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**Shire of Victoria Plains**

***A Place to Grow***



**STRATEGIC COMMUNITY PLAN 2017/18 TO  
2027/28**

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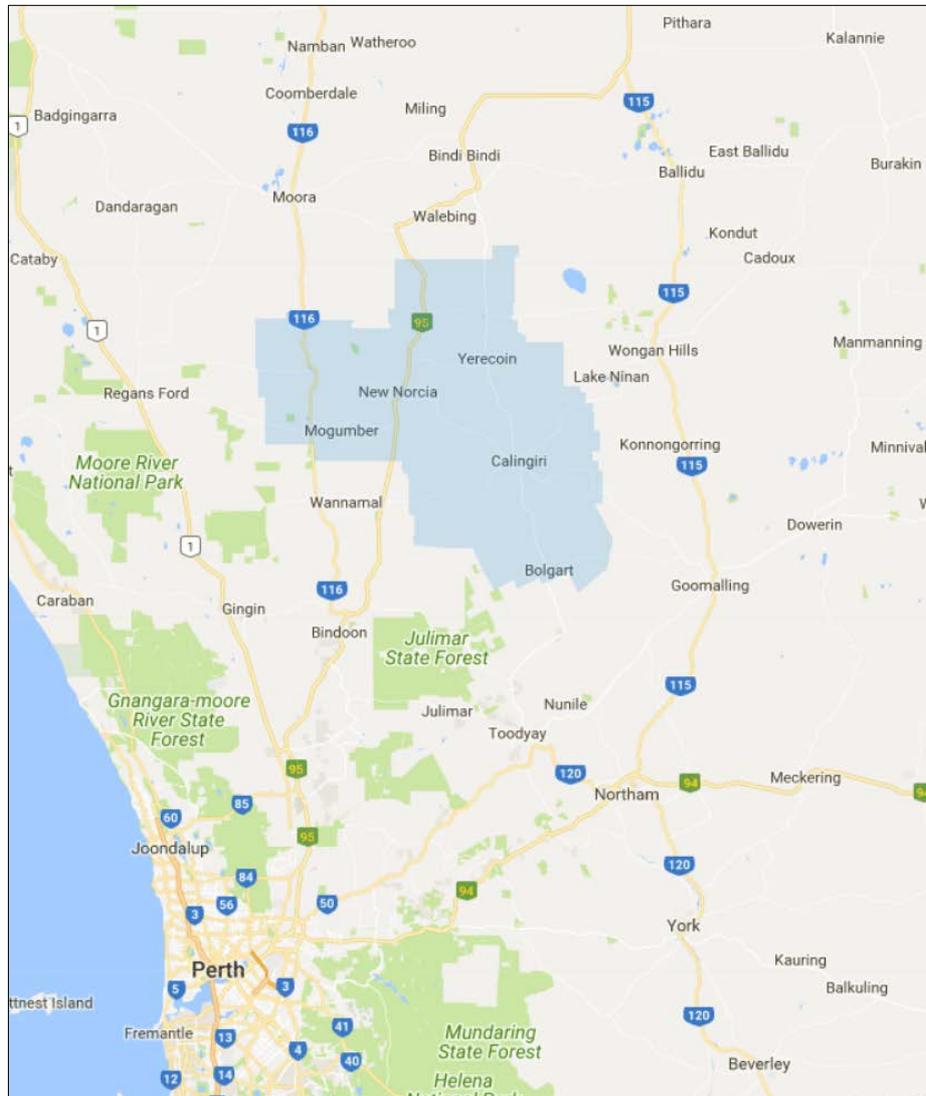
Appendix 1 – Detailed feedback from community consultation

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# 1 Background

Comprising over 2,500km<sup>2</sup>, the population of Shire of Victoria Plains was 921 based on the Australian Bureau of Statistics 2016 census. There are 510 dwellings in the Shire:



