

1 REQUEST FOR INFORMATION: HIGHER CAP APPLICATION — PYRENEES SHIRE COUNCIL

As you are aware, the Commission is required to have regard to legislative matters under the Local Government Act when deciding whether or not to approve a higher cap. These matters, which Councils are required to specify in their applications, are:

- a. a proposed higher cap for each specified financial year; and
- b. the reasons for which the Council seeks the higher cap; and
- c. how the views of ratepayers and the community have been taken into account in proposing the higher cap; and
- d. how the higher cap is an efficient use of Council resources and represents value for money; and
- e. whether consideration has been given to reprioritising proposed expenditures and alternative funding options and why those options are not adequate; and
- f. that the assumptions and proposals in the application are consistent with the Council's long term strategy and financial management policies set out in the Council's planning documents and annual budget.

After an initial examination of Pyrenees Shire's application, Commission staff have a number of questions and require additional information from the Council to properly consider the Council's application. These questions and additional information are outlined in this information request, which is based around the 6 legislative matters. The Commission is also requesting information on LGPRF indicators (with and without the higher cap) and seeking verification of the contextual information contained in a 'Council Profile' prepared by the Commission.

Please note the information request below assumes that Council has the further information as part of its existing management and reporting systems. Should

the requested information prove to be onerous, we request that you endeavour to provide the best you can and state the constraints that you face.

1.1 THE REASONS FOR WHICH THE COUNCIL SEEKS THE HIGHER CAP

The Commission notes that Council has resolved to use the additional funds (\$97,970) for road renewal works in future years. Council’s application further specifies that the additional funds will be used to increase spending on road infrastructure asset renewal, in particular sealed surfaces, thereby reducing the asset renewal gap.

- Does Council intend to use of the additional funds for renewal of sealed surfaces?

Yes

- The additional \$97,970 will be permanently included in the rate base. Will the additional rate revenue in future years as a result of this increase also be used to renew sealed surfaces?

Yes, at present we have developed two budgets (1 with higher CAP and 1 without) and two Long Term Financial Plans (1 with higher CAP and 1 without). The Long Term Financial Plan that includes the Higher CAP has the additional rate revenue generated from the increase quarantined to Road Reseals for the life of the Plan.

- What is the impact of the additional spending on the asset renewal ratio over time?
The impact on the Asset Renewal Ratio is an annual increase of between 1.4% and 1.1%.

	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026
With Higher CAP	106%	65%	62%	67%	68%	70%	71%	73%	83%	68%
Without Higher CAP	105%	63%	60%	66%	66%	68%	69%	72%	82%	67%
Movement in Asset Renewal Ratio	1.4%	1.4%	1.4%	1.3%	1.3%	1.3%	1.2%	1.2%	1.1%	1.1%

- What would be the impact on the asset renewal ratio over time if the higher cap was not approved?

Please see table in previous question.

- How does the specified additional spending on sealed surfaces link to Council's Road Asset Management Plan (please provide relevant page references)

The Road Asset Management Plan supports the increase in spending on sealed surfaces in a number of sections:

Page 44-45 Recommended Financial Strategy

Currently, due to the commitment of Council to fund the resealing program to address a backlog of works, Council find itself in a strong position to meet the outlook period of 5 years; however the longer period should be consistently monitored, as the estimated gap will increase with physical depreciation of road assets 10 to 15 years into the future. Ideally Council would at least sustain total budgetary levels, but manoeuvre funding into areas which are still below recommended funding levels.

Page 18 The Need to Manage Demand

Council needs to be able to sustain the level of maintenance & renewals of the road asset over the long term if it is to provide the community with the road network it wants. The community has to recognise that to do so requires funding. Opportunities for funding are generally limited to income from Government Grants and from Council rates.

Council refer to the Maloney Asset Management Systems (MAMS) condition survey conducted in December 2015 to highlight that additional renewal expenditure is required for sealed surfaces. Council's submission compares Council's 2015-16 expenditure on sealed surfaces of \$700,000 to expenditure of \$912,000 (plus compounding 1 per cent annual increases) as recommended by the MAMS survey.

- How does Council's current expenditure of \$700,000 (stated in its application) reconcile with the current expenditure figure of \$850,000 which underpins the modelling (and recommendations) in the MAMS survey (p.12)?

The Maloney Asset Management Model is based on an average expenditure over a period of time (10 years). The \$850K is the average yearly level of expenditure required to be spent on sealed surfaces. This will also need to be indexed over the ten year period.

The additional funds over and above the rate cap will positively compound to bridge the asset renewal gap for sealed surfaces.

On page 48 of the MAMS report, the methodology underpinning the recommendations is explained as attempting to commence the year one expenditure with Council's present expenditure level (at a whole of roads group level). On page 49 of the MAMS report (reproduced on p.11 of Council's application), the recommended year one expenditure of \$912,000 on sealed surfaces is shown to be based on a reprioritisation of Council's current road asset renewal expenditure rather than an increase in overall renewal expenditure.

- How does the amount of \$97,970 link to the recommended expenditures and projected levels of over intervention assets in the MAMS survey (in 2016-17 and future years)?

Pyrenees Shire Council's current (2015-16) expenditure on sealed surface renewal is \$700,000, the proposed renewal for 2016-17 is \$770,000 (without a higher cap) and \$867,970 (with the higher CAP). The MAMS survey uses the Long Term Financial Plan 10 year average renewal as the starting point (\$850,000). With the reallocation of renewal funding MAMS recommends that \$912,000 be spent on sealed surface renewal in 2016-17. The present capital renewal demand for sealed surfaces is \$1,593,000. With a 1% annual increase (not including CPI) Pyrenees Shire can reduce the percentage of over intervention sealed surfaces from 9.28% to 7.9%. As you can see from this the additional \$97,970 does not resolve the issue, what it does is it starts to close the gap of what is currently being spent and what is required to be spent. The community's capacity to pay municipal rates has been considered and reflected in the quantum of the higher rate cap.

Council's application states that 'Council has determined to apply the above rate cap variation to sealed surfaces as degradation of sealed surfaces can have a dramatic impact on sealed pavements in the future'.

- Is this focus supported by the recommendations in the MAMS survey?
Yes, as stated on page 29 of the MAMS survey "the sealed surface assets were found to be in fair overall condition but had declined in overall condition by 4.3% since the last survey. These are really important assets and should always be fully funded as the highest roads group funding priority as failure to do so will cost heavily in the long run. It is recommended that the funding level next year commence at \$912,000 and then increased by 1.0% compounding for at least the next 10-years".
- Can Council please outline how this decision links to Council's asset management plan?

Please refer to previous linkage to the Asset Management Plan.

In its application, Council states that the rate cap will remove Council's ability to increase investment in road reseals and work towards resealing roads every 17 years rather than the current 24 years.

- How does the application for a higher cap link to this goal?

The application for a higher CAP would enable Council to invest greater funds into road reseals, Council has \$286,000,000 (Fair Value 30 June 2015) of road infrastructure assets. The life of the sealed surface component of sealed roads in the Pyrenees Shire is currently estimated to be 17 years. Council is currently resealing its roads every 24 years which means the condition of Council's sealed road network is deteriorating.

- Is this goal of resealing roads every 17 years specified in Council's current planning documents? What was Council's plan to achieve this goal? Can Council please provide page references. Is this goal consistent with the expenditure recommendations of the MAMS survey or would this require additional spending?

The goal of improving the rate at which Council reseals its roads is contained on page 13 of the Council Plan 2013-17 (Updated 30th November 2015). It is clear from the size of the infrastructure GAP and the current backlog that the higher cap will not address this issue. What it does do is commence the process of addressing the issue. The rate payers of the Pyrenees do not have the capacity to pay the rates required to eradicate the infrastructure gap and backlog. That is why Council's submission states that the higher cap is just one of a range of funding sources that needs to be attained in order to address the infrastructure gap.

2 STRATEGIC OBJECTIVE 3: ROADS

We will maintain a safe and effective road system that caters for all road users within the Shire.

Service	Measure	Source	16/17 Target
Roads	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	LGPR – Community Satisfaction Survey	58
Roads	Sealed roads resealed	Internal	4.5% Of Network
Roads	Unsealed roads resheeted	Internal	2.9% Of Network
Roads	% of roads capital works budget expended	Internal	95%

Roads - Strategies

3.1	Maintain and enhance the road network in line with the Road Asset Management Plan level of service.
3.2	Utilise Moloney Asset Management System to strategically prioritise road network maintenance, renewal and upgrade.

Specific Initiatives	16/17
Implement priority bridge restoration works based on the triennial condition assessment.	✓
Complete street trees risk assessment and implement the ongoing maintenance program.	✓
Utilise asset planning to implement a renewal and improvement plan for footpaths and drains.	✓
Review the Asset Management Strategy through community focus groups and consultation, and communicate and educate the community regarding road management and future works.	✓

Ongoing Initiatives	16/17
Implement the gravel road maintenance and renewal strategy.	✓
Communicate weekly through a Pyrenees Advocate column and website regarding road closures, works and maintenance, in particular grading.	✓
Work with other local government organisations to ensure that asset management is on a continuous improvement path.	✓
Undertake two internal audits per annum on compliance with the Road Management Plan.	✓

Council states that the higher cap alone will not address the infrastructure gap and backlog issues and that a range of actions need to be implemented, including:

- Reinstatement of the indexation of Financial Assistance grants
 - Continuance of the allocation of fuel excise to Roads to Recovery
 - Certainty of Roads to Recovery Funding
 - Guaranteed State Road Infrastructure Funding to address the Infrastructure Gap and Back Log
 - Council efficiency and best value program
- Can Council please outline the assumptions it has made around the above actions for the 2016-17 budget and forward planning and how they link to its application for a higher cap?

Reinstatement of the indexation of Financial Assistance grants – The 2016-17 financial year is the final year of the three year freeze on the grants, therefore Council has budgeted for no increase in their Proposed Budget 2016-17. The Strategic Resource Plan (SRP) contained in the Proposed Budget 2016-17 includes the recommencement of the Financial Assistance Grants indexation in 2017-18 at 2.5%. At this point in time there has been no indication from the Federal Government of whether they will recommence the indexation in 2017-18.

Continuance of the allocation of fuel excise to Roads to Recovery – The 2016-17 Proposed Budget includes an additional \$2.2 million of Roads to Recovery funding as a result of the indexation of the fuel excise. In 2017-18 the Roads to Recovery funding goes back to pre-increase levels. The SPR reflects this return.

Certainty of Roads to Recovery Funding – The Long Term Financial Plan includes the continuance of Roads to Recovery at pre increase levels. There is risk associated with the inclusion of these funds given that Roads to Recovery funding is only ever guaranteed for five year periods. To be able to plan with some certainty Roads to Recovery funding needs to be guaranteed permanently and not be subject to the priorities of the Government of the Day.

Guaranteed State Road Infrastructure Funding to address the Infrastructure Gap and Back Log – Under the Country Roads and Bridges program Council received \$1 million dollars a year for four years. This program provided critical funding to Council to commence the process of addressing the infrastructure gap. The Proposed Budget 2016-17 does not include a replacement for this funding nor does the SRP and Long Term Financial Plan.

Council efficiency and best value program – Through the identification of savings and Council's drive for efficiency including focus on best value the Proposed Budget 2016-17 has been prepared and balanced from a cash perspective within the rate cap of 2.5%. This has been achieved without any reduction in service levels and the inclusion of the costs associated with the municipal elections which have increased significantly since the last election. (\$90,000 the equivalent of a 1.2% rate increase) The application for a higher cap is sought to purely commence the addressing of the infrastructure gap.

When Council resolved to apply for a higher cap of 1.33 per cent, it noted that this was only half of the increase in rates above the annual rate cap that Council had proposed in its Long Term Financial Plan.

- How has Council's Long Term Financial Plan changed to reflect the higher cap applied for?

Council has prepared two Long Term Financial Plans, one with the higher cap and one without. The obvious impact associated with the higher cap is the increase in spending on the renewal of road infrastructure – reseals. The increased rates associated with the higher cap have been allocated to road reseals for the life of the plan including the compounding increase.

3.1 COMMUNITY ENGAGEMENT

This legislative matter requires the Council to specify how they have taken account of the views of the community. It is expected that you can provide evidence of how you have sought to engage with the community, what were the outcomes of the engagement (i.e. what were community views) and, crucially, how these were considered in making a decision to apply for a higher cap.

The application describes Council's approach to community involvement in its financial decision making and notes that at least two workshops are held when developing the annual budget. These workshops also helped inform Councils' long term financial plan.

- Can you provide any information on the typical attendance at these workshops?

As part of the preparation for the 2015-16 budget two community consultation sessions were held, one at Lexton where one person attended and one at Landsborough where four people attended. This level of engagement is consistent with past years. In 2015-16 Council also ran an online community consultation program which received one submission. Based on historical engagement associated with the preparation of budgets, the level of engagement generated from the Higher Rate Cap sessions was very good.

- What information on council finances and service trade-offs was provided at these workshops?

Council conducts two community budget sessions each year sometimes supplemented by additional consultation such as the online discussion forum that was used as part of the 2015-16 budget.

- Was a report prepared summarising the views of the community and the outcomes of the budget workshops and consultation?

Every year Council conducts two Budget Information Sessions as well as the statutory section 223 submission process. The outcomes of the Budget Information Sessions and section 223 submission process are recorded in the Council Report to adopt the budget. The issues raised at the Budget Information Sessions are generally local issues and more often than not relate to the condition of roads in the area. Council generally gets very few section 223 submissions regarding the budget and those that Council does get relate to the inclusion of additional projects.

Council refers to its Fair Go Rates Submission Plan incorporating the community engagement program, which included advertisements, drop in sessions, community meetings and a survey to undertake community consultation on the proposed increase in Council's rate cap from 2.5 per cent to 4.5 per cent.

- What information was provided to the community at the consultation sessions?

As part of the Higher Rate Cap community consultation Council undertook the following community engagement:

To inform the community on the proposed engagement activities the following communication was undertaken:

- Your Rates – Have Your Say brochure was developed and distributed across the shire.
- A full page notice was placed in the Pyrenees Advocate on the 26th February.
- Notice placed on Council's Facebook page informing community of consultation sessions.
- Online/hardcopy survey was conducted.

The community consultation sessions commenced with Council officers providing information on the reasons for Council's application for a proposed rate cap increase for the purpose of providing funding for Council's road asset renewal program. General discussion then followed between Councillors and members of the public.

These meetings allowed members of the public to discuss the merits of the proposed increase in Council's rate cap from 2.5% to 4.5% under The Fair Go Rates System.

Attendance at the drop in sessions and community meeting were:

Engagement Type	Attendance
Avoca Drop in Session	5
Beaufort Drop in Session	5
Lexton Community Session	2
Beaufort Community Session	4
Avoca Community Session	4
Snake Valley Community Session	1
Landsborough Community Session	2

An extensive presentation was provided to the community covering topics such as:

- Results of 2015 Community Satisfaction Survey
- Fair Go Rates System
- Financial Impact of Fair Go Rates System

- Council spend breakup per \$100 spent
- Current Service Costs
- Current Road Condition Update
- Capital Spend Analysis
- Maintenance Spend Analysis
- Impact on Road Condition based on different spend levels

Council is currently in the process of conducting service reviews which will provide the opportunity to have the discussion with the community regarding service trade-offs. The challenge with this discussion is that the views of individuals are generally influenced by the services that they use. It is very difficult to get a consensus.

- Were other options for funding Council's road asset renewal program discussed?

Yes – Given the quantum of the infrastructure gap and the relative small amount of funds being sought through the higher cap there was significant discussion held regarding other funding options. The clear message from the sessions was that permanent guaranteed Government Funding (both State and Federal) is required to address the infrastructure gap. Other options raised regarding alternate funding were related to the reduction in services. Unfortunately the services recommended for cutting were the ones that those raising the option were not using. For example farmers suggesting we close the libraries to fund road infrastructure renewal.

- Were other service priorities identified by the community?

No – The community understands the financial predicament of the Pyrenees Shire and there was no appetite to add to the current financial pressures. What is important to note is that not one person who attended the information sessions disagreed with the need to spend additional money on road infrastructure renewal and that if Council did not increase its spending that the impacts on the community would be significant. Clearly there were different views on how the increase should be funded but not the purpose.

- Are the low numbers at the workshops and survey respondents typical of the response that council gets to its engagement activities? Has there been any analysis of why this is the case?

Based on historical attendance at Budget Information Sessions the level of engagement achieved as part of the Higher Rate Cap submission is actually very good. It is important to understand the size of the population, the demographic makeup of the community and dispersion of the population and the impacts these have on community engagement in the Pyrenees Shire. Council regularly discusses the attendance at Budget Information Sessions and is continually looking at ways to improve it. It is plausible that the low attendance at Budget Information Sessions is a reflection of the community's satisfaction with Council.

- Given the low response to the survey and that over 55 per cent of respondents did not support the additional 2 per cent increase, did council rely on any other evidence of community views in deciding to apply for the higher cap?

Yes – Council relied on a range of evidence both formal and informal. These included:

- 2015 and previous Community Satisfaction Surveys
- Ad hoc discussions with constituents

Council's application states that 'the farmers of Pyrenees Shire are currently dealing with a prolonged drought and were very clear in their message that they do not have the capacity to pay additional rates above the cap. Non farming residents had a very different view and supported a higher rate cap for the purpose of investing additional funds into road infrastructure'

- Can Council provide any information about the number of farmers and non-farming residents that attended the community consultation sessions?

There was no formal requirement for attendees to disclose their occupation, so the numbers provided below are based on the type of questions asked and views put forward.

Engagement Type	Attendance	Farmers (Est)
Avoca Drop in Session	5	1
Beaufort Drop in Session	5	2
Lexton Community Session	2	2
Beaufort Community Session	4	3
Avoca Community Session	4	3

Snake Valley Community Session	1	1
Landsborough Community Session	2	1
Total	23	13

The minutes of the Ordinary Meeting of Council on 15 March list some of the key themes of the drop in sessions and community meetings as:

- An efficiency program needs to be implemented prior to applying for a higher cap to deliver best value for money, procurement efficiency and service delivery efficiency;
- Full service reviews need to be undertaken prior to seeking a higher cap.
- How has Council taken these views into account in deciding to apply for a higher cap?

Council has and is in the process of conducting service reviews. This is a significant piece of work and will take some time for Council to review all services and in reality the review of services is not a finite process, rather a continuous one that should be ongoing. Cost savings and efficiencies have been found to cover the lost income from the freeze on Financial Assistance Grants and the CAP on rates. Based on savings to date and the commencement of Services Reviews Council believes it has considered the views of the community in applying for a higher rate cap.

Council references the Customer Satisfaction Survey as evidence that that community are dissatisfied with Council's roads. While the results of this survey do show that 56 per cent of respondents said that sealed roads were in average to very poor condition, these results compare favourably to the average for small rural councils and are equal with the state average. The survey results also indicate that other matters are considered to be of higher importance and priority than sealed roads — such as unsealed roads and planning permits.

- How has Council taken the results of this survey into account in seeking a higher cap for expenditure on sealed surfaces?

Council has considered the results of the 2015 and prior Community Satisfaction Surveys very carefully. As one of the very few qualitative measures of Council performance and community need the survey is very important to Council. Council recognises the importance that the community places on unsealed roads and planning permits and believes that these priorities are being addressed through other mechanisms.

Council believes that the significant funds spent on unsealed roads as a result of the 2010 and 2011 floods have had a significant impact on the condition of unsealed roads. This theory is supported by the MAMS Survey which states on page 4:

“The Unsealed road pavement assets were found to be in excellent overall condition and had experienced a quite measurable condition improvement since 2011. This is due to the additional funding received from various sources over the period since the last condition survey”.

In 2015 Urban Scale were engaged by Council to undertake an audit of Council’s Town Planning Regulatory Environment. The audit made a number of recommendations to improve the efficiency and quality of the service. Council has implemented many of these recommendations and continues to do so.

3.2 EFFICIENCY AND VALUE FOR MONEY

Council cites a number of recent initiatives that have been taken to improve its efficiency and ensure value for money for its community.

- Has Council quantified the benefits of its involvement in the Central Highlands Regional procurement Network?

Pyrenees Shire’s participation in the joint aggregated procurement project for bituminous resealing works throughout the municipality with four neighbouring Council, Ararat Rural City Council, Ballarat City Council, Golden Plains Shire Council, and Hepburn Shire Council delivered collective savings of \$630,000 per year for the participating Councils.

The joint tender sought to leverage savings through aggregating the spend on bituminous reseals of all participating Councils. Auxiliary benefits in organisational learning on procurement best practice were also gained. The joint project allowed an assessment of the benefits/saving to all participants of combining resources for major procurement undertakings. The project was conducted under the auspices of Local Government Victoria as part of the Local Government Reform Fund Program.

Public tenders were sought on the basis of a schedule of rates for all works and allowance for rise and fall adjustments after each year of the contract based on the index for road and bridge construction prices. Comprehensive tender documentation was prepared and supported by standard VicRoads technical documentation.

- Can Council quantify the savings from each of the recent service reviews listed on pages 24-25 of its application?

The purpose of service reviews is not solely to save money; it is the assurance of quality and the process of better understanding the community need vs the service delivered.

The principles and steps involved in the undertaking of reviews is similar to those of any internal quality audit, the main difference being that a review will result in recommendations for consideration.

A service review involves the review of a process or service and does not have set criteria. It is a continuous improvement activity - not a quality control activity.

Family Day Care - The contracting out of Family Day Care to an external Provider saved Council \$50,000 per year plus overhead and management costs that have not been quantified.

Quality Assurance – The discontinuance of the Quality Accreditation has saved Council \$25,000 over three years.

Internal Tendering – The cessation of internal tendering for Council works will save Council considerable time in the preparation, review and ongoing monitoring of the tender process. The actual savings have not been quantified as the number of tenders vary from year to year.

Customer Action Request System - This review was focused on quality improvement and the adequacy of the system used to record customer requests. No quantifiable cost savings were identified except for the savings associated with improved customer service, reduction in double handling of requests and improved service delivery.

OH&S and Quality Assurance Review - delivered savings of \$80,000 per year.

Waste Review - As the waste review has only just been conducted the implementation of recommendations has not commenced. Therefore any saving associated with the recommendations have not been realised yet.

Home and Community Care Services – There were no savings associated with this review. The purpose of this audit was:

- Consideration of Council's compliance with HACC program funding requirements and grant conditions;
- Consideration of the level of Council's comparative financial and resourcing allocations to the HACC program;
- Analysis of the HACC income and expenditure 'costing' systems and the capacity to establish accurate unit costs for the various elements of service delivery;
- Review of Council's current levels of compliance with the three common standards and their respective eighteen outcomes;
- Consideration of and reporting on any compliance deficiencies and suggestions for any inclusions in the HACC service improvement plan;

- Review of the adequacy of the current HACC service improvement action plan;
- Consideration of the general effectiveness of HACC service provision systems and processes;
- Review of the adequacy of client assessment and client file record keeping;
- Consideration and reporting of any other matters arising from the audit.

Local Government Act 1989 Compliance - . There were no savings associated with this review. The purpose of this audit was:

- research of Council's key legislative compliance obligations;
- particular emphasis on the 27 matters nominated by the Local Government Inspectorate as being key compliance matters;
- assessment of the adequacy of related policy and public reporting documents;
- review of the Local Government Act and commentary on any legislative compliance matters which Council may not comply with;
- compilation of a legislative compliance checklist;
- identification of any risk exposures relating to legislative compliance obligations or compliance improvement opportunities;
- preparation of a report to be presented to senior officers and the audit committee inclusive of observations, commentary, key findings, and recommendations for any compliance process improvement opportunities and risk mitigation measures.

- How have the realised and planned future savings been reflected in Council's 2016-17 budget and planning documents?

All savings identified have been used to offset the impact of the Freeze on Financial Assistance Grants and the lost rate revenue as a result of the Fair Go Rates System.

Council lists a number of current or scheduled best value service reviews in its application.

- What savings are these reviews expected to generate?

As stated previously the purpose of conducting service reviews is not to save money although this may be the outcome in some circumstances. Where savings are identified it is usually the result of improved processes, identified efficiencies,

reduction in service or identification of over servicing. In some cases a service review will result in increased expenditure. To ensure the integrity of the service review process quotas of savings are not set prior to conducting the review.

- What assumptions underpin these expected savings?

As per the above answer there are no assumptions associated with expected savings from service reviews due to there not being an expected level of savings per review.

- How are the planned efficiency improvements as a result of these reviews incorporated into the 2015-16 budget and forward planning documents?

All identified savings have been built into the 2016-17 budget and forward planning. No estimated savings will be built into forward planning until they have been identified and realised.

- How do Council's unit road renewal costs compare with other similar councils?

In accordance with the Local Government Performance Reporting Pyrenees Shire Council Ranks as follows:

Cost of sealed local road reconstruction per square meter

- Pyrenees \$25.78
- Northern Grampians \$26.57
- Ararat \$31.99
- Hepburn \$42.70

Cost of sealed local road resealing per square meter

- Ararat \$3.60
- Northern Grampians \$4.30
- Pyrenees \$5.33
- Hepburn \$5.47

- What measures is Council taking to ensure these costs are efficient?

Where appropriate Council undertakes competitive tender processes, participates in collaborative procurement exercises and continually reviews practices to identify efficiencies.

Council's application states 'Savings have been achieved in the management of Council's fleet, reduction in staff and consultant costs, improved utilisation and efficiency of plant, utilisation of shared services, joint procurement activities and improved procurement processes'.

- Can Council please quantify these savings (in the 2016-17 budget and longer term)?

Average vehicle operating cost for 2014-2015 was \$9,162.49 so reducing the vehicle fleet by 3 has an annual saving of \$27,487.47.

The reduction of staff and consultants has saved Council \$80,000 per annum.

The capital plant replacement in the Proposed 2016-17 budget was \$266,000 less than the forecast in the Long Tern Financial Plan.

Council is utilising a range of shared services including the following:

- Municipal Building Surveyor from Rural City of Ararat
- Engineering Services from Northern Grampians

The level of savings from these initiatives has not been quantified.

- Is Council able to provide a summary of the key outcomes and changes made as a result of these internal reviews?

Please see answer of previous question.

- Has Council planned any further cost reviews?

The search for cost savings is a continual one with all expenditure under review. Savings have been identified in software licences \$10,000 per year, subscription and memberships (savings to be determined).

3.3 TRADE OFFS AND ALTERNATIVE FUNDING OPTIONS

Council's application states that 'council believes the only way of achieving the additional level of funds required for infrastructure renewal that the 1.33 per cent cap increase provides would be through service level reductions'. The application further argues 'there are no further opportunities in the operational budget to trade off the rate cap variance without negatively impacting on the level of services provided to the community'.

- Has Council engaged with the community about service level trade-offs?

Council has commenced this discussion regarding the opening hours of Libraries and Information Centres with plans to undertake further consultation as part of the service review program.

Council's application notes that the \$40,000 annual community grants budget could be reduced and states there are many examples of potential items that could be cut from the budget, but all have a corresponding impact on service delivery and the community.

- Has Council attempted to quantify the benefits to the community of the community grants and other areas where funding could be reduced?

The community grants program delivers a significant multiplier effect in terms of grants given to total project delivered. Many small community groups rely on these grants to survive.

During the Higher Cap consultation there were many suggestions on how Council could reduce services. Unfortunately there was no agreement or consistency to the suggestions and a real risk of reducing services to those that could least afford for those services to be reduced or lost.

- Has Council engaged with the community about possible reductions?

As stated above Council has commenced the discussion with the community regarding the reduction of opening hours of the Libraries and Information Centres. Feedback to date is that the community does not support the reduction.

If Council's application for a higher cap is not successful, Council notes it will have to consider either reducing capital spending or reducing service provision. The budget baseline template submitted by Council indicates that if the higher cap is not approved, the only expenditure item that appears to be impacted in the 2016-17 budget is roads infrastructure.

- Is Council considering service reductions in 2016-17 if the higher cap is not approved?

Council is yet to determine what it will do if the Higher Cap is not approved 2016-17. Ultimately service levels will have to be reduced in the future to be able to operate within the rate cap.

- On what basis did Council prioritise maintaining service levels in 2016-17 over roads renewal, if the higher cap is not approved?

Based on Council's desire to submit an application for a higher rate cap there has been no prioritisation of service levels against asset renewal. Should Councils application not be successful Council will have to consider its position.

- What is Council's longer term plan if a higher cap is not approved?

To be able to provide the current level of services and address the infrastructure gap Council requires additional funding. Ultimately the source of this funding will have to come from rates (higher future rate caps) and Government Funding.

Council will continue to apply for higher caps and continue to lobby all levels of government for increased grant funding.

Council states that it has made a concerted effort in recent years to limit the use of new borrowings so that it retains the resources to meet large unforeseen expenditures. Further, a report prepared for the 16 February Ordinary Meeting of Council (item 33 of the minutes), states that 'Council is working towards being debt free by the end of 2017-18. This will allow the \$510,000 currently used annually to service debt (payment of interest and principal) to be redeployed to funding capital works on an ongoing basis'.

- Does Council have a Debt Policy? If so, how does Council's application for a higher cap link to this policy? Can Council please provide a copy of this policy.

Council does not have a debt policy as such, what Council has is an agreed position on debt reduction which is articulated in the Council Plan 2013-17.

3.4 LONG TERM PLANNING

Can Council please provide copies of its most recent:

- Council Plan
- Strategic Resource Plan
- Asset (Roads) Management Plan

Please see attachments for requested documents.

3.5 OTHER INFORMATION

This section contains other information that the Commission would like the Council to verify and submit.

LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK (LGPRF) – FINANCIAL INDICATORS

Please complete the tables below. These tables utilise the existing LGPRF financial indicator projections for the next 4 years (or longer if available), and provide updated scenarios based on a) the proposed higher cap, and b) based on the average rate cap of 2.5 per cent. This information will aid in demonstrating the potential impacts to the Council with and without the higher cap.

Council's financial position *without* the proposed higher cap

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 used in the context of the organisation's objectives.

Indicator	Measure	Notes	Forecast		Budget	Strategic Resource Plan Projections		
			Actual 2014/ 15	Actual 2015/ 16		2016/ 17	2017/ 18	2018/ 19
Operating position								
Adjusted underlying result	Adjusted underlying deficit / Adjusted underlying revenue	1	- 10.7 %	- 51.4 %	- 23.6 %	- 46.0 %	- 48.0 %	- 23.7 %
Liquidity								
Working Capital	Current assets / current liabilities	2	232. 8%	145.5 %	163. 2%	175. 7%	175. 4%	175. 0%
Unrestricted cash	Unrestricted cash / current liabilities		176. 9%	63.8 %	73.5 %	80.4 %	79.8 %	79.3 %
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	15.2 %	9.2%	3.4%	0.0%	0.0%	0.0%

Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		10.1 %	5.4%	5.7%	3.3%	0.0%	0.0%
Indebtedness	Non-current liabilities / own source revenue		2.7%	1.8%	1.8%	1.7%	1.7%	1.8%
Asset renewal	Asset renewal expenditure / depreciation	4	61.7 %	97.5 %	104.8%	63.4 %	60.4 %	66.1 %

Council's financial position *with* the proposed higher cap

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 used in the context of the organisation's objectives.

Indicator	Measure	Notes	Forecast		Budget	Strategic Resource Plan Projections			Trend +/-
			Actual 2014 /15	Actual 2015 /16		2016 /17	2017 /18	2018 /19	
Operating position									
Adjusted underlying result	Adjusted underlying deficit / Adjusted underlying revenue	1	- 10.7 %	- 51.4 %	- 22.9 %	- 45.2 %	- 47.1 %	- 23.0 %	o
Liquidity									
Working Capital	Current assets / current liabilities	2	232.8 %	145.5 %	163.2 %	175.7 %	175.4 %	175.0 %	+
Unrestricted cash	Unrestricted cash / current liabilities		176.9 %	63.8 %	73.5 %	80.4 %	79.8 %	79.3 %	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	15.2 %	9.2 %	3.3 %	0.0 %	0.0 %	0.0 %	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		10.1 %	5.4 %	5.7 %	3.2 %	0.0 %	0.0 %	+
Indebtedness	Non-current liabilities / own source revenue		2.7 %	1.8 %	1.7 %	1.7 %	1.7 %	1.7 %	o
Asset renewal	Asset renewal expenditure / depreciation	4	61.7 %	97.5 %	106.3%	64.8 %	61.8 %	67.4 %	-

BASELINE INFORMATION TEMPLATE

The Commission has reviewed the Council budget baseline information template and has found three matters it wishes to bring to the Council's attention on the 'Calculating the higher cap sheet'.

- When calculating what can be charged in general rates and municipal charges under the no higher cap scenario, the Council has calculated its capped average rates as \$1,284.21412, which is slightly higher than the maximum capped average rates allowable for the council being 1,284.19281 (in cells F121 and F122).

The Commission's role in checking councils' compliance with the rate cap will involve checking that all councils capped average rates do not exceed their base average rates by more than the rate cap (that is, the base average rate x (1 + rate cap), which finds the maximum capped average rate. Please ensure that the council's rate cap, whether it is the higher rate cap applied for (3.83 per cent) or the average rate cap (2.5 per cent), is applied correctly to ensure compliance with the rate cap.

The calculation of the rate cap for budgeting purposes involves the comparison of the actual position of Council at 1 July 2015 with the projected position of Council at 30 June 2016. The outcome of this process provides an estimate which is a required input into the 2016-17 budget process.

The actual calculation of the 2016-17 rates will be performed in July 2016 and will involve the comparison of the actual position of Council at 1 July 2015 with the actual position of Council at 30 June 2016. At this point Council will be able to ensure that the 2.5% capped rate rise is calculated as per the template used by the Essential Services Commission (ESC).

I note with interest that you have detected that Council's forecast rate rise calculated using the template is actually 2.131cents per property above the allowable cap when calculated to

five decimal places, and this produced a rate rise of 2.5017%. Council will build additional quality assurance measures into the rate calculation process in order to ensure that the rate cap rise is not above 2.5% when calculated to five decimal places.

It is however worth noting that Council strikes its rate in the dollar to six decimal places, so that obtaining a rate rise of exactly 2.50000% may not be achievable in practice.

- The Council has applied for a higher rate cap of 1.33 per cent (2.5 per cent + 1.33 per cent) and that provide an additional \$97,970 in general rates and municipal charges. Our calculations show however, that the difference in general rates and municipal charges between the maximum capped average rates (based on a 2.5% cap) and a higher rate cap of 3.83%, will be \$97,873.

You also noted a \$97 discrepancy between the estimated rate yield from an additional rate increase of 1.33% (\$97,970) and your calculation of \$97,873. Again I would point out that our rate modelling across seven differential rates set at six decimal places will inevitably produce a rounding result of some sort, which could only be eliminated by setting our differential rates at nine or ten decimal places, which our current software is unable to do. Should Council's 1.33% above rate cap application be successful, Council will build additional quality assurance measures into the rate calculation process in order to ensure that the rate cap rise is not above 3.83% when calculated to five decimal places.

- The Council has quoted that the total increase in general rates and municipal charges they are applying for is \$330,256, at a rate cap of 1.33 per cent above the average rate cap. Our analysis shows that the higher rate cap of 1.33 per cent (3.83 per cent in total) gives an increase in general rates and charges of \$281,607. Our calculations show that the \$330,256 will be amount council will increase its general rates and municipal charges from that in the 2015-16 budget (excluding additional supplementary revenue). It does not consider the additional annualised supplementary revenue from 2015-16 of \$48,650, that will be a part of the increase in the Council's rate base for 2016-17.

You have observed that the total increase in general rates that Council is applying for is \$330,256 at a rate cap of 1.33% above the rate cap. By your calculations the 3.83% rate rise accounts for only \$281,607 of this amount, thus leaving the difference of \$48,649 being supplementary rates. Whilst the calculation appears

accurate, I concede your point that Council doesn't need to apply for the increase in rate yield generated by the annualised supplementary rates, as this is allowed "as of right". One of the potential opportunities for improvement to come out of the 2016-17 budget process might be the modification of the baseline information template to provide improved clarity around these important disclosures.

Can Council please review the above matters and confirm if the Commission's calculations are correct. Please feel free to call ESC officer Liam Jackson on 03 9032 1394 if you wish to discuss further.

ESSENTIAL SERVICES COMMISSION COUNCIL PROFILE

The Council profile is a snapshot of the data the Commission has collected to provide contextual information about Council prior to applying for higher caps. It includes data collected from council budgets, annual reports, the Victorian Grants Commission data, the LGPRF and the VAGO indicators.

