 million).

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

Directorate/Business unit	Budget 2016/17 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
CEO & support staff	521	521	0
Advocacy	308	308	0
Community Development	49,515	18,137	31,378
Corporate Services	19,720	15,080	4,640
Infrastructure	26,930	25,989	940
Sustainable Development	8,686	7,642	1,044
WLS - 100% subsidiary	3,837	3,574	263
Total permanent staff expenditure	109,517	71,251	38,265
Casuals and other expenditure	10,447		
Capitalise labour costs	- 2,948		
Total Wyndham City & WLS expenditure	117,016		

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

Directorate/Business unit	Budget FTE	Comprises	
		Permanent Full time	Permanent Part time
CEO & support staff	2.00	2.00	0.00
Advocacy	2.00	2.00	0.00
Community Development	485.96	178.00	307.96
Corporate Services	193.54	148.00	45.54
Infrastructure	266.59	257.36	9.23
Sustainable Development	85.25	75.00	10.25
WLS - 100% subsidiary	41.10	37.00	4.10
Total permanent staff	1,076.44	699.36	377.08
Casuals and other	152.05		
Capitalised labour costs	26.64		
Total Wyndham City & WLS FTE	1,255.13		

The most significant increases in employee costs by service unit are summarised below:

Directorate/Business unit	Service Unit	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Community Development	Kindergarten Operations	9,159	10,720	1,561
	Maternal & Child Health	4,172	4,518	346
	Youth Services	2,221	2,454	233
	Customer Service	1,358	1,498	140
	City Governance	1,026	1,173	147
	Tarneit Library	539	933	394
	Research & Policy	83	264	181
Corporate Services	Injury Management	2,403	2,717	314
	Legislative Services	1,808	1,869	61
	Building Services	1,284	1,530	246
	Environmental Health Services	1,277	1,411	134
	IT Management	333	443	110
Sustainable Development	Statutory Planning	2,527	2,763	236
	Waste Education	150	270	120
Infrastructure	Refuse Disposal Facility	2,577	2,874	297
	Parks Maintenance	1,243	1,602	359
	Building Maintenance	939	1,064	125
	Depot Administration	887	971	84
Western Leisure Services	Western Leisure Services	6,578	7,930	1,352

10.3.2 Materials and services (\$1.89 million increase)

Materials and services include the purchase of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to increase by 2.03% or \$1.89 million compared to 2015/16. The main areas contributing to the increase are:

- EPA levy fee per tonne is estimated to rise by CPI 2.5% and an increase in expected waste tonnages deposited at the RDF (\$3.71 million)
- The waste service contract is expected to increase by \$0.37 million in 2016/17. The rise in cost is due to an expected increase in the number of tenements in the municipality, as well as an increase in anticipated hard and green waste service. CPI has also been factored into the 2016/17 charges.
- Contractors are budgeted to increase by \$1.54 million partly to assist in the implementation of a number of new initiatives, to include the increased in tree canopy project, activity centre activation project, and for the Industrial land strategy.

The above additional expenses are mostly offset by reduced expenditure in other areas such as for general materials and services (\$1.18 million), consultants (\$0.61 million), minor capital works and equipment (\$0.35 million), and numerous other expense categories, as part of Wyndham's aim to increase productivity and efficiency.

10.3.3 Depreciation and amortisation (\$4.45 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. Some of this increase will be due to the completion of 2016/17 capital works program and the full year effect of depreciation on the 2015/16 capital works program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2016/17 year.

10.3.4 Borrowing costs (\$0.71 million increase)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The expected increase in interest payable in 2016/17 is due to the additional draw down of \$15 million via the Local Government Funding Vehicle which is expected to occur in late 2015/16. 2016/17 will therefore incur a full year's interest on this extra borrowing.

10.3.5 Other expenses (\$0.24 million decrease)

Other expenses relate to a range of unclassified items such as Councillor allowances, Auditor's remuneration, rental lease payments and grants and contributions to community groups. The reduction in this category is mostly as a result of a decrease in the expected level of grants and contributions made to community groups and organisations.

10.3.6 Net loss on sale of assets (\$2.25 million increase)

The net loss of \$3.56 million on disposal of property, infrastructure, plant and equipment relates to the written down value of assets 'disposed', assets written off, and from the proceeds of sale relating to Council's planned cyclical replacement of part of the plant and vehicle fleet.

11. 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.
- **Financing activities** - Refers to cash generated or used in the financing of Council services and primarily include borrowings from financial institutions. This also includes repayment of the principal component of any loans for the year.

11.1 Budgeted cash flow statement

	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		160,391	168,289	7,899
Statutory fees and fines		11,029	12,461	1,432
User fees		70,937	86,656	15,719
Grants - operating		29,577	37,651	8,074
Grants - capital		13,712	8,719	-4,994
Contributions - monetary		28,979	14,924	-14,056
Interest received		4,712	5,052	340
Trust funds and deposits taken		1,126	207	-919
Net GST refund/payment		9,329	11,280	1,951
		329,792	345,238	15,446
<i>Payments</i>				
Employee costs		-107,048	-115,592	-8,545
Materials & services		-114,553	-129,104	-14,552
Trust funds & deposits repaid		-322	-59	263
		-221,922	-244,756	-22,834
Net cash provided by operating activities		107,870	100,483	-7,388
Cash flows from investing activities	11.1.2			
Proceeds from sales of property, infrastructure, plant and equipment		3,691	1,540	-2,151
Payments for investments		-47,078	11,762	58,840
Payments for property, infrastructure, plant and equipment		-93,401	-112,681	-19,280
Net cash used in investing activities		-136,787	-99,379	37,408
Cash flows from financing activities	11.1.3			
Finance costs		-1,983	-2,558	-575
Proceeds from borrowings		15,000	0	-15,000
Repayment of borrowings		0	0	0
Net cash used in financing activities		13,017	-2,558	-15,575
Net decrease in cash and cash equivalents		-15,900	-1,454	14,446
Cash and cash equivalents at the start of the year		32,274	16,374	-15,900
Cash and cash equivalents at end of the year	11.1.4	16,374	14,921	-1,454

Source: Section 3

(Note: +1/-1 variances will be due to rounding of source data).

11.1.1 Operating activities (\$7.39 million decrease)

The 2016/17 budgeted cash receipts are estimated to be \$15.45 million higher than the 2015/16 forecast due mainly to the increases in cash inflows from rates and charges (\$7.90 million), user fees (\$15.72 million), and operating grants (\$8.07 million). This is mostly offset by higher cash outflows to employees and suppliers (\$23.10 million) and lower levels of developer cash contributions in 2016/17.

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

	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Surplus (deficit) for the year	128,816	90,707	-38,109
Depreciation	66,212	70,658	4,446
Loss (gain) on sale of assets	1,309	3,560	2,251
Subdivisional contributions	-85,000	-61,000	24,000
Net movement in current assets and liabilities	-3,467	-3,443	24
Cash flows available from operating activities	107,870	100,483	-7,388

11.1.2 Investing activities (\$37.41 million decrease)

The decrease in payments for investing activities represents the planned increase in capital works expenditure as outlined in Section 6 of this budget report, offset by a reduction in expected cash investments of 90 days or more. Proceeds from sale of assets are forecast to be lower than the prior year level as 2015/16 had included an one-off amount of \$3.06 million in compensation for the compulsory acquisition of some land at Sayers Road to accommodate the Regional Rail Link.

11.1.3 Financing activities (\$15.58 million decrease)

The budget assumes that no borrowings will be required in the 2016/17 financial year.

11.1.4 Cash and cash equivalents at end of the year (\$1.45 million decrease)

Overall, total short term cash investments are forecast to decrease by \$1.45 million to \$14.92 million as at 30 June 2017, reflecting Council's strategy of using excess cash and investments to enhance existing and create new infrastructure. Council's cash holding as at 30 June 2017 is based on the assumption that the 2016/17 Capital Works program (in addition to the 2015/16 carry forward) will be completed by the 30 June 2017.

11.2 Restricted and unrestricted cash and investments

Cash and Cash Equivalents and Other Financial Assets held by Council are restricted in part, and not fully available for Council's operations. Council's budgeted balance sheet statement in Section 3 indicates that it estimates as at 30 June 2017 Council will have cash and investments of \$135.64 million, which has been restricted as shown in the following table.

	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Cash and cash equivalents		16,374	14,921	-1,454
Other financial assets		132,483	120,721	-11,762
Total cash and investments		148,857	135,641	-13,216
Restricted cash and investments				
- Statutory reserves	11.2.1	-67,664	-63,173	4,491
- Site rehabilitation	11.2.2	-18,585	-15,101	3,484
- Cash held to fund carry forward capital works	11.2.3	-12,740	0	12,740
- Trust funds and deposits	11.2.4	-8,708	-8,856	-148
Unrestricted cash and investments				
- Discretionary reserve - Carbon tax reserve	11.2.5	-6,267	0	6,267
Unrestricted cash adjusted for discretionary reserves	11.2.6	34,893	48,512	13,619

11.2.1 Statutory reserves (\$63.17 million)

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

The table below shows total developer contributions (DC) and the major inflows and outflows projected for 2016/17.

	EOY Forecast 2015/16 \$'000	DC Income 2016/17 \$'000	DC Expense 2016/17 \$'000	Balance 2016/17 \$'000
Total Developer Contributions held	67,664	13,978	18,470	63,173

Developer Contribution Plans have been Gazetted by the State Government and they set out the obligations of Developers and the Developing Agency (Council) for new development areas. Under these plans, Developers are required to make payments, known as developer contributions, to Council towards the delivery of specific infrastructure. Council is required to keep developer contributions in a reserve until it is spent on the specific infrastructure works detailed in the plans.

The table above shows that \$67.66 million is forecast to be in the developer contribution reserve at the end of 2015/16. The 2016/17 budget assumes that \$13.98million will be received during 2016/17 and \$18.47 million will be spent out of the reserve on projects identified in Developer Contribution Plans. The income includes cash contributions from Developers and interest revenue that is budgeted to be earned on funds in the reserve.

The Developer Contributions Reserve is cash backed ensuring the funds are only used for the intended purpose and that interest is earned on the unspent balance.

11.2.2 Site rehabilitation (\$15.10 million)

Council sets aside funds for the rehabilitation of its landfill. This liability is fully cashed back to ensure that site rehabilitation costs are not borne by future ratepayers.

Note: under the Environment Protection Act 1970, Council is required to provide financial assurances in relation to remedial action costs for a period of 30 years after the landfill closure. As of September 2008, Council had provided a bank guarantee to fulfill its obligation with the EPA in relation to financial assurance.

11.2.3 Cash held to fund carry forward capital works (\$0.00 million)

There is no amount shown as cash held to carry forward works at 30 June 2017, as it is expected that the capital works budget in the 2016/17 financial year will be fully expended. An amount of \$12.74 million is forecast to be held at 30 June 2016 to fund capital works budgeted but not completed in the 2015/16 financial year. Section 12.2 contains further details on capital works funding.

11.2.4 Trust funds and deposits (\$8.86 million)

Trust funds and deposits are held on trust and are required to be returned to the payer on satisfaction of certain conditions. If forfeited, these bonds are mandated to be specifically expended.

11.2.5 Discretionary reserves (\$0.00 million)

Where applicable these funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

Since the carbon tax was repealed in July 2014, Council has made the decision to refund a portion of the carbon tax collected in previous years to its property owners within the municipality. The remainder of this fund is anticipated to be expended on a large scale solar project to install solar systems on a number of Council offices with a view to becoming more energy efficient.