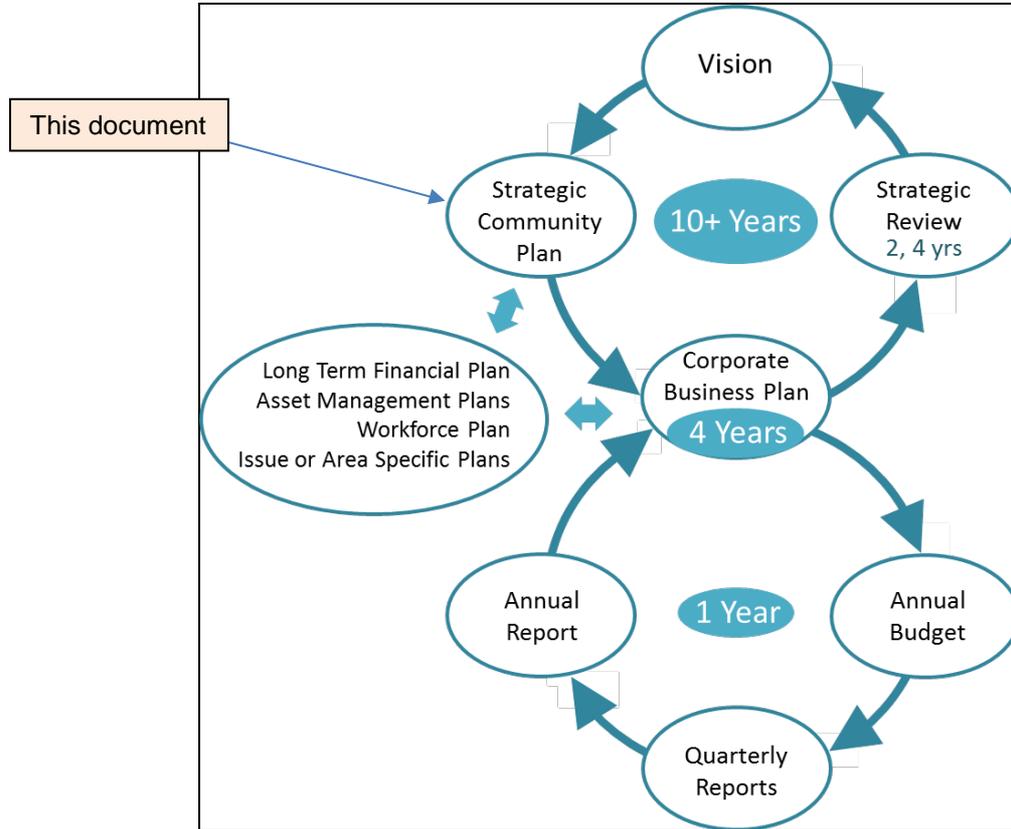
Townsites within the district include Bolgart, Calingiri, Yerecoin, Piawaning, Gillingarra and Mogumber, as well as the New Norcia community.

## 2 Purpose of the Strategic Community Plan

This document outlines the vision, aspirations and objectives of the community of the Shire of Victoria Plains for at least the next 10 years.

It is reviewed every four years; the next review is scheduled for late 2021.

The overall integrated strategic planning framework is shown below:



(Source: Department of Local Government, Sport and Cultural Industries)

The Strategic Community Plan sets out where the community wants to go; the supporting Corporate Business Plan and associated documents such as asset management plans and workforce plans set out how the Shire will do to help get there. The annual budget allocates funds towards those various goals and plans.

When making this plan, the Shire must have regard to:

- Its resources, both present and future;
- Strategic performance indicators and how it might measure its performance; and
- Demographic trends.

Actions that the Shire might take are a balance between its resources and these aspirations; many issues relate to matters that are outside its control. This Plan does not make the Shire accountable for high level community visions or outcomes but it provides guidance, allows it to take action where it reasonably can, and can also encompass the contributions of others and provide inspiration and guidance for alignment of all relevant stakeholders in favour of the community's aspirations.

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Other supporting strategies include the:

- Long term financial plan
- Asset management plan
- Corporate business plan
- Workforce plan

These strategies are reviewed on a rolling basis or as circumstances change and can be viewed on the Shire's website at [www.victoriaplains.wa.gov.au](http://www.victoriaplains.wa.gov.au).

### **3 Community involvement in the development of this Plan**

This plan was developed by obtaining feedback from the community via a series of seven workshops held in each locality in the district from March to May 2017.

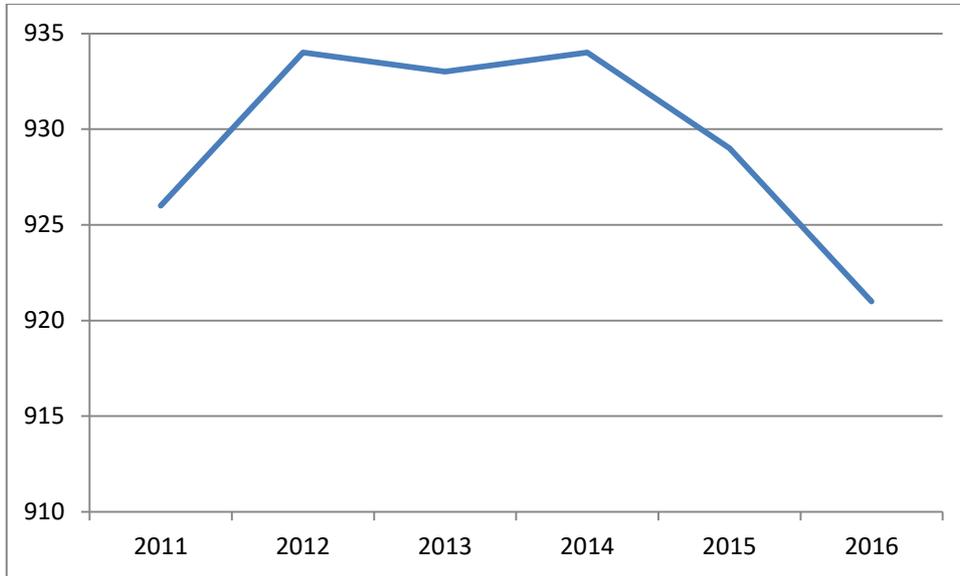
The workshops were advertised in advance to maximise the opportunity for attendance from any part of the district.

