



STRATHBOGIE SHIRE COUNCIL

**MINUTES OF A SPECIAL MEETING OF THE STRATHBOGIE SHIRE COUNCIL HELD
ON TUESDAY 25 JUNE 2019 AT THE EUROA COMMUNITY CONFERENCE CENTRE
COMMENCING AT 5.00 P.M.**

(Due to the suspension of Standing Orders, as detailed below, the Special Council meeting did not commence until 6.10 p.m.)

- Chair:** Amanda McClaren (Mayor) (Lake Nagambie Ward)
- Councillors:** Debra Bower (Lake Nagambie Ward)
Malcolm Little (Hughes Creek Ward)
John Mason (Seven Creeks Ward)
Kate Stothers (Honeysuckle Creek Ward)
Alistair Thomson (Mount Wombat Ward)
Graeme (Mick) Williams (Seven Creeks Ward)
- Officers:** Steve Crawcour - Chief Executive Officer (CEO)
David Roff - Group Manager, Corporate and Community (GMCC)
Jeff Saker - Group Manager, Community Assets (GMCA)

BUSINESS

1. Welcome
2. Acknowledgement of Traditional Land Owners
*'I acknowledge the Traditional Owners of the land on which we are meeting.
I pay my respects to their Elders, past and present'*
3. Apologies

Phil Howard - Director, Innovation and Performance (DIP)
4. Disclosure of Interests

Nil.
5. Petitions

Nil.

A handwritten signature in the bottom right corner of the page.

5.06 p.m.

CRS STOTHERS/THOMSON -

Motion:

That Standing Orders be suspended for thirty (30) minutes to allow community members the opportunity to raise questions with Councillors in relation to the recently released Victorian Auditor-General's Office (VAGO) report into Fraud and Corruption Control in Local Government

32/19

ON BEING PUT, THE MOTION WAS CARRIED

6.10 p.m.

CRS STOTHERS/LITTLE -

Motion:

That Standing Orders be resumed.

33/19

ON BEING PUT, THE MOTION WAS CARRIED

6. Reports of Council Officers
 - 6.1 Climate Change
 - 6.2 Infrastructure
 - 6.3 Private Enterprise
 - 6.4 Public Institutions
 - 6.5 Housing and Recreation
 - 6.6 Tourism
 - 6.7 Organisation

7. Urgent Business

Nil.

8. Closure of Meeting to the Public to consider matters listed for consideration in accordance with Section 89(2) of the Local Government Act 1989

Nil.

9. Confirmation of 'Closed Portion' Decision/s

Nil.

An audio recording of this meeting is being made for the purpose of verifying the accuracy of the minutes of the meeting, as per Local Law No. 1 - Meeting Procedure (2014) or as updated from time to time through Council Resolution

REPORTS INDEX

6.	REPORTS	
6.7	Organisation	
6.7.1	Draft 2017-2021 Council Plan (2019 Review) incorporating the 2019/20 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020	1
6.7.2	Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020	5
7.	URGENT BUSINESS	22
8.	CLOSURE OF MEETING TO THE PUBLIC	22
9.	CONFIRMATION OF ‘CLOSED PORTION’ DECISION/S	22

6. REPORTS

6.7 ORGANISATION

6.7.1 Draft 2017-2021 Council Plan (2019 Review) incorporating the 2019/20 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020

Author & Department

Group Manager, Corporate and Community / Corporate and Community Department

Disclosure of Conflicts of Interest in relation to advice provided in this report

In relation to advice provided in this report, the author of this report and officers/contractors providing advice in relation to this report do not have a direct or indirect interest, as provided in accordance with the Local Government Act 1989.

Summary

Council Plan:

In accordance with the requirements of Section 125 of the Local Government Act 1989 (the Act) in 2017, Council developed, in consultation with its community, the Draft 2017 – 2021 Council Plan. The 2019 revision has been completed and advertised.

No submissions were received.

Strategic Resource Plan:

In accordance with Section 126 of the Local Government Act 1989 (the Act), Council has developed the 2019-2020 Draft Strategic Resource Plan (SRP). Information in the SRP is based on the 2019/20 Draft Budget and Council's Long Term Financial Plan.

There were no submissions to the Draft 2017 – 2021 Council Plan (2019 Review) and Draft 2019/20 Strategic Resource Plan.

There have been no changes to the Council Plan as a consequence of submissions.

A copy of the adopted Strathbogie Shire Council Plan (2019 Review) and 2019/20 - 2023/2024 Strategic Resource Plan will be appended to the Minutes of the meeting for identification purposes.

RECOMMENDATION

- 1. That Council adopt the Draft 2017 – 2021 Council Plan (2019 Review) Strategic Indicators and Actions.**
- 2. That Council adopt the Draft 2019/20-2023/24 Strategic Resource Plan.**

34/19 **CRS THOMSON/STOTHERS** : *That the Recommendation be adopted.*

CARRIED

6.7.1 Draft 2017-2021 Council Plan (2019 Review) incorporating the 2019/20 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020 (cont.)

Background

Council Plan:

The Draft 2017 – 2021 Council Plan (2019 Review) is presented for adoption following no submissions being received.

The Council Plan is a strategic document of Council that sets its Vision / Mission / Goals/Values/ Commitment to Engagement and Communication and Goals for the (4) four year term of the Council. Key Strategies and Actions that sit under each Goal ensure the organisation delivers what the Council has set as its long term strategic vision for its community.

The program dates for this Draft 2017 – 2021 Council Plan (2019 Review) are as follows:

1. Adopt the Draft 2017 – 2021 Council Plan (2019 Review) for Public Exhibition – Tuesday 16 April 2019
2. Public Exhibition period closed at 5pm Tuesday 21 May 2019
3. Special Council Meeting to adopt 2017 – 2021 Council Plan –Tuesday 25 June 2019
4. Present adopted 2017 – 2021 Council Plan (2019 Review) to the Minister for Local Government by Friday 28 June 2019.

Strategic Resource Plan:

The SRP was exhibited during the same period as the Draft 2017 – 2021 Council Plan (2019 Review). The SRP outlines the resources required to achieve Council's strategic objectives expressed in the Council Plan. The purpose of the SRP is to:

- Establish a financial framework over the next 4 years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan (non-financial resources are assumed to include human resources and Council's asset base, which are all referred to in various parts of the SRP);
- Establish a basis to measure Council's adherence to its policies and strategies; and
- Assist Council to comply with sound financial management principles, in accordance with the Local Government Act (1989) and to plan for the long-term financial sustainability of the municipality.

The SRP was developed considering the 2019/20 Budget and Long Term Financial Plan Modelling and has been amended to allow for Budget submissions.

6.7.1 Draft 2017-2021 Council Plan (2019 Review) incorporating the 2019/20 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020 (cont.)

Alternative Options

The processes undertaken in relation to advertising, consideration of submissions and adoption are legislated under the Local Government Act 1989. There are no alternative options.

Risk Management

The author of this report considers that there are no significant Risk Management factors relating to the report and recommendation.

Strategic Links – policy implications and relevance to Council Plan

The author of this report considers that the report is consistent with Council Policies and key strategic documents. The Council Plan and SRP provide input into the preparation of the Budget and Council's long term financial planning.

Best Value / National Competition Policy (NCP) / Competition and Consumer Act 2010 (CCA) implications

The author of this report considers that the report is consistent with Best Value, National Competition Policy and Competition and Consumer Act requirements.

Financial / Budgetary Implications

The SRP and Council Plan are key documents in ensuring the financial stability of Council.

Economic Implications

The SRP and Council Plan contain a range of measures to improve the economic health of the Shire .

Environmental / Amenity Implications

The Council Plan contains a range of measures designed to improve the local environment and to address wider issues.

Community Implications

The Council Plan provides actions to be undertaken for the benefit of the community.

Victorian Charter of Human Rights and Responsibilities Act 2006

The author of this report considers that the recommendation does not limit any human rights under the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal / Statutory Implications

The Local Government Act 1989 requires Council to provide public notice with regard to the Council Plan and Strategic Resource Plan and to request submissions under S223 of the Act. This has occurred.



6.7.1 Draft 2017-2021 Council Plan (2019 Review) incorporating the 2019/20 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020 (cont.)

Consultation

Council's proposed Council Plan and Strategic Resource Plan were on public exhibition for the statutory period of 28 days. No submissions were received.

Tabled Reports

- 2017-2021 Strathbogie Shire Council Plan (2019 Review)
- 2019/20 - 2023/24 Strathbogie Shire Strategic Resource Plan



6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020

Author & Department

Group Manager, Corporate and Community / Corporate and Community Department

Disclosure of Conflicts of Interest in relation to advice provided in this report

The officers/contractors providing advice in relation to this report do not have a direct or indirect interest, as provided in accordance with the Local Government Act 1989.

Summary

Council has now complied with the legislative requirements for the preparation and public notification of its Budget for the twelve (12) months ending 30 June 2020.

In accordance with the requirements of the Local Government Act 1989, Council placed the budget on public exhibition for 28 days and sought community submissions under Section 223.

Eighteen submissions to the draft Budget were received - a summary (Schedule 6) is attached and these have been considered by Council. As a result, a number of amendments to the advertised budget have been made and will be responded to individually.

As a result of submissions the following changes have been made:

Item	Capital Expense
Footpath Marie/Glass Street Nagambie	7,000
Watering system Violet Town Recreation Reserve – to be matched by either grant or in kind contribution	40,000
Euroa Community Cinema – seating. Prefer retractable seating – contingent on grant for 50%	60,000
Violet Town Mens Shed completion	18,000
Kitchen upgrade Tablelands Community Centre Ruffy	30,000
Painting external walls Violet Town Bowls Club	6,600
TOTAL	161,600

Further amendments have been necessitated by changed circumstances following the budget advertising and expected 2018/19 carryovers.

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont)

A summary of amendments is provided below:

Reconciliation of Advertised Budget to Adopted Budget	Operating Result 2019/20 \$000	Capital Expenditure 2019/20 \$000	Cash In/Outflow 2019/20 \$000
Advertised Budget	1,621	(8,295)	(1,231)
Comprehensive Income Statement			
Fixing Country Roads Grants	1,880		1,880
Contributions to road projects	100		100
Grant - PTSD Project repurposing Euroa Hospital	50		50
Victorian Grants Commission recurrent grant	134		134
Victorian Grants Commission - 2019/20 prepayment	(2,898)		(2,898)
Environmental Grant	(25)		(25)
Rates - Supplementary Valuations	36		36
Euroa Cinema Grant - Seating	30		30
Grant - Review Lake Nagambie Speed Limits	15		15
TAC Grant Scobie Street	10		10
Funding Nagambie boardwalk	226		226
PTSD Project spend	(75)		(75)
Arts & Culture Strategy Implementation	(20)		(20)
Review Lake Nagambie Speed Limits	(30)		(30)
Motor Vehicle Insurance	(16)		(16)
Strategic Planning Consultancies	30		30
Planning Salaries	(15)		(15)
Planning Motor Vehicles operation	(15)		(15)
Environmental Projects - capital 2018/19	67		67
Depreciation adjustment	(306)		
Adjust Capital Grant Funding	91		91
Capital Works Statement			
Capital works carried forward from 2018/19		(2,932)	(2,932)
Footpath Marie/Glass Street Nagambie		(7)	(7)
Watering System Violet Town Rec Res		(40)	(40)
Seating Euroa Cinema		(60)	(60)
Violet Town Men's Shed		(18)	(18)
Ruffy Community Centre Kitchen Upgrade		(30)	(30)
Violet Town Bowls Club Painting		(7)	(7)
Major culverts - fund Fixing Country Roads		450	450
Rehabilitation - fund Fixing Country Roads		300	300
Irrigation - Nagambie Recreation Reserve		(25)	(25)
Nagambie boardwalk		(351)	(351)
Plant Replacement Program		(520)	(520)
Contribution to grant funded projects		(200)	(200)
Fixing Country Roads Project		(2,920)	(2,920)
Adopted Budget	890	(14,655)	(8,015)

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

In accordance with Section 130 of the Local Government Act 1989, Council is required to adopt the budget by 30 June 2019, and give public notice of its decision.

A copy of the adopted Strathbogie Shire Council 2019/20 Budget will be appended to the Minutes of the meeting for identification purposes.

RECOMMENDATION

1. That the budget, as amended, for the year ending 30 June 2020, be adopted.
2. That the Rates and Charges for the year ending 30 June 2020 be declared in accordance with the following recommendations:

1. Amount Intended To Be Raised

An amount of \$19,844,287 (or such other amount as is lawfully raised as a consequence of this resolution) be declared as the amount which Council intends to raise by general rates, the municipal charge and the annual service charge (described later in this Resolution), which amount is calculated as follows:

General Rates	16,245,000
Municipal Charge	920,739
Annual Service Charges	2,678,548
	19,844,287

2. General Rates

- 2.1 A general rate be declared in respect of the 2019/20 Financial Year.
- 2.2 It be further declared that the general rate be raised by the application of differential rates.
- 2.3 A differential rate be respectively declared for rateable land having the respective characteristics specified below, which characteristics will form the criteria for each differential rate so declared:

Residential Land

All land used primarily for residential purposes or obviously adapted to being used primarily for residential purposes but excluding farm Land.

Vacant Residential Land

All vacant land which may be used primarily for residential purposes or obviously adapted to being used primarily for residential purposes but excluding farm Land.

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

Farm Land

Any land zoned Farming under the Strathbogie Planning Scheme which is not less than 40 hectares in area and is not classified as having a commercial or industrial use.

Land situated within the Farming zone of less than 40 hectares in area may be considered for the farm differential rate, subject to satisfying Council's criteria for recognition as a bone fide farming activity.

Commercial / Industrial Land

All land used primarily for commercial or industrial purposes or obviously adapted to being used primarily for commercial/industrial purposes.

Vacant Commercial / Industrial Land

All vacant land which may be used primarily for commercial or industrial purposes or obviously adapted to being used primarily for commercial/industrial purposes.

- 2.4 Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land (categorised by the characteristics described in paragraph 2.3) by the relevant percentages indicated in the following table:

<i>Category</i>	<i>Percentage</i>
Residential Land	0.50193% (or 0.0050193 cents in the dollar of the Capital Improved Value)
Vacant Residential Land	0.87838% (or 0.0087838 cents in the dollar of the Capital Improved Value)
Farm Land	0.40154% (or 0.0040154 cents in the dollar of the Capital Improved Value)
Commercial / Industrial Land	0.60232% (or 0.0060232 cents in the dollar of the Capital Improved Value)
Vacant Commercial/Industrial Land	1.05407% (or 0.0105407 cents in the dollar of the Capital Improved Value)

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

2.5 It be recorded that Council considers that each differential rate will contribute to the equitable and efficient carrying of Council functions, and that:

2.5.1 the respective objectives of each differential rate be those specified in the Schedule to this Resolution

2.5.2 the respective types or classes of land which are subject to each differential rate be those defined in the Schedule to this Resolution

2.5.3 the respective uses and levels of each differential rate in relation to those respective types and classes of land be those described in the Schedule to this Resolution; and

2.5.4 the relevant:

(a) uses of;

(b) geographical locations of;

(c) planning scheme zoning of; and

(d) types of buildings on

the respective types or classes of land be those identified in the Schedule to this Resolution

2.6 It be confirmed that no amount is fixed as the minimum amount payable by way of general rate in respect of each rateable land within the municipal district.

3. Municipal Charge

3.1 A Municipal charge be declared in respect of the 2019/20 Financial Year.

3.2 The municipal charge be declared for the purpose of covering some of the administrative costs of Council.

3.3 The municipal charge be in the sum of \$133 for each rateable land (or part) in respect of which a municipal charge may be levied.

3.4 It be confirmed that the municipal charge is declared in respect of all rateable land within the municipal district in respect of which a municipal charge may be levied.

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

4. Annual Service Charge

4.1 An annual service charge be declared in respect of the 2019/2020 Financial Year.

4.2 An annual service charge be declared for the collection and disposal of refuse from land.

4.3 The annual service charge be in the sum of, and be based on the criteria, set out below but dependent upon which option is chosen:

4.3.1 for the collection and disposal of domestic refuse, recyclables and organics from residential premises, \$552 per annum;

4.3.2 for the collection and disposal of domestic refuse (80 and 120 litre bins), and organics from farms (80 and 120 litre bins), \$375 per annum;

4.3.3 for the collection and disposal of recyclables from farm premises, \$177 per annum;

4.3.4 for the collection and disposal of waste from commercial premises (120 litre bins), \$375 per annum; and

4.3.5 for the collection and disposal of waste from commercial premises (240 litre bins), \$750 per annum.

in respect of each rateable land (or part) to which the service of collection and disposal is made available.

4.4 An annual service charge be declared for a Roadside Tree Management Program, \$28 per annum in respect of each rateable land (or part)

5. Rebates & Concessions

Pensioner Rebate

5.1 It also be recorded that Council grants to each owner of rateable land who is an "eligible recipient" within the meaning of the *State Concessions Act 1986*, a rebate as determined by the Victorian State Government, in respect of each rateable land owned by him or her.

5.2 The rebate described in paragraph 5.1 be granted to assist the proper development of the municipal district, and to achieve the following community benefit:

5.2.1 to provide a concession to ratepayers whose circumstances may limit their capacity to pay.

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

Elloura Resort Rebate

- 5.3 It be recorded that Council grants a rebate to each owner of rateable land within the Elloura Resort who qualifies for a rebate under the Owners Corporation No. ("Elloura") Agreement.
- 5.4 The rebate be granted to assist the proper development of part of the municipal district, and to achieve the following community benefit:
- 5.4.1 The rebate will facilitate the demand for increased levels of service to residents of the Elloura Resort without requirement for additional or redeployed Council resources. The cost of increased service levels will be fully funded by residents of the Elloura Resort.

First Home Buyers Rebate

It be recorded that Council intends to grant a rebate of two years rates to each owner who qualifies for the Victorian Government First Home Owners Grant, on the following basis :

- Proof of approval for State First Home Buyers Grant (\$20,000) to be provided
- Council will excuse the rates and municipal charge for a period of two years from commencement of the first full financial year in which the rates are payable by the new owner.

The First Home Buyers Grant is granted:

- > For a newly built home sold for the first time – applied from the date of contract of purchase
- > For a house and land package –applied from date of contract of purchase
- > For a vacant block which new home is to be built – applied from the date of contract to build house
- > Maximum value of property is \$750,000

6. **Payment**

- 6.1 All rates and charges to be paid in four instalments, in accordance with Section 167 (1) and (2) of the Local Government Act 1989.
- 6.2 Unless Council resolves otherwise, no person be allowed to pay rates and charges as a lump sum other than in accordance with paragraph 6.

7. **Consequential**

- 7.1 It be confirmed that, subject to sections 171 and 172 of the *Local Government Act* 1989, Council will require a person to pay interest on any rates and charges which:

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

7.1.1 that person is liable to pay;

7.1.2 have not been paid by the date specified for their payment

7.2 The Group Manager, Corporate and Community be authorised to levy and recover the general rates, municipal charge and annual service charge in accordance with the *Local Government Act 1989*.

8. That Fees and Charges for 2019/20 be adopted as per the draft Budget, with no alterations, except where set by legislation.

35/19 *CRS THOMSON/LITTLE* : That the Recommendation be adopted.

CARRIED

Background

The proposed budget was considered by Council at a Special Council meeting held on Tuesday 16 April 2019. Subsequent to that meeting, public notice of the proposed budget was given in local newspapers calling for submissions under Section 223 of the Act. The proposed budget was made available for inspection at various locations throughout the Shire and on Council's website.

18 submissions were received and noted at a Special Meeting of Council on Tuesday 11 June 2018. They were subsequently reviewed by Council.

The Council is proposing a 2.25 per cent increase in the average rate for 2019/2020. This increase is less than the State Government requirement under the 'Fair Go Rates' legislation. This level allows for maintenance of existing service levels, funding of a number of significant new initiatives and continue to allocate sufficient funds for the continuing strategic renewal of Council's infrastructure. Waste charges will increase by 4.1% to fund ongoing waste collection and disposal commitments.

The 2019/2020 Draft Budget provides for a \$14.65 million capital works program with the following highlights:

ACTIVITY	EXPENDITURE (m)
Roads - including resealing, resheeting and rehabilitation	7.017
Bridges	.704
Pedestrian Bridges	.250
Drainage	.907
Footpaths	.274
Plant and Machinery	1.100
Buildings	1.645
Information Technology	.505
Aquatic Facilities	.382
Parks , Recreation , Open Spaces	1.871

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

The 2019/2020 Budget provides for expenditure of \$ 28.19 million on services including:

ACTIVITY	EXPENDITURE (m)
Libraries And Arts	.377
Maternal and Child Health	.264
Emergency Services	.209
Waste Management	2.664
Municipal Buildings	1.436
Swimming Pools and Beaches	.424
Tourism and Events	.368
Planning	.819
Parks and Reserves Maintenance	1.641
Roads and Bridges Maintenance	10.761
Saleyards	.220
Youth Services	.283
Animal Management	.243

The Budget and Long Term Financial Plan produces the following indicators which are considered prudent:

	2018/19	2019/20	2020/21	2021/22
Adjusted Underlying Result	1.6%	1.8%	5.8%	4.9%
Working Capital Ratio	2.56	1.32	1.15	1.15
Debt servicing/repayment as % of Rate Revenue	0.9%	.7%	.2%	.2%
Asset Renewal and upgrade expenditure/Depreciation	206%	236.0%	141.0%	121.0%
Capital Works Expenditure	\$14.97m	\$14.65	\$8.82m	\$7.653m
Cash and Investments	\$13.61m	\$5.59m	\$4.66m	\$4.76m
Cash Flow from Operations	\$14.44m	\$7.78m	\$8.49m	\$8.24m

Alternative Options

The processes undertaken in relation to the budget advertising, consideration of submissions and budget adoption are legislated under the Local Government Act 1989. There are no alternative options.

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

Risk Management

A well planned budget will reduce the risk that Council will not be able to provide the services expected and required by the community. Council is required under section 130 of the *Local Government Act 1989*, to adopt a budget each year.

Strategic Links – policy implications and relevance to Council Plan

The author of this report considers that the report is consistent with Council Policies, key strategic documents and the Council Plan. Specifically, the proposed budget is prepared in the context of the Council Plan and Council's long term financial planning.

Best Value / National Competition Policy (NCP) / Competition and Consumer Act 2010 (CCA) implications

The author of this report considers that the report is consistent with Best Value, National Competition Policy and Competition and Consumer Act requirements.

Financial / Budgetary Implications

Eighteen submissions to the budget were received and a number of amendments to the advertised budget have been made as a result of those submissions. Amendments have also been necessitated as a result of changed circumstances following the budget advertising. The amendments are primarily of a timing nature and as a result of budget submissions, expected capital works carryovers from 2018/19 and bringing forward of 50% of Grants Commission payment.

Economic Implications

The author of this report considers that the recommendation has no significant economic implications for Council or the broader community.

Environmental / Amenity Implications

The author of this report considers that the recommendation has no significant environmental or amenity implications for Council or the broader community.

Community Implications

The author of this report considers that the recommendation has no significant community or social implications for Council or the broader community.

Victorian Charter of Human Rights and Responsibilities Act 2006

The author of this report considers that the recommendation does not limit any human rights under the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal / Statutory Implications

The Local Government Act 1989 requires that Council adopt the budget by 30 June 2019 or by 31 August if it needs to.

Consultation

Council's proposed budget was on public exhibition for the statutory period of 28 days and submissions were invited from the community. Eighteen submissions were received and noted at a Special Meeting of Council on Tuesday 11 June 2019.

6.7.2 Adoption of Budget and Declaration of Rates and Charges for the 12 Months Ending 30 June 2020 (cont.)

Attachments

- Schedule 1 – Residential Land
- Schedule 2 – Vacant Residential Land
- Schedule 3 – Farm Land
- Schedule 4 – Commercial / Industrial Land
- Schedule 5 – Vacant Commercial / Industrial Land
- Schedule 6 - Submissions to 2019/20 Budget

Tabled Report

- 2019/20 Strathbogie Shire Council Budget

The adopted Strathbogie Shire Council 2019/20 Budget will be appended to the Minutes for identification purposes.



SCHEDULE 1

RESIDENTIAL LAND

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure;
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Resolution.

Use and Level of Differential Rate:

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

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

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Strathbogie Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019/20 Financial Year.

SCHEDULE 2

VACANT RESIDENTIAL LAND

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure;
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Resolution.

Use and Level of Differential Rate:

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

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

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Strathbogie Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings and other improvements which are now constructed on the land or which are constructed prior to the expiry of the 2019/20 Financial Year and whose total value does not exceed \$20,000.



SCHEDULE 3

FARM LAND

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure;
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Resolution.

Use and Level of Differential Rate:

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

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

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Strathbogie Planning Scheme.

Planning Scheme Zoning:

Rural Zone under the Strathbogie Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2019/20 Financial Year.



SCHEDULE 4

COMMERCIAL / INDUSTRIAL LAND

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure;
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Resolution.

Use and Level of Differential Rate:

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

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

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Strathbogie Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings and other improvements which are now constructed on the land or which are constructed prior to the expiry of the 2019/20 Financial Year.

SCHEDULE 5

VACANT COMMERCIAL / INDUSTRIAL LAND

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure;
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Resolution.

Use and Level of Differential Rate:

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

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

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Strathbogie Planning Scheme.

Planning Scheme Zoning:

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

Types of Buildings:

All buildings and other improvements which are now constructed on the land or which are constructed prior to the expiry of the 2019/20 Financial Year and whose total value does not exceed \$20,000.

SCHEDULE 6

SUBMISSIONS TO DRAFT 2019/2020 BUDGET

- Request for consideration of upgrades to footpaths in Nagambie to assist child with disabilities to walk to and from school
- Installation of watering system at Violet Town Recreation Reserve
- Cleaning / upkeep of public toilets in High Street, Nagambie, median strip on weekends / holiday periods
- Installation of a Automated External Defibrillator at Euroa Post Office mail box foyer
- Footpath from Main Street, Strathbogie, to Strathbogie Recreation Reserve
- Replacement of 155 seats in Euroa Cinema - cost of between \$450 - \$550 per chair
- Upgrading of facilities at Euroa Skate Park
- Additional costs to complete the new shed
- Upgrade of kitchen at the Community Centre
- Installation of new security system at NRR
- Increase in funding allocation to sustainability management
- Addition of new 1.0FTE position to assist implementation of SS2030 Strategy
- Resources to prepare business case to engage an Ecological Sustainable Development officer
- Bitumen sealing of Wattlevale Road, Mitchellstown
- Upgrade to Audio Visual equipment for Strathbogie Memorial Hall
- Change in road rating of Summer Road
- Painting of external walls of Violet Town Bowls Club building
- Construction of slip lane at Spring Creek Reserve picnic shelter for entry/exit safety
- Financial assistance for Arboretum-based Bush Crew member to undertake ongoing maintenance of Seven Creeks locale
- Partnership between Euroa Arboretum "Bush Crew" and Council to continue restoration works along the Seven Creeks



7. URGENT BUSINESS

Nil.

8. CLOSURE OF MEETING TO THE PUBLIC TO CONSIDER MATTERS LISTED FOR CONSIDERATION IN ACCORDANCE WITH SECTION 89(2) OF THE LOCAL GOVERNMENT ACT 1989

Nil.

9. CONFIRMATION OF 'CLOSED PORTION' DECISION/S

Nil.

THERE BEING NO FURTHER BUSINESS, THE MEETING CLOSED AT 6.32 P.M.

Confirmed as being a true and accurate record of the Meeting


Chair

16.07.2019
Date

A small, handwritten mark or signature in the bottom left corner of the page, consisting of several overlapping loops and a trailing line.



Strathbogie
shire

Council Plan

2017-2021

2019 Review

Adopted by Council:

**'Our plan to build
flourishing communities'**



Strathbogie Shire Council Plan

2017-2021

"Our plan to build flourishing communities."

Our Vision

"Together we are building a flourishing community."

Our Mission

"To support our community to grow through effective partnerships, engagement and equitable and efficient delivery of services."

Our Values

"To be a respectful, innovative, open and transparent, inclusive, fair and ethical Council."

Our Commitment to Engagement and Communication

"We will be a more inclusive Council, by engaging and communicating in an open and honest manner with our local community and key stakeholders."





Our Goals

1. To enhance community health and wellbeing

Our key strategies to achieve this goal...