11.2.6 Unrestricted cash and investments (\$48.51 million)

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

12. Analysis of Capital Budget

This section analyses the planned capital expenditure budget for the 2016/17 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

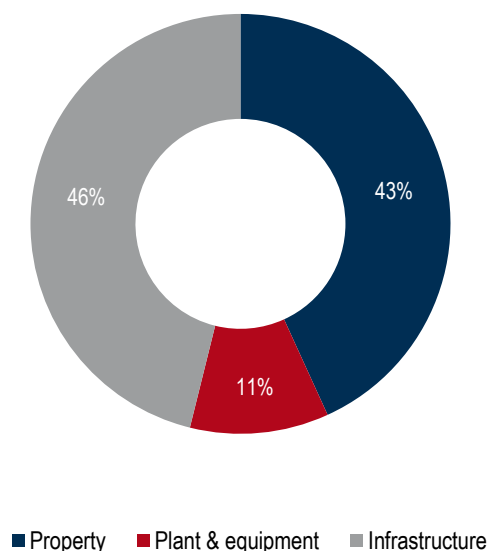
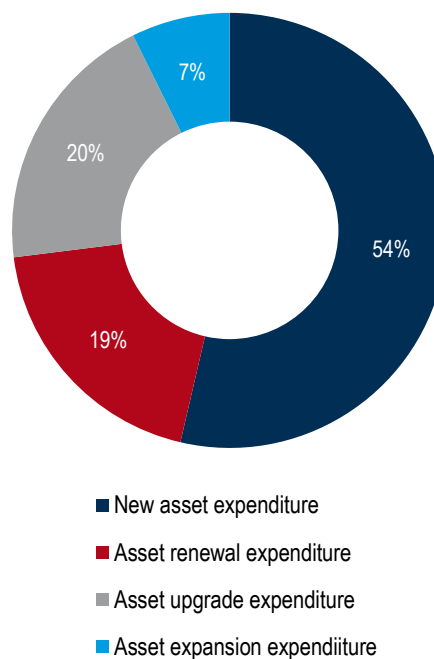
It should be noted that the Forecast 2015/16 carry forward amounts are based on the April 2016 financial results.

12.1 Capital works expenditure

Capital Works Areas	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Works carried forward	12.1.1			
Property				
Land improvements			1,455	1,455
Buildings			2,425	2,425
Total property			4,485	4,485
Plant & equipment				
Plant, machinery and equipment			1,020	1,020
Computers and telecommunications			567	567
Total plant and equipment			1,587	1,587
Infrastructure				
Roads			1,062	1,062
Bridges			1,442	1,442
Recreational, leisure and community facilities			2,118	2,118
Waste management			350	350
Parks, open space and streetscapes			1,266	1,266
Other infrastructure			430	430
Total infrastructure			6,668	6,668
Total works carried forward			12,740	12,740
New works				
Property	12.1.2			
Land		9,845	20,786	10,941
Land improvements		8,355	3,307	-5,048
Buildings		27,034	15,210	-11,825
Building improvements		1,718	4,975	3,257
Total property		46,952	44,278	-2,674
Plant & equipment	12.1.3			
Heritage and culture		0	250	250
Plant, machinery and equipment		2,301	6,903	4,602
Fixtures, fittings and furniture		2,616	165	-2,451
Computers and telecommunications		1,747	2,105	358
Library books		1,514	1,055	-458
Total plant and equipment		8,177	10,478	2,301
Infrastructure	12.1.4			
Roads		20,169	24,850	4,681
Bridges		358	2,030	1,672
Footpaths and cycleways		1,611	1,270	-341
Drainage		125	1,194	1,069
Recreational, leisure and community facilities		6,337	8,634	2,297
Waste management		300	165	-135
Parks, open space and streetscapes		3,398	6,442	3,044
Off street car parks		669	410	-259
Other infrastructure		5,304	420	-4,884
Total infrastructure		38,272	45,415	7,143
Total new works		93,401	100,172	6,771
Total capital works expenditure		93,401	112,912	19,511

Represented by:

New asset expenditure	12.1.5	35,763	60,564	24,801
Asset renewal expenditure	12.1.5	17,299	21,884	4,585
Asset upgrade expenditure	12.1.5	38,313	22,207	-16,106
Asset expansion expenditure	12.1.5	2,026	8,257	6,231
Total capital works expenditure		93,401	112,912	19,511

Budgeted capital works 2016/17**Budgeted capital works 2016/17**

Source: Section 3. A more detailed listing of the capital works program is included in Section 6.

12.1.1 Carried forward works (\$12.74 million)

At the end of each financial year, there are projects that are still in progress and will be completed in the following financial year. The carry forward of works often relate to projects which are either incomplete or partly commenced and can be due to planning issues, weather delays, and extended consultations. The funding for these projects is proposed to be carried forward to complete the works. For the 2015/16 year, it is forecast that \$12.74 million of capital works will be carried forward.

It should be noted that the Forecast 2015/16 carry forward total is currently based on the April 2016 financial results.

12.1.2 Property (\$44.28 million)

This property class comprises land and building purchases and improvements including community facilities, municipal offices, sports facilities, and pavilions.

For the 2016/17 year, \$44.28 million will be expended on land, building and building improvement projects. The more significant projects include installation of a large scale solar system (2.81 million), development of the Chirnside Park Hub Precinct (\$6.53 million), and land purchases for active open space and the RDF (\$17.87 million).

12.1.3 Plant and equipment (\$10.48 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, library books and fixtures and fittings.

For the 2016/17 year, \$10.48 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$3.31 million), replacement of a compactor (\$1.25 million), and procurement of computer and storage hardware (\$1.30 million).

12.1.4 Infrastructure (\$45.42 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, waste management, parks, open space and streetscapes, off street car parks and other structures.

For the 2016/17 year, \$24.85 million will be expended on road projects. The more significant projects include works to duplicate Dohertys Road (\$4.04 million), Tarneit Road (\$3.50 million), and the road surface renewal program (\$2.77 million).

\$8.63 million will be expended on recreational, leisure and community facilities. This includes \$5.70 million for ovals and landscaping works at Williams Landing Boulevard reserve, and \$0.99 million on the Mossfiel Reserve Masterplan implementation.

Additionally, \$6.44 million is budgeted for parks, open space and streetscape works. This includes expenditure on creation of an active youth space at Baden Powell Drive Park (\$3.12 million), and implementation of the Sports Facility Strategy (\$1.00 million).

12.1.5 Asset renewal (\$21.88 million), new assets (\$60.56 million), upgrade (\$22.21 million), and expansion (\$8.26 million)

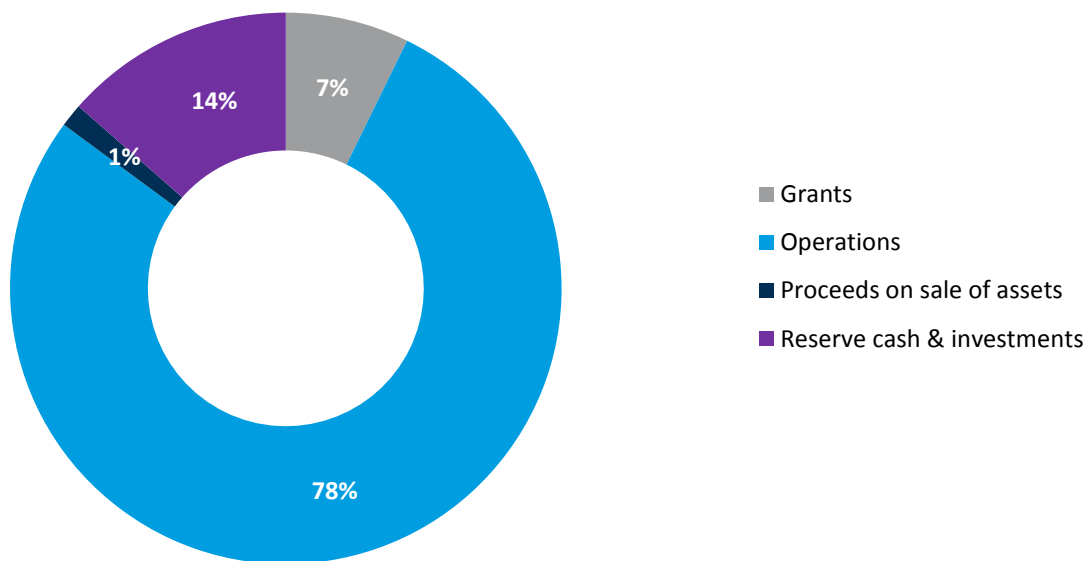
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

The major projects included in the above categories, which constitute expenditure on new assets, includes construction of the walk bridge over Skeleton Creek (\$2.00 million), purchase of library books (\$1.06 million), design and construction of a new tipping cell (\$1.00 million), and construction of the Truganina South kindergarten (\$0.70 million) and Regional Pound (\$2.00 million). The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

12.2 Funding sources

Sources of funding	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Works carried forward				
Current year funding				
Grants			0	0
Contributions			0	0
Borrowings			0	0
Council Cash				
- Operations			12,740	12,740
- Proceeds on sale of assets			0	0
- Reserve cash and investments			0	0
- unrestricted cash and investments			0	0
Total works carried forward	12.2.1		12,740	12,740
New works				
Current year funding				
Grants	12.2.2	13,165	8,186	-4,979
Contributions		1,025	0	-1,025
Borrowings	12.2.3	15,000	0	-15,000
Council Cash				
- Operations	12.2.4	47,148	75,175	28,027
- Proceeds on sale of assets	12.2.5	703	1,540	837
- Reserve cash & investments	12.2.6	16,359	15,271	-1,089
- Unrestricted cash & investments		0	0	0
Total new works		93,401	100,172	6,771
Total funding sources		93,401	112,912	19,511

Budgeted total funding sources 2016/17



Source: Section 6

12.2.1 Carried forward works (\$12.74 million)

At the end of each financial year, there are projects that are still in progress and will be completed in the following financial year. For the 2015/16 year, it is forecast that \$12.74 million of capital works will be carried forward. These carried forward works are funded from accumulated Council operating surpluses.

12.2.2 Grants - Capital (\$8.19 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. In 2016/17, a number of grants have been budgeted to be received; \$1.96 million from the Victoria Grants Commission and \$2.98 million in Roads to Recovery funding, both to be expended on various road reconstruction projects. Additionally, \$3.25 million has been budgeted from the Federal government to go towards development of the Chirnside Park Hub Precinct.

12.2.3 Borrowings (\$0.00 million)

Council does not anticipate to borrow any funds to complete the 2016/17 capital works program. This will leave capacity to borrow \$42 million in 2017/18 to 2019/20 to fund the construction of Armstrong/Ison Roads as per the Wyndham West developer contribution plan.

12.2.4 Council cash - operations (\$75.18 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$75.18 million will be generated from operations to fund the 2016/17 capital works program. Refer to section 11. 'Budgeted Cash Position' for more information on funds from operations.

12.2.5 Proceeds on sale of assets (\$1.54 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy, totalling \$1.54 million.

12.2.6 Reserve cash & investments (\$15.27 million)

Council has significant cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside in its infrastructure reserves which contribute toward the cost of the construction of roads, community facilities and open space projects. For 2016/17 \$15.27 million in reserves will be used to fund part of the new capital works program including \$2.00 million for road works on Hacketts Road, \$3.50 million for Tarneit Road Duplication and \$0.97 million for Armstrong Road.

13. Analysis of Budgeted Financial Position

This section analyses the movements in assets, liabilities and equity between 2015/16 and 2016/17. It also considers a number of key performance indicators.

13.1 Budgeted balance sheet

	Ref	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		16,374	14,921	-1,454
Other financial assets		132,483	120,721	-11,762
Trade and other receivables		40,295	38,749	-1,546
Inventories		154	158	3
Other assets		3,540	3,612	71
Non-current assets classified as held for Sale		23	23	0
Total current assets		192,870	178,183	-14,688
Non-current assets	13.1.1			
Trade and other receivables		2,391	2,223	-168
Property, infrastructure, plant & equipment		3,162,623	3,269,547	106,924
Intangible assets		17,535	11,953	-5,582
Total non-current assets		3,182,549	3,283,723	101,175
Total assets		3,375,418	3,461,907	86,487
Current liabilities	13.1.2			
Trade and other payables		30,812	31,334	-522
Trust funds and deposits		8,708	8,856	-148
Interest-bearing loans and borrowings		0	0	0
Provisions		17,512	18,624	-1,112
Total current liabilities		57,033	58,814	-1,782
Non-current liabilities	13.1.2			
Interest-bearing loans and borrowings		55,000	55,000	0
Provisions		4,871	5,183	-312
Carbon tax		6,267	0	6,267
Landfill Rehabilitation		18,585	15,101	3,484
Total non-current liabilities		84,723	75,284	9,439
Total liabilities		141,756	134,098	7,658
Net assets		3,233,662	3,327,808	94,145
Equity	13.1.4			
Accumulated surplus		1,631,943	1,727,142	95,199
Asset revaluation reserve		1,534,055	1,537,493	3,438
Other reserves		67,664	63,173	-4,491
Total equity		3,233,662	3,327,808	94,146

Source: Section 3

(Note: +1/-1 variances will be due to rounding of source data).