The document represents the Commission staff's understanding of some data about the Council. We are extending to the Council the opportunity to correct any data transfer errors that may have occurred when the data was extracted. **The Commission requests that the Council review the information collected in the Council profile, to ensure the information is accurate to the best of their knowledge.**

With regard to the "Council Profile" information that you provided, I can provide the following comments:

"Percent change in all rates and charges per assessment" and "Percent change in population and rateable assessments" graphs.

Both these graphs display a significant variation in 2012 which is subsequently reversed in 2013. At first glance it would appear as though the number of assessments for 2012 data point is erroneous. A review of past adopted Council budget documents produces the following information:

Budget Document	Assessments	Assessment Growth	Rates & Charges Income	Rates per Assessment	Rates/Assess Increase
2010-2011	5,703		\$6,488,000	\$1,137.65	
2011-2012	5,746	0.8%	\$6,871,000	\$1,195.79	5.1%
2012-2013	5,773	0.5%	\$7,258,000	\$1,257.23	5.1%
2013-2014	5,822	0.8%	\$7,680,000	\$1,319.13	4.9%
2014-2015	5,841	0.3%	\$8,049,000	\$1,378.02	4.5%

This data set does not display the massive jump in assessments shown in 2012 that is subsequently reversed in 2013. As a consequence, the rates and charges per assessment don't display the massive "dip" in 2012 that is in the ESC graph.

"Budgeted balance sheet" table.

In the budgeted balance sheet the value of Council's "Non-current assets classified as held for resale" are shown as "Other Current Assets" which appears to be a transcription error. This will lead to an inconsistency for users of this financial data when comparing the "Annual Report Balance Sheet" data with the "Budgeted Balance Sheet" data.

Council Profile

Council Pyrenees Group Small Rural

Background

About

Pyrenees Shire is classified as a Small Rural council and is located in the Central West of Victoria, about 130 km north west of Melbourne. It is heavily dependent on primary industry and is renowned for its, wool, viticulture and forestry activity. Much of the workforce is involved in agriculture. Key areas of production are wool, cereal, hay crops and meat. Grape and wine production has recently expanded significantly. Gold, along with sand, gravel and slate all contribute to the economy.

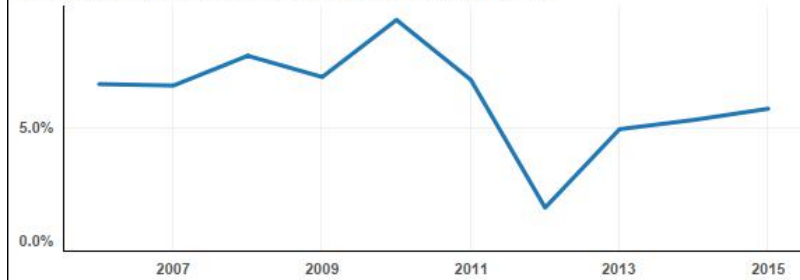
Demographics - sourced from ABS data and data from the Victorian Grants Commission

	Council
Area (sq km)	3,435
Population	6,979
Population Density	2
Length of Roads (km)	2,029



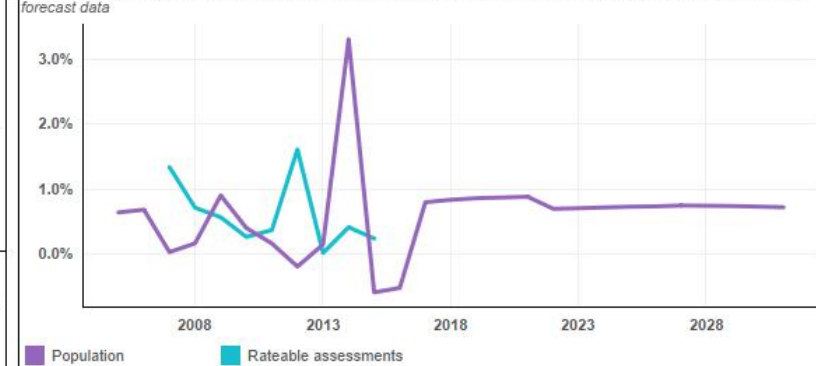
Rates

Percent change in all rates & charges per assessment



Note: 2004-05 to 2013-14 is based on DTPLI Victorian Local Government Indicators data. 2014-15 is based on Victorian Local Government Indicators data where available in the annual report. Where unavailable, 2014-15 figures have been based on VGC data. Average rates and charges per assessment is calculated using different methodologies for Victorian Local Government Indicators data and VGC data.

Percent change in population & rateable assessments - sourced from ABS historical & VIF forecast data



News

Financials

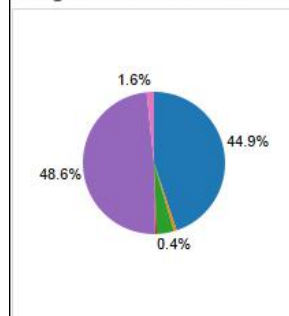
Budgeted Income Statement 2015/16 (\$'000) - sourced from council budget [2015/16] and budget baseline information template

	Council Budget	Council Forecast Actual
Rates & charges	8,552	8,651
Grants	9,275	7,779
Other income	1,240	1,296
Total income	19,067	17,726
Employee costs	6,312	6,606
Materials & services	5,695	6,569
Depreciation & amortisation	8,200	8,200
Other expenses	502	334
Total expenses	20,709	21,709
Surplus/(deficit)	-1,642	

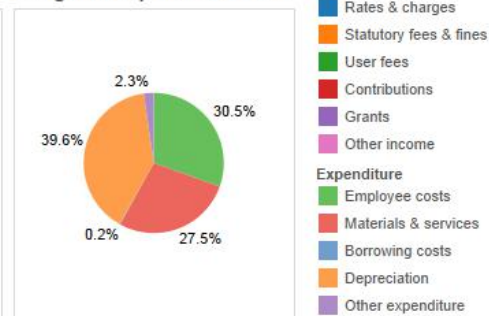
Budgeted Balance Sheet 2015/16 (\$'000) - sourced from council budget [2015/16]

	Council Budget
Financial assets	3,211
Non-financial assets	282,181
Other assets	1,850
Total assets	287,242
Payables	1,011
Provisions	1,967
Borrowings	801
Other liabilities	176
Total liabilities	3,955
Total equity	283,287

Budgeted Revenue 15/16



Budgeted Expenditure 15/16



Revenue	
■	Rates & charges
■	Statutory fees & fines
■	User fees
■	Contributions
■	Grants
■	Other income
Expenditure	
■	Employee costs
■	Materials & services
■	Borrowing costs
■	Depreciation
■	Other expenditure

Budgeted CAPEX 2015/16 (\$'000) - sourced from council budget [2015/16] and budget baseline information template

	Council Budget	Council Forecast Actual
New asset expenditure	775	1,285
Asset renewal expenditure	5,567	7,560
Asset expansion expenditure	50	50
Asset upgrade expenditure	350	35
Total capital works expenditure	6,742	8,929

Indicators

VAGO Indicators - sourced from Victorian Auditor General, 'Local Government Results of Audits' reports

	2009/10	2010/11	2011/12	2012/13	2013/14
Underlying result (%)	3.2	28.8	17.0	-20.9	-43.1
Liquidity Ratio	4.0	5.1	4.5	3.6	2.3
Indebtedness (%)	30.9	33.5	28.1	22.7	19.8
Renewal gap (ratio)	0.9	1.0	0.5	1.1	0.6

Note: green = low risk; orange = medium risk; red = high risk

LGPRF Indicators - sourced from Local Government Victoria

	2014/15	2015/16	2016/17	2017/18	2018/19
Adjusted underlying result (%)	-10.5	-16.8	-23.9	-22.1	-21.2
Working capital (%)	232.9	122.0	127.0	142.6	184.9
Unrestricted cash (%)	140.5	43.7	49.9	54.5	54.1
Indebtedness (%)	5.5	1.7	1.7	1.6	1.6
Asset renewal (%)	61.7	67.9	62.9	65.3	66.0
Loans & borrowings (%)	15.2	9.4	3.4	0.0	0.0
Loans & borrowings repayments (%)	10.1	6.0	5.7	3.2	0.0

Extended Analysis

Income Statement

Annual Report Income Statement (\$'000) - sourced from council annual reports [↗](#)

	2010/11	2011/12	2012/13	2013/14	2014/15
Rates & charges	6,572	6,928	7,331	7,702	8,165
Statutory fees & fines	0	0	0	114	102
User fees	0	0	0	705	667
Grants - operating	0	0	0	6,000	6,445
Grants - capital	0	0	0	2,948	5,402
Contributions - monetary	109	159	218	266	158
Contributions - non monetary	0	0	0	0	0
Net gain/(loss) on disposal of prope..	0	0	0	-61	126
Fair value adjustments for investme..	0	0	0	0	67
Share of net profits/(losses) of asso..	4	0	0	0	0
Other income	20,752	33,253	21,318	579	277
Total income	27,437	40,340	28,867	18,253	21,409
Employee costs	5,799	7,628	6,046	6,053	6,458
Materials & services	7,888	19,488	22,733	12,216	6,122
Depreciation & amortisation	5,305	5,755	5,976	7,711	7,902
Borrowing costs	154	183	160	144	128
Bad & doubtful debts	0	0	0	1	5
Other expenses	331	430	117	746	288
Total expenses	19,477	33,484	35,032	26,871	20,903
Surplus/(deficit) for the year	7,960	6,856	-6,165	-8,618	506

Budgeted Income Statement (\$'000) - sourced from council budget [2015/16] and SRP [2015/16 to 2018/19]

	2015/16	2016/17	2017/18	2018/19
Rates & charges	8,552	9,049	9,562	10,082
Statutory fees & fines	124	127	130	133
User fees	736	754	773	792
Grants - operating	6,029	5,976	6,125	6,278
Grants - capital	3,246	6,053	2,138	3,118
Contributions - monetary	70	200	0	0
Contributions - non monetary	0	0	0	0
Net gain/(loss) on disposal of prope..	27	53	49	211
Fair value adjustments for investme..	0	0	0	0
Share of net profits/(losses) of asso..	0	0	0	0
Other income	283	276	287	299
Total income	19,067	22,488	19,064	20,913
Employee costs	6,312	6,481	6,643	6,809
Materials & services	5,695	5,828	5,951	6,123
Depreciation & amortisation	8,200	8,530	8,790	9,320
Borrowing costs	34	15	5	0
Bad & doubtful debts	2	2	2	2
Other expenses	466	478	490	502
Total expenses	20,709	21,334	21,881	22,756
Surplus/(deficit) for the year	-1,642	1,154	-2,817	-1,843

Balance Sheet

	2010/11	2011/12	2012/13	2013/14	2014/15
Cash & cash equivalents - C	14,101	5,897	4,875	116	6,973
Trade & other receivables - C	1,521	3,430	2,587	832	832
Other financial assets - C	0	16,000	6,000	5,512	9
Inventories - C	0	0	0	5	7
Non-current assets classified as hel..	0	0	0	820	965
Other assets - C	266	476	245	153	148
Other current assets - C	0	1,102	1,119	0	0
Trade and other receivables - NC	61	50	32	53	104
Investments in associates & joint v..	229	0	0	0	0
Property, infrastructure, plant & eq..	200,724	199,446	287,251	284,965	283,177
Investment property - NC	0	0	0	0	0
Intangible assets - NC	0	0	0	0	0
Other non-current assets - NC	0	0	0	0	0
Total assets	216,902	226,401	302,109	292,456	292,215
Trade & other payables - C	1,212	3,955	1,947	972	877
Trust funds & deposits - NC	227	214	171	173	176
Provisions - C	1,419	1,627	1,761	1,862	1,921
Interest-bearing loans and borrowin..	263	255	272	298	864
Other current liabilities - C	0	0	0	0	0
Provisions - NC	200	201	175	161	140
Interest-bearing loans and borrowin..	2,458	2,199	1,929	1,632	373
Other non-current liabilities - NC	87	58	29	0	0
Total liabilities	5,866	8,509	6,284	5,098	4,351
Reserves	118,512	118,512	202,540	202,691	202,691
Other equity	92,524	99,380	93,285	84,667	85,173
Total equity	211,036	217,892	295,825	287,358	287,864

	2015/16	2016/17	2017/18	2018/19
Cash & cash equivalents - C	2,346	2,346	2,346	2,346
Trade & other receivables - C	772	795	819	844
Other financial assets - C	0	0	0	0
Inventories - C	0	0	0	0
Non-current assets classified as hel..	0	0	0	0
Other assets - C	161	164	167	170
Other current assets - C	1,850	1,403	1,483	2,766
Trade and other receivables - NC	93	87	80	72
Investments in associates & joint ve..	0	0	0	0
Property, infrastructure, plant & equi..	282,020	283,326	280,127	277,803
Investment property - NC	0	0	0	0
Intangible assets - NC	0	0	0	0
Other non-current assets - NC	0	0	0	0
Total assets	287,242	288,121	285,022	284,001
Trade & other payables - C	1,011	1,051	1,093	1,137
Trust funds & deposits - C	176	180	184	188
Provisions - C	1,801	1,774	1,745	1,714
Interest-bearing loans and borrowin..	801	304	0	0
Other current liabilities - C	0	0	0	0
Provisions - NC	166	171	176	181
Interest-bearing loans and borrowin..	0	0	0	0
Other non-current liabilities - NC	0	0	0	0
Total liabilities	3,955	3,480	3,198	3,220
Reserves	202,755	202,955	202,955	203,755
Other equity	80,532	81,686	78,869	77,026
Total equity	283,287	284,641	281,824	280,781

CAPEX

Annual Report CAPEX (\$'000) - sourced from council annual reports

	2010/11	2011/12	2012/13	2013/14	2014/15
New asset expenditure	0	0	0	1,680	418
Asset renewal expenditure	0	0	0	2,060	4,875
Asset upgrade expenditure	0	0	0	2,393	1,067
Asset expansion expenditure	0	0	0	0	0
Total capital works expenditure	0	0	0	6,133	6,360

Budgeted CAPEX (\$'000) - sourced from council budget [2015/16] and SRP [2015/16 to 2018/19]

	2015/16	2016/17	2017/18	2018/19
New asset expenditure	775	4,047	449	1,626
Asset renewal expenditure	5,567	5,369	5,737	6,153
Asset upgrade expenditure	350	573	165	200
Asset expansion expenditure	50	0	0	0
Total capital works expenditure	6,742	9,989	6,351	7,979

Expenditure on services (\$'000) - sourced from the Victorian Grants Commission

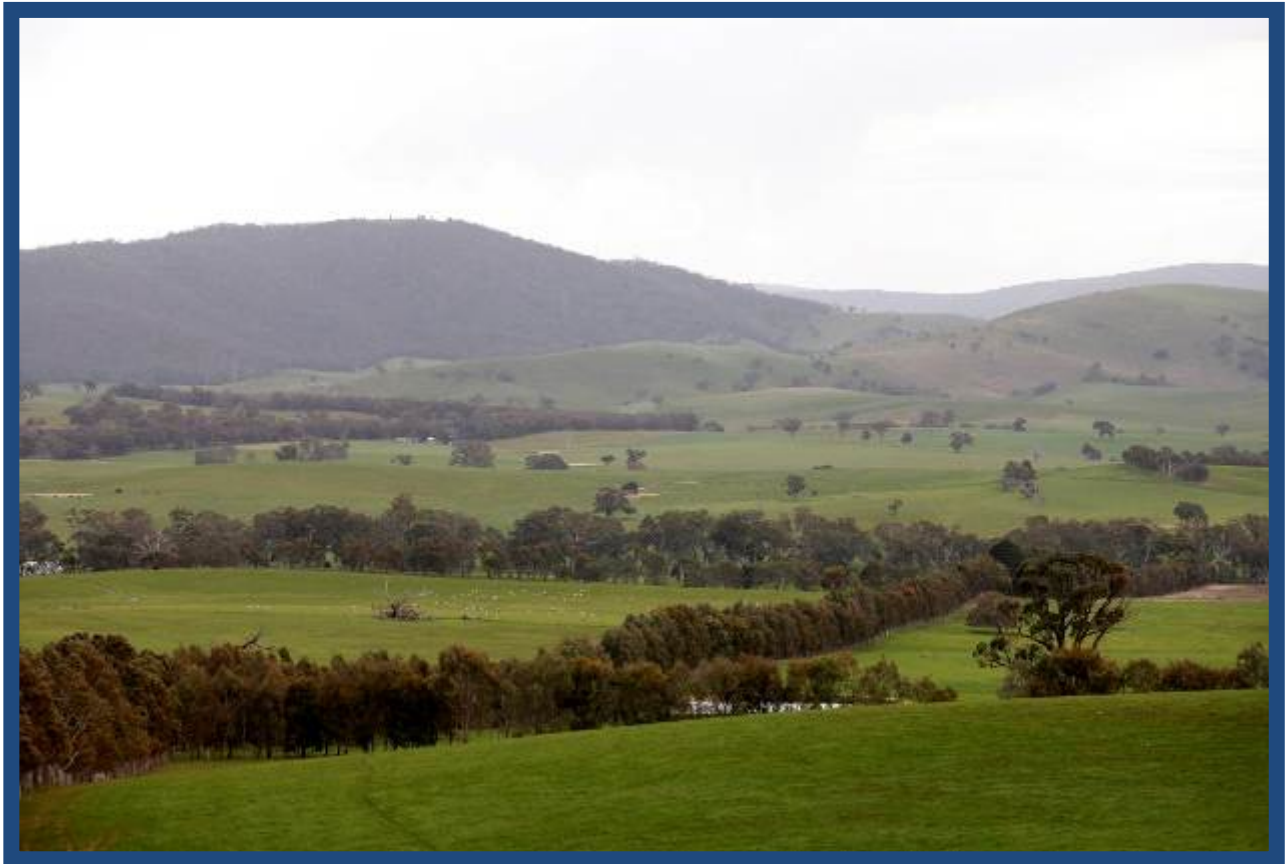
	2010/11	2011/12	2012/13	2013/14	2014/15
Aged & Disabled Services	1,089	1,249	1,194	1,190	1,086
Business & Economic Services	2,267	2,383	2,394	2,608	2,242
Environment	1,177	3,121	4,789	2,087	1,416
Family & Community Services	1,261	1,230	1,052	1,016	1,014
Governance	851	14,549	15,409	7,050	2,085
Local Roads & Bridges	5,634	6,118	6,276	7,700	8,104
Recreation & Culture	1,894	2,061	1,963	2,631	2,353
Traffic & Street Management	840	1,125	876	1,023	1,250
Waste Management	1,039	1,189	1,143	1,130	1,352
Other (Main Roads & Other)	3,425	250	0	0	0
Total	19,477	33,275	35,096	26,435	20,902

PYRENEES
SHIRE



Pyrenees Shire Council Council Plan 2013-2017

Updated 30th November 2015



Pyrenees Shire Council
5 Lawrence St, Beaufort, Victoria
(03) 5349 1100
pyrenees@pyrenees.vic.gov.au
www.pyrenees.vic.gov.au

Contents

Our Shire	3
Our Vision and Mission	4
Council's Vision is:	4
Council's Mission is:	4
Shire Profile	5
Our Councillors	6
Our Senior Management Team	7
Our Management Team	8
Strategic Objective 1: Leadership	9
Strategic Objective 2: Community	11
Strategic Objective 3: Roads.....	13
Strategic Objective 4: Commerce	14
Strategic Objective 5 - Environment	15



Our Shire



Our Vision and Mission

Council's Vision is:

We want the Pyrenees Shire to be a healthy, vibrant, prosperous and connected community.

Council's Mission is:

The role Pyrenees Shire Council will take to achieve this vision is to:

- *Provide quality road and built infrastructure for the community*
- *Work with others to provide services to maintain the wellbeing of the community, and*
- *Operate an efficient, forward looking organisation.*

Council's Strategic Objectives for 2013-2017 are:

1. Leadership

We will provide community leadership and advocacy to ensure we are a financially sustainable organisation, working hard to improve the economic, social and environmental wellbeing of the Pyrenees Shire.

2. Community

We will provide safe, functional and well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.

3. Roads

We will maintain a safe and effective road system that caters for all road users within the Shire.

4. Commerce

We will develop the local economy and increase the population of the Pyrenees Shire.

5. Environment

We will show effective leadership in managing our own environmental impacts as well as in the management of the local natural and built environment.

Shire Profile

Location

Pyrenees Shire is located in the Central West of Victoria, about 130 kilometers North West of Melbourne. It is heavily dependent on primary industry and is renowned for its, wool, viticulture and forestry activity. Thirty percent of the workforce is involved in agriculture. Key areas of production are wool, cereal, hay crops and meat. Grape and wine production has recently expanded significantly. Gold, along with sand, gravel and slate all contribute to the economy.

Characteristics

The Pyrenees Shire comprises an area of nearly 3,500 square kilometres and a population of 6,885 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.

Council administration is based in the township of Beaufort, and a number of Council services also operate from the township of Avoca. These services include health and aged care, library and information centres.

Excellent educational facilities are available in Pyrenees Shire, including integrated children's centres, primary schools, a secondary college and Community Resource and Information Centres incorporating adult education and library services.

Recreational activities are available in abundance in the region, giving community members and visitors wonderful opportunities to experience new pastimes. Most townships in the Shire have their own sporting facilities, such as football fields and netball courts. Avoca and Beaufort also have skate parks.

Tourism is ever growing throughout the region. Hang-gliding from Mount Cole and the French game of Petanque in Avoca, attract large numbers of visitors year round. In recent years, the action sport of mountain bike riding has risen in popularity.

In addition to the sporting opportunities, the Pyrenees is known for its wineries and culinary delights. Community markets are a popular attraction, as are the region's antique fairs, picnic horse races and music festivals.

Our Councillors

Cr Robert Vance

De Cameron Ward

Phone: 0447 384 500

Email: decameron@pyrenees.vic.gov.au

First Elected: 1987, re-elected 1996,1999 re-elected,2008 and 2012



Cr David Clark

Ercildoune Ward

Phone: 0417 374 704

Email: ercildoune@pyrenees.vic.gov.au

First Elected: 1992,1996, 1999 re-elected 2008 and 2012



Cr Michael O'Connor - Mayor

Beaufort Ward

Phone: 0437 662 295

Email: beaufort@pyrenees.vic.gov.au

First Elected: 2008, re-elected 2012



Cr Ron Eason

Avoca Ward

Phone: 0417 508 471

Email: avoca@pyrenees.vic.gov.au

First Elected: 2012



Cr Tanya Kehoe

Mount Emu Ward

Phone: 0439 571 480

Email: mountemu@pyrenees.vic.gov.au

First Elected: 2012



Our Senior Management Team

Jim Nolan - B.Eng (Civil) Chief Executive Officer

Jim was appointed Chief Executive Officer with Pyrenees Shire Council in December 2014. He has 25 years' experience in local government at Glenelg, Southern Grampians and Northern Grampians. Jim has experience across infrastructure, project delivery, community and economic development.



As CEO, Jim is responsible for the day to day operations of Council, the delivery of the Council Plan and the implementation of Council decisions. Jim also has direct responsibility for economic development and communications.

Evan King – B. Bus (Acc), CPA Director Corporate and Community Services

Evan joined Pyrenees Shire Council in June 2014. He has over 20 years of experience in financial management and community services gained in local government with Hepburn Shire Council and the social services and manufacturing industries.



Evan is responsible for the strategic management of the Corporate and Community Services Department, which includes finance and administration, information technology, governance, human resources, customer services and community wellbeing.

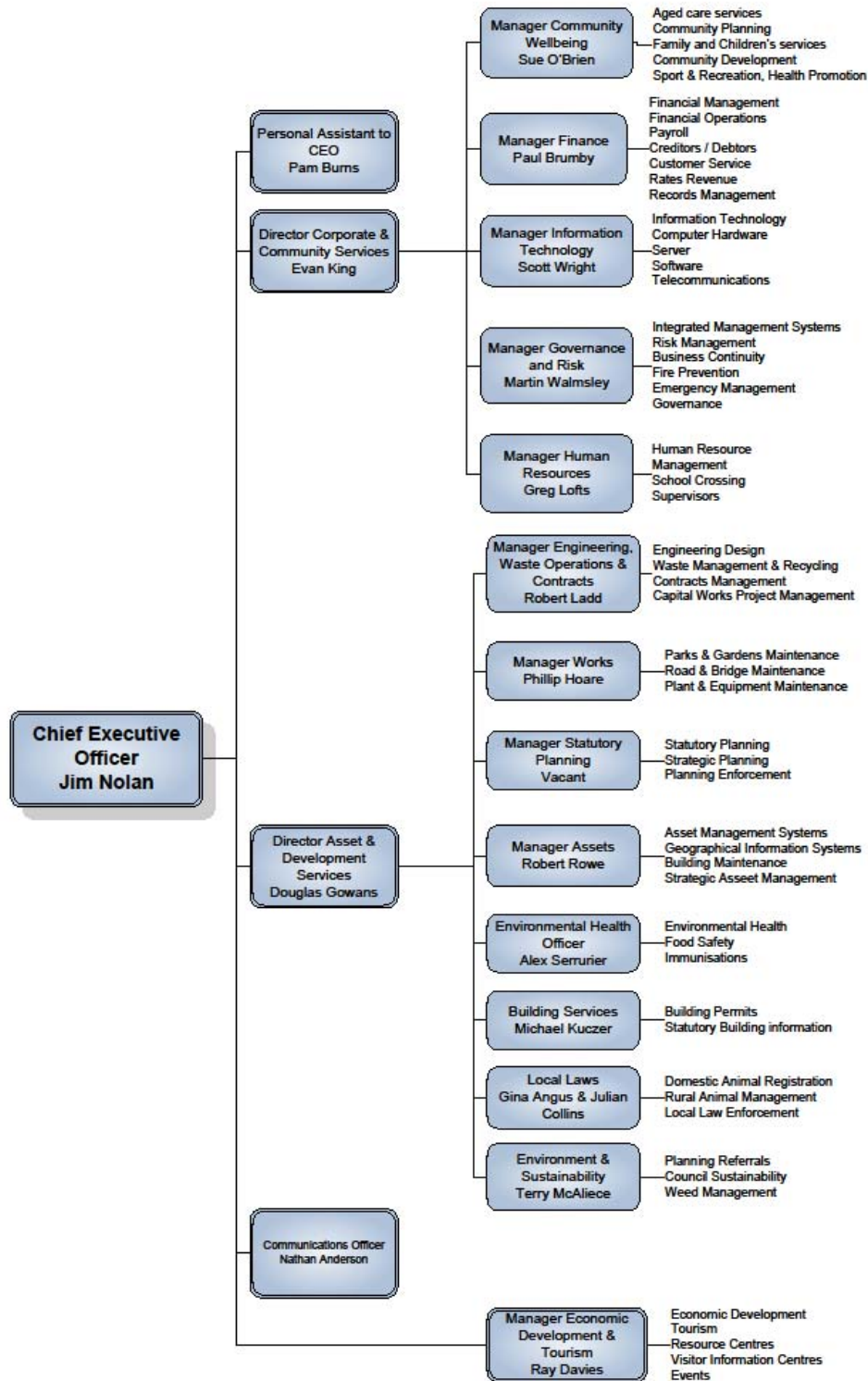
Douglas Gowans – B.Eng Director Assets and Development

Douglas joined Pyrenees Shire Council in August 2015. He has over 13 years' experience in local government, including Golden Plains and Hindmarsh Shire Councils.

Douglas manages the operations and asset areas of Council. His responsibilities include the construction and maintenance of roads and bridges, waste management and recycling, parks and gardens, town planning and building services, local laws, fire prevention and emergency management.



Organisational Structure



Strategic Objective 1: Leadership

We will provide community leadership and advocacy to ensure we are a financially sustainable organisation, working hard to improve the economic, social and environmental wellbeing of the Pyrenees Shire.

Service	Measure	Source	16/17 Target
Governance	Community Consultation	LGPR – Community Satisfaction Survey	57
Governance	Overall Council Direction	LGPR – Community Satisfaction Survey	53
Governance	Councillor Conduct – no breaches of the Councillor Code of Conduct.	Internal	0
Financial	Maintain a Rate to debt ratio below 35%	Internal	<35%
Financial	Maintain a working capital ratio above 150%	Internal	>150%

Leadership - Strategies

1.1	Manage risk effectively at all levels within the organisation.
1.2	Continue Councillor training and development and ensure adherence to the Councillor Code of Conduct.
1.3	Work with the state and federal governments and the Municipal Association of Victoria (MAV) on a new and sustainable funding model for local government.
1.4	Advocate to ensure adequate grant funding to provide and improve infrastructure, such as telecommunications, housing, water, sewerage and energy in alignment with the Central Highlands Regional Investment Plan.
1.5	Continue to enhance Council's emergency management and recovery capacity and response.
1.6	Explore opportunities for shared services.
1.7	Work with state government departments and the MAV to bring about improvements in guidelines and regulations regarding wind farm development.
1.8	Drive long term financial sustainability through innovative and prudent financial management.
1.9	Continually demonstrate good governance and improve the transparency, quality and consistency of our decisions.
1.10	Provide timely targeted and relevant internal and external communication and advocate on behalf of the community for important community concerns, projects and initiatives.

Specific Initiatives	16/17
Develop and implement priority shared services.	✓
Undertake a strategic review of the Long Term Financial Plan in the context of rate capping.	✓
Undertake community engagement in the process of developing and communicating the Annual Budget.	✓
Implement agreed recommendations from the CARS Review.	✓
Seek to repay debt as quickly as possible. Review the use of debt in the context of rate capping.	✓
Lobby for federal and state government funding to construct the Beaufort By-pass.	✓

Implement the agreed recommendations of the review to assess the cost benefit of gaining quality accreditation for: <ul style="list-style-type: none"> - AS4801 - Occupational Health & Safety - ISO9001 – Quality Systems - ISO14001 – Environmental Management. 	
Develop the Moonambel Water, Beaufort By-pass, and telecommunications upgrade priority projects, to the stage of 'shovel ready' to attract government funding.	✓
Review strategic planning priorities.	✓
Advocate for a fairer funding model for local government.	✓
Advocate to state and federal governments and work with other agencies to ensure support is provided for those impacted by drought.	✓
Undertake the interim secretariat role for RCV and investigate the cost/ benefit of providing the ongoing secretariat support.	✓
Fulfil all governance obligations in relation to the 2016 Council elections.	✓
Develop a handover plan for the next Council prior to the 2016 Council election.	✓

Ongoing Initiatives	16/17
Review the Long Term Financial Plan twice a year.	✓
Distribute monthly management and quarterly Council finance reports to ensure financial accountability.	✓
Undertake an annual staff climate survey and implement recommendations.	✓
Conduct four internal audits each year and implement recommendations.	✓
Develop a new audit program to ensure ongoing accountability.	✓
Conduct effective strategic consultation with two key sectors of community on specific issues.	✓
In conjunction with the MAV and RCV advocate for continuance of roads, bridges and other infrastructure funding.	✓

Strategic Objective 2: Community

We will provide safe, functional and well utilised assets and services, to enhance the quality of life of residents and promote connected, active and resilient communities.

Service	Measure	Source	16/17 Target
Home & Community Care	Participation in HACC service (Percentage of the municipal target population that receive a HACC service)	LGPR	100%
Maternal & Child Health	Participation in MCH key ages and stages visits (Percentage of children attending the MCH key ages and stages visits)	LGPR	85%
Maternal & Child Health	Participation in community immunisation programs	Internal	95%
Libraries	Active library members (Percentage of the municipal population that are active library members)	LGPR	21%
Pool Facilities	Utilisation of pool facilities (The number of visits to pool facilities per head of municipal population)	LGPR	30%
Animal Management	Animal management prosecutions (Number of successful animal management prosecutions)	LGPR	100%
Food Safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	LGPR	100%
Community	Ensure the most up to date version of Community Action Plans is on the website by 31 October to be considered in the budget process.	Internal	Loaded onto the Website

Community - Strategies

2.1	Ensure Council assets and infrastructure support current and future service provision.
2.2	Facilitate greater participation in passive and active recreational activities.
2.3	Utilise Community Action Plans to inform project support by Council.
2.4	Promote, develop and maintain tidy, attractive and functional streetscapes that encourage tourism, town pride and new residents.
2.5	Provide responsive and sustainable community services in aged care, child care and maternal and child health.
2.6	Promote and facilitate youth involvement in community activities.
2.7	Support arts and cultural initiatives within the Shire to enhance community participation and wellbeing.
2.8	Promote the use of community hubs and resource centres to enhance the community's educational, training and social networking opportunities to maximise the utilisation of community assets.
2.9	Improve the health and wellbeing of the community through active participation in health initiatives identified in the Pyrenees Shire Council Health and Wellbeing Plan.

Specific Initiatives	16/17
Develop an action plan from the Building Asset Management Plan to address both maintenance and long term utilisation of Council's non-road assets.	✓
Implement streetscape and hall improvements for Redbank, Raglan and Barkly.	✓
Develop and implement a Council Recreation Strategy to ensure our communities have access to resources and facilities that encourage participation.	✓
Report to Council on the implementation of the Community Action Plans.	✓
Continue to investigate and implement current youth services and activities offered by the Shire and other providers and explore potential further activities.	✓
Review the Community Grants policy and consider developing a grants rating system with alignment to Community Action Plans.	✓
Lobby for funding for the construction of the Lexton Hub.	✓
Lobby state and federal government for an equitable funding model in the transition of HACC services to federal government.	✓
Implement the Living Landsborough project.	✓
Develop a masterplan for Avoca including community infrastructure such as (but not limited to) accessibility, arts precinct, BBQ shelter, Dundas St.	✓

Ongoing Initiatives	16/17
Implement the Asset Management Strategy and review the policy bi-annually.	✓
Actively participate in the Regional Children and Youth Area Partnership.	✓
Continue to provide high quality library services to our local communities through our facilities in Avoca, Beaufort, Landsborough, Lexton and Snake Valley.	✓
Implement priority recommendations from Council's Health and Wellbeing Plan.	✓

Strategic Objective 3: Roads

We will maintain a safe and effective road system that caters for all road users within the Shire.

Service	Measure	Source	16/17 Target
Roads	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	LGPR – Community Satisfaction Survey	58
Roads	Sealed roads resealed	Internal	4.5% Of Network
Roads	Unsealed roads resheeted	Internal	2.9% Of Network
Roads	% of roads capital works budget expended	Internal	95%

Roads - Strategies

3.1	Maintain and enhance the road network in line with the Road Asset Management Plan level of service.
3.2	Utilise Moloney Asset Management System to strategically prioritise road network maintenance, renewal and upgrade.

Specific Initiatives	16/17
Implement priority bridge restoration works based on the triennial condition assessment.	✓
Complete street trees risk assessment and implement the ongoing maintenance program.	✓
Utilise asset planning to implement a renewal and improvement plan for footpaths and drains.	✓
Review the Asset Management Strategy through community focus groups and consultation, and communicate and educate the community regarding road management and future works.	✓

Ongoing Initiatives	16/17
Implement the gravel road maintenance and renewal strategy.	✓
Communicate weekly through a Pyrenees Advocate column and website regarding road closures, works and maintenance, in particular grading.	✓
Work with other local government organisations to ensure that asset management is on a continuous improvement path.	✓
Undertake two internal audits per annum on compliance with the Road Management Plan.	✓

Strategic Objective 4: Commerce

We will develop the local economy and increase the population of the Pyrenees Shire.

Service	Measure	Source	16/17 Target
Economic Development	Growth in Shire output	External	Increase
Economic Development	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	LGPR	Increase
Population	Population Growth	Internal	1%

Commerce - Strategies

4.1	Work with government and key stakeholders to implement the priority initiatives in the Economic Growth Strategy.
4.2	Provide adequate industrial land to facilitate the development of new businesses and the enhancement of existing businesses.
4.3	Provide residential land that attracts new residents to the Shire.
4.4	Continue Council's participation in the Central Highlands Regional Planning Committee, the Regional Management Forum and continue to work with Regional Development Australia, to maintain and expand the regional development focus.