- 1 Plan for improved community health, wellbeing and liveability
- 2 Engage and participate with the community in Council / Community initiatives
- 3 Enhance community resilience including supporting and increasing the participation of volunteers
- 4 Support and drive community, arts and cultural events

Plan for improved community health wellbeing and liveability

Key Strategies	2019/20	2020/21
Work with the Strathbogie Health and Community Services Consortium to deliver relevant projects	X	X
Work with Euroa Health in the development of a Wellness Centre	X	X
Deliver initiatives which will support the prevention of family violence including achievement of accreditation as a workplace under the White Ribbon Australia Workplace Accreditation Program	X	X
Complete the expansion of the Avenel Pre-School and Maternal and Child Health project	X	X
Continue to review and implement priorities from the Walking Tracks and Trails Strategy and the Footpath Strategy (Including but not limited to the Apex Walking Track Euroa)	X	X
Implement the 2017-2021 Liveability Plan 12 month Action Plans	X	X
Improve recreation spaces within the Shire using the Play and Recreation Framework as a reference document	X	X
Work with the community to implement provision of dogs off leash areas	X	X
Promote responsible pet ownership through the implementation of Council's Domestic Animal Management Plan 2017-21	x	x
Review Council's Community and Meeting Procedure Local Law – to reflect contemporary issues	x	x
In conjunction with Nagambie Health progress Nagambie Healthy Ageing Hub concept and seek funding for delivery	x	x



Engage and participate with the community in Council / Community initiatives

Key Strategies	2019/20	2020/21
Continue to support local community planning processes across the Shire	X	X
Seek to implement priority projects from Community Action Group Plans,	X	X
Review Violet Town Recreation Reserve Master Plan	X	
Progress Youth Hub for Nagambie	X	X

Enhance Community resilience, including supporting and increasing the participation of volunteers

Key Strategies	2019/20	2020/21
Work with registered indigenous representative groups to explore settlement agreements	X	
Work with State Government to seek funding from Transport For Victoria for audit of transport services within the Shire	X	
Recognise and profile the importance of volunteers in our local community	X	X
Investigate provision of emergency power at relief centres within the Shire	X	
Continue consultation with Fire Brigade Captains to explore Fire Management Planning and CFA Best Practice	X	X
Implement revised Community Grants program	X	X

Support and drive community, arts and cultural events

Key Strategies	2019/20	2020/21
Develop and implement equitable Shire wide youth programs that focus on cultural activities, training and development, pathways to employment and civic participation	X	X
Complete and prioritise actions from Arts and Culture Strategy including art work on Nagambie Water Tower	X	X

Our Goals

2. To sustainably manage our natural and built environment

Our key strategies to achieve this goal...

- 1 Promote and support sustainable environmental initiatives
- 2 Mitigate and adapt to a changing climate
- 3 Protect and enhance our natural environmental assets
- 4 Protect and enhance our built environment
- 5 Provide efficient and effective waste management programs

To promote and support sustainable environmental initiatives

Key Strategies	2019/20	2020/21
Continue to support Landcare groups and Catchment Management Networks to target weed and pest animal management on roadsides	X	X
Integrate a 'Zero plastic shopping bag & Balloons' policy into the Shire Event Policy and Approvals process with non-destructive alternatives for event organisers	X	
Support sustainable energy initiatives in the Strathbogie Shire in conjunction with the Sustainable Development Reference Group	X	
Support a community clean up targeting Lake Nagambie and surrounds	X	
As part of Municipal Strategic Statement and Planning Scheme review, explore opportunities for native vegetation protection overlays on roadsides	X	
Continue to support the Goulburn Broken Greenhouse Alliance	X	X
Initiate a community-council working group which will frame the overarching objectives and charter for a Sub-Committee for the Transition of the Strathbogie Forest to alternative uses,	X	
Implement the recommendations of Council's Domestic Wastewater Management Plan, including working with Goulburn Valley Water to explore small town sewer schemes	X	X

Mitigate and adapt to a changing climate

Key Strategies	2019/20	2020/21
Implement initiatives contained within the Sustainable Strathbogie 2030 Plan	X	X
Hold a flood mitigation / drainage update meeting in Violet Town to form a consensus on future actions after completion of works in 2018/19 Budget	X	
Include urban forestry into urban design frameworks to increase the shaded environment of our townships and implement pilot program	X	X
Conduct a series of information sessions for farmers in conjunction with livestock sales and farming expos	X	X





Protect and enhance our natural environmental assets

Key Strategies	2019/20	2020/21
Review Implement Tree Management Guidelines	X	X
Investigate controls to preserve landscapes as part of Planning Scheme review	X	X
Continue to assist new land owners in land management through New Residents booklet, website and other means	X	X

Protect and enhance our built environment

Key Strategies	2019/20	2020/21
Implement priority actions from the Stormwater Management Plan	X	X
Identify priority areas for additional street lighting and opportunities to implement additional street lighting	X	X

Provide efficient and effective waste management

Key Strategies	2019/20	2020/21
Implement the Waste Management Strategy	X	X
Work with Goulburn-Murray Water to review and implement improved waste collection techniques on our waterways	X	

3

Our Goals

3. To provide quality infrastructure

Our key strategies to achieve this Goal...

- 1 Provide best practice management of all assets including roads, bridges and facilities
- 2 Provide passive and active recreational facilities

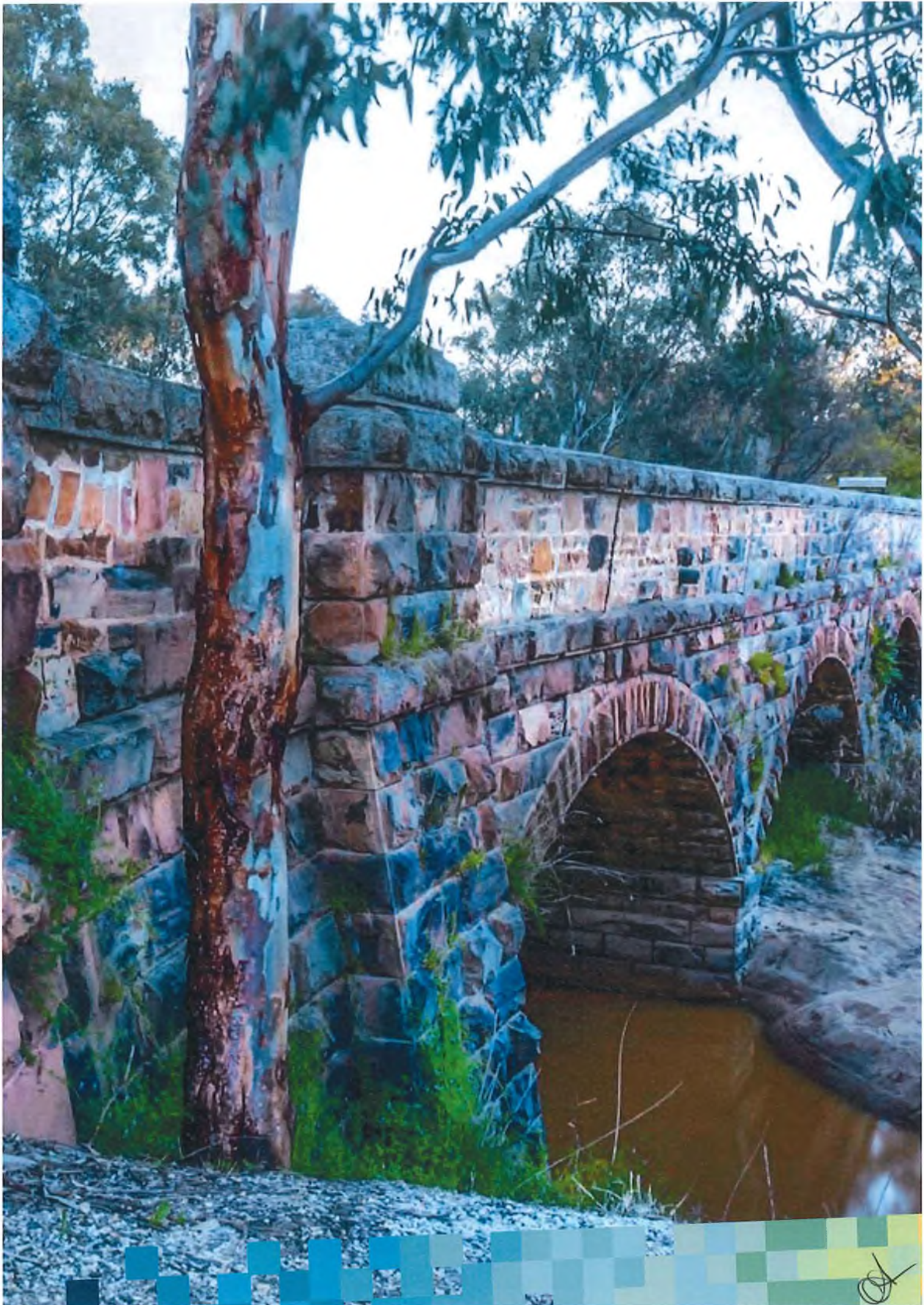
Provide best practice management of all assets including roads, bridges and facilities

Key Strategies	2019/20	2020/21
Investigate and implement asset rationalisation	X	X
Investigate options in consultation with the community for footpaths, kerb and channelling and parking at the east end of Bank Street, Avenel	X	X
Target major capital works projects to seek government funding to reduce Council's costs	X	X
Review Nagambie Growth Management Plan	X	X
Formalise Euroa parking arrangements following Euroa Township Plan Issues and Opportunities report	X	
Monitor operation of Roads and Reserves Advisory Committee	X	X
Undertake condition assessment of public toilets and develop a strategy for progressive improvement x	X	

Provide passive and active recreational facilities

Key Strategies	2019/20	2020/21
Investigate and consult in relation to providing link bridge at Rockies over the Seven Creeks and over Hughes Creek between Kent Street and Watson Street in Avenel.	X	X
Construct pedestrian bridge linking Memorial Oval Euroa and Friendlies Reserve	X	
Continue to investigate funding opportunities for female change facilities at Euroa Memorial Oval	X	
Prioritise and implement the outcomes of the Community Pools Strategy	X	X
In partnership with the community support the priorities of the Nagambie Recreation Reserve Master Plan	X	X
Work with Friendlies Reserve Committee of Management to identify future funding models for upgrades	X	X
Seek Stage 2 funding for Stage 2 boardwalk Seven Creeks Park	X	X





Our Goals

4. To support and drive economic development

Our key strategies to achieve this goal...

- 1 Promote and support local business and produce
- 2 Support tourism and business development
- 3 Provide innovative and sustainable land use planning
- 4 Attract new residents
- 5 Grow investment and employment opportunities

Promote and support local business and produce

Key Strategies	2019/20	2020/21
Encourage local produce sales in towns throughout the Shire through development of marketing collateral and actions in Economic Development Master Plan	X	X
Promote local businesses through a Business Awards program	X	
Support and engage with local representative business groups	X	X

Support tourism and business development

Key Strategies	2019/20	2020/21
Develop options to facilitate camping at appropriate locations within the Shire	X	X
Partner with business groups to develop support programs	X	X
Promote Graytown and other smaller communities through an increased presence on the Strathbogrie Shire website and the investigation of interpretive signs and historical information	X	X
Seek funding and support from Federal and State Governments to implement Nagambie Infrastructure Development Business Case	X	X
Develop a Policy on town entry and roadside signage and progress implementation	X	X
Implement preferred option for involvement in regional tourism	X	
Investigate installation of a dump point in Nagambie	X	





Provide innovative and sustainable land use planning

Key Strategies	2019/20	2020/21
Review rural land strategy and have these outcomes(including landscape protection) included into the Municipal Strategic Statement	X	
Review, in conjunction with the community, to identify options for Cowslip Street, Violet Town, footpath, roads and kerb and channel works, similar to works identified for Bank Street, Avenel	X	
Progress planning for future growth in Avenel	X	X
Review Violet Town Master Plan	X	

Attract new residents

Key Strategies	2019/20	2020/21
Review effectiveness of rating incentive package in new residents to the Strathbogie Shire	X	

Grow investment and employment opportunities

Key Strategies	2019/20	2020/21
Review, update and resource the Economic Development Master Plan and implement priority actions	X	X



Our Goals

5. To be a high performing Shire

Our key strategies to achieve this Goal...

- 1** To proactively develop and deliver quality services that achieve high customer satisfaction
- 2** Continue to focus on operational efficiencies
- 3** Continue to create a secure investment environment through sound financial management
- 4** To be equitable and fair in all decision making processes
- 5** To communicate and engage effectively with our community and key stakeholders

To proactively develop and deliver quality services that achieve high customer satisfaction

Key Strategies	2019/20	2020/21
Continue to enhance customer experiences through ongoing development of customer relationship management system	X	X

Continue to focus on operational efficiencies

Key Strategies	2019/20	2020/21
Continue the service plan process to assist decision making and identify service enhancements	X	X
Continue to explore opportunities through collaboration with other Councils in service delivery	X	X
Corporate Planning - Conduct an organisation wide cultural change / innovation program that promotes a "can do philosophy", continuous improvement processes, culture of collaboration and a willingness to embrace positive change	X	X
Prioritise outcomes of ICT strategy to aid business transformation through finalization of "Roadmap"	X	X
Link results of Community Satisfaction Survey to Council Plan actions	X	X
Improve access to 'in the field' software and hardware for key Council functions to improve response times to permit applications and customer queries	X	X

Continue to create a secure investment environment through sound financial management

Key Strategies	2019/20	2020/21
Review Procurement Policy and Guidelines	X	X
Upgrade Long Term Financial Plan to cover Ten Year period	X	
Review Contract Management Process and Guidelines	X	





To be equitable and fair in all decision making processes

Key Strategies	2019/20	2020/21
Ensure strategies are developed in conjunction with key stakeholders on a regional basis – North East Local Government Network	X	X
Promote open and transparent reporting of Council decision making including Know Your Council Data	X	X

To communicate and engage effectively with our community and key stakeholders

Key Strategies	2019/20	2020/21
Review Communications and Engagement Strategy in line with pending changes to Local Government Act.	X	
Work with local business associations to develop a Shire wide skills bank that values and recognises local knowledge	X	
Actively seek partnerships to achieve our Council Plan	X	X



Our Goals

6. The Strathbogie Shire will advocate on behalf of our community for the following:

Key Areas	What we will do
Diplomacy	In partnership with Federal and State Government Departments host foreign trade missions to deliver potential economic growth opportunities
	Support advocacy programs of State government , MAV and ALGA where it supports Council priorities
Education	Advocate to relevant education providers for an education precinct in Nagambie
	Advocate for continuation of free bus services for students attending Euroa Secondary College
Environment	Advocate for increased funding to support roadside management, including pest plant and animal eradication
Funding	Advocate to both Federal and State Governments to ensure that the current funding formulas provide equitable funds to Local Government
Health	Continue to advocate for public hospital beds funding within the Strathbogie Shire Advocate for services to assist both veterans and emergency services personee;
Public Transport	Advocate to V/Line for a bus stop in Longwood Advocate for fast rail services in the region
Inland Rail	Advocate for preferred outcome with Euroa overpass
Child Care	Advocate for restoration of Government funding for Violet Town Occasional Child Care
Roads	Advocate to VicRoads for more explicit traffic signage at Bank Street rail crossing to improve traffic flow and therefore improve safety Continue to advocate to VicRoads for the construction of an interchange on the Hume Freeway at the Service Centre crossing in Avenel Advocate to VicRoads for a road exchange to address issues at the Bank and Queen Street – and Queen Street – Ewings Road - intersections in Avenel to reduce the impact of heavy vehicles. Continue to focus on safety issues at these intersections
Telecommunications	Advocate for improved telecommunications infrastructure and connectivity in the Strathbogie Shire
Tourism	Continue to advocate for funding to progress the tourism infrastructure projects at Lake Nagambie
Transport Linkages	Continue to advocate to the Federal and State Governments to support the Mangalore Airport Master Plan

<p>Utilities</p>	<p>Advocate to Goulburn Valley Water and Goulburn Murray-Water for use of recycled water in townships.</p> <p>Advocate to Goulburn Valley Water and Goulburn Murray Water to assist in delivery of actions within the Domestic Wastewater Management Plan for improved sewerage in townships.</p> <p>Advocate to Goulburn Valley Water to provide potable water to Strathbogie township, Kirwans Bridge and Goulburn Weir</p>
<p>Utilities/ Natural Resources</p>	<p>Advocate for natural gas and increases in the quality of other utility services across the Shire growth areas of the Shire.</p>



Amanda McClaren (Mayor)

Lake Nagambie Ward

Phone: 0409 700 958

Email: amanda.mcclaren@strathbogie.vic.gov



Cr Graeme "Mick" Williams

Seven Creeks Ward

Phone: 0417 317 151

Email: mick.williams@strathbogie.vic.gov.au



Cr Debra Swan

Lake Nagambie Ward

Phone: 0408 504 711

Email: debra.swan@strathbogie.vic.gov.au



Cr Malcolm Little

Hughes Creek Ward

Phone: 0407 549 020

Email: malcolm.little@strathbogie.vic.gov.au



Cr John Mason

Seven Creeks Ward

Phone: 0429 898 473

Email: john.mason@strathbogie.vic.gov.au



Cr Alistair Thomson

Mt Wombat Ward

Phone: 0427 335 766

Email: alistair.thomson@strathbogie.vic.gov.au

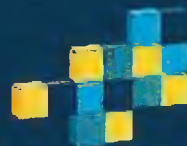


Cr Kate Stothers

Honeysuckle Creek Ward

Phone: 0436 471 433

Email: kate.stothers@strathbogie.vic.gov.au



Strathbogie
shire

Contact Us

Strathbogie Shire Council
109a Binney Street, Euroa VIC 3666

info@strathbogie.vic.gov.au

www.strathbogie.vic.gov.au



Strathbogie
shire

STRATEGIC RESOURCE PLAN

2019/20 TO 2023/24



CONTENTS

1. EXECUTIVE SUMMARY	8
1.1 Introduction.....	8
1.2 Purpose of Strategic Resource Plan	9
1.3 SRP Objectives	10
1.4 Strategic Financial Direction	10
1.5 Key Strategic Directions	11
2. LINK BETWEEN STRATEGIC RESOURCE PLAN AND COUNCIL PLAN	14
2.1 Planning and Reporting Framework.....	14
3. FINANCIAL SUSTAINABILITY.....	15
3.1 Background.....	15
3.2 Financial Comparisons - Benchmarking	15
3.3 Analysis of Council's Financial Sustainability	16
3.3.1 Financial Sustainability	16
3.3.2 Victoria Auditor General.....	19
3.4 Benchmarking	20
4. SERVICE PROVISION AND PLANNING	21
4.1 Introduction.....	21
4.2 Local Government Service Planning	21
4.2.1 Service Delivery challenges.....	21
4.2.2 What is Service Planning	22
4.3 Introducing a Service Planning Approach	23
4.3.1 Understanding Levels of Service	23
4.4 Service Plan Process: 6 Key Steps	23
4.4.1 Stage 1 – Current Practices Sustainability Assessment.....	24
4.4.2 Council Budget.....	24
4.4.3 Human Resource Needs.....	24
4.5 Conclusion	26
5. CAPITAL WORKS PROGRAM.....	28
5.1 Introduction.....	28
5.2 Level and Nature of Capital Works	29
5.2.1 Capital works 2019/20 - 2027/28 – Parameters2028/29	29
5.3 2019/20 Capital Investment Levels	29
5.4 Capital Funding Sources	29
5.5 Capital Works Evaluation Process.....	30



5.5.1	Evaluation Process	30
5.5.2	Whole of Life Costing	31
5.6	Conclusion	31
6.	<i>ASSET MANAGEMENT</i>	32
6.1	Introduction.....	32
6.2	Council's Asset Portfolio - 30 June 2018	32
6.2.1	Current Assets	32
6.2.2	Non-Current Fixed Assets	32
6.2.3	Depreciation Expense.....	33
6.3	Key Questions to Determine Service Level/Investment.....	33
6.4	Asset Investment.....	34
6.5	Condition Assessment.....	35
6.6	Management Systems.....	35
6.7	Strategic Asset Management	36
6.7.1	Community Consultation	37
6.7.2	Asset Management Working Group	38
6.7.3	Renewal Demand	38
6.8	Conclusion	40
7.	<i>BORROWING STRATEGIES</i>	41
7.1	Measuring Which Level of Debt is Appropriate	41
7.2	Borrowing Assessment Policy	42
7.3	What do the Financial Indicators Mean?	43
7.3.1	Liquidity.....	43
7.3.2	Debt Management	45
7.3.3	Debt Servicing.....	46
7.4	What is a Prudent Level of Debt?	47
8.	<i>RESTRICTED ASSETS</i>	49
8.1	Introduction.....	49
8.2	Nature and Purpose of Restricted Assets	49
8.2.1	Developer Contributions	49
8.2.2	Waste Strategy.....	50
8.2.3	Unexpended Grants	50
8.2.4	Notional Reserves, Amounts held in Trust.....	50
9.	<i>RATING AND OTHER REVENUE STRATEGIES</i>.....	51
9.1	Introduction.....	51
9.2	Valuations	51
9.2.1	Definitions of valuations.....	51
9.2.2	Supplementary valuations	52
9.3	Components of Council's Rating Base	52



9.4	Assessment of Current Rating Levels	52
9.5	Background to the Present Rating System	55
9.6	Rates Affordability	56
9.7	Rating Strategy.....	57
9.8	Rates and Charges Budget – 2019/20.....	59
9.9	Rate Capping.....	60
9.10	Waste Service Charges – Waste Collection Service and Tree Management Program....	60
9.11	Grant Revenue	61
9.12	Victoria Grants Commission.....	62
9.13	Fees and Charges Revenue	62
10.	STRATEGIC FINANCIAL PLAN.....	63
10.1	Introduction.....	63
10.2	Modelling Methodology	63
10.3	Financial Assumptions	63
10.3.1	Labour and on-costs.....	63
10.3.2	Depreciation	64
10.3.3	Materials and contracts.....	64
10.3.4	Special projects/consultancies.....	64
10.3.5	Debt servicing and redemption.....	64
10.3.6	Written-down values of assets sold	64
10.3.7	Rate revenue	64
10.3.8	Service charges	65
10.3.9	Grant revenue.....	65
10.3.10	User Fees	65
10.3.11	Statutory Fees and Fines	65
10.3.12	Interest on investments	65
10.3.13	Proceeds from sale of assets	65
10.3.14	Capital grants.....	65
10.3.15	Granted assets	65
10.3.16	Capital expenditure.....	66
11.	APPENDIX A: GLOSSARY OF TERMS	67
12.	APPENDIX B: FINANCIAL STATEMENTS	72
12.1	Comprehensive Income Statement	73
12.2	Budgeted Balance Sheet.....	74
12.3	Budgeted Statement of Changes in Equity.....	75
12.4	Budgeted Statement of Cash Flows	76
12.5	Budgeted Statement of Capital Works	77
12.6	Budgeted Statement of Human Resources.....	78
13.	APPENDIX C: rating principles	79



LIST OF TABLES

Table 1: Key Strategies– 2019/20	13
Table 2: Number of Councils in each Category– 2018/19.....	16
Table 3: Strathbogie Shire Council VAGO Indicators of Council Viability	20
Table 4 - Statement of Human Resources - For the four years ended 30 June 2023	26
Table 5: Capital Works Summary – 2019/20.....	29
Table 6: Expenditure Definitions – Asset Management – 2019/20	34
Table 7: Intervention Levels by Service Area – Asset Set – 2019/20.....	36
Table 8: Asset Management Plan Objectives & Document Content.....	37
Table 9: State Government Prudential Guidelines– 2016/17 to 2017/18.....	43
Table 10: Restricted Assets – 2017/18	50
Table 11: Rates and Charges Annualised - 2017/18	55
Table 12: Rates and Charges 2017/18 as compared to 2018/19.....	56
Table 13: Individual Rates Annualised 2018/19.....	56
Table 14: Summary rate in the dollar – proposed changes rating structure – 2019/20	59
Table 15: Projected Waste Charges – 2019/20.....	61
Table 16: Labour and on-costs – 2019/20	64
Table 17: Glossary of Terms / Definitions	71

LIST OF CHARTS

Chart 1: Underlying Operating Position – 2017/18.....	17
Chart 2: Rates Affordability Small Rural – 2017/18.....	19
Chart 3 - Operating Expenses per Assessment 2017/18.....	25
Chart 4 - Employee Costs % Operating Expenses 2017/18	25
Chart 5: Capital Expenditure – 2017/18	28
Chart 6: Depreciation on Infrastructure/Infrastructure Assets – 2017/18	33
Chart 7: Proposed and Predicted Renewal Expenditure Chart– 2018/19	39
Chart 8: Proposed Renewal Expenditure Profiles Chart – 2018/19.....	39
Chart 9: Comparison of Total Debt Levels within Small Rural Group 2017/18.....	41
Chart 10: Comparison of Total Debt Levels within Small Rural Group 2017/18.....	42
Chart 11: Current Assets / Current Liabilities – 2017/18.....	44
Chart 12: Total Debt as a Percentage of Rate Revenue – 2017/18	45
Chart 13: Debt Servicing Ratio (Interest / Total Revenue) – 2017/18	46
Chart 14: Debt Servicing & Redemption / Rate Revenue – 2017/18	47
Chart 15: Rates as % of Total Revenue– 2017/18	53
Chart 16: Rates & Charges per Residential Assessment – 2017/18.....	53
Chart 17: Rates Per Assessment – 2017/18.....	54
Chart 18: Rate Effort Ratio – 2017/18.....	55
Chart 19 : Rates Affordability Small Rural – 2017/18.....	57
Chart 20 : Recurrent Grants/Total Revenue – 2017/18.....	61
Chart 21 : Fees & Charges/Total Revenue – 2017/18.....	62

LIST OF FIGURES

Figure 1: Strategic Resource Plan – Key Strategic Areas 9
Figure 2: Planning and Reporting Framework..... 14
Figure 3: Strategic Service Framework 22
Figure 4: Service Plan Process - 6 Key Steps 23
Figure 5: Current Practices Sustainability Assessment 24
Figure 6: Comprehensive Income Statement 73
Figure 7: Balance Sheet 74
Figure 8: Changes in Equity 75
Figure 9: Cash Flows 76
Figure 10: Capital Works 77
Figure 11: Statement of Human Resources 78



1. EXECUTIVE SUMMARY

1.1 Introduction

The Strategic Resource Plan (SRP) is the key medium term financial plan produced by Council on a rolling basis that summarises the resourcing forecasts for at least four years. The SRP forms part of the Council Plan.

Resource planning is important for ensuring that a Council remains sustainable in the long term and good practice is to extend forecasting for a ten year period, to take account of long lived assets such as road and drainage infrastructure. Strathbogie Shire Council has prepared a 10 year long term financial plan to enable a longer term perspective of the ongoing financial sustainability of the Council and the impact of financial decisions into the longer term.

In preparing the SRP Council must take into account all other plans and strategies in regards to services and initiatives which commit financial and non-financial resources over the four year period.

Section 125(1) of the *Local Government Act 1989* (the Act) requires Councils to prepare a SRP and include this in the Council Plan. The SRP outlines the resources required to achieve Council's strategic objectives expressed in the Council Plan. Section 126 of the Act expects that:

- a. The SRP is a plan of the resources to achieve the Council Plan strategic objectives;
- b. The SRP will:
 - i. Include financial statements describing the financial resources in respect of at least the next four financial years;
 - ii. Include statements describing the non-financial resources including the human resources in respect of the next four financial years;
 - iii. Take into account services and initiatives contained in any plan adopted by Council and if the Council proposes to adopt a plan to provide services or take initiatives, the resources required must be consistent with the SRP;
 - iv. Review the SRP during the preparation of the Council Plan; and
 - v. Adopt the SRP no later than 30 June each year and a copy must be available for public inspection at the Council office and on the Council internet website.
- c. In preparing the SRP, Council should comply with the principles of sound financial management as prescribed in the Act, being to:
 - i. Prudently manage financial risks relating to debt, assets and liabilities
 - ii. Provide reasonable stability in the level of rate burden
 - iii. Consider the financial effects of council decisions on future generations
 - iv. Provide full, accurate and timely disclosure of financial information.

Significant changes to this revised SRP 2019/20 are:

- Council will increase the capped average rate by 2.25 percent in the 2019/20 financial year. This level allows Council to maintain existing service levels, fund a number of new initiatives and continue to allocate additional funds to renew the municipality's infrastructure;



- Capital Expenditure is \$14.655 million in 2019/20; and
- New borrowings of \$ nil in 2019/20.

1.2 Purpose of Strategic Resource Plan

The purpose of the Strategic Resource Plan is to:

- Establish a financial framework over the next 4 years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan;
- Establish a basis to measure Council's adherence to its policies and strategies; and
- Assist Council to comply with sound financial management principles, in accordance with the Act and to plan for the long-term financial sustainability of the municipality.

The diagram below details the key strategic areas covered by the SRP and the integration



required between Council's financial strategies.

Figure 1: Strategic Resource Plan – Key Strategic Areas



1.3 SRP Objectives

The 2019/20 SRP is intended to contribute to the following objectives in the 10-year timeframe:

- Maintain the existing range and level of service provision and improve the understanding of the range and levels of service provided;
- Maintain a viable cash position, ensuring Council remains financially sustainable in the long-term;
- Achieve operating statement surpluses with the exclusion of all non-operational items such as granted assets and capital income within the 10 year timeframe of the long term financial plan;
- Reduce debt to a low to moderate level to allow capacity to fund future infrastructure;
- Continue to pursue recurrent grant funding for strategic capital funds from the State and Federal government; and
- Provide for rate increases that establish a funding level for renewal demand being invested at 100 percent.

1.4 Strategic Financial Direction

A number of strategic challenges remain ahead including renewing existing assets, continuing to provide an appropriate range and level of services to a growing community, maintaining a sound financial position and addressing the need for capital expansion.

The other related issues are the risks and liabilities that Council and the community face if Council does not invest in asset renewal at an adequate rate.