13.1.1 Current Assets (\$14.69 million decrease) and Non-Current Assets (\$101.18 million increase)

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 less than 90 days. Other financial assets include term deposits with an original maturity of greater than three months. These balances are projected to decrease by \$13.22 million during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Long term debtors are not expected to change significantly in the budget whereas short term debtors are estimated to increase by \$1.55 million on the basis that the level of rates revenue and other operating revenue are expected to be higher in 2016/17.

Other assets include items such as prepayments for expenses that Council has paid in advance of service delivery. Prepayments are not expected to change significantly in the budget.

Intangible assets relate to the tipping space created as a result of new cell constructions completed at the refuse disposal facility. Intangible assets reduce over time as the tipping space is consumed by the disposal of waste. New cells are also constructed over time.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc, which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$112.91 million of assets), depreciation of assets (-\$70.66 million), written down value of assets sold and disposed (-\$5.10 million), granted assets (\$61.00 million), and asset revaluations (\$3.44 million).

13.1.2 Current Liabilities (\$1.78 million increase) and Non Current Liabilities (\$9.44 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2015/16 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase due to growth in staffing numbers in 2015/16 and 2016/17, in addition to the Enterprise Bargaining Agreement (EBA), which has the effect of inflating the value of outstanding entitlements.

Interest bearing loans and borrowings are borrowings of Council. Council forecasts to have \$55.00 million in borrowings from 2015/16 onwards, with an additional \$42 million anticipated to be drawn in 2017/18 to 2019/20. The extra borrowing is required to fund the construction of Armstrong/Ison Roads as per the Wyndham West developer contribution plan. At this time, the borrowings are expected to be via the Local Government Funding Vehicle and on an interest-only basis.

13.1.3 Working Capital (\$119.37 million)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast 2015/16 \$'000	Budget 2016/17 \$'000	Variance \$'000
Current assets	192,870	178,183	-14,687
Current liabilities	57,033	58,814	-1,782
Working capital	135,837	119,369	-16,468
Restricted cash and investments			
- Statutory reserves	-67,664	-63,173	4,491
- Site rehabilitation	-18,585	-15,101	3,484
- Trust funds and deposits	-8,708	-8,856	-148
- Cash held to fund carry forward capital works	-12,740	0	12,740
Unrestricted working capital	28,139	32,239	4,100

13.1.4 Equity (\$94.15 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 there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time.

During the year, an amount of \$1.05 million (net) is budgeted to be transferred from reserves to accumulated surpluses. These transfers represent a movement between equity balances only and do not impact on the total balance of equity.

13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2017, it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- The following ratios are preserved as part of the Closing balance of receivables:
 - Ratio of receivables to rate revenue - 7.9%
 - Ratio of receivables to user charges and fines - 29.6%
 - Ratio of receivables to user charges - for the Refuse Disposal Facility - 29.6%
- Closing Trade creditors are based on an annual ratio of 31.5% of accrual based payment to suppliers.
- The following ratios are preserved as part of the closing balance of employee provisions:
 - Ratio of Annual Leave to Employee Costs - 6.7%
 - Ratio of LSL to Employee Costs - current - 9.1%
 - Ratio of LSL to Employee Costs - non-current - 4.4%
- There will be no repayment of loan principal
- There will be no new loan borrowings in 2016/17
- Total capital works expenditure in 2016/17 of \$112.91 million, including 2015/16 carry forward of \$12.74 million
- The 2016/17 Capital program (including the 2015/16 carry forward projects) will be fully expended by the 30th June 2017

Long Term Strategies

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies

14. Strategic resource plan

This section includes details of the Strategic Resource Plan (SRP) to provide information on the long term financial projections of the Council.

14.1 Plan development

The Act requires a Strategic Resource Plan to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the City Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared a SRP for the four years 2016/17 to 2019/20 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 City Plan and expresses them in financial terms for the next four years.

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

- Increase service levels in line with population growth and community expectations;
- Achieve an annual operating result which provides for long term business viability;
- Maintain debt levels within prudential guidelines;
- Maintain a capital expenditure program in line with the 10 year financial plan;
- Maintain a strong cash position to ensure long term financial sustainability;
- Provide rate and fee increases that are both manageable, sustainable and comparable to other similar councils; and
- Continue to pursue grant funding for strategic capital funds from the State and Federal Government.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Local Government Act 1989:

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

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

Council does not anticipate to borrow any funds in 2016/17. This will leave capacity to borrow \$42 million in 2017/18 to 2019/20 to fund the construction of Armstrong/Ison Roads as per the Wyndham West developer contribution plan.

14.2 Financial resources

The following table summarise the key financial results for the next four years as set out in the SRP for the years 2016/17 to 2019/20. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period. The rates increase is 2.5% for 2016/17 and 4.5% in the three outer years.

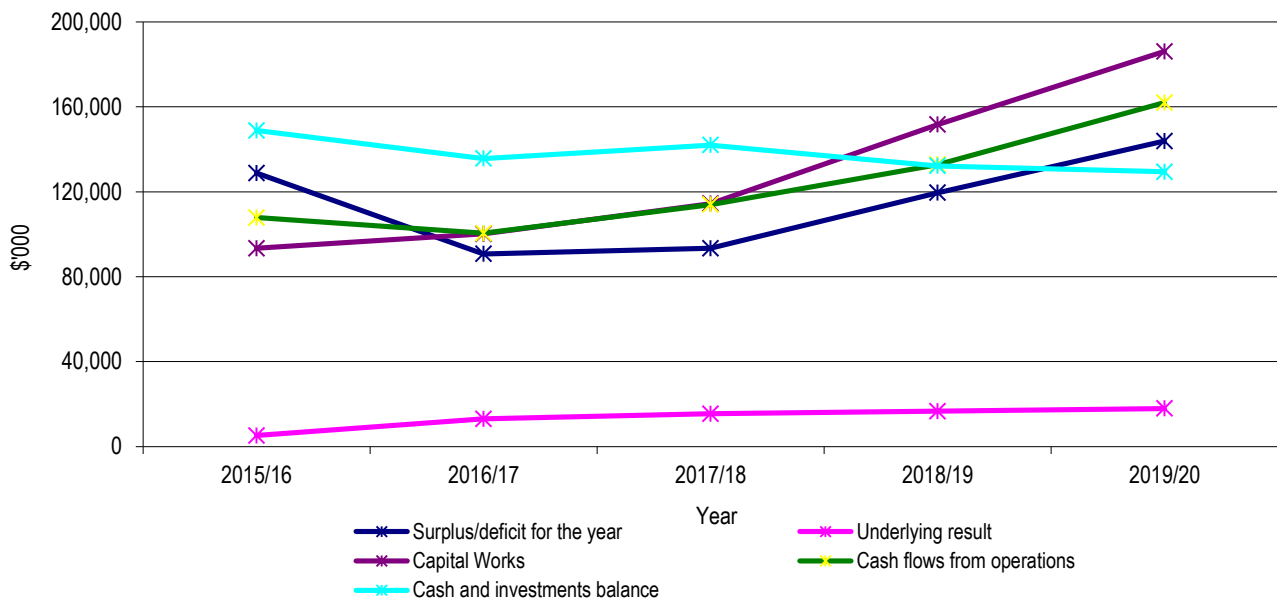
	Forecast	Budget	Strategic Resource Plan Projections			Trend +/o/-
	2015/16	2016/17	2017/18	2018/19	2019/20	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/deficit for the year	128,816	90,707	93,397	119,523	143,909	+
Adjusted Underlying result	5,169	13,002	15,432	16,601	17,888	+
Cash and investments balance	148,857	135,641	142,007	132,173	129,435	-
Cash flows from operations	107,870	100,483	113,955	132,817	161,942	+
Capital works expenditure*	93,401	100,172	114,379	151,634	186,126	+

(*Note: The capital works budget of \$100.17 million for 2016/17 excludes \$12.74 million of capital expenditure that will be carried forward from 2015/16 and completed in 2016/17.)

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 four year period.



The key outcomes of the Plan are as follows:

- Financial sustainability (section 11)** - Cash and investments is forecast to remain high over the 4 year period, between \$129.44 million and \$135.64 million, which indicates a balanced budget on a cash basis in each year. In addition to a balanced cash budget on an annual basis, Council ensures that major liabilities such as landfill rehabilitation, are cash backed so that these obligations are not borne by future ratepayers.
- Rating levels (section 15)** – Rate increases are forecast to be 2.5% in 2016/17 in line with the rates cap that was announced by the Minister for Local Government in December 2015. Rate rises for the following 3 years are deemed to be at 4.5% on the basis that Council anticipates to submit a rates variation application to the ESC for those years. It is difficult to predict the likely outcome of those applications.
- Service delivery strategy (section 16)** – Service levels are expected to increase considerably over the 4 year period. Despite this, Council will generate significant operating surpluses throughout this term. The large operating surpluses are the result of donated subdivision assets which are non cash but result in an obligation to maintain these assets. Notwithstanding this, the adjusted underlying result which excludes capital grants, capital contributions and donated subdivision assets demonstrates Council's underlying financial sustainability.
- Borrowing strategy (section 16)** – Borrowings are budgeted to total \$55.00 million by the end of 2016/17 (\$40.00 million from 2013/14 and \$15.00 million in 2015/16). A further \$42 million in borrowings is budgeted to be drawn in the following 3 years to 2019/20.
- Infrastructure strategy (section 16)** - Capital expenditure over the four year period will total \$552.31 million (excluding 2015/16 carry forward), at an average of \$138.08 million per annum.

15. Rating Information

15.1 Rating Strategy

Historically, the Long Term Financial Plan has been set on the assumption of a consistent increase in annual rates of 5.5%, to allow for the projected service and infrastructure requirements, including the replacement / renewal of existing assets as Council's assets age.

A cap on rates at 2.5% creates a total funding shortfall for Council of around \$4.4 million for 2016/17. In order to close this gap Council is committed to driving productivity and efficiency gains of around \$1.4 million within its operating budget. The 2016/17 capital works program has also been reduced by \$3 million to reflect the decrease in funding.

A major focus in preparing for the 2016/17 budget has been on determining the most appropriate method to distribute the rate burden across the rate base. The Rating Strategy governs how rates are allocated between types of ratepayers. The Rating Strategy for 2016/17 has been impacted by 1) the adoption of the recommendations from the Rating Strategy Advisory Group, and 2) the property revaluation process that is undertaken every two years.

15.2 Rationale for Determining Rates for 2016/17

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

- Property values, which form the central basis of rating under the Local Government Act 1989;
- A 'User pays' component to reflect usage of certain services provided by Council; and
- A fixed Municipal Charge per property to cover some of the administrative costs of the Council.

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

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used. This distinction is based on the concept that each property category should pay a fair and equitable contribution to rates.

Council currently uses the Capital Improved Value (CIV) basis for property valuations on the grounds that it provides the most equitable distribution of rates across the municipality. As recommended by the Rating Strategy Advisory Group, there will be no change to the use of Capital Improved Value (CIV).

These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act.

The table below shows the rating differentials that are proposed to be applied for 2016/17, which remain unchanged from 2015/16.