Specific Initiatives	16/17
Drive economic growth and prosperity through advocacy for the provision of telecommunications under the Federal Government Blackspot funding.	✓
Support economic development in the agricultural sector in particular intensive and irrigated agriculture by undertaking further strategic work.	✓
Implement the agreed recommendations from the Tourism Strategy.	✓
Manage the impacts of the reopening of the rail line from Maryborough to Ararat.	✓
Review the RV Friendly trial in Beaufort.	✓
Lobby for funding to identify the social and economic impacts of the Beaufort By-pass.	✓

Ongoing Initiatives	16/17
Work with telecommunications companies and government representatives to improve mobile phone and broadband internet access throughout the Shire.	✓
Improve economic growth and prosperity through the provision of water, and other essential services.	✓
Continue to support and promote existing and future events in the Shire.	✓
Continue to explore opportunities for the take up of industrial land in Beaufort and Avoca.	✓
Continue to promote investment in residential land in Beaufort, Avoca and in townships across the Shire.	✓
Implement the recommendations from the Master Plans for the Beaufort, Avoca and Landsborough Caravan Tourist Parks.	✓
Capitalise on opportunities for the Avoca Industrial Estate from gas connection.	✓
Implement the key initiatives from the Pyrenees Growth Strategy.	✓

Strategic Objective 5 - Environment

We will show effective leadership in managing our own environmental impacts as well as in the management of the local natural and built environment.

Service	Measure	Source	16/17 Target
Environment and Health	% of required septics inspected as prescribed by the Domestic Wastewater Management Plan	Internal	100%
Planning	Number of VCAT decisions that overturn Council decisions	Internal	Nil
Planning	Planning permits processed within statutory time limits	Internal	90%
Planning	Planning decisions deferred by Council	Internal	0%
Waste	Reduce waste to 280 kilograms per assessment per annum.	Internal	280

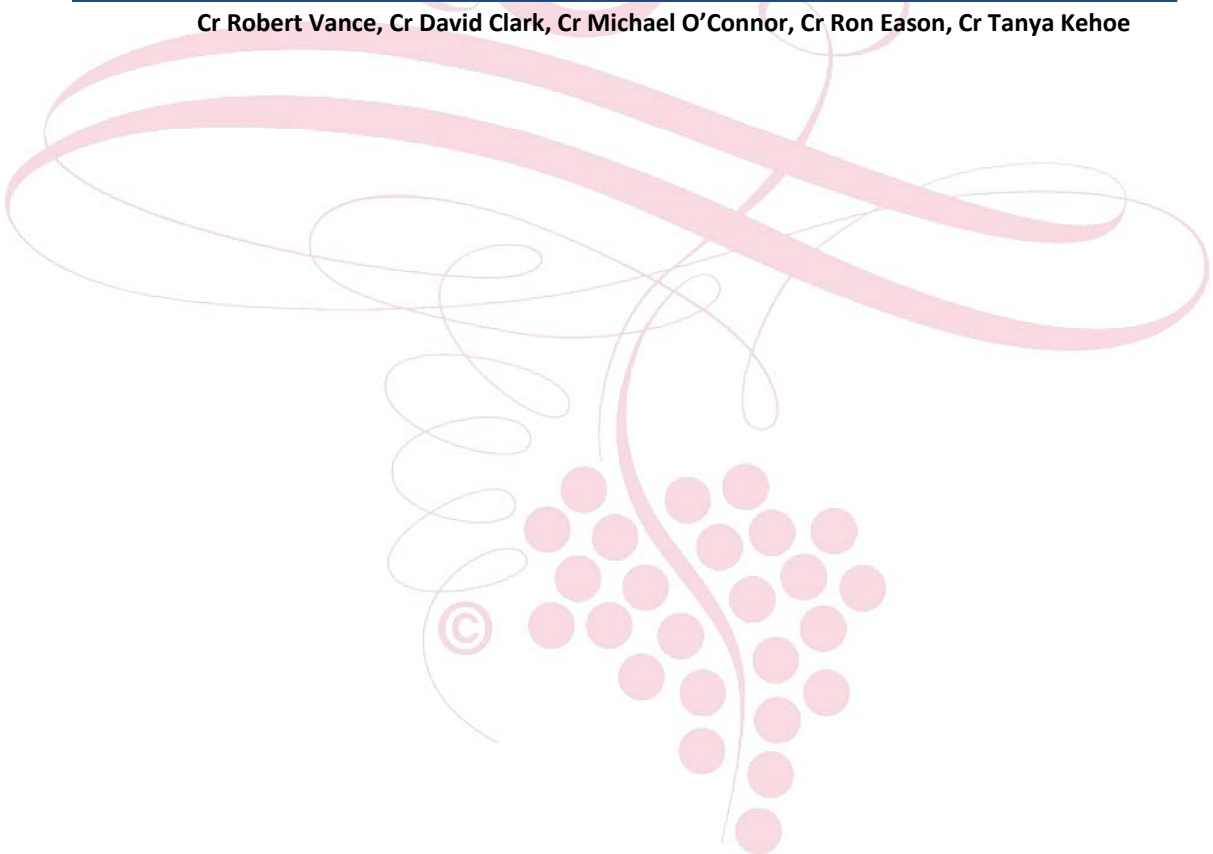
Environment - Strategies	
5.1	Support the health and biodiversity of our natural environment for current and future generations.
5.2	Provide efficient and effective waste management.
5.3	Plan and provide a built environment that reflects the needs, values and aspirations of the community.
5.4	Ensure appropriate land use planning for public, private and community facilities.
5.5	Encourage environmental best practice and the reduction of resource and energy consumption.
5.6	Support the development of renewable energy projects in appropriate areas.
5.7	Minimise the transportation impacts of industry on infrastructure and the environment.

Specific Initiatives	16/17
Work with the Central Victorian Greenhouse Alliance on sustainability initiatives which seek to reduce Council's environmental footprint and build community resilience.	✓
Implement the Roadside Weed and Pest Management Plan and advocate for funding beyond 2017.	✓
Implement the priority recommendations of the State Planning Process Review report.	✓
Continue to participate in the Beaufort By-pass EES through involvement in the Technical Reference Group.	✓

Ongoing Initiatives	16/17
Manage significant native vegetation on sites where works are undertaken.	✓
Review and implement the priority actions from the Pyrenees Planning Scheme.	✓
Implement and audit the agreed actions from the Domestic Wastewater Management Plan.	✓
Implement the agreed recommendations from the 2015 Municipal Waste Services Review.	✓
Work collaboratively with other authorities to prepare and implement Council's flood plain management plans.	✓
Implement the Environmental and Sustainability Strategy.	✓
Manage the planning issues arising from wind farm operations.	✓



Cr Robert Vance, Cr David Clark, Cr Michael O'Connor, Cr Ron Eason, Cr Tanya Kehoe



PYRENEES
— S H I R E —



ASSET MANAGEMENT PLAN

PART B – ROADS

Amendment Register

Issue	Date	Details	By
Draft		Draft prepared in August 2007 by Design & Asset Manager & Council officers.	
V1.00	24/08/2007	Endorsed by Council at its meeting 21 st August 2007	
V2.0	May 2012	Major revision. Layout converted to Regional Asset Service AMP template.	RR. DP
		Endorsed by AM&SSG	DP
V2.1	Aug 2013	Delete references to high risk assets.	

Version 2.1

CONTENTS

1 EXECUTIVE SUMMARY	5
2 INTRODUCTION	5
2.1 Background.....	5
2.1.1 Plan Format.....	5
2.1.2 Relationship with Other Planning Documents.....	5
2.1.2.1 Road Management Plan	5
2.1.3 Infrastructure assets included in the plan	6
2.1.4 Assets Not Included in this Plan.....	6
2.1.5 Key Stakeholders in the Plan	7
2.1.6 Asset Responsibility	8
2.1.6.1 Road Asset Management Staff Structure.....	8
2.1.6.2 Functional Responsibility Matrix	8
2.2 Goals & Objectives of Asset Ownership.....	9
2.2.1 Links to Organisation Vision, Mission, Goals & Objectives.....	9
3 LEVELS OF SERVICE	10
3.1 Community Engagement and Expectations	10
3.1.1 Background and Customer Engagement Undertaken	10
3.1.1.1 Relevant Community Satisfaction Survey.....	10
3.1.1.2 Best value Consultation	10
3.1.1.3 Current and Previous Community Engagement.....	11
3.1.1.4 Community Engagement Plan	11
3.1.2 Details of How Engagement Translates into Levels of Service	12
3.2 Legislative Requirements	13
3.3 Current Levels of Service.....	14
3.3.1 Asset Functional Hierarchy	14
3.3.2 Community and Technical Service Levels	16
4 FUTURE DEMAND	17
4.1 Demand Forecast	17
4.2 Demand Management Planning	18
4.2.1 The Need to Manage Demand.....	18
4.3 Future Demand Strategy	19
5 RISK MANAGEMENT	20
5.1 Risk Identification.....	20
5.1.1 Roads.....	20
5.1.2 Kerb and Channel.....	22
5.2 Asset Criticality.....	23
5.2.1 Critical Assets	23

5.2.1.1	List of Critical Assets:.....	23
6	LIFECYCLE MANAGEMENT PLANS	23
6.1	Physical Parameters	23
6.1.1	Current Issues	23
6.1.2	Asset Quantities	24
6.2	Asset Capacity/Performance.....	24
6.2.1	Assets Under-Capacity	25
6.3	Asset Condition	25
6.3.1	Condition Monitoring - Asset Condition Survey Frequency & Responsibility ...	25
6.3.2	Condition Rating	25
6.3.3	Current Asset Condition.....	25
6.3.4	Deterioration Curves.....	27
6.3.5	Asset Useful Lives & Intervention Level & Basis For Adopting Useful Lives.....	27
6.3.6	Historical Asset Condition	28
6.3.7	Age Profile	28
6.4	Asset Valuations	28
6.4.1	Total Asset Valuation	28
6.5	Historical Data	29
6.6	Routine Maintenance Plan.....	29
6.6.1	Defect Inspections	33
6.6.2	Prioritisation of Maintenance Works.....	35
6.6.3	Defect Response Times.....	35
6.6.4	Standards and Specifications	35
6.6.5	Basis for Future Maintenance Costs	39
6.7	Renewal Plan	39
6.7.1	Renewal Capital Works Programs.....	39
6.7.2	Renewal Priority Ranking	40
6.7.2.1	Rural Sealed Road Rehabilitation Program (R2R Program & Country Roads & Bridges Initiative)	40
6.7.2.2	Reseals Program	40
6.7.2.3	Gravel Resheet.....	40
6.7.3	Treatment Options.....	40
6.7.4	Basis for Future Renewal Costs.....	41
6.7.4.1	Renewal Modeling - Renewal Rates	41
6.7.4.2	Renewal Demand and Renewal Gap	42
6.7.4.3	Proposed Renewal Funding Solution.....	42
6.8	New and Upgrade Plan.....	42
6.8.1	Future New and Upgrade Programs Identified in this Plan.....	42
6.8.2	Future New and Upgrade Costs	43
6.9	Operations Plan	43

6.9.1	Current Operations Programs.....	43
6.9.2	Operations Future Costs	44
6.10	Disposal Plan	44
6.10.1	Forecast Disposal of Assets.....	44
7	FINANCIAL PLAN	44
7.1	Financial Statements and Projections.....	44
7.2	Funding Strategy	45
7.2.1	Recommended Financial Strategy	45
7.2.2	Amended Financial Projections	46
7.3	Key Assumptions Made in the Financial Forecast.....	46
7.3.1	Accuracy of the Information	46
7.3.2	Actions for Improving Future Financial Forecasts	46
8	ASSET MANAGEMENT PRACTICES.....	46
8.1	Asset Management Systems	46
8.2	Standards & Guidelines	47
8.2.1	Construction Standards	47
8.2.2	Target Widths and Pavement Design	47
9	PLAN IMPROVEMENTS AND MONITORING.....	48
9.1	Improvement Program.....	48
10	REFERENCES	49
11	APPENDICES	49
11.1	CONDITION RATING GUIDELINES.....	49
11.1.1	Gravel Pavement.....	49
11.1.2	Sealed Pavement	49
11.1.3	Sealed Surfaces	51
11.1.4	Kerb & Channel	51
11.2	Attachment 2: - Inspection Requirements.....	53
11.3	Attachment 8: - Risk Assessment for Roads & Footpaths.....	55

1 EXECUTIVE SUMMARY

2 INTRODUCTION

2.1 Background

The network of public roads, including footpaths, is infrastructure provided to the community to facilitate a safe, convenient and defined means for transporting people & goods around and through the municipal area.

This type of infrastructure represents a significant investment by the community and is vital to its health and well-being. The road network constitutes the most expensive of the infrastructure assets maintained by the Council for the community.

This Asset Management Plan and its companion, the Road Management Plan, are key elements of Council's strategic road management planning.

Authorities such as municipal councils exist principally to supply various core and non-core services that meet the needs of their communities. The type of services provided and how they are provided depends on the level of service required by the community.

In non-capital city areas, the prime means for service delivery for road assets is through Council ownership of them, although maybe at some time in the future Council may be able to support private sector developers/landowners in the provision of infrastructure through development of various components of the road network in accordance with engineering standards and planning objectives.

2.1.1 Plan Format

This plan is part of Council's overall asset management plan as described below:

- Part A - General Information: Background or information common to all assets.
- **Part B - Roads**
- Part C – Bridges & Major Culverts
- Part D – Buildings & Structures
- Part E – Footpaths
- Part F – Drainage
- Part G – Recreation
- Part H - Open Space

2.1.2 Relationship with Other Planning Documents

The following documents have a direct relationship with this plan:

2.1.2.1 Road Management Plan

The purpose of the companion Road Management Plan is to establish a management system for Council to inspect, maintain and repair its public roads based on policy and operational objectives having regard to available resources.

2.1.3 Infrastructure assets included in the plan

Assets included in this plan are (this table is a directly extracted from Part A – General Information):

Asset Group	Asset Category	Assets Component	Assets Included
Roads	Urban Sealed Roads	Urban Sealed Pavement	
		Urban Sealed surface	
		Kerb & channel	
	Rural Sealed Roads	Road Formation	
		Rural Sealed Pavement	Minor culverts
		Shoulders	
		Rural Sealed surface	
	Unsealed Roads	Unsealed Road Pavement	
	Traffic control / Road Related Infrastructure	Traffic control / Road Related Infrastructure	Signs, rails, linemarking, rail crossings
	Car Parks	Car park pavement	
Car park seal			

2.1.4 Assets Not Included in this Plan

There are several assets within the road reserve that council does not have an obligation to maintain. However Council has a duty of care to ensure that these assets are in a safe condition for the public in general and may serve a notice on the property owner to have defects repaired. They are often a point of conflict with residents who have an expectation that Council will maintain them as they are within the road reserve.

These assets and the responsibility for addressing their defects are as follows:

Assets not included in this plan are described in Council's Road Management Plan – Demarcation of Responsibility, consisting of:

- Boundary roads
- Arterial roads
- Crown land
- Rail crossings and approaches
- Utility services
- Private vehicle crossings/driveways
- Private overhanging vegetation
- Nature strips

A. Vehicle crossings/driveways

The portion of a vehicle crossing located between the carriageway and the property boundary is the responsibility of the adjoining property owner to maintain.

This area should only be repaired by council if council activities have caused damage to it or it is part of a reinstatement operation. Works carried out on a vehicle crossing at the owners' request shall be treated as private works (i.e. at the resident's cost.)

B. Single property stormwater drains

These stormwater drains are constructed within the reserve from the property boundary to a discharge outlet in the kerb or into the drain. They are there to benefit the property and as such are the responsibility of the owner of the property being served to maintain.

C. Nature strip & infill areas within urban areas

These are those residual areas between the edge of the road or back of the kerb and the property boundary not occupied by the footpath and private road crossings. These are normally sown to grass with responsibility for maintenance of the grass generally being left to the property owner. Street trees are controlled by Council.

Where the adjoining property owner has 'landscaped' or otherwise created a situation that is hazardous to the public using the nature strip area Council may after inspection require the property owner to rectify it.

D. Responsibility for defect rectification

Where, on any of these areas within the road reserve for which Council has a responsibility, there is a defect that is liable to cause any injury to a member of the public it must be repaired.

In such instances, the owner must be notified and directed to make the area safe and repair the defect within a period of 2 weeks and that in the event that the defect is not repaired Council will repair it as a charge against the property.

Where the owner does not undertake the work in the timeframe allowed, appropriate remedial measures action must be followed up as a matter of urgency.

2.1.5 Key Stakeholders in the Plan

The key stakeholder groups of the community who are both users of the road network and/or are affected by it include:

- The community in general (for recreation, sport, leisure & business);
- Residents & businesses adjoining the road network;
- Pedestrians (including the very young, those with disabilities, and the elderly with somewhat limited mobility);
- Users of a range of miscellaneous smaller and lightweight vehicles such as pedal cyclists, motorised buggies, wheel chairs, prams, etc;
- Vehicle users using motorised vehicles such as trucks, buses, commercial vehicles, cars and motor cyclists;
- Wine Producers, Farmers (Crops and Livestock), Timber Production;
- Tourists & visitors to the area;
- Emergency agencies (Police, Fire, Ambulance, VICSES);
- Traffic & Transportation managers;
- Managers of the asset that is the road network;
- Construction & maintenance personnel who build and maintain asset components;
- Utility agencies that utilise the road reserve for their infrastructure (Water, sewerage, gas, electricity, telecommunications);

- Council as custodian of the asset;
- State & Federal Government that periodically provide support funding to assist with management of the network.

2.1.6 Asset Responsibility

2.1.6.1 Road Asset Management Staff Structure

Director Assets & Development Services

- Strategic direction including development and enhancement of the assets (and services offered) to meet the needs of the community (including community liaison);
- Management reporting and prime advisor to management on issues that must be resolved at a “higher” level

Manager Design & Assets

The Asset Manager for the Road Network is the Manager Design & Assets. Critical management responsibilities include

- Optimising performance of assets and management of the function or activity for which the assets are used;
- Determination of asset levels of service and asset rationalisation strategies;
- Provision of the asset systems and technical expertise to assist Road Information Management
- Development of asset management plans including referral of issues to ‘experts’ for examination as and when required;
- Determination of the quantity and quality of asset related data required to be loaded into and maintained in the asset system

Works Manager

The Works Manager is responsible for maintenance management activities associated with the road network.

Road maintenance management responsibilities are performed through the **Works Manager** who is responsible for management of maintenance programs including budget preparation and management issues to ensure that the objectives and levels of service as designated in the Road Maintenance Management Plan are met.

Asset Technical Officer

The Asset Technical Officer is responsible for:

- Undertaking Asset data collection;
- Assistance with maintaining database records that reflect works undertaken.

Road Management Systems Officer

The Officer is responsible for:

- Developing the Road Management System;
- Management and operation of programmed and reactive inspections.

2.1.6.2 Functional Responsibility Matrix

Council's Asset and Service Responsibility Matrix defines the responsibilities in regards to asset activities.

Services utilizing assets included in this plan are:

- Sealed Roads
- Unsealed Roads
- Traffic Control
- Street Cleaning
- Gravel Pits
- Bridges

2.2 Goals & Objectives of Asset Ownership

Pyrenees Shire Council has a number of key missions in the delivery of a transportation system, including:

- Ensuring cost-effective lifecycle management of assets
- Providing levels of service that satisfy users and meet demand needs

Meeting all of these responsibilities effectively requires the availability and allocation of asset management resources.

2.2.1 Links to Organisation Vision, Mission, Goals & Objectives

Other council document strategies that may influence this plan are:

Document	Section	Strategy	Measures of Success
Council Plan 2009-13	Road Infrastructure	Update the road safety strategy by 2011.	Asset Management Strategy adopted by Council June 2011.
		Review the Road Management Plan annually (including engagement with communities), ensuring that intervention levels and levels of service are appropriate for the prevailing road network conditions (including response to natural events).	Ensure a timely response to programmed and reactive maintenance program in compliance with the Road Management Plan. Customer requests for maintenance will receive a response within the timeframes documented in the Council Road Management Plan and the Customer Service Charter.
		Seek external funding to support road renewal programs within the shire.	

		Pursue funding commitments from VicRoads, Auslink, Roads to Recovery, Regional Development Victoria and other funding bodies.	
		Inform the community of the management of the gravel road network.	Improved community satisfaction ratings for local roads and footpaths.

3 LEVELS OF SERVICE

3.1 Community Engagement and Expectations

3.1.1 Background and Customer Engagement Undertaken

3.1.1.1 Relevant Community Satisfaction Survey

The last community satisfaction survey undertaken by the Department of Victorian Communities (DVC)

Some of the key outcomes from the survey which were relative to rural shires were:

- Traffic Management - for country councils 70% of respondents rated councils as “excellent and good and adequate”.
-

The results point towards a steady performance in the management of Roads and footpaths, but leave room for improvement by Councils.

3.1.1.2 Best value Consultation

Attachment 6 of the Municipal Road Management Plan outlines the community views expressed at a public forum in December 2001.

These issues have been taken into account when Council developed the Road Management Plan & this associated Road Asset Management Plan.

Key issues raised were:

- Programmed road maintenance is an efficient and effective arrangement of resources however more flexibility is required.
- Minimum standards should apply for gravel roads.
- Possibility of dry weather access only on some roads where access is not imperative - dispose of others where not required at all.
- Generally well maintained and standards acceptable (some obvious exceptions)
- Narrow sealed pavements a concern only on heavy truck routes.
- Minimum standards, applied by Council currently, are appropriate.
- Continuing development of heavy vehicle generators a concern e.g. timber, grain etc. concentration likely to impact on pavements.

- Life cycles of asset/years could be reviewed to impact on frequency of rehabilitation and stretch current \$ further in short term.
- Need to manage assets so that the fine line between reducing quality of constructed pavements and accelerated depreciation of the total sealed road asset is not breached.
- Group was unanimous that sealed surfaces should not revert to gravel when condition is beyond repair. In certain instances this needs to remain a temporary option where safety is the primary consideration.
- Continue to lobby for external funding.
- Develop lobby strategies based on user patterns, asset depreciation patterns, funding shortfalls, financial and social implications etc.
- User pays option for developmental road works should continue to be considered as a policy.

3.1.1.3 Current and Previous Community Engagement

Current engagement undertaken by Council includes:

Audience/Technique
Customer requests
Community Satisfaction Survey
Budget information sessions
Community Action Plan

3.1.1.4 Community Engagement Plan

The community engagement proposed for the assets included in this plan is:

Audience/Technique
Customer requests
Community Satisfaction Survey
Budget information sessions
Community Action Plan

The outcomes from the engagement process are summarized below:

Audience/ Technique /Date	Expectations/comments/outcomes/issues
Customer requests	
Community Satisfaction Survey	Refer below

Community Satisfaction Survey Highest Ranking Responses:

Local Roads & Footpaths

- Roads

- More frequent/ better re-surfacing of roads 40
- More frequent/ better slashing of roadside verges 29
- Improve the quality of maintenance on roads and footpaths 28
- Improve standard of unsealed roads (loose gravel, dust, corrugations) 21
- Improve/More frequent grading etc of unsealed roads 19
- More frequent maintenance/ cleaning of roadside drains and culverts 15
- Quicker response for repairs to roads, footpaths or gutters 12
- More/ better roadside drains and culverts 9

Appearance of public areas

- More frequent/better street cleaning 47

Traffic management & parking facilities

- Parking
 - More parking facilities adjacent to shopping and business centres 43
 - More parking facilities/capacity 31
 - Poor traffic/parking management 12
 - More free parking/cheaper parking 10
 - More parking specifically allocated for residents 2
 - Improved parking management /more parking around schools 2
 - Less parking restrictions 2
- Traffic Control
 - Improve road signage - general (parking/speed/road works) 24
 - Improve traffic management at intersections 12
 - Improve traffic flow/congestion 5

3.1.2 Details of How Engagement Translates into Levels of Service

From the engagement process the key customer expectations relating to the assets included in this plan are:

- *Reasonably direct traffic routes between important centers of community interest;*
- *Ease of access to major traffic routes;*
- *Normal heavy vehicle traffic to be limited to Arterial Roads managed by VicRoads;*
- *Access to the Shire's road network by heavy vehicles to be limited to those necessarily using the Shire's roads and then for them to use only Link and Collector Roads other than when immediately accessing properties.*
- *Limited through access directed along residential streets;*
- *Minimal conflict between various road user groups/vehicle types (eg cars, trucks, motor cyclists, bicyclists, pedestrians, children and people with disabilities);*
- *Provision of suitable traffic control devices in dangerous locations especially where there is potential conflict between user groups (eg pedestrian crossings, road & street intersections);*
- *Adequate provision for people with disabilities, the aged, mothers with children, etc in relation to potential hazards and obstructions such as road crossings, location of street furniture, light poles, sign posts, etc.*

- *Road surfaces that create minimal adverse noise conditions in residential areas, are smooth riding, accessible & safe in all the prevailing local weather conditions (i.e. non-slippery when wet) and free-draining;*
- *Street lighting in urban areas provides good visibility at night;*
- *All road structures (eg. pavement base, surface, bridges, and traffic devices) to be maintained in a safe, workable condition;*
- *Street & roadside trees to be selected to maximise aesthetic benefit but with minimal ongoing problems with hazards caused by root movement & droppings (eg berries);*
- *Nature strips to be suitable for easy maintenance by adjoining property owners;*
- *Adequate provision of street signing to facilitate access for non-locals.*

Council engineers and technical officers in Local Government have traditionally worked to the provision of a level of service that is assumed to be expected by the community. During any future consultation process Council will test this assumption to make sure that it is correct or amend it accordingly.

3.2 Legislative Requirements

The Road Asset Management Plan and the Municipal Road Management Plan have been prepared in accordance with the following Acts, Regulations & Codes of Practice:

- Local Government Act, 1989
- Local Government (Best Value Principles) Act 1999
- Road Management Act, 2004
- Road Management Act 2004 Regulations – Road Management (Works and Infrastructure) – July 2005
- Ministerial Code of Practice – Road Management Plans - September 2004
- Road Management Act 2004 Code of Practice – Operational Responsibilities for Public Roads – December 2004
- Road Management Act 2004 Code of Practice – Management of Road & Utility Infrastructure in Road Reserves – December 2004

Pyrenees Shire Council is the designated ‘Co-coordinating Road Authority’ for municipal roads within the municipality and is responsible for their care and management.

Council must ensure that if a road is required for public traffic, it is kept open for public use, and may carry out work on the road. The Council is not obliged to do any specific work on the road and in particular is not obliged to carry out any surface or drainage work on an unmade road.

The Municipal Road Management Plan details the various legislative requirements, standards and codes of practice applicable to management of the road network. In addition, Legislation & Regulations impacting the levels of service provided and as a consequence incur additional cost in meeting their requirements include:

- Occupational Health & Safety Regulations
- Transport Act 1983
- Road Safety Act 1986
- Electricity Safety Act 1998

- Occupational Health & Safety Regulations
- Worksite Traffic Management (Roadwork's Signing)
- Working at Heights
- Confined Spaces
- 'No Go' Zone
- Plant Regulations
- Manual Handling
- Noise Regulations

Vegetation & Planning Controls

There are three levels of vegetation management controls in place, i.e. Federal, State and Local Government, and some of these requirements place a significant protection framework around native vegetation and more specifically remnant and indigenous species. As they stand, they create conflict between the Department of Sustainability & Environment's desire to retain environmentally important vegetation and road safety issues. This conflict will need to be addressed, most likely at State level as it impacts most if not all municipalities.

3.3 Current Levels of Service

3.3.1 Asset Functional Hierarchy

Hierarchy categories were developed during 2003 for the key road network assets of urban roads, rural roads and footpaths. Categories within the hierarchy have been based on the specific function of that category, the user types & numbers, and location.

(The need for a hierarchy review is necessary at this time and forms part of the Improvement Plan).

The purpose of developing hierarchy categories is to enable works to be prioritised & programmed in a rational manner when undertaking maintenance and defect remedial work. It provides a framework in which data are collected, information reported, and decisions made.

Road Hierarchy

Road Hierarchy Categories	Sub-Categories for Pyrenees Shire	Description of Categories
Category 5: Arterial VicRoads Responsibility		
Category 4: Link Roads (Currently named: 'Strategic Routes')	Link 1	<ul style="list-style-type: none"> • These provide the linkage between centres and they are supplementary to the arterial road system within the Shire. They generally have a relatively high truck count and provide access to major industries. • Generally > 100 vpd
	Link 2	<ul style="list-style-type: none"> • Carry moderate volumes of traffic and provide access by linking local areas to Link 1 and Arterial roads. • Caters for, but may restrain, Service & Heavy Vehicles.
	Collector – Sealed	<ul style="list-style-type: none"> • Carry moderate volumes of traffic and provide access by linking local areas to link and arterial roads. They also

Category 3: Collector Roads		<ul style="list-style-type: none"> provide links between the various collector roads. Non continuous connector (do not cross arterial roads) Limited through traffic (not promoted or encouraged)
	Collector – Gravel	<ul style="list-style-type: none"> Function as above but generally lesser traffic volumes and require higher level of maintenance than lesser gravel categories.
Category 2: Local Access Roads	Sealed Road	<ul style="list-style-type: none"> Relatively short distance travel to higher level roads Their primary function is to provide access to private properties.
	Gravel Road Class 1	<ul style="list-style-type: none"> Their primary function is to provide access to private properties.
Category 1: Low Maintenance Local Access Roads & Tracks	Gravel Road Class 2	<ul style="list-style-type: none"> Their primary function is to provide access to private properties but they have less traffic than Gravel Roads Class 1 (typically serving 3 dwellings or less); Maintained infrequently (less than annual); Single vehicle access and low speed, generally 30 kph
	Limited Access Track	<ul style="list-style-type: none"> Perform a very low order function as a limited use public access track; Maintained infrequently (less than annual) Single vehicle access and low speed, generally 10 kph
	Fire Track	<ul style="list-style-type: none"> Only maintained by Council where Council has agreed to do so as a community emergency service; Each road so designated will be agreed by Council decision and listed in a schedule on the Road Register as a Council maintained fire track
Others – Not a Council Responsibility	Fire Track & Crown Roads	<ul style="list-style-type: none"> In Crown or private ownership, so not a Council responsibility.
	Private Roads & Lanes	<ul style="list-style-type: none"> In private ownership/control, so not a Council responsibility.

Road Category	Function
Category 5: Arterial	VicRoads Arterials – Function is to carry the heaviest volumes of traffic, including commercial vehicles, and provides the principal routes for traffic flows in and around the municipality. These come under the jurisdiction of VicRoads and as such are not the responsibility of Council for maintenance of the road pavement & surface.
Category 4: Link	These provide the linkage between centres and they are supplementary to the arterial road system within the Shire. They generally have a relatively high truck count and provide access to major industries.
Category 3: Collector	Carry moderate volumes of traffic and provide access by linking local areas to link and arterial roads. They also provide links between the various collector roads. They should have limited through traffic (this is not promoted or encouraged).
Category 2 & 1: Local Access	Primary function is to provide access to properties and they cater for relatively short distance travel to higher level roads.
Non-Council Roads	These are private and crown roads not maintained by Council.

Note: Bridges, culverts, traffic facilities and kerb & channel have their hierarchies based on the road hierarchy with vehicular traffic. For the footpath hierarchy pedestrian traffic is the basis of usage volume.

Functional hierarchies applicable to assets included in this plan are:

Road Classification By Use:

Type	Description
High Traffic	N/A
Low Traffic	N/A

Roads Classification by Type:

Classification	Description
Urban	Roads with urban type cross section consisting of seal, kerb and channel and nature strip
Rural	Roads with rural type cross section consisting of seal, shoulders and table drains

3.3.2 Community and Technical Service Levels

Current asset based service levels are:

Customer Expectation	Indicator	Community Levels of Service		Technical Levels of Service	
		Community Measure	Target	Technical Measure	Target
Provide all weather access	Accessibility	Duration and frequency of road being impassable	Less than 4 hours when road is impassable at no more than 2 locations per year	Duration and frequency of road being impassable	Provide all weather access to link collector and local access 1 roads
Resident satisfaction of service	Service Quality	Annual Community Satisfaction Survey conducted by the Office of Local Government Periodic Customer Surveys undertaken by Council	TBA TBA	Carry out routine maintenance grading as per service level agreement Grading frequency (times per year) Provide services in cost-effective manner	<ul style="list-style-type: none"> Collector Gravel - 3 per year Local Access Gravel 1 – 2 per year Local Access Gravel 2 – 1 per year Maintenance cost \$/km To be reviewed annually with budget process.
Provide safe suitable roads, free from hazards	Safety	Number of injury accidents Reduction in the number of injury vehicle crashes recorded	Less than 20 per annum VicRoads Crash Statistics Annual reduction in recorded injury crashes	Regular defect & condition survey Provide clear safety signage	Less than 5% of signs with defects
Ensure that the road	Function	Customer service requests relating	Less than 2 per month		

meets user requirements for travel time and availability		to travel time and availability			
Council's response to various community raised issues ranging from calls about problems, response to and repair of problems, handling correspondence and service applications	Responsiveness	<p>(a) Provision of a 24 hour, 7 day per week call-out service to attend to issues;</p> <p>(b) percentage of calls that were responded to within the set time-frame;</p> <p>(c) percentage of repairs that are completed, including reinstatement, within the set time-frame;</p> <p>(d) acknowledge receipt of correspondence within 5 working days;</p> <p>(e) substantive response to correspondence within 10 days 95% of the time</p>	<p>(a) Available 100% of time</p> <p>(b) 100%</p> <p>(c) 100%</p> <p>(d) 100%</p> <p>(e) 100%</p>	Maintenance work is undertaken in compliance with the standards of service specified within the RM Plan, including the inspection programs and addressing defects in the prescribed manner	<p>Full compliance</p> <ul style="list-style-type: none"> ▪ Audits of the various programs; ▪ Analysis of response times in Public Request System database

At the same time, the community may well be strong advocates of the process if it can see a minimisation of maintenance costs arising from users groups that may be contributing little or nothing to the community which bears the cost.

4 FUTURE DEMAND

4.1 Demand Forecast

As stated in Section 4.1 on Demand Forecasting, population growth in the Shire resulting in an increase in any of the road infrastructure assets is unlikely under present circumstances for the foreseeable future.

What is a concern is the potential for development of new commercial and industrial sites that generate significantly increased volumes of heavy vehicles on specific roads.

The issue is that while the generation of new jobs and income for some within the community is important, the impact of increased maintenance on those roads can cause a significant financial burden to all ratepayers if these organisations do not contribute to the maintenance costs.

The additional loadings being placed on some of the road network is of real concern because it results in increased maintenance costs and premature failure of pavements, especially in wet periods

Businesses & industries that are traffic generators include:

- Forest Plantation harvesting – log trucks, intensive but finite duration each harvest;
- Grain storage & wine production – trucks, intensive but seasonal;
- Changes in cropping practices;
- Quarries – regular truck usage;
- Tourist buses

Council is currently under-funding the road network and to add to the burden is unreasonable. It is evident that new means of financing such traffic generators should be given serious consideration unless the community is prepared to accept a general rate increase for the additional maintenance burden or alternatively a reallocation of funds.

Means that have been utilised elsewhere in rural areas within Australia is by way of a road toll for specific road users (such as gravel hauliers & timber trucks) or industry controlled levies that are directed by that industry towards maintenance of the roads under pressure. The community may well seek higher levels of maintenance than currently provided. The community consultation process will establish this.

4.2 Demand Management Planning

4.2.1 The Need to Manage Demand

Council has to be able to sustain the level of maintenance & renewals of the road asset over the long term if it is to provide the community with the road network it wants. The community has to recognise that to do so requires funding.

Opportunities for funding are generally limited to income from Government Grants and from Council rates. Where practicable an alternative is perhaps an imposition of road tolls for special use groups that may be causing damage outside what is reasonable for the type of road being used.

The other alternative is to reduce maintenance costs. Reductions can result from use of improved work techniques and practices, new technology & materials, and also by reducing the level of service being provided.

If there is little opportunity to improve funding through the various sources, then the only practical option is to reduce levels of service.

Where new development or redevelopment is proposed within the Shire, any impacts that they may have on Council's infrastructure assets are considered with the development process, including application of appropriate infrastructure design standards. Input is sought from the Engineering Department so that conditions can be applied to address the impacts wherever practicable. It is vital that neighbouring Councils do consult with Pyrenees Shire when developments adjoining the municipal boundary may impact Pyrenees Shire infrastructure.

Other external factors & influences that may arise from Government actions, such as highway realignment proposals, are usually undertaken with consultation with the Shire so that impacts on Council's infrastructure assets can be addressed with the development and processing of the proposal.

External factors can also impact maintenance of Council operations such as changing environmental standards, community safety standards, OH&S, etc. These can all add to the cost of maintaining and operating Council infrastructure assets and must be accounted for in the annual budget process.

4.3 Future Demand Strategy

Council will take a proposal to the community, by way of a consultative process, with the premise that it should downgrade the hierarchy of specific roads within the Shire where it can be clearly demonstrated that there is a net financial benefit to Council, and therefore the community, of this downgrading.