Council, as part of establishing its SRP, revises its borrowing strategy, asset management, capital investment, discretionary and statutory reserves, capital works program, the range and level of services provided and the revenue-raising strategy.

The SRP establishes the strategic financial direction for Council to meet the funding and investment challenges that lie ahead in the next 10-years.

The SRP is prepared in conjunction with the Council Plan to ensure the affordability of activities included in the Council Plan.

A Glossary of Terms is attached in **Appendix A**.

Appendix B details Council's Financial Statements which are an outcome of this SRP.

1.5 Key Strategic Directions

The following table highlights the key strategies of this SRP.

Each section includes detailed analysis to support the strategies.

The key strategies provide direction for the preparation of the 2019/20 Budget.

Section	Strategic Direction
Section 3 Financial Sustainability	<ol style="list-style-type: none"> 1. That Strathbogie Shire Council continues to benchmark with other Victorian Councils and those within the Small Rural category. 2. That Strathbogie Shire Council applies the outcomes of this SRP to the 2019/20 Budget. <p>That Strathbogie Shire Council achieves an operating surplus over the life of this SRP.</p>
Section 4 Service Provision and Planning	<ol style="list-style-type: none"> 1. That Strathbogie Shire Council continue the Service Planning process in 2019/20 via a strategic service planning framework incorporating annual budget, departmental operational plans, capital works evaluation and long term financial plan leading to a determination of the appropriate range and levels of service for the community. 2. That Strathbogie Shire Council, as part of the development of its Service Plans, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio.
Section 5 Capital Works Program	<ol style="list-style-type: none"> 1. That Strathbogie Shire Council maintains its capital works commitment at levels that meet or exceed the targets established in this SRP, and develops a 10-year capital works program. 2. That Strathbogie Shire Council initially focuses capital works on maintaining a critical renewal level based on maintaining a minimum service level at levels indicated in Table 7 (Section 6.5 Condition Assessment), with the next priority on renewal, upgrade and expansion. 3. That any bids for expansion, new and upgrade of assets come from the Service Managers as arising from their Service Plans.



Section	Strategic Direction
Section 6 Asset Management	<ol style="list-style-type: none"> 1. That Strathbogie Shire Council, having established its critical renewal investment levels, maintains detailed <i>Asset Management Plans</i> (focused on renewal demand) for all classes of Council assets incorporating service level assessments. 2. That Strathbogie Shire Council, as part of the development of its <i>Service Plans</i>, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio. 3. That Strathbogie Shire Council adopts as policy the annual allocation of funds to meet 100 per cent of the communities infrastructure renewal needs before it elects to upgrade or construct new assets.
Section 7 Long-term Borrowing Strategies	<ol style="list-style-type: none"> 1. No borrowings are proposed during the term of this SRP although substantial capacity will be available should it be required
Section 8 Restricted Assets	<ol style="list-style-type: none"> 1. That Strathbogie Shire Council builds into its 10 year financial plan the estimated movements in restricted assets and provides for at least \$3 million to \$4 million in working capital to meet day to day needs. 2. That to ensure sufficient funds are available to meet operational needs, Strathbogie Shire Council retains a cash position of at least \$3 million to \$4 million after deducting restricted assets, i.e. cash received but not spent or cash to be spent for specific purposes such as developer contributions (infrastructure), waste facility development, security deposits etc.

Section	Strategic Direction
<p>Section 9 Rating and Other Revenue Strategies</p>	<p>That Strathbogie Shire Council;</p> <ol style="list-style-type: none"> 1. retains capital improved value (CIV) as its valuation base; 2. provides a municipal charge of \$133 for 2019/20 to ensure an equitable contribution towards the unavoidable fixed costs of Strathbogie Shire Council; 3. considers future increases in tree and waste management charges based on EPA, regulatory and safety requirements , to cope with challenges in recycling markets and the need to sustain the Council's long term waste operations strategy; 4. in 2019/20, adopts an percent capped average rate increase of 2.25% for general rates (excluding supplementaries) and a 4.1 percent increase in waste collection charges including funding the cost of disposal of domestic waste, recycling collection and the tree management levy; 5. pursues recurrent grant funding and strategic capital funding aligned with Council Plan objectives, including benchmarking of results with other Councils; and 6. undertakes detailed analysis on the level of existing fees and charges and investigates new revenue sources and report recommendations to Council.
<p>Section 10 Strategic Financial Plan</p>	<p>The SRP continues to provide a financial framework for Council, enabling an assessment of Council resources and assisting Council to plan and fund capital infrastructure and meet future community aspirations.</p>

Table 1: Key Strategies– 2019/20



2. LINK BETWEEN STRATEGIC RESOURCE PLAN AND COUNCIL PLAN

2.1 Planning and Reporting Framework

The *Local Government Performance Reporting Framework* is a key part of the local government planning and accountability reform. The Planning and Reporting Framework details the relationship between the Council Plan, the Strategic Resource Plan and Annual Budget.

Effective reporting by Councils, on the spending of public money to deliver services and infrastructure, is essential for ensuring transparency and accountability to the community and other levels of government.

The following diagram shows the relationship between the key planning and reporting documents that make up the planning and accountability framework for local government.

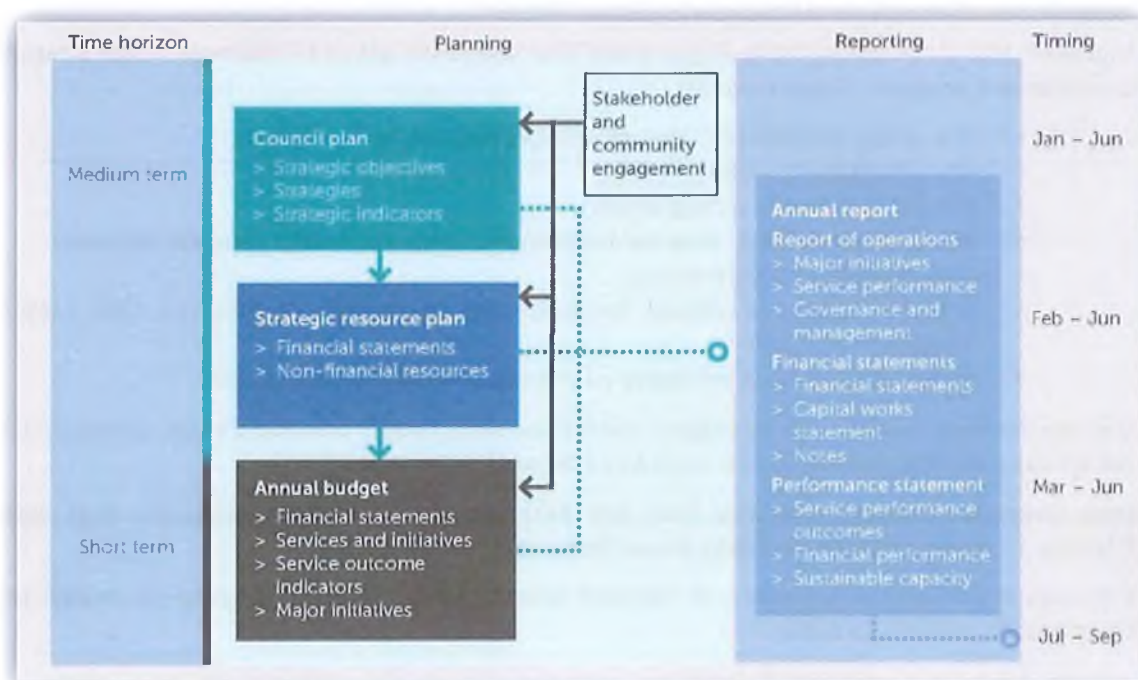


Figure 2: Planning and Reporting Framework

It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

This is important to ensure accountability to residents and ratepayers.

3. FINANCIAL SUSTAINABILITY

3.1 Background

Financial sustainability as defined by The Australian Local Government Association (ALGA) is worth noting:

“A Council’s long-term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.”

It is against this definition that the sustainability of Strathbogie Shire Council can be assessed.

The precise financial strategy which supports financial sustainability and which balances community expectations with the capacity to pay, challenges Councils.

As part of this process strategies, services and investment in infrastructure must be developed that meets the community’s needs whilst simultaneously remaining affordable.

The question of what is ‘financial sustainability’ and the appropriate strategy to support this position will be answered differently by every Council.

However, there are some common questions that should be asked by Councils in the strategic development process. These include:

- the range and level of Council services that are to be offered;
- the affordability of new assets;
- the utilisation of existing assets;
- the quantum of the renewal investment compared to the renewal demand;
- the suitability of borrowings;
- whether rate and charge increases are sustainable within the rate capping requirements; and
- if the community is willing to pay for services and infrastructure.

One mechanism Councils use to support their financial strategic development is to benchmark their financial performance to like sized Councils or their neighbours.

How Councils compare and why they are different are interesting questions that assist Councils to make ultimate decisions about these complex questions.

This report contains a summary of relevant benchmarking data for Council to enable this comparative analysis to occur.

3.2 Financial Comparisons - Benchmarking

Council Annual Reports generally contain standard and consistent financial data.

These Reports have been reviewed to produce the data used for benchmarking purposes in this SRP.

The number of Councils in each category is shown in the table below.



Category Description	Councils within Category
Inner Metropolitan	22
Interface Metropolitan	9
Regional Cities	10
Large Shires	19
Small Shires	19
TOTAL	79

Table 2: Number of Councils in each Category– 2018/19

These key performance indicators are detailed within the relevant chapters of the SRP, and assist Council to compare its position to other Small Rural Councils.

3.3 Analysis of Council's Financial Sustainability

3.3.1 Financial Sustainability

The concepts most people use in their personal and business lives are basically the same as those that should be applied to local government; however, those concepts need some modification.

Councils are perpetual corporations that manage intergenerational community services and assets.

Councils provide the legal framework by which communities own infrastructure and assets collectively.

Underlying Operating Position (Surplus/Deficit)

The underlying operating result as defined by the *Institute of Chartered Accountants* (2009) is a measure of the financial sustainability of a Council.

Continuous underlying operating deficits lead to a loss in equity, reduction in asset base, drop in service standards over time and a deferral of costs to future generations.

The underlying operating result is the operational result (balanced, surplus or deficit) less gifted assets, developer contributions, asset revaluations, and write offs and impacts of asset sales. Capital income is also excluded on the grounds it represents an "unmatched" income (expenditure is not included) and it is a non-recurring income source.

One of Strathbogie Shire Council's long-term financial goals is to achieve an operational surplus without the inclusion of any capital income (against which there is no matching expenditure in the operating statement) and abnormal items such as granted assets.

Council's position of (-\$3.349 million) on face value compares unfavourably within the Small Rural category at (\$-.671 million) for underlying operating surplus at June 30 2018 but is affected by an additional landfill provision taken up in 2017/18 of \$3.718 m which equates to \$495 per assessment.



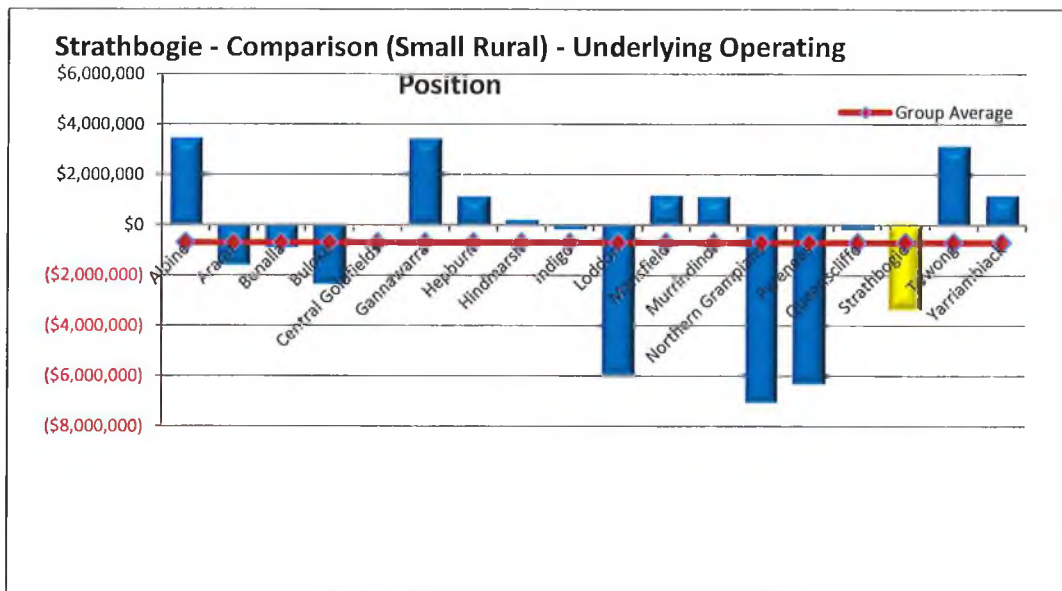


Chart 1: Underlying Operating Position – 2017/18

Liquidity

The MAV assessment asserts a working capital ratio of 100 percent is generally considered desirable. The analysis considers that Councils with working capital above 150 percent may have the capacity to reduce long-term debt and preparedness to meet day to day obligations.

Council’s working capital ratio of 281 percent indicates Council’s liquidity is considered healthy reducing in the medium term but staying with accepted guidelines.

Rate effort

The ability to increase rate revenue is a significant factor in determining whether Council is potentially at risk.

Rate effort is now constrained by the State Government’s introduction of rate capping legislation in the form of its “Fair Go” Rates system. THE FGRS or rate capping introduces an annual rate cap set by the Minister for Local Government which controls general rate increases for all Councils during that financial year.

The Minister for Local Government, has advised an annual rate increase of 2.50 per cent for the 2019/20 financial year. Councils can seek approval for an increase above this figure through a variation with the *Essential Service Commission (ESC)*.

Council’s rating effort has been satisfactory and when benchmarked is close to the average effort of the Small Rural group.(Refer Chart 18).



Cost and efficiency

Council is statistically a “mid cost” council.

Adjusted Total Expenses per assessment of \$3,431 are above the Small Rural average of \$2,725 but includes additional landfill provision of \$495 per assessment and after adjusting for this Council’s costs are marginally above the group average. Council’s employee cost as a percentage of total expenditure is 28.7 percent, compared to Small Rural average of 37.41 percent.

Rates affordability

Australian Taxation Office (ATO) income data for wage and salary earners (PAYE) can be used to give some indication of rates affordability. The *Australian Bureau of Statistics (ABS)* produces a set of socio-economic indices for areas known as SEIFA. The four indices in the set, which are based on census data, reflect the level of social and economic wellbeing in local government areas. SEIFA includes the following indices:

Relative Index of Socio-economic Advantage and Disadvantage (IRSAD): The proportion of families with high/low incomes, people with/without a tertiary education and employees in skilled/unskilled occupations. Low values indicate areas of disadvantage;

Relative Index of Socio-economic Disadvantage (IRSD): Derived from attributes such as income, educational attainment and skill level;

Index of Economic Resources (IER): Derived from attributes relating income and wealth; and

Index of Education and Occupation (IEO): reflect the educational and occupational levels of communities.

The first three indicators have been used to reflect on the socio-economic status of local areas and therefore ability to bear significant increases in rates. The other issue Strathbogie Shire has to contend with, and which does distort these benchmarks, is that the census understates both number of residents and annual household income due to the impact of non-resident ratepayers.

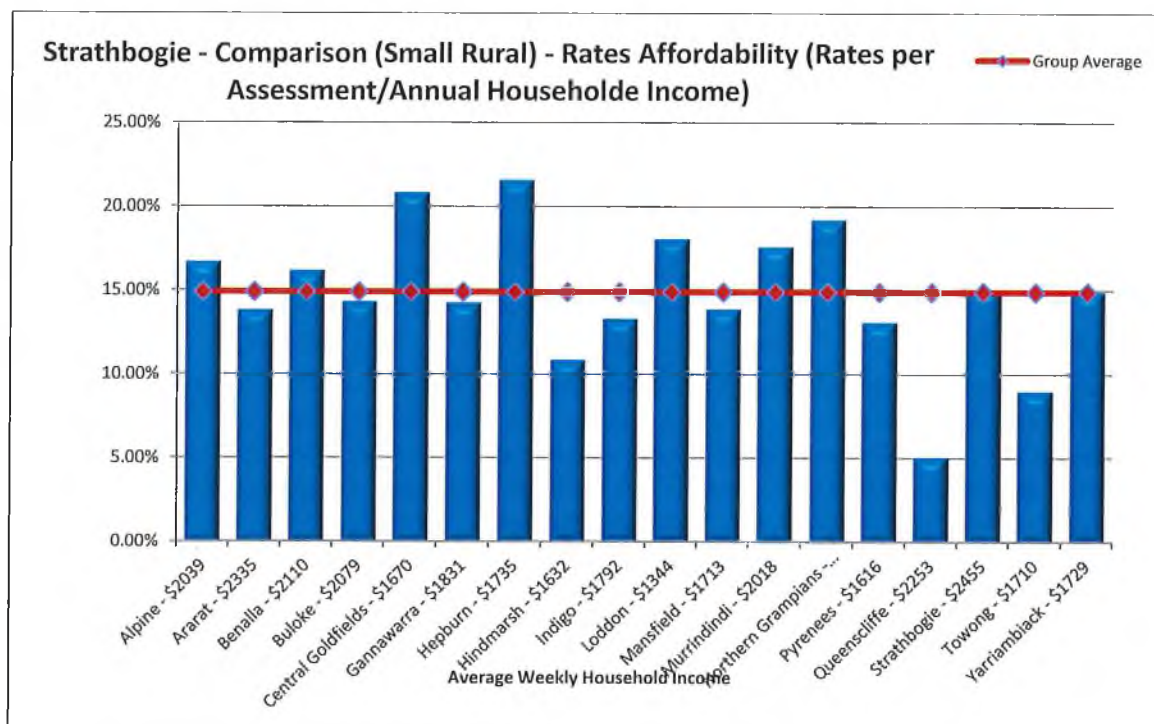


Chart 2: Rates Affordability Small Rural – 2017/18

3.3.2 Victoria Auditor General

The Victoria Auditor General's Office (VAGO) in late 2007 prepared a report on Local Government which outlines for the first time a detailed analysis on the financial sustainability of Councils and Regional Library Corporations.

The 2017/18 result compared to the five (5) year average for VAGO's indicators of Council viability are:

Indicator	Calculation	Description	Results 2017/18	Five (5) Year Ave
Net result	Net result/ total revenue	A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long-term.	2.63	7.62
Adjusted Underlying Operating Result	Adjusted underlying surplus (or deficit) / Adjusted underlying revenue	Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position.	(6.33%)*	(.0.17%)
Liquidity	Current Assets/ Current Liabilities	This measures the ability to pay existing liabilities in the next 12 months. A ratio one or more means there is more cash and liquid assets than short-term liabilities	2.81	2.17



Indicator	Calculation	Description	Results 2017/18	Five (5) Year Ave
Indebtedness	Non-current liabilities/ own sourced revenue	Comparison of non-current liabilities (mainly comprised of borrowings) to own-sourced revenue. The higher the percentage, the less able to cover non-current liabilities from the revenues they generate themselves. Own-sourced revenue is used (rather than total revenue) because it does not include capital grants, which are usually tied to specific projects.	30.38*	17.06
Internal financing	Net Operating cash flow/Net capital expenditure	Measures the ability of an entity to finance capital works from generated cash flow. The higher the percentage, the greater the ability for the entity to finance capital works from their own funds.	102%	127%
Capital Replacement	Cash outflows from property, infrastructure, plant and equipment / Depreciation	Comparison of the rate of spending on infrastructure with its depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciating rate. This is a long-term indicator, as capital expenditure can be deferred in the short-term if there are insufficient funds available from operations, and borrowing is not an option.	1.76	1.48
Renewal gap	Renewal and upgrade expenditure / Depreciation	Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1:1 indicate that spending on existing assets is faster than the depreciating rate. Similar to the capital replacement, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option.	1.6	1.35

Table 3: Strathbogie Shire Council VAGO Indicators of Council Viability

- *Affected by one off recognition of increased landfill provision of \$3.718 million.

3.4 Benchmarking

In most instances Council compares favourably with its neighbours and other Small Rural Councils. When benchmarked to other Small Rurals and neighbours Strathbogie Shire Council is characterised by:

- Underlying operating surplus;
- Slightly above the average level of overall operational costs in comparison to Councils in the category;
- Higher than the average rating effort;
- Low debt ratios; and
- Strong capital works program with sufficient priorities given to asset renewal.

Strategic Direction

1. That Strathbogie Shire Council continues to benchmark with other Victorian Councils and those within the Small Rural category.
2. That Strathbogie Shire Council applies the outcomes of this SRP to the 2019/20 Budget.
3. That Strathbogie Shire Council achieves an operating surplus over the life of this SRP.

4. SERVICE PROVISION AND PLANNING

4.1 Introduction

The range and level of services a Council should, or is capable of, or wants to provide is a complex question to consider.

It is critical that an overall understanding of the Service Planning Framework be considered within the context of the key service drivers including:

- Community expectations: Ever changing and balanced against willingness to pay;
- Legislative requirements: e.g. Health and environmental standards and regulations;
- Organisational: Strategic Mission and Objectives; and
- Resources: Availability of resources and funding, particularly within a rate capped environment.

This section includes:

- Local Government Service Planning
- Introducing a Service Planning approach
- Service Planning approach and the six key steps
- Conclusion

4.2 Local Government Service Planning

4.2.1 *Service Delivery challenges*

Strathbogie Shire Council is grappling with these questions as it seeks to achieve a balance between capital investment, renewal and service delivery. What is the correct range of services, what level should they be provided at and are they sustainable within a rate capped environment for the majority of ratepayers?

- What range of services does Council provide and do these align to the Council Plan and service strategies?
- What level of service does Council want to provide within the capacity of the community to pay?
- What assets are required to underpin the required level of service and are these fit for purpose?
- Is the current mix of capital investment ensuring assets underpinning services are safe and serviceable – is Council's renewal investment adequate?
- Are the services (range and level) sustainable over a ten year timeframe against the Council's long term financial plan?

In 2019/20, Council will continue a six phase Service Planning project to facilitate answers to these questions. Council's long term financial sustainability is critically linked to answering these fundamental questions.



4.2.2 What is Service Planning

Service Plans define programs and projects which need to be undertaken to deliver the service and include specific information on service levels, the service provider, service cost, service targets, performance Indicators and the reporting framework.

Service Plans identify assets (upgrades or new) required to support those services and reviews the outcomes of Asset Management Plans to ensure existing assets are appropriate for the delivery of services required.

Actions are specific, based on a 10 year horizon. Having detailed Service Plans with costed levels of service allows comparative choice decisions to be made in a transparent manner when budget adjustments are required.

The service outputs should be achievable and defined within service plans which are fully funded and resourced within the Council's 10 year Long Term Financial Plan. Through this sustainable service delivery model Council has the capacity to deliver on its promises. Council must remain financially sustainable to continue to provide services to its community into the future.

Having detailed Service Plans with costed levels of service will allow Council to make comparative choice decisions in a transparent manner if and when service and budget adjustments are required.

Service Plans provide a clear point of reference to manage and monitor progress towards achievement of strategic outcomes as well as forming the basis of reporting to the community and State Government.

The Council acknowledges that there will always be many competing interests for scarce Council resources. Adopting a *service planning* approach throughout the organisation will address many of the service delivery priorities and in turn community perceptions of Council performance.

The process will ensure that Council remains committed to providing service levels to the community that are of acceptable standard and delivered in the most efficient and appropriate manner.

The Strategic Service Framework fits within the broader context of Council operations as illustrated below:

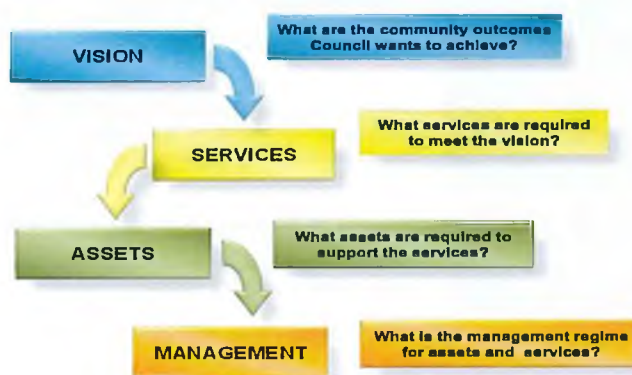


Figure 3: Strategic Service Framework

4.3 Introducing a Service Planning Approach

4.3.1 Understanding Levels of Service

Understanding the *Levels of Service* approach within a Council context is important because it facilitates:

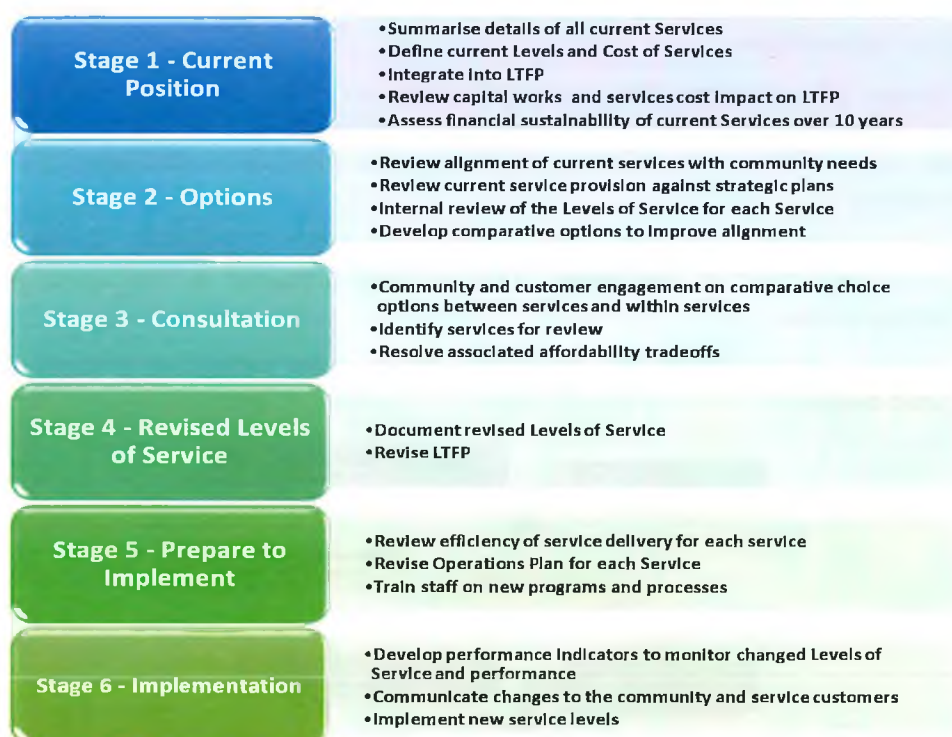
- Support for the sustainability of current services;
- Increasing satisfaction levels: minimising the gap between what is provided and what the community needs;
- Transparent decision making for good governance; and
- A robust relationship between Levels of service and funding.

The objective for the level of service process is to enable Council to engage in community consultation efforts that focus on *Community Levels of Service*.

4.4 Service Plan Process: 6 Key Steps

The Service Planning process needs to be comprehensive and cover the entire organisation.

All services need to be included in the process (including internal services) as the Council needs to be in a position to be able to make informed comparative choice decisions.



Council proposes that the service review process be undertaken in six stages.

Figure 4: Service Plan Process - 6 Key Steps



4.4.1 Stage 1 – Current Practices Sustainability Assessment

This first stage takes a holistic approach and prepares a 10 year *Service Profile* and a *Service Cost Evaluation* for all services to assess the long term sustainability of the Council's range of services.

At the end of Stage 1 Council will have a detailed understanding of the:

- Range of Services it provides to the community;
- Levels of Service for each Service;
- Projected cost of each service over the forward 10 year period;
- Life cycle cost impacts of capital works associated with the service delivery;
- Long term financial sustainability of Council's current service model; and
- Framework under which Council can make informed choices around resource allocation to specific service areas.

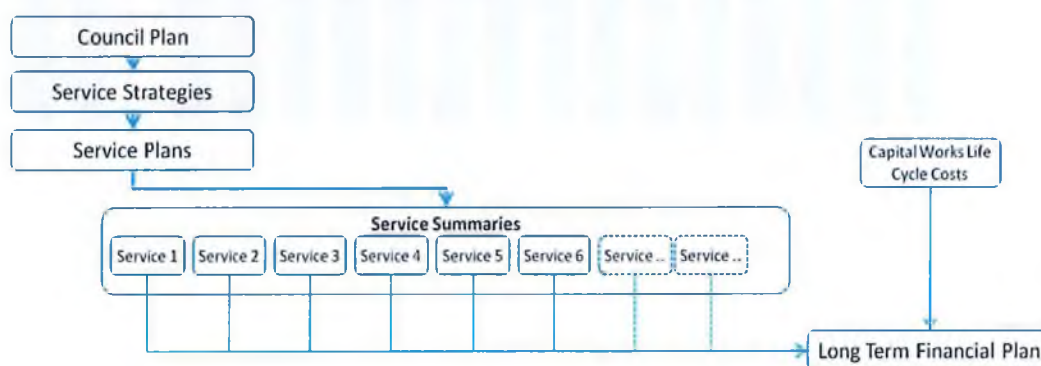


Figure 5: Current Practices Sustainability Assessment

These Plans also provide a direct linkage to *Service Plans* and to implementing program and projects defined in the *Service Plans* with specific actions and budgets generally for years 1 and into year 2.