Comments from the community were also requested via the Shire website and local newsletter.

## 4 Demographic trends

Comprising over 2,500km<sup>2</sup>, the population of Shire of Victoria Plains was 921 according to the 2016 Census.

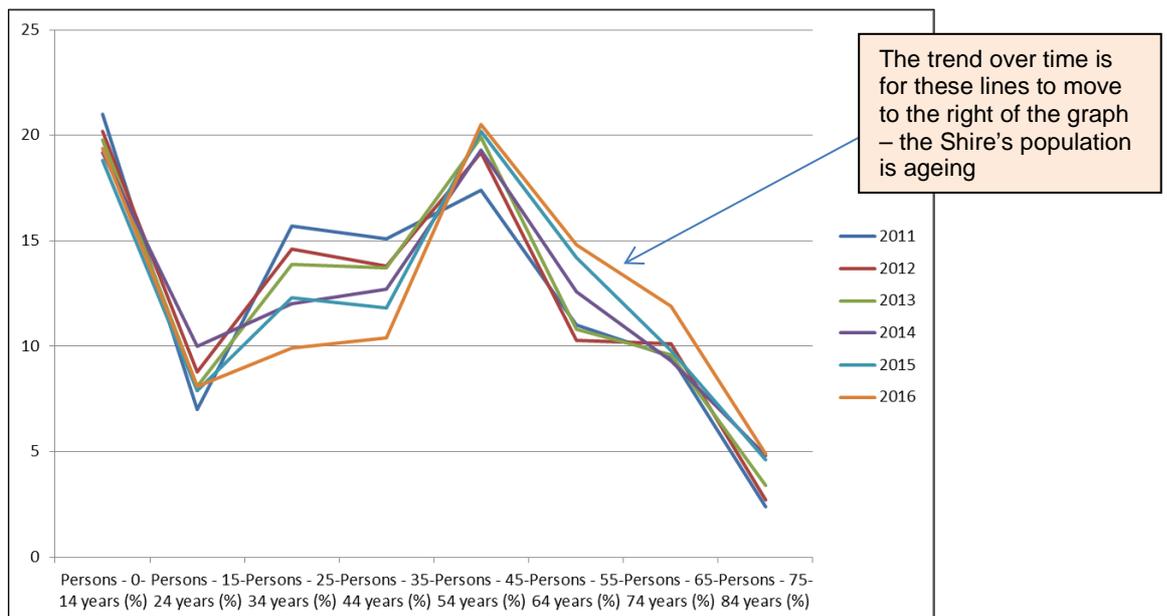
While there has been little change in the Shire's total population since 2011 (when it was 926), the remainder of Western Australia grew by 8.7% over the five years from 2011:



The Shire's population is ageing. In 2011 59% of the population of the Shire was under 45; in 2016 this dropped to 47%. The greatest change was in the 25 – 44 age bracket, where the percentage of population dropped from 30.8% to 20.3% of the total.

The median age of the Shire is 46.2 compared to 37.2 for the rest of Australia.

This is also shown in the graph below:



(Source: Australian Bureau of Statistics 2016 census)

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Some other selected statistics are:

- Most of the Shire's population was born in Australia, with a slight increase in the percentage born overseas from 2011 to 2016 (from 13.9% to 15.4%).
- Only 3.3% spoke a language other than English at home in 2011, and 4.1% in 2016.
- There is minimal building activity in the Shire, with between 2 and 5 building permits for private dwellings issued per year from 2011 to 2016.
- The main employing industry is agriculture, with 52.4% of workers working in that segment.
- The next nearest is accommodation and food services (6.9%) and education (6.7%).
- The Shire includes New Norcia, Australia's only monastic town, which welcomes approximately 60,000 visitors each year.
- The unemployment rate for the Shire is below the national average (2.7% vs 5.6%). This may indicate that there is a limited and available labour force within the district that could be drawn on to resource an expansion in economic activity.
- The median total household income (weekly) was \$797, compared to the national average of \$877.
- Residents of the Shire spent considerably less on average monthly mortgage payments than the national average, \$1,049 per month vs \$1,958 per month nationally.
- Around 75% of dwellings have internet access.