Land Classification	Differential
Developed land (Residential)	1.0000
Commercial developed land	1.5000
Industrial developed land	1.6000
Vacant residential land	1.6000
Vacant commercial land	1.7000
Vacant industrial land	1.8000
Residential development land	1.7000
Farm land	0.8000
Rural lifestyle land	0.9000
Rural vacant land	1.0000

15.3 Rating Strategy Advisory Group

An independent Rating Strategy Advisory Group (RSAG) was convened in March 2016 to assist in reviewing and developing Council's Rating Strategy for consideration and adoption by Council in setting the 2016/17 budget.

The RSAG had representatives from the following key groups:

- One Independent Chair (Non-voting)
- One representative from Commercial land owners
- One representative from Industrial land owners
- One representative from Urban Growth Zone land owners
- Three representatives from Residential home owners
- One representative from Retirement Village home owners
- One representative from Farming land owners

The Group brought a variety of skills and views as well as representation of the various categories of ratepayers.

The scope of the review was as follows:

- Review and make recommendations regarding the equitable sharing of the rates burden between various categories of ratepayers
- Review and recommend any changes to the structure of other current charges and their relationship to general rates (i.e. garbage charge, municipal charge)
- Identify any other special rates, charges or rebates that should be considered.

The following recommendations have been made by the RSAG and have been incorporated into the Proposed Integrated Plan & Budget for 2016/17 and Council's Draft Rating Strategy 2016/17:

- Rating categories and the differentials be retained as per the current rating strategy subject to the Council closely reviewing the impact of the 2016 general revaluation on the rates burden and the impact on equity and fairness.
- A Retirement Village differential not be introduced, but the report to Council should include a recommendation that Council consider the issues identified in the paper (Submission to the Local Government Act 1989) in reviewing its policies impacting elderly residential services. Council may also wish to consider any issues on which it would be appropriate to advocate on behalf of this group to both State and Federal levels of Government.
- The wording and definitions in the Rating policy be modified and made less ambiguous with respect to any trigger points particularly in regard to UGZ properties.
- Property owners significantly impacted by the 2016 general revaluation should be contacted as early as possible to allow time for discussion with Council about payment options.
- Municipal charge be retained and no change is needed to the current methodology for determining the charge.
- Garbage charges should remain as a separate charge and reflect the full recovery of related Council costs.
- The Sanctuary Lakes rebate should continue.
- The outstanding rates on UGZ properties should now be followed up with a view to collection. It was further recommended that:
 - o Property owners be contacted individually
 - o One-on-one meetings be arranged if requested
 - o Financial sensitivities be carefully managed
 - o Existing standard hardship policies are applied as appropriate

15.4 Property Revaluations - changes allocation of total rates between ratepayers

Every two years the property valuations that are used to distribute the rating burden between ratepayers are revised. The process to revise property valuations has been undertaken during 2015/16 and the new values will impact the calculation of rates for individual properties for 2016/17 and 2017/18.

There is however a common misconception that if a property's valuation rises in a revaluation year then Council receives a windfall gain with additional income. This is not the case.

The impact of a revaluation will see a redistribution of the rating burden across all properties in the municipality. Any increase to the total capital improved value of the municipality will be offset by a reduction to the rate in the dollar used to calculate the rates for each property.

For example, if every property had a valuation increase of 20% and the total amount of rating revenue required from all ratepayers is to increase by just 2.5%, the rate in the dollar will be reduced to ensure total rates revenue only increases by the 2.5% and not an additional 20%.

In a revaluation year, all properties will not increase (or decrease) in value uniformly. Individual rates may therefore increase either higher or lower than the average. Some may even result in a rates reduction compared to the previous year.

15.5 Impact of the 2016 Property Revaluation

The valuations for 2016 will be certified by the Valuer General in June 2016. The following information is therefore based on the draft valuations prepared by Council's Valuer, Westlink.

Based on a comparison of the same properties valued in 2014 and 2016, the average increase has been about 9% throughout the municipality. The increase in property values does not impact the total amount of rates being levied, only how the total rate amount is proportioned between ratepayers.

Residential property values have generally increased proportionally more than other property types. For 2016, the Residential property values make up 80.0% of the total value of properties in the municipality, compared to 78.9% in 2014. This relatively small shift will see a higher proportion of the rates being levied to Residential ratepayers. On the flip-side, the total proportion of rates levied to Industrial ratepayers will reduce as the proportion of total property values has decreased from 10.4% in 2014 to 9.1% in 2016. At a high level, the proportion of valuation of other types of properties remained relatively consistent between the 2014 and 2016.



In addition to a shift in property values between the types of properties, the draft valuations reflect a shift in the average property values within the suburbs of Wyndham. Of particular note are Werribee South, near Wyndham Harbour, and Mount Cottrell, where the property values have increased considerably more than the average for Wyndham. The average property values in Little River have decreased in value compared to the property valuations in 2014.

15.6 Waste Management Charge

The proposed budget has set the 2016/17 Waste Management Charge at \$243 per service. This is a reduction of \$10.50 (4.1%) when compared to the prior year.

The Waste Management Charge is set to predominantly recover the cost of collecting roadside waste including the estimated cost of providing two tip tokens to each rateable property, two annual household hard waste collections (maximum), street sweeping of residential roads, litter and dumped rubbish collection and a waste reduction education program. For 2016/17, Council have applied a once off carbon tax refund of \$17 per service and this is reflected in the \$243 charge proposed.

For the second and subsequent garbage bins, the Garbage Charge for 2016/17 will be \$233.00 and this includes an additional recycling bin if desired.

It should be noted that about \$40 or 16% of the Waste Management Charge is for EPA levy costs that Council collects and forwards onto the State Government.

16. Summary of Other Strategies

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

16.1 Borrowings

In developing the Strategic Resource Plan (see Section 14), borrowings were identified as an important funding source for the capital works program. Prior to 2013/14, Council had been in a phase of active debt reduction owing to its good financial position. This has resulted in a reduction in debt servicing costs and further increased Council's financial capacity and flexibility. Importantly, Council adopts the philosophy that loan borrowings are only a means of accelerating the receipt of future cash flows, namely future rates. For this reason, it understands that an over reliance on loan borrowings can have an adverse impact on future budgets.

The use of loan borrowings allows Council to accelerate capital works and reduce the rate burden on today's ratepayers. This also means that future ratepayers will contribute to the repayments of the loan, including interest, through their rates.

Council's policy position is to use loan borrowing for new assets that provide intergenerational equity, where the asset life and benefit to the community is greater than one generation, including the acquisition of land.

By the end of the 2016/17 financial year, Council will have \$55.00 million in borrowings. Further borrowings are currently proposed in the following 3 years of the Strategic Resource Plan period, totalling \$42 million over this period. The exact level of borrowings will ultimately depend on the capital works program prepared for each year, and the level of income achieved for that time.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2015/16	15,000	0	1,983	55,000
2016/17	0	0	2,558	55,000
2017/18	8,000	0	2,930	63,000
2018/19	10,000	0	3,395	73,000
2019/20	24,000	0	4,511	97,000

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

	2015/16 \$'000	2016/17 \$'000
Total amount borrowed as at 30 June of the prior year	40,000	55,000
Total amount to be borrowed	15,000	0
Total amount projected to be redeemed	0	0
Total amount proposed to be borrowed as at 30 June	55,000	55,000

16.2 Infrastructure

Council is currently in the process of enhancing its Infrastructure Strategy. The Asset Management Information System (AMIS) has continued to be implemented during 2015/16 and asset classes are being progressively added into the system. AMIS will be integrated with Council's core information technology systems and will assist Council in predicting infrastructure consumption, renewal needs and balancing the need to provide new infrastructure for a growing population. In the current financial year, Council has also developed a draft 10 year Capital Works Plan. This plan sets out the capital expenditure requirements of the Council for the next 10 years by class of asset and is a key input to the overall long term financial plan. It is anticipated that with the implementation of the AMIS, it will enhance and complement the 10 year capital works plan through a better understanding of Wyndham's asset base. The draft 10 year Capital Works Plan has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the City Plan, Strategic Resource Plan and Annual Budget processes
- Identification of all known capital projects, prioritised on the basis of evaluation criteria
- Prioritisation of capital projects within classes on the basis of evaluation criteria
- Methodology for allocating annual funding to classes of capital projects
- Business Case template for officers to document capital project submissions.

A key objective of the Infrastructure 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.

At present, Council is in a good financial position to fund asset renewal requirements. Council's current level of spending on asset renewal indicates that the majority of Council's assets have not reached the end of their useful lives. Additionally, the need to balance spending on asset renewal has been affected by the challenge of population growth and demand for new infrastructure. Notwithstanding this, it is clear that asset renewal will become an increasing focus in future budgets. Again, the implementation of the asset management system will assist Council in addressing these infrastructure challenges.

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

Year	Total Capital Program	Grants	Contributions & Proc of Sale	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000
2015/16	93,401	13,165	18,087	47,148	15,000
2016/17	112,912	8,186	16,811	87,915	0
2017/18	114,379	2,973	16,685	86,721	8,000
2018/19	151,634	4,097	38,299	99,237	10,000
2019/20	186,126	9,252	53,979	98,896	24,000

(Note: The 2016/17 capital works program of \$112.91 million includes \$12.74 million of capital expenditure that will be carried forward from 2015/16 and completed in 2016/17.)

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions for road infrastructure, community open space and community facilities. Discretionary 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 have been earmarked for a specific purpose.

16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to improve existing service levels whilst increasing operating surpluses on an annual basis, to fund the provision of social and physical infrastructure in a growing municipality. The Rating Information (see Section 15.) also refers to rate increases in 2016/17 of 2.50%. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2016/17	2017/18	2018/19	2019/20
	%	%	%	%
Consumer Price Index	2.50	2.50	2.50	2.50
Average Weekly Earnings	3.40	3.30	3.30	3.30
Engineering				
Construction Index	3.50	3.50	3.50	3.50
Rate increases	2.50	4.50	4.50	4.50
Property growth	4.44	3.75	3.49	3.51
Government funding	2.50	2.50	2.50	2.50
Statutory fees	2.50	2.50	2.50	2.50
Investment return	2.99	2.98	3.07	3.31

As well as the general influences, there are also a number of specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

Population Growth

Wyndham is still one of the fastest growing municipalities in Australia, with the population forecast to increase between 3.4% and 4.4% annually over the next five years. This has resulted in increased service inputs (materials and employee costs) to service growth in demand.

Asset Growth

As Wyndham's asset base continues to grow at a rapid rate, Council needs to allocate a greater proportion of its overall budget funding to maintain these assets. As the asset base increases through the building of roads, community centres and public open space, staff levels will also increase to allow these facilities to be properly serviced and maintained.

Future budgets will see a significant increase in the overall cost of services to ratepayers. These are related to the factors mentioned above in addition to the effect of inflation, Enterprise Bargaining Agreements (EBA) and future interest rates. Federal and State Government cost shifting can also have an impact on Council's future service budgets. Cost shifting is a practice that Federal and State Governments have employed by various means in the past, but is generally where other tiers of government impose additional legislative or service obligations on local government without an adequate financial allowance (i.e. government grants) for these additional burdens. The result is the imposition of higher costs on Council budgets.

Council has also strongly advocated in the past that State and Federal grant monies have not kept up with Wyndham's continuing population growth. This has a significant impact on future budgets as service costs in Wyndham are increasing due to inflationary factors and demand factors. If funding levels do not reflect Wyndham's population growth, the end result is a higher net cost to Council and the need for higher rate increases. Council continues to advocate strongly for additional grant funding.