Stage 1 is largely complete but there is a need to review data following recent restructure and the 2018/19 Budget before proceeding with Stage 2.

4.4.2 Council Budget

Council's operation includes provision of building, planning, economic development services, community services, infrastructure planning, operations and corporate support services including finance, information technology, asset management and organisation development.

Council's operating costs and revenues for 2019/20 are \$28.194 million and \$29.084 million respectively with forecasts for the next 10 years contained in Appendix B.

The Capital Works Program is explained in more detail in Section 5.

4.4.3 Human Resource Needs

Council's Human Resources are integral to the delivery of Council's services. Council's overall adjusted operating expenses per assessment (adjusted to remove depreciation) in the graph below show Council's total operating costs benchmarked to like sized Councils.

Council's operating costs per assessment are slightly above the average and Council's employee costs as a % of total expenses are lower than the average. Employee costs are one

element of these costs. Councils use employees or contractors to deliver services. Council's employee costs as a percentage of operating expenses have been benchmarked to similar sized Councils in Victoria are also detailed hereunder:

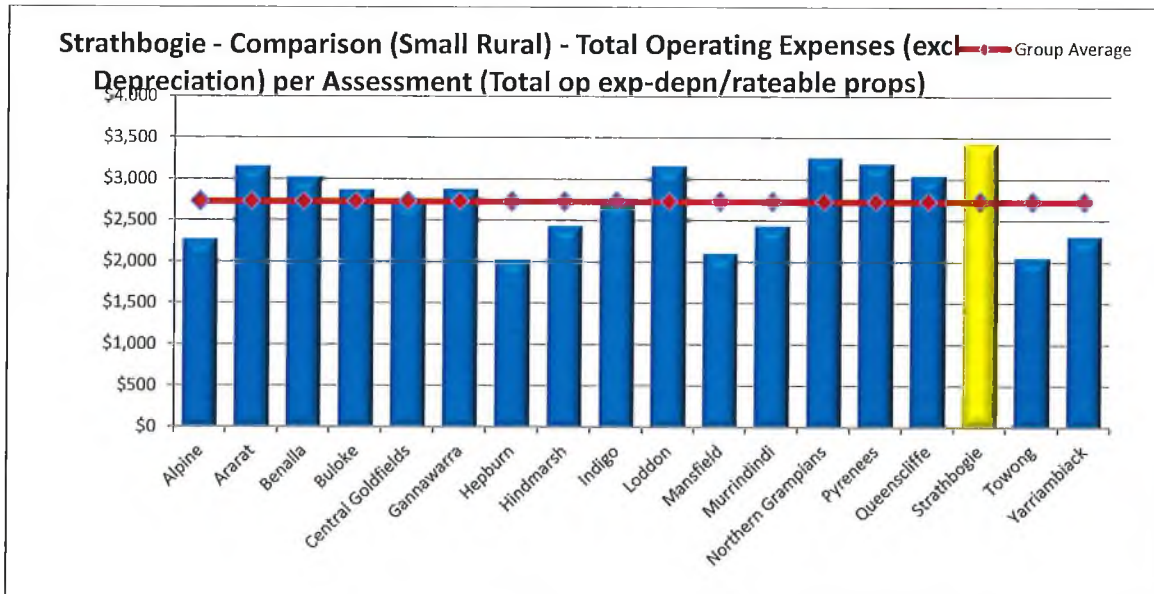


Chart 3 - Operating Expenses per Assessment 2017/18

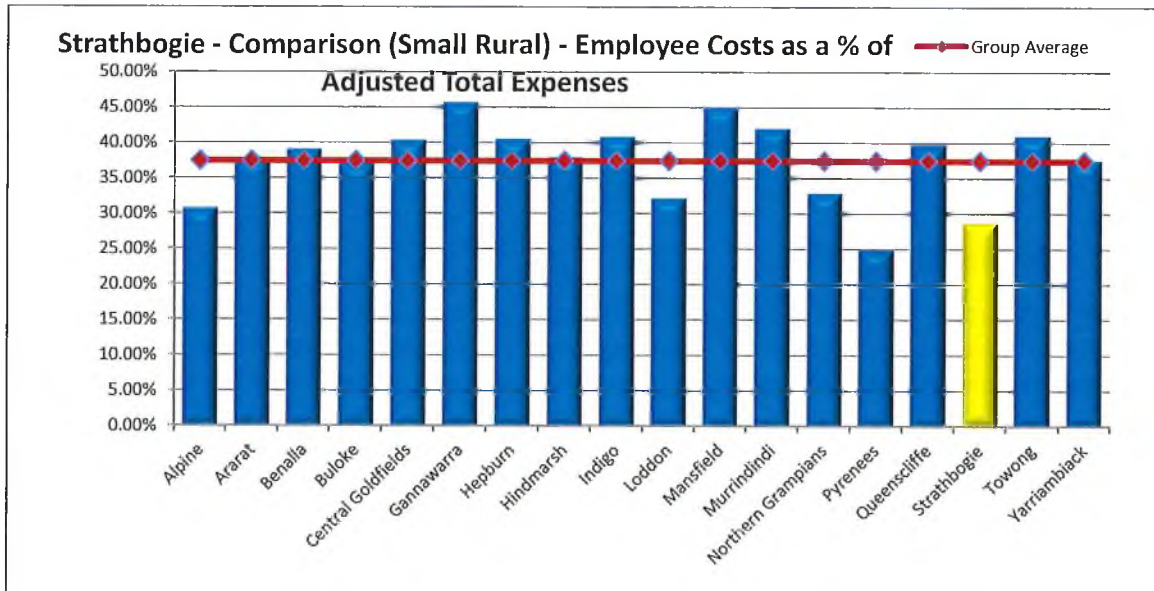


Chart 4 - Employee Costs % Operating Expenses 2017/18



The table below details the *Statement of Human Resources* for the oncoming four years:

	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	
Staff Expenditure				
Employee Costs	10,483	10,782	11,089	11,405
Total staff expenditure	10,483	10,782	11,089	11,405
	EFT	EFT	EFT	EFT
Staff numbers				
Employees	113	113	113	113
Total staff numbers	113	113	113	113

Table 4 - Statement of Human Resources - For the four years ended 30 June 2023

Reconciliation of staff numbers

Balance as per 2018/19 Budget	103.0
Transfer in of employees in Parks and Gardens previously on contract	5.0
Net effect of restructure in Governance and Regulation – cost neutral and improved service – service in house	2.2
Increased resource in Rates	.40
Increased resource in Economic Development	.25
Increased resource in Youth – majority externally funded	.60
Increased resource in Transfer Station	.42
Additional Roads Employee	1.0
Additional Human Resources employee	1.0
Minor Adjustments	(.79)
EFT 2019/20 Budget	113.08

In 2019/20 employee numbers have been affected by the transfer of previously contract outdoor staff to Council employment, whilst a cost neutral restructure of Governance and Regulation including Environmental Health whilst increasing staff numbers has significantly increased service levels.

4.5 Conclusion

Managing financial sustainability and the range and level of services provided will remain an ongoing challenge, particularly in a now rate capped environment.

This work continues in the context of improving financial sustainability, linking infrastructure planning to service planning and resource constraints.

Council will demonstrate clear and transparent decision making in allocating scarce resources whilst delivering the best service outcomes from amongst the many alternatives demanded by the community, a critical outcome of the proposed service planning framework.

Strategic Direction

1. That Strathbogie Shire Council continue the Service Planning process in 2019/20 via a strategic service planning framework incorporating annual budget, departmental operational plans, capital works evaluation and long term financial

plan leading to a determination of the appropriate range and levels of service for the community.

2. That Strathbogie Shire Council, as part of the development of its Service Plans, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio.



5. CAPITAL WORKS PROGRAM

5.1 Introduction

The previous section discusses the long-term issues with respect to *Service Planning*.

It should be noted that 95 per cent of the capital expenditure is on renewal and upgrade type projects in the draft capital works program for 2019/20. The total capital program of \$14.655 million is composed of \$.733 million in new and expanded assets and \$13.922 million in renewal and upgrade.

The proposed program for 2019/20 comprises \$10.478 million in renewal and \$3.444 million in upgrade.

Also allowed for is \$1 million to commence rehabilitation of the Violet Town Landfill , which is funded through a reduction in the provision already made.

This section includes:

- Level and nature of capital works;
- 2019/20 Capital Investment levels
- Capital funding sources; and
- Capital Works Evaluation process

The benchmark for 2017/18 capital expenditure levels by Small Rurals is illustrated below:

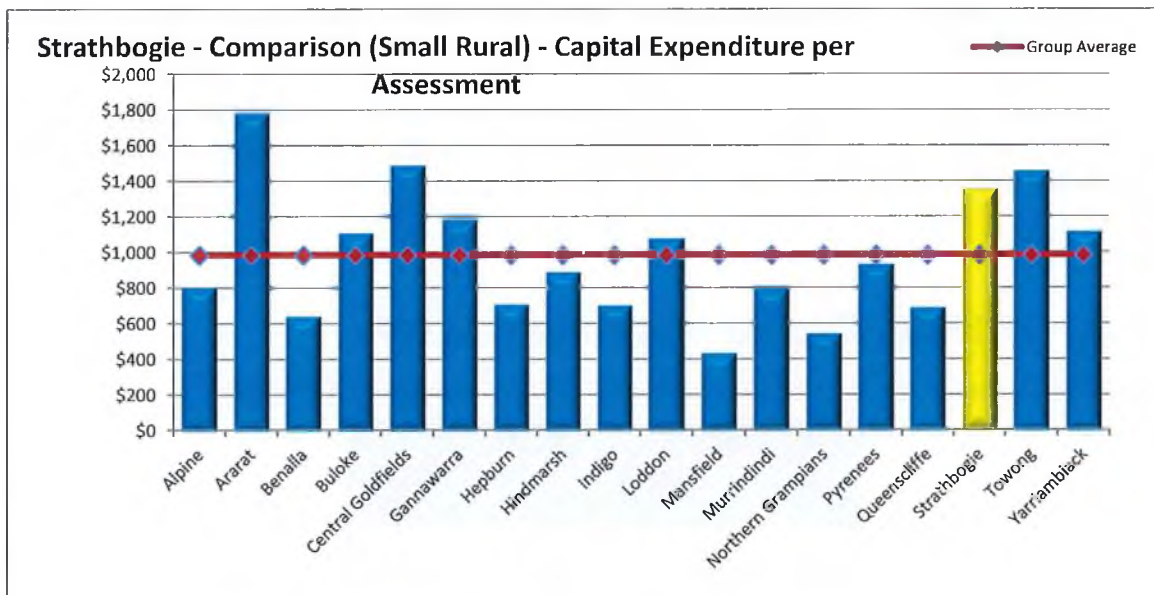


Chart 5: Capital Expenditure – 2017/18

Capital expenditure per assessment is higher than average in 2017/18 at \$1,350 per assessment as compared to \$982 for the average Small Rurals.



5.2 Level and Nature of Capital Works

It is important that the *Asset Management* issues raised in the next section inform the decisions taken in determining the capital works program. Four key outcomes from the long-term financial plan will be:

- To maintain the annual critical renewal investment – section 6;
- To maintain agreed service levels as determined in Council's *Service Plans*-section 4;
- Maintain average condition where desired; and
- Invest in new assets subject to principles espoused in section 4.

5.2.1 Capital works 2019/20 - 2027/28 – Parameters 2028/29

The following are the parameters against which the 2019/20 capital works program has been developed:

- Alignment to *Strategic Resource Plan* financial growth assumptions with respect to expenditure and revenue;
- Priority provision for critical renewal investment, then capital renewal, capital upgrade with capital expansion and new, the most discretionary.

In terms of the longer term program to 2028/29 the following parameters/assumptions apply:

- Large one-off projects flagged in subsequent years require accurate costing to be undertaken and their timing and priority finalised;
- Continue priority on renewal, followed by upgrade with expansion and new, the most discretionary;
- .
- Income assumptions to remain conservative given they are less predictable; and
- Roads to Recovery income assumed to continue at known level spread across relevant projects within the Roads Program.

5.3 2019/20 Capital Investment Levels

The 2019/20 capital works program by expenditure type is detailed hereunder:

Capital Expenditure Type	2019/20 \$	2019/20 %
Renewal	10.478	71.5
Upgrade	3.444	23.5
New	.733	5.0
TOTAL	14.655	100

Table 5: Capital Works Summary – 2019/20

5.4 Capital Funding Sources



A 10-year capital works program has been developed and this has enabled a precise cash flow budget to be developed.

This program will be refined during the 2019/20 financial year by Council's Community Assets department.

External capital funding sources include capital grants, developer contributions and special charges schemes.

Internal capital funding sources include land sales, asset sales, special charge schemes and general rates. The SRP forecasts capital funding sources conservatively.

5.5 Capital Works Evaluation Process

5.5.1 Evaluation Process

Objective: to provide qualitative and economically measurable information to assess and prioritise capital funding. This will ensure that scarce funds are rationed to projects in order of merit. This is primarily defined through four stages, Strategic Assessment, Needs Analysis, Needs Alignment and Prioritisation.

Our process in preparing the draft budget is: -

Strategic Assessment

1. Council intends to maintain its existing infrastructure and its focus is of 'renewing' its existing assets ahead of other 'upgrade' 'expand' and or 'new' possibilities;
2. Renewal items will be evaluated for their viability and continuing fit with community desires and the Council Plan;

Needs Analysis

3. Respond to additional Council decisions;
4. Development of 'Business Cases' to consider Committees of Management and community aspirations. Business cases are recognised as a useful tool to evaluate proposals for ongoing costs, sustainability, risks and project preferences. Business cases will be fit for purpose;

Needs Alignment

5. Considering the needs of multiple services together and looking for alignments and synergies and the possibility of bringing them together into shared spaces;

Prioritisation

6. Program to meet realistic timelines – considering consultation, approval and external funding requirements;
7. Capital works will be prioritised with reference to the Council Plan, funding sources and the community's wishes, up to the limits of budget capacity, the 'balanced budget'.

The business case process is designed to achieve a number of practical outcomes. These are: -

- Prevent poorly developed output specifications/functional briefs going to market
- Ensure risks are allocated to the party that can best manage them
- Embrace a broader range of delivery models
- Realised improved value for money outcomes in capital works procurement

5.5.2 Whole of Life Costing

It is imperative that all proposals for new and upgrade have the full whole of life costs calculated and disclosed as part of the evaluation process and that the operating and maintenance are calculated and placed in the long term financial year for the life of the asset.

5.6 Conclusion

Council's capital works program underpins the needs and priorities as determined by Council's capital evaluation process.

It is the Council's challenge to develop *Service Plans* and *Asset Management Plans* that ensure the community's levels of service are met through the delivery of efficient and effective services.

Strategic Direction

1. That Strathbogie Shire Council maintains its capital works commitment at levels that meet or exceed the targets established in this SRP, and develops a 10-year capital works program.
2. That Strathbogie Shire Council initially focuses capital works on maintaining a critical renewal level based on maintaining a minimum service level at levels indicated in Table 7 (Section 6.5 Condition Assessment), with the next priority on renewal, upgrade and expansion.
3. That any bids for expansion, new and upgrade of assets come from the Service Managers as arising from their Service Plans.



6. ASSET MANAGEMENT

6.1 Introduction

Linking asset management to Council's strategic financial direction is fundamental to achieving the goal of long-term financial sustainability.

This section includes:

- Council's asset portfolio at 30 June 2018;
- Key questions to determine service level/investment;
- Asset investment;
- Condition assessments;
- Management Systems; and
- Strategic asset management.

6.2 Council's Asset Portfolio - 30 June 2018

6.2.1 Current Assets

Accounting for an asset requires the recognition of all costs associated with asset ownership including creation/acquisition, operations, maintenance, rehabilitation, renewal, depreciation and disposal.

This "life cycle" approach needs to be recorded at an individual asset level so all the costs of owning and operating assets are known and understood.

For accounting purposes assets are grouped into current and non-current assets. Current assets are cash or those assets that are considered to be readily convertible to cash.

This asset grouping includes cash at bank, investment funds, stock on hand, debtors and land held for resale. The balance of current assets held by Strathbogie Shire Council at 30 June 2018 was \$ 17.49 million.

Non-current assets consist of Council's debtor accounts not expected to be collected in the coming 12 months and Council's fixed assets not yet sold.

Fixed assets consist of land, buildings, plant, furniture, roads, drains, playgrounds and other similar infrastructure assets.

The total value of fixed assets at 30 June 2018 was \$286.7 million. The balance of this section will focus on the fixed assets and the management strategies that Council is pursuing.

6.2.2 Non-Current Fixed Assets

Councils all over Australia are facing the problem of ageing assets in need of renewal.

Many of these assets were not initially funded by councils, but came by State and Federal government grants, developer contributions, or from a shift of responsibilities for State owned assets to Local Government.

Council's fixed assets and land held for resale at 30 June 2018 total \$287.4 million.

6.2.3 Depreciation Expense

Depreciation expenses, useful lives and the rate at which the economic benefits or the service potential of the asset are consumed is reassessed following condition assessments and when asset valuations are undertaken.

All changes to depreciation expenses have been reviewed by Council's external auditor and reported to Council's *Audit Committee* prior to being adopted by Council.

Council's depreciation expenses as a percentage of its total assets are benchmarked and depicted in the following graph:

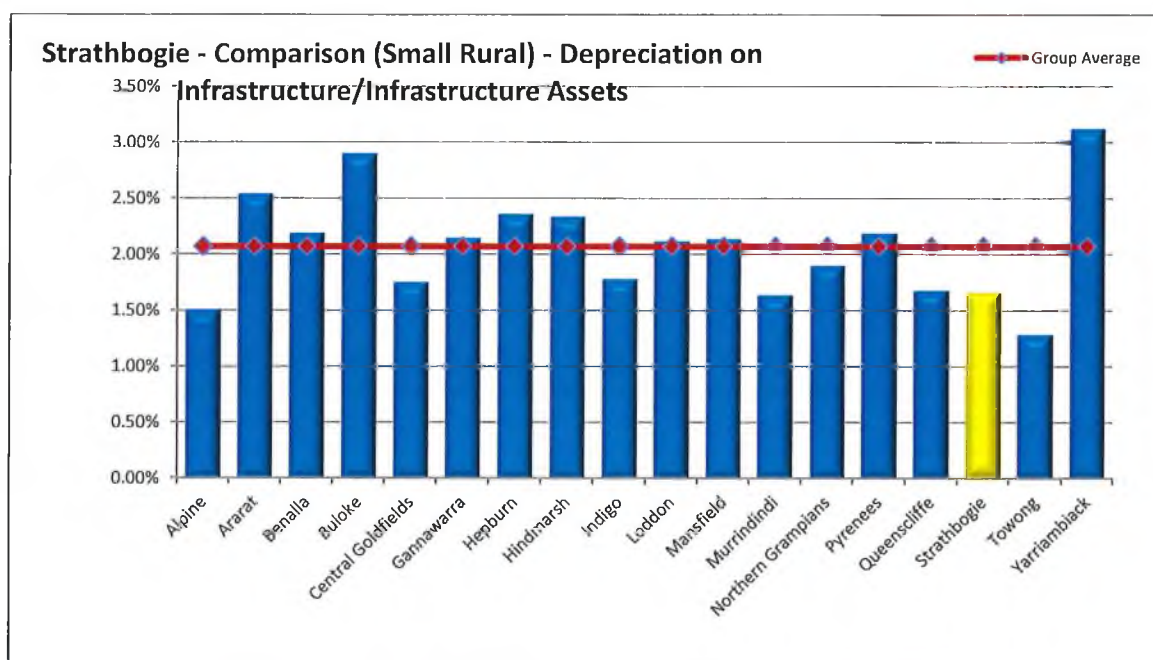


Chart 6: Depreciation on Infrastructure/Infrastructure Assets – 2017/18

6.3 Key Questions to Determine Service Level/Investment

The key questions with respect to infrastructure investment are detailed below:

1. How much does it cost ratepayers to retain the current infrastructure portfolio, that is, what is the long-term average cost of renewal plus maintenance?
2. What assets support services and therefore should be renewed and retained as opposed to assets that are surplus and should be rationalised?
3. How much will need to be spent in the short term (next 10 years) relative to the renewal expenditure invested in the recent past?
4. How much more management effort (financial and operational) will be required of Council as its assets age?
5. What assets are at the "at risk" phase (intervention level) of their life cycle and will ultimately result in their being unserviceable and unsafe?



6. What outcomes would the community and Council like to achieve with respect to asset upgrades? For example, would Council like to see an extension to the sealed road network, or playground network?
7. Are the Council assets providing the level of service expected by the community?
8. What assets should the community “manage for decline” – public halls, buildings, bridges, roads?

6.4 Asset Investment

Asset investment can be made in the following ways:

Type of Expenditure	Definition	Purpose/Example
Maintenance	Expenditure on an asset that maintains the asset in use, but does not increase its service potential or life.	Maintaining asset serviceability by repair eg repairing a single pipe in a drainage network, or a pot hole in a road.
New asset expenditure	Means expenditure that creates a new asset that provides a service that does not currently exist. New asset expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal.	Retains an existing service level, e.g. Re-sheeting a road reseals, resurfacing an oval.
Asset renewal expenditure	Means expenditure on an existing asset or on replacing an existing asset, that returns the service capability of the asset to its original capability. It has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.	Increases the quality of service provided to ratepayers or provides new services, eg. Widening the pavement of a sealed area of an existing road.
Asset expansion expenditure	Means expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries.. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.	Extends services to newly developing areas of the Council where there are new ratepayers, eg. Extending a road or drainage network, new pre-school.
Asset upgrade expenditure	Means expenditure that enhances an existing asset to provide a higher level of service or that will increase the life of the asset beyond its original life. Asset upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.	Provides new assets for services that do not currently exist

Table 6: Expenditure Definitions – Asset Management – 2019/20

It is important Council records its expenditure correctly as the impacts of capital investment differ between these categories – for example whole of life costs for new assets as opposed to renewal.



6.5 Condition Assessment

Monitoring asset condition and performance relates to the ability of the asset to meet targeted levels of service. Asset condition reflects the physical state of the asset and the functional level of service it is capable of providing.

Monitoring asset condition and performance throughout the asset life cycle is important in order to identify underperforming assets or those which are about to fail. Council has developed its *Asset Management System* to readily monitor asset condition and performance and to:

- Identify those assets which are under performing;
- Predict when asset failure to deliver the required level of service is likely to occur;
- Ascertain the reasons for performance deficiencies; and
- Determine what corrective action is required and when (maintenance, rehabilitation, renewal).

6.6 Management Systems

Council has determined that no asset's condition will be allowed to go below its predetermined intervention levels as the cost of renewal significantly increases and the asset's functionality, safety and ability to provide its intended service level is compromised.

Council has largely collected condition data for all of its major asset categories and is now in a position to commence detailed *Service Plans* and update *Asset Management Plans*.

The benefits of knowing the current condition and performance (level of service) an asset provides are:

- Ability to plan for and manage the delivery of the required level of service;
- Avoidance of premature asset failure, leaving open the option of cost-effective renewal;
- Managing risk associated with asset failures;
- Accurate prediction of future expenditure requirements; and
- Refinement of maintenance and rehabilitation strategies.

The Asset Management System should not only records asset condition and asset defects/inspection details; it should also provide financial management and year-end accounting and valuation data.

Priority is on funding the annual renewal annuity based on predetermined service levels generally described as intervention levels- the maximum level an asset can deteriorate to prior to renewal investment. This level has been set at 3%.

The intervention level is theoretically where the assets service life has expired and renewal investment is required to restore service potential - eg. Road needs resheeting to be useable.

Council, as asset managers, need to be able to assess the relative merits of rehabilitation / renewal / replacement options and identify the optimum long-term solution through a decision related to levels of service. Council needs to strategically determine an affordable level of service to manage the emerging condition profile.

The benefit of that knowledge now is the management process can commence across the entire asset portfolio.



Asset Group Name	Asset Set Description	Retreat. Intervention Condition
Urban Roads Group	Pavement (High Traffic) Urban	7.50
Urban Roads Group	Pavement (Low Traffic) Urban	8.00
Urban Roads Group	"Asphalt Seal (High Traffic) Urban"	8.00
	(Low Traffic) Urban"	
Urban Roads Group	Spray Seal (High Traffic) Urban	7.50
Urban Roads Group	Spray Seal (Low Traffic) Urban	7.5
Urban Roads Group	All Kerbs	8.00
Rural Roads Group	Pavement (High Traffic) Rural	7.50
Rural Roads Group	Pavement (Low Traffic) Rural	8.00
Rural Roads Group	Spray Seals (High Traffic) Rural	7.00
Rural Roads Group	Spray Seals (Low Traffic) Rural	7.00
Rural Roads Group	Shoulder Pavement (High Traffic or Narrow Seal)	8.50
Rural Roads Group	Shoulder Pavement (Low Traffic)	8.50
Unseal Road Group	Pavement (High Traffic) Unsealed	6.00
Unseal Road Group	Pavement (Low Traffic) Unsealed	7.50
Pathway Group	Concrete Pathways & areas	7.00
Pathway Group	Brick Paved Pathways & areas	7.00
Pathway Group	Sealed Pathways	7.00
Pathway Group	All other Pathways	7.00
Bridges Group	Long Life Bridges	8.00
Bridges Group	Short Life Bridges	8.00
Storm Water Group	Pits	8.00
Storm Water Group	Pipes	8.00
Buildings Group	Structure Long Life	8.00
Buildings Group	Structure Short Life	8.00
Buildings Group	Roof Structure	8.00
Buildings Group	Mechanical Services	8.00
Buildings Group	Building Fit Out	8.00
Recreation Group	Street & Park Furniture	8.00
Recreation Group	Active Reserves (Footy Ovals etc)	8.00
Recreation Group	Manicured Turf (Bowling Greens etc)	8.00
Recreation Group	Play Equipment	8.00
Recreation Group	Synthetic Playing Surfaces	8.00
Recreation Group	All Lighting	8.00

Table 7: Intervention Levels by Service Area – Asset Set – 2019/20

Council needs to improve its knowledge with respect to its open space structures, information technology and recreation assets.

6.7 Strategic Asset Management

Council reviews its *Asset Management Policy* reviewed on a triennial basis.

Other major elements are the *Asset Management Strategy* which details specific actions to be undertaken by Council to improve asset management capability and achieve specific strategic objectives.

Asset Management Plans are subsequent components where long-term plans (10-years and beyond) outline renewal requirements for each asset category.



The table below explains the objectives and typical contents of these documents:

Asset Management Strategy	Asset Management Plans
Specific actions to be undertaken by Council in order to improve or enhance asset management capability and achieve specific strategic objectives.	Long-term plans (usually 20 years or more for infrastructure assets) that outline the asset activities for each service area.
<i>Develops a structured set of actions aimed at enabling improved asset management by Council.</i>	<i>Outlines actions and resources to provide a defined level of service in the most cost effective way.</i>
<ul style="list-style-type: none"> • A description of the current status of asset management practices (processes, asset data and information systems). • Organisation’s future vision of asset management. • A description of the required status of asset management practices to achieve the future vision. • Identification of the gap between the current status and the future vision (a “gap analysis”). • Identification of strategies and actions required to close the gaps, including resource requirements and timeframes. 	<ul style="list-style-type: none"> • A summary of Council’s strategic goals and key asset management policies. • Definition of levels of service and performance standards. • Demand forecasts and management techniques. • Description of the asset portfolio. • A broad description of the lifecycle management activities for operating, maintaining, renewing, developing and disposing of assets. • A cashflow forecast. • Key asset management improvement actions including resources/timeframes.

Table 8: Asset Management Plan Objectives & Document Content

Council has reached the point where it has identified and funded its critical renewal – no asset’s condition goes beyond those shown in Table 7 (Section 6.6 Management Systems).

Council is now in a position to analyse its condition profile and determine and understand the cost of a predetermined service level.

Alternatively Council may allow some assets to degrade in condition, freeing up funds to improve the level of service for other assets.

6.7.1 Community Consultation

Council aims to ensure its assets are relevant to the community, as retention of unused assets places a financial burden on the community. Council’s *Strategic Resource Plan* is presently focused on funding a “service level” that prioritises critical renewal and maintains average condition to meet community expectation.

The challenge ahead is to understand the community’s expectations and provide service level and funding options to accommodate these.

The target for Council in 2019/20 will be to engage Council and the community in discussions about levels of service to provide the opportunity for differing service levels to be costed and reviewed.

Sound Asset Management is:

- Knowing what assets we own (Asset Register);
- Understanding the condition and expected lives of our assets;
- Knowing what ‘levels of service’ customers want- service planning;
- Having processes in place to establish priorities and allocate funds;
- Knowing the long-term funding requirements associated with our assets; and
- Having documented *Asset Management Plans* detailing levels of service will be a challenge during 2019/20.



- What services, including their performance levels, are required to meet the community outcomes?
- Finally what infrastructure or assets are required to support the service level?

Too often Council starts focusing on the asset rather than on the outcome/service level it requires. A review of this nature may result in assets no longer being required to support community outcomes.

