



CITY OF BALLARAT
Draft Budget Influences and Principles
2019/20



Budget influences, principles

Budget implications

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

- The large geographic area, which includes both urban and rural environments, means the City needs to be responsive to diverse community needs.
- The large rural area means transport costs for services are higher. This will impact on services such as garbage collection. There is also a requirement to invest in maintaining a vast rural road network.
- The growing urban area means that with new subdivisions, Council takes on responsibility for an increasing number of public assets when transferred by developers. This includes public parkland which in turn requires additional staff and equipment to maintain.

BUDGET PRINCIPLES

An overview of Council's budget principles are shown below. These principles have guided the development of the detailed draft Budget:

Theme

Best Value:

Take account of Best Value principles from the Local Government Act:

- All services must meet quality and cost standards.
- All services must be responsive to the needs of the community.
- Each service must be accessible by those members of the community for whom the service is intended.
- The City must achieve continuous improvement in the provision of services to the community.
- The City must develop a program of consultation with the community in relation to the services it provides and report regularly to the community.
- The City must report regularly to its community on achievements in relation to the above principles.

Capital Works Alignment with Community Plan:

The City's Budget will take account of the Community Plan and other strategic plans for new Capital Works including the agreed criteria of the Capital Investment Framework.

Rating:

The City in 2019/2020 has no desire to seek a variation to the rate cap. Demand for services and infrastructure will be balanced with revenue under a rate capping environment.

Renewal of Assets:

Comply with policy by investing in renewing existing assets in line with asset management plans and condition audits.

Loan Borrowings:

The level of indebtedness will remain within 50% of Rates and Charges. Traditionally this was set at the low risk level of Auditor General 's Office (VAGO) indicator. This level has been adjusted to reflect the additional liability as a result of Council's Developer Contribution Scheme. The City's ability to pay our debt using our own revenue sources will remain within policy, and support implementation of the Community Plan.

Revenue Sources:

- Identify new revenue sources where possible.
- Government grants will only be included in the Budget if they are either confirmed or there is a high likelihood of confirmation and, if no confirmation is received, refer the matter to future Council briefings for decision on proceeding.
- Projects with a potential government funding component identified will not commence until government funding is committed.

Operating Budget Aligned with Community Plan:

The City's Budget will take into account the Community Plan and other strategic plans for new and expanded services funded through the operating budget. Initiatives use a submission process which justifies increased service demand or the development of a new service/ initiative. This includes requests for new staffing positions.

Working Capital Ratio:

Aim to achieve to remain within a low to medium risk category of VAGO. Council's aim is to balance the utilisation of cash and remain in a good liquidity position.

Maintain Service Growth:

Ensure existing service levels are maintained, as a minimum.