## 5 Current and Future Resources of the Shire

The Shire recognises that its resources are limited. In particular an ageing population, a static rate base and limited availability of funds from other levels of government pose resource challenges.

The dispersed nature of town sites within the Shire and competition between communities for resources also creates challenges for the Shire.

‘Structural reform’ initiatives started by the State Government in 2009 concluded in 2015 with no changes to the Shire of Victoria Plains and almost all other local governments in the State. There is no community appetite for change in this regard.

### 5.1 Long term financial plan

Further details about the Shire’s financial resources in particular are provided in the Long Term Financial Plan, available from the Shire’s website at [www.victoriaplains.wa.gov.au](http://www.victoriaplains.wa.gov.au). In summary, that document provides that financial resources will be managed as shown below:

Financial Constraint	Long Term Financial Strategy
Borrowings – Purpose	<p>The Shire’s plan is to use funds from borrowings for the following purposes:</p> <ul style="list-style-type: none"> <li>(a) The acquisition of community assets that have a long service life (10 years and above) and will set the term of the repayments to be no more than the estimated useful life of the asset; or</li> <li>(b) The financing of commercial activities and land developments that offer net positive future cash flow with low financial risk.</li> </ul>
Borrowings – Level	<p>The Shire plans to constrain the level of borrowing for community assets to results in a debt service coverage ratio not less than 5 and a borrowings to revenue ratio of no more than 50%.</p>
Asset Renewal	<p>The Shire will structure its operating revenue and expenditure with the goal of achieving the future renewal of its assets within a planned useful life. The level and timing of asset renewal may be subject to the receipt of external grants and contributions.</p>
Services	<p>The Shire plans to maintain current service levels and where possible, improve levels where funds are available into the future while maintaining a healthy financial position. The range and level of services will be considered annually within the Shire’s corporate business planning process.</p>
Operating Surplus	<p>The Shire plans to achieve an improved operating surplus ratio over the term of the plan.</p>
Rates	<p>The Shire plans to maintain a smooth and predictable approach to the movement in rates revenue referenced to movements in expenditure over the term. To achieve its overall financial strategy, the Shire plans to increase rate revenue by the CPI inflator used in this plan (2%) plus an additional (1%) for a total of (3%).</p>

Significant elements noted in the LTFP include:

- Road maintenance and road renewal is a high priority for the Shire; and
- Aged care, through the provision of aged person's units within the towns of Bolgart and Callingiri, is one of the immediate projects listed in the LTFP.

More comments about the Shire's financial capacity are made in section 5.6 below.

## 5.2 Financial health indicator

The Department of Local Government, Recreation and Cultural Industries publishes ratios and comparisons about the financial position of local governments using their published financial statements (see <https://mycouncil.wa.gov.au/Council/ViewCouncil/127> for more details about the Shire).

One of these data sets is a financial health indicator (FHI). The Department advises that:

*In particular the overall Financial Health Indicator (FHI) is a measurement of a local government's overall financial health. It is calculated from the seven financial ratios that local governments are required to calculate annually.*

*The FHI is one factor to consider in assessing overall performance. Other factors include:*

- *the range of services offered;*
- *efficiency of services delivered; and*
- *community satisfaction.*