6.7.2 Asset Management Working Group

The *Asset Management Working Group (AMWG)* is a cross-functional professional team with representatives from all Council departments.

The purpose of the AMWG is to oversee the decision-making process with respect to the direction of asset management and to ensure the Council continues to develop total asset management across the organisation.

The Asset Management Working Group's Terms of Reference include:

- Guiding Council's overall Asset Management Program;
- Setting priorities for system development while keeping in mind the legislative obligations of Council (e.g. Strategic Resource Plan and Council Plan etc.);
- Facilitating the implementation of appropriate asset management systems and asset management plan development; and
- Reviewing asset management resource requirements.

There is still a deal of work to be done on recording and developing *Service Plans* and *Asset Management Plans*.

6.7.3 Renewal Demand

The following details the impact of Council's investment in renewal and the consequential impact on the percentage of assets outside intervention.

Council has increased its renewal investment over recent years and the most recent modelling has shown the results of this effort . In respect of roads the consultant said :

"Council's road assets were found to be in very good overall condition , with a quite measurable improvement since the last survey in 2014 . "Council has done a great job in lifting the renewal funding levels on the road network over the past decade, and it now appears it can be eased back a little for some years . But it is predicted to grow strongly in the second decade "

And in respect of bridges :

"The bridge assets were found to be in good overall condition with a quite measurable improvement across all six condition indicators since the time of the last survey. The extent of the asset base at and above condition 7 has been lowered from 9.1% in 2014 down to 1.5% in 2017. This is really an outstanding achievement and reflects the very high priority given by Council to the bridge assets over the past decade."



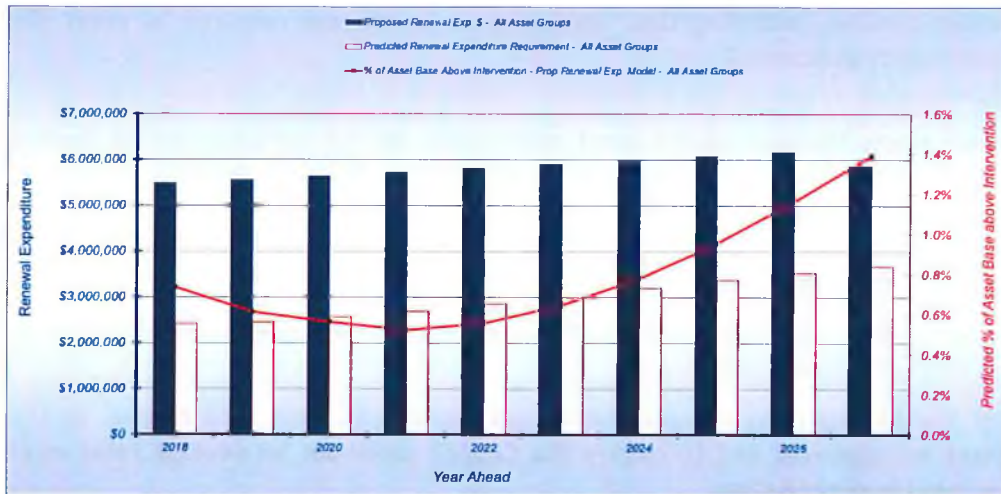


Chart 7: Proposed and Predicted Renewal Expenditure Chart– 2018/19

The following graph depicts the predicted level of renewal expenditure required across all asset categories for Council until 2038.

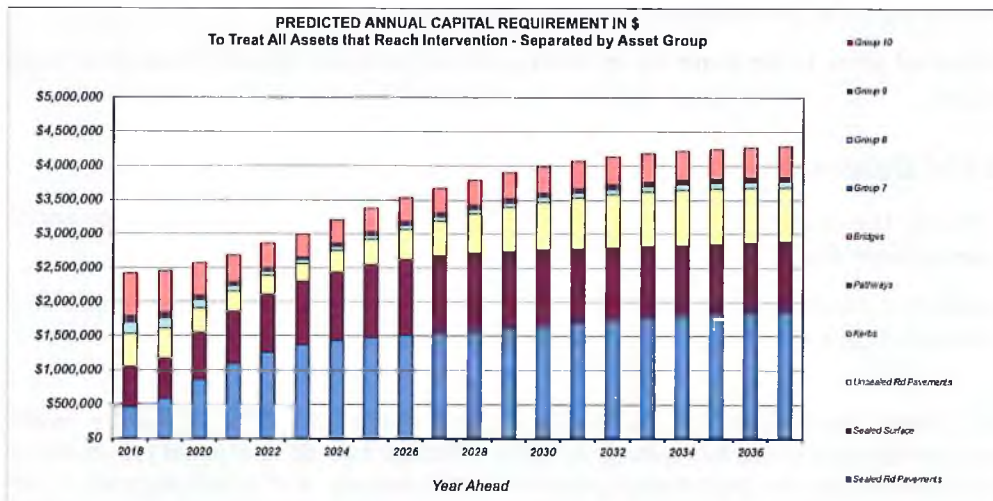


Chart 8: Proposed Renewal Expenditure Profiles Chart – 2018/19

Council will aim to ensure that its assets are relevant to the community, as retention of unused assets places a financial burden on the community.

Council's *Strategic Resource Plan* is transitioning to focus on funding a “service level” that prioritises critical renewal and maintains average condition to meet community expectation.

To facilitate this process, Council will engage in consultation with key stakeholders including discussions on the key questions with respect to infrastructure investment and service levels, as detailed in Section 5.



6.8 Conclusion

Council's priorities for the 2019/20 financial year as regards Asset Management are:

- Asset Management Plans: Develop tactics to manage renewal demand/gap post the completion of Stage 1 of the service planning process.
- Review Levels of service: In conjunction with stage 1 of the service planning process.
- Review of Asset hierarchies: Determine if current categories and service levels are appropriate.
- Field test condition data: Review useful life left versus condition rating based on a field analysis to ensure quality and interpretation of condition is accurate.
- Revaluation of Assets: Develop a schedule for the revaluation of assets and ensure condition assessments are done concurrently to facilitate review of useful lives etc.
- Increased renewal investment: Continue investment in renewal to ensure the future safety and serviceability of assets.
- Continue participation in National Asset Management Assessment Framework (NAMAF): Recommence in the NAMAF program and recalibrate assessment in line with current objectives and practices.
- Improved data: Improve component data for recreation assets and buildings.

Strategic Direction

1. That Strathbogie Shire Council, having established its critical renewal investment levels, maintains detailed *Asset Management Plans* (focused on renewal demand) for all classes of Council assets incorporating service level assessments.
2. That Strathbogie Shire Council, as part of the development of its *Service Plans*, consults with the community to determine how service levels will be reached including a combination of improved revenue raising, review of existing service levels, asset disposal and composition of the asset portfolio.
3. That Strathbogie Shire Council adopts as policy the annual allocation of funds to meet 100 per cent of the communities infrastructure renewal needs before it elects to upgrade or construct new assets.



7. BORROWING STRATEGIES

This section includes:

- Measuring what level of debt is appropriate;
- Borrowing Assessment Policy;
- What do financial indicators mean;
- What is a prudent level of debt; and
- Future Loan Program.

7.1 Measuring Which Level of Debt is Appropriate

Each Council is different and the level of debt that is appropriate for Council may not be adequate for another Council.

The following factors are seen as important issues for deliberation by Council:

- level of debt servicing as a proportion of rate revenue;
- ability to raise revenue in addition to rates;
- level of realisable assets to support the indebtedness;
- achieving the right mix of capital works and debt commitments;
- growth rate of municipality; and
- community growth needs.

The table below highlights the relative debt levels of Councils within the Small Rural grouping at 30 June 2018. Council's relative debt level is also shown. By comparing a number of different debt ratios within the Council grouping, Strathbogie Shire Council can begin to consider what level of debt is appropriate.

The table below confirms that Strathbogie Shire Council is currently better than average and better than the median across all of the debt indicators within the Small Rural grouping.

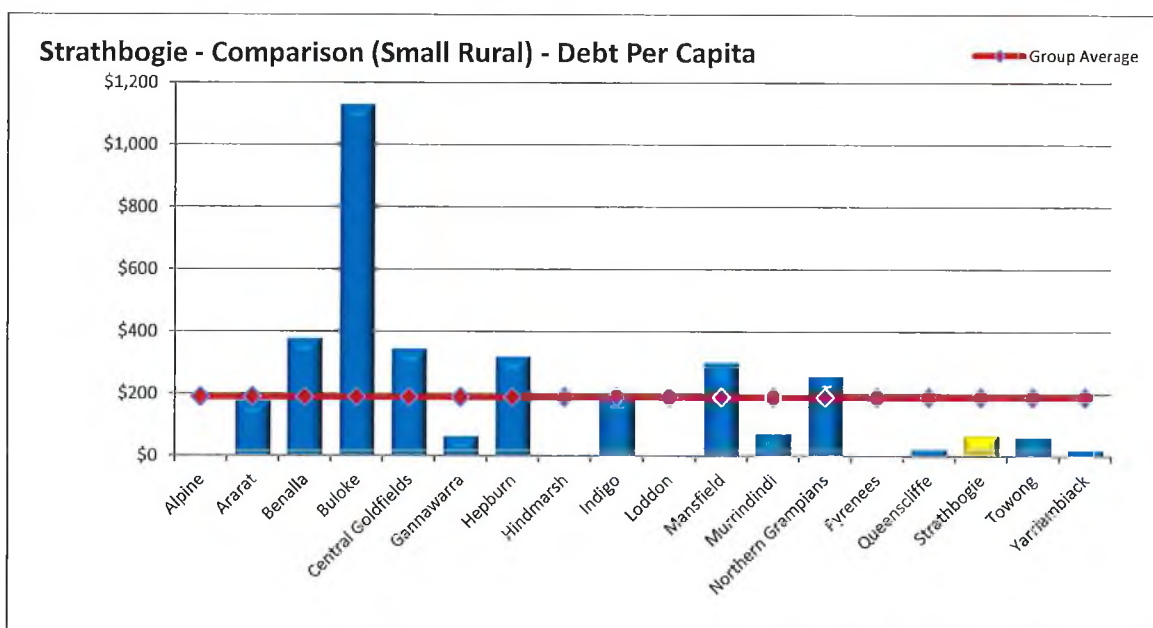


Chart 9: Comparison of Total Debt Levels within Small Rural Group 2017/18



In terms of total debt levels, Council is below the average with the **Small Rural** grouping, refer to Chart 9.

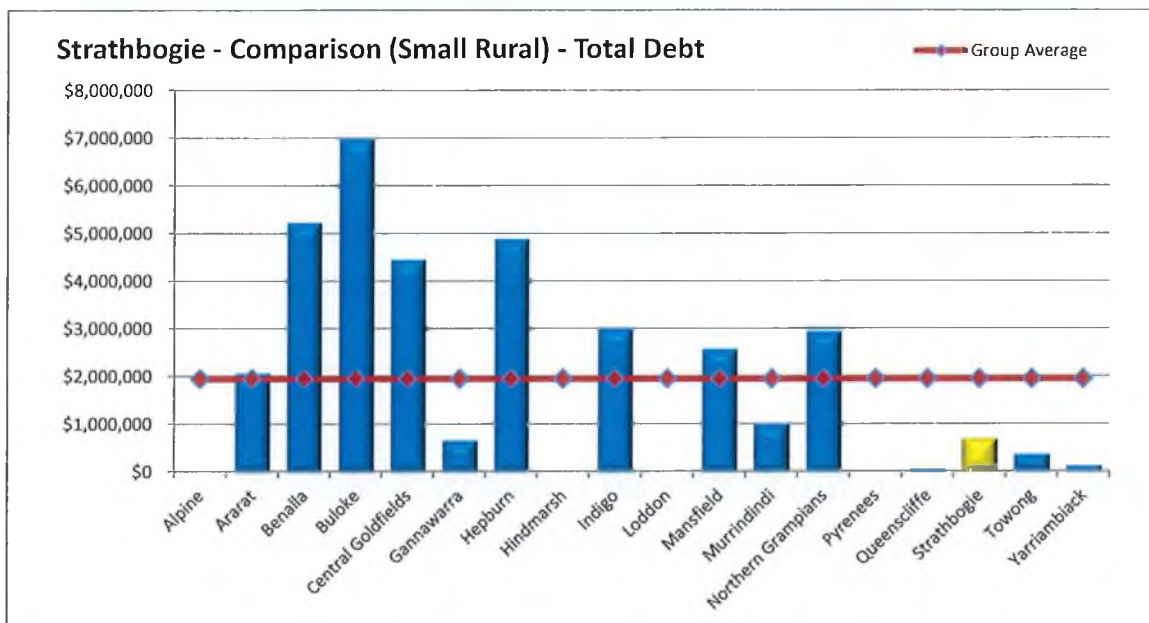


Chart 10: Comparison of Total Debt Levels within Small Rural Group 2017/18

Relative debt ratios for the Strathbogie Shire Council will remain well within *State Government Prudential Guidelines* throughout the life of the SRP.

7.2 Borrowing Assessment Policy

Strathbogie Shire Council assessed its capacity to borrow against the (Better Practice) former Victorian State Government’s Prudential Guidelines.

The administration of the Local Government sector’s borrowing involves:

- The collation of the sector’s borrowing requirements through an annual survey;
- The assessment of individual Strathbogie Shire Council’s borrowings; and
- Recommendation to the *Department of Treasury and Finance* (DTF) of the aggregate net new borrowing requirement of the sector.

All borrowings by individual Councils are assessed under a borrowings assessment policy adopted by the Local Government Division. The policy identifies key areas of financial management with certain thresholds that are required to be met.

Detailed below is Council’s current and projected performance on a number of the financial indicators which are necessary for borrowing approval by State Government.

Area	Financial Indicator	Threshold (Prudential Guidelines)	Position 2018/19	Budget 2019/20
Liquidity	Current Assets to Current Liabilities	1.5%	1.61	1.32*
Debt Servicing	Debt Servicing Costs as a % of Total Revenue	5%	.1%	.1%
Debt Commitment	Debt Servicing and Redemption Costs as a % of Rate Revenue	10%	.9%	.7%

Table 9: State Government Prudential Guidelines– 2016/17 to 2017/18

Strathbogie Shire Council was well within the State Government Prudential Guidelines as at 30 June 2018.

- *Includes approx. \$3.145 m in leave entitlements , a significant portion of which is not due within 12 months

7.3 What do the Financial Indicators Mean?

The graphs below detail the previously mentioned financial indicators and present the council's position graphically.

The threshold detailed against each indicator is the minimum level council must meet in order to achieve approval to borrow from the State Government.

To encourage longer term planning by councils, the framework also includes an assessment of reasons for the new borrowings.

This rationale is explained in the council's policy, which is to fund long term intergenerational assets from loan funds to ensure intergenerational equity. Strathbogie Shire Council's forecast is within the State Government prudential guidelines at June 30, 2018 for most indicators.

7.3.1 Liquidity

How measured Current assets over current liabilities

Threshold 110 percent or higher

Description This indicator reflects the short-term liquidity position. That is, the council's ability to repay current commitments from cash or near cash assets. Councils with a ratio of 110 percent and below or with a deteriorating trend may be financially at risk of not being able to meet creditors'.



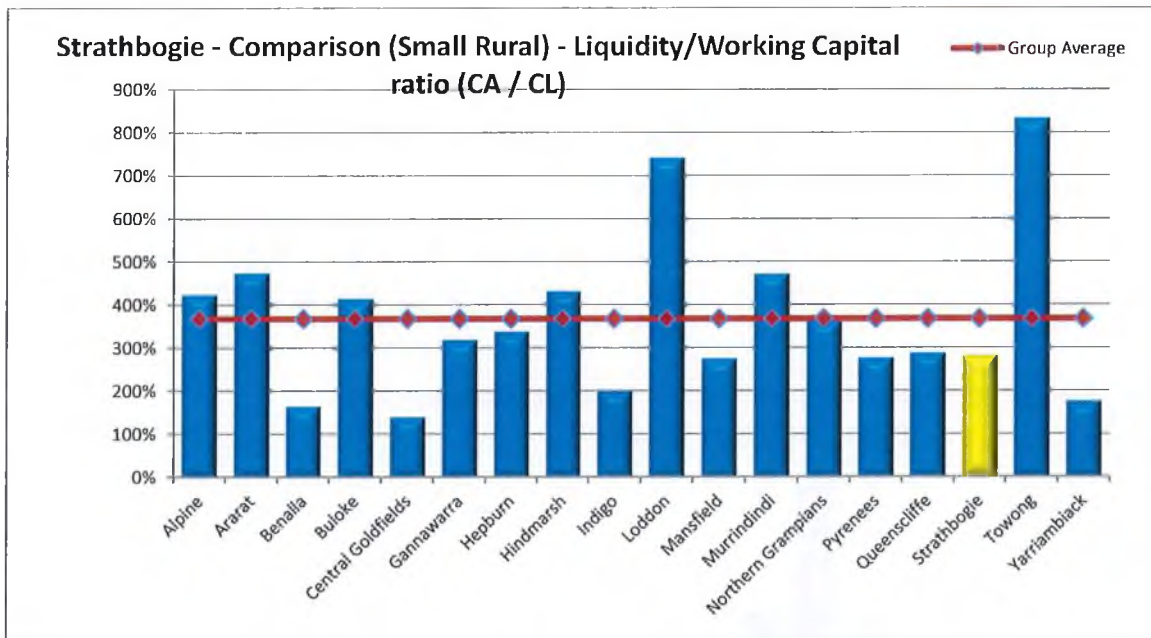


Chart 11: Current Assets / Current Liabilities – 2017/18

Strathbogie Shire Council’s working capital ratio as at June 30, 2018 was 281 percent (that is, current assets over current liabilities), which is in excess of the 110 percent benchmark, which would be the minimum acceptable level.



7.3.2 Debt Management

How measured Total debt as a percentage of rate revenue

Threshold 80 percent or below

Description The *Local Government Act 1989* requires that all loans are secured against the revenue stream from rates. A council with total debt in excess of the revenue from rates would be unable to meet all debt commitments from rate revenue should they be required to be paid at one time. A threshold of 80 percent has been set.

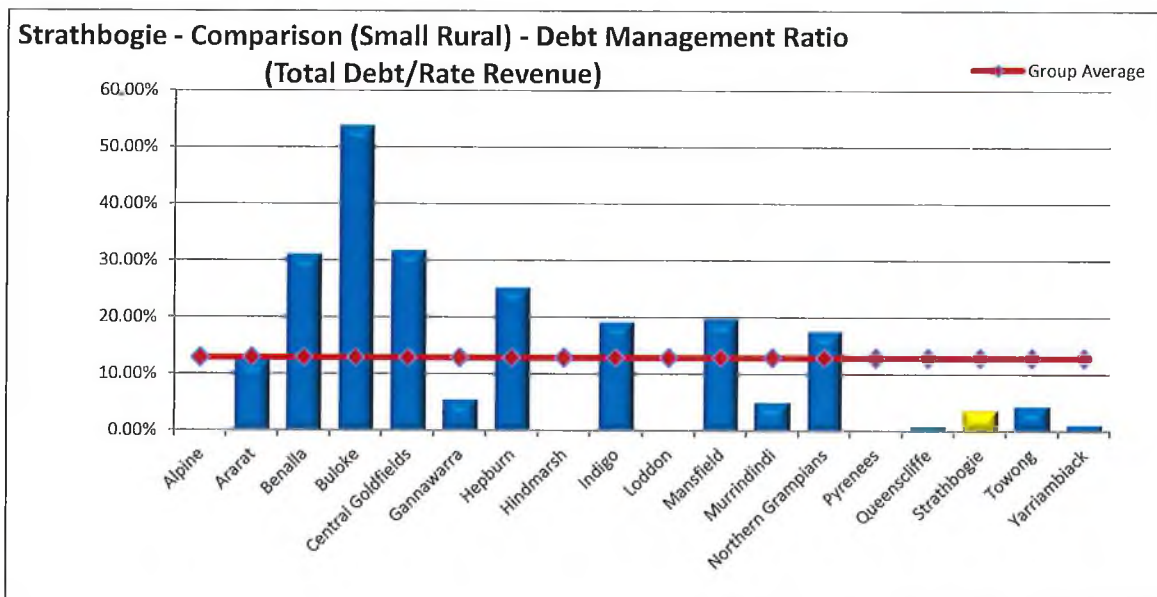


Chart 12: Total Debt as a Percentage of Rate Revenue – 2017/18

Strathbogie Shire Council’s debt as a percentage of rate revenue as at June 30, 2018 was 3.73 percent, which is well below the 80 percent benchmark and well below the Small Rurals average.



7.3.3 Debt Servicing

How measured Debt servicing costs as a percentage of adjusted total revenue

Threshold 5 percent or below

Description This indicator reflects the proportion of total revenue that is used to service debt (interest on outstanding debt and any loan administration charges) and which cannot be used directly for service delivery. A threshold of 5 percent has been set.

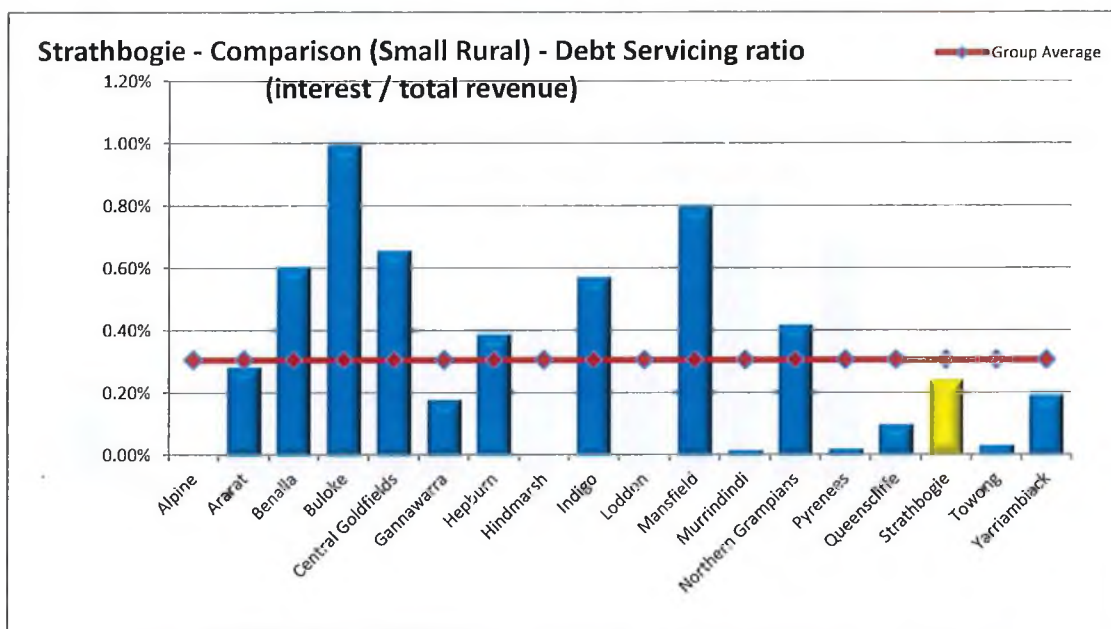


Chart 13: Debt Servicing Ratio (Interest / Total Revenue) – 2017/18

The Strathbogie Shire Council’s projected ratio is . 24 percent at 30 June 2018, which is below both the state and Small Rural’s average and the 5 percent benchmark.

This illustrates the benefit of taking loans over a longer period of time such that each generation of ratepayers incurs a modest share of the long term cost of providing long life community assets.

7.4 What is a Prudent Level of Debt?

The following graph introduces an additional financial ratio namely debt commitment costs as a percentage of rates. Debt commitment costs include principal and interest repayments in a year.

The ratio details how much of the Council's rate dollar is being spent to repay debt and interest as an overall percentage of the Council's rate revenue.

What should the debt servicing and redemption costs be for Strathbogie Shire Council, if any? This ratio is the most important ratio as it provides the best indicator of the affordability of debt for a community and Council.

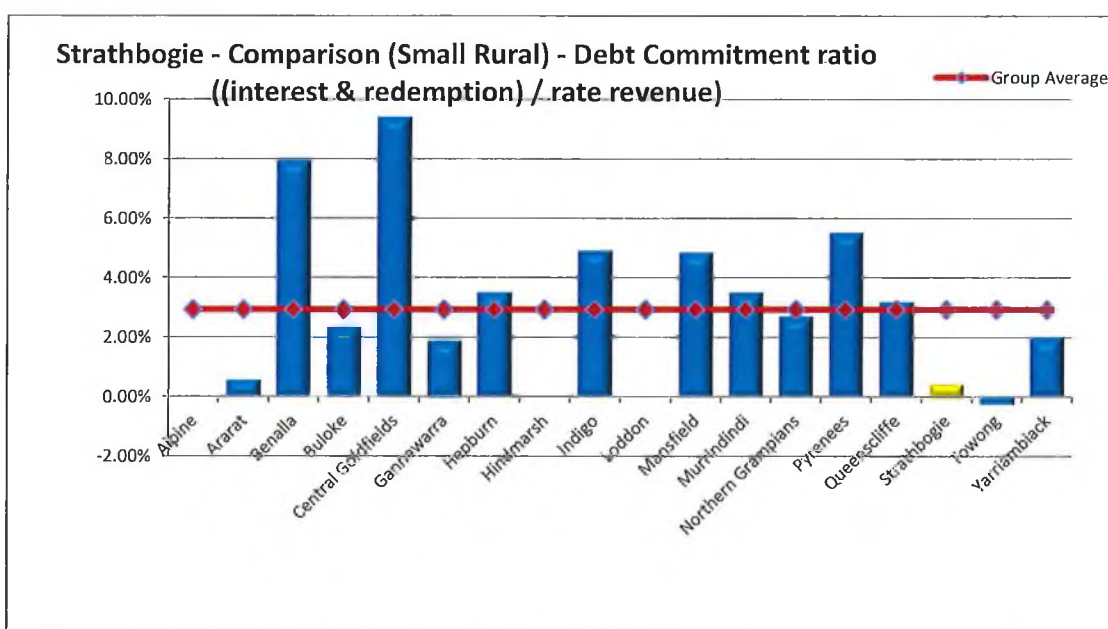


Chart 14: Debt Servicing & Redemption / Rate Revenue – 2017/18

Council needs to determine what a prudent level of debt is given that it is a growing Small Rural that services a community greater than its population and rate base.

The examination should determine:

- If the Council was to borrow, what types of projects should these funds be put towards; and
- If the Council was to borrow, on what terms should these borrowings be structured

Debt is generally used to fund capital expansion projects or new projects (i.e. It should not be used for renewal or maintenance) when the asset life is greater than one generation that is, often described as intergenerational equity.

The intergenerational equity theory is based on the premise that successive generations and new residents should contribute to infrastructure or facilities that they will enjoy and benefit from.

Generally these include major facilities (pre-schools, halls, arts centres) where the benefit of the investment will extend beyond the current ratepayers. By borrowing, the Council ensures today's ratepayers are not fully funding these facilities.

There are limits on borrowings due to the costs of interest payments. If the council was to borrow too heavily it would result in an inability to invest in capital works due to funds being consumed in debt repayment.

Therefore a balance is important.



8. RESTRICTED ASSETS

8.1 Introduction

Victorian Councils have traditionally operated with reserve funds that are allocated for specific purposes. These funds do not have bank accounts of their own but are a theoretical split-up of Council's equity. Discretionary reserves are used only as an indicator of funds for specific purposes and represent what those functions have earned.

This section includes:

- Nature and purpose of restricted assets

8.2 Nature and Purpose of Restricted Assets

Strathbogie Shire Council allocates expenditure for known outlays and revenues, directly to the financial year where the expenditure will be incurred, rather than to specific reserve funds.

The 2019/20 Strategic Resource Plan is framed around having sufficient cash reserves to cover restricted assets which are primarily developer open space contributions, long service entitlements and grant funding.

Strathbogie Shire Council also generally provides for at least \$3 million to \$4 million in working capital to meet day to day needs.

8.2.1 Developer Contributions

Development contribution receipts and payments or in-kind works, facilities or services provided by developers towards the supply of infrastructure (generally by the Strathbogie Shire Council) required to meet the future needs of a particular community, of which the development forms part.

Levies can be raised through *Development Contribution Plans ("DCP"s)* for a range of State and local government provided infrastructure including roads, public transport, storm water and urban run-off management systems, open space and community facilities.

Under the current legislative framework, any funds that have been received from developers for those infrastructure works, under a DCP or freely negotiated agreements must be held in reserve or "restricted" for that actual infrastructure and cannot be reallocated for other non-related capital projects.

Additionally, even if the Strathbogie Shire Council does not achieve its predicted expenditure, the works represent Council commitment to infrastructure, and any unspent funds are routinely reserved for the infrastructure in readiness for when it is actually required to be delivered.

These projects should also be placed in the relevant year of the 10 year capital works program.



8.2.2 Waste Strategy

Council aims to cover the costs of waste management including collection and disposal as well as Transfer station and landfill operations from user fees and waste charges . In addition Council has a provision for landfill rehabilitation.

8.2.3 Unexpended Grants

These are Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date.