The process of downgrading, if approved, will involve the implementation and enforcing of load limits as well as installation of some traffic devices to deter the passage of through traffic while still allowing full local access.

Any new developments will be examined closely as to their impact on the road network. In particular, input will be sought into development proposals in neighbouring municipalities that will use Pyrenees Shire roads in an endeavour to minimise or remove any negative impacts. Input is not intended to halt such developments but instead to seek to come to suitable arrangements to protect Pyrenees Shire ratepayers from subsidising developments where there is little or no return to offset costs of road maintenance arising from the proposed development. Such arrangements could include an annual payment to Council, a fee/toll levied against the usage, or perhaps a maintenance agreement whereby the business concerned takes over responsibility to maintain particular lengths of road to the standards as specified in the Pyrenees Shire Road Management Plan.

The actions are summarized:

Asset Category	Factor Influencing Demand	Impact on the service, cost, timing	Demand Management Plan: Actions

Identified actions requiring new and upgrade works are referred to the New & Upgrade Plan.

5 RISK MANAGEMENT

The identified risks associated with the assets included in this plan and the assessment of that risk and the controls proposed are listed in the Infrastructure Risk Register below:

VicRoads provides a regular report, updated on the Internet, of serious and fatal crashes on arterial as well as local Council roads. Council has no specifically dedicated traffic engineers to analyse this information so it undertakes any reviews in conjunction with VicRoads in order to determine remedial measure where required.

5.1 Risk Identification

5.1.1 Roads

Risk Event	Cause	Main Area of Impact	Controls
Early pavement failure	<ul style="list-style-type: none"> • Lack maintenance (reseals) • Flooding/water across road • Poor design (drainage/materials) 	Financial	<ul style="list-style-type: none"> • Maintenance programs for reseals and drainage maintained • Materials availability and knowledge • Pavement design • Specification standards • Works supervision and testing regimes • Load limits
Intersection accident	<ul style="list-style-type: none"> • Poor sight distance/injury • Ineffective/missing signs/devices • Inappropriate speed, priority or control (give way, stop) • Driver behaviour (speed, fatigue, drugs, alcohol) 	Public health & safety	<ul style="list-style-type: none"> • Risk assessment of street lighting • Speed limits in compliance with standards • Intersection control in compliance with standards • Participation in road safety programs (Roads Safety Plan, Road Safety Council) •
Customer complaints	<ul style="list-style-type: none"> • Maintenance • Road condition 	Image & reputation	<ul style="list-style-type: none"> • Customer request process

			<ul style="list-style-type: none"> • Maintenance inspections and works programming • Funding • Grant opportunities
Road closure and delays/diversions	<ul style="list-style-type: none"> • Flooding or water across the road • Fallen limb • Road works • land slippage • Wash outs 	Financial	<ul style="list-style-type: none"> • Maintenance programs for drainage maintained • Customer request process •
Emergency vehicle getting lost	<ul style="list-style-type: none"> • Ineffective, confusing, duplicated names, missing signs • Signs illegible 	Public health & safety	<ul style="list-style-type: none"> • Maintenance inspections and works programming • Introduce sign proliferation program • Introduce road safety audit/review program
Rural rail crossings accident	<ul style="list-style-type: none"> • Inadequate crossing control • Sight distance 	Public health & safety	<ul style="list-style-type: none"> • ALCAM inspections • Road Management Plan compliance • Maintenance inspections and works programming • Define responsibilities through interface agreement, • Seek funding upgrades
Vehicle damage	<ul style="list-style-type: none"> • Potholes, • Corrugated or rough surface • Edges, • Debris • Vegetation on road • Driveway entries • Endwalls • Speed humps 	Financial	<ul style="list-style-type: none"> • Maintenance inspections and works programming. • Customer request process • Compliance with design standards.
Off road accident (consider urban and rural level of risk separately)	<ul style="list-style-type: none"> • Shoulder drop-off • Road roughness/corrugations • Road design • Slippery material • Large stones/debris • Embankment • Ineffective/missing signs/devices 	Public health & safety	<ul style="list-style-type: none"> • Risk assessment road side barrier program undertaken • Maintenance inspections and works programming. • Participation in road safety programs (Roads Safety Plan, Road Safety

	<ul style="list-style-type: none"> • Slippery surface • Potholes • Road flooding, water across road 		<p>Council)</p> <ul style="list-style-type: none"> • •
Traffic delays	<ul style="list-style-type: none"> • Slow oversize vehicles 	Service delivery	<ul style="list-style-type: none"> • Network planning for truck routes. • Overtaking lanes.
Single on road vehicle damage or accident (consider urban and rural level of risk separately)	<ul style="list-style-type: none"> • Falling limbs • Straying stock • Water across road • Driver behaviour 	Public health & safety	<ul style="list-style-type: none"> • Participation in road safety programs (Roads Safety Plan, Road Safety Council) • Customer request process
Repairs required to bleeding sections of seal	<ul style="list-style-type: none"> • Reseal practices • Unexpected hot weather • Inaccurate traffic counts 	Financial	<ul style="list-style-type: none"> • Accurate, recent traffic counts program • Contract specifications includes timing of work in warmer months
Ill health	<ul style="list-style-type: none"> • Drifting dust • Dwelling location • Prevailing winds • Truck volumes 	Public health & safety	<ul style="list-style-type: none"> • Risk assessment with dust suppression maintenance program. •
Property damage	<ul style="list-style-type: none"> • Drifting dust 	Financial	<ul style="list-style-type: none"> • Risk assessment with dust suppression maintenance program.
Hazard from roadside dams	<ul style="list-style-type: none"> • Dam location • Road alignment • Dam depth 	Public health & safety	<ul style="list-style-type: none"> • Planning controls. • Risk assessment roadside barrier program.
Pedestrian crossing accident	<ul style="list-style-type: none"> • Unauthorised crossing • School crossing supervision • Ineffective/missing signs/devices • 	Public health & safety	<ul style="list-style-type: none"> • Compliance with current design standards. • Risk assessment with crossing upgrade undertaken. • Sign maintenance inspections and works programming.

5.1.2 Kerb and Channel

Risk Event	Cause	Main Area of Impact	Controls
Road damage from water not	<ul style="list-style-type: none"> • Water on road 	Service Delivery	<ul style="list-style-type: none"> • Design standards, pit spacing, design flow calculations.

flooding			
Bicycle hazard	<ul style="list-style-type: none"> • Edge drop off from asphalt surfacing • Movement of kerb and channel 	Public health & safety	<ul style="list-style-type: none"> • Asphalt overlay procedure
Scrapping from vehicle crossing	<ul style="list-style-type: none"> • Low vehicles • Non conforming crossing design 	Service delivery	<ul style="list-style-type: none"> • Procedure for correction of driveway.
Bicycle or pedestrian hazard	<ul style="list-style-type: none"> • Displacement of channel sections 	Public health & safety	<ul style="list-style-type: none"> • Maintenance inspections and works programming. • Condition survey and renewal program.
Property water damage	<ul style="list-style-type: none"> • Channel lack of capacity • Misalignment from trees, garbage trucks • 	Financial	<ul style="list-style-type: none"> • Design standards, pit spacing, design flow calculations. • Pre-inspection of building works and follow up. • Street tree selection options appropriate for location.

For the identified risks the assessment of that risk, the controls proposed and the treatment actions are detailed in the Infrastructure Risk Register Attachment.

5.2 Asset Criticality

Asset criticality addresses assets that are:

- Critical Assets: Assets with a high consequence (impact Major or Catastrophic) of failure

For the assets included in this plan:

5.2.1 Critical Assets

Description	Area of Impact	Actions to Address
None identified.		

5.2.1.1 List of Critical Assets:

- Nil

6 LIFECYCLE MANAGEMENT PLANS

6.1 Physical Parameters

6.1.1 Current Issues

Current issues influencing the assets included in this plan are:

- The satisfactory control of excavations and works on the road reserve by utility operators and contractors
- Management systems for controlling access to the network by over-weight / over-dimensional vehicles
- A key issue relates to varying pavement widths within each of the hierarchy categories. Historically, for whatever reason, pavement widths have varied along a length of road. As an example, the Beaufort-Carranballac Road, a Collector by category, has sealed pavement varying from 3.8 metres to 4.2 to 4.8 to 5.2 to 5.8 and finally 6.2 metres

6.1.2 Asset Quantities

The current quantity of assets is:

Summary of the quantum of road asset components

Asset Component	Length (km's)
Roads – Sealed	711.3
Roads – Gravel	743.19
Low Maintenance Roads & Tracks	554.88
Sub-Total Roads	2,009.7
Kerb & Channel	27.65
Road Component Total	

Road Lengths by Hierarchy Classification

Road Hierarchy Classification	Grade	Length	Percent Overall
Link Roads	4	260.07	12.9%
Collector Roads	3	455.96	22.8%
Local Access Roads	2	738.46	36.7%
Low Maintenance Roads & Tracks	1	554.88	27.6%
Total Seals across all classes		709.1	
Total		2,009.7	100.0%

Road Lengths by Surface Type

Road Surface Type	Length	Percent Overall
Roads – Sealed	711.3	35.4%
Roads – Gravel	743.19	37.0%
Low Maintenance Roads & Tracks	554.88	27.6%
Total	2009.7	100.0%

6.2 Asset Capacity/Performance

6.2.1 Assets Under-Capacity

Assets which are not achieving the current level of service are listed are:

Asset Category/Component	Level of Service Measure	Current Assets Under-Capacity

Identified assets are referred to the New and Upgrade Plan and Financial Summary for consideration in the Long Term New & Upgrade Works Program.

6.3 Asset Condition

6.3.1 Condition Monitoring - Asset Condition Survey Frequency & Responsibility

Condition surveys are conducting in accordance with the following program:

Asset Group Category		Inspection Interval
Hierarchy Category	Sub-Category	Condition Inspections (for Structural & Physical Integrity)
Roads		
Category 4:	Link Roads	3 Years for all categories
Category 3:	Collector Road – Sealed	
	Collector Road – Gravel	
Category 2:	Local Access Road – Sealed	
	Local Access Road – Gravel 1	
Category 1	Local Access Road – Gravel 2	
	Limited Access Track	
Fire Track		
Kerb & Channel		
Category 4 Roads:	Link Roads	5 Years for all categories
Category 3 Roads:	Collector	
Category 2 & 1 Roads:	Local Access Roads	

6.3.2 Condition Rating

The criteria and methodology for determining condition is:

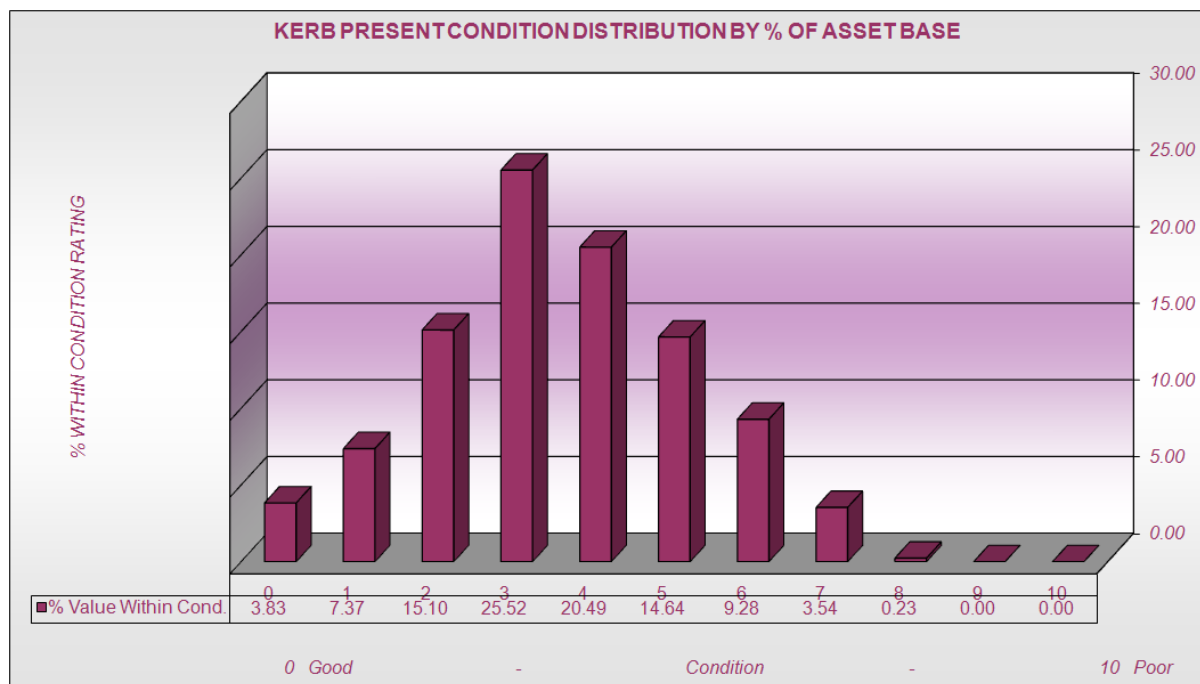
- Moloney Asset Management Systems

Guidelines for Condition Rating (Moloney) are included in the Appendices.

6.3.3 Current Asset Condition

The current condition of the assets is:

Sealed and gravel roads October 2011 Re-survey



Note: The quantities listed are correct only at the time of the development of this plan. Up to date information is obtained from the asset register.

6.3.4 Deterioration Curves

The basis for the adoption of the deterioration curves are:

Asset Component	Basis for Adoption of Deterioration Curve
All	Moloney default

6.3.5 Asset Useful Lives & Intervention Level & Basis For Adopting Useful Lives

The adopted intervention levels and useful life of the asset components are stated below, including the basis by which each was adopted:

Asset Component	Intervention level	Physical Life (years)	Useful Life (years)	Basis for Useful Life
Urban Roads Group - All Kerbs	8	70	67.9	Refer to Annual Valuations Justification Attachment
Rural Roads Group - Pavement (Low Traffic) Rural	8	70	66.5	
Rural Roads Group - Spray Seals (Low Traffic) Rural	8	15	14.6	
Rural Roads Group - Shoulder Pavement (Low Traffic)	8	20	19	
Unseal Road Group - Pavement (High Traffic) Unsealed	8	20	19	
Unseal Road Group - Pavement	8.5	30	29.1	

(Low Traffic) Unsealed				
------------------------	--	--	--	--

6.3.6 Historical Asset Condition

The results of previous condition surveys plus comments and the trend are:

Asset Component	Survey Year/ Result	Survey Year/ Result	Survey Year/ Result	Comments/Trend

6.3.7 Age Profile

Age profile graphs are provided:

Summarized below

Insert graphs

Note: The quantities listed are correct only at the time of the development of this plan. Up to date information is obtained from the asset register.

Detailed in the following document:

6.4 Asset Valuations

The valuation, or replacement cost, of the assets used for financial reporting are:

Asset Component	Brownfield rate \$/unit	Unit	Fair value rate \$	Brownfield Differs Fair Value?	Basis for difference/ comments
Urban Sealed Pavement	Refer section 6.7.4.1				Refer to Annual Valuations Justification Attachment
Urban Sealed surface					
Kerb & channel					
Road Formation					
Rural Sealed Pavement					
Rural Sealed surface					
Shoulders					
Unsealed Road Pavement					
Traffic control / Road Related Infrastructure					
Car park pavement					
Car park seal					

6.4.1 Total Asset Valuation

Asset Component	Brownfield \$	Greenfield \$
Urban Sealed Pavement		
Urban Sealed surface		
Kerb & channel		
Road Formation		
Rural Sealed Pavement		
Rural Sealed surface		
Shoulders		
Unsealed Road Pavement		
Traffic control / Road Related Infrastructure		
Car park pavement		
Car park seal		

6.5 Historical Data

Important or relevant historical data applicable to the assets included in this plan are:

Asset Category/Component	Available Historical Data	Location

6.6 Routine Maintenance Plan

Council Procedure No. AID-09-60, lists the various defects that are likely to occur in the road network.

Roads maintenance activities included in the budget:

- Sealed Roads
 - Sealed Routine Maintenance
 - Sealed Shoulder Grading
- Unsealed Roads
 - Unsealed routine Maintenance
 - Unsealed Dust Suppression
- Traffic Control
 - Traffic Sign Maintenance
- Footpaths Kerb & Channel & Shared Walkways
 - Kerb & Channel Exp
- Other Local Roads
 - Bus Shelter Exp

Maintenance Service Agreement

Council has a Road Maintenance Service Agreement, the purpose of which is to establish the key parameters relating to the management of maintenance of the Shire's roads.

The Technical Specification adopted in 2005 was Aus-Spec #4 and it is the basis of the Maintenance Service Agreement document for maintenance of municipal infrastructure assets within the road reserve.

The Aus-Spec document outlines:

- Location and description of maintenance work;
- Assigns maintenance responsibilities;
- Defines the extent of the work;
- Defines the period of the Agreement;
- Defines the standards to be used.

Prior to the introduction of Aus-Spec #4, Council Procedure AID-09-60 was the operative document.

Maintenance Activities

This section in the Agreement outlines traffic management practices relating to handling of traffic in the vicinity of the work, environment and heritage protection management and also exception reporting of incidents and emergencies.

Activity specifications outline the detail of what is required to undertake the specific work activity. It includes the following: Activity definition (what work is included)

- Performance distress & defects (what we look for)
- Performance criteria (why we do it)
- Performance standards (what is required)
- Work unit (the measurement of the work undertaken such as sq. metre)
- Special requirements (if necessary)
- Checklist
- Comments (anything of relevance to good performance of the work)
- Work locations (for site identification & costing purposes)
- Intervention levels for defects & response times in accordance with the relevant hierarchy classification.

Administrative Arrangements – Service Level Agreement

Currently there is no audit process to ensure that maintenance works are being conducted in accordance with the Maintenance Service Level Agreement. This needs to be addressed as soon as practicable.

Demarcations with Other Road Authorities

Where there are maintenance demarcation agreements defining limits of responsibility on municipal roads between Pyrenees Shire Council and VicRoads, neighbouring Council areas, Department of Sustainability & Environment or any private organisation, the following schedules list the roads affected.

Details of these agreements will be listed in the Road Register as they are finalised. In the case of shared municipal assets such as bridges/major culverts, half the cost of required capital works or periodic maintenance is provided from each Municipality. The contributing

Council is to be notified in advance in order to be able to program its share of funding in the annual budget. Routine maintenance costs are absorbed by the responsible Council.

In the instance of maintenance of shared boundary roads (i.e. boundary line runs down the centre of the road), the preferred practice of Pyrenees Shire Council is that the various road lengths are divided on an equitable costing and accessibility basis to one or other council who will then be responsible for the maintenance of that length.

Issues relating to VicRoads are generally outlined in the Ministerial Code for Operational Responsibilities for Declared Freeways and Arterial Roads and for specific arrangements with Pyrenees Shire and VicRoads, in the Instrument of Delegation between VicRoads and Council.

Typical demarcation issues where council is often thought to have sole responsibility are listed in the following table:

Issue	Agreement with	Responsibilities
Street Lighting	Electricity Supply Authority	Asset owned by the Authority; Council pays annual charge.
Municipal Roadside Vegetation	Dept. Sustainability & Environment, DSE	Remnant vegetation controlled by DSE not Council.

Agreements with other bodies are as shown in the following tables.

Table A. Neighbouring Councils

Road	Asset	Size	Joint Council	Maintenance Responsibility
Middle Creek Rd Nth from Ballyrogan Road to Fiery Ck	Road	Ch 0.00 - 1.64km	Ararat Rural City Council	Ararat Rural City Council
Middle Creek Road @ Fiery Creek	Bridge	16.5 x 4.7m 1 Span Composite	Ararat Rural City Council	Ararat Rural City Council
Willowtree Rd, @ Middle Creek	Bridge	9.0 x 5.3m 1 Span Concrete	Ararat Rural City Council	Pyrenees Shire Council
Waldrens Rd, north from Western Hwy	Road	Ch 0.00 - 2.80km	Ararat Rural City Council	Pyrenees Shire Council
Coxs Rd off Mile Post Rd to Andersons Rd	Road	0.61km	Ararat Rural City Council	Ararat Rural City Council
Andersons Rd, Mile Post Rd to	Road	Ch 0.00 - 3.40km	Ararat Rural City Council	Ararat Rural City Council

Entry of National Park				
Elmhurst - Glenpatrick Rd @ Wimmera River	Bridge	13.1x 4.2m 1 Span Concrete	Ararat Rural City Council	Ararat Rural City Council
Crowlands-Eversley Rd @ Wimmera River	Bridge	42 x 3.55m 3 Span Composite	Ararat Rural City Council	Ararat Rural City Council
Nerrin Nerrin Rd South from Glenelg Hwy	Road	Ch 0.00 - 4.40km	Ararat Rural City Council	Ararat Rural City Council
Eurambeen Streatham Road south of Meadows Lane	Road	Ch 17.65 - 28.12km	Ararat Rural City Council	Pyrenees Shire Council
Eurambeen Streatham Road North of Glenelg Hwy	Road	Ch 28.12 - 38.56km	Ararat Rural City Council	Ararat Rural City Council
Waubra - Beaufort Rd	Road	Ch 00 - 2.15km	Ballarat City Council	Pyrenees Shire Council
Waubra-Talbot Rd	Road	Ch 00 - 4.33km	Ballarat City Council	Pyrenees Shire Council
Waubra-Talbot Rd	Road	Ch 4.33 - 7.94km	Hepburn Shire Council	Pyrenees Shire Council
Wilsons Rd	Road	Ch 4.40 - 4.59km	Central Goldfields Shire	Cntrl Goldfields Shire
Mia Mia Rd	Road	Ch 0.00 - 1.61km	Central Goldfields Shire	Cntrl Goldfields Shire
Lillicur Rd @ Bet Bet Creek	Bridge	Ch 1.62km	Central Goldfields Shire	Cntrl Goldfields Shire
Wareek - Homebush Rd	Road	Ch 2.18 - 3.37km	Central Goldfields Shire	Cntrl Goldfields Shire
Gordon Rd	Road	Ch 0.0 - 1.40km	Central Goldfields Shire	Pyrenees Shire Council
Avoca - Dunolly Rd	Road	Ch 1.70 - 2.8km	Central Goldfields Shire	Pyrenees Shire Council
Avoca - Dunolly Rd	Road	Ch 2.80 - 3.90km	Central Goldfields Shire	Cntrl Goldfields Shire
McArdles Lane	Road	Ch 2.78 - 3.35km	Central Goldfields Shire	Pyrenees Shire Council
Ross Boundary Rd	Road	Ch 0.00 - 2.24km	Central Goldfields Shire	Pyrenees Shire Council
Smiths Rd	Road	Ch 0.00 - 1.70km	Northern Grampians Shire	Pyrenees Shire Council
Moyeresk Rd	Road	Ch 4.39 - 5.30km	Northern Grampians Shire	Pyrenees Shire Council
Bandts Rd	Road	Ch 0.00 - 1.00km	Northern Grampians Shire	Nth.Grampians Shire
Hines Rd	Road	Ch 0.00 - 1.60km	Northern Grampians Shire	Nth.Grampians Shire
Baines Rd	Road	Ch 0.00 - 0.74km	Northern Grampians Shire	Nth.Grampians Shire
Nobys Lane	Road	Ch 0.00 - 4.39km	Northern Grampians Shire	Nth.Grampians Shire
Wattle Creek Rd (West)	Road	Ch 0.00 - 0.49km	Northern Grampians Shire	Pyrenees Shire Council
Traevan Rd	Road	Ch 0.00 - 0.54km	Northern Grampians Shire	Nth.Grampians Shire
Slorachs Rd	Road	Ch 0.00 - 1.19km	Northern Grampians Shire	Pyrenees Shire Council
Joel Joel Rd	Road	Ch 1.53 - 3.54km	Northern Grampians Shire	Pyrenees Shire Council

Table B. VicRoads

Road	Asset	Length (km's)	Maintenance Responsibility
------	-------	---------------	----------------------------

Western Highway	Road		VicRoads
Glenelg Highway	Road		VicRoads
Sunraysia Highway	Road		VicRoads
Maryborough - St Arnaud Rd	Road		VicRoads
Stawell - Avoca Rd	Road	30.16	VicRoads
Ararat - St Arnaud Rd	Road	31.17	VicRoads
Lexton - Talbot Rd	Road	14.57	VicRoads
Beaufort - Lexton Rd	Road	24.5	VicRoads
Beaufort - Skipton Rd	Road	28	VicRoads
Ballarat - Carngham Rd	Road	7.11	VicRoads

Table C. Department of Sustainability & Environment, DSE

Notification of intention to clarify responsibility with DSE to resolve maintenance responsibilities between Council and the Department have been instigated by Council and we are waiting of a response.

Road	Asset	Length (km's)	Maintenance Responsibility
Glenlofty Warrenmang Rd	Road	4.95	DSE

* This table to expanded as information becomes available from DSE

Table D. Private Organisations/Businesses

Investigations will be undertaken to identify any relevant organisations with who Council need to resolve maintenance responsibilities between Council and these organisations.

Road	Asset	Length (km's)	Maintenance Responsibility

6.6.1 Defect Inspections

In conjunction with the inspection programs, Council has robust risk management policies and processes in place to mitigate against public liability claims. This is outlined in Council's Risk Management Strategy.

Inspections shall be undertaken in accordance with the requirements outlined below in terms of inspection type, purpose, who it is to be performed by and the reporting requirements.

In instances such as unsealed pavements of Category 1 roads, inspections are only undertaken after a request has been received through the Public request system advising of a particular problem. If the request is deemed to be of a significantly serious nature, an inspection will be made and a risk assessment made to ascertain whether or not remedial action is required, including placement of warning signs.

Maintenance defect inspections are scheduled as below:

Asset Group Category		Inspection Interval
Hierarchy Category	Sub-Category	Programmed Inspections
Roads		
Category 5:	Primary Arterial	VicRoads responsibility
Category 4:	Link Roads	8 weeks
Category 3:	Collector Road – Sealed	16 weeks
	Collector Road – Gravel	16 weeks
Category 2:	Local Access Road – Sealed	16 weeks
	Local Access Road – Gravel 1	16 weeks
Category 1	Local Access Road – Gravel 2	No inspection, respond to complaints only
	Limited Access Track	No inspection, respond to complaints only
	Fire Track	No inspection, respond to complaints only
Kerb & Channel		
Category 4 Roads:	Link Roads	
Category 3 Roads:	Collector	12 months all categories
Category 2 & 1 Roads:	Local Access Roads	

Inspection of Signs

The following are the normal types of signs erected within the Shire:

- Regulatory Signs
- Warning Signs:
- Direction Signs:
- Tourist and Services Signs:
- Traffic Instructions Signs:
- Information Signs:
- Pavement Markings

The current limitations on resources available place limitations on undertaking formal, documented inspections of signs. However signs are inspected as part of the routine road inspection program and any that are observed as being outside limits of tolerance are programmed for attention.

It is necessary for the Shire to rely on advice from the community or council personnel, by way of the Public Request System, of locations where it has been observed that a sign may not be performing to the level of service for which it was intended.

6.6.2 Prioritisation of Maintenance Works

Defects are prioritized in accordance with the established criteria. The criteria for prioritising defects is:

Summarised below.

Detailed in the Appendices.

Detailed in Council's Maintenance Management System.

6.6.3 Defect Response Times

Defects will appear although for a period they will be within the range that is considered "tolerable". Funding simply will not allow every defect to be remedied as soon as it appears therefore in time that defect will go beyond the tolerable stage. The point of transition from tolerable is called the "intervention level".

Response times will vary in accordance with the hierarchy classification of the asset in which the defect lies.

Defect response times are applicable to the following defects:

Asset Component	Defect	Response Times Apply
		<i>Refer to RMP/not applicable/target only applies</i>
		Refer Standards & Specification Table below

6.6.4 Standards and Specifications

The Level of Service (LOS) set out in the **Road Maintenance Service Agreement** specifies the requirements for management of the municipal public road asset. The LOS takes into account: Delete as reference to LOS

- Community views and values
- Industry standards
- The need to provide a road network that is safe for all users
- Ability of Council to fund maintenance activities.

The following matters have been taken into account with development of the maintenance standards:

- (a) **Road condition surveys** – periodic surveys to monitor road pavement, road surfacing, structure, and roadside condition at specified intervals depending on the asset, its condition at the previous survey, the volume and nature of road usage (hierarchy classification), and any risk to safety.
- (b) **Routine maintenance inspections** – regular inspections, as part of the day-to-day maintenance of the road network, to monitor asset condition against intervention standards and asset safety. Inspection intervals have been determined having regard to the particular road asset element, the type, volume and nature of road usage, and the resources available.
- (c) **Routine maintenance standards** – routine maintenance and repair functions and standards, based on agreed asset performance targets, and intervention standards and actions (based on risk assessment) for a particular asset element (eg. road, footpath, bridge) and road type. Standards vary across the road network in line with the designated road hierarchy and relevant risk factors such as traffic volumes, composition of traffic, operating speed, the susceptibility of assets to deterioration, the cost effectiveness of repairs, and competing priorities for funding.
- (d) **Repair and maintenance works** – routine maintenance and repair works are undertaken within a specified reasonable period of time having regard to intervention action priorities, and to specified standards.
- (e) **Temporary measures** – temporary works to be undertaken to reduce the risk of an incident until such time as maintenance or repair works can be completed. Response times and measures (eg. warning signs, flashing lights, and safety barriers) are determined based on the risk to safety and the type, volume and nature of road usage.
- (f) **Emergency works** – works required to be undertaken immediately outside routine works programs to ensure the safety of road users and the public as a result of emergency incidents. Emergency works include traffic incident management, responses to fires, floods, storms and spillages, and assistance under the Victorian State Emergency Response Plan & Municipal Emergency Management Plan.

This **Road Asset Management Plan**, having regard to the matters (a) to (f) above, establishes schedules of asset defect intervention levels for different categories of public roads & footpaths for which Council has operational and/or maintenance responsibility.

The hierarchy of roads & footpaths is used as the basis for determining the various standards across the road network in line with relevant risk factors, while having regard to the type, volume and nature of road usage.

Where there has been under-funding of maintenance and it continues for any length of time, it will result in more rapid deterioration of the asset therefore reducing its intended life-span. This will bring forward the need to fund replacement or renewal. Generally the unit cost of replacement or renewal of an asset is considerably more expensive than the cost to maintain it. This will place greater demand on Council's financial resources or alternatively Council will need to reduce the level of service.

NB: Intervention Levels shown must conform to those in the Road Management Plan and within Council Procedure No. AID-09-60.

INTERVENTION LEVELS – SEALED ROADS					
Service Code	Item	Defect Levels when Intervention is Required	Cat.	Target Rectification Response Time	Unit
PH	Pothole Patching	Repair if conditions are wet and the hole is unsafe or likely to deteriorate. In dry conditions, repair if hole >35mm deep or 400mm diameter.	4	Within 5 working days	m ²
			3	10 working days	m ²
			2	15 working days	m ²
			1	No sealed Category 1	
WR	Wheel Rutting	Regulate if >50mm (Cat 4) or 75mm (Cat 3/2) deep under a 1.2m straight edge. Areas >25m ²	4	8 weeks	m ²
			3	16 weeks	m ²
			2	16 weeks	m ²
			1	No sealed Category 1	
CSR	Crack Sealing	Fill all cracks >10 mm wide and a length > 2.0m	4	6 weeks	M
			3	12 weeks	M
			2	12 weeks	M
			1	No sealed Category 1	
MR	Minor Reseals	If stripping >10m ² & stone loss >50% without pavement failure.	4	4 weeks	m ²
			3	12 weeks	m ²
			2	12 weeks	m ²
			1	No sealed Category 1	
DP	Depressions	Regulate if >50mm (Cat 4) or 75mm (Cat 3/2) deep under a 1.2m straight edge. Areas >25m ² .	4	8 weeks	m ²
			3	16 weeks	m ²
			2	16 weeks	m ²
			1	No sealed Category 1	
SW	Sweeping	Any area > 40m ² that has built up that is visible in the travel path and/or is a potential hazard to vehicles or pedestrians.	4	4 weeks	hours
			3	16 weeks	hours
			2	16 weeks	hours
			1	No sealed Category 1	
ER	Edge Repair	Repair Edge of break >150mm laterally.	4	10 working days	m
			3	3 weeks	m
			2	4 weeks	m
			1	No sealed Category 1	
PF	Pavement Failure (digouts)	When area is cracked & deformed and likely to deteriorate. Areas <25m ² and > 50mm deep (Cat 4), > 75mm deep (Cat 3/ 2) under a 1.2m straight edge.	4	4 weeks	m ²
			3	12 weeks	m ²
			2	16 weeks	m ²
			1	No sealed Category 1	
WL	Weed & sucker Control	Weeds & suckers obstructing vision of motorists at intersections and curves to be removed.	4	4 weeks	m ²
			3	12 weeks	m ²
			2	12 weeks	m ²
			1	No sealed Category 1	
TR	Tree Removal	Any trees or branches within a 4.9m (Cat 4) or 4.0m (Cat 3/2) canopy above the traffic lane and within 2.4m (Cat 4) or 1.0m (Cat 3/2) of a traffic lane and is causing a hazard.	4	4 weeks	hours
			3	16 weeks	hours
			2	16 weeks	hours
			1	No sealed Category 1	
R	Rubbish	Free road carriageway of all domestic, commercial rubbish, waste, animal carcasses.	4	No gravel Category 4	
			3	48 hours	hours
			2	5 working days	hours
			1	No action	hours

E	Emergency	When any call is received which reports public safety in jeopardy. Includes all work arising from emergency incidents including flood, fires, storms, traffic accidents to ensure the safety of the public and protection of the asset.	4	4 hours	hours
			3	4 hours	hours
			2	4 hours	hours
			1	No sealed Category 1	

INTERVENTION LEVELS – GRAVEL ROADS INCLUDING UNSEALED URBAN ROADS					
Service Code	Item	Defect Levels when Intervention is Required	Cat .	Target Rectification Response Time	Unit
GPP	Pot Holes	Frequency of holes 75mm deep or 400mm diameter is equal to or greater than: <ul style="list-style-type: none"> ▪ Category 3 roads - 5% of road area in any 100m section; ▪ Category 2 roads - 10% of road area in any 250m section 	4	No gravel Category 4	
			3	4 weeks	m ²
			2	12 weeks	m ²
			1	Annual	m ²
WR	Rutting	Rutting concentration for a length of road & average depth not exceeding 75mm: <ul style="list-style-type: none"> ▪ Category 3 roads - 5% of road area of 10m² in any 100m²; ▪ Category 2 roads - 10% of road area of 50m² in any 100m² 	4	No gravel Category 4	
			3	4 weeks	m ²
			2	16 weeks (grader cycle)	m ²
			1	Annual	m ²
C	Corrugations	Corrugation concentration for a length of road & average depth not exceeding: <ul style="list-style-type: none"> ▪ Category 3 roads - 75mm for 10% of road area in any 100m length & within 30 m of an intersection; ▪ Category 2 roads - 75mm for 20% of road area in any 100m 	4	No gravel Category 4	
			3	4 weeks	m ²
			2	16 weeks (grader cycle)	m ²
			1	Annual	m ²
SS	Slippery Surface	Any Part	4	No gravel Category 4	
			3	5 working days	m ²
			2	4 weeks	m ²
			1	No action	m ²
SC	Surface Scour	Area if long or transverse scouring exceeds 75mm depth: <ul style="list-style-type: none"> ▪ Urban gravel roads 25 m² ▪ Category 3 rural roads 25 m² ▪ Category 2 rural roads 50 m² 	4	No gravel Category 4	
			3	4 weeks	m ²
			2	16 weeks	m ²
			1	No action	m ²
LOM	Loss of Material	Subgrade with 20% or more of area showing loss of material in any 100m length:	4	No gravel Category 4	
			3	16 weeks	m ²
			2	16 weeks	m ²
			1	No action	m ²
IH	Isolate Hazards	All hazards to be marked –	4	No gravel Category 4	

		devices Hazards Include flood, fires, storms, traffic accidents to ensure the safety of the public and protection of the asset.	3	4 hours	hours
			2	4 hours	hours
			1	4 hours	hours
FD	Foundation Defects	Heaving or settlement of road surface area: <ul style="list-style-type: none"> ▪ Category 2 roads > 100mm deep or high for >5m²; ▪ Category 3 roads > 100mm deep or high for >10m² 	4	No gravel Category 4	
			3	4 weeks	m ²
			2	8 weeks	m ²
			1	No action	m ²
CC	Culverts	Waterway to be free, water build up less 50mm above I.L.	4	No gravel Category 4	
			3	Annually	m
			2	Annually	m
			1	As required	m
TDR	Table, Mitre & Open Drains	Covers all unlined open drains, catch drains, spoon drains, table drains and waterways that contribute to the structural integrity of the roadway. No build up - free to drain.	4	No gravel Category 4	
			3	Annually	m
			2	Annually	m
			1	As required	m
R	Rubbish	Free road carriageway of all domestic, commercial rubbish, waste, animal carcasses.	4	No gravel Category 4	
			3	48 hours	hours
			2	5 working days	hours
			1	No action	hours
TB	Trees & Branches	Any trees or branches within a 4.9m (Cat 4) or 4.0m (Cat 3/2) canopy above the traffic lane and within 2.4m (Cat 4) or 1.0m (Cat 3/2) of a traffic lane and is causing a hazard.	4	No gravel Category 4	
			3	16 weeks	km
			2	16 weeks	km
			1	As required	km

6.6.5 Basis for Future Maintenance Costs

Identification of Maintenance Costs by Hierarchy

With the introduction of the hierarchy classification of assets, the General Ledger's Chart of Accounts should be restructured as soon as practicable to allocate funds to specific key maintenance activities in order to monitor expenditure.