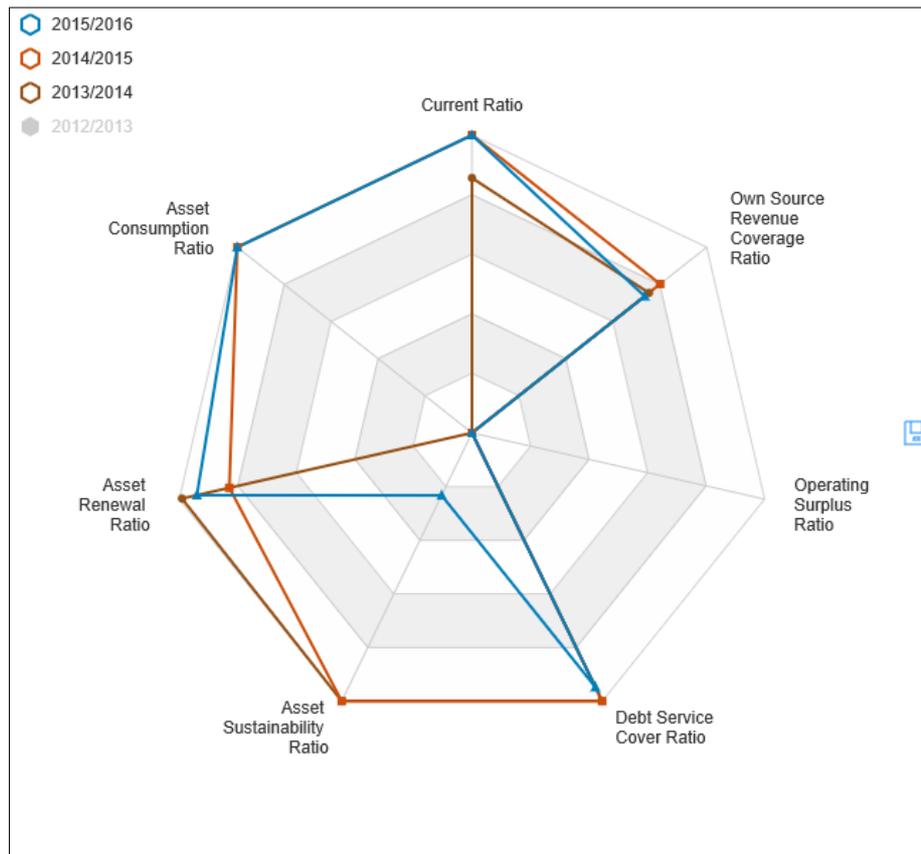
*A very high or low FHI may be a prompt for questions to be asked by the community about a local government's revenue, expenses and service delivery. The FHI is best viewed as a trend over time.*

Victoria Plains' Financial Health Index scores for the past three financial years published by the Department are:



According to the Department an FHI result of 70 and above indicates sound financial health. The maximum result achievable is 100. The Shire has fallen below this benchmark in two of the three years assessed.

The department also produces a chart that shows how close a series of financial ratios to the suggested benchmark a local government has come in the past. Victoria Plains' 'radar chart' is:



The ratios used to show the FHI are:

- Current Ratio - A measure of the ability of a local government to meet its short-term financial obligations with funds it can access quickly (also known as 'liquidity').
- Asset Consumption Ratio - A measure of the condition of a local government's physical assets, by comparing their age with their replacement cost. The ratio highlights the aged condition of a local government's stock of physical assets.
- Asset Renewal Ratio - A measure of a local government's ability to fund asset renewal and replacements in the future.
- Asset Sustainability Ratio - A measure of the extent to which assets managed by a local government are being replaced as they reach the end of their useful lives.
- Debt Service Cover Ratio - A measure of a local government's ability to repay its debt based on how much cash it can access compared to the total of its debt obligations.
- Operating Surplus Ratio - A measure of a local government's ability to cover its operational costs and have money left for capital projects and other purposes.
- Own Source Revenue Coverage Ratio - A measure of a local government's ability to cover its operating costs through revenue it generates itself.

The Department suggests that when interpreting the data on this chart, a larger rounder shape is better than a smaller shape. Ratio results that are closer to the centre indicate areas where attention may be required and improvement can be made. In this respect, the Shire's operating surplus ratio (basically a measure of the discretionary spend available) is low.

This may pose difficulties if the Shire is expected to provide new services or do anything other than maintaining the status quo unless it is prepared to raise rates, reduce spending in other areas or change service levels.

Other ratios though indicate that the Shire is at or close to the recommended benchmark:

Name	Current Ratio	Asset Consumption Ratio	Asset Renewal Ratio	Asset Sustainability Ratio	Debt Service Cover Ratio	Operating Surplus Ratio	Own Source Revenue Coverage Ratio
<b>2012/2013</b>							
Victoria Plains	3.86	0.34	1.08	1.08	14.26	-0.52	0.53
Standard	≥ 1.00	≥ 0.50	≥ 0.75	≥ 0.90	≥ 2.00	≥ 0.01	≥ 0.40
Standards Met	Yes	No	Yes	Yes	Yes	No	Yes
<b>2013/2014</b>							
Victoria Plains	1.26	0.38	1.08	1.74	5.14	-0.79	0.48
Standard	≥ 1.00	≥ 0.50	≥ 0.75	≥ 0.90	≥ 2.00	≥ 0.01	≥ 0.40
Standards Met	Yes	No	Yes	Yes	Yes	No	Yes
<b>2014/2015</b>							
Victoria Plains	3.14	1.00	0.90	1.49	16.53	-0.11	0.57
Standard	≥ 1.00	≥ 0.50	≥ 0.75	≥ 0.90	≥ 2.00	≥ 0.01	≥ 0.40
Standards Met	Yes	Yes	Yes	Yes	Yes	No	Yes
<b>2015/2016</b>							
Victoria Plains	1.85	0.98	1.03	0.80	4.48	-0.86	0.46
Standard	≥ 1.00	≥ 0.50	≥ 0.75	≥ 0.90	≥ 2.00	≥ 0.01	≥ 0.40
Standards Met	Yes	Yes	Yes	No	Yes	No	Yes