Appendices

The contents of the appendices are summarised below:

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A	Council strategies and plans	104
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D	Characteristics of Rating Differentials	111
E	Glossary of terms	125

Appendix A

Council Strategies and Plans

High-level Plans

- Wyndham 2040 Community Plan
- Community Health, Well-Being and Safety Plan 2013-2017
- Municipal Strategic Statement
- Wyndham City Advocacy Strategy: Working for our City's Needs
- Strategy for Managing Growth in Wyndham

Other Plans, Strategies and Policies

- | | |
|--|--|
| • Ageing Well Strategy 2010 | • Library Service Strategic Plan 2005-2020 |
| • Aquatic Strategy 2015 | • Litter Reduction and Prevention Strategy |
| • Asset Improvement Strategy | • Multicultural Policy and Action Plan 2014-2018 |
| • Beautification of Nature Strip Landscape Policy | • Municipal Early Years Plan 2013-2017 |
| • Bicycle Network Strategy | • Municipal Emergency Management Plan 2011-2015* |
| • Climate Change Adaption Strategy and Action Plan 2016-2020 | • Municipal Fire Management Plan 2013-2016* |
| • Community Amenity Policy | • Open Space Asset Strategy |
| • Community Infrastructure 2040 Plan | • Planning Enforcement Policy |
| • Community Learning Strategy 2014-2018 | • Public Transport Policy |
| • Community Strengthening Policy | • Recreation Policy |
| • Cricket and Australian Rules Football Strategy | • Responsible Gambling Strategy 2012-2014 |
| • Disability and Access and Inclusion Strategy 2013-2017 | • Road Management Plan |
| • Domestic Animal Management Plan 2013-2016 | • Skate, BMX and Bike Strategy |
| • Economic Development Strategy 2012-2016 | • Tree Policy 2015 |
| • Environment and Sustainability Strategy 2011-2015 | • Tourism and Events Strategy 2011/12-2015/16 |
| • Footpath Trading Policy | • Volunteer Policy |
| • Geographic Naming Policy | • Waste Management Strategy 2010-2015 |
| • Governing Wyndham Framework 2013 | • Waterways Strategy |
| • Graffiti Management Strategy 2014-17 | • Water Action Plan 2015-2020 |
| • Housing and Neighbourhood Character Strategy 2015 | • Werribee River Shared Trail Strategy |
| • Integrated Transport Strategy | • Youth Policy 2014 |
| • Leisure Strategy 2013-2017 | |

* These plans have been developed by the Municipal Emergency Management Planning Committee, which is a Committee of community, emergency management agencies and Council representatives.

Appendix B

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 2016/17 budget, which is included in this report, is for the year 1 July 2016 to 30 June 2017 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 ended 30 June 2017 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.

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 State Governments Rate Capping legislation in 2015 Councils are now unable to determine the level of rate increase and instead must use 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 determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Councils to undertake 'public notice' on two separate proposed budget scenarios simultaneously, i.e. the Ministers maximum rate increase and the Council's required rate increase.

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 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget process	Timing
1. Wyndham Exchange public engagements	Nov 15
2. Officers update Council's long term financial projections	Oct/Nov-15
3. Minister of Local Government announces maximum rate increase	Dec-15
4. Officers prepare operating and capital budgets	Nov to Jan-16
5. Council to advise ESC if it intends to make a rate variation submission	Jan/Feb-16
6. Council submits formal rate variation submission to ESC	Mar-16
7. Council considers draft budgets at briefings	Feb/Apr- 16
8. Proposed budgets submitted to Council for approval	26-Apr-16
9. Budget scenarios available for public inspection and comment	26-Apr-16
10. Public notice advising intention to adopt budget	27-Apr-16
11. Public submission process undertaken	Apr/May-16
12. Submissions period closes (28 days)	25-May-16
13. ESC advises whether rate variation submission is successful	31-May-16
14. Submissions considered by Council	14-Jun-16
15. Budget and submissions presented to Council for adoption	27-Jun-16
16. Copy of adopted budget submitted to the Minister	Jul-16

Appendix C

Integrated Plan & Budget 2013-2017 - Themes & Strategies

Theme 1 - People: Community and Council working together

Key objectives under this theme in the City Plan are:

1.1 Sense of Community - To actively promote opportunities for building a sense of community identity, inclusion and connectedness between residents.

Four year strategies:

- 1.1.1 Grow community participation in current/new community events
- 1.1.2 Position the Wyndham Cultural Centre as the premier performing arts centre in Melbourne's West
- 1.1.3 Support emerging artists, cultural projects and community groups to provide arts related activities
- 1.1.4 Implement a 'Wyndham Arts Spaces' Project and expand the number and breadth of art installations, performing art experiences, artists' studios and community cultural development opportunities provided in Wyndham; whilst supporting artisans to develop business and microenterprise skills
- 1.1.5 Maintain and develop a major events program
- 1.1.6 Develop and strengthen local leadership and community groups

1.2 Community Engagement & Building - To actively engage with the community to capture diverse perspectives and opportunities to improve the quality of Council decisions on policies, services and programs.

- To strengthen the capacity of citizens and community groups to participate in community life by providing opportunities for individuals to acquire knowledge, confidence, skills and experience.

Four year strategies:

- 1.2.1 Ensure the Quality Community Plan remains relevant to the community (the Wyndham 2040 Community Plan has incorporated and superseded the Quality Community Plan)
- 1.2.2 Implement a place based planning approach for Wyndham's local areas and neighbourhoods
- 1.2.3 Provide trends and forecasts on the City's population, economy and development
- 1.2.4 Facilitate and encourage active community engagement in Council's planning and decision making
- 1.2.5 Actively support individuals and community groups to increase civic participation, and ensure robust, accessible and democratic local organisations
- 1.2.6 Support lifelong learning through libraries and community hubs
- 1.2.7 Plan, and deliver activated community hubs and facilities

1.3 Diversity – To foster an inclusive City where diversity is valued and where groups at greater risk of exclusion are supported to participate fully in community life.

Four year strategies:

- 1.3.1 Commit to a process of Reconciliation between Aboriginal and non-Aboriginal peoples that aims to redress injustices; increase equity and access to services; and increase wellbeing for the whole community
- 1.3.2 Actively promote cultural diversity by supporting programs and events that foster understanding and help to celebrate the benefits of multiculturalism across the broader Wyndham community
- 1.3.3 Proactively assist the harder to reach community to have access to applying and receiving community grants

- 1.3.4 Continue to advocate for housing diversity in partnership with service providers and community groups to meet the needs of community members experiencing levels of disadvantage
- 1.3.5 Continue to foster a sense of social connectedness, equality and respect throughout the broader Wyndham community
- 1.3.6 Improve Disability access and inclusion
- 1.3.7 Influence the local food system change with a focus on aspects of food supply and food access

1.4 Partnerships – To work in partnership with residents, community groups and agencies to educate and enable the wider Wyndham community to make changes to their lifestyles for physical and mental health and wellbeing.

Four year strategies:

- 1.4.1 Work with non-government organisations, service providers and the local community to develop shared services to meet current and future community needs
- 1.4.2 Work with partners to develop evidence based approaches to reduce levels of disadvantage across the City
- 1.4.3 Partner with community and local organisations to deliver Wyndham Healthy Communities (Healthy Together Wyndham and Healthy Communities Initiative)
- 1.4.4 Provide advocacy, community education and effective programs that protect and enhance our natural environment through cooperation with partners
- 1.4.5 Partner with other stakeholders to increase Wyndham's economic strength and diversity

1.5 Economic prosperity – To grow business investment, industry diversification skills development and employment opportunities in Wyndham.

Four year strategies:

- 1.5.1 Attract and facilitate responsible commercial, industrial, tourism and retail development
- 1.5.2 Enhance Wyndham's local economy
- 1.5.3 Enhance industry skills and access to education
- 1.5.4 Encourage local and regional businesses to participate in the provision of goods and services to Council in order to increase local employment
- 1.5.5 Promote Wyndham as a preferred visitor destination

Theme 2 - Place: Strong identity and managed growth

Key objectives under this theme in the City Plan are:

2.1 City Image – To enhance Wyndham's character and liveability through neighbourhood planning and civic improvement projects.

Four year strategies:

- 2.1.1 Improve open space and waterways
- 2.1.2 Improve canopy trees in streetscapes
- 2.1.3 Continue programs to improve gateways to the City through higher standards of landscaping, signage and maintenance

2.2 City Infrastructure – To deliver and maintain Wyndham's facilities and infrastructure in an efficient and equitable manner that meets community needs.

Four year strategies:

- 2.2.1 Increase resources available for addressing transport congestion in Wyndham, recognising this will be a combination of direct works, leveraging action and funding from the State Government, and partnering on planning and infrastructure design projects

- 2.2.2 Investigate innovative funding models for infrastructure provision
- 2.2.3 Ensure that health and wellbeing, accessibility and environmentally sustainable design principles are incorporated into the design of new and redeveloped Council owned facilities, roads and open spaces
- 2.2.4 Promote active transport (walking and cycling) through the provision and maintenance of local infrastructure
- 2.2.5 Ensure Council and community assets are managed effectively and efficiently to deliver optimum community benefit

2.3 Sustainable Growth – To ensure Wyndham’s population growth is matched by the development of new physical, social and economic infrastructure, while protecting the City’s existing assets and natural environment.

Four year strategies:

- 2.3.1 Facilitate responsible development that promotes a healthy and safe community and sustainable outcomes
- 2.3.2 Proceed with the implementation of the Growth Management Strategy
- 2.3.3 Encourage sustainable transport options such as increased public transport use, cycling and walking by consolidating development around train stations, bicycle networks and activity centres
- 2.3.4 Encourage and facilitate greater housing diversity to address community needs (especially for smaller dwellings), plus development density and building heights in appropriate locations, based on accessibility, neighbourhood character and related factors
- 2.3.5 Establish a partnership approach to engage businesses, property owners, local community and government agencies in the management and realisation of visions for larger town centres

Theme 3 - Services: For community wellbeing

Key objectives under this theme in the City Plan are:

3.1 Community – To assist local residents to enhance their health, wellbeing, safety and independence through the delivery of a range of services.

Four year strategies:

- 3.1.1 Services/programs adequately planned and resourced to meet the needs of our diverse community, funded service agreements, and legislative requirements
- 3.1.2 Broker resources and services to serve our growing communities
- 3.1.3 Promote Council services available to the community

3.2 Customer Service – To be a Council easy to do business with by gaining a better understanding of needs and expectations, delivering our service commitments while continually striving to improve our customer-focused culture.

Four year strategies:

- 3.2.1 Build an organisational culture that provides a positive customer experience
- 3.2.2 Utilise technology to improve customer service response timelines

3.3 Leisure, Sports and Recreation – To provide residents of all ages and abilities with opportunities to participate in a wide range of leisure, sports and recreation pursuits.

Four year strategies:

- 3.3.1 Review and continuously improve leisure, sports and recreation services/facilities to balance community expectation, value for money and Council’s capacity to deliver
- 3.3.2 Build and maintain Council and community assets to a standard that matches community need, and sector and industry best practice
- 3.3.3 Provide opportunities for informal physical activity such as walking and cycling

Provide opportunities for broader leisure activities

Theme 4 - Environment: Demonstrating local leadership and working towards best practice

Key objectives under this theme in the City Plan are:

4.1 Natural – To ensure the natural assets and biodiversity of Wyndham are protected and managed in a sustainable manner so they can be enjoyed now and by future generations.

Four year strategies:

- 4.1.1 Sustain and enhance the natural environments and provide opportunities for conservation, education and recreation
- 4.1.2 Engage with land owners/managers to improve waterways and coastal management practices that address erosion, sea level rise, biodiversity and amenity
- 4.1.3 Embed sustainability principles across Council through procurement processes for service contracts, capital work programs and tenders
- 4.1.4 Implement identified priority climate change adaptation actions
- 4.1.5 Expand Wyndham's role in leading environmental programs including responding to climate change and engaging residents in environment programs at Community Centres

4.2 Built – To work in partnership with the Wyndham community to educate and enable residents and businesses to plan and make changes to their lifestyles and practices, to contribute to a sustainable, green and clean Wyndham City.

Four year strategies:

- 4.2.1 Encourage environmentally sustainable development in new residential, industrial and commercial developments
- 4.2.2 Substantially reduce levels of waste going to landfill and increase resource recovery
- 4.2.3 Minimise Council energy and potable water use, including substitution with recycled water
- 4.2.4 Ensure that emergency management (for flood, fire, wind, heat and storm events) across the municipality is adequately and appropriately addressed

Theme 5 - Organisational Excellence

Key objectives under this theme in the City Plan are:

5.1 Good Governance – To maintain community confidence in the integrity and efficiency of the organisation. To continue to ensure there is a focus and commitment to transparency and accountability in Council decision making processes.