8.2.4 Notional Reserves, Amounts held in Trust

It is a requirement of Council to separately identify trust funds or refundable deposits as "restricted assets". While the council is able to access these funds in its day to day treasury management, the financial statements must recognise that a component of its cash balances relates to deposits that may be refundable in the future.

Restricted Assets	Estimate 30 June 2018 \$000's
Unexpended Capital Works	5.379
Amounts held in Trust	.894
Total	6.273

Table 10: Restricted Assets – 2017/18

Strategic Direction

1. That Strathbogie Shire Council builds into its 10 year financial plan the estimated movements in restricted assets and provides for at least \$3 million to \$4 million in working capital to meet day to day needs.
2. That to ensure sufficient funds are available to meet operational needs, Strathbogie Shire Council retains a cash position of at least \$3 million to \$4 million after deducting restricted assets, i.e. cash received but not spent or cash to be spent for specific purposes such as developer contributions (infrastructure), waste facility development, security deposits etc.



9. RATING AND OTHER REVENUE STRATEGIES

9.1 Introduction

This section includes:

- Valuations;
- Components of Strathbogie Shire Council's rating base;
- Background to present rating system;
- Rates Affordability;
- Rating Strategy;
- Rate Capping;
- Rating Strategy 2019/20;
- Waste services;
- Grant revenue;
- Victoria Grants Commission; and
- Fees and charges revenue.

9.2 Valuations

Valuations are conducted under the provisions of the *Valuation of Land Act (1960)* with each separate occupancy on rateable land computed at its net annual value (NAV), capital improved value (CIV), and site value (SV).

Valuations are carried out using *Valuation Best Practice Principles* as set down by the State Government Valuer General. In Strathbogie Shire Council, general valuations are required annually to ensure a common date is used for all valuations. Data on every property is recorded and used by the appointed valuer, along with sales, rentals and other information to determine the valuations.

A general valuation (revaluation) establishes the value of a property relative to all other properties, that is, its market relativity. Valuations form the basis of Strathbogie Shire Council's rating system; therefore, their accuracy is of paramount importance. The 2018 revaluation was undertaken based on property values at 1 January 2019.

The revaluation does not in itself raise the total rate income for Strathbogie Shire Council, as the rates are distributed based on the property value of all properties across the municipality. As a result of the revaluation, some property owners may pay more in rates and others less, depending on their new property valuation, relative to others.

9.2.1 Definitions of valuations

Strathbogie Shire Council uses the capital improved method of valuation (CIV), which is the market value of a property including land, buildings and improvements. CIV has the following long-term advantages relative to other valuation bases:

- flexibility to apply an unlimited range of strategic differentials;
- does not prejudice the industrial, commercial and retail sectors in terms of the rate burden; and
- is easier for people to understand.



The other valuation bases the Valuer is required to return are:

- Site value (SV) which is the market value of land excluding improvements; and
- Net annual value (NAV) which represents the reasonable annual rental of a property, minus specified outgoings. In most cases this is five percent of the CIV.

9.2.2 Supplementary valuations

Supplementary valuations are made during the financial year when a significant change to the valuation occurs. The most common causes for supplementary valuations are:

- construction of a new dwelling or building;
- subdivision of a property; or
- consolidation of properties

Strathbogie Shire Council presently undertakes this task on a monthly basis.

As a result of a supplementary valuation, a rate notice is issued to reflect any change in rates.

9.3 Components of Council's Rating Base

Strathbogie Shire Council levies differential rates, annual service charges and a municipal charge, to raise its annual rates and charges revenue.

The legislative basis of how they apply to Strathbogie Shire Council are available upon request:

- Differential Rates – Legislation;
- Municipal Charges;
- Special Rates and Charges;
- Service Rates and Charges; and
- Rebates and Concessions

9.4 Assessment of Current Rating Levels

Comparing the relativity of rating levels between Councils can be a difficult exercise due to debate over the most appropriate methods to use and the inability to take into account the intricacies of rating structures in different councils.

Each local government sets rates based on an assessment of the desires, wants and needs of its community and as each community is different, direct comparisons can be difficult. For example, cash holdings of municipalities vary and councils have significantly different infrastructure needs and geographic sizes.

Each municipality also has significantly different levels of capital works, funding structures for capital works and varying debt levels.

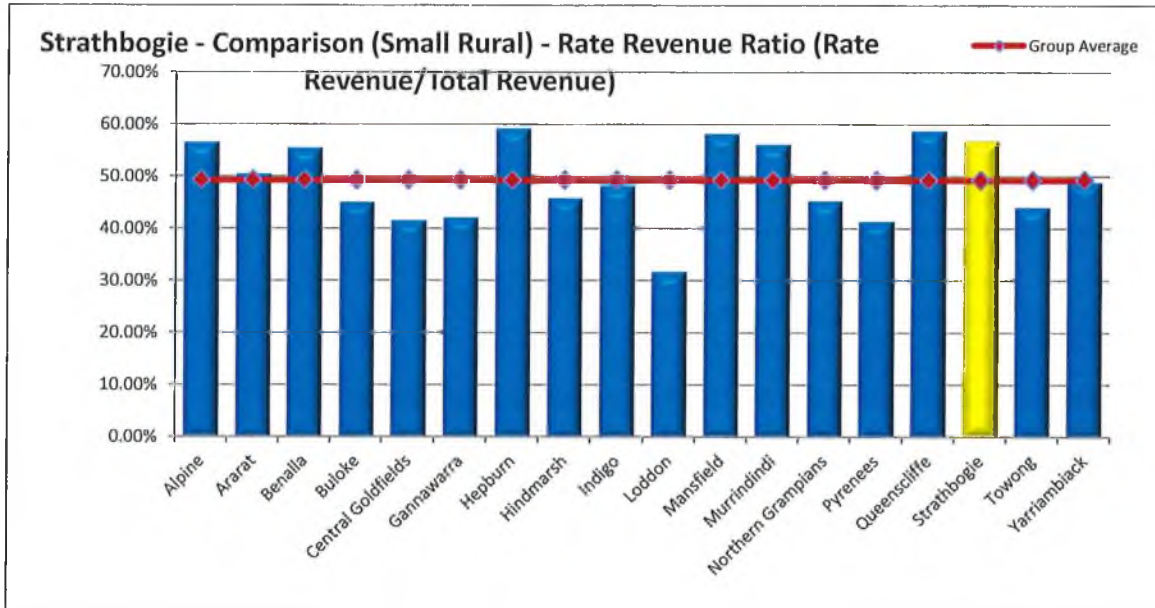


Chart 15: Rates as % of Total Revenue– 2017/18

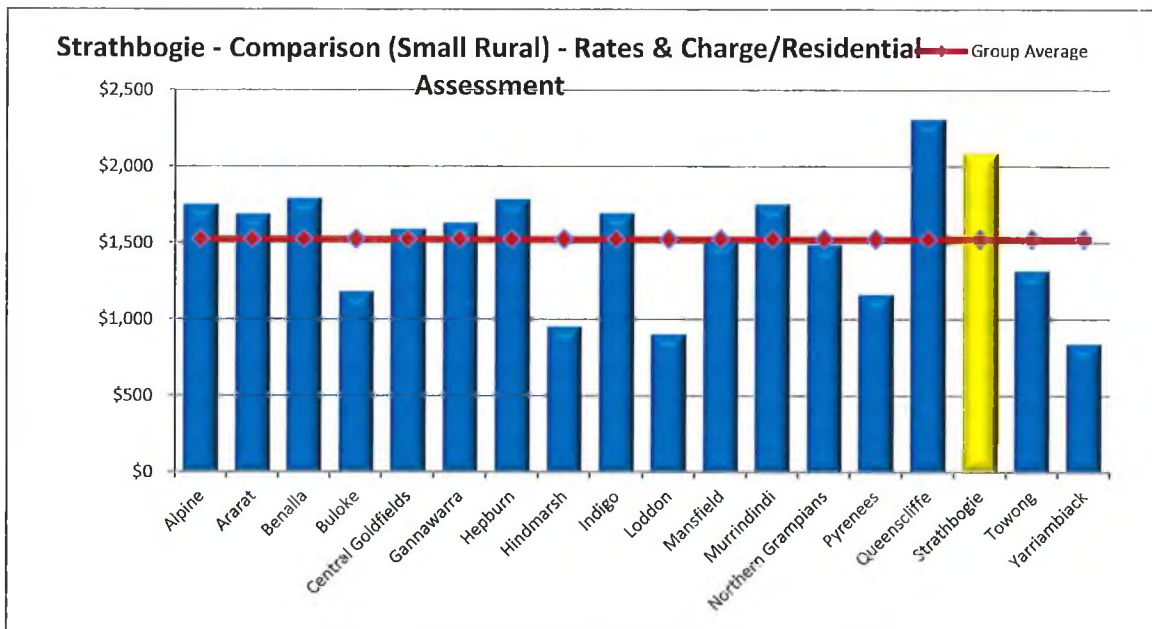


Chart 16: Rates & Charges per Residential Assessment – 2017/18

On a rates per residential assessment Strathbogie Shires rating effort is approximately \$455 above the average of the benchmark group.

Higher comparative rating levels do not necessarily represent a position of weakness or inefficiency.



External funding bodies may consider levels of rating effort in their funding decisions, i.e. low rates could be construed as less preparedness at the local level to match the external contribution. Higher rating can also indicate that a council has opted for more control of its destiny, e.g. to achieve a particular project for the community that would otherwise be out of reach.

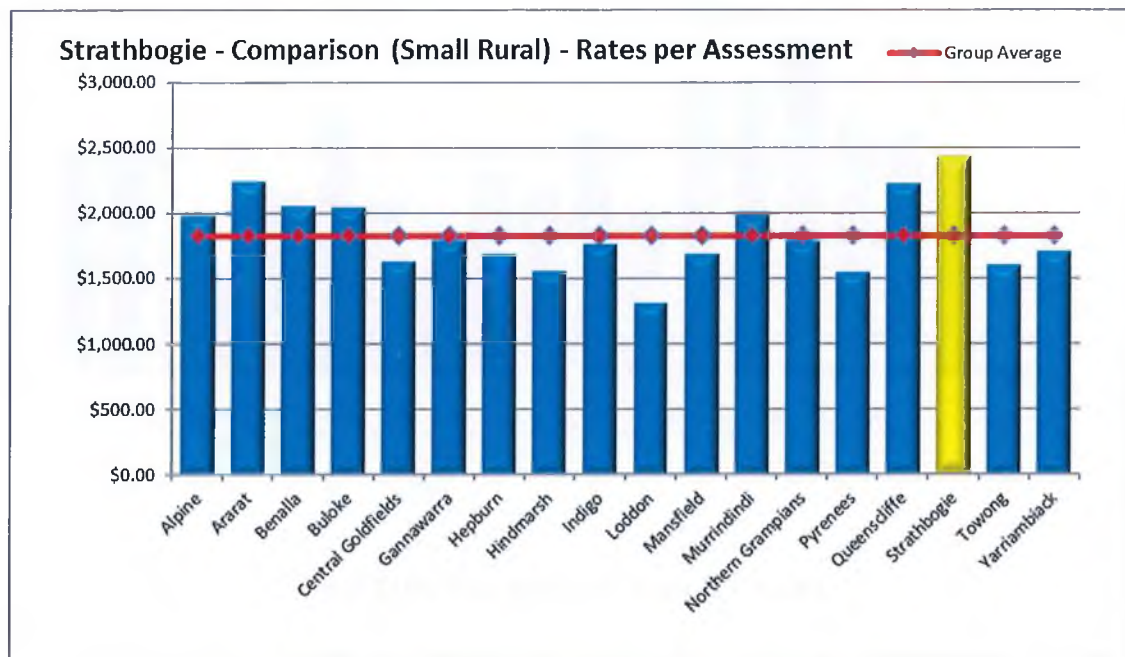


Chart 17: Rates Per Assessment – 2017/18

On rates per assessment basis in the 2017/18 financial year, Strathbogie Shire Council was above average for the Small Rural group.

What is most critical in setting a rating structure is for Strathbogie Shire Council to be accountable and responsible for the policy decisions with respect to the range of services provided, the expenditure and delivery of the services and the way services are funded and paid for by the community.

Council’s rate effort is similar to those in the Small Rural Council category , as shown in Chart 17 below.

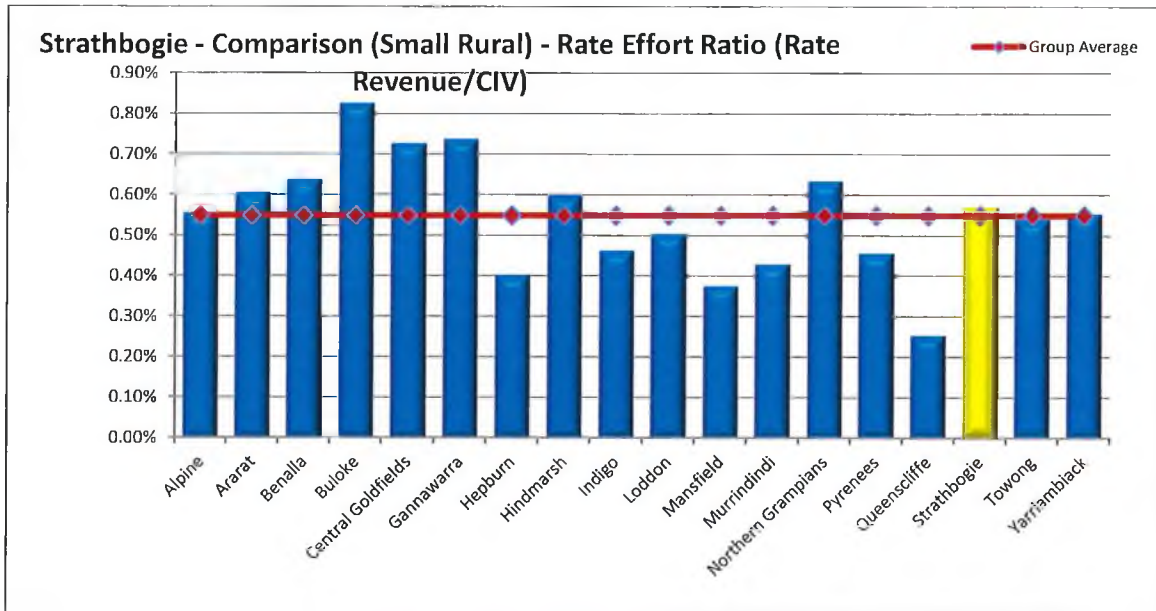


Chart 18: Rate Effort Ratio – 2017/18

9.5 Background to the Present Rating System

Prior to dealing with the rating strategy, it is important to have a broad knowledge of the present rating structure and trends. The following tables summarises the rates in dollar levied in the 2018/2019 year including a comparison with 2017/18:

Differential Rate Type	Cents in/\$ CIV 2017/18	Cents in/\$CIV 2018/19	Change (%)
Rateable Residential Properties	.5340	.4830	-9.55
Rateable Farm Properties	.4539	.3985	-12.2
Rateable Commercial/Industrial Properties	.6408	.5796	-9.55
Rateable Vacant Commercial/Industrial Properties	1.215	1.0143	-16.5
Rateable Vacant Residential Land	.93458	.84525	-9.55

Table 11: Rates and Charges Annualised - 2017/18

The table below outlines the total rates and charges for 2017/18 and 2018/19:



Description	Total Annualised 2017/18 (\$)	Total 2018/19 (\$)	Change (%)
General Rates	14,272,431	14,713,999	3.09
Municipal Charges	1,793,186	1,825,000	1.77
Waste Service Charges	2,380,359	2,512,000	5.50
Special Rates and Charges		42,000	
Total Rates and Charges Revenue	18,445,976	19,092,999	3.27

Table 12: Rates and Charges 2017/18 as compared to 2018/19

Type of Property	2018/19 (\$)
Rateable Residential Properties	6,534,548
Rateable Farm Properties	6,699,937
Rateable Commercial/Industrial Properties	798,306
Rateable Vacant Land	681,208
TOTAL	14,713,999

Table 13: Individual Rates Annualised 2018/19

9.6 Rates Affordability

The ability to increase rate revenue is a significant factor in determining whether a Council is potentially at risk.

Strathbogie Shire Council's rating effort has been satisfactory and when benchmarked was above the average effort of the Small Rural group.

Australian Taxation Office (ATO) income data for wage and salary earners (PAYE) can be used to give some indication of rates affordability.

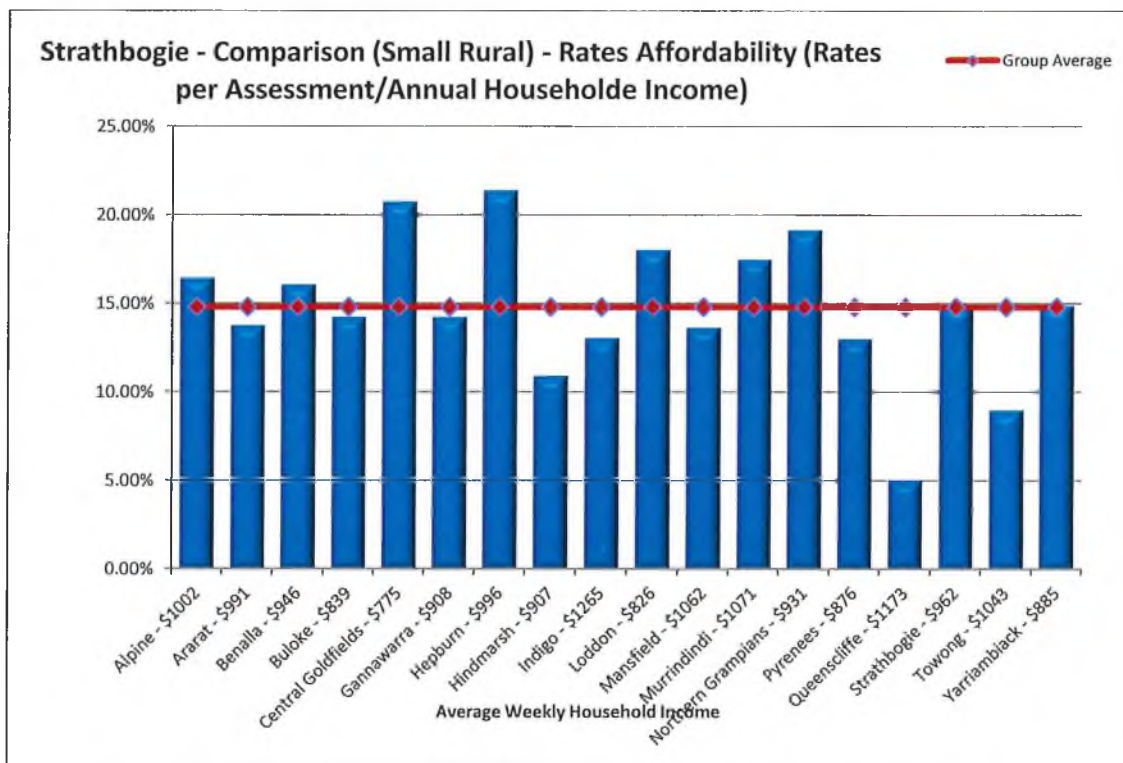


Chart 19 : Rates Affordability Small Rural – 2017/18

The Rates Affordability Chart above details the percentage of income that pays rates and charges to Council.

9.7 Rating Strategy

Strathbogie Shire Council’s rating strategy establishes a framework by which rates and charges will be shared by the community. In developing a long-term financial plan, rates and charges are an important source of revenue.

The rating system determines how Strathbogie Shire Council will raise money from properties within the municipality. It does not influence the total amount of money to be raised, only the share of revenue contributed by each property.

The total money to be raised is taken from Strathbogie Shire Council’s long-term financial plan.

Strathbogie Shire Council and the community invariably confront trade-offs and the principles are designed to improve the quality of decision making in this environment.

The principles were synthesized from a number of sources including the work published by a number of authors quoted in the Productivity Commission report, *Assessing Local Government Revenue Raising Capacity*.

Strathbogie Shire Council can then exercise its legitimate governance role and determine not only who wants what service and who benefits but what is socially equitable, that is, who pays how much.



Use was also made of long-established principles in the public finance and economics literature, as well as some of the principles outlined in recent Financial Sustainability reports around the nation.

The principles of the Rating Strategy include ensuring the capacity for:

- Sustainable financial management
- Evaluating and setting priorities
- Core functions
- Service delivery
- Prudent borrowings
- Rate setting and pricing for services
- Openness and transparency
- Providing services on behalf of other tiers of government.

Appendix C details the rating principles in more detail.

Council has reviewed current rating differentials, and is proposing to continue to levy a municipal charge but to reduce the charge from \$266 to \$133 and a tree management levy. Councils are able to levy a municipal charge on each rateable property within the municipality with the exception of farms where a single municipal charge is payable on multiple assessments operated as part of a single farm enterprise.

The municipal charge is a fixed charge per assessment regardless of the valuation of that property and is used to offset some of the governance costs of the Council. It cannot generate more than 20 per cent of the revenue raised from rates and the municipal charge. These options have been looked at in the context of shifting the rate burden, rather than increases in rates and charges .

Council has considered its Rating Strategy in preparation of the 2019/20 Budget and proposes to alter the Farmland rate differential from 82.5% of the Residential rate to 80%.

Adjustments to the rating structure above will cause some redistribution of the rate burden , with some 60-70% of properties having increases at or below the general rate increase.

The following table summarises the effect on the rate in the dollar of proposed changes to the rating structure.

	Current Structure	Municipal Charge \$266, Farm Differential 82.5%, Tree Management Charge Charge 2018/19	Municipal Charge \$133, Farm Differential 80%, Tree Management Charge Charge 2019/20
Rateable Residential Properties	Y	0.0048300	.0050194
Vacant Land Residential properties	Y	0.0084525	.0087839
Rateable Farm Properties	Y	0.0039847	.0040155
Rateable Commercial/Industrial Properties	Y	0.0057960	.0060232
Vacant Land Commercial/ Industrial Properties	Y	.0101430	.01054
Municipal Charge	Y	266	133
Tree Management Charge	Y	27	28



Table 14: Summary rate in the dollar – proposed changes rating structure – 2019/20

The Council believes the use of this Rating Strategy provides a more equitable distribution of the rate and charge burden across the various property types and categories.

9.8 Rates and Charges Budget – 2019/20

A key decision of Strathbogie Shire Council during the life of the SRP is to determine the rating structure and the level of rate increase that will address funding levels for capital works, service provision for the municipality and improve Strathbogie Shire Council's long-term financial sustainability.

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

- Property values, which reflect capacity to pay and form the central basis of rating under the *Local Government Act 1989*
- A "user pays" component to reflect usage of services provided by Council

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

Council makes a further distinction within the property value component of rates based on the purpose for which property is used; that is, whether the property is used for residential, commercial, industrial, farming or a social purpose such as public housing or recreation.

The distinction is based on the concept that different property categories should pay a fair and equitable contribution to rates, taking into account the benefits those properties derive from the local community and Council.

Council's current rating structure comprised of five differential rates (Residential , Residential Vacant , Farmland, Commercial/Industrial and Commercial/Industrial Vacant).

The vacant land residential rate is set at 175% of the residential rate and the vacant commercial rate is set at 210% of the residential rate , whilst the commercial/industrial rate is set at 120% of the residential rate. The Farm Rate will be set at 80% of the Residential rate.

These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Act and in line with Ministerial Guidelines for differential rating.

First Home Buyers

Council intends to grant a rebate of two years rates to each owner who qualifies for the Victorian Government First Home Owners Grant, on the following basis:

- Proof of approval for State First Home Buyers Grant (\$20,000) to be provided
- Council will excuse the rates and municipal charge for a period of two years from commencement of the first full financial year in which the rates are payable by the new owner.

Home Buyers will qualify :

- > For a newly built home sold for the first time – applied from the date of contract of purchase
- > For a house and land package – applied from date of contract of purchase
- > For a vacant block which new home is to be built – applied from the date of contract to build house
- > Maximum value of property is \$750,000



Pensioners

Rebates and concession are granted to pensioners who qualify under the Victorian State Concessions Act .

Elloura

In addition Council grants a rebate to each owner of rateable land within the Elloura development who qualify under the Owners Corporation Agreement in recognition of services being provided within the development not requiring Council resources. This is subject of an agreement between Council and Elloura.

9.9 Rate Capping

Rate effort is now constrained by the State Government's introduction of rate capping legislation in the form of its "Fair Go" Rates system (FGRS).

The FGRS or rate capping introduces an annual rate cap set by the Minister for Local Government which controls general rate increases for all Councils during that financial year.

The Minister for Local Government has advised that a capped average rate increase of 2.50 per cent will apply for 2019/20 financial year

Councils can seek approval for an increase above this figure through a variation with the Essential Service Commission (ESC).

9.10 Waste Service Charges – Waste Collection Service and Tree Management Program

Strathbogie Shire Council is empowered under Section 162(1) (b) of the *Local Government Act (1989)* to levy a service charge for the collection and disposal of refuse. The purpose of this charge is to meet the costs of waste disposal and recycling activities throughout the Strathbogie Shire area, including development and rehabilitation of Landfill sites and the operating costs of Landfills and Transfer Stations as well as providing for important tree management activities including disposal of material. Strathbogie Shire Council has typically used this option through the raising of garbage and recycling charges on the annual rate assessment.

Strathbogie Shire Council's Waste Services includes:

- Weekly kerbside waste collection service;
- Fortnightly kerbside recycling and green organics collection service;
- Public recycling and waste disposal and transfer station facilities;
- Commercial disposal facility and Landfill;
- Street litter and public place recycling bins; and
- Forward planning and for capital budget requirements.
- Tree Management Program

Strathbogie Shire Council's garbage proposed charges are as described below (** denotes ex GST). A total income of \$2.68 million will be received for waste and recycling services in 2019/20 to support recurrent operating expenditure).

Service Charge	Charge per Service 2018/19 (\$)	Charge per Service 2019/20 (\$)	Change (\$)	Change (%)
Kerbside/Recycling/Organics	530	552	22	4.1
Recycling Collection	171	177	6	3.5
Garbage Charge 240 litre bin	720	750	30	4.1
Garbage Charge 120 litre bin	360	375	15	4.1
Tree Management	27	28	1	3.7

Table 15: Projected Waste Charges – 2019/20

9.11 Grant Revenue

As at 30 June 2018 Strathbogie Shire Council was below average in terms of receiving recurrent government grant revenue, compared to its like Council grouping as outlined in the graph below.

As a benchmark Strathbogie Shire Council receives 17.4 percent of its revenue (as a percentage of total revenue) from recurrent operating grants compared to the average of Small Rurals at 22.44 percent.

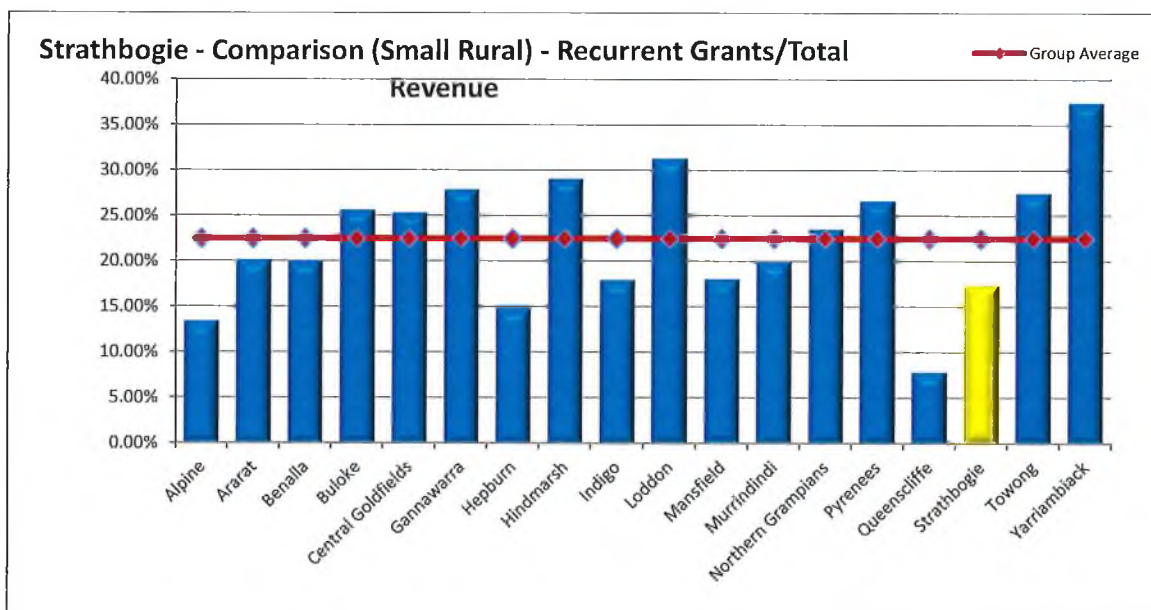


Chart 20 : Recurrent Grants/Total Revenue – 2017/18

Strathbogie Shire Council must continue its strong focus on securing grant revenue, particularly for capital works. Grants (capital and operating) at 30 June 2018 totalled \$10.264 million. With a longer term capital works program in place Strathbogie Shire Council should be able to target and focus on grants that align with its overall strategic direction.



9.12 Victoria Grants Commission

Strathbogie Shire Council receives approximately 17 percent of its revenue from the Victoria Grants Commission.