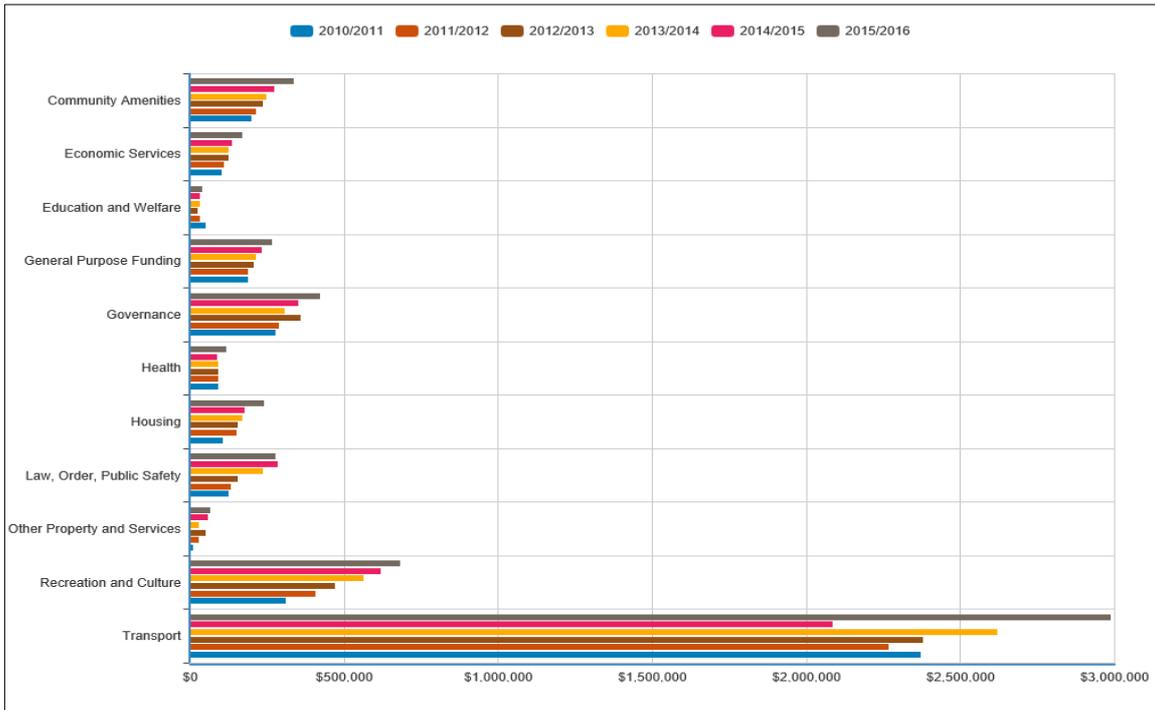
### 5.3 Current Resource Capacity

There is a community hall in each locality. There is a recreation centre, the Shire offices, library and a sports oval in Calingiri. Both Bolgart and Mogumber have public libraries while Bolgart and Calingiri have caravan parks.

The Shire maintains 247 km of sealed roads and 578 km of unsealed roads and employs 20 FTE (full time equivalent) staff.