Four year strategies:

- 5.1.1 Strengthen Council's governance procedures and practices to ensure consistency, unbiased decisions and transparency
- 5.1.2 Ensure appropriate Council decision making processes reflect contemporary good governance practices
- 5.1.3 Promote community understanding of Council's governance

5.2 Communications – To keep the community well informed of Council services, programs and activities. To promote Wyndham City's natural and heritage assets in order to attract increased visitation, local expenditure and community pride.

Four year strategies:

- 5.2.1 Improve external communications to enhance the community's interaction and relationship with Council

- 5.2.2 Improve internal communications to build knowledge of local challenges, service delivery options, resourcing implications
- 5.2.3 Build community confidence, pride and awareness of Wyndham's attributes
- 5.2.4 Promote Council's capital works projects through the development of site signage

5.3 Business Operations – To deliver best practice management, governance, administrative and human resource systems that support the delivery of Council services and programs to the Wyndham community.

Four year strategies:

- 5.3.1 Review services to ensure they balance community expectation, value for money and Council's capacity to deliver within the context of the Long Term Financial Plan
- 5.3.2 Maximise our potential through the recruitment, engagement and performance of our people
- 5.3.3 Implement the Victorian Prevention and Health Promotion Achievement Program for Workplaces to become a health promoting organisation
- 5.3.4 Drive cultural alignment and accountability with Council's values
- 5.3.5 Embrace innovation and change that delivers best value to the community and service clients
- 5.3.6 Improve Council's efficiency and effectiveness through the implementation of technology and process improvements

5.4 Advocacy – To promote and campaign to outside agencies such as State and Federal Governments in order to secure projects, funding and partnership initiatives for the benefit of the community.

Four year strategies:

- 5.4.1 Implement the Advocacy Strategy around the themes of traffic and transport, employment and skills, environment, infrastructure and infrastructure financing, and community health, wellbeing and safety
- 5.4.2 Build the evidence base to back up the Advocacy Strategy
- 5.4.3 Strengthen communications to residents about Council's advocacy efforts

5.5 Financial Services – To manage resources efficiently and effectively to ensure Council's financial sustainability now and into the future.

Four year strategies:

- 5.5.1 Ensure Council remains in a strong financial position
- 5.5.2 Ensure the community, in particular those who have not typically been involved, are provided with multiple opportunities to understand Council's budget process and provide input into the process

Appendix D

Characteristics of Rating Differentials

Developed Land (2016/2017)

Definition:

Developed land is identified as any rateable land which is not:

- Commercial Developed Land
- Industrial Developed Land
- Residential Development Land
- Farm Land
- Vacant Residential Land
- Vacant Commercial Land
- Vacant Industrial Land
- Vacant Rural Land

Objective:

The objective of this rate is to ensure owners of land having the characteristics of Developed Land make an equitable financial contribution to the cost of carrying out Council's functions.

Characteristics:

Developed Land is Residential Land on which a building is erected and the site is approved for occupation by the issue of an occupancy certificate from Council and the site is available or used for residential purposes.

The building types included within Developed Residential Land are:

- Detached houses;
- Attached houses;
- Strata title flats; and
- Strata title apartments

Land which does not have the characteristics of Commercial Developed Land, Industrial Developed Land, Residential Development Land, Commercial Vacant Land, Industrial Vacant Land, Rural Lifestyle Land, Rural Vacant Land or Farm Land will also be identified as Residential Land for differential rating purposes.

Impact:

The Act requires there to be a residential rate for the purposes of establishing differential rates.

Quantum:

Quantum is set as 1.0 in accordance with legislation.

Rating Principles:

Equity/Fairness Yes – Takes into account capacity to pay and user benefit

Simplicity Yes – Transparent and simple to understand

Efficiency Yes – Practical and efficient to administer

Sustainability Yes – Provides reliable revenues

Incentive No – Does not provide any incentives

Legislative Compliance Yes– Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of 2016/17 financial year.

Commercial Developed Land (2016/2017)

Definition:

Commercial Land is identified as land on which a building designed or adapted for occupation is erected which is used for commercial purposes.

Objective:

The objective of the rate is to encourage commerce and ensure that the owners of the land having the characteristics of Commercial Developed Land make an equitable financial contribution to the cost of carrying out Council's functions.

The Commercial Developed Land differential is higher than the Developed Land Differential for a number of reasons including;

- Council's financial commitment to economic development initiatives;
- Commerce attracts non-residents and consequently additional demands on public infrastructure;
- Council rates and charges may be claimed as a tax deduction; and
- Commercial precincts demands on the environment are higher than residential areas.

Characteristics:

Commercial Developed Land is land on which a building is erected or the site is adapted for occupation and the site is used for commercial purposes including:

- Retail shops;
- Offices;
- Services businesses, car parks, garden centres, car yards, boat yards, entertainment centres (theme parks), hotel and motels; and
- Land which has improvements and/or buildings used for commercial purposes.

Impact:

The current rating differential is 1.5, or 50% higher than the residential developed rate differential. Thus a commercial developed property currently pays 50% more in rates than a residential developed property assuming both have the same valuation.

Quantum:

A 0.1 differential between commercial and industrial developed land is deemed appropriate given the 'scale' of industrial activity is generally much higher than commercial. It is recognised that these two rate groups underpin the financial and employment aspirations of Wyndham – if they are not strong and successful, it will be much harder for Wyndham to thrive.

Rating Principles:

Equity/Fairness Arguable – residential rentals are being subsidised by commercial differential, though commercial often has higher capacity to pay and has taxation benefits

Simplicity Yes – transparent and simple to understand

Efficiency No – based on equity, the differential is not practical and cost effective

Sustainability Yes – when compared to other Councils with differentials

Incentive No – one reason is the tax deduction which applies mainly to commercial

Legislative Compliance Yes – Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of 2016/17 financial year.

Industrial Developed Land (2016/2017)**Definition:**

Industrial Land is identified as land on which a building designed or adapted for occupation is erected which is used for industrial purposes.

Objective:

The objective of the rate is to encourage industry and ensure that the owners of the land having the characteristics of Industrial Developed Land make an equitable financial contribution to the cost of carrying out Council's functions.

The Industrial Developed Land differential is higher than the Developed Land Differential for a number of reasons, including;

- Council's financial commitment to economic development initiatives;
- Council rates and charges may be claimed as a tax deduction;
- Industry attracts non-residents and consequently additional demands on public infrastructure; and
- Industrial demands on the environment are higher than other businesses

Characteristics:

Industrial Land is land on which a building is erected or the site is adapted for occupation and is used for industrial purposes including:

- Manufacturing industries
- Quarrying

and the land is located in an industrial zone or other area in the Municipality.

Impact:

This rating differential currently is 1.6, thus 60% higher than the residential developed rate differential. Thus an industrial developed property currently pays 60% more in rates than a residential developed property assuming they have the same valuation.

Quantum:

A 0.1 differential between commercial and industrial is appropriate based on scale and capacity to pay. These two rate groups underpin the financial and employment aspirations of Wyndham – if they are not strong and successful, it will be much harder for Wyndham to thrive. At the moment, there is evidence that both commercial and industrial sectors are finding it harder financially.

The multiplier effect of manufacturing supporting 3 jobs in the community for every one directly employed is a strong argument for Wyndham to encourage industry – as a key employment base for a rapidly increasing residential population.

Rating Principles:

Equity/Fairness Variable – The data does not exist to make a firm assessment.

Simplicity Yes – The rating principle is simple, especially when measured against other tax forms such as personal income tax. For business, processing annual rates would be considered simple when compared to many other aspects of business administration

Efficiency Yes – An understanding of Council's administration process identifies how efficient this currently is.

Sustainability Yes – The rating process and provision of income to Council is sustainable within the current economic climate. Any shift in the makeup of industrial presence within Wyndham could lead to a need to reassess.

Incentive Yes – Neighbouring Councils vary with their rates in comparison to Wyndham. On balance of this benchmarking, Wyndham would be assessed as competitive.

Legislative Compliance Yes – Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of 2016/17 financial year.

Residential Development Land (2016/2017)**Definition:**

Residential Development Land is identified as land located within an urban growth zone where:

- a planning permit authorising the subdivision of the land has been issued; and
- no principle place of residence exists on the subdivided land.

Objective:

The objective of the rate is to encourage development for residential purposes and ensure that the owners of the land having the characteristics of residential development land make an equitable financial contribution to the cost of carrying out Council's functions.

The Residential Development Land differential is higher than the Developed Land Differential for a number of reasons, including;

- To assist in the management of sustainable growth across metropolitan Melbourne; and
- Encourage residential subdivisions at a sustainable level ensuring sufficient supply.

Characteristics:

Land located within an urban growth zone where:

- a planning permit authorising the subdivision of the land has been issued; and
- no principal place of residence exists on the subdivided land.

Impact:

This rating differential currently is 1.7 multiplier thus 70% higher than residential developed rate differential. Thus a Residential Development property currently pays 70% more in rates than a residential developed property assuming they both have the same valuation.

Quantum:

The 1.7 differential is deemed appropriate as owners of this land are generally large corporations who purchase this land to derive their profit from the long term capital gain, and control its release to maximise price / capital gain. This profit generation is not contributing to the Wyndham community.

Rating Principles:

Equity/Fairness Yes – The differential meets some of the disadvantages experienced by Council due to other authorities having funds tied up in providing infrastructure needed to progress development.

Simplicity Yes – The rating principle is simple in comparison with other forms of taxes and business administration.

Efficiency Yes - The process does not impact on the efficiency of the current practice

Sustainability Yes - Wyndham has a significant challenge in dealing with residential development land. It must balance the cost of development and providing services and infrastructure. Ratepayers cannot fund further development infrastructure with inadequate contribution from those driving the development.

Incentive Yes - the continuing activity of developers securing land in Wyndham would confirm that current practices are competitive.

Legislative Compliance Yes - Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Vacant Residential Land (2016/2017)**Definition:**

Vacant Residential Land is identified as land on which no building designed or adapted for occupation is erected and the land is located within a Residential or Township Zone.

Objective:

The objective of the rate is to encourage development for residential purposes and ensure that the owners of the land having the characteristics of Residential Developed Land make an equitable financial contribution to the cost of carrying out Council's functions.

The Residential Vacant Land differential is higher than the Developed Land Differential for a number of reasons, including;

- To assist in the management of sustainable growth across metropolitan Melbourne; and
- Promote housing development in residential zoned area.

Characteristics:

Residential Vacant Land is land on which no building designed or adapted for occupation is erected and the land is located within a residential or township zone.

Impact:

This rating differential currently is 1.6, i.e. 60% higher than the residential developed land differential. Thus a Residential Vacant property currently pays 60% more in rates than a residential developed property assuming equal valuations.

Such residential land is located within Residential or Township Zones. The residential vacant land differential is the lowest of vacant land differentials. This is consistent with developed land where the residential developed land differential is lower than commercial and industrial developed land differentials. The reason for the lower rate burden is that ratepayers generally purchase such land to build on. However, some ratepayers are investing in vacant land for use in the long term, or for investment as demand drives up process, and thus it can be argued that increasing the differential is appropriate.

Quantum:

The differential rate has been increased by 0.2 to 1.6 from the 2013/2014 financial year. For people and businesses who have purchased land with the intent to develop, a short term increase in rates is considered a small factor when compared to the costs they will incur during development, and the higher rate value (not differential) which will apply post development.

For those investing in vacant land to hold for use in the long term, or for investment returns as demand drives prices up, the differential of 1.6 was considered appropriate

Rating Principles:

Equity/Fairness Yes – New releases need to be developed

Simplicity Yes – transparent and simple to understand

Efficiency Yes – accepted that vacant land has a higher differential

Sustainability Yes – differential is based on CIV hence amount is lower than developed land

Incentive Maybe – no evidence that differential rating promotes or achieves development but it certainly doesn't hinder it

Legislative Compliance Yes– Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Vacant Commercial Land (2016/2017)**Definition:**

Vacant Commercial Land is identified as land on which no building designed or adapted for occupation is erected and the land is located within a:

- Business 1, 4 or 5 Zone;
- Priority Development Zone with an approved precinct plan for commercial use;
- Special Use Zone with an approved development plan for commercial use; or
- Urban Growth Zone with an approved precinct structure plan for commercial use.

