



Legislative Council Standing Committee on Environment and Planning

Consolidated request for information relevant to the Inquiry into Rate Capping Policy

As part of the Inquiry into Rate Capping Policy, the Committee has resolved to request the following information. This request is made pursuant to section 19 of the *Constitution Act 1975*, and Legislative Council Standing Order 23.19. Further all responses will be treated as evidence, which is protected by parliamentary privilege.

Please return responses to epc@parliament.vic.gov.au by Friday 1 July 2016. If you have any questions please contact the Secretariat on 03 8682 2869.

Council Name:	Ararat Rural City Council
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1. Enterprise Bargaining Agreement

	What is the percentage pay increase provided for in your EBA for the following periods? If the EBA has not been concluded for these periods please advise.	What is the additional estimated cost of bracket creep annually at your council? Note Bracket creep means movements in payments unrelated to the general EBA indexation but related to reclassifications and annual and other increments relating to changes of bands.
2013/14 financial year	3%	0.9%
2014/15 financial year	3%	0.9%
2015/16 financial year	3%	0.9%
2016/17 financial year	Unknown – EBA expires October 2016 – only 3% allowed in budget for EBA and bracket creep	0.9%
2017/18 financial year	Unknown – EBA expires October 2016 – only 3% allowed in budget for EBA and bracket creep	0.9%

2. Local government general election costs 2012 and 2016

General council election	Cost	How delivered (i.e., 'postal' or 'attendance elections')
2012	\$74,821 (includes \$4,916 for enforcement of compulsory voting)	Not contested – amount included of \$74,821 was the quoted cost) – since 2012 Council conducted 3 by elections due to resignations and a death of a councillor – each by election cost approximately \$50,000 – none of these by elections were included in any budget - a 1% rate rise is about \$130,000
2016	\$96,794 (includes \$8,836 for enforcement of compulsory voting)	Postal

Were there any differences between these two elections which would impact on costs (e.g. number of centres increased or decreased)?

No



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3. Senior officer salaries

As at 30 June 2015 (for the 2014/15 financial year) and 30 June 2016 (for the 2015/16 financial year), please provide the **number** of senior officers for each pay scale. Please note senior officers should be defined as per the *Local Government Act*, and should include remuneration for each position as reported under the Local Government (Planning & Reporting) Regulations 2014.

Salary Band	Number of staff at 30 June 2015 (2014/15 financial year)		Number of staff at 30 June 2016 (2015/16 financial year)		Salary Band	Number of staff at 30 June 2015 (2014/15 financial year)		Number of staff at 30 June 2016 (2015/16 financial year)		Salary Band	Number of staff at 30 June 2015 (2014/15 financial year)		Number of staff at 30 June 2016 (2015/16 financial year)	
	EBA staff	Managers	EBA staff	Managers		EBA staff	Managers	EBA staff	Managers		EBA staff	Managers	EBA staff	Managers
\$120,000 - \$129,999					\$250,000 - \$259,999					\$380,000 - \$389,999				
\$130,000 - \$139,999					\$260,000 - \$269,999					\$390,000 - \$399,999				
\$140,000 - \$149,999			1		\$270,000 - \$279,999					\$400,000 - \$409,999				
\$150,000 - \$159,999					\$280,000 - \$289,999					\$410,000 - \$419,999				
\$160,000 - \$169,999		2		1	\$290,000 - \$299,999					\$420,000 - \$429,999				
\$170,000 - \$179,999		2		2	\$300,000 - \$309,999					\$430,000 - \$439,999				
\$180,000 - \$189,999				1	\$310,000 - \$319,999					\$440,000 - \$449,999				
\$190,000 - \$199,999					\$320,000 - \$329,999					\$450,000 - \$459,999				
\$200,000 - \$209,999					\$330,000 - \$339,999					\$460,000 - \$469,999				
\$210,000 - \$219,999		1		1	\$340,000 - \$349,999					\$470,000 - \$479,999				
\$220,000 - \$229,999					\$350,000 - \$359,999					\$480,000 - \$489,999				
\$230,000 - \$239,999					\$360,000 - \$369,999					\$490,000 - \$499,999				
\$240,000 - \$249,999					\$370,000 - \$379,999					\$500,000 +				



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4. Planning fees

	What was the cost to your council to issue planning permits?	What revenue was received by your council from planning permits?
2012/13 financial year	\$386,236	\$36,932
2013/14 financial year	\$375,680	\$43,525
2014/15 financial year	\$376,837	\$35,137
2015/16 financial year	\$363,793	\$52,423
2016/17 financial year (if not known please state this)	\$424,580	\$50,000 estimated in 2016/17 budget

5. If your council applied to the Essential Services Commission (ESC) for a rate cap variation:

What was the total cost to council of preparing the application?	Not applicable – Ararat did not apply
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6. Roads and bridges

What is the size of the road network (in kms) that you are responsible for?	Sealed roads – 709kms, unsealed roads – 1,653kms
If there is a backlog in road and/or bridge maintenance and renewal, has your council costed this and if so what is the estimated cost?	Asset renewal compared to depreciation in the LGPRF was 85.96% in 2014/15 and forecast to be 71.58% in 2015/16, and 63.73% in 2016/17. This calculation does not include maintenance.