#### *Expenditure*

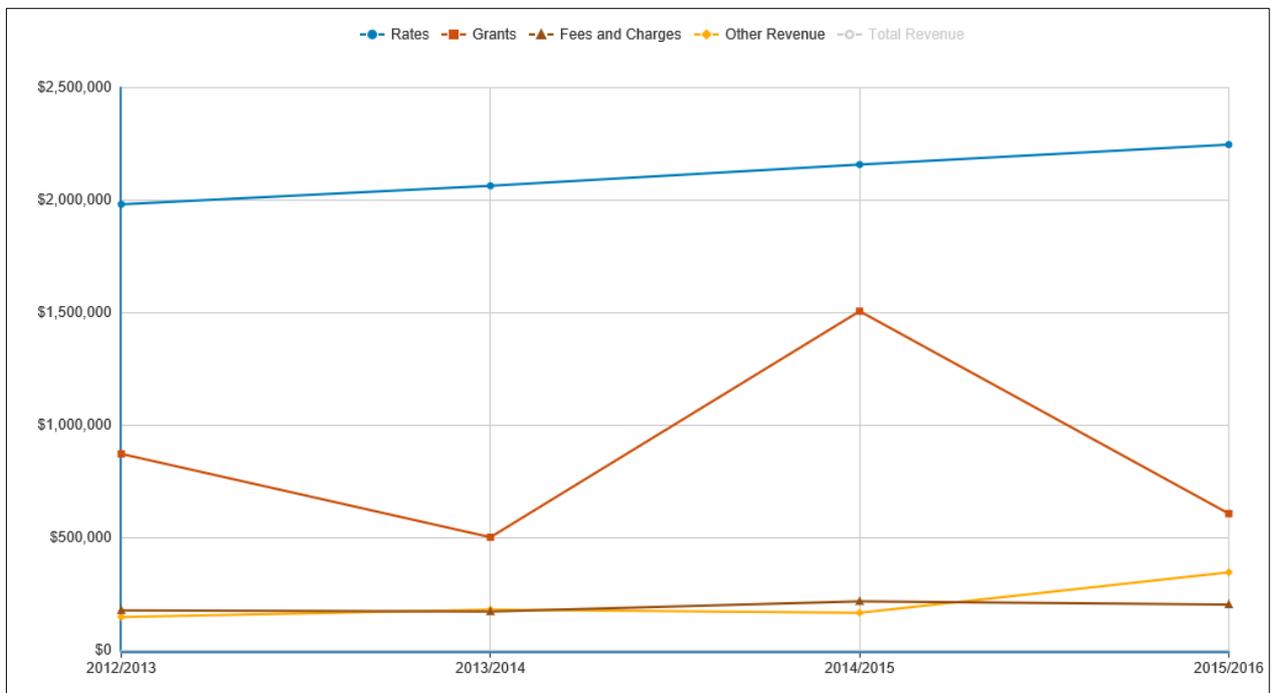
The Shire’s total expenditure is around \$5.1M pa. Annual expenditure is expected to be stable for the period covered by this Plan. The Shire’s major focus is transport and in particular road construction and maintenance, with more spent in this program than all the others combined:



**Revenue**

The Shire’s operating revenue comes mainly from rates levied on property in the district and grants from other levels of government.

In 2015/16 it levied \$2.2M in rates, received \$0.6M in grants, \$0.2M in fees and charges and \$0.35m in other fees and charges:



Given its low operating margin, the Shire tends to rely on grants to fund new programs or infrastructure. Some caution with respect to relying on grants should be born in mind:

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- The graph above shows some volatility – there is a distinction between discretionary grants which are assessed on a case by case basis and those that could be considered ‘as of right’ and therefore more stable;
  - Other levels of government are under significant financial pressure and are likely to redirect, reduce or quarantine grant funds in future (such as the Royalties for Regions program which is tending to be allocated to regional areas or to supplement State government programs); and
  - One-off grants that may be used to create infrastructure should be considered in the context of the whole of life cost of the asset created in terms of any operating costs or eventual replacement.

#### **5.4 Reserve funds**

Reserves funds held by the Shire were \$0.94M at 30 June 2015, \$0.74M at 30 June 2016, and \$0.91M at 30 June 2017.

#### **5.5 Borrowings**

Total debt at 30 June 2016 was of \$0.54M, of which \$0.27M relates to a self-supporting loan by the Calingiri Football Club, for which the Shire is guarantor.

Loan repayments for the remaining ‘Shire’ debt are only \$14,000 pa. This indicates the Shire may be able to augment financial resources by borrowing.

#### **5.6 Assessment of future resource capacity**

Unless it decides to increase property tax (rates) resources available to the Shire are expected to be stable and relatively static for the foreseeable future.

The Long Term Financial Plan (LTFP) provides that:

- the Shire forecasts a relatively modest 3% increase in rates revenue pa over the life of the Plan;
- Fees and charges are generally increased by CPI and/or matched to estimated additional costs in service delivery; and
- The Shire does not always recover the full cost of providing services but is working towards full cost recovery for services such as sewerage and waste collection.

In its next review of the Long Term Financial Plan, the Shire may wish to also consider the Local Government Cost Index developed by the WA Local Government Association:

**Table 1 LGCI by component, September 2017**

Index	Quarterly change (%)	Annual change (%)
Wages (WA Wage Price Index)	0.6	1.3
Road and Bridge Construction	0.2	1.2
Non-residential Building	-0.4	-0.6
Other costs (Perth CPI)	0.5	0.8
Machinery and Equipment	-0.7	2.9
Electricity and street lighting	7.1	7.1
<b>Local Government Cost Index</b>	<b>0.4</b>	<b>1.5</b>



Of note is that the Local Government Cost Index is expected to increase at a faster rate than CPI; in particular recent increases in the cost of road construction may affect the Shire, given the high proportion of its budget spent on transport.

(See <http://walga.asn.au/getattachment/News,-Events-and-Publications/Publications/Local-Government-Economic-Briefing/Economic-Briefing-November-2017.pdf.aspx> for the latest WALGA economic briefing newsletter).