Objective:

The objective of the rate is to encourage development for commercial purposes and ensure that the owners of the land having the characteristics of Vacant Commercial Land make an equitable financial contribution to the cost of carrying out Council's functions.

The Vacant Commercial Land differential is higher than the Developed Land Differential for a number of reasons, including;

- To assist in the management of sustainable growth across metropolitan Melbourne;
- Council's financial commitment to economic development initiatives; and
- Promote commercial development within the appropriate zone municipal areas

Characteristics:

Land on which no building designed or adapted for occupation is erected and the land is located within a:

- Business zone 1, 4 or 5;
- Priority development zone with an approved precinct plan for commercial use;
- Special use zone with an approved development plan for commercial use;
- Urban growth zone with an approved precinct structure plan, for commercial use.

Impact:

This rating differential is 1.7 multiplier, thus 70% higher than the residential developed rates differential. Thus a vacant commercial currently pays 70% more in rates than a residential developed property assuming they have the same valuation. Owners of such land purchase the land to contract and run a business or lease the property which may also result in the long term financial gain from the sale of the business or property.

Quantum:

The Rating Strategy Advisory Group recommended that the 2013/2014 differential be increased by 0.1 to 1.7. For people/ businesses who have purchased land with the intent to develop, a short term increase in rate is a small factor when compared to the costs they will incur with development, and the subsequent higher rate value (not differential) which will apply post development.

Rating Principles:

Equity/Fairness Yes – 1.37% of all commercial is rated as vacant land. Minimal application.

Simplicity Yes – transparent and simple to understand

Efficiency Yes – accepted that vacant land has higher differentials

Sustainability Yes – minimal effect due to amount of vacant commercial land

Incentive No – no evidence that differential is sufficient to promote or achieve development though it clearly does not inhibit it

Legislative Compliance Yes – Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Vacant Industrial Land (2016/2017)**Definition:**

Vacant Industrial Land is identified as land on which no building designed or adapted for occupation is erected and the land is located within a:

- Industrial Business 1, 2 or 3 Zone;
- Priority Development Zone with an approved precinct plan for industrial use;
- Special Use Zone with an approved development plan for Industrial use; or
- Urban Growth Zone with an approved precinct structure plan for industrial use.

Objective:

The objective of this rate is to encourage development for industrial purposes and ensure that the owners of the land make an equitable financial contribution to the cost of carrying out Council's functions.

Encouragement includes:

- Promoting land owners to develop their land, to bring about increased community benefits as covered in the 'Developed Industrial Land' discussion.
- Reducing the possibility that land holders not progressing in reasonable time to develop the land may impede the ability of other businesses to access suitable land for their own industrial use.

Characteristics:

Is land on which no building designated or adapted for occupation is erected and the land is located within a:

- Industrial business zone 1,2 or 3; or
- Priority development zone with an approved precinct plan for industrial use; or
- Special use zone with an approved development plan for industrial use; or
- Urban growth zone with an approved precinct structure plan for industrial use.

Impact:

This rating differential currently is 1.8, thus 80% higher than the residential developed rate differential. Thus an Industrial Vacant Land property currently pays 80% more in rates than a residential developed property assuming the same valuation.

Quantum:

This differential rate was increased by 0.1 to 1.8 from 2013/2014. For people / businesses who have purchased land with the intent to develop, a short term increase in rate is a small factor when compared to the costs they will incur during development, and the subsequent higher rate value (not differential) which will apply post development.

For those investing in vacant land to hold for use in the long term, or for investment returns as demand drives prices up, increasing the differential is appropriate

Rating Principles:

Equity/Fairness Variable – a wide range of equity exists within the individual circumstances of businesses

Simplicity Yes – transparent and simple to understand

Efficiency Yes – accepted that vacant land has a higher differential

Sustainability Yes – Vacant industrial land makes up 0.4% of assessments and 1.7% of total rate income.

Any major changes in this category will not have any real impact on Council revenue

Incentive Maybe – no evidence that differential rating promotes or achieves development but it certainly doesn't hinder it

Legislative Compliance Yes – Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Farm Land (2016/2017)

Definition:

Under the Valuation of Land Act 1960 farm land is rateable land that has the following characteristics:

- 1) is not less than 2 hectares in area; and
- 2) is 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
- 3) is used by a business:
 - (i) that has a significant and substantial commercial purpose or character; and
 - (ii) that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - (iii) that 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

Objective:

The objectives of this rate are to:

- Ensure that all ratepayers for agricultural land make a fair and equitable financial contribution to the costs of carrying out Council's functions.
- Provide economic support to encourage ongoing use of the designated zones for production of and value-adding to agricultural products produced on the designated land.
- Encourage further development of designated Agricultural land holdings with extensive privately funded horticultural and viticultural production techniques and equipment to improve the viability of the farming operation.
- Encourage persons in the community engaged in agricultural production to further develop the property and value-add to their products in the local community to create more employment opportunities in the industry.

Characteristics:

Farm Land is land which is not less than 0.2 hectares and is deemed to be a farm under the Valuation of Land Act that:

- Is 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
- Is used by a business that:
 - has a significant and substantial commercial purpose or 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.

and is:

- Actively being used by the ratepayer for agricultural, horticulture or viticulture primary production and including related value-adding production facilities for vegetable growing, grazing (including agistment), dairying, pig farming, poultry farming, fish farming, tree farming, bee keeping, fruit growing, crop growing or for any combination of these
- In a farm zone, green wedge or rural conservation area outside the Werribee South intensive agricultural area and greater than 10 hectares and used for the carrying on primary production as determined by the Australian Taxation Office
- In a farm zone, green wedge or rural conservation area in the Werribee South intensive agricultural area and greater than 0.6 hectares and used for the carrying on primary production as determined by the Australian Taxation Office

Impact:

Ministerial guidelines state that Council should consider the use of a farm rate. With a farm rate being introduced, its impact on the rates raised will be varied as the properties becoming farm land will be coming out of different existing categories

Quantum:

The differential rate for Farmland is 0.8. As the productive asset base for this sector of the community, a lower differential (than residential) which reflects the relatively high investment in land as a proportion of the business profitability is appropriate

Rating Principles:

Equity/Fairness Yes – Takes into account capacity to pay and user benefit

Simplicity Yes – Transparent and simple to understand

Efficiency Yes – Practical and efficient to administer

Sustainability Yes – Provides reliable revenues

Incentive Yes – Provides an incentive to carrying on a farming business

Legislative Compliance Yes– Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Rural Lifestyle Land (2016/2017)**Definition:**

Rural lifestyle land is identified as land with a residential dwelling on larger allotments in rural, semi-rural or bushland settings. Primary production uses and associated improvements are secondary to the value of the residential home site use and associates residential improvements.

Objective:

The objective of this rate is to ensure that all properties within the Wyndham rural areas (non-farming) where services and utilities are restricted make a fair and equitable contribution to the costs of carrying out Council's functions and recognise that ratepayers residing on Rural Lifestyle land do not receive the same level of Council services as residents in residential developed areas.

Characteristics:

Rural Lifestyle Land which is more than 0.4 hectares in area with an approved residence on the land which is not deemed to be farm land under the Valuation of Land Act and is located within:

- A Farm zone, green wedge, rural living or rural conservation area outside the Werribee South Intensive Agricultural Area; or
- A Farm zone, green wedge, rural living or rural conservation area in the Werribee South Intensive Agricultural Area; or
- An Urban Growth Zone.

Any vacant land which is more than 0.4 hectares and not deemed to be farm under the Valuation of Land Act and falls within the above locations is not eligible for the Rural Lifestyle Land differential and is rated as Rural Vacant Land.

Impact:

For properties deemed to be farms under the Valuation of Land Act definition, such properties will remain at a 0.8 differential under the Farm Rate category.

Where properties are classified as being vacant land (no residential, industrial or commercial characteristics) such properties will be rated in the vacant rural land category with a 1.0 differential.

Rural properties with approved residences 10 hectares or under in the Farm, Green Wedge, Rural Lifestyle, or Rural Conservation Zone or within the Werribee South Intensive Agricultural Land less than 0.4 hectares or more will be rated in the rural lifestyle land category with a 0.9 differential.

Quantum:

The differential rate for this category is set at 0.90. The lower differential than for Residential Developed Land reflects a difference in the level of service provided by Council to this group of ratepayers. The average value of rateable properties in this category is higher than that for residential, so when calculated through to rates income, this group will pay a higher 'per property' payment than residential, but receive less in term of service provision.

Rating Principles:

Equity/Fairness Yes – if the rate is reasonable considering the higher burden due to higher CIV

Simplicity Yes – transparent and simple to understand

Efficiency Yes- if rated according to proposal

Sustainability Yes – this was not applied when the rates were increased by 125% in 2012

Incentive Yes – if rated to proposal

Legislative Compliance Yes – Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Wyndham Planning Scheme

Rural Vacant Land (2016/2017)

Definition:

Rural Vacant land is identified as being vacant land which is 0.4 hectares or more and not deemed to be a farm under the Valuation of Land Act.

Objective:

The objective of this rate is to ensure that all properties within the Wyndham rural areas (non-farming) where services and utilities are restricted make a fair and equitable contribution to the costs of carrying out Council's functions and recognise that ratepayers holding Rural Vacant Land do not receive the same level of Council services that are available to ratepayers in developed areas holding vacant land.

Characteristics:

Rural Vacant Land is vacant land which is 0.4 hectares or more in area and is not deemed to be a farm under the Valuation of Land Act and is located within a:

- Farm zone, green wedge, rural lifestyle, or rural conservation area outside the Werribee South intensive agricultural area; or
- Farm zone, green wedge, rural lifestyle, or rural conservation area in the Werribee South intensive agricultural area; or
- Urban Growth Zone.

Impact:

Where properties are classified as being vacant land (no residential, industrial or commercial characteristics) such properties will be rated in the vacant rural land category with a differential of 1.0 differential.

For vacant rural properties that are not deemed to be farm that are 10 hectares or more in the farm, green wedge, rural lifestyle, or rural conservation zone or within the Werribee South Intensive Agricultural area and greater than 0.6 hectares; this will result in a 25% increase in rate burden compared to their previous classification of a 0.8 differential .

For vacant rural properties that are not deemed to be farm that are less than 10 hectares in the farm, green wedge, rural lifestyle or rural conservation zone, there will be no change in their rate burden.

Quantum:

The Rural Vacant Land differential is set at 1.0. As such vacant land cannot be developed like residential, commercial and industrial land, a differential in line with the residential rate is more appropriate than in comparison to other vacant land differentials.

Rating Principles:

Equity/Fairness Yes – Takes into account capacity to pay and user benefit
Simplicity Yes – Transparent and simple to understand
Efficiency Yes – Practical and efficient to administer
Sustainability Yes – Provides reliable revenues
Incentive No – Does not provide any incentives to develop
Legislative Compliance Yes– Complies with legislation and Ministerial guidelines

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Proposed Budget.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Wyndham Planning Scheme

Appendix E

Glossary of Terms

Term	Definition
Act	Local Government Act 1989
Accounting Standards	Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and have the force of law for Corporations law entities under s 296 of the <i>Corporations Act 2001</i> . They must also be applied to all other general purpose financial reports of reporting entities in the public and private sectors.
Adjusted underlying revenue	The adjusted underlying revenue means total income other than non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure from sources other than grants and non-monetary contributions. Local Government (Planning and Reporting) Regulations 2014 - Schedule 3
Adjusted underlying surplus (or deficit)	The adjusted underlying surplus (or deficit) means adjusted underlying revenue less total expenditure. It is a measure of financial sustainability of the Council which can be masked in the net surplus (or deficit) by capital-related items. Local Government (Planning and Reporting) Regulations 2014 - Schedule 3
Annual budget	Plan under Section 127 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required.
Annual report	The annual report prepared by Council under sections 131, 132 and 133 of the Act. The annual report to the community contains a report of operations and audited financial and performance statements.
Annual reporting requirements	Annual reporting requirements include the financial reporting requirements of the Act, Accounting Standards and other mandatory professional reporting requirements.
Asset expansion expenditure	Expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries Local Government (Planning and Reporting) Regulations 2014 – Regulation 5
Asset renewal expenditure	Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability. Local Government (Planning and Reporting) Regulations 2014 – Regulation 5
Asset upgrade expenditure	Expenditure that: (a) enhances an existing asset to provide a higher level of service; or (b) increases the life of the asset beyond its original life. Local Government (Planning and Reporting) Regulations 2014 – Regulation 5
Borrowing strategy	A borrowing strategy is the process by which the Council's current external funding requirements can be identified, existing funding arrangements managed and future requirements monitored.