Improvement Action: 1 Restructure the chart of accounts to allocate funds to specific key maintenance activities

These allocations can be monitored by Council through the budget process to ensure the community is getting the best from its assets.

Future maintenance costs are extracted directly from the model Asset Graphs results and are summarized in the Financial Projections Attachment.

6.7 Renewal Plan

6.7.1 Renewal Capital Works Programs

Current renewal capital works programs listed in the general ledger are:

- Rural Sealed Road Rehabilitation Program (R2R Program & Country Roads & Bridges Initiative)
- Reseals Program
- Gravel Resheet

6.7.2 Renewal Priority Ranking

The criteria for ranking renewal projects is stated below:

6.7.2.1 Rural Sealed Road Rehabilitation Program (R2R Program & Country Roads & Bridges Initiative)

Priority: Projects are prioritized on a basis of:

- Condition above intervention
- Hierarchy

6.7.2.2 Reseals Program

Priority: Reseals on sealed roads are prioritized on a basis of:

- Condition rating above intervention
- Hierarchy

6.7.2.3 Gravel Resheet

Priority: Projects are prioritized on a basis of:

- Condition (depth of gravel)
- Hierarchy
- Safety considerations (location, alignment)

6.7.3 Treatment Options

Treatment options that are available are summarized below:

Asset Component	Treatment Option	Comments (why used, not used)
Gravel roads	The current method over recent years of addressing rehabilitation of gravel roads has arisen as a consequence of funding constraints.	As the life of a gravel road pavement within the Shire is limited to a range of from 10 to 20 years, the means used for rehabilitating the pavement is by utilization of the gravel resheeting program. When gravel resheeting work occurs, the opportunity is taken to also provide some limited additional work. This includes improving the road profile & roadside drainage. Resheeting is funded as a Capital expenditure.
Local Access Roads & Fire Tracks	There is no rehabilitation involved with local access tracks & fire tracks. Any	

	work on these is limited to maintenance work.	
Sealed roads	Stabilization	It can be cheaper to replace than to provide new construction. An example of this is where stabilization techniques can be used in conjunction with recycling the existing pavement. This minimizes the volume of gravel to be carted to the site.

6.7.4 Basis for Future Renewal Costs

6.7.4.1 Renewal Modeling - Renewal Rates

The Moloney Asset Sets used and the renewal rate and the basis and assumptions by which the rate has been adopted are detailed below.

Asset Component	Corresponding Standard Moloney Set	Renewal Rate/unit	Basis for Renewal Rate
Urban Sealed Pavement	Included in Rural	N/a	Refer to Annual Valuations Justification Attachment
Urban Sealed surface	Included in Rural	N/a	
Kerb & channel	Urban Roads Group - All Kerbs	\$82.10	
Road Formation	Not modeled	N/a	
Rural Sealed Pavement	Rural Roads Group - Pavement (Low Traffic) Rural	\$39.80	
Rural Sealed surface	Rural Roads Group - Spray Seals (Low Traffic) Rural	\$4.10	
Shoulders	Rural Roads Group - Shoulder Pavement (Low Traffic)	\$0.70	
Unsealed Road Pavement	Unseal Road Group - Pavement (High Traffic) Unsealed	\$19.00	
	Unseal Road Group - Pavement (Low Traffic) Unsealed	\$9.00	
Traffic control / Road Related Infrastructure	Costs included in Pavement	N/a	
Car park pavement	Costs included in Pavement	N/a	
Car park seal	Costs included in Sealed Surface	N/a	

The Moloney Asset Sets are not used:

Standard Moloney Set Not Used	Reasons for Not Being Used
Urban Roads Group - Pavement (High Traffic) Urban	Small quantities of urban roads, asphalt and car parks does not warrant separate assessment.
Urban Roads Group - Pavement (Low Traffic) Urban	
Urban Roads Group - Asphalt Seal (High Traffic) Urban	

Urban Roads Group - Asphalt Seal (Low Traffic) Urban	No High Traffic roads.
Urban Roads Group - Spray Seal (High Traffic) Urban	
Urban Roads Group - Spray Seal (Low Traffic) Urban	
Rural Roads Group - Pavement (High Traffic) Rural	
Rural Roads Group - Spray Seals (High Traffic) Rural	
Rural Roads Group - Shoulder Pavement (High Traffic or Narrow Seal)	
Carparks - Carpark Pavements	
Carparks - Carpark Seal	

6.7.4.2 Renewal Demand and Renewal Gap

The current renewal demand and renewal gap is detailed in the Financial Projections Attachment.

6.7.4.3 Proposed Renewal Funding Solution

Based on the advice of the available funding the renewal funding solution is detailed in the Financial Projections Attachment.

6.8 New and Upgrade Plan

The Shire is cognisant of the difficulty for funding the existing road network asset, both maintenance and renewals, therefore is very cautious about undertaking creation of new assets. Provision of new works fall into the following categories depending upon the extent and type of works:

- Council funded, or
- Developer funded as part of subdivisional development, or
- Contribution to the cost by either the developer and/or Council.

Where possible, developers of new subdivisions are required, as part of the development approvals process, to provide the basic road infrastructure to the standard appropriate for that development.

There are occasions when Council is required to upgrade an asset because of changed usage requirements. In such instances, the project is scrutinised closely by officers and is dealt with as part of the annual budget process.

New and Upgrade programs may be identified:

- From a relevant Service Plan,
- Current issues discussion,
- Under-capacity analysis,
- Assessment of future demand, and
- Risk assessment.

6.8.1 Future New and Upgrade Programs Identified in this Plan

Potential programs are:

- ~~Urban Gravel to Seal~~

- ~~Rural Gravel to Seal Program~~
- ~~Kerb and Channel New Construction~~
- ~~New Roads Program~~
- Road Safety Improvements
- On-Road Bicycle Paths
- ~~New/upgrade Car Parks~~
- New Signs
- Minor Works

All new and upgrade projects are initially prioritized based on the Capital Evaluation Model assessment.

6.8.2 Future New and Upgrade Costs

Summary:

Asset	Project/Program Identified/source	Timing	Cost

6.9 Operations Plan

Operations activities listed in the general ledger are:

- Sealed Roads
 - Sealed roads inspections
- Unsealed Roads
 - Unsealed Roads inspections
- Traffic Control
 - Traffic Control
 - School Crossings
- Street Cleaning
 - Street Cleaning
- Gravel Pits
 - Gravel Restoration

Operational activities and costs are included in with maintenance costs.

Based on the low cost and impact of the operational activities there is no benefit in separately costing operations.

6.9.1 Current Operations Programs

Current asset operations costs are:

Operations Cost	Annual Cost
Current Operations Programs	N/a

6.9.2 Operations Future Costs

Identified potential changes in operating costs are detailed in the Financial projections Summary.

6.10 Disposal Plan

There are at present no road, footpath or kerb & channel assets within the Shire under Council jurisdiction that are proposed for disposal without replacement.

Disposal of roads could occur where they are:-

- Requested by residents and approved by Council;
- Handed over or back to a private interest of other authority; or
- Where utilisation studies specifically demonstrates that insufficient or no use is occurring, and the continuing existence of the asset is not justified.

Generally a road, including the seal and base material, is 'disposed of' at the time of reconstruction. At that time, some or all of the material is removed and recycled or disposed of as part of the reconstruction process.

Council's asset records are adjusted to reflect the change in asset value as a result of reconstruction and the creation of a 'new' asset with a higher value than the one replaced. The costs of disposal are included in the renewal works cost projections. There is generally no income stream from disposal as there is a limited market for used road materials which may be recycled into construction material.

6.10.1 Forecast Disposal of Assets

Potential rationalisation/disposals identified are:

Asset	Source/Justification for Disposal	Timing
	Nil	

Disposal Costs are summarized in the Financial Projections Summary.

7 FINANCIAL PLAN

7.1 Financial Statements and Projections

Financial projections are summarized in this section for:

- Maintenance
- Renewal
- Operations, and
- Disposal

The predicted projections are summarized in the Financial Projections Attachment.

New and Upgrade projects listed in 6.9.1 are referred to Capital Evaluation.

7.2 Funding Strategy

Council's funding capacity is heavily reliant on Federal and State funding through such bodies as Auslink, Roads to Recovery, Better Roads etc. which enhance the funds received through the municipal rates base. Council will continue to work with the above mentioned bodies, as well as provide appropriate information linked to funding agencies such as;

- DOTARS
- Vic Roads
- Department of Victorian Communities
- Victorian Grants Commission

In addition to the above conventional methods, any upgrade of existing infrastructure should be investigated as possible shared cost initiative with relevant stakeholders

Benefit of Reducing Road Network Costs

- Extends the life of the pavement/surface;
- Reduces replacement cost;
- Reduces maintenance cost;

Ideally while still performing to the community's expectation

Means of Reducing Costs

If the Hierarchy classification of a road is reduced it will cause a corresponding reduction in maintenance costs as well as renewal costs. However any downgrading of hierarchy needs to be considered in conjunction with the introduction of load limits.

Placing of load limits has the following consequences:

- Causes heavy trucks to move to more suitable roads, preferably VicRoads maintained roads intended for heavy vehicles
- Local users can get permits and that is controlled by the Shire
- On boundary roads with traffic generators in neighbouring Council areas, negotiate a more agreeable maintenance arrangement
- Reduces maintenance costs

Failure to consider load limits in conjunction with downgrading of hierarchy classification results in no impediment to traffic that may be causing the increased maintenance costs, especially consistent frequency of heavy traffic usage.

Community Input into Potential Changes

It is important that there is community input into any proposal to downgrade a road hierarchy classification as there may well be impacts on the community of which Council is unaware.

7.2.1 Recommended Financial Strategy

Currently, due to the commitment of Council to fund the resealing program to address a backlog of works, Council find itself in a strong position to meet the outlook period of 5 years; however the longer period should be consistently monitored, as the estimated gap will increase with physical depreciation of road assets 10 to 15 years into the future. Ideally

Council would at least sustain total budgetary levels, but maneuver funding into areas which are still below recommended funding levels.

At the time of this document being drafted, with this awareness regarding current renewal funding differences, the Infrastructure & Development section, Council Executive and Council, will further analyze the budget forecasts affecting the Long Term Financial Strategy.

Part of this analysis will be the formation of Long Term Capital Works Program, addressing any proposed future works, the timelines predicted, and the funding which will be required to maintain or upgrade the infrastructure in question.

It is proposed that by maintaining the culture of identifying areas of need, and injecting funding or treatments in a strategic manner (as has been done in recent years with the spray sealing program), steps will be taken to allow Council to meet the renewal gap which is predicted to widen in eight to ten years' time.

As part of the recommended improvement plan, the strategic financial work relating to the above will need to be undertaken.

7.2.2 Amended Financial Projections

As part of the Long Term Financial Plan Process it may not be possible to fully fund the predicted costs and the predicted financial projections must be amended.

The description of the amendment and amended financial projections is included in the Financial Projections Attachment.

7.3 Key Assumptions Made in the Financial Forecast

7.3.1 Accuracy of the Information

The following assumptions have been made in developing the financial forecast:

- Nil

7.3.2 Actions for Improving Future Financial Forecasts

Future financial forecast may be improved by the following Improvement Actions:

- Nil

8 ASSET MANAGEMENT PRACTICES

8.1 Asset Management Systems

Details on Asset Management Systems used by Council are summarized below:

Asset Category	Software/Asset Management System	Data Collection/Review
Roads, K&C	Assetic MyData	As part of scheduled Condition Surveys

The asset systems have the following link to the financial/accounting system:

- Nil

8.2 Standards & Guidelines

8.2.1 Construction Standards

Standard drawings and technical standards applicable to the assets included in this plan are:

Listed below:

-

Detailed in the Appendices.

Council is a participant in the Infrastructure Design manual project (IDM). The IDM will specify Council's design standards.

8.2.2 Target Widths and Pavement Design

The intention of the Road Asset Management Plan is that each Road Category will have a target minimum width. Although a section of the road is currently below the target level, it will only be upgraded to that minimum standard at the time it is reconstructed.

In addition, there may be specific traffic generators on a road, such as a quarry, where Council may deem it important to exceed that minimum width for local safety & structural reasons. How that higher standard is funded is another issue.

Road Hierarchy Categories	Sub-Categories for Pyrenees Shire	Target Design Standards
Category 4: Link Roads (Currently named: 'Strategic Routes')	Link 1	6.2m wide seal; 1.5m wide shoulders; Pavement designed in accordance with VicRoads Guide to Pavement Design, Technical Bulletin No.37
	Link 2	6.2m wide seal; 1.5m wide shoulders; Pavement depth in accordance with Technical Bulletin No.37
Category 3: Collector Roads	Collector – Sealed	3.8m. wide seal; Rehabilitation to existing standard; Pavement depth in accordance with Technical Bulletin No.37
	Collector – Gravel	5.0m width pavement; Pavement depth 100 mm
Category 2: Local Access Roads	Sealed Road	3.8m wide seal; Rehabilitation to existing standard; Pavement depth in accordance with Technical Bulletin No.37
	Gravel Road Class 1	2.5m width pavement; Pavement depth 75 mm
Category 1: Low Maintenance Local Access Roads & Tracks	Gravel Road Class 2	No design as road follows natural formation; Minimal gravel pavement; Maintenance simply to facilitate low speed access only.
	Limited Access Track	No design provided as tracks follow natural formation; Maintenance simply to facilitate low speed access only.
	Fire Track	Design as per CFA Guidelines where practical - tracks follow natural formation; Not intended as property access routes other than for emergency fire

		purposes
Others – Not a Council	Fire Track & Crown Roads	
Responsibility	Private Roads & Lanes	

9 PLAN IMPROVEMENTS AND MONITORING

9.1 Improvement Program

Improvement actions identified during the development of this plan are summarized below:

It is intended that the Road Asset Management Plan be updated periodically to reflect changes to management of the road network. It is to be a 'living' document that should always reflect as closely as practicable actual practices used in managing the network. Only in this way will Council be best able to ascertain its long term financial needs for the network.

Through the MAV STEP asset management program, extensive analysis of the Council's Asset Management practices has been undertaken, and through this analysis an Improvement Plan has been documented to provide strategic direction for Asset Management within Council.

The following table details the activity and timetables proposed to achieve these objectives.

Activity	Action	Target Date
Review AM Policy	Review and condense existing AM policy ensuring relevant links to Council Plans, Strategies and Road Hierarchies.	12/2012
Update and Review Council Asset Management Strategy	Ensure links between Council strategic documents and overall direction of Council Asset Management. Associate and update relevant information as required.	12/2012
Review Road segmentation within MapInfo / Biz-E-assets.	Create a road map layer identifying single road lengths and correct road names to enable the further development of data collection required to meet the Road Management Act.	Ongoing
Develop specialised training for technical staff undertaking condition inspections of road assets.	Source facilitators or expertise to provide training to all staff that undertake road condition inspections, and ensure that delivery of information to the appropriate areas of the Biz-e-Assets program.	Ongoing
Capital Works Evaluation Model.	Develop a capital works evaluation model which incorporates risk, whole of life costings, and hierarchy strategies.	12/2012

Charts of accounts – Road Assets	Work with Finance area to develop a detailed chart of accounts within the new Synergy Soft system to ensure accurate reporting of transactions regarding road assets.	12/2012
Review Road Hierarchy	As part of the road layer review/update, analyse the road hierarchy, and recommend any changes to classification and level of service associated.	Ongoing
Footpath and Kerb & Channel inventories	Establish a map based database of Kerb & Channel and Footpaths through the use of GPS location to allow maintenance and condition information to be tracked accurately.	12/2012

The status of the identified improvement actions is reported Annual Improvement Action Attachment.

10 REFERENCES

-

11 APPENDICES

11.1 CONDITION RATING GUIDELINES

11.1.1 Gravel Pavement

Rating	% Of Design Resheet Pavement Remaining
0	100%
1	90
2	80
3	70
4	60
5	50
6	40
7	30
8	20
9	10
10	0

11.1.2 Sealed Pavement

Guidelines for Condition Rating of a sealed pavement (Moloney):

		Description	Pavement	Roughness/	Rutting	Profile
--	--	-------------	----------	------------	---------	---------

			Failures	NAASRA Count		
0 & 1	New Near new	No signs of pavement problems or wear		Very Smooth. 0-20 20-40		No evidence of movement
2	Excellent		No signs of distress	Excellent ride. Minimal roughness. 40-50		No signs of unwanted movement.
3	Very good	30% of life spent	None evident	Minor signs of roughness. 50-70		Minimal deformation
4	Good	50% of life remaining. Structurally sound	Some signs of distress. Some minimal and localised failures but not extensive.	Degree of roughness. 70-80		Some loss of shape.
5	Fair	Not feel like immediate attention is required. If both failure and roughness defects at this level then consider as a 6.	Obvious signs of distress. 15-20% of area some form of potential failure.	Reasonable rough. Aware at 100km/h. 80-90		
6	Fair to poor	Reasonable life in front of it. If both failures and roughness at this level then consider as a 7.	>30% of pavement area.	Noticeably rough but not uncomfortable in a sedan car. 90-110		
7	Poor.	Approaching time when scheduled for reconstruction or major rehabilitation. Serious and obvious structural flaws.	Obvious signs of pavement failure. 40-50% of pavement area exhibiting failure or potential failure.	Very rough. Speed restricted. 110-140		
8	Very poor	Exhibiting severe problems. In need of immediate rehabilitation Would have some degree of failure.	>50% of pavement area with failure.	Extreme roughness and driveability a problem. Starting to be dangerous at design speed. 140-170		
9 & 10	Extremely poor Failed	Very dangerous state. Not subject to traffic movements		170-200 200+		

11.1.3 Sealed Surfaces

SEALED SURFACE						
	SEAL CRACKING EXTENT	SEAL CRACKING SEVERITY	SEAL STRIPPING	BITUMEN OXIDISATION	SURFACE PATCHING	SURFACE TEXTURE
0	No cracking visible	No cracking visible	No stripping or stone loss	Up to 3 years old. Full depth lively bitumen	No patching	Flush
1	Isolated or very small number of locations	Fine <0.5mm width	Minor	Up to 3 years old. Full depth lively bitumen	Very little.	Oversupply of bitumen. 70-80 5 up full depth of aggregate.
2	10-30%	Fine up to 1mm width	Isolated at several locations or major in isolated area	Up to 5 years of age. Up to 30% of full depth bitumen oxidised.	Heavy isolated in one or two locations or light patching scattered at isolated locations.	Bitumen rich. 50-60% full.
3	30-50%	1-5 mm width	Light stripping on all or major stripping in multiple isolated areas	Up to 7 years old. Up to 60% of full depth bitumen oxidised.	Heavy isolated at several locations or light over most.	Optimum level. 30-40% full.
4	50-70%	5-10 mm	General and severe.	Over 7 years old. Up to 80% of full depth bitumen oxidised.	Heavy at frequent over most or light over majority.	Low level. 20% full.
5	cracking or block cracking >70%	Severe >10mm width	General and extreme.	Fully oxidised, past retreatment	Extensive heavy or light at very close intervals.	Very low level. 10% full.

WHERE CONDITION RATING = (4*Bitumen Oxidisation + 2*Surface Texture (if >3) + Seal Cracking Extent + Seal Cracking Severity + Seal Stripping + Surface Patching)/10

11.1.4 Kerb & Channel

KERB & CHANNEL					
RATING		DESCRIPTION	WEAR	MOVEMENT FROM ORIGINAL ALIGNMENT	TRANSFER WATER
0 = GOOD	New	Functioning	No signs	Nil	
1	Near new				
2	Excellent	No other defects	Very little, barely visible	None	
3	Very good		Very little	Very little, true alignment	
4	Good	Functioning well	Some. Obvious but not severe	Very minor. Very good alignment.	Holds water in places only to very limited extent
5	Fair	Functioning reasonable well,	Obvious or if the only defect severe wear	Obvious	Holding water in places but limited extent

		some minor problems			
6	Fair to poor	Starting to not function well	Obvious or if the only defect extreme wear	Obvious	Holds water at flat spots at several locations.
7	Poor.	Obvious functional or structural problems	Obvious	Obvious	Holding water at several locations
8	Very poor.	No longer fulfilling function	Extreme	Excessive	No longer drain the pavement
9	Extremely poor	Not functioning	Extreme	Excessive	No longer draining.
10 = POOR	Failed.	No longer functional. Dangerous state.			

Isolated kerb failures that need replacing may result from:

- Kerb rotation
- Lifting and separating of adjacent kerb segments
- Sinking of the kerb
- Structural failure

Reference sources for descriptions:

- Road Management Act 2004
- International Infrastructure Management Manual – Australia/NZ Edition 2002
- UK Highway Code of Practice for Maintenance Management 2001

11.2 Attachment 2: - Inspection Requirements

Inspection Type	Purpose	Inspection Performed by & Reporting Requirements
Reactive/Safety Inspection	<ul style="list-style-type: none"> ▪ Safety inspections are designed to identify all defects likely to create danger or serious inconvenience to users of the network or the wider community. ▪ Safety issues may be detected as the result of: <ul style="list-style-type: none"> (a) formal programmed defect inspection; or (b) observation followed by notification to council by members of the community or council employees while undertaking their normal work duties with a subsequent safety inspection to be conducted by an appropriate council officer. 	<ul style="list-style-type: none"> ▪ Council representative with some knowledge of road maintenance techniques who may then call in a higher level of expertise if necessary. ▪ Recording to identify specific safety defect, time first reported, time inspected & by whom, subsequent action & time of completion.
Incident Inspection	<ul style="list-style-type: none"> ▪ An inspection carried out to comply with the requirements the Road Management Act [Division 5 – Claims Procedure, Clause 116]; ▪ This inspection enables an incident condition report to be prepared for use in legal proceedings and the gathering of information for the analysis of the causes of accidents and the planning and implementation of road management and safety measures. 	<ul style="list-style-type: none"> ▪ Qualified engineer or experienced technical officer with extensive knowledge and experience in road construction and maintenance practices. ▪ Formal Incident Report required, as described.
Programmed Inspection	<ul style="list-style-type: none"> ▪ Inspection undertaken in accordance with a formal programmed inspection schedule to determine if the road asset complies with the levels of service as specified in the Maintenance Service Agreement; ▪ A record of each street/road is to be completed detailing the name of the inspector, the inspection date, time and street/road name and a description of any defects found that are at the specified intervention levels defined in the Maintenance Service Agreement; ▪ In addition, a notation must be recorded of any street/road inspected where no defect was apparent under the specific rigour of the inspection. 	<ul style="list-style-type: none"> ▪ Engineer or technical officer with knowledge of road maintenance techniques; ▪ A record of the inspection is to be signed by the inspector for placing on council’s asset database for reference purposes (NB: this may include insurance or litigation requirements).

<p>Condition Inspection</p>	<ul style="list-style-type: none"> ▪ An inspection specifically to identify deficiencies in the structural integrity of the various components of the road infrastructure assets which if untreated, are likely to adversely affect network values. The deficiencies may well impact short-term serviceability as well as the ability of the component to continue to perform for the duration of its intended life span; ▪ The condition inspection process must also meet the requirements for accounting regulations and asset management; ▪ Regular or periodic assessment, measurement and interpretation of the resulting condition data is required so as to determine the need for any preventive or remedial action then development of relevant programs of rehabilitation or renewal works. 	<ul style="list-style-type: none"> ▪ Inspection undertaken under the direction of a qualified engineer or experienced technical officer with extensive knowledge and experience in road construction and maintenance practices; ▪ Specific data to be recorded is determined by requirements of the Maintenance Service Agreement & the Asset Information System used to assess asset component needs.
------------------------------------	---	--

11.3 Attachment 8: - Risk Assessment for Roads & Footpaths

Defect Type	Level of Defect	Location	Risk Event & Potential Consequence	Consequence Rating	Road Cat.	Likelihood Ranking	Assessed Risk
Pothole	Beyond the point where intervention is required – maintenance is now a priority.	Urban (lower speeds)	Loss of control causing vehicle crash, serious injuries to several people	4 - Major	4	C Possible -	H
					3	D Unlikely -	H
					2	VH Rare -	M
					1	VH Rare -	M
		Rural (higher speeds)	Loss of control causing multiple fatalities	5 Catastrophic -	4	C Possible -	H
					3	C Possible -	H
					2	D Unlikely -	M
					1	D Unlikely -	L
		Urban (lower speeds)	Loss of control causing vehicle crash, minor injuries to several people	3 Moderate -	4	C Possible -	H
					3	D Unlikely -	M
					2	VH Rare -	L
					1	VH Rare -	L
Rural	Loss of control causing	4 - Major	4	C -	H		

		(higher speeds)	vehicle crash, serious injuries to several people			Possible		
					3	C Possible	-	H
					2	D Unlikely	-	M
					1	D Unlikely	-	L
	At intervention level	Urban (lower speeds)	Vehicle sustains damage	2 - Low	4	C Possible	-	H
					3	C Possible	-	H
					2	D Unlikely	-	M
					1	VH Rare	-	L
		Rural (higher speeds)	Vehicle sustains damage	2 - Low	4	B - Likely		E
					3	B - Likely		H
2					C Possible	-	M	
1					D Unlikely	-	L	

Attachment 8 continued: Risk Assessment – Roads & Footpaths

Defect Type	Level of Defect	Location	Risk Event & Potential Consequence	Consequence Rating	Road Cat.	Likelihood Ranking	Assessed Risk
Edge Breaks, Drop offs, Wheel Ruts & Depressions, and Pavement Shoving	Beyond the point where intervention is required – maintenance is now a priority.	Urban (lower speeds)	Loss of control causing vehicle crash, serious injuries to several people	4 - Major	4	D - Unlikely	H
					3	D - Unlikely	M
					2	VH - Rare	L
					1	VH - Rare	L
		Rural (higher speeds)	Loss of control causing vehicle crash, multiple fatalities	5 - Catastrophic	4	C - Possible	H
					3	C - Possible	H
					2	D - Unlikely	M
					1	D - Unlikely	L
		Urban (lower speeds)	Loss of control causing vehicle crash, minor injuries to several people	3 - Moderate	4	D - Unlikely	H
					3	D - Unlikely	M
					2	VH - Rare	L
					1	VH - Rare	L
	Rural (higher speeds)	Loss of control causing vehicle crash, serious injuries to several people	4 - Major	4	C - Possible	H	
				3	C - Possible	H	
				2	D - Unlikely	M	
				1	D - Unlikely	L	
	At intervention level	Urban (lower speeds)	Vehicle sustains damage	2 - Low	4	C - Possible	H
					3	C - Possible	H
					2	D - Unlikely	M
					1	VH - Rare	L
Rural (higher speeds)		Vehicle sustains damage	2 - Low	4	B - Likely	E	
				3	B - Likely	H	
				2	C - Possible	M	
				1	D - Unlikely	L	
Crack Sealing	Risk is assessed as being the same whether at or beyond the Intervention Level	Urban (lower speeds)	Structural risk only	2 - Low	4	D - Unlikely	H
		Rural (higher speeds)	Structural risk only	2 - Low	4	D - Unlikely	H

Attachment 8 continued: Risk Assessment – Roads & Footpaths

Defect Type	Level of Defect	Location	Risk Event & Potential Consequence	Consequence Rating	Road Cat.	Likelihood Ranking	Assessed Risk
Delamination	Risk is assessed as being the same whether at or beyond the Intervention Level	Urban (lower speeds)	Vehicle sustains damage	2 - Low	4	VH - Rare	M
		Rural (higher speeds)	Vehicle sustains damage	2 - Low	4	VH - Rare	M
Stripped Seals & Slick Surfaces	Risk is assessed as being the same whether at or beyond the Intervention Level	Urban (lower speeds)	Loss of control causing vehicle crash, serious injuries to several people	4 - Major	4	D - Unlikely	H
		Rural (higher speeds)	Loss of control causing vehicle crash, multiple fatalities	5 - Catastrophic	4	D - Unlikely	H
Bleeding Seals	Risk is assessed as being the same whether at or beyond the Intervention Level	Urban (lower speeds)	Loss of control causing vehicle crash, serious injuries to several people; also a public nuisance in urban areas	4 - Major	4	VH - Rare	M
		Rural (higher speeds)	Loss of control causing vehicle crash, serious injuries to several people	4 - Major	4	VH - Rare	M

Attachment 8 continued: Risk Assessment – Roads & Footpaths

Defect Type	Level of Defect	Location	Risk Event & Potential Consequence	Consequence Rating	Road Cat.	Likelihood Ranking	Assessed Risk
Potholes, rutting and scouring	Beyond the point where intervention is required – maintenance is now a priority.	Urban (lower speeds)	Loss of control causing vehicle crash, serious injuries to several people	4 - Major	4	N/A	
					3	N/A	
					2	VH - Rare	L
					1	VH - Rare	L
		Rural (higher speeds)	Loss of control causing vehicle crash, multiple fatalities	5 - Catastrophic	4	C - Possible	H
					3	C - Possible	H
					2	D - Unlikely	M
					1	VH - Rare	L
		Urban (lower speeds)	Loss of control causing vehicle crash, minor injuries to several people	3 - Moderate	4	N/A	
					3	N/A	
					2	D - Unlikely	M
					1	D - Unlikely	L
	Rural (higher speeds)	Loss of control causing vehicle crash, serious injuries to several people	4 - Major	4	C - Possible	H	
				3	C - Possible	H	
				2	D - Unlikely	M	
				1	VH - Rare	L	
	At intervention level	Urban (lower speeds)	Vehicle sustains damage	2 - Low	4	N/A	
					3	N/A	
2					D - Unlikely	M	
1					VH - Rare	L	
Rural (higher speeds)		Vehicle sustains damage	2 - Low	4	B - Likely	E	
				3	B - Likely	H	
				2	C - Possible	M	
				1	D - Unlikely	L	

Attachment 8 continued: Risk Assessment – Roads & Footpaths

Defect Type	Level of Defect	Location	Risk Event & Potential Consequence	Consequence Rating	Cat.	Likelihood Ranking	Assessed Risk
Edge lips, pavers dislocated, concrete bays raised or broken - where repairs can be undertaken by lip grinding	Risk is assessed as being the same whether at or beyond the Intervention Level	Urban	Person falls and sustains serious injury	3 - Moderate	5	A - Almost Certain	E
					4	A - Almost Certain	E
					3	A - Almost Certain	E
					2	B - Likely	H
					1	VH - Rare	L
Pavers dislocated or missing, concrete bays cracked, raised or broken, asphalt lifted by roots, depressed, cracked or potholes - where minor works & repairs can be undertaken	Risk is assessed as being the same whether at or beyond the Intervention Level	Urban	Person falls and sustains serious injury	3 - Moderate	5	A - Almost Certain	E
					4	A - Almost Certain	E
					3	A - Almost Certain	E
					2	B - Likely	H
					1	VH - Rare	L

PYRENEES
— S H I R E —



Higher CAP Submission Have Your Say

5 Lawrence Street, Beaufort Phone: 5349 1100 Email: pyrenees@pyrenees.vic.gov.au Web: www.pyrenees.vic.gov.au



Contents

- Councillor / Mayor Introduction
- Have Your Say
- Fair Go Rates System
- Financial Impact of Fair Go Rates System
- What Makes up a Road
- Current Road Infrastructure Spend Analysis
- Road expenditure options
- What condition will our roads be in if current spending is maintained
- What condition will our roads be in if spending is increased
- Questions
- Where to from here



Have Your Say

Are you prepared to pay an additional 2% in rates to maintain the condition of the shires roads?

- 2015 Community Satisfaction Survey
 - Satisfaction with Sealed Local Roads declined one point from 56 to 55
 - 10% believed the condition was very good
 - 33.5% believed the condition was good
 - 33.5% believed the condition was average
 - 15% believed the condition was very poor
 - 8% believed couldn't say

Fair Go Rates System

- The Minister for Local Government, Natalie Hutchins announced on 22 December 2015 that Council rate rises will be capped to 2.5% for 2016/2017
- This announcement is consistent with the pre-election commitment by the Andrews Government to cap council rate rises to the Consumer Price Index (CPI)
- Under this system, Victorian councils will not be able to increase rates by more than the rate cap set by the Minister unless they successfully apply to the Essential Services Commission for a higher cap
- Council at its meeting on 19th January 2016 resolved to prepare a submission for a higher cap for the 2016/17 year
- Council's submission is required to be lodged by 31st March 2016



Fair Go Rates System

Section 185E(3) of the Local Government Act 1989 states that:

An application under this section must specify –

- A. The proposed higher cap and the specified year(s) that it will apply
- B. The reasons for which the council seeks the higher cap
- C. How the views of ratepayers and the community have been taken into account in proposing the higher cap
- D. How the higher cap is an efficient use of council resources and represents value for money
- E. Whether consideration has been given to reprioritising proposed expenditures and alternative funding options and why the council does not consider those options to be adequate
- F. That the assumptions and proposals in the application are consistent with the council's long term strategy and financial management policies set out in the council's planning documents and annual budget

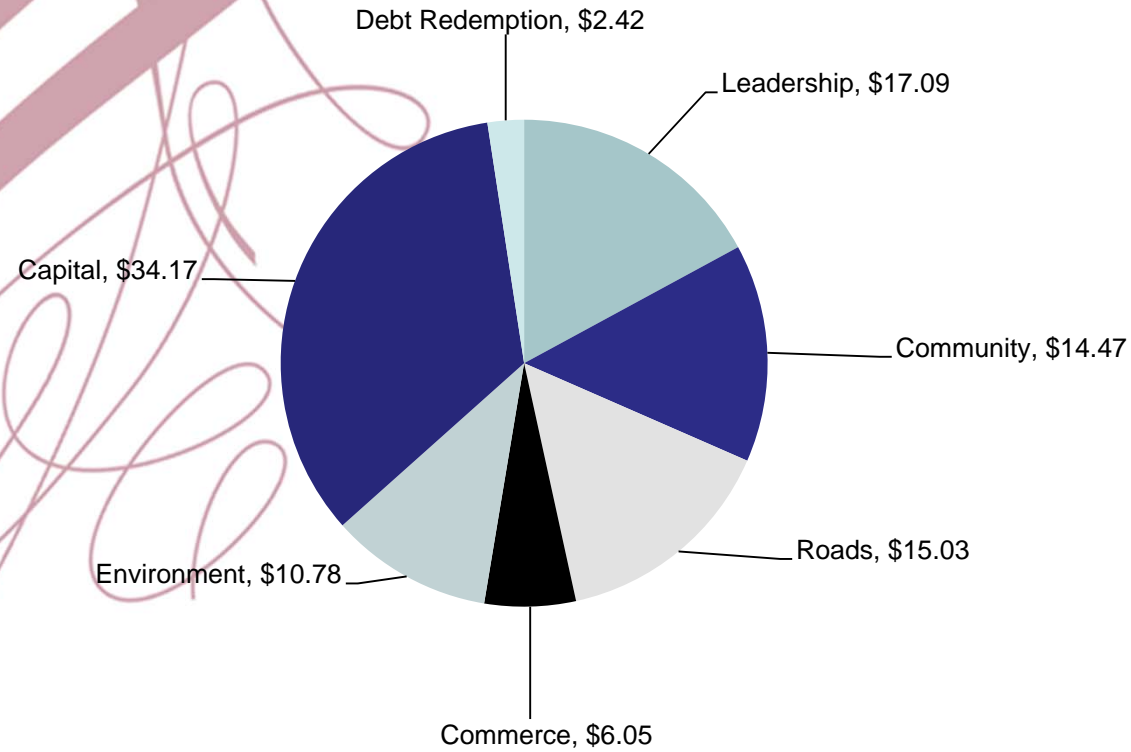


Financial Impact of Fair Go Rates System

- The rate cap of 2.5% set by the Minister is lower than the rate rise proposed in Pyrenees Shire Council's Long Term Financial Plan which proposed future rate increases over the 10 year period to be 5.15% (2016/2017) reducing to 4% (2024/2025).
- The result is a significant shortfall in revenue and therefore reduced capacity for Council to renew and maintain assets and deliver services.
- One percent rate rise equates to approximately \$73,000. The difference in revenue for Pyrenees Shire Council in 2016/2017 as a result of the cap is approximately $(2.65\% \times \$73,000) = \$193,450$.