This indicates that there is little discretionary funding available for new services or projects unless other sources of funding become available or property rates are increased above those levels set in the Long Term Financial Plan.

There are no major additions or changes expected to its road network for the period covered by this Plan. The Shire expects though to review its Asset Management Plan to ensure service levels and associated funding are reasonable.

Review and further development of Asset Management Plans, the Workforce Plan and the Long Term Financial Plan will influence future resource levels for consideration during the Corporate Business Planning and Annual Budget processes.

Given its relatively low debt levels, the Shire may have to consider borrowing to fund any major new initiatives.

Using figures in its 2016/17 budget, property owners in the Shire paid an average amount of \$3,798 pa in rates, of which:

- 158 properties rated using unimproved values (UV) not on the minimum rate paid an average of \$12,942 each pa;
- 311 properties rated using gross rental values (GRV) not on the minimum rate paid an average of \$531 each pa;
- Of those on minimum rates:
  - 55 UV rated properties paid \$550 each; and
  - 74 GRV rated properties paid \$420 each.

There are 598 rateable properties in the district. If the Shire increased the average amounts paid by (say) \$200 per rateable property per year it could raise approximately \$120,000 pa; this could service a loan of around \$2.4M assuming an interest rate of 4.75% over 30 years.

The amounts paid by GRV rated properties appear low in comparison to those on UV- on average

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a GRV rated property paid an amount equivalent to 5% of a UV rated property (average of \$510 pa vs \$9,742 pa).

If an increase of \$200 pa was confined to the 385 GRV rated properties only, an additional amount of \$77,000 pa could be raised and which would service a loan of around \$1.3M using the same parameters.

Again, comments regarding whole of life costs of assets created using borrowings should be borne in mind.

## 6 Goals of the community

Matters raised by the community under each of these focus areas are summarised into themes below.

A large number of ideas and projects were also raised by members of the community in relation to each goal and which are listed in an Appendix to this report.

Theme	Strategies
1. Community - to enhance and improve a sense of community in the Shire	1.1. Better publicise upcoming events and activities in the Shire
	1.2. Improve aged care and support
	1.3. Promote community health and wellbeing
	1.4. Support sporting, volunteer and community groups
	1.5. Increase community activities
	1.6. Develop new/ reuse existing community facilities
2. Economic - to improve and add to local economic development and activity	2.1. Examine opportunities to diversify the local economy through initiatives such as tourism
	2.2. Improve tourist/ caravan park accommodation
	2.3. Improve community connectivity
	2.4. Initiatives to reverse ageing population
	2.5. Art installations to support marketing of localities
	2.6. Review land supply in town sites
	2.7. Create a regional brand that encompasses all towns
	2.8. Develop a business and industry attraction strategy
3. Environment - to protect or improve the natural environment	3.1. Undertake initiatives to improve recycling
	3.2. Support environmental sustainability initiatives and community forums
4. Infrastructure - To maintain or add to the stock of infrastructure used by the community to go about daily life	4.1. Undertake town beautification programs
	4.2. Improve utilities (power, water, etc)
	4.3. Maintain/ improve community facilities to an agreed standard
	4.4. Develop a process to deal with miscellaneous works requests
	4.5. Improve facilities for trucks and drivers
	4.6. Instigate a road verge maintenance program
5. Civic leadership - to better allocate scarce resources and effectively interact with the community	5.1. Implement measures to improve relationship and communication between Council and community
	5.2. Improve elected member performance
	5.3. Develop an advocacy and lobbying capacity
	5.4. Measures to improve organisational efficiency

## 7 Strategic performance indicators

The Shire is required to set out how it might measure performance against the objectives in this Plan. This must though be considered against the fact that many issues are beyond its direct control and in a number of instances it can only influence outcomes.

Theme	Indicators
<b>Community</b> Objective – to enhance or improve a sense of community in the Shire.	Development and implementation of a Shire recreation plan and associated activities.
<b>Economy</b> Objective – to improve or add to local economic development and activity	Development and implementation of a Shire economic plan and associated activities.
<b>Environment</b> Objective – to protect or improve the natural environment.	Establishment of initiatives such as small scale grants to undertake projects aimed at improvement or protection of environment, and a review of recycling activities and implement changes that are useful and affordable.
<b>Infrastructure</b> Objective - Maintain or add to the stock of infrastructure used by the community to go about daily life	Extent to which the Asset Management Plan is implemented. Implementation of system to deal with minor works requests
<b>Civic leadership</b> Objective - how can the Shire better allocate scarce resources and effectively interact with the community.	Implementation of initiatives to better connect Council with the community and associated matters.

This section may also be revised depending on the implementation of a number of initiatives and their recommendations (eg economic, recreation) to be developed as part of the implementation of this Plan.