	How much road and/or bridge maintenance and renewal funding did your council receive from the state government?	How much road and/or bridge maintenance and renewal funding did your council receive from the federal government?	How much did your council spend in total on road and/or bridge maintenance and renewal?
2012/13 financial year	\$3,049,072	\$1,080,393	\$7,554,231
2013/14 financial year	\$3,332,470	\$1,077,435	\$7,883,205
2014/15 financial year	\$3,508,187	\$1,053,576	\$8,168,547
2015/16 financial year	\$2,210,296	\$3,010,060	\$8,803,542
2016/17 financial year (if not known please state this)	\$2,535,296	\$3,476,386	\$8,526,519

Do you have any other comments about funding for infrastructure (such as roads and bridges)?

Renewal works for infrastructure is highly dependent on government grants.

The state government funding includes \$1 million received from the Country Roads & Bridges Program each year from 2012/13 to 2014/15. Council allocated funds from the Local Government Infrastructure Program towards road reconstruction works of \$0.2 million in 2013/14 and \$0.35 million in 2014/15.

When the Country Roads & Bridges Program ceased in 2015/16, expenditure renewing assets would have reduced by the same amount - \$1 million (which is equivalent to 7.8% of general rates & municipal charges), however Council received additional funds from the Roads to Recovery Program. So the full effect of ceasing the Country Roads & Bridges Program will not be felt until future years.

The funding received from the Victoria Grants Commission is untied and can be used towards operations, maintenance, new, renewal, and upgrade works.

Totals spent by Council on roads and bridges includes maintenance and renewal expenditure, as well as capital works recognised as new & upgrade asset expenditure



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7. State Emergency Service

	How many State Emergency Service units are based in your municipality?	How many State Emergency Service units do you provide funding to?	How much funding did you provide to the State Emergency Service?	Did you provide any other support/assistance to the State Emergency Service? (such as land, buildings or maintenance)	If you provided other support/assistance to the State Emergency Service, what is the estimated value?
2012/13 financial year	1	1	\$25,078	Council provides land & buildings (no lease payments), & pays for insurance on SES vehicles & buildings, building maintenance	\$9,569
2013/14 financial year	1	1	\$25,706	Council provides land & buildings (no lease payments), & pays for insurance on SES vehicles & buildings, building maintenance and fire services levy	\$8,755
2014/15 financial year	1	1	\$25,706	Council provides land & buildings (no lease payments), & pays for insurance on SES vehicles & buildings, building maintenance and fire services levy	\$9,694
2015/16 financial year	1	1	\$25,706	Council provides land & buildings (no lease payments), & pays for insurance on SES vehicles & buildings, building maintenance and fire services levy	\$9,299
2016/17 financial year (if not known please state this)	1	1	\$25,706	Council provides land & buildings (no lease payments), & pays for insurance on SES vehicles & buildings, and fire services levy	\$9,499

8. Containing costs

Are you able to give some examples of how council has reduced spending and/or contained costs in 2015/16 in preparation for the introduction of rate capping? Was any infrastructure deferred or cancelled, if so please specify.

Finishing the Country Roads & Bridges Program has resulted in \$1 Million less in renewal works (which is equivalent to 7.8% of the total amount of general rates for 2015/16). 2016/17 staffing levels are consistent with 2015/16 and no conscious decisions have been made to reduce services that will directly affect service delivery to the public. Materials and services costs, and the level of capital works across the board have been refined for 2016/17, to allow for a balanced rate determination budget. Service reviews of all areas within Council will however start over the coming months.



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Are you able to give some examples of planned measures to reduce spending and/or contain costs in 2016/17 in following the introduction of rate capping? Was any infrastructure deferred or cancelled, if so please specify.

The 2016/17 budget is a balanced budget. The real issue lies ahead in future budgets. The Strategic Resource Allocation Plan for 2016/17 provides for a rate determination deficit of \$1.253 million for the years 2017/18 to 2019/20. The operating result for the years 2017/18 to 2019/20 is a \$6.828 million deficit. This will be a significant challenge for the new Council elected in October 2016.