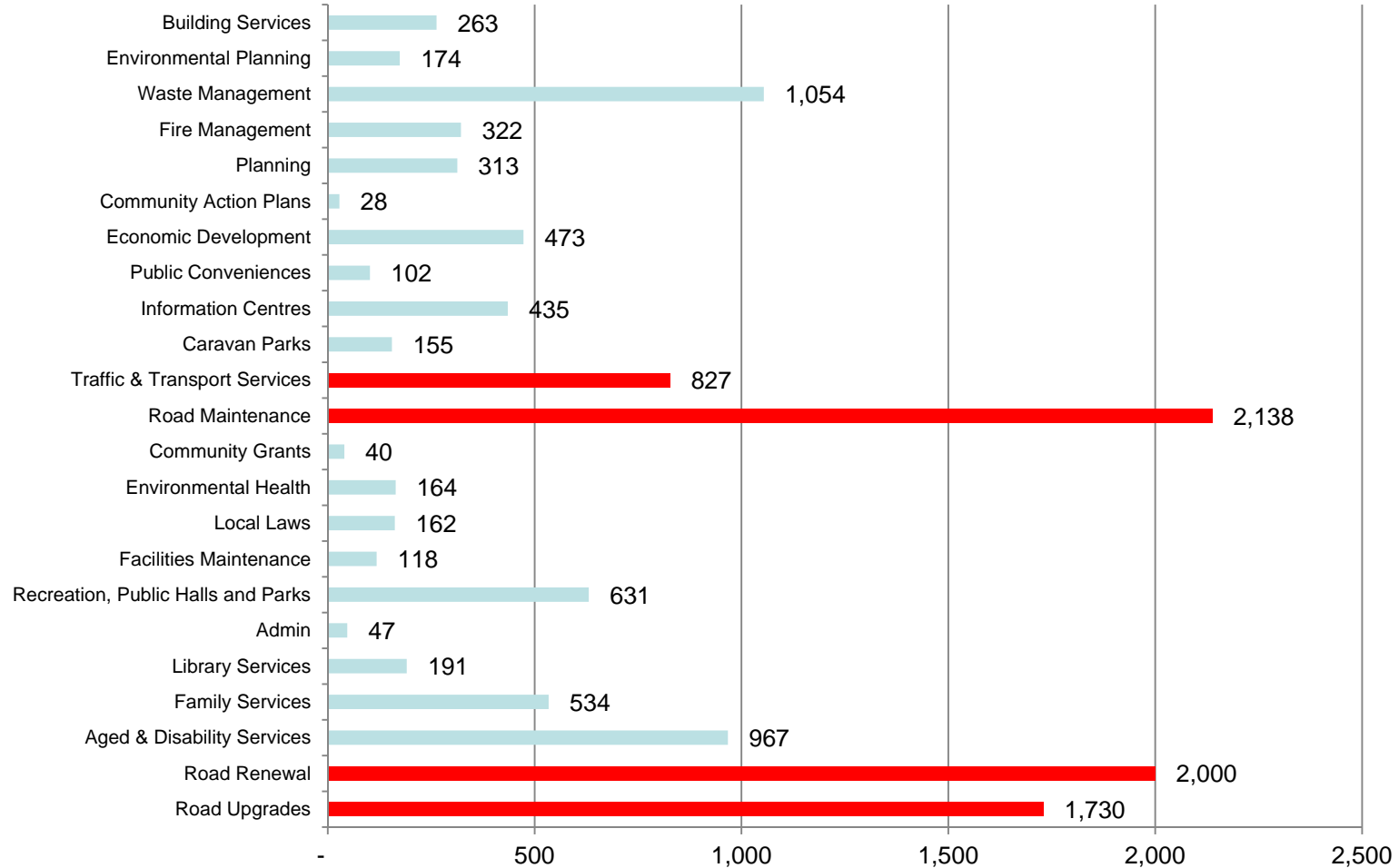


Council Spend Breakup Per \$100



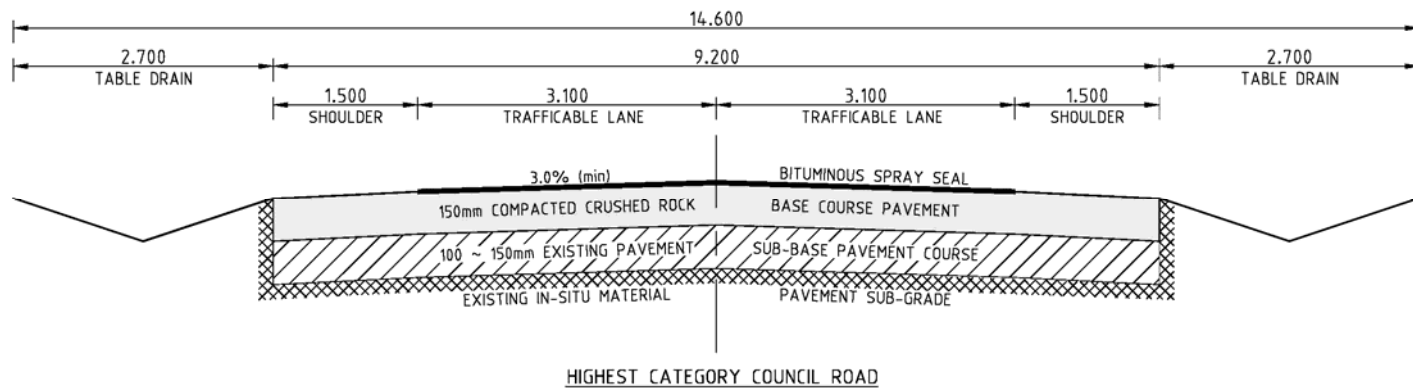


Current Service Costs





What Makes Up A Road



Road Infrastructure Data

Asset	Length/Quantity	Area	Life
Sealed Road - Seal	723 Km's	3,926,254	17
Sealed Road - Pavement	723 Km's	3,926,254	70
Unsealed Roads	1,292 Km's	4,646,589	30
Bridges	156		130
Major Culverts	134		80

- Reseal
 - Average cost of \$4.34 per square meter
 - \$23,000 per km
- Resheet
 - Average cost of \$4.63 per square meter
 - \$23,000 per km
 - Resheet 16Km's per year
- Pavement
 - Road Reconstruction average cost of \$285,200 per Km



Condition Rating

Condition	Generalised Generic Description of Asset Condition
0	<i>A new asset or recently rehabilitated back to new condition</i>
1	<i>A near new asset with no visible signs of deterioration often moved to condition 1 based upon the time since construction rather than observed condition decline</i>
2	<i>An asset in excellent overall condition. There would be only slight condition decline but it would be obvious that the asset was no longer in new condition</i>
3	<i>An asset in very good overall condition but with some early stages of deterioration evident, but the deterioration is minor in nature and causing no serviceability problems</i>
4	<i>An asset in good overall condition but with some obvious deterioration evident, serviceability would be very slightly impaired</i>
5	<i>An asset in fair overall condition. Deterioration in condition would be obvious and there would be some serviceability loss</i>
6	<i>An asset in fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance costs would be rising</i>
7	<i>An asset in poor overall condition. Deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance costs would be high.</i>
8	<i>An asset in very poor overall condition with serviceability now being heavily impacted upon by the poor condition. Maintenance costs would be very high and the asset would be at the point where it needed to be rehabilitated .</i>
9	<i>An asset in extremely poor condition with severe serviceability problems and needing rehabilitation immediately. Could also be a risk to remain in service.</i>
10	<i>An asset that has failed and is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service</i>

Infrastructure – Prioritisation

Sealed Pavements Condition Rating - Intervention Level 8





Infrastructure – Prioritisation

Sealed Surface Condition Rating Intervention Level 8



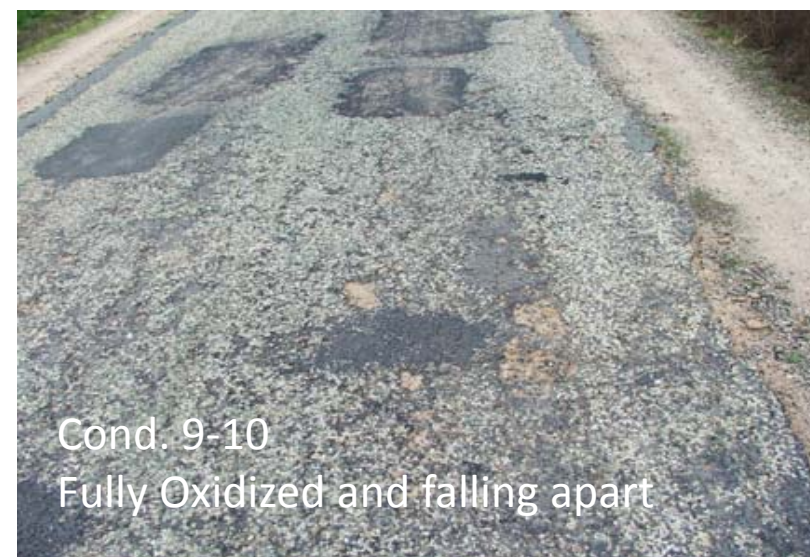
Cond. 0 – 1
Seal in Excellent near new condition



Cond. 5
Cracking but seal not too oxidized



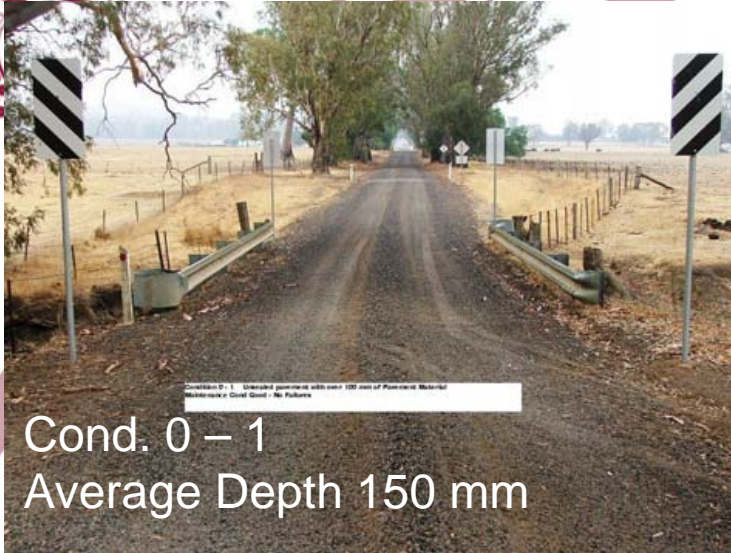
Cond. 6 - 7
Oxidized and Stripping



Cond. 9-10
Fully Oxidized and falling apart

Infrastructure - Prioritisation

Gravel Rd Pavement Condition Rating - Intervention Level 8



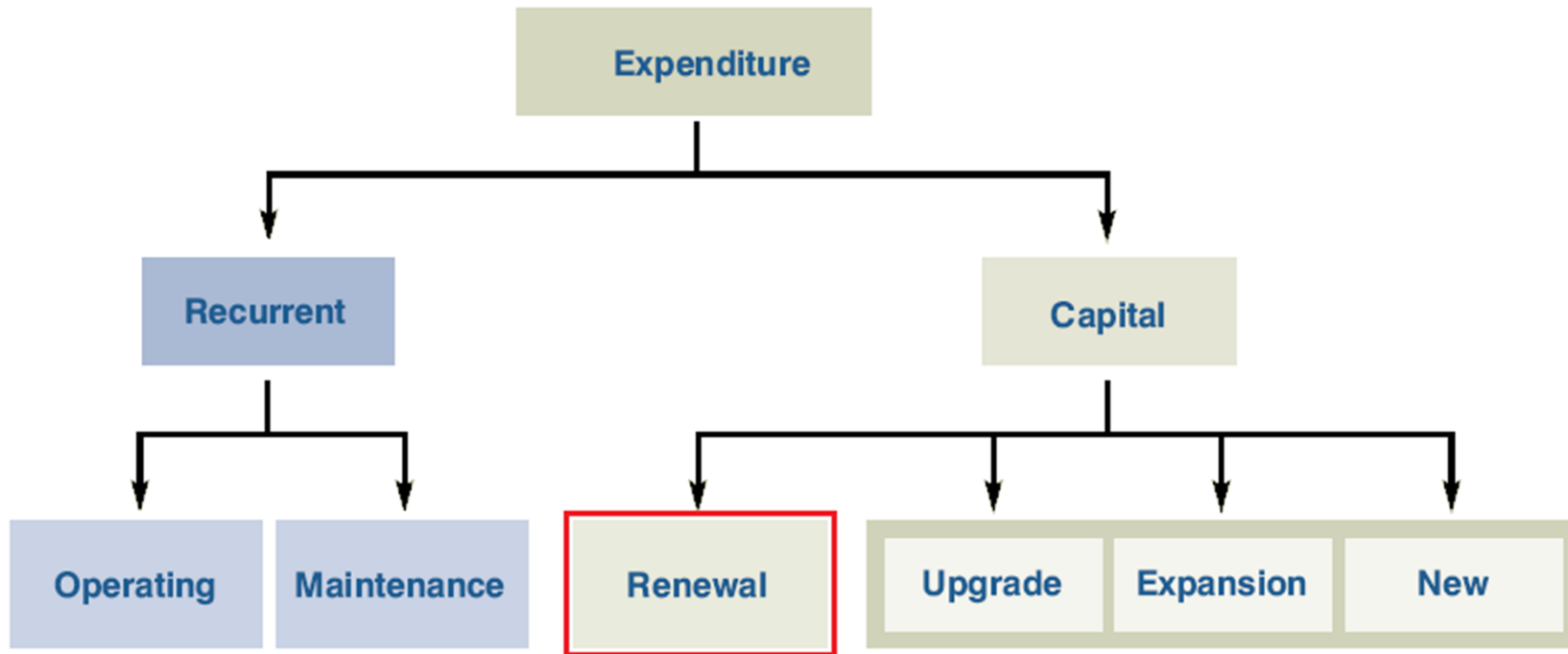


Road & Bridge Condition

Asset Description	Asset Condition Change Since Last Inspection 2011
Sealed Pavements	Worse
Sealed Surfaces	Worse
Unsealed Pavements	Better
Kerbs	Better
Footpaths	Same
Bridges	Better



Type of Spend





Recommended Annual Renewal

Sub Asset Description	Average Planned renewal expenditure next 10 Years	Annual Depreciation or Average Long term Annual Demand	Present Capital Renewal Demand From Modelling	Peak Capital Renewal Demand From Modelling	Year of Predicted Peak Demand	Recommended Commencing funding with 4.70% Compounding annual increase
Sealed Pavements	\$404,000	\$1,772,986	\$820,000	\$2,547,000	2035	\$915,000
Sealed Surfaces	\$850,000	\$928,519	\$1,593,000	\$1,593,000	2016	\$833,000
Unsealed Pavements	\$720,000	\$710,074	\$970,000	\$970,000	2016	\$243,000
Kerbs	\$10,000	\$70,420	\$88,000	\$88,000	2016	\$21,000
Footpaths	\$46,000	\$37,007	\$55,000	\$55,000	2016	\$18,000
Totals	\$2,030,000	\$3,519,006	\$3,526,000	\$4,642,000	2035	\$2,030,000



Current Capital Spend

2015/16 Expenditure	%	\$'000
Roads	55.0%	\$3,730
Bridges	13.0%	\$896
Footpaths & Kerb/Channel	0.3%	\$20
Property	18.0%	\$1,188
Plant & Equipment	13.70%	\$908
Total		\$6,742



Current Capital Spend

2015/16 Funding	%	\$'000
Grants – R2R	44%	\$2,976
Grants - Other	4%	\$270
Contributions	1%	\$70
Sale of Assets	10%	\$687
Council Rates	41%	\$2,739
Total		\$6,742



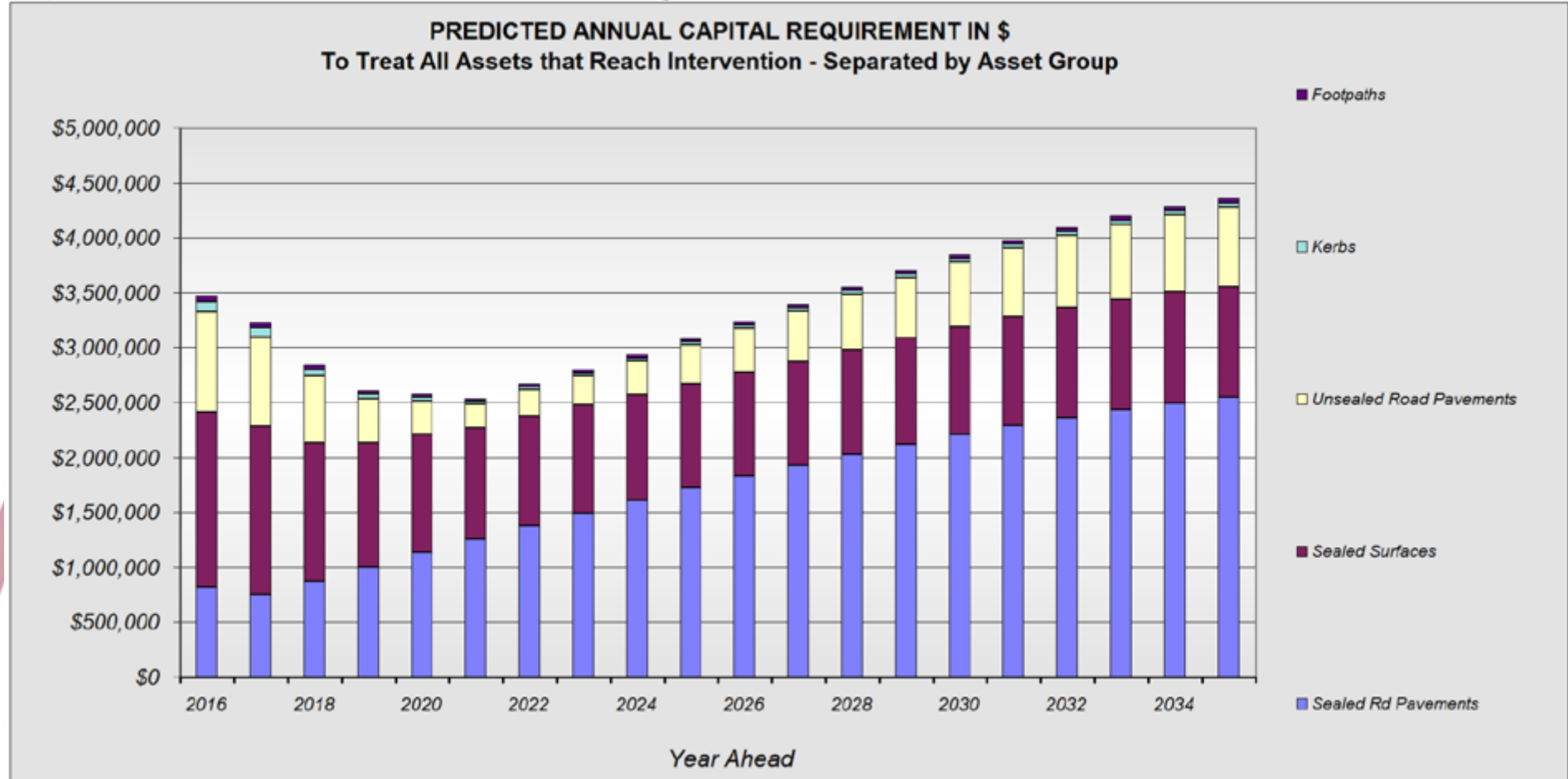
Current Maintenance Spend

2015/16	\$'000
Sealed Roads	\$594
Unsealed Road	\$867
Bridges	\$47
Drainage	\$160
Roadside	\$386
Footpath, Kerb & Channel	\$67



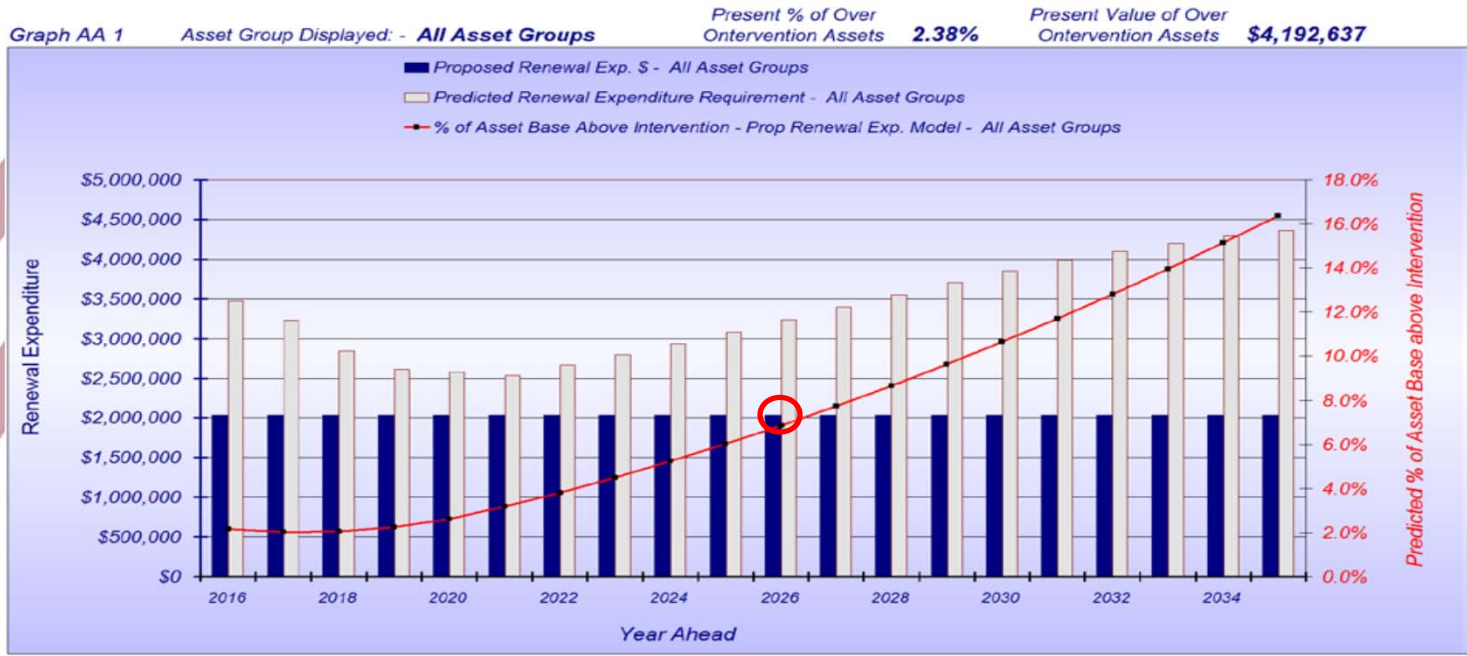
Renewal Demand

Graph AA 2 Asset Group Displayed: - **All Asset Groups** Present % of Over Intervention Assets **2.38%** Present Value of Over Intervention Assets **\$4,192,637**





Future Condition – Current Spend



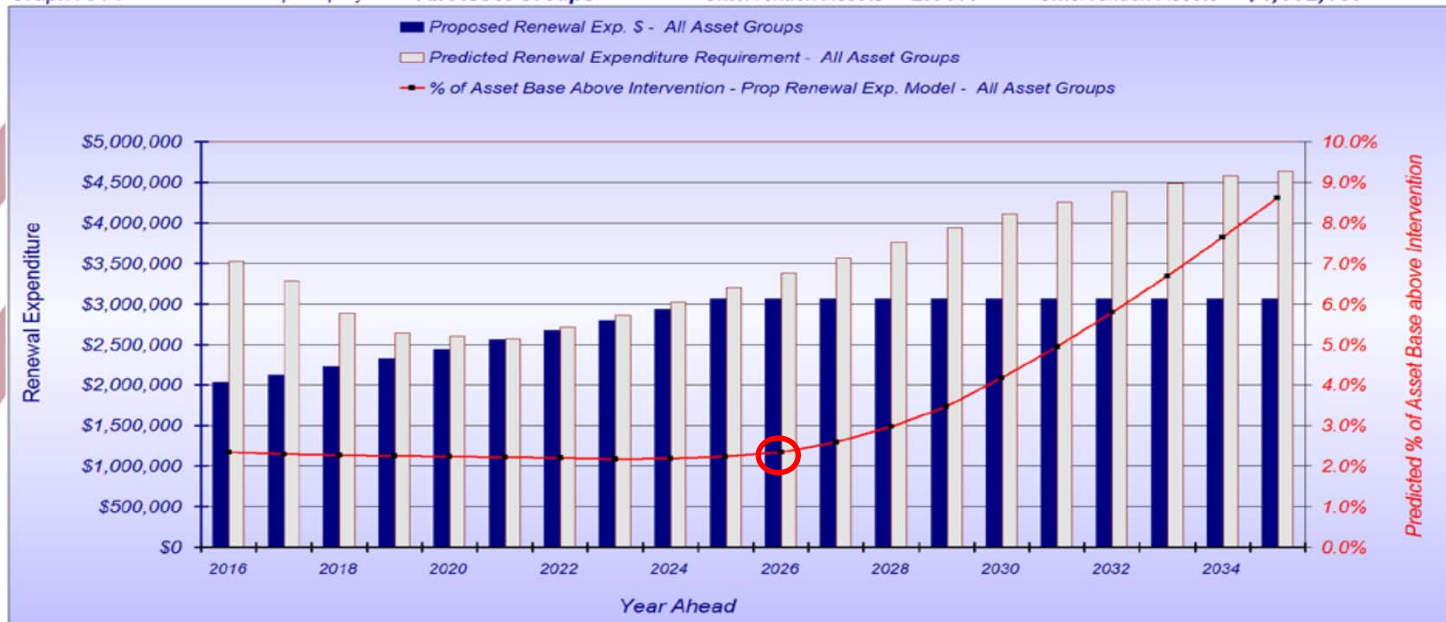
Future Condition – Current Spend

- Increase in roads above intervention level (condition 9 &10)



Future Condition – Increased Spend

Graph AA 1 Asset Group Displayed: - **All Asset Groups** Present % of Over Intervention Assets **2.38%** Present Value of Over Intervention Assets **\$4,192,637**





Future Condition – Current Spend

- Increase in roads below intervention level (condition 0 & 1)





Questions/Feedback

- Are you happy with the overall condition of the local roads in the Pyrenees Shire?
- If Council's roads were not funded to the extent they are presently, would you be satisfied for them to be maintained at a lower standard?
- Are you prepared to pay an additional 2% in rates in 2016/17 to retain the condition of the shire's roads?
- Is there road works that you would like to see more of?



Where to From Here

- Using the community satisfaction survey results, road asset condition survey results and community feedback a submission for a higher cap will be developed
- Council will consider the submission at the March Council meeting
- If the higher cap submission is adopted by Council it will be forwarded to the Essential Services Commission by the 31st March 2016
- The Essential Services Commission will notify Council of its decision within two months of receipt of the submission

Your Rates - Have Your Say

2015 Community Satisfaction Survey Results

- Satisfaction with Sealed Local Roads declined one point from 56 to 55
- 10% believed the condition was very good
- 33.5% believed the condition was good
- 33.5% believed the condition was average
- 15% believed the condition was very poor
- 8% believed couldn't say

The rate cap of 2.5% set by the Minister is lower than the rate rise proposed in Pyrenees Shire Council's Long Term Financial Plan which proposed future rate increases over the 10 year period to be 5.15% (2016/2017) reducing to 4% (2024/2025).

The result is a significant shortfall in revenue and therefore reduced capacity for Council to renew and maintain assets and deliver services.

One percent rate rise equates to approximately \$73,000. The difference in revenue for Pyrenees Shire Council in 2016/2017 as a result of the cap is approximately $(2.65\% \times \$73,000) = \$193,450$.

Asset	Length/ Quantity	Area	Life
Sealed Road - Seal	723 Km's	3,926,254	17
Sealed Road - Pavement	723 Km's	3,926,254	70
Unsealed Roads	1,292 Km's	4,646,589	30
Bridges	156		130
Major Culverts	134		80

Road Renewal costs

Unsealed road – Resheet (5.3m average width):

Average cost -\$23,000 per km

Sealed road – Reseal surface (4.95m average width):

Average cost \$23,000 per km

Sealed road – Pavement reconstruction:

Average cost of \$285,000 per km

The Pyrenees Shire Council is faced with a difficult situation.

The State Government has imposed a 2.5% rate cap on Council rates across Victoria for the 2016-2017 financial year. At this funding level, Council is concerned it will not be able to provide the existing levels of services, and retain the current condition of our road network.

Pyrenees Shire maintains 723 kilometres of sealed roads and a further 1,292 kilometres of unsealed roads.

In addition, Council maintains numerous community facilities, provides services for the young and elderly as well as day to day services like rubbish collections and libraries just to name a few.

We can't do it all with a 2.5% rate increase.

What is a Condition 8?

An asset in very poor overall condition with serviceability now being heavily impacted upon by the poor condition. Maintenance costs would be very high and the asset would be at the point where it needed to be rehabilitated.

What is a Condition 1?

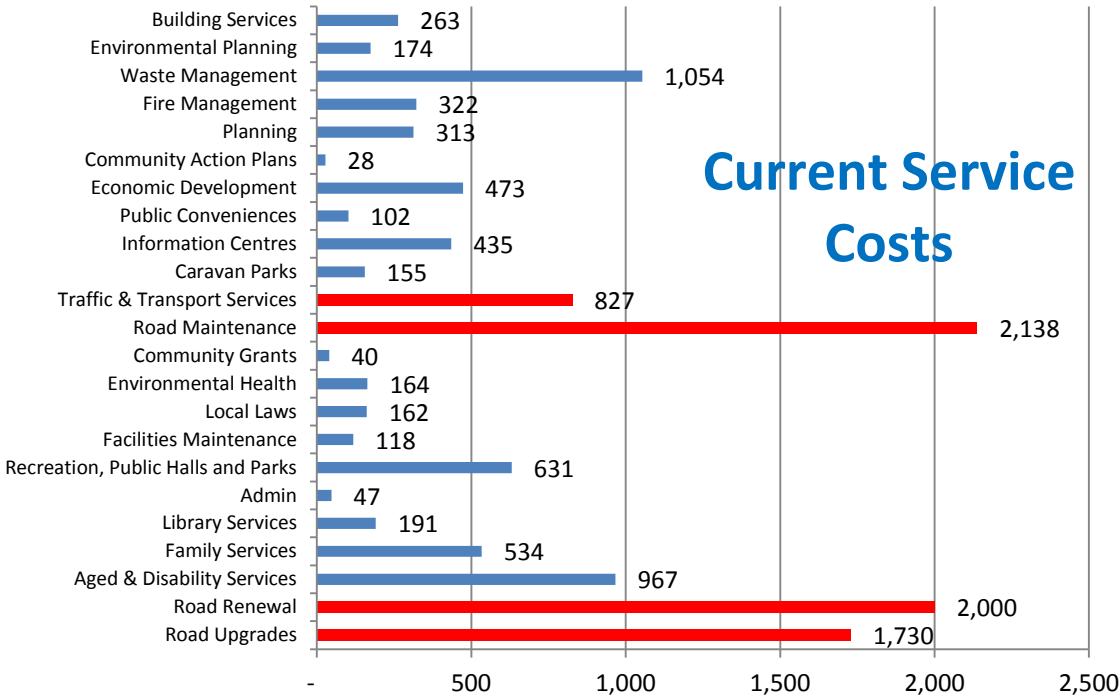
A near new asset with no visible signs of deterioration or observed condition decline.

Which would you prefer?

Without a higher rate cap by 2026, 7% of Council's roads (approximately 140km) will be a Condition 8.



Current Service Costs



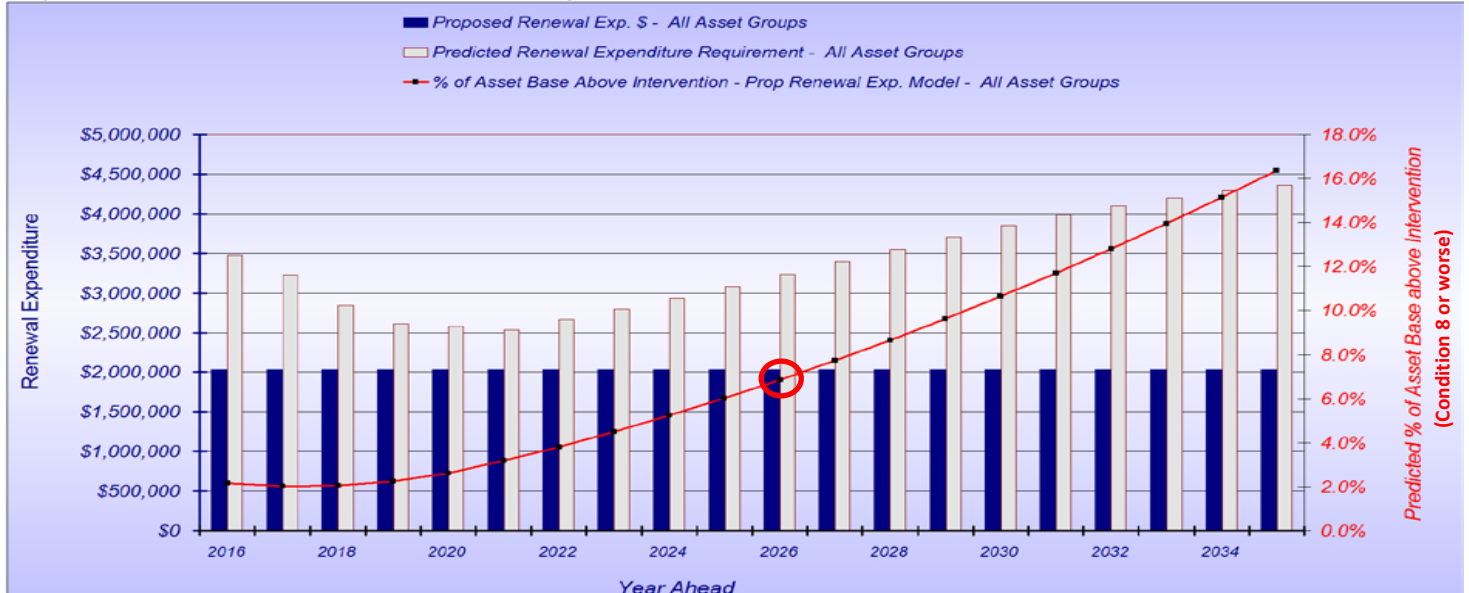
Pyrenees Shire Council maintains a road network of over 2,000 kilometres.

If you were to drive from the Shire to Alice Springs, that's about the same distance of roads your council maintains.

The road network consists of 723 kilometres of sealed roads and a further 1,292 kilometres of unsealed roads.