Balance sheet	<p>The balance sheet shows the expected net current asset, net non-current asset and net asset positions in the forthcoming year compared to the forecast actual in the current year.</p> <p>The balance sheet should be prepared in accordance with the requirements of AASB 101 - Presentation of Financial Statements and the Local Government Model Financial Report.</p>
Comprehensive income statement	<p>The comprehensive income statement shows the expected operating result in the forthcoming year compared to the forecast actual result in the current year. The income statement should be prepared in accordance with the requirements of AASB101 Presentation of Financial Statements and the Local Government Model Financial Report.</p>
Financial statements	<p>Section(s) 126(2)(a), 127(2)(a) and / or 131(1)(b) of the Act require the following documents to include financial statements:</p> <ul style="list-style-type: none"> - Strategic resource plan - Budget - Annual report <p>The financial statements to be included in the Budget include:</p> <ul style="list-style-type: none"> - Comprehensive income statement - Balance sheet - Statement of changes in equity - Statement of cashflows - Statement of capital works <p>The financial statements must be in the form set out in the Local Government Model Financial Report.</p>
Statement of capital works	<p>The statement of capital works shows the expected internal and external funding for capital works expenditure and the total proposed capital works expenditure for the forthcoming year with a comparison with forecast actual for the current year. The statement of capital works should be prepared in accordance with Regulation 9.</p> <p>Local Government (Planning and Reporting) Regulations 2014 – Regulation 9</p>
Statement of cash flows	<p>The statement of cash flows shows the expected net cash inflows and outflows in the forthcoming year in the form of reconciliation between opening and closing balances of total cash and investments for the year. Comparison is made to the current year's expected inflows and outflows. The cash flow statement should be prepared in accordance with the requirements of AASB 107 Statement of Cash Flows and the Local Government Model Financial Report.</p>
Statement of changes in equity	<p>The statement of changes in equity shows the expected movement in Accumulated Surplus and reserves for the year. The statement of changes in equity should be prepared in accordance with the requirements of AASB 101 - Presentation of Financial Statements and the Local Government Model Financial Report.</p>
Budget preparation requirement	<p>Under the Act, a Council is required to prepare and adopt an annual budget by 30 June each year.</p> <p>The Local Government Amendment (Performance Reporting and Accountability) Bill 2013 amends the date the budget must be adopted to 30 June each year – refer section 11(1) of the Bill. This amends section 130 (3) of the Act</p>

Capital expenditure	Capital expenditure is relatively large (material) expenditure that produces economic benefits expected to last for more than 12 months. A pre-determined 'threshold' may be used which indicates the level of expenditure deemed to be material in accordance with Council's policy. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and upgrade expenditures, the total project cost needs to be allocated accordingly.
Capital works program	A detailed list of capital works expenditure that will be undertaken during the 2016/17 financial year. Regulation 10 requires that the budget contains a detailed list of capital works expenditure and sets out how that information is to be disclosed by reference to asset categories, asset expenditure type and funding sources.
Carry forward capital works	Carry forward capital works are those that are incomplete in the current budget year and will be completed in the following budget year.
City Plan (Council Plan)	Means a Council Plan prepared by the Council under Section 125 of the Local Government Act 1989. This document sets out the strategic objectives of the Council and strategies for achieving the objectives as part of the overall strategic planning framework required by the Act.
Community Plan/Vision	A "community owned" document or process which identifies the long term needs and aspirations of the Council, and the medium and short term goals and objectives which are framed within the long term plan.
Department of Environment, Land, Water and Planning (DELWP)	Local Government Victoria is part of the Department of Environment, Land, Water and Planning (DELWP). It was previously part of the former: <ul style="list-style-type: none"> • Department of Transport, Planning and Local Infrastructure (DTPLI). • Department of Planning and Community Development (DPCD). • Department of Victorian Communities (DVC)
Discretionary reserves	Discretionary reserves are funds earmarked by Council for various purposes. Councils can by resolution change the purpose of these reserves.
External influences in the preparation of a budget	Matters arising from third party actions over which Council has little or no control e.g. change in legislation.
Financial sustainability	A key outcome of the strategic resource plan. Longer term planning is essential in ensuring that a Council remains financially sustainable in the long term.
Financial activities	Financing activities means those activities which relate to changing the size and composition of the financial structure of the entity, including equity, and borrowings not falling within the definition of cash.
Four way budgeting methodology (<i>Strategic resource plan</i>)	The linking of the income statement, balance sheet, cash flow statement and capital works statement to produce forecast financial statements based on assumptions about future movements in key revenues, expenses, assets and liabilities.
Infrastructure	Non-current property, plant and equipment excluding land

Infrastructure strategy	An infrastructure strategy is the process by which current infrastructure and ongoing maintenance requirements can be identified, budgeted capital works implemented and future developments monitored. The key objective of an infrastructure strategy is to maintain or preserve Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset preservation then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.
Internal influences in the preparation of a budget	Matters arising from Council actions over which there is some element of control (e.g. approval of unbudgeted capital expenditure).
Investing activities	Investing activities means those activities which relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash.
Key assumptions	When preparing a balance sheet of financial position, key assumptions upon which the statement has been based should be disclosed in the budget to assist the reader when comparing movements in assets, liabilities and equity between budget years.
Legislative framework	The Act, Regulations and other laws and statutes which set a Council's governance, planning and reporting requirements.
Local Government Model Financial Report	Local Government Model Financial Report published by the Department from time to time including on the Department's Internet website.
Local Government (Planning and Reporting) Regulations 2014	Regulations, made under Section 243 of the Act prescribe: (a) The content and preparation of the financial statements of a Council (b) The performance indicators and measures to be included in a budget, revised budget and annual report of a Council (c) The information to be included in a Council Plan, Strategic Resource Plan, budget, revised budget and annual report (d) Other matters required to be prescribed under Parts 6 and 7 of the Act.
New asset expenditure	Expenditure that creates a new asset that provides a service that does not currently exist. Local Government (Planning and Reporting) Regulations 2014 – Regulation 5
Non-financial resources	Means the resources other than financial resources required to deliver the services and initiatives in the budget. SRP Better Practice Guide - Glossary
Non-recurrent grant	Means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a Council's Strategic Resource Plan. SRP Better Practice Guide - Glossary
Operating activities	Operating activities means those activities that relate to the provision of goods and services.
Operating expenditure	Operating expenditure is defined as consumptions or losses of future economic benefits, in the form of reductions in assets or increases in liabilities; and that result in a decrease in equity during the reporting period.
Operating performance (<i>Impact of current year on 2016/17 budget</i>)	This statement shows the expected operating result as compared to the budget result in the current year separating operating and capital components of revenue and expenditure.

Operating revenue	Operating revenue is defined as inflows or other enhancements or savings in outflows of future economic benefits in the form of increases in assets or reductions in liabilities and that result in an increase in equity during the reporting period.
Own-source revenue	Means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants). Local Government (Planning and Reporting) Regulations 2014 – Regulation 5
Performance statement	Means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report SRP Better Practice Guide - Glossary
Rate structure (<i>Rating information</i>)	Site value (SV), capital improved value (CIV) or net annual value (NAV) are the main bases upon which rates will be levied. These should be detailed in the budget statement.
Rating strategy	A rating strategy is the process by which the Council's rate structure is established and how the total income generated through rates and charges is allocated across properties in the municipality. Decisions regarding the quantum of rate levels and increases from year to year are made as part of Council's long term financial planning processes and with consideration of Council's other sources of income and the planned expenditure on services and works to be undertaken for its community.
Recurrent grant	A grant other than a non-recurrent grant.
Regulations	Local Government (Planning and Reporting) Regulations 2014.
Restricted cash	Cash and cash equivalents, within the meaning of the AAS, that are not available for use other than a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.
Revised budget	The revised budget prepared by a Council under Section 128 of the Act. Section 128 of the Act permits a Council to prepare a revised budget if circumstances arise which cause a material change in the budget and which affects the financial operations and position of the Council.
Road Management Act	The purpose of this Act which operates from 1 July 2004 is to reform the law relating to road management in Victoria and to make relating amendments to certain Acts, including the local Government Act 1989.
Services, initiatives and Major initiatives	<p>Section 127 of the Act requires a budget to contain a description of the services and initiatives to be funded by the budget, along with a statement as to how they will contribute to the achievement of the Council's strategic objectives as specified in the Council Plan.</p> <p>The budget must also include major initiatives, being initiatives identified by the Council as priorities to be undertaken during the financial year.</p> <p>The services delivered by Council means assistance, support, advice and other actions undertaken by a Council for the benefit of the local community.</p> <p>Initiatives means actions that are once-off in nature and/or lead to improvements in service.</p> <p>Major initiatives means significant initiatives that will directly contribute to the achievement of the City Plan during the current year and have a major focus in the budget.</p>

Statement of capital works	Means a statement which shows all capital expenditure of a council in relation to non-current assets and asset expenditure type prepared in accordance with the model statement of capital works in the Local Government Model Financial Report. Refer also Commentary Financial Statements Appendix A. SRP Better Practice Guide - Glossary
Statement of human resources	Means a statement which shows all Council staff expenditure and the number of full time equivalent Council staff. Refer also Commentary Financial Statements Appendix A. SRP Better Practice Guide - Glossary
Strategic Resource Plan	Means the Strategic Resource Plan prepared by a Council under Section 126 of the Act. Refer also to Section 14 of this Annual Plan & Budget document.
Statutory reserves	Statutory reserves are funds set aside for specified statutory purposes in accordance with various legislative requirements. These reserves are not available for other purposes.
Strategic resource plan (SRP)	<p>Section 125(2)(d) of the Act requires that a Council must prepare and approve a Council Plan that must include a strategic resource plan containing the matters specified in Section 126.</p> <p>Section 126 of the Act states that:</p> <ul style="list-style-type: none"> • the strategic resource plan is a plan of the resources required to achieve the council plan strategic objectives • the strategic resource plan must include the financial statements describing the financial resources in respect of at least the next four financial years • the strategic resource plan must include statements describing the non-financial resources including human resources in respect of at least the next four financial years • the strategic resource plan must take into account services and initiatives contained in any plan adopted by council and if the council proposes to adopt a plan to provide services or take initiatives, the resources required must be consistent with the strategic resource plan • council must review their strategic resource plan during the preparation of the council plan • council must adopt the strategic resource plan not later than 30 June each year and a copy must be available for public inspection at the council office and internet website. <p>In preparing the strategic resource plan, councils should comply with the principles of sound financial management (Section 136) as prescribed in the Act being to:</p> <ul style="list-style-type: none"> • 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 • provide full, accurate and timely disclosure of financial information. <p>In addition to Section 126 of the Act, parts 2 and 3 of the Regulations also prescribe further details in relation to the preparation of a strategic resource plan.</p>
Unrestricted cash	Unrestricted cash represents all cash and cash equivalents other than restricted cash
Valuations of Land Act 1960	The Valuations of Land Act 1960 requires a Council to revalue all rateable properties every two years. Valuations of Land Act 1960 – Section 11