9.13 Fees and Charges Revenue

Strathbogie Shire Council's fees and charges revenue as a percentage of its total revenue is below average for Small Rural's as outlined in the graph below. There is scope for Strathbogie Shire Council to review fees and charges to ensure maximum return for service.

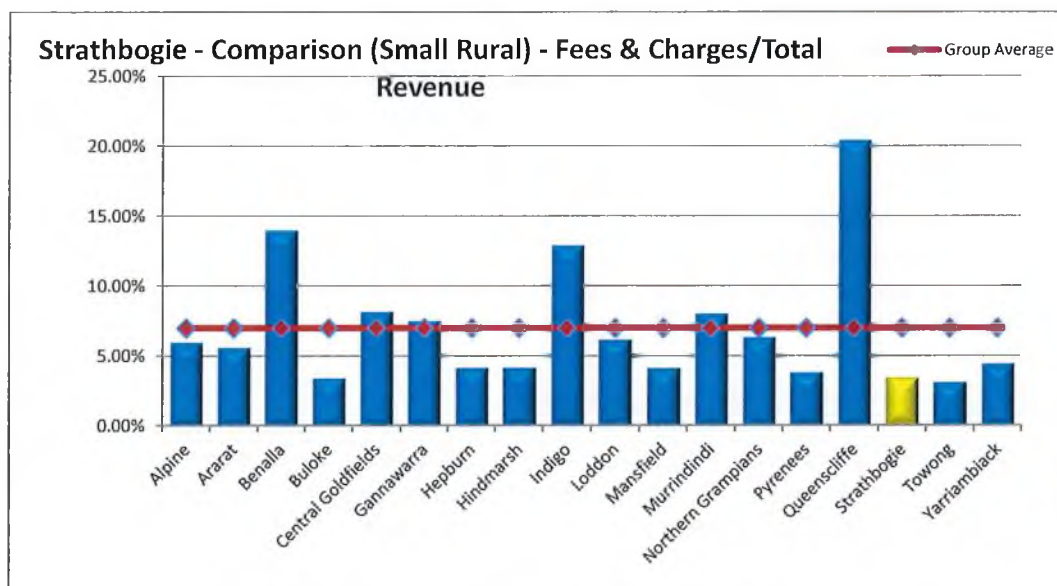


Chart 21 : Fees & Charges/Total Revenue – 2017/18

Strategic Direction

That Strathbogie Shire Council;

1. retains capital improved value (CIV) as its valuation base;
2. provides a municipal charge of \$133 for 2019/20 to ensure an equitable contribution towards the unavoidable fixed costs of Strathbogie Shire Council;
3. considers future increases in tree and waste management charges based on EPA, regulatory and safety requirements , to cope with challenges in recycling markets and the need to sustain the Council's long term waste operations strategy;
4. in 2019/20, adopts an percent capped average rate increase of 2.25% for general rates (excluding supplementaries) and a 4.1 percent increase in waste collection charges including funding the cost of disposal of domestic waste, recycling collection and the tree management levy;
5. pursues recurrent grant funding and strategic capital funding aligned with Council Plan objectives, including benchmarking of results with other Councils; and
6. undertakes detailed analysis on the level of existing fees and charges and investigates new revenue sources and report recommendations to Council.

10. STRATEGIC FINANCIAL PLAN

10.1 Introduction

There are a number of dynamic variables that may influence the outcomes expressed in this SRP. They include:

- Rating levels and supplementary rate income;
- Government grant revenue (both recurrent and capital);
- Granted asset amounts;
- Asset revaluations (major impact on fixed asset value and depreciation);
- Asset sales;
- Mix of funding between capital works/special projects (new initiatives); and
- Level of growth factor applied to expenditure items / rate of expenditure/activity level.

This section includes:

- Modelling methodology;
- Financial assumptions;
- Adopted financial strategy; and
- Conclusion

10.2 Modelling Methodology

The SRP establishes a framework for Council to benchmark its performance and an industry developed long term financial software model has been utilised to verify the data. The base point used for financial modelling has been the Council budget for 30 June 2019, and mid year revenue.

The Standard Statements (financial statements) are the result of the modelling and are reproduced from the long term financial software model, refer *Appendix B*.

10.3 Financial Assumptions

The following information explains the major financial assumptions applicable to the financial option considered by Council prior to community input.

10.3.1 Labour and on-costs

Increases in labour and on-costs are composed of two elements. The elements are enterprise agreement increments and movements within bandings as part of the annual performance review process. The table below highlights these assumptions.



Year	2017/18	2018/19	2019/20
	%	%	%
EBA Banding Increase/Other	2.15	2.1	1.5
Award Increments	.75	.75	.75
Total	2.95	2.85	2.50

Table 16: Labour and on-costs – 2019/20

10.3.2 Depreciation

Depreciation estimates are based on the projected capital spending contained within each assumption. Depreciation estimates are influenced by future asset revaluations and depreciation expenses are assessed following condition assessments. The overall depreciation charge is also impacted by the amount of assets granted to the municipality following subdivision.

10.3.3 Materials and contracts

These materials are essentially one-off expenditures that do not constitute the creation of an asset and have been maintained at 2017/18 levels through the life of the SRP.

The broad assumption in materials and contracts is for an increase matching CPI. Outside of the broad parameters are expenses such as election expenses and insurances.

A subsidiary record of one off items and how they are factored into the model is recommended instead of a series of individual adjustments within the model.

10.3.4 Special projects/consultancies

These works are essentially one-off expenditures that do not constitute the creation of an asset and have been maintained at 2019/20 levels through the life of the SRP.

10.3.5 Debt servicing and redemption

Debt redemption is calculated according to existing loan schedules. Council borrowings are dealt with in detail in Section 9.

10.3.6 Written-down values of assets sold

All written-down values relate to plant and land sold as part of the 10-year program. These are based on information from Council's Asset Registers.

10.3.7 Rate revenue

The 2019/20 Budget is based on an increase of **2.25 percent** for rates and the continuation of a municipal charge but reducing it from \$266 to \$133 and reducing the farm rate differential from 82.5% to 80 %. Council's Rating Strategy is dealt with in detail in Section 9.7.

The mechanism to estimate supplementary revenue is at present an arbitrary one, based on historical dollar returns with forward probable development revenue estimated.

10.3.8 Service charges

The 2019/20 Budget is based on service charge and waste management charge was based on a 4.1 percent increase.

Funds raised are ultimately deployed to waste management (operating and capital) activities. This is discussed in Section 9.10 in more detail.

10.3.9 Grant revenue

An allowance of \$3.316 million has been made as operating grant revenue for services and projects in 2019/20. This is impacted by the bringing forward of 50% of the 2019/20 Financial Assistance Grants (\$2.898 million meaning the underlying figure would have been \$6.214 million). In broad terms, a 2-3 percent per annum increase has been allowed for operating grants reflecting the nature of this revenue type, which has seldom increased by CPI across the board.

10.3.10 User Fees

Fees and charges that Council has discretion over have been increased by 3.0 percent per annum. Fees and charges of \$.771 million have been provided for in 2019/20.

10.3.11 Statutory Fees and Fines

Council has no control over a large amount of statutory fees prescribed by the State Government. Fines include town planning, local laws and the animal pound. Fees and fines are included in the above. \$.530 million is budgeted from this source.

10.3.12 Interest on investments

Interest on investments has been estimated based on cash flow.

10.3.13 Proceeds from sale of assets

Proceeds from sale of assets are those relating to plant changeover and land sales.

10.3.14 Capital grants

Capital grant revenue is \$4.334 million in 2019/20, with revenue from future years estimated to fund future capital works.

Capital grants have been forecast conservatively. Funds raised above or below the forecast amount will directly impact on the level of capital expenditure achievable. While conservative amounts have been included, it should be noted that Council does not pursue part-funded capital works that do not fit with its strategic direction.

10.3.15 Granted assets

Granted assets are those handed over to Council following the completion of a subdivision. These include roads, footpaths, kerb, channel, drainage etc.

The level of granted assets is forecast to continue at low-levels based on predicted levels of property development.



However, estimates beyond 2019/20 are not based on any reliable data at this point. While granted assets add to Council's overall asset base, they also add to the future obligations to maintain and replace these assets at the end of their useful lives.

10.3.16 Capital expenditure

Capital expenditure amounts for new assets, local roads, buildings and information technology (renewal), and the like and have been directly budgeted for during the next 4-years. The balance of capital expenditure has been left unallocated at this point.

These funds may be available for capital renewal (priority), capital upgrade or expansion.
Conclusion

The SRP continues to provide a financial framework for Council, enabling an assessment of Council resources and assisting Council to plan and fund capital infrastructure and meet future community aspirations.

The *Financial Statements* are detailed in *Appendix B*.



11. APPENDIX A: GLOSSARY OF TERMS

TERM	DEFINITION
Act	The <i>Local Government Act 1989</i> .
Activities	The operations of the council including services undertaken to meet the needs of the community as reflected in the council plan and are generally ongoing in nature.
Adjusted operating surplus/deficit	Operating surplus/deficit less revenue from capital (non-recurrent) grants, developer contributions (i.e. assets contributed), asset revaluations, sale of assets plus expenditure from asset revaluations, WDV of assets sold and unfunded superannuation expense.
Adjusted total operating expenses	Total operating expenses as per the "Statement of financial performance" – net of asset revaluations, unfunded superannuation expense and WDV of asset sold.
Adjusted total revenue	Total revenue from "Statement of financial performance" – net of asset sales, asset contributions in kind. Capital grant funding and revaluation adjustments.
Annual report	A report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement.
Australian Accounting Standards	The accounting standards published by the Australian Accounting Standards Board.
Average Rate Cap	Means an amount expressed as a percentage amount, based on the change to CPI over the financial year to which the cap relates, plus or minus any adjustment.
Borrowings	Loan funding.
Budget	A plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the council plan.
Capital works expenditure	Expenditure on non-current assets and includes new assets, asset renewal, asset expansion and asset upgrades.
Council cash	Funding from council's own sources of income. Example include rates, charges, investments and reserves, interest and asset sales.
Council plan	A plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting



TERM	DEFINITION
	vision and aspirations of the community for the next four years.
Current assets	Total current assets from "Statement of financial position".
Current liabilities	Total current liabilities from "Statement of financial position"
Debt redemption	Debt principal's repayments.
Debt servicing costs (interest)	Total borrowing costs or interest expense as per the "Statement of financial performance" or as disclosed in the notes of the council statements.
Details list of planned capital works expenditure	A list of projects in relation to non-current assets by class and expenditure type.
Developer cash contributions	Cash contributions from developers. This does not include in-kind works or developer contributed assets.
Federal grants	Grant funding from the Commonwealth government.
Fees and charges revenue	Total fees and charges revenue as per the "Statement of financial performance" or as disclosed in the notes of the council statements (includes fines).
Financial performance indicators	A set of indicators measuring the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency.
Financial resources	Income, expenditure, assets, liabilities, equity, cash and capital works required to deliver the services and initiatives in the budget.
Financial statements	The financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and a statement of capital works and included in the annual report.
Financial year	The period of 12 months ending on 30 June each year.
General Order	Means an order made by the Minister under section 185D of the Act.
Grant income and reimbursements	Total grants revenue as per the "Statement of financial performance" or as disclosed in the notes of the council statements (includes VicRoads sometimes shown as "reimbursements" by some councils).
Granted assets	Total value of assets received from developers (in kind) as per the "Statement of financial performance" or as disclosed in the notes of the council statements.

TERM	DEFINITION
Higher cap	An amount expressed as the average rate cap specified in a general order plus an additional percentage amount in respect of that financial ear.
Human Resources	The staff employed by a council.
Indicator	What will be measured to assess performance.
Initiatives	Actions that are one-off in nature and/or lead to improvements in service.
Interest earnings	Total interest received as per the "Statement of financial performance" or as disclosed in the notes of the councils statements.
Local Government Model Financial Report	The model report published by the department of Environmnet, Land, Water and Planning
Major initiatives	Significant initiatives that will directly contribute to the achievement of the council plan during the current year and have a major focus in the budget.
Measure	How an indicator will be measured and typically includes a numerator and denominator.
Minister	The Minister for Local Government.
Model Budget	The <i>Victoiran City Council Model Budget</i> prepared annually by the Chartered Accountants in Australia and New Zealand.
No. of rateable properties	Number of rateable properties in municipality.
Non-current liabilities	Total non-current liabilities from "Statement of financial position".
Non-financial resources	The resources other than financial resources required to deliver the services and initiatives in the budget.
Non-recurrent grant	A grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's strategic resource plan.
Philanthropic or private contributions	Funding from philanthropic or private sources. An example would be a co-contribution by the private sector towards construction of a community asset.
Performance statement	A statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report.
Planning and accountability framework	The key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance



TERM	DEFINITION
	of functions and exercise of powers under the Act.
Proceeds from sale of non-current assets	Total proceeds from asset sales as per the "Statement of financial performance" or as disclosed in the notes of the council statements, (gross received not written-down value).
Rate revenue	Total rate revenue as per the "Statement of financial performance" or as disclosed in the notes of the council statements.
Rates outstanding at end of year	Rate debtor amount as disclosed in "Receivables" note.
Recurrent grant	A grant other than a non-recurrent grant.
Regulations	The Local Government (Planning and Reporting) Regulations 2014.
Report of Operations	A report containing a description of the operations of the council during the financial year and included in the annual report.
Services	Assistance, support, advice and other actions undertaken by a council for the benefit of the local community.
Special order	An order made by the ESC under section 185E of the Act.
State grants	Grant funding from the State government.
Strategic objectives	The outcomes a council is seeking to achieve over the next four years and included in the council plan.
Strategic resource plan	A plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the council plan. It also referred to as a long term financial plan.
Strategies	High level actions directed at achieving the strategic objectives in the council plan.
Statement of capital works	A statement which shows all capital expenditure of a council in relation to non-current assets and asset expenditure type prepared in accordance to the model statement of capital works in the Local Government Financial Report.
Statement of human resources	A statement which shows all council staff expenditure and numbers of full time equivalent council staff.
Statements of non-financial resources	A statement which describes the non-financial resources including human resources.
Summary of planned capital works expenditure	A summary of capital works expenditure in relation to non-current assets classified according to the model statement of



TERM	DEFINITION
	capital works in the <i>Local Government Model Financial Report</i> , by asset expenditure type and funding source.
Summary of planned human resources expenditure	A summary of permanent council staff expenditure and numbers of full time equivalent council staff categorised according to the organisational structure of the council.
Total assets	Total assets from "Statement of financial position".
Total capital asset outlays	Payments for capital purchases per the "Cash flow statement".
Total cash inflows from operations, finance and Investment Act	Total inflows per the "Cash flow statement".
Total cash outflows from operations, finance and Investment Act	Total outflows per the "Cash flow statement".
Total depreciation	Total depreciation expense as per the "Statement of financial performance" or as disclosed in the notes of the council statements.
Total depreciation on infrastructure assets	Total depreciation on infrastructure assets as disclosed in the "Depreciation expense" note.
Total debt	Total interest bearing liabilities (current and non-current) from "Statement of financial position".
Total indebtedness	Total liabilities (current and non-current) from "Statement of financial position".
Total infrastructure assets	Total infrastructure assets from "Statement of financial position" or as disclosed in the note (Written-down value). Infrastructure includes roads, bridges, drains, road structures, other structures, playground equipment, and other like categories. Heritage assets have been deemed to be building assets. Work in progress, where not separately split, and have been included as infrastructure.
Total net realisable assets	Total assets less total infrastructure assets.
Total operating expenses	Total operating expenses as per the "Statement of financial performance".
Total revenue	Total revenue from "Statement of financial performance"
User contributions	Funding from users. An example would be a co-contribution by a sporting club to the construction of a new facility.
Written-down value of assets sold	Written-down value of assets sold as per the "Statement of financial performance" or as disclosed in the notes of the council statements.

Table 17: Glossary of Terms / Definitions



12. APPENDIX B: FINANCIAL STATEMENTS

This Appendix contains the financial statements that follow:

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Statement of Capital Works;
- Statement of Human Resources
- Financial Performance Indicators

These statements are required under Division 1, Part 6 of the *Local Government (Planning and Reporting) Regulations 2014*.

The Regulations commenced on 18 April 2014.

Regulations 13(2), 16(1) and 17(2) come into operation on July 1 2015.



12.1 Comprehensive Income Statement

Figure 6: Comprehensive Income Statement

Budgeted Comprehensive Income Statement

For the four years ending 30 June 2023

	Forecast Actual	Strategic Resource Plan				2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
		Budget 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000						
Income											
Rates and charges	19,100	19,844	20,439	21,052	21,684	22,335	23,005	23,695	24,406	25,138	25,892
Statutory fees and fines	526	530	546	562	579	597	614	633	652	671	692
User fees	921	771	802	834	867	902	938	976	1,015	1,055	1,097
Grants - Operating	6,643	3,316	6,313	6,502	6,697	6,898	7,105	7,318	7,538	7,764	7,997
Grants - Capital	6,701	4,334	2,640	2,048	2,307	2,806	1,416	1,466	1,266	1,266	1,266
Contributions - monetary	423	373	305	314	324	333	343	354	364	375	386
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Other income	668	415	422	428	434	441	447	454	461	468	476
Total Income	34,482	29,084	30,967	31,241	32,393	33,811	33,369	34,395	35,201	36,238	37,306
Expenses											
Employee costs	(9,814)	(10,483)	(10,782)	(11,089)	(11,405)	(11,730)	(12,064)	(12,408)	(12,762)	(13,126)	(13,500)
Materials and services	(11,904)	(11,488)	(11,846)	(11,995)	(12,355)	(12,725)	(13,107)	(13,500)	(13,905)	(14,323)	(14,752)
Depreciation and amortisation	(5,800)	(5,900)	(5,942)	(6,017)	(6,124)	(6,219)	(6,312)	(6,406)	(6,519)	(6,649)	(6,749)
Borrowing costs	(35)	(23)	-	-	-	-	-	-	-	-	-
Other expenses	(295)	(300)	(309)	(318)	(328)	(338)	(348)	(358)	(369)	(380)	(391)
Total Expenses	(27,848)	(28,194)	(28,879)	(29,419)	(30,211)	(31,012)	(31,831)	(32,673)	(33,556)	(34,477)	(35,393)
Surplus/(deficit) for the year	6,634	890	2,088	1,822	2,181	2,800	1,538	1,722	1,646	1,761	1,913

12.2 Budgeted Balance Sheet

Figure 7: Balance Sheet

	Forecast Actual		Budget								
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Assets											
Current assets											
Cash and cash equivalents	13,613	5,598	4,668	4,769	4,639	4,720	6,181	8,068	8,507	7,793	7,170
Trade and other receivables	2,169	2,168	2,310	2,320	2,407	2,506	2,471	2,543	2,614	2,693	2,778
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	5	5	5	5	5	5	5	5	5	5	5
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Other assets	113	113	113	113	113	113	113	113	113	113	113
Total current assets	15,900	7,884	7,095	7,207	7,164	7,344	8,771	10,729	11,239	10,604	10,066
Non-current assets											
Trade and other receivables	2	2	2	2	2	2	2	2	2	2	2
Investments in associates and joint ventures	243	243	243	243	243	243	243	243	243	243	243
Property, infrastructure, plant & equipment	294,345	302,126	304,204	305,041	306,414	308,232	308,316	308,099	309,263	311,685	314,188
294,590	302,371	304,449	305,286	306,659	308,477	308,561	308,344	309,508	311,930	314,433	
Total non-current assets	294,590	302,371	304,449	305,286	306,659	308,477	308,561	308,344	309,508	311,930	314,433
Total assets	310,490	310,255	311,545	312,493	313,823	315,821	317,331	319,074	320,747	322,535	324,499
Liabilities											
Current liabilities											
Trade and other payables	2,523	2,523	2,647	2,700	2,779	2,852	2,944	3,030	3,119	3,202	3,305
Trust funds and deposits	468	468	468	468	468	468	468	468	468	468	468
Provisions	3,145	2,895	3,023	3,027	2,971	2,216	2,211	2,206	2,201	2,197	2,145
Interest-bearing loans and borrowings	86	86	49	49	49	49	(0)	(0)	(0)	(0)	(0)
Total current liabilities	6,222	5,972	6,186	6,243	6,266	5,585	5,623	5,704	5,788	5,867	5,918
Non-current liabilities											
Provisions	4,697	3,947	2,945	2,063	1,237	1,166	1,100	1,039	983	931	931
Interest-bearing loans and borrowings	282	157	146	97	49	-	-	-	-	-	-
Total non-current liabilities	4,979	4,104	3,091	2,160	1,286	1,166	1,100	1,039	983	931	931
Total liabilities	11,201	10,076	9,277	8,403	7,552	6,751	6,723	6,743	6,771	6,798	6,849
Net assets	299,289	300,179	302,267	304,090	306,271	309,070	310,608	312,330	313,976	315,737	317,650
Equity											
Accumulated surplus	93,624	94,514	96,602	98,425	100,606	103,405	104,943	106,665	108,311	110,072	111,985
Reserves	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665
Total equity	299,289	300,179	302,267	304,090	306,271	309,070	310,608	312,330	313,976	315,737	317,650
Revaluation Reserve	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665	205,665

12.3 Budgeted Statement of Changes in Equity

Figure 8: Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000				
2019/20				2024/25			
Balance at beginning of the financial year	299,289	93,624	205,665	Balance at beginning of the financial year	309,070	103,405	205,665
Surplus/(deficit) for the year	890	890	-	Surplus/(deficit) for the year	1,538	1,538	-
Balance at end of financial year	<u>300,179</u>	<u>94,514</u>	<u>205,665</u>	Balance at end of financial year	<u>310,608</u>	<u>104,943</u>	<u>205,665</u>
2020/21				2025/26			
Balance at beginning of the financial year	300,179	94,514	205,665	Balance at beginning of the financial year	310,608	104,943	205,665
Surplus/(deficit) for the year	2,088	2,088	-	Surplus/(deficit) for the year	1,722	1,722	-
Balance at end of financial year	<u>302,267</u>	<u>96,602</u>	<u>205,665</u>	Balance at end of financial year	<u>312,330</u>	<u>106,665</u>	<u>205,665</u>
2021/22				2026/27			
Balance at beginning of the financial year	302,267	96,602	205,665	Balance at beginning of the financial year	312,330	106,665	205,665
Surplus/(deficit) for the year	1,822	1,822	-	Surplus/(deficit) for the year	1,646	1,646	-
Balance at end of financial year	<u>304,090</u>	<u>98,425</u>	<u>205,665</u>	Balance at end of financial year	<u>313,976</u>	<u>108,311</u>	<u>205,665</u>
2022/23				2027/28			
Balance at beginning of the financial year	304,090	98,425	205,665	Balance at beginning of the financial year	313,976	108,311	205,665
Surplus/(deficit) for the year	2,181	2,181	-	Surplus/(deficit) for the year	1,761	1,761	-
Balance at end of financial year	<u>306,271</u>	<u>100,606</u>	<u>205,665</u>	Balance at end of financial year	<u>315,737</u>	<u>110,072</u>	<u>205,665</u>
2023/24				2028/29			
Balance at beginning of the financial year	306,271	100,606	205,665	Balance at beginning of the financial year	315,737	110,072	205,665
Surplus/(deficit) for the year	2,800	2,800	-	Surplus/(deficit) for the year	1,913	1,913	-
Balance at end of financial year	<u>309,070</u>	<u>103,405</u>	<u>205,665</u>	Balance at end of financial year	<u>317,650</u>	<u>111,985</u>	<u>205,665</u>

12.4 Budgeted Statement of Cash Flows

Figure 9: Cash Flows

Budgeted Statement of Cash Flows

For the four years ending 30 June 2023

	Forecast Actual		Budget								
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities											
Rates and charges	19,100	19,844	20,571	21,188	21,763	22,409	23,166	23,796	24,524	25,255	26,004
Statutory fees and fines	526	530	549	565	581	599	619	636	655	675	695
User fees	921	771	807	838	870	905	945	980	1,019	1,060	1,102
Grants - operating	6,567	3,316	6,354	6,538	6,722	6,921	7,155	7,350	7,574	7,800	8,032
Grants - capital	6,777	4,334	2,657	2,059	2,315	2,815	1,426	1,472	1,272	1,272	1,271
Contributions - monetary	423	373	305	314	324	333	343	354	364	375	386
Interest received	234	220	220	220	220	220	220	220	220	220	220
Other receipts	434	(26)	205	211	216	222	231	237	244	251	259
Net GST refund / payment	1,496	1,465	1,725	1,784	1,862	1,948	1,834	1,834	2,003	2,178	2,242
Employee costs	(9,814)	(10,482)	(11,295)	(11,648)	(11,968)	(12,313)	(12,657)	(13,022)	(13,394)	(13,780)	(14,165)
Materials and services	(11,924)	(11,488)	(12,410)	(12,599)	(12,965)	(13,358)	(13,751)	(14,168)	(14,594)	(15,037)	(15,479)
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-
Other payments	(295)	(1,078)	(1,198)	(1,212)	(1,226)	(1,180)	(436)	(442)	(448)	(455)	(463)
Net cash provided by/(used in) operating activities	14,445	7,779	8,490	8,239	8,715	9,521	9,094	9,246	9,440	9,814	10,104
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(16,466)	(16,120)	(9,702)	(8,418)	(9,127)	(9,721)	(7,970)	(7,744)	(9,386)	(10,913)	(11,112)
Proceeds from sale of property, infrastructure, plant and equipment	1,066	474	330	330	330	330	385	385	385	385	385
Net cash provided by/(used in) investing activities	(15,400)	(15,646)	(9,372)	(8,088)	(8,797)	(9,391)	(7,585)	(7,359)	(9,001)	(10,528)	(10,727)
Cash flows from financing activities											
Finance costs	(35)	(23)	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(137)	(125)	(49)	(49)	(49)	(49)	(49)	-	-	-	-
Net cash provided by/(used in) financing activities	(172)	(148)	(49)	(49)	(49)	(49)	(49)	-	-	-	-
Net increase/(decrease) in cash & cash equivalents	(1,127)	(8,015)	(930)	102	(131)	82	1,461	1,887	439	(714)	(624)
Cash and cash equivalents at the beginning of the financial year	14,740	13,613	5,598	4,668	4,769	4,639	4,720	6,181	8,068	8,507	7,793
Cash and cash equivalents at the end of the financial year	13,613	5,598	4,668	4,769	4,639	4,720	6,181	8,068	8,507	7,793	7,170

12.5 Budgeted Statement of Capital Works

Figure 10: Capital Works

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Buildings	1,582	2,027	1,970	1,833	1,453	1,748	120	37	323	377	2,397
Total buildings	1,582	2,027	1,970	1,833	1,453	1,748	120	37	323	377	2,397
Total property	1,582	2,027	1,970	1,833	1,453	1,748	120	37	323	377	2,397
Plant and equipment											
Plant, machinery and equipment	897	1,100	704	670	501	976	1,316	1,102	919	919	919
Fixtures, fittings and furniture	228	505	225	350	350	357	364	371	379	387	394
Total plant and equipment	1,125	1,605	929	1,020	851	1,333	1,680	1,473	1,298	1,306	1,313
Infrastructure											
Roads	8,622	7,017	3,893	3,813	3,867	4,224	3,712	3,733	5,238	6,999	4,735
Bridges	2,046	954	1,000	450	450	450	450	450	450	450	450
Footpaths and cycleways	396	274	303	229	322	146	368	208	126	233	255
Drainage	692	907	333	62	345	260	246	288	379	310	512
Parks, open space and streetscapes	-	1,871	392	246	1,009	676	669	851	719	246	440
Other infrastructure	527	-	-	-	-	-	-	-	-	-	-
Total infrastructure	12,283	11,023	5,921	4,800	5,993	5,756	5,445	5,530	6,912	8,238	6,392
Total capital works expenditure	14,970	14,655	8,820	7,653	8,297	8,837	7,245	7,040	8,533	9,921	10,102
Represented by:											
New asset expenditure	2,433	733	441	383	415	442	362	352	427	496	505
Asset renewal expenditure	9,430	10,478	5,998	6,046	6,887	5,391	5,434	6,266	7,168	6,449	7,071
Asset expansion expenditure	589	-	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	2,518	3,444	2,381	1,224	996	3,005	1,449	422	939	2,976	2,526
Total capital works	14,970	14,655	8,820	7,653	8,297	8,837	7,245	7,040	8,533	9,921	10,102
Funding sources represented by:											
Grants	6,701	4,334	2,640	2,048	2,307	2,806	1,416	1,466	1,266	1,266	1,266
Contributions	423	373	305	314	324	333	343	354	364	375	386
Council Cash	7,846	9,948	5,875	5,291	5,666	5,698	5,486	5,220	6,903	8,280	8,450
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	14,970	14,655	8,820	7,653	8,297	8,837	7,245	7,040	8,533	9,921	10,102

12.6 Budgeted Statement of Human Resources

Figure 11: Statement of Human Resources

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual		2020/21	2021/22	2022/23
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	9,814	10,483	10,782	11,089	11,405
Total staff expenditure	9,814	10,483	10,782	11,089	11,405
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	103.0	113.0	113.0	113.0	113.0
Total staff numbers	103.0	113.0	113.0	113.0	113.0

13. APPENDIX C: RATING PRINCIPLES

(a) Sustainable financial management

The aggregate revenue raised by Council plus that received from grants needs to be sufficient to cover the aggregate long-run cost of delivering the services provided measured on an accrual-accounting basis. Sustainable financial management requires the application of multi-year framework to financial management, asset management, planning, spending and revenue decisions.