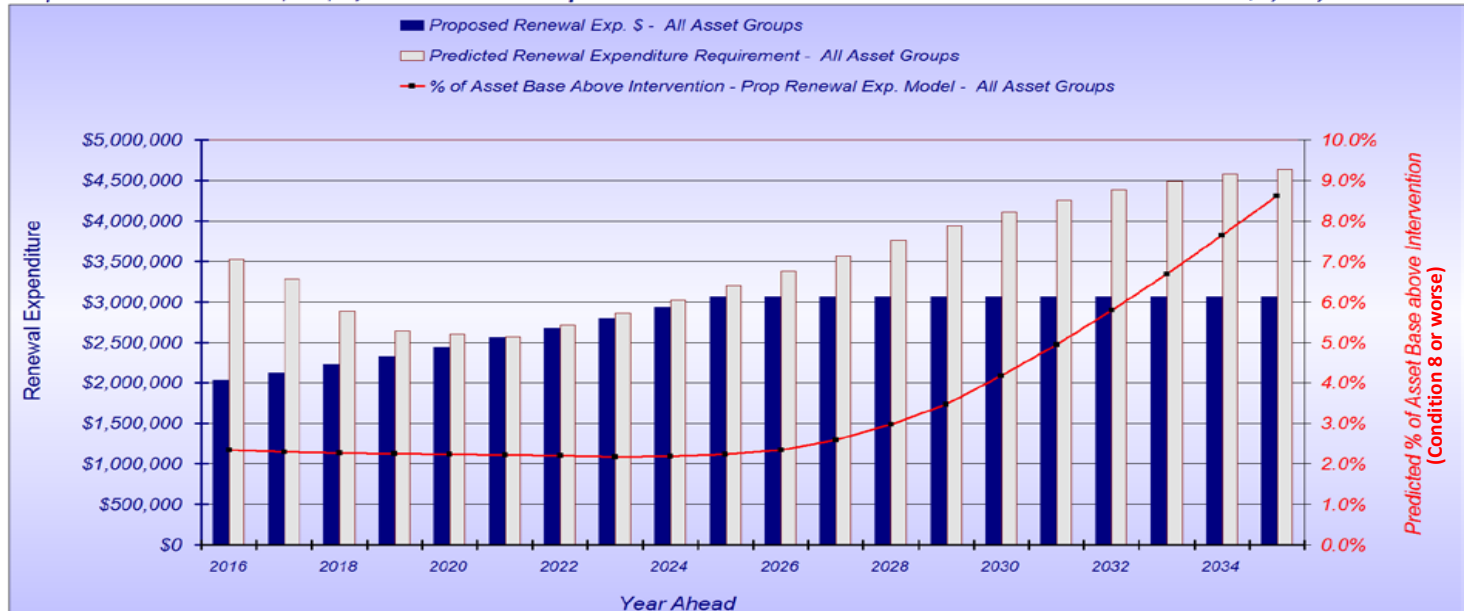
Current Expenditure Levels

Graph AA 1 Asset Group Displayed: - All Asset Groups Present % of Over Intervention Assets 2.38% Present Value of Over Intervention Assets \$4,192,637



Effect of a 4.7% increased investment

Graph AA 1 Asset Group Displayed: - All Asset Groups Present % of Over Intervention Assets 2.38% Present Value of Over Intervention Assets \$4,192,637



PYRENEES SHIRE COUNCIL

Long Term Financial Plan

10 Year Financial Plan

2015-2016 to 2025-2026

2.5% rate rise

Budgeted Income Statement

for years ended 2015-2016 to 2025-2026

	Budget	Forecast										
	2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Revenue												
Rates	7,312	7,354	7,540	7,769	8,005	8,249	8,500	8,759	9,026	9,301	9,584	9,876
Rates - Higher CAP												
Garbage charges	1,030	1,030	1,113	1,146	1,180	1,215	1,251	1,289	1,328	1,368	1,409	1,451
Rates Wind Farms - Waubra	210	207	211	216	221	227	233	239	245	251	257	263
Rates Wind Farms - Chepstowe	0	42	43	44	47	49	50	53	55	57	60	62
Rates Wind Farms - Stockyard Hill	0	0	0	0	0	0	655	668	681	695	709	723
Interest on Rates	28	28	29	29	29	29	29	29	29	29	29	29
Statutory fees and fines	102	105	113	116	119	122	125	128	131	134	137	140
User charges	762	758	776	795	815	835	856	877	899	921	944	968
Grants - operating recurrent	1,032	972	1,031	1,057	1,083	1,110	1,138	1,166	1,195	1,225	1,256	1,287
Grants - operating recurrent - VGC General	2,871	1,369	2,871	2,943	3,017	3,092	3,169	3,248	3,329	3,412	3,497	3,584
Grants - operating non recurrent	103	324	127	130	133	136	139	142	146	150	154	158
Grants - capital recurrent - VGC Roads	2,023	978	2,023	2,074	2,126	2,179	2,233	2,289	2,346	2,405	2,465	2,527
Grants - capital non recurrent - R2R	1,976	2,969	3,114	988	988	1,100	1,100	1,100	1,100	1,300	1,300	1,300
Grants - capital non recurrent - CR&B	1,000	0	0	0	0	0	0	0	0	0	0	0
Grants - capital non recurrent - Federal	0	508	500	2,000	2,000	0	0	0	0	0	0	0
Grants - capital non recurrent - State	270	681	1,032	1,300	1,107	333	1,586	135	0	0	1,000	0
Contributions - non-recurrent	70	90	50	1,000	1,000	0	50	0	0	0	0	0
Interest on Cash Invested	150	140	131	134	137	140	144	148	152	156	160	164
Other Revenue	101	102	95	97	99	101	104	107	110	113	116	119
Sale of Assets	687	789	731	1,082	1,155	1,105	589	782	910	1,423	812	280
Less Carrying Value of Assets Sold	(660)	(760)	(650)	(974)	(1,040)	(995)	(530)	(704)	(819)	(1,281)	(731)	(252)
Total Revenue	19,067	17,686	20,880	21,946	22,221	19,027	21,421	20,455	20,863	21,659	23,158	22,679
Expenses												
Employee Costs	(6,413)	(6,582)	(6,648)	(6,367)	(6,526)	(6,689)	(6,856)	(7,027)	(7,203)	(7,383)	(7,568)	(7,757)
Capital Projects Expensed	(50)	(39)	(336)	(4,270)	(4,341)	(55)	(56)	(58)	-	-	-	-
Contracts, materials & services - ex Waste	(4,734)	(5,759)	(4,718)	(5,150)	(5,469)	(5,671)	(5,742)	(5,982)	(6,018)	(6,145)	(6,115)	(6,397)
Contracts, materials & services - Waste	(1,030)	(1,030)	(1,113)	(1,146)	(1,180)	(1,215)	(1,251)	(1,289)	(1,328)	(1,368)	(1,409)	(1,451)
Bad and doubtful debts	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Depreciation	(8,200)	(6,599)	(6,873)	(7,079)	(7,504)	(7,804)	(8,038)	(8,520)	(8,861)	(9,127)	(9,675)	(10,062)
Borrowing costs	(34)	(34)	(12)	(1)	-	-	-	(23)	(17)	(11)	(1)	-
Other expenses	(296)	(300)	(306)	(314)	(322)	(330)	(338)	(346)	(355)	(364)	(373)	(382)
Total Expenses	(20,759)	(20,345)	(20,007)	(24,328)	(25,343)	(21,765)	(22,282)	(23,246)	(23,783)	(24,399)	(25,142)	(26,050)
Surplus (deficit) for the year	(1,692)	(2,659)	873	(2,382)	(3,122)	(2,738)	(861)	(2,791)	(2,920)	(2,740)	(1,984)	(3,371)
Net asset revaluation increment /(decrement)	500	500	200	0	800	250	0	1,200	320	0	1,700	350
Comprehensive result	(1,192)	(2,159)	1,073	(2,382)	(2,322)	(2,488)	(861)	(1,591)	(2,600)	(2,740)	(284)	(3,021)

Balance Sheet

for years ended 2015-2016 to 2025-2026

	Budget		Forecast									
	2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Assets												
Current assets												
Cash and cash equivalents	1,840	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538
Trade and other receivables	772	832	857	883	909	936	964	993	1,023	1,054	1,086	1,119
Land held for resale	1,850	1,830	1,656	1,532	1,523	1,510	1,905	1,820	1,636	1,489	1,010	1,010
Other assets	161	155	158	161	164	167	170	173	176	180	184	188
Total current assets	4,623	5,355	5,209	5,114	5,134	5,151	5,577	5,524	5,373	5,261	4,818	4,855
Non-current assets												
Trade and other receivables	93	112	99	92	84	75	65	54	42	29	15	12
Property, infrastructure, plant & equipment	282,020	284,154	284,902	282,345	280,033	277,559	276,734	275,184	272,740	270,099	269,988	266,968
Total non-current assets	282,113	284,266	285,001	282,437	280,117	277,634	276,799	275,238	272,782	270,128	270,003	266,980
Total assets	286,736	289,621	290,210	287,551	285,251	282,785	282,376	280,762	278,155	275,389	274,821	271,835
Liabilities												
Current liabilities												
Trade and other payables	1,011	877	912	948	986	1,025	1,066	1,109	1,153	1,199	1,247	1,297
Trust funds and deposits	176	180	184	188	192	196	200	204	208	212	216	220
Provisions	1,801	1,824	1,796	1,774	1,749	1,722	1,693	1,662	1,630	1,597	1,562	1,536
Interest-bearing loans and borrowings	801	800	300	0	0	0	430	385	356	307	0	0
Total current liabilities	3,789	3,681	3,192	2,910	2,927	2,943	3,389	3,360	3,347	3,315	3,025	3,053
Non-current liabilities												
Provisions	166	171	176	181	186	192	198	204	210	216	222	229
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	166	171	176	181	186	192	198	204	210	216	222	229
Total liabilities	3,955	3,852	3,368	3,091	3,113	3,135	3,587	3,564	3,557	3,531	3,247	3,282
Net assets	282,781	285,769	286,842	284,460	282,138	279,650	278,789	277,198	274,598	271,858	271,574	268,553
Equity												
Accumulated surplus	80,026	82,514	83,387	81,005	77,883	75,145	74,284	71,493	68,573	65,833	63,849	60,478
Statutory reserve (recreational land)	9	9	9	9	9	9	9	9	9	9	9	9
Asset revaluation reserve	202,746	203,246	203,446	203,446	204,246	204,496	204,496	205,696	206,016	206,016	207,716	208,066
Total equity	282,781	285,769	286,842	284,460	282,138	279,650	278,789	277,198	274,598	271,858	271,574	268,553

Budgeted Cash Flow Statement

for years ended 2015-2016 to 2025-2026

Budget Forecast

2015/2016 2015/2016 2016/2017 2017/2018 2018/2019 2019/2020 2020/2021 2021/2022 2022/2023 2023/2024 2024/2025 2025/2026

Cash flows from operating activities

Rates and charges	8,580	8,661	8,936	9,204	9,482	9,769	10,718	11,037	11,364	11,701	12,048	12,404
Statutory fees and fines	102	105	113	116	119	122	125	128	131	134	137	140
User charges	838	834	854	875	897	919	942	965	989	1,013	1,038	1,065
Grants - operating	4,006	2,665	4,029	4,130	4,233	4,338	4,446	4,556	4,670	4,787	4,907	5,029
Grants - capital	5,269	5,136	6,669	6,362	6,221	3,612	4,919	3,524	3,446	3,705	4,765	3,827
Contributions - cash	77	99	55	1,100	1,100	-	55	-	-	-	-	-
Interest on cash invested	150	140	131	134	137	140	144	148	152	156	160	164
Trust funds and deposits taken	25	25	25	25	25	25	25	25	25	25	25	25
Other receipts	101	102	95	97	99	101	104	107	110	113	116	119
Net GST refund / payment	1,144	1,500	1,339	1,358	1,394	1,158	1,423	1,261	1,286	1,338	1,450	1,417
Employee costs	(6,429)	(6,598)	(6,664)	(6,385)	(6,545)	(6,709)	(6,877)	(7,049)	(7,226)	(7,407)	(7,593)	(7,782)
Materials and services	(6,395)	(7,576)	(6,827)	(11,627)	(12,089)	(7,635)	(7,754)	(8,062)	(8,081)	(8,264)	(8,276)	(8,633)
Trust funds and deposits repaid	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
Other payments	(326)	(330)	(337)	(345)	(354)	(363)	(372)	(381)	(391)	(400)	(410)	(420)
Net cash provided by operating activities	7,117	4,738	8,393	5,019	4,694	5,452	7,873	6,234	6,450	6,876	8,342	7,330

Cash flows from investing activities

Payments for property, infrastructure, plant and equipment	(6,509)	(8,158)	(8,427)	(5,291)	(5,138)	(5,895)	(8,231)	(6,644)	(6,994)	(7,422)	(8,928)	(7,638)
Payments for land held for resale	(852)	(1,413)	(259)	(618)	(827)	(773)	(720)	(383)	(411)	(960)	-	-
Proceeds from sale of property, infrastructure, plant and equipment	299	355	303	352	341	341	330	330	319	319	308	308
Proceeds from sale of land held for resale	457	514	502	839	930	875	318	531	682	1,247	586	-
Payments for investments	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Proceeds from sale of investments	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Net cash used in investing activities	(6,605)	(8,702)	(7,881)	(4,718)	(4,694)	(5,452)	(8,303)	(6,166)	(6,404)	(6,816)	(8,034)	(7,330)

Cash flows from financing activities

Borrowing costs	(34)	(34)	(12)	(1)	-	-	-	(23)	(17)	(11)	(1)	-
Proceeds from borrowings	-	-	-	-	-	-	430	-	-	-	-	-
Repayment of borrowings	(478)	(437)	(500)	(300)	-	-	-	(45)	(29)	(49)	(307)	-
Net cash provided by (used in) financing activities	(512)	(471)	(512)	(301)	-	-	430	(68)	(46)	(60)	(308)	-

Net (decrease) increase in cash & cash equivalents

	-	(4,435)	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of the financial year	1,840	6,973	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538
Cash and cash equivalents at end of the financial year	1,840	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538

Budgeted Standard Capital Works Statement

for years ended 2015-2016 to 2025-2026

			Budget		Forecast									
			2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Land Development														
Avoca Industrial Land Sales - Stage 1		Land Sales	Land Inc	-40,500	-203,000	-80,500	0	0	0	0	0	0	0	0
Avoca Industrial Land Purchase - Stage 2	New Assets	Land	Land	10,000	90,000	0	0	0	0	0	0	0	0	0
Avoca Industrial Land Construct - Stage2	New Assets	Land	Land Improve	0	0	0	0	402,000	412,000	0	0	0	0	0
Avoca Industrial Land Development - Grant State		Grant Land	Land Inc	0	0	0	0	-107,000	-108,000	0	0	0	0	0
Avoca Industrial Land Sales - Stage 2 (25 Lots)		Land Sales	Land Inc	0	0	0	0	-55,000	-55,000	-220,000	-138,000	-138,000	-83,000	0
Beaufort Industrial Land Purchase - McVilly Stage 1 & 2	New Assets	Land	Land	0	197,821	0	0	0	0	0	0	0	0	0
Beaufort Industrial Land Construct - McVilly Stage 1	New Assets	Land	Land Improve	0	0	0	0	0	178,000	531,000	0	0	0	0
Beaufort Industrial Land Development - Grant State		Grant Land	Land Inc	0	0	0	0	0	0	-136,000	0	0	0	0
Beaufort Industrial Land - Sales McVilly Stage 1 (8 Lots)		Land Sales	Land Inc	0	0	0	0	0	0	-69,000	-275,000	-207,000	0	0
Beaufort Industrial Land Construct - McVilly Stage 2	New Assets	Land	Land Improve	0	0	0	0	0	124,000	349,000	0	0	0	0
Beaufort Industrial Land Development - Grant State		Grant Land	Land Inc	0	0	0	0	0	0	-135,000	0	0	0	0
Beaufort Industrial Land - Sales McVilly Stage 2 (8 Lots)		Land Sales	Land Inc	0	0	0	0	0	0	-69,000	-275,000	-214,000	0	0
Beaufort Residential Land Stage 1 Sales (Lot 13)		Land Sales	Land Inc	-215,000	0	-90,000	0	0	0	0	0	0	0	0
Beaufort Residential Land Sales - Stage 2A (3 Lots)		Land Sales	Land Inc	-159,000	-23,010	-121,000	0	0	0	0	0	0	0	0
Beaufort Residential Land Sales - Stage 2B (6 Lots)		Land Sales	Land Inc	0	-241,000	-47,000	0	0	0	0	0	0	0	0
Beaufort Residential Land Purchase - Stage 3	New Assets	Land	Land	155,000	266,855	0	0	0	0	0	0	0	0	0
Beaufort Residential Land Construct - Stage 3	New Assets	Land	Land Improve	610,000	730,077	0	0	0	0	0	0	0	0	0
Beaufort Residential Land Sales - Stage 3 (17 Lots)		Land Sales	Land Inc	0	0	-117,500	-762,000	-117,000	0	0	0	0	0	0
Beaufort Residential Land Purchase -Stage 4	New Assets	Land	Land	0	0	236,000	213,000	0	0	0	0	0	0	0
Beaufort Residential Land Construct - Stage 4	New Assets	Land	Land Improve	0	0	0	349,000	350,000	113,000	0	0	0	0	0
Beaufort Residential Land Sales - Stage 4 (21 Lots)		Land Sales	Land Inc	0	0	0	0	-673,000	-740,000	0	0	0	0	0
Beaufort Residential Land Purchase - Stage 5	New Assets	Land	Land	0	0	0	0	0	0	0	374,000	0	0	0
Beaufort Residential Land Construct - Stage 5	New Assets	Land	Land Improve	0	0	0	0	0	0	0	0	873,000	0	0
Beaufort Residential Land Sales - Stage 5 (18 Lots)		Land Sales	Land Inc	0	0	0	0	0	0	0	0	-836,000	-532,000	0
Land Sales Selling Costs	Non-Capital	Non-Capital	Non-Capital	0	13,500	20,000	0	0	0	0	0	0	0	0
Land Development Loan Borrowing				0	0	0	0	0	-430,000	0	0	0	0	0
Land Development Loan Interest				0	0	0	0	0	0	45,000	29,000	49,000	307,000	0
Land Development Loan Repayment				0	0	0	0	0	0	23,000	17,000	11,000	1,000	0
Total Land Development				360,500	831,243	-200,000	-200,000	-200,000	-200,000	-200,000	-200,000	-200,000	-224,000	0
Capital Expenditure Summary														
Infrastructure Roads - Roads to Recovery Projects		R2R		1,976,000	2,968,915	3,114,244	988,000	988,000	1,100,000	1,100,000	1,100,000	1,100,000	1,300,000	1,300,000
Infrastructure Roads - Country Roads & Bridges		CRB		1,000,000	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Federal Black Spot		Black Spot		0	508,000	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Council Projects		Council Roads		1,670,000	1,730,360	1,754,500	2,118,000	2,305,000	2,410,000	2,829,000	3,019,000	3,247,000	3,420,000	3,513,000
Recreational Projects		Recreation		0	688,303	316,000	428,000	88,000	450,000	220,000	360,000	360,000	331,000	1,434,000
Land Projects		Land Improve		0	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Buildings		Buildings		413,000	387,806	1,492,000	82,000	92,000	137,000	2,086,000	286,000	351,000	371,000	517,000
Plant, machinery and equipment		Plant & Equipment		858,000	1,132,630	929,000	1,139,000	1,143,000	1,207,000	1,193,000	1,220,000	1,245,000	1,270,000	1,297,000
Capital Projects Expensed		Non-Capital		50,000	238,565	336,000	4,270,000	4,341,000	55,000	56,000	58,000	0	0	0
Loan Repayments		Debt Redemption		478,000	437,000	500,000	300,000	0	0	0	45,000	29,000	49,000	307,000
Total Capital Expenditure - Other				6,445,000	8,091,579	8,496,744	9,380,000	9,012,000	5,414,000	7,539,000	6,143,000	6,387,000	6,796,000	8,423,000
Total Capital Expenditure Summary				7,220,000	9,376,332	8,732,744	9,942,000	9,764,000	6,117,000	8,194,000	6,492,000	6,761,000	7,669,000	8,423,000
Capital Income Summary														
Moonambel Water Supply Federal & State Grants		Grant Moon		0	0	-200,000	-1,000,000	-1,000,000	0	0	0	0	0	0
Contributions		Contribution		-70,000	-90,000	-50,000	-1,000,000	-1,000,000	0	0	0	0	0	0
Garbage Charges to Fund Transfer Station Improvements		Garbage Charges		0	0	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000
State Government Grant		State Grant		-270,000	-681,000	-757,000	-300,000	0	-500,000	0	0	0	0	0
Federal Government Grant		Fed Grant		0	0	-500,000	-2,000,000	-2,000,000	0	0	0	0	0	0
Roads to Recovery Grant		R2R Grant		-1,976,000	-2,968,915	-3,114,244	-988,000	-988,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,300,000	-1,300,000
Federal Black Spot Grant		Black Spot Grant		0	-508,000	0	0	0	0	0	0	0	0	0
Country Roads & Bridges Grant		CRB Grant		-1,000,000	0	0	0	0	0	0	0	0	0	0
Pool Upgrade - SR Pools Program		Grant Pools		0	0	-75,000	0	0	-225,000	0	0	0	-1,000,000	0
Snake Valley Multi Services Hub Grant		Grant SV Hub		0	0	0	0	0	0	-950,000	0	0	0	0
Snake Valley Multi Services Hub Bendigo Bank Contribution		BEN Contribution		0	0	0	0	0	0	-50,000	0	0	0	0
Sale of Plant & Vehicles		Asset Sales		-272,000	-322,547	-275,000	-320,000	-310,000	-310,000	-300,000	-300,000	-290,000	-290,000	-280,000
Total Capital Income Summary				-3,588,000	-4,570,462	-5,026,244	-5,663,000	-5,353,000	-1,690,000	-2,955,000	-1,455,000	-1,445,000	-1,645,000	-2,635,000

Budgeted Standard Capital Works Statement

for years ended 2015-2016 to 2025-2026

				Budget		Forecast									
				2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Land Improvements															
Moonambel Water Supply Planning & Development	Non-Capital	Non-Capital	Non-Capital	0	25,065	260,000	4,182,000	4,287,000	0	0	0	0	0	0	0
Moonambel Water Supply Federal Grant		Fed Grant		0	0	0	-2,000,000	-2,000,000	0	0	0	0	0	0	0
Moonambel Water Supply State Grant		Grant Moon		0	0	-200,000	-1,000,000	-1,000,000	0	0	0	0	0	0	0
Moonambel Water Supply Private Investment		Contribution		0	0	0	-1,000,000	-1,000,000	0	0	0	0	0	0	0
Flood Study Planning and Works Beaufort, Avoca, Waubra and Lextor	Non-Capital	Non-Capital	Non-Capital	0	0	31,000	63,000	54,000	55,000	56,000	58,000	0	0	0	0
Transfer Station Improvements	Upgrade	Land Improve	Waste	0	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Garbage Charges to Fund Transfer Station Improvements		Garbage Charges		0	0	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000
Raglan & Redbank S/C & Raglan, Redbank & Barkley Hall Upgrade	Upgrade	Recreation	Park	0	180,000	0	0	0	0	0	0	0	0	0	0
Raglan & Redbank S/C & Raglan, Redbank & Barkley Hall Upgrade		State Grant		0	-120,000	0	0	0	0	0	0	0	0	0	0
Raglan & Redbank S/C & Raglan, Redbank & Barkley Hall Upgrade		Contribution		0	-15,000	0	0	0	0	0	0	0	0	0	0
Living Landsborough Streetscape & Hall Upgrade	Upgrade	Recreation	Park	0	485,000	0	0	0	0	0	0	0	0	0	0
Living Landsborough Streetscape & Hall Upgrade - Contribution		Contribution		0	-75,000	0	0	0	0	0	0	0	0	0	0
Living Landsborough Streetscape & Hall Upgrade - State Grant		State Grant		0	-330,000	0	0	0	0	0	0	0	0	0	0
Landsborough Street Scape & Hall Upgrade Grant		State Grant		0	0	0	0	0	0	0	0	0	0	0	0
Total Land Improvements				0	150,065	91,000	245,000	341,000	55,000	56,000	58,000	0	0	0	0
Infrastructure Roads - Roads to Recovery Projects															
Roads - link and collectors R2R MMS \$915,000	Renewal	R2R	Roads	1,273,000	1,759,853	2,560,000	687,000	679,000	770,000	762,000	754,000	745,000	936,000	927,000	918,000
Major Culverts - link and collectors R2R	Renewal	R2R	Drainage			170,000									
Bridges - link and collectors R2R	Renewal	R2R	Bridges	703,000	1,209,062	384,244	301,000	309,000	330,000	338,000	346,000	355,000	364,000	373,000	382,000
Roads to Recovery Auslink Etc		R2R Grant		-1,976,000	-2,968,915	-3,114,244	-988,000	-988,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,300,000	-1,300,000	-1,300,000
Total Roads to Recovery				0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Country Roads & Bridges															
Roads	Renewal	CRB	Roads	43,000	0	0	0	0	0	0	0	0	0	0	0
Bridges	Renewal	CRB	Bridges	957,000	0	0	0	0	0	0	0	0	0	0	0
State Roads & Bridges Grant		CRB Grant		-1,000,000	0	0	0	0	0	0	0	0	0	0	0
Total Country Roads & Bridges				0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Federal Black Spot															
Beaufort-Carngham Road	Renewal	Black Spot	Roads	0	508,000	0	0	0	0	0	0	0	0	0	0
Federal Black Spot Grant		Black Spot Grant		0	-508,000	0	0	0	0	0	0	0	0	0	0
Total Federal Black Spot				0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Council Projects															
Roads - pavement - MAMS \$915,000	Renewal	Council Roads	Roads	0	0	68,000	89,000	127,000	155,000	252,000	321,000	291,000	613,000	621,000	637,000
Roads - resheets - MAMS \$243,000	Renewal	Council Roads	Roads	600,000	600,000	600,000	680,000	800,000	797,000	901,000	981,000	1,005,000	1,031,000	1,056,000	1,083,000
Roads - reseals - MAMS - \$833,000	Renewal	Council Roads	Roads	700,000	700,000	770,000	735,000	754,000	773,000	892,000	912,000	932,000	953,000	974,000	996,000
Roads - reseals - Extra Rates Variation	Renewal	Council Roads	Roads			0	0	0	0	0	0	0	0	0	0
Roads - forward survey & design	Renewal	Council Roads	Roads	50,000	56,650	50,000	54,000	54,000	55,000	56,000	58,000	59,000	61,000	62,000	64,000
Bridges - MAMS \$400k	Renewal	Council Roads	Bridges	0	0	0	200,000	200,000	250,000	281,000	289,000	489,000	277,000	304,000	411,000
Drainage	Renewal	Council Roads	Roads	0	0	0	0	0	0	56,000	58,000	59,000	61,000	62,000	64,000
Major Culverts	Renewal	Council Roads	Drainage	150,000	150,000	75,000	157,000	161,000	165,000	169,000	173,000	177,000	182,000	186,000	191,000
Footpaths - Renewal - MAMS \$18,000	Renewal	Council Roads	Footpaths	10,000	13,710	18,000	19,000	20,000	21,000	22,000	22,000	24,000	25,000	26,000	27,000
Footpaths - New	New Assets	Council Roads	Footpaths	0	0	0	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000
Kerb & Channel - MAMS \$21,000	Renewal	Council Roads	Drainage	10,000	10,000	21,000	22,000	23,000	24,000	25,000	26,000	28,000	29,000	30,000	32,000
Roads Other - Shoulder Program	Renewal	Council Roads	Roads	50,000	100,000	50,000	52,000	54,000	55,000	56,000	58,000	59,000	61,000	62,000	64,000
Roads Other - Major Patch	Renewal	Council Roads	Roads	100,000	100,000	102,500	105,000	107,000	110,000	113,000	115,000	118,000	121,000	124,000	127,000
Total Council Roads				1,670,000	1,730,360	1,754,500	2,118,000	2,305,000	2,410,000	2,829,000	3,019,000	3,247,000	3,420,000	3,513,000	3,702,000
Recreational Projects															
Beaufort Pool - Upgrade	Renewal	Recreation	Recreation	0	0	102,000	0	0	0	100,000	200,000	200,000	200,000	1,300,000	0
Beaufort Pool - SV Pools Program		Grant Pools		0	0	-75,000	0	0	0	0	0	0	0	-1,000,000	0
Croquet Club Development	New Assets	Recreation	Recreation	0	13,303	0	0	0	0	0	0	0	0	0	0
Avoca Pool - Upgrade	Renewal	Recreation	Recreation	0	0	0	0	0	330,000	0	0	0	0	0	0
Avoca Pool - SV Pools Program		Grant Pools		0	0	0	0	0	-225,000	0	0	0	0	0	0
Hard Court Renewal	Renewal	Recreation	Recreation	0	0	102,000	157,000	0	0	0	0	0	0	0	0
Playground Equipment Replacement	Renewal	Recreation	Recreation	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Government Grants - State		State Grant		0	0	-75,000	-112,500	0	0	0	0	0	0	0	0
Beaufort Walkability	Upgrade	Recreation	Footpaths	0	0	0	261,000	0	0	0	0	0	0	0	0
Government Grants - State		State Grant		0	0	0	-187,500	0	0	0	0	0	0	0	0
Walkability Plan Projects	Expansion	Recreation	Footpaths	0	0	102,000	0	78,000	110,000	110,000	150,000	150,000	121,000	124,000	127,000
Total Recreational Projects				0	23,303	166,000	128,000	88,000	225,000	220,000	360,000	360,000	331,000	434,000	137,000

Budgeted Standard Capital Works Statement

for years ended 2015-2016 to 2025-2026

				Budget		Forecast									
				2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Buildings															
Snake Valley Multi Services Hub (Kindergarten)	New Assets	Buildings	Buildings	0	0	0	0	0	33,000	1,970,000	0	0	0	0	0
Snake Valley Multi Services Hub - Early Child S Govt		Grant SV Hub		0	0	0	0	0	0	-750,000	0	0	0	0	0
Snake Valley Multi Services Hub - State Grant		Grant SV Hub		0	0	0	0	0	0	-200,000	0	0	0	0	0
Snake Valley Multi Services Hub - State Grant		State Grant		0	0	0	0	0	0	-500,000	0	0	0	0	0
Snake Valley Multi Services Hub - B Bank		BEN Contribution		0	0	0	0	0	0	-50,000	0	0	0	0	0
Beaufort Depot - Pratt Street House Precinct Dev	Upgrade	Buildings	Build Impr	5,000	5,000	0	0	0	0	0	0	0	0	0	0
Avoca Depot - Plan	Upgrade	Buildings	Build Impr	5,000	5,000	0	0	0	0	0	0	0	0	0	0
Avoca Depot - Upgrade	Upgrade	Buildings	Build Impr	0	0	50,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility	Renewal	Buildings	Buildings	0	0	1,122,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility - State Grant		State Grant		0	0	-500,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility - Federal		Fed Grant		0	0	-500,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility - Community		Contribution		0	0	-50,000	0	0	0	0	0	0	0	0	0
Avoca Hall - State Grant		State Grant		0	-21,000	0	0	0	0	0	0	0	0	0	0
Beaufort Town Hall - Change Rooms	Renewal	Buildings	Build Impr	0	10,000	0	0	0	0	0	0	0	0	0	0
Avoca Caravan Park Improvements	Upgrade	Buildings	Lease Impr	100,000	196,000	108,000	0	0	0	0	0	0	0	0	0
Avoca Caravan Park - State Grant		State Grant		-100,000	-100,000	-79,500	0	0	0	0	0	0	0	0	0
Beaufort Caravan Park Improvements	Upgrade	Buildings	Lease Impr	100,000	100,000	140,000	0	0	0	0	0	0	0	0	0
Beaufort Caravan Park - State Grant		State Grant		0	-10,000	0	0	0	0	0	0	0	0	0	0
Beaufort Caravan Park - State Grant		State Grant		-100,000	-100,000	-102,500	0	0	0	0	0	0	0	0	0
Landsborough Caravan Park Improvements - Cabins	Upgrade	Buildings	Lease Impr	140,000	0	0	0	0	0	0	0	0	0	0	0
Landsborough - C Park Contribution		Contribution		-70,000	0	0	0	0	0	0	0	0	0	0	0
Landsborough - LG Inf F Round 2		State Grant		-70,000	0	0	0	0	0	0	0	0	0	0	0
Telecommunication Improvements	Non-Capital	Non-Capital	Non-Capital	50,000	200,000	25,000	25,000	0	0	0	0	0	0	0	0
Building Renewal Program	Renewal	Buildings	Build Impr	63,000	71,806	72,000	82,000	92,000	104,000	116,000	286,000	351,000	371,000	517,000	411,000
Total Recreational Projects				123,000	356,806	285,000	107,000	92,000	137,000	586,000	286,000	351,000	371,000	517,000	411,000
Plant & Equipment															
Plant	Renewal	Plant & Equipment	Plant	388,000	510,738	400,000	575,000	589,000	604,000	619,000	635,000	651,000	667,000	684,000	701,000
Minor Plant Purchases	Renewal	Plant & Equipment	Plant	10,000	10,000	10,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	12,000	13,000
Plant Sales		Asset Sales		-72,000	-72,000	-75,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000
Vehicles	Renewal	Plant & Equipment	Plant	375,000	466,892	375,000	382,000	386,000	390,000	394,000	398,000	402,000	406,000	410,000	414,000
Vehicles Sales		Asset Sales		-200,000	-250,547	-200,000	-200,000	-190,000	-190,000	-180,000	-180,000	-170,000	-170,000	-160,000	-160,000
Furniture & Fittings	Renewal	Plant & Equipment	Furn & Fit	10,000	20,000	15,000	21,000	21,000	22,000	23,000	23,000	24,000	24,000	25,000	25,000
Computer Equipment	Renewal	Plant & Equipment	Computer	75,000	75,000	77,000	97,000	79,000	121,000	84,000	87,000	89,000	91,000	93,000	110,000
Library Purchases	Renewal	Plant & Equipment	Library	0	50,000	52,000	54,000	57,000	59,000	62,000	65,000	67,000	70,000	73,000	76,000
Total Plant & Equipment				586,000	810,083	602,000	765,000	776,000	838,000	831,000	855,000	888,000	910,000	944,000	983,000
Expenditure summarised as:															
Renewal	Renewal		Renewal	5,567,000	6,431,711	7,205,744	4,489,000	4,533,000	5,156,000	5,342,000	5,829,000	6,147,000	6,565,000	7,931,000	6,756,000
Expansion	Expansion		Expansion	0	0	102,000	0	78,000	110,000	110,000	150,000	150,000	121,000	124,000	127,000
Upgrade	Upgrade		Upgrade	350,000	971,000	353,000	316,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
New Assets	New Assets		New Assets	0	13,303	0	5,000	5,000	38,000	1,976,000	6,000	6,000	6,000	6,000	6,000
Expensed Capital Projects	Non-Capital	Non-Capital	Non-Capital	50,000	238,565	336,000	4,270,000	4,341,000	55,000	56,000	58,000	0	0	0	0
Total Capital Expenditure				5,967,000	7,654,579	7,996,744	9,080,000	9,012,000	5,414,000	7,539,000	6,098,000	6,358,000	6,747,000	8,116,000	6,944,000
Loan Repayments		Debt Redemption		478,000	437,000	500,000	300,000	0	0	0	45,000	29,000	49,000	307,000	0
Land Development		Land		775,000	1,284,753	236,000	562,000	752,000	703,000	655,000	349,000	374,000	873,000	0	0
Grand Total Capital Outlays				7,220,000	9,376,332	8,732,744	9,942,000	9,764,000	6,117,000	8,194,000	6,492,000	6,761,000	7,669,000	8,423,000	6,944,000
LESS Expensed Capital Projects				-50,000	-238,565	-336,000	-4,270,000	-4,341,000	-55,000	-56,000	-58,000	0	0	0	0
LESS Loan Repayments				-478,000	-437,000	-500,000	-300,000	0	0	0	-45,000	-29,000	-49,000	-307,000	0
Net Capex Program				6,692,000	8,700,767	7,896,744	5,372,000	5,423,000	6,062,000	8,138,000	6,389,000	6,732,000	7,620,000	8,116,000	6,944,000

Financial Ratios

for years ended 2015-2016 to 2025-2026

			Budget		Forecast									
		Note	2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-17.1%	-24.0%	-3.7%	-37.9%	-39.9%	-16.4%	-12.6%	-14.4%	-14.0%	-12.7%	-13.5%	-14.9%
Liquidity														
Working Capital	Current assets / current liabilities	2	122.0%	145.5%	163.2%	175.7%	175.4%	175.0%	164.6%	164.4%	160.5%	158.7%	159.3%	159.0%
Unrestricted cash	Unrestricted cash / current liabilities		43.7%	63.8%	73.5%	80.4%	79.8%	79.3%	68.7%	69.2%	69.3%	69.9%	76.5%	75.6%
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	11.0%	10.9%	4.0%	0.0%	0.0%	0.0%	5.1%	4.4%	3.9%	3.3%	0.0%	0.0%
Loans and borrowings	Interest and principal repayments / rate revenue		7.0%	6.4%	6.8%	3.9%	0.0%	0.0%	0.0%	0.8%	0.5%	0.6%	3.2%	0.0%
Indebtedness	Non-current liabilities / own source revenue		1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Asset renewal	Asset renewal expenditure / depreciation	4	67.9%	97.5%	104.8%	63.4%	60.4%	66.1%	66.5%	68.4%	69.4%	71.9%	82.0%	67.1%
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue	5	41.2%	44.8%	39.1%	44.0%	44.2%	44.1%	43.0%	43.1%	43.3%	42.9%	43.3%	43.5%
Rates effort	Rate revenue / property values (CIV)		0.46%	0.46%	0.45%	0.46%	0.45%	0.46%	0.44%	0.45%	0.44%	0.45%	0.44%	#DIV/0!

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. Trend is relatively stable over the life of the plan, despite swings between years.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to improve steadily over the life of the plan.

3 Debt compared to rates - Trend indicates Council's desire to retire all current debt and use the money saved to reinvest in capital expenditure.

4 Asset renewal - This percentage indicates the extent of Council's renewal expenditure against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and increased future capital expenditure will be required to renew assets.

5 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

PYRENEES SHIRE COUNCIL

Long Term Financial Plan

10 Year Financial Plan

2015-2016 to 2025-2026

3.83% rate rise

Budgeted Income Statement

for years ended 2015-2016 to 2025-2026

	Budget	Forecast										
	2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Revenue												
Rates	7,312	7,354	7,540	7,870	8,110	8,357	8,611	8,873	9,143	9,421	9,708	10,003
Rates - Higher CAP	0	0	98	0	0	0	0	0	0	0	0	0
Garbage charges	1,030	1,030	1,113	1,146	1,180	1,215	1,251	1,289	1,328	1,368	1,409	1,451
Rates Wind Farms - Waubra	210	207	211	216	221	227	233	239	245	251	257	263
Rates Wind Farms - Chepstowe	0	42	43	44	47	49	50	53	55	57	60	62
Rates Wind Farms - Stockyard Hill	0	0	0	0	0	0	655	668	681	695	709	723
Interest on Rates	28	28	29	29	29	29	29	29	29	29	29	29
Statutory fees and fines	102	105	113	116	119	122	125	128	131	134	137	140
User charges	762	758	776	795	815	835	856	877	899	921	944	968
Grants - operating recurrent	1,032	972	1,031	1,057	1,083	1,110	1,138	1,166	1,195	1,225	1,256	1,287
Grants - operating recurrent - VGC General	2,871	1,369	2,871	2,943	3,017	3,092	3,169	3,248	3,329	3,412	3,497	3,584
Grants - operating non recurrent	103	324	127	130	133	136	139	142	146	150	154	158
Grants - capital recurrent - VGC Roads	2,023	978	2,023	2,074	2,126	2,179	2,233	2,289	2,346	2,405	2,465	2,527
Grants - capital non recurrent - R2R	1,976	2,969	3,114	988	988	1,100	1,100	1,100	1,100	1,300	1,300	1,300
Grants - capital non recurrent - CR&B	1,000	0	0	0	0	0	0	0	0	0	0	0
Grants - capital non recurrent - Federal	0	508	500	2,000	2,000	0	0	0	0	0	0	0
Grants - capital non recurrent - State	270	681	1,032	1,300	1,107	333	1,586	135	0	0	1,000	0
Contributions - non-recurrent	70	90	50	1,000	1,000	0	50	0	0	0	0	0
Interest on Cash Invested	150	140	131	134	137	140	144	148	152	156	160	164
Other Revenue	101	102	95	97	99	101	104	107	110	113	116	119
Sale of Assets	687	789	731	1,082	1,155	1,105	589	782	910	1,423	812	280
Less Carrying Value of Assets Sold	(660)	(760)	(650)	(974)	(1,040)	(995)	(530)	(704)	(819)	(1,281)	(731)	(252)
Total Revenue	19,067	17,686	20,978	22,047	22,326	19,135	21,532	20,569	20,980	21,779	23,282	22,806
Expenses												
Employee Costs	(6,413)	(6,482)	(6,548)	(6,367)	(6,526)	(6,689)	(6,856)	(7,027)	(7,203)	(7,383)	(7,568)	(7,757)
Capital Projects Expensed	(50)	(39)	(336)	(4,270)	(4,341)	(55)	(56)	(58)	-	-	-	-
Contracts, materials & services - ex Waste	(4,734)	(5,859)	(4,818)	(5,151)	(5,472)	(5,675)	(5,747)	(5,989)	(6,027)	(6,156)	(6,129)	(6,413)
Contracts, materials & services - Waste	(1,030)	(1,030)	(1,113)	(1,146)	(1,180)	(1,215)	(1,251)	(1,289)	(1,328)	(1,368)	(1,409)	(1,451)
Bad and doubtful debts	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Depreciation	(8,200)	(6,599)	(6,873)	(7,079)	(7,504)	(7,804)	(8,038)	(8,520)	(8,861)	(9,127)	(9,675)	(10,062)
Borrowing costs	(34)	(34)	(12)	(1)	-	-	-	(23)	(17)	(11)	(1)	-
Other expenses	(296)	(300)	(306)	(314)	(322)	(330)	(338)	(346)	(355)	(364)	(373)	(382)
Total Expenses	(20,759)	(20,345)	(20,007)	(24,329)	(25,346)	(21,769)	(22,287)	(23,253)	(23,792)	(24,410)	(25,156)	(26,066)
Surplus (deficit) for the year	(1,692)	(2,659)	971	(2,282)	(3,020)	(2,634)	(755)	(2,684)	(2,812)	(2,631)	(1,874)	(3,260)
Net asset revaluation increment /(decrement)	500	500	200	0	800	250	0	1,200	320	0	1,700	350
Comprehensive result	(1,192)	(2,159)	1,171	(2,282)	(2,220)	(2,384)	(755)	(1,484)	(2,492)	(2,631)	(174)	(2,910)

Balance Sheet

for years ended 2015-2016 to 2025-2026

	Budget	Forecast										
	2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Assets												
Current assets												
Cash and cash equivalents	1,840	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538
Trade and other receivables	772	832	857	883	909	936	964	993	1,023	1,054	1,086	1,119
Land held for resale	1,850	1,830	1,656	1,532	1,523	1,510	1,905	1,820	1,636	1,489	1,010	1,010
Other assets	161	155	158	161	164	167	170	173	176	180	184	188
Total current assets	4,623	5,355	5,209	5,114	5,134	5,151	5,577	5,524	5,373	5,261	4,818	4,855
Non-current assets												
Trade and other receivables	93	112	99	92	84	75	65	54	42	29	15	12
Property, infrastructure, plant & equipment	282,020	284,154	285,000	282,543	280,333	277,963	277,244	275,801	273,465	270,933	270,932	268,023
Total non-current assets	282,113	284,266	285,099	282,635	280,417	278,038	277,309	275,855	273,507	270,962	270,947	268,035
Total assets	286,736	289,621	290,308	287,749	285,551	283,189	282,886	281,379	278,880	276,223	275,765	272,890
Liabilities												
Current liabilities												
Trade and other payables	1,011	877	912	948	986	1,025	1,066	1,109	1,153	1,199	1,247	1,297
Trust funds and deposits	176	180	184	188	192	196	200	204	208	212	216	220
Provisions	1,801	1,824	1,796	1,774	1,749	1,722	1,693	1,662	1,630	1,597	1,562	1,536
Interest-bearing loans and borrowings	801	800	300	0	0	0	430	385	356	307	0	0
Total current liabilities	3,789	3,681	3,192	2,910	2,927	2,943	3,389	3,360	3,347	3,315	3,025	3,053
Non-current liabilities												
Provisions	166	171	176	181	186	192	198	204	210	216	222	229
Interest-bearing loans and borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	166	171	176	181	186	192	198	204	210	216	222	229
Total liabilities	3,955	3,852	3,368	3,091	3,113	3,135	3,587	3,564	3,557	3,531	3,247	3,282
Net assets	282,781	285,769	286,940	284,658	282,438	280,054	279,299	277,815	275,323	272,692	272,518	269,608
Equity												
Accumulated surplus	80,026	82,514	83,485	81,203	78,183	75,549	74,794	72,110	69,298	66,667	64,793	61,533
Statutory reserve (recreational land)	9	9	9	9	9	9	9	9	9	9	9	9
Asset revaluation reserve	202,746	203,246	203,446	203,446	204,246	204,496	204,496	205,696	206,016	206,016	207,716	208,066
Total equity	282,781	285,769	286,940	284,658	282,438	280,054	279,299	277,815	275,323	272,692	272,518	269,608

Budgeted Cash Flow Statement

for years ended 2015-2016 to 2025-2026

Budget Forecast

2015/2016 2015/2016 2016/2017 2017/2018 2018/2019 2019/2020 2020/2021 2021/2022 2022/2023 2023/2024 2024/2025 2025/2026

Cash flows from operating activities

Rates and charges	8,580	8,661	9,034	9,305	9,587	9,877	10,829	11,151	11,481	11,821	12,172	12,531
Statutory fees and fines	102	105	113	116	119	122	125	128	131	134	137	140
User charges	838	834	854	875	897	919	942	965	989	1,013	1,038	1,065
Grants - operating	4,006	2,665	4,029	4,130	4,233	4,338	4,446	4,556	4,670	4,787	4,907	5,029
Grants - capital	5,269	5,136	6,669	6,362	6,221	3,612	4,919	3,524	3,446	3,705	4,765	3,827
Contributions - cash	77	99	55	1,100	1,100	-	55	-	-	-	-	-
Interest on cash invested	150	140	131	134	137	140	144	148	152	156	160	164
Trust funds and deposits taken	25	25	25	25	25	25	25	25	25	25	25	25
Other receipts	101	102	95	97	99	101	104	107	110	113	116	119
Net GST refund / payment	1,144	1,500	1,349	1,368	1,404	1,168	1,434	1,273	1,298	1,350	1,463	1,430
Employee costs	(6,429)	(6,498)	(6,564)	(6,385)	(6,545)	(6,709)	(6,877)	(7,049)	(7,226)	(7,407)	(7,593)	(7,782)
Materials and services	(6,395)	(7,676)	(6,927)	(11,628)	(12,092)	(7,639)	(7,759)	(8,070)	(8,091)	(8,276)	(8,292)	(8,650)
Trust funds and deposits repaid	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
Other payments	(326)	(330)	(337)	(345)	(354)	(363)	(372)	(381)	(391)	(400)	(410)	(420)
Net cash provided by operating activities	7,117	4,738	8,501	5,129	4,806	5,566	7,990	6,352	6,569	6,996	8,463	7,453

Cash flows from investing activities

Payments for property, infrastructure, plant and equipment	(6,509)	(8,158)	(8,535)	(5,401)	(5,250)	(6,009)	(8,348)	(6,762)	(7,113)	(7,542)	(9,049)	(7,761)
Payments for land held for resale	(852)	(1,413)	(259)	(618)	(827)	(773)	(720)	(383)	(411)	(960)	-	-
Proceeds from sale of property, infrastructure, plant and equipment	299	355	303	352	341	341	330	330	319	319	308	308
Proceeds from sale of land held for resale	457	514	502	839	930	875	318	531	682	1,247	586	-
Payments for investments	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Proceeds from sale of investments	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Net cash used in investing activities	(6,605)	(8,702)	(7,989)	(4,828)	(4,806)	(5,566)	(8,420)	(6,284)	(6,523)	(6,936)	(8,155)	(7,453)

Cash flows from financing activities

Borrowing costs	(34)	(34)	(12)	(1)	-	-	-	(23)	(17)	(11)	(1)	-
Proceeds from borrowings	-	-	-	-	-	-	430	-	-	-	-	-
Repayment of borrowings	(478)	(437)	(500)	(300)	-	-	-	(45)	(29)	(49)	(307)	-
Net cash provided by (used in) financing activities	(512)	(471)	(512)	(301)	-	-	430	(68)	(46)	(60)	(308)	-

Net (decrease) increase in cash & cash equivalents

	-	(4,435)	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of the financial year	1,840	6,973	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538
Cash and cash equivalents at end of the financial year	1,840	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538

Budgeted Standard Capital Works Statement

for years ended 2015-2016 to 2025-2026

			Budget		Forecast									
			2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Land Development														
Avoca Industrial Land Sales - Stage 1		Land Sales	Land Inc	-40,500	-203,000	-80,500	0	0	0	0	0	0	0	0
Avoca Industrial Land Purchase - Stage 2	New Assets	Land	Land	10,000	90,000	0	0	0	0	0	0	0	0	0
Avoca Industrial Land Construct - Stage2	New Assets	Land	Land Improve	0	0	0	0	402,000	412,000	0	0	0	0	0
Avoca Industrial Land Development - Grant State		Grant Land	Land Inc	0	0	0	0	-107,000	-108,000	0	0	0	0	0
Avoca Industrial Land Sales - Stage 2 (25 Lots)		Land Sales	Land Inc	0	0	0	0	-55,000	-55,000	-220,000	-138,000	-138,000	-83,000	0
Beaufort Industrial Land Purchase - McVilly Stage 1 & 2	New Assets	Land	Land	0	197,821	0	0	0	0	0	0	0	0	0
Beaufort Industrial Land Construct - McVilly Stage 1	New Assets	Land	Land Improve	0	0	0	0	0	178,000	531,000	0	0	0	0
Beaufort Industrial Land Development - Grant State		Grant Land	Land Inc	0	0	0	0	0	0	-136,000	0	0	0	0
Beaufort Industrial Land - Sales McVilly Stage 1 (8 Lots)		Land Sales	Land Inc	0	0	0	0	0	0	-69,000	-275,000	-207,000	0	0
Beaufort Industrial Land Construct - McVilly Stage 2	New Assets	Land	Land Improve	0	0	0	0	0	124,000	349,000	0	0	0	0
Beaufort Industrial Land Development - Grant State		Grant Land	Land Inc	0	0	0	0	0	0	-135,000	0	0	0	0
Beaufort Industrial Land - Sales McVilly Stage 2 (8 Lots)		Land Sales	Land Inc	0	0	0	0	0	0	-69,000	-275,000	-214,000	0	0
Beaufort Residential Land Stage 1 Sales (Lot 13)		Land Sales	Land Inc	-215,000	0	-90,000	0	0	0	0	0	0	0	0
Beaufort Residential Land Sales - Stage 2A (3 Lots)		Land Sales	Land Inc	-159,000	-23,010	-121,000	0	0	0	0	0	0	0	0
Beaufort Residential Land Sales - Stage 2B (6 Lots)		Land Sales	Land Inc	0	-241,000	-47,000	0	0	0	0	0	0	0	0
Beaufort Residential Land Purchase - Stage 3	New Assets	Land	Land	155,000	266,855	0	0	0	0	0	0	0	0	0
Beaufort Residential Land Construct - Stage 3	New Assets	Land	Land Improve	610,000	730,077	0	0	0	0	0	0	0	0	0
Beaufort Residential Land Sales - Stage 3 (17 Lots)		Land Sales	Land Inc	0	0	-117,500	-762,000	-117,000	0	0	0	0	0	0
Beaufort Residential Land Purchase -Stage 4	New Assets	Land	Land	0	0	236,000	213,000	0	0	0	0	0	0	0
Beaufort Residential Land Construct - Stage 4	New Assets	Land	Land Improve	0	0	0	349,000	350,000	113,000	0	0	0	0	0
Beaufort Residential Land Sales - Stage 4 (21 Lots)		Land Sales	Land Inc	0	0	0	0	-673,000	-740,000	0	0	0	0	0
Beaufort Residential Land Purchase - Stage 5	New Assets	Land	Land	0	0	0	0	0	0	0	374,000	0	0	0
Beaufort Residential Land Construct - Stage 5	New Assets	Land	Land Improve	0	0	0	0	0	0	0	0	873,000	0	0
Beaufort Residential Land Sales - Stage 5 (18 Lots)		Land Sales	Land Inc	0	0	0	0	0	0	0	0	-836,000	-532,000	0
Land Sales Selling Costs	Non-Capital	Non-Capital	Non-Capital	0	13,500	20,000	0	0	0	0	0	0	0	0
Land Development Loan Borrowing				0	0	0	0	0	-430,000	0	0	0	0	0
Land Development Loan Interest				0	0	0	0	0	0	45,000	29,000	49,000	307,000	0
Land Development Loan Repayment				0	0	0	0	0	0	23,000	17,000	11,000	1,000	0
Total Land Development				360,500	831,243	-200,000	-200,000	-200,000	-200,000	-200,000	-200,000	-200,000	-224,000	0
Capital Expenditure Summary														
Infrastructure Roads - Roads to Recovery Projects		R2R		1,976,000	2,968,915	3,114,244	988,000	988,000	1,100,000	1,100,000	1,100,000	1,100,000	1,300,000	1,300,000
Infrastructure Roads - Country Roads & Bridges		CRB		1,000,000	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Federal Black Spot		Black Spot		0	508,000	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Council Projects		Council Roads		1,670,000	1,730,360	1,852,500	2,218,000	2,407,000	2,514,000	2,935,000	3,126,000	3,355,000	3,529,000	3,623,000
Recreational Projects		Recreation		0	688,303	316,000	428,000	88,000	450,000	220,000	360,000	360,000	331,000	1,434,000
Land Projects		Land Improve		0	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Buildings		Buildings		413,000	387,806	1,492,000	82,000	92,000	137,000	2,086,000	286,000	351,000	371,000	517,000
Plant, machinery and equipment		Plant & Equipment		858,000	1,132,630	929,000	1,139,000	1,143,000	1,207,000	1,193,000	1,220,000	1,245,000	1,270,000	1,297,000
Capital Projects Expensed		Non-Capital		50,000	238,565	336,000	4,270,000	4,341,000	55,000	56,000	0	0	0	0
Loan Repayments		Debt Redemption		478,000	437,000	500,000	300,000	0	0	0	45,000	29,000	49,000	307,000
Total Capital Expenditure - Other				6,445,000	8,091,579	8,594,744	9,480,000	9,114,000	5,518,000	7,645,000	6,250,000	6,495,000	6,905,000	8,533,000
Total Capital Expenditure Summary				7,220,000	9,376,332	8,830,744	10,042,000	9,866,000	6,221,000	8,300,000	6,599,000	6,869,000	7,778,000	8,533,000
Capital Income Summary														
Moonambel Water Supply Federal & State Grants		Grant Moon		0	0	-200,000	-1,000,000	-1,000,000	0	0	0	0	0	0
Contributions		Contribution		-70,000	-90,000	-50,000	-1,000,000	-1,000,000	0	0	0	0	0	0
Garbage Charges to Fund Transfer Station Improvements		Garbage Charges		0	0	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000
State Government Grant		State Grant		-270,000	-681,000	-757,000	-300,000	0	-500,000	0	0	0	0	0
Federal Government Grant		Fed Grant		0	0	-500,000	-2,000,000	-2,000,000	0	0	0	0	0	0
Roads to Recovery Grant		R2R Grant		-1,976,000	-2,968,915	-3,114,244	-988,000	-988,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,300,000	-1,300,000
Federal Black Spot Grant		Black Spot Grant		0	-508,000	0	0	0	0	0	0	0	0	0
Country Roads & Bridges Grant		CRB Grant		-1,000,000	0	0	0	0	0	0	0	0	0	0
Pool Upgrade - SR Pools Program		Grant Pools		0	0	-75,000	0	0	-225,000	0	0	0	-1,000,000	0
Snake Valley Multi Services Hub Grant		Grant SV Hub		0	0	0	0	0	0	-950,000	0	0	0	0
Snake Valley Multi Services Hub Bendigo Bank Contribution		BEN Contribution		0	0	0	0	0	0	-50,000	0	0	0	0
Sale of Plant & Vehicles		Asset Sales		-272,000	-322,547	-275,000	-320,000	-310,000	-310,000	-300,000	-300,000	-290,000	-290,000	-280,000
Total Capital Income Summary				-3,588,000	-4,570,462	-5,026,244	-5,663,000	-5,353,000	-1,690,000	-2,955,000	-1,455,000	-1,445,000	-1,645,000	-2,635,000

Budgeted Standard Capital Works Statement

for years ended 2015-2016 to 2025-2026

				Budget		Forecast									
				2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Land Improvements															
Moonambel Water Supply Planning & Development	Non-Capital	Non-Capital	Non-Capital	0	25,065	260,000	4,182,000	4,287,000	0	0	0	0	0	0	0
Moonambel Water Supply Federal Grant		Fed Grant		0	0	0	-2,000,000	-2,000,000	0	0	0	0	0	0	0
Moonambel Water Supply State Grant		Grant Moon		0	0	-200,000	-1,000,000	-1,000,000	0	0	0	0	0	0	0
Moonambel Water Supply Private Investment		Contribution		0	0	0	-1,000,000	-1,000,000	0	0	0	0	0	0	0
Flood Study Planning and Works Beaufort, Avoca, Waubra and Lextor	Non-Capital	Non-Capital	Non-Capital	0	0	31,000	63,000	54,000	55,000	56,000	58,000	0	0	0	0
Transfer Station Improvements	Upgrade	Land Improve	Waste	0	0	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Garbage Charges to Fund Transfer Station Improvements		Garbage Charges		0	0	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000
Raglan & Redbank S/C & Raglan, Redbank & Barkley Hall Upgrade	Upgrade	Recreation	Park	0	180,000	0	0	0	0	0	0	0	0	0	0
Raglan & Redbank S/C & Raglan, Redbank & Barkley Hall Upgrade		State Grant		0	-120,000	0	0	0	0	0	0	0	0	0	0
Raglan & Redbank S/C & Raglan, Redbank & Barkley Hall Upgrade		Contribution		0	-15,000	0	0	0	0	0	0	0	0	0	0
Living Landsborough Streetscape & Hall Upgrade	Upgrade	Recreation	Park	0	485,000	0	0	0	0	0	0	0	0	0	0
Living Landsborough Streetscape & Hall Upgrade - Contribution		Contribution		0	-75,000	0	0	0	0	0	0	0	0	0	0
Living Landsborough Streetscape & Hall Upgrade - State Grant		State Grant		0	-330,000	0	0	0	0	0	0	0	0	0	0
Landsborough Street Scape & Hall Upgrade Grant		State Grant		0	0	0	0	0	0	0	0	0	0	0	0
Total Land Improvements				0	150,065	91,000	245,000	341,000	55,000	56,000	58,000	0	0	0	0
Infrastructure Roads - Roads to Recovery Projects															
Roads - link and collectors R2R MMS \$915,000	Renewal	R2R	Roads	1,273,000	1,759,853	2,560,000	687,000	679,000	770,000	762,000	754,000	745,000	936,000	927,000	918,000
Major Culverts - link and collectors R2R	Renewal	R2R	Drainage			170,000									
Bridges - link and collectors R2R	Renewal	R2R	Bridges	703,000	1,209,062	384,244	301,000	309,000	330,000	338,000	346,000	355,000	364,000	373,000	382,000
Roads to Recovery Auslink Etc		R2R Grant		-1,976,000	-2,968,915	-3,114,244	-988,000	-988,000	-1,100,000	-1,100,000	-1,100,000	-1,100,000	-1,300,000	-1,300,000	-1,300,000
Total Roads to Recovery				0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Country Roads & Bridges															
Roads	Renewal	CRB	Roads	43,000	0	0	0	0	0	0	0	0	0	0	0
Bridges	Renewal	CRB	Bridges	957,000	0	0	0	0	0	0	0	0	0	0	0
State Roads & Bridges Grant		CRB Grant		-1,000,000	0	0	0	0	0	0	0	0	0	0	0
Total Country Roads & Bridges				0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Federal Black Spot															
Beaufort-Carrnham Road	Renewal	Black Spot	Roads	0	508,000	0	0	0	0	0	0	0	0	0	0
Federal Black Spot Grant		Black Spot Grant		0	-508,000	0	0	0	0	0	0	0	0	0	0
Total Federal Black Spot				0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Roads - Council Projects															
Roads - pavement - MAMS \$915,000	Renewal	Council Roads	Roads	0	0	68,000	89,000	127,000	155,000	252,000	321,000	291,000	613,000	621,000	637,000
Roads - resheets - MAMS \$243,000	Renewal	Council Roads	Roads	600,000	600,000	600,000	680,000	800,000	797,000	901,000	981,000	1,005,000	1,031,000	1,056,000	1,083,000
Roads - reseals - MAMS - \$833,000	Renewal	Council Roads	Roads	700,000	700,000	770,000	735,000	754,000	773,000	892,000	912,000	932,000	953,000	974,000	996,000
Roads - reseals - Extra Rates Variation	Renewal	Council Roads	Roads			98,000	100,000	102,000	104,000	106,000	107,000	108,000	109,000	110,000	111,000
Roads - forward survey & design	Renewal	Council Roads	Roads	50,000	56,650	50,000	54,000	54,000	55,000	56,000	58,000	59,000	61,000	62,000	64,000
Bridges - MAMS \$400k	Renewal	Council Roads	Bridges	0	0	0	200,000	200,000	250,000	281,000	289,000	489,000	277,000	304,000	411,000
Drainage	Renewal	Council Roads	Roads	0	0	0	0	0	0	56,000	58,000	59,000	61,000	62,000	64,000
Major Culverts	Renewal	Council Roads	Drainage	150,000	150,000	75,000	157,000	161,000	165,000	169,000	173,000	177,000	182,000	186,000	191,000
Footpaths - Renewal - MAMS \$18,000	Renewal	Council Roads	Footpaths	10,000	13,710	18,000	19,000	20,000	21,000	22,000	22,000	24,000	25,000	26,000	27,000
Footpaths - New	New Assets	Council Roads	Footpaths	0	0	0	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	6,000
Kerb & Channel - MAMS \$21,000	Renewal	Council Roads	Drainage	10,000	10,000	21,000	22,000	23,000	24,000	25,000	26,000	28,000	29,000	30,000	32,000
Roads Other - Shoulder Program	Renewal	Council Roads	Roads	50,000	100,000	50,000	52,000	54,000	55,000	56,000	58,000	59,000	61,000	62,000	64,000
Roads Other - Major Patch	Renewal	Council Roads	Roads	100,000	100,000	102,500	105,000	107,000	110,000	113,000	115,000	118,000	121,000	124,000	127,000
Total Council Roads				1,670,000	1,730,360	1,852,500	2,218,000	2,407,000	2,514,000	2,935,000	3,126,000	3,355,000	3,529,000	3,623,000	3,813,000
						7.1%	19.7%	8.5%	4.4%	16.7%	6.5%	7.3%	5.2%	2.7%	5.2%
Recreational Projects															
Beaufort Pool - Upgrade	Renewal	Recreation	Recreation	0	0	102,000	0	0	0	100,000	200,000	200,000	200,000	1,300,000	0
Beaufort Pool - SV Pools Program		Grant Pools		0	0	-75,000	0	0	0	0	0	0	0	-1,000,000	0
Croquet Club Development	New Assets	Recreation	Recreation	0	13,303	0	0	0	0	0	0	0	0	0	0
Avoca Pool - Upgrade	Renewal	Recreation	Recreation	0	0	0	0	0	330,000	0	0	0	0	0	0
Avoca Pool - SV Pools Program		Grant Pools		0	0	0	0	0	-225,000	0	0	0	0	0	0
Hard Court Renewal	Renewal	Recreation	Recreation	0	0	102,000	157,000	0	0	0	0	0	0	0	0
Playground Equipment Replacement	Renewal	Recreation	Recreation	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Government Grants - State		State Grant		0	0	-75,000	-112,500	0	0	0	0	0	0	0	0
Beaufort Walkability	Upgrade	Recreation	Footpaths	0	0	0	261,000	0	0	0	0	0	0	0	0
Government Grants - State		State Grant		0	0	0	-187,500	0	0	0	0	0	0	0	0
Walkability Plan Projects	Expansion	Recreation	Footpaths	0	0	102,000	0	78,000	110,000	110,000	150,000	150,000	121,000	124,000	127,000
Total Recreational Projects				0	23,303	166,000	128,000	88,000	225,000	220,000	360,000	360,000	331,000	434,000	137,000

Budgeted Standard Capital Works Statement

for years ended 2015-2016 to 2025-2026

				Budget		Forecast									
				2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Buildings															
Snake Valley Multi Services Hub (Kindergarten)	New Assets	Buildings	Buildings	0	0	0	0	0	33,000	1,970,000	0	0	0	0	0
Snake Valley Multi Services Hub - Early Child S Govt		Grant SV Hub		0	0	0	0	0	0	-750,000	0	0	0	0	0
Snake Valley Multi Services Hub - State Grant		Grant SV Hub		0	0	0	0	0	0	-200,000	0	0	0	0	0
Snake Valley Multi Services Hub - State Grant		State Grant		0	0	0	0	0	0	-500,000	0	0	0	0	0
Snake Valley Multi Services Hub - B Bank		BEN Contribution		0	0	0	0	0	0	-50,000	0	0	0	0	0
Beaufort Depot - Pratt Street House Precinct Dev	Upgrade	Buildings	Build Impr	5,000	5,000	0	0	0	0	0	0	0	0	0	0
Avoca Depot - Plan	Upgrade	Buildings	Build Impr	5,000	5,000	0	0	0	0	0	0	0	0	0	0
Avoca Depot - Upgrade	Upgrade	Buildings	Build Impr	0	0	50,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility	Renewal	Buildings	Buildings	0	0	1,122,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility - State Grant		State Grant		0	0	-500,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility - Federal		Fed Grant		0	0	-500,000	0	0	0	0	0	0	0	0	0
Lexton Community Facility - Community		Contribution		0	0	-50,000	0	0	0	0	0	0	0	0	0
Avoca Hall - State Grant		State Grant		0	-21,000	0	0	0	0	0	0	0	0	0	0
Beaufort Town Hall - Change Rooms	Renewal	Buildings	Build Impr	0	10,000	0	0	0	0	0	0	0	0	0	0
Avoca Caravan Park Improvements	Upgrade	Buildings	Lease Impr	100,000	196,000	108,000	0	0	0	0	0	0	0	0	0
Avoca Caravan Park - State Grant		State Grant		-100,000	-100,000	-79,500	0	0	0	0	0	0	0	0	0
Beaufort Caravan Park Improvements	Upgrade	Buildings	Lease Impr	100,000	100,000	140,000	0	0	0	0	0	0	0	0	0
Beaufort Caravan Park - State Grant		State Grant		0	-10,000	0	0	0	0	0	0	0	0	0	0
Beaufort Caravan Park - State Grant		State Grant		-100,000	-100,000	-102,500	0	0	0	0	0	0	0	0	0
Landsborough Caravan Park Improvements - Cabins	Upgrade	Buildings	Lease Impr	140,000	0	0	0	0	0	0	0	0	0	0	0
Landsborough - C Park Contribution		Contribution		-70,000	0	0	0	0	0	0	0	0	0	0	0
Landsborough - LG Inf F Round 2		State Grant		-70,000	0	0	0	0	0	0	0	0	0	0	0
Telecommunication Improvements	Non-Capital	Non-Capital	Non-Capital	50,000	200,000	25,000	25,000	0	0	0	0	0	0	0	0
Building Renewal Program	Renewal	Buildings	Build Impr	63,000	71,806	72,000	82,000	92,000	104,000	116,000	286,000	351,000	371,000	517,000	411,000
Total Recreational Projects				123,000	356,806	285,000	107,000	92,000	137,000	586,000	286,000	351,000	371,000	517,000	411,000
Plant & Equipment															
Plant	Renewal	Plant & Equipment	Plant	388,000	510,738	400,000	575,000	589,000	604,000	619,000	635,000	651,000	667,000	684,000	701,000
Minor Plant Purchases	Renewal	Plant & Equipment	Plant	10,000	10,000	10,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	12,000	13,000
Plant Sales		Asset Sales		-72,000	-72,000	-75,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000	-120,000
Vehicles	Renewal	Plant & Equipment	Plant	375,000	466,892	375,000	382,000	386,000	390,000	394,000	398,000	402,000	406,000	410,000	414,000
Vehicles Sales		Asset Sales		-200,000	-250,547	-200,000	-200,000	-190,000	-190,000	-180,000	-180,000	-170,000	-170,000	-160,000	-160,000
Furniture & Fittings	Renewal	Plant & Equipment	Furn & Fit	10,000	20,000	15,000	21,000	21,000	22,000	23,000	23,000	24,000	24,000	25,000	25,000
Computer Equipment	Renewal	Plant & Equipment	Computer	75,000	75,000	77,000	97,000	79,000	121,000	84,000	87,000	89,000	91,000	93,000	110,000
Library Purchases	Renewal	Plant & Equipment	Library	0	50,000	52,000	54,000	57,000	59,000	62,000	65,000	67,000	70,000	73,000	76,000
Total Plant & Equipment				586,000	810,083	602,000	765,000	776,000	838,000	831,000	855,000	888,000	910,000	944,000	983,000
Expenditure summarised as:															
Renewal	Renewal		Renewal	5,567,000	6,431,711	7,303,744	4,589,000	4,635,000	5,260,000	5,448,000	5,936,000	6,255,000	6,674,000	8,041,000	6,867,000
Expansion	Expansion		Expansion	0	0	102,000	0	78,000	110,000	110,000	150,000	150,000	121,000	124,000	127,000
Upgrade	Upgrade		Upgrade	350,000	971,000	353,000	316,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
New Assets	New Assets		New Assets	0	13,303	0	5,000	5,000	38,000	1,976,000	6,000	6,000	6,000	6,000	6,000
Expensed Capital Projects	Non-Capital	Non-Capital	Non-Capital	50,000	238,565	336,000	4,270,000	4,341,000	55,000	56,000	58,000	0	0	0	0
Total Capital Expenditure				5,967,000	7,654,579	8,094,744	9,180,000	9,114,000	5,518,000	7,645,000	6,205,000	6,466,000	6,856,000	8,226,000	7,055,000
Loan Repayments		Debt Redemption		478,000	437,000	500,000	300,000	0	0	0	45,000	29,000	49,000	307,000	0
Land Development		Land		775,000	1,284,753	236,000	562,000	752,000	703,000	655,000	349,000	374,000	873,000	0	0
Grand Total Capital Outlays				7,220,000	9,376,332	8,830,744	10,042,000	9,866,000	6,221,000	8,300,000	6,599,000	6,869,000	7,778,000	8,533,000	7,055,000
LESS Expensed Capital Projects				-50,000	-238,565	-336,000	-4,270,000	-4,341,000	-55,000	-56,000	-58,000	0	0	0	0
LESS Loan Repayments				-478,000	-437,000	-500,000	-300,000	0	0	0	-45,000	-29,000	-49,000	-307,000	0
Net Capex Program				6,692,000	8,700,767	7,994,744	5,472,000	5,525,000	6,166,000	8,244,000	6,496,000	6,840,000	7,729,000	8,226,000	7,055,000

Financial Ratios

for years ended 2015-2016 to 2025-2026

			Budget		Forecast									
		Note	2015/2016	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-17.1%	-24.0%	-3.2%	-37.1%	-39.1%	-15.8%	-12.0%	-13.8%	-13.4%	-12.1%	-12.9%	-14.3%
Liquidity														
Working Capital	Current assets / current liabilities	2	122.0%	145.5%	163.2%	175.7%	175.4%	175.0%	164.6%	164.4%	160.5%	158.7%	159.3%	159.0%
Unrestricted cash	Unrestricted cash / current liabilities		43.7%	63.8%	73.5%	80.4%	79.8%	79.3%	68.7%	69.2%	69.3%	69.9%	76.5%	75.6%
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	11.0%	10.9%	4.0%	0.0%	0.0%	0.0%	5.0%	4.3%	3.9%	3.3%	0.0%	0.0%
Loans and borrowings	Interest and principal repayments / rate revenue		7.0%	6.4%	6.8%	3.8%	0.0%	0.0%	0.0%	0.8%	0.5%	0.6%	3.2%	0.0%
Indebtedness	Non-current liabilities / own source revenue		1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Asset renewal	Asset renewal expenditure / depreciation	4	67.9%	97.5%	106.3%	64.8%	61.8%	67.4%	67.8%	69.7%	70.6%	73.1%	83.1%	68.2%
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue	5	41.2%	44.8%	38.9%	44.3%	44.5%	44.4%	43.3%	43.4%	43.6%	43.3%	43.6%	43.9%
Rates effort	Rate revenue / property values (CIV)		0.46%	0.46%	0.45%	0.47%	0.45%	0.46%	0.45%	0.46%	0.45%	0.46%	0.44%	#DIV/0!

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. Trend is relatively stable over the life of the plan, despite swings between years.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to improve steadily over the life of the plan.

3 Debt compared to rates - Trend indicates Council's desire to retire all current debt and use the money saved to reinvest in capital expenditure.

4 Asset renewal - This percentage indicates the extent of Council's renewal expenditure against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and increased future capital expenditure will be required to renew assets.

5 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.