(b) Evaluating and setting priorities

Council is aware of and will have regard to the views of its communities with respect to the priority areas for Council services. Council will heighten the communities awareness of the short and long-term financial implications of potential service priorities and key decisions, including trade-offs between service priorities.

(c) Core Functions

Council will continue to provide a full range of municipal goods and services in accordance with its statutory and community service obligations.

Where Council engages in the provision of services, that resemble those of private sector markets, the application of competitive neutrality principles requires

Council to aim to recover the full costs of a significant business activity, including the direct costs of providing goods and services, rate and tax equivalent payments and a commercial rate of return on investment.

(d) Identifying the cost of service delivery

Council will understand the cost of delivering its services as an acknowledgement that this information is useful in determining the range of services, and the level of service provision, and the corresponding structure for rates and charges.

(e) Prudent borrowings for infrastructure

Borrowings when undertaken prudently are an appropriate means for local government to finance long lived infrastructure assets as the cost of servicing of debt through rates or user charges enables the cost of the asset to be matched with the benefits from consumption of the services over the life of the asset, thereby promoting intergenerational equity.

(f) Rate setting and pricing of services

A single rate cap of 2.25% has been introduced for the 2018-2019 financial year by the Victorian Government.

Rate capping delivers on a key election promise for a fairer rating system to help ease cost of living pressures on Victorians. It is part of delivering value for communities and provide fair, responsible and effective policies and processes for Victorian ratepayers.

Only the general rate and municipal charges part of a rates bill will be capped at 2%. All other parts, such as waste charges and other fees and levies, remain uncapped.



Where infrastructure costs are directly attributable to individual property owners, Council will recover those costs through the application of special charge schemes, developer charges or contributions.

Council will also take consideration of the community's ability to pay as well as the benefits derived from the provision of services.

(g) Openness and transparency

Council is accountable and responsible for the policy decisions with respect to the range of services provided, the expenditure and delivery of the services and the way services are funded and paid for by the community. Open and transparent processes for decision making of Council include the making of information openly available to people in the local community and seeking active participation by the community with respect to choices regarding the range and level of services provided and how they are funded.

(h) Providing services on behalf of other tiers of government

Effective interaction between Council and other tiers of government is important to ensure delivery of some essential services to the community. Where Council enters into the delivery of services on behalf of other tiers of government, the supply of these services should be delivered on commercial terms based on the incremental cost to Council. In situations where Council determines to provide subsidies for the delivery of these services Council will make the costs transparent and inform the community about the purpose and amount of the subsidy and how it is to be funded.



Q



Strathbogie *shire*

Strathbogie Shire Council Budget Report 2019/20

A small, handwritten mark or signature in the bottom right corner of the page, consisting of a few loops and a tail.

Contents

	Page
Mayors and CEO's Introduction	1

Budget Reports

1. Link to the Council Plan	3
2. Services and service performance indicators	5
3. Financial statements	12
4. Notes to the financial statements	19
5. Financial Performance Indicators	31

Disclaimer

The information contained in this document is for general guidance only. It is not professional advice and should not be used, relied upon or treated as a substitute for specific professional advice. Given the changing nature of laws, rules and regulations, and the inherent hazards of electronic communication, there may be delays, omissions or inaccuracies in information contained in this document.

The model budget, including financial statements, has been prepared in accordance with the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*. While every effort has been made to ensure that the information contained in this document has been accurate and complies with relevant Victorian legislation, each Council remains responsible to ensure that the budget they prepare is compliant with all statutory requirements.



Mayor and CEO's Introduction

G1 MAYOR'S INTRODUCTION

Strathbogie Shire Council is pleased to present the 2019/20 Budget for adoption following receipt and consideration of submissions. The document builds on the hard work of the current and previous councils to ensure that Strathbogie has a sustainable future and growth potential.

In preparing the 2019/20 Budget, Council has considered many factors in an effort to continue to balance community expectations and benefits with financial responsibilities.

The Budget works hard to maintain and improve existing service levels and deliver strong investment in capital works across the municipality. Council will continue to provide significant funding for renewal works on our ageing and outdated infrastructure, based on the requirements of the Road Management Plan and taking into account financial constraints. The Budget is supported by State and Federal grants of \$10.5 m for capital works and operations and Council is most appreciative of this level of investment by other levels of government.

Council is proposing a 2.25% per cent increase in the average rate for 2019/20. This increase is below the State Government cap of 2.5% under the 'Fair Go Rates' legislation, which will be the second year Council has delivered an increase less than the cap. This level allows for maintenance of existing service levels, funding of a number of significant new initiatives and the ongoing allocation of sufficient funds for the continuing strategic renewal of Council's infrastructure.

Current rating differentials have been reviewed, and Council is proposing to continue to levy a municipal charge, but to reduce the charge from \$266 to \$133 and alter the Farmland rate differential from 82.5% of the Residential rate to 80%. Consideration will also be given to implement a rebate for properties that are committed to providing biodiversity benefits to the wider community via the Trust for Nature programme.

Adjustments to this rating structure will cause some redistribution of the rate burden, with some 60-70% of properties having increases at or below the general rate increase.

In 2018/19 Council absorbed additional costs relating to the waste recycling program, but with continuing challenges in this space, waste charges will increase by 4.1 % with Council incurring additional costs due to challenges in relation to disposal of recycling materials.

The 2019/20 Draft Budget provides for a \$14.655 million capital works program with the following highlights:

ACTIVITY	EXPENDITURE (m)
Roads - including resealing, re sheeting and rehabilitation	7.017
Bridges	0.704
Pedestrian Bridges	0.250
Drainage	0.907
Footpaths	0.274
Plant and Machinery	1.100
Buildings	1.645
Information Technology	0.505
Aquatic Facilities	0.382
Parks, and Open Spaces	1.871
TOTAL	14.655

Funding of \$1 million is also provided to commence rehabilitation of the Violet town landfill.

In addition to the four year period covered by this Budget and Strategic Resource Plan Strategic Resource Plan Long Term Financial Plan has been extended to cover a ten year period which allows for a total expenditure over that period of \$91.1 m including:



- Improvements to Council's pools and associated infrastructure (\$9.0m)
- Rehabilitation of the Violet Town land fill (\$4.0m)
- Improvements to Play areas and Active Spaces (\$1.4m)

No borrowings are proposed, which allows for long term sustainability and flexibility with our revenue.

The 2019/20 Budget provides for expenditure of \$ 28.19 million on services including:

ACTIVITY	EXPENDITURE (m)
Libraries	0.267
Maternal and Child Health	0.212
Emergency Management	0.141
Waste Management	2.574
Swimming Pools and Beaches	0.363
Arts, Culture, Economy, Events	0.632
Planning	0.883
Parks and Reserves Maintenance	1.769
Roads and Bridges Maintenance	5.170
Saleyards	0.216
Youth Services	0.300
Sustainability	0.338
Animal Management	0.260

The proposed budget details the resources required over the next year to fund the large range of legislated and discretionary services that Council provides to the community. It also includes details of proposed capital expenditure allocations to improve and renew our shire's physical infrastructure, buildings and operational assets, as well as funding proposals for a range of operating projects.

I commend the budget to the community

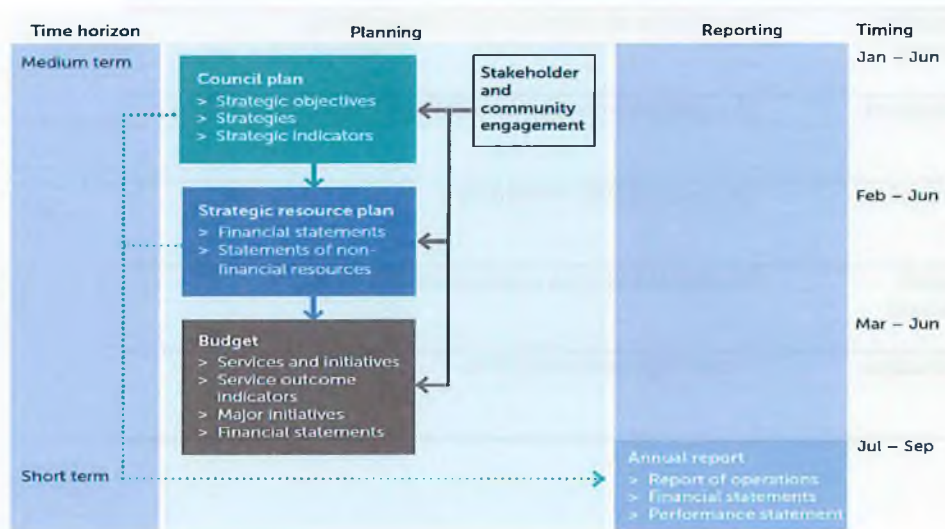
Amanda McClaren
Mayor

G2 1. Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

G3 1.1 Legislative Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, considering the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

In addition to the above, Council has a long term plan which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

1.1.2 Key planning considerations

Service level planning

Although councils have a legal obligation to provide some services— such as animal management, local roads, food safety and statutory planning—most council services are not legally mandated, including some services closely associated with councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change. Therefore councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.



G4 1.2 Our purpose

Our vision

"Together we are building a flourishing community"

Our mission

"To support our community to grow through effective partnerships, engagement and equitable and efficient delivery of services"

Our values

"To be a respectful, innovative, open and transparent , inclusive, fair and ethical Council"

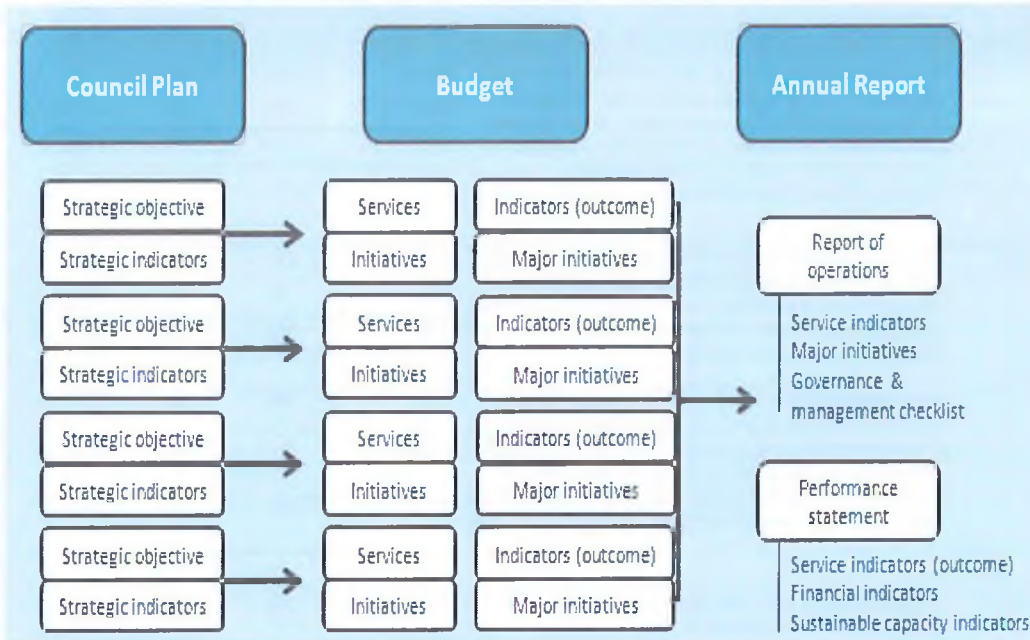
G5 1.3 Strategic objectives

Following Strategic objectives are major pillar of the Council plan

Strategic Objective	Description
1. Community Wellbeing	To enhance community health and wellbeing
2. Environment	To sustainably manage our natural and built environment
3. Infrastructure	To provide quality infrastructure
4. Economic Development	To support and drive economic development
5. Organisation	To be a high performing Shire

G6 2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2019/20 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below



Source: Department of Environment, Land, Water and Planning

2.1 Strategic Objective 1

Community Wellbeing

G6 Services

Service area	Description of services provided		2017/18 Actual \$'000	2018/19 Forecast \$'000	2019/20 Budget \$'000
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities, immunisation programs and public health promotions. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	Exp	149	177	21
		Rev	145	159	197
		NET	4	18	(176)
Animal Management and Local Laws	This service provides for the management of domestic animals (mostly dogs and cats) through registration, education and enforcement where necessary. It is also concerned with issues that arise out of the application of Council's Community Local Law.	Exp	210	40	260
		Rev	87	111	136
		NET	123	(71)	124
Libraries and Arts	This service provides public library services at three locations and a community cinema in Euroa. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	Exp	290	282	288
		Rev	-	60	64
		NET	290	222	224
Community Grants and Recreational Planning	This service provides funding for the development of community facilities and activities.	Exp	194	166	292
		Rev	10	11	3
		NET	184	155	289
Maternal and Child Health	0.0084525	Exp	188	297	224
		Rev	131	210	220
		NET	57	87	4
Youth Services	This service provides youth facilities and a range of recreation and education based youth activities. Programs include Freeza, National Youth Week and L2P driving experience program.	Exp	226	299	301
		Rev	77	90	90
		NET	149	209	211
Street Lighting	This service enhances public safety and community access by providing street lighting in urban areas.	Exp	121	127	140
		Rev	-	-	-
		NET	121	127	140
Parks and Reserves	This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.	Exp	1,866	1,375	1,607
		Rev	168	2	-
		NET	1,698	1,373	1,607
Boating Operations and Safety	Council is the boating authority for Nagambie Lakes. This service area provides patrol services, maintenance of boating infrastructure and support for on-water recreational activities.	Exp	78	286	94
		Rev	226	6	12
		NET	(148)	280	82
Community Development	This program oversees activities in the areas of access and inclusion, committee of management support, community planning and other activities designed to strengthen communities.	Exp	74	412	236
		Rev	73	95	68
		NET	1	317	168
Emergency Services	This service includes financial assistance for the SES service, fire prevention activities and flood risk planning and mitigation.	Exp	173	178	141
		Rev	367	148	106
		NET	(194)	30	35
School Crossing Supervision	This program provides supervision of school crossings in Euroa and Nagambie before and after school hours.	Exp	57	-	-
		Rev	26	27	25
		NET	31	(27)	(25)

G6 Major Initiatives

Complete the expansion of the Avenel Pre School and Maternal and Child Health Centre

Promote responsible pet ownership through the implementation of Council's Domestic Animal Management Plan 2017-21

Review Council's Community and Meeting Procedure Locals Laws

Other Initiatives

Progress Youth Hub for Nagambie

Continue consultation with Fire Brigade Captains to explore Fire Management Planning and CFA Best Practice

G7 Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Budget
Libraries and Arts	Participation	22	23	24
Maternal and Child Health (MCH)	Participation	78	80	82
Animal Management	Health and safety	0	0	0
Environmental Health	Health and safety	0	0	0

2.2 Strategic Objective 2

Environment

G6 Services

Service area	Description of services provided		2017/18 Actual \$'000	2018/19 Forecast \$'000	2019/20 Budget \$'000
Sustainability Management	Council is committed to responsible and sustainable management of the Shire's natural resources. Programs in this service area include Pests and Weeds program, Implementation of Council's environmental strategy and Carbon Footprint Assessment program.	<i>Exp</i>	341	313	271
		<i>Rev</i>	53	101	130
		<i>NET</i>	288	212	141
Waste Management	This service includes kerbside garbage and recycling collections, transfer station operations and waste management of public areas.	<i>Exp</i>	6,310	2,693	2,595
		<i>Rev</i>	2,447	2,642	2,644
		<i>NET</i>	3,863	51	(49)

Major Initiatives

Implement the recommendations of Council's Domestic Wastewater Management plan, including working with Goulburn Murray Water to explore small town sewer schemes
Implement initiatives contained within the Sustainable Strathbogie 2030 Plan

Other Initiatives

Implement the Waste Management Strategy
Implement Tree Management Guidelines

G7 Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Budget
Waste Management	Waste diversion	70%	72%	74%

2.3 Strategic Objective 3

Infrastructure

G6 Services

Service area	Description of services provided		2017/18 Actual \$'000	2018/19 Forecast \$'000	2019/20 Budget \$'000
Municipal Buildings	This service area is responsible for the maintenance of Council owned and controlled buildings.	<i>Exp</i>	493	465	482
		<i>Rev</i>	150	278	479
		<i>NET</i>	343	187	3
Swimming Pools and Beaches	Council operates outdoor pools in Euroa, Nagambie, Violet Town and Avenel.	<i>Exp</i>	462	350	363
		<i>Rev</i>	9	10	20
		<i>NET</i>	453	340	343
Roads and Bridge Maintenance Operations	This service area is responsible for the maintenance of Council's roads and bridges network.	<i>Exp</i>	7,106	6,870	6,723
		<i>Rev</i>	10,607	8,705	5,272
		<i>NET</i>	(3,501)	(1,835)	1,451

Major Initiatives

Target major capital works projects to seek funding to reduce Council's costs
Prioritise and implement the outcomes of the Community Pools Strategy

Other Initiatives

Underake condition assessment of Council's public toilets and develop a strategy for progressive improvement
In partnership with the community support the priorities of the Nagambie Recreation Reserve Master Plan

G7 Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Budget
Pool Facilities	Utilisation	3.44	3.5	3.5
Roads	Satisfaction	48	48	49

2.4 Strategic Objective 4

Economic Development

G6 Services

Service area	Description of services provided		2017/18 Actual \$'000	2018/19 Forecast \$'000	2019/20 Budget \$'000
Planning	The services covers planning applications, advocacy proposals and all regulators compliance on the Shire	Exp	783	805	869
		Rev	250	252	220
		NET	533	553	649
Building	provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of Council buildings and investigations of complaints and illegal works.	Exp	-	536	638
		Rev	86	-	-
		NET	(86)	536	638
Economic Development	This service provides strategic planning and support for the pursuit of economic opportunities in the Shire	Exp	291	413	149
		Rev	-	-	-
		NET	291	413	149
Tourism and Events	Strathbogie Shire has a high tourism profile with broad ranging attractions including, natural environment, water based activities, wineries events and festivals. This service area is responsible for promoting the area generally and supporting local tourism bodies and tourism related events.	Exp	170	461	555
		Rev	18	201	43
		NET	152	260	512
Caravan Parks	Council has control of caravan parks at Nagambie Lakes and Euroa.	Exp	20	23	23
		Rev	30	-	-
		NET	(10)	23	23
Saleyards	This service area refers to the Euroa Saleyards. The saleyards operate on an approximately one sale per month basis.	Exp	131	220	216
		Rev	245	260	268
		NET	(114)	(40)	(52)

Major Initiatives

Seek funding and support from Federal and State governments to implement Nagambie Infrastructure Development Business Case
Review update and resource the Economic Development Master plan and implement priority actions

Other Initiatives

Review Rural Land Use Strategy and have these outcomes (including landscape protection) included into the Municipal Strategic Statement

Develop options to facilitate camping at appropriate locations within the Shire

G7 Service Performance Outcome Indicators

Service	Indicator	2017/18 Actual	2018/19 Forecast	2019/20 Budget
Statutory planning	Decision Making	0	0	0
Economic Development	Economic activity	NA	NA	NA



2.5 Strategic Objective 5

Organisation

G6 Services

Service area	Description of services provided		2017/18	2018/19	2019/20
			Actual \$'000	Forecast \$'000	Budget \$'000
Financial and Administration Services	This service area provides financial advice and support to providers of all Council services, including budget preparation, long term financial planning, periodic reporting, processing of debtors and creditors, and statutory financial requirements, including FBT and GST reporting.	<i>Exp</i>	5,015	1,740	1,762
		<i>Rev</i>	16,759	18,962	19,553
		<i>NET</i>	(11,744)	(17,222)	(17,791)
Information Technology	This service maintains and improves Council's information technology systems, ensures compliance with legislation relating to records management including administering and recording all incoming correspondence. This also includes telephones , intranet , photocopiers , aerial photography and geographic information.	<i>Exp</i>	1,265	1,274	1,239
		<i>Rev</i>	-	-	-
		<i>NET</i>	1,265	1,274	1,239
Human Resources and Risk Management	Management of recruitment and induction , occupational health and safety , procedures relating to employment matters , adminstration of insurances , staff training and development , employee assistance program.	<i>Exp</i>	3,318	905	1,005
		<i>Rev</i>	219	150	-
		<i>NET</i>	3,099	755	1,005
Community Relations	Customer service contact , media , communications , public notices , community surveys , website , marketing and community engagement.	<i>Exp</i>	1,187	1,027	1,007
		<i>Rev</i>	64	6	33
		<i>NET</i>	1,123	1,021	974
Governance and Statutory Services	This service area provides planning and management of a range of statutory services provided by Council, such as building, health, animal management etc	<i>Exp</i>	741	-	-
		<i>Rev</i>	88	2	2
		<i>NET</i>	653	(2)	(2)
Governance	The area of governance includes the Mayor, Councillors, Chief Executive Officer , regulatory reporting , Council elections , compliance with relevant Acts and other Executive Management costs which cannot be easily attributed to the direct service provision areas.	<i>Exp</i>	334	1,301	1,301
		<i>Rev</i>	116	103	-
		<i>NET</i>	218	1,198	1,301

Major Initiatives

Prioritize outcomes of ICT Strategy to aid business transformation through finalization of "roadmap"

Improve access to "in the field" software and hardware for key Council functions to improve response times to permit applications and customer queries

Other Initiatives

Review Communications and Engagement Strategy in line with pending changes to the Local Government Act

Review Contract Management Process and Guidelines

G7 Service Performance Outcome Indicators

Service	Indicator	2017/18	2018/19	2019/20
		Actual	Forecast	Budget
Governance	Satisfaction	48	49	50

G8 2.3 Reconciliation with budgeted operating result

Strategic Objectives	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Community Wellbeing	2,683	3,604	921
Environment	92	2,866	2,774
Infrastructure	1,797	7,568	5,771
Economic Development	1,919	2,450	531
Organisation	(13,274)	6,314	19,588
Total	(6,783)	22,802	29,585
Expenses added in:			
Depreciation	5,891		
Finance costs	-		
Others	2		
Deficit before funding sources	(890)		
Funding sources added in:			
Rates and charges revenue	-		
Waste charge revenue	-		
Total funding sources	-		
Operating (surplus)/deficit for the year	(890)		

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2019/20 has been supplemented with projections to 2022/23 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) regulations 2014*.

Comprehensive Income Statement
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Statement of Capital Works

Statement of Human Resources

Pending Accounting Standards

The 2019-20 budget has been prepared based on the accounting standards applicable at the date of preparation. This means that pending accounting standards that will be in effect from the 2019-20 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2019-20 financial statements, not considered in the preparation of the budget include:

- *AASB 16 Leases*
- *AASB 15 Revenue from Contracts with Customers*, and
- *AASB 1058 Income of Not for Profit Entities*.

While it is not possible to determine the precise impact of these standards at this time, the broad impact on Council is estimated to be as follows:

- *AASB 16 Leases* – Introduces a single lessee accounting model whereby the Council will be required to recognise a right of use asset and associated liability for leases longer than 12 months, except those considered to be of low value.
- *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not for Profit Entities* – Change the way that Councils recognise income and also address matters such as grant funding, contribution of assets and volunteer services. A key change is replacement for some transactions of the criteria of control as a determinant of the timing of income recognition, with the criteria of satisfying performance obligations in an enforceable agreement. These new standards have the potential to impact the timing of how the Council recognises income.

G9 Comprehensive Income Statement
For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Income						
Rates and charges	4.1.1	19,100	19,844	20,439	21,052	21,684
Statutory fees and fines	4.1.2	526	530	546	562	579
User fees	4.1.3	921	771	802	834	867
Grants - Operating	4.1.4	6,643	3,316	6,313	6,502	6,697
Grants - Capital	4.1.4	6,701	4,334	2,640	2,048	2,307
Contributions - monetary	4.1.5	423	373	305	314	324
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(500)	(500)	(500)	(500)	(500)
Other income	4.1.6	668	416	422	428	434
Total income		34,482	29,084	30,967	31,241	32,393
Expenses						
Employee costs	4.1.7	9,814	10,483	10,782	11,089	11,405
Materials and services	4.1.8	11,904	11,488	11,846	11,995	12,355
Depreciation and amortisation	4.1.9	5,800	5,900	5,942	6,017	6,124
Bad and doubtful debts		-	-	-	-	-
Borrowing costs		35	23	-	-	-
Other expenses	4.1.10	295	300	309	318	328
Total expenses		27,848	28,194	28,879	29,419	30,211
Surplus/(deficit) for the year		6,634	890	2,088	1,822	2,181
Total comprehensive result		6,634	890	2,088	1,822	2,181

G9 Balance Sheet
For the four years ending 30 June 2023

		Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
	NOTES			2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Assets						
Current assets						
Cash and cash equivalents		13,613	5,598	4,668	4,769	4,639
Trade and other receivables		2,169	2,168	2,310	2,320	2,407
Inventories		5	5	5	5	5
Other assets		113	113	113	113	113
Total current assets	4.2.1	15,900	7,884	7,095	7,207	7,164
Non-current assets						
Trade and other receivables		2	2	2	2	2
Investments in associates, joint arrangement and subsidiaries		243	243	243	243	243
Property, infrastructure, plant & equipment		294,345	302,126	304,204	305,041	306,414
Total non-current assets	4.2.1	294,590	302,371	304,449	305,286	306,659
Total assets		310,490	310,255	311,545	312,493	313,823
Liabilities						
Current liabilities						
Trade and other payables		2,523	2,523	2,647	2,700	2,779
Trust funds and deposits		468	468	468	468	468
Provisions		3,145	2,895	3,023	3,027	2,971
Interest-bearing liabilities	4.2.3	86	86	49	49	49
Total current liabilities	4.2.2	6,222	5,972	6,186	6,243	6,266
Non-current liabilities						
Provisions		4,697	3,947	2,945	2,063	1,237
Interest-bearing liabilities	4.2.3	282	157	146	97	49
Total non-current liabilities	4.2.2	4,979	4,104	3,091	2,160	1,286
Total liabilities		11,201	10,076	9,277	8,403	7,552
Net assets		299,289	300,179	302,267	304,090	306,271
Equity						
Accumulated surplus		93,624	94,514	96,602	98,425	100,606
Reserves		205,665	205,665	205,665	205,665	205,665
Total equity		299,289	300,179	302,267	304,090	306,271

G9 Statement of Changes in Equity
For the four years ending 30 June 2023

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019 Forecast Actual					
Balance at beginning of the financial year		292,655	86,990	205,665	-
Surplus/(deficit) for the year		6,634	6,634	-	-
Balance at end of the financial year		299,289	93,624	205,665	-
2020 Budget					
Balance at beginning of the financial year		299,289	93,624	205,665	-
Surplus/(deficit) for the year		890	890	-	-
Transfers to other reserves	4.3.1	-	-	-	-
Balance at end of the financial year	4.3.2	300,179	94,514	205,665	-
2021					
Balance at beginning of the financial year		300,179	94,514	205,665	-
Surplus/(deficit) for the year		2,088	2,088	-	-
Balance at end of the financial year		302,267	96,602	205,665	-
2022					
Balance at beginning of the financial year		302,267	96,602	205,665	-
Surplus/(deficit) for the year		1,822	1,822	-	-
Balance at end of the financial year		304,090	98,425	205,665	-
2023					
Balance at beginning of the financial year		304,090	98,425	205,665	-
Surplus/(deficit) for the year		2,181	2,181	-	-
Balance at end of the financial year		306,271	100,606	205,665	-

G9 Statement of Cash Flows
For the four years ending 30 June 2023

	Notes	Forecast	Budget	Strategic Resource Plan Projections		
		Actual		2020/21	2021/22	2022/23
		2018/19	2019/20	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		19,100	19,844	20,571	21,168	21,763
Statutory fees and fines		526	530	549	565	581
User fees		921	771	807	838	870
Grants - operating		6,567	3,316	6,354	6,538	6,722
Grants - capital		6,777	4,334	2,657	2,059	2,315
Contributions - monetary		423	373	305	314	324
Interest received		234	220	220	220	220
Other receipts		434	(26)	205	211	216
Net GST refund / payment		1,496	1,465	1,725	1,784	1,862
Employee costs		(9,814)	(10,482)	(11,295)	(11,648)	(11,968)
Materials and services		(11,924)	(11,488)	(12,410)	(12,599)	(12,965)
Other payments		(295)	(1,078)	(1,198)	(1,212)	(1,226)
Net cash provided by/(used in) operating activities	4.4.1	14,445	7,779	8,490	8,239	8,715
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(16,466)	(16,120)	(9,702)	(8,418)	(9,127)
Proceeds from sale of property, infrastructure, plant and equipment		1,066	474	330	330	330
Net cash provided by/ (used in) investing activities	4.4.2	(15,400)	(15,646)	(9,372)	(8,088)	(8,797)
Cash flows from financing activities						
Finance costs		(35)	(23)	-	-	-
Repayment of borrowings		(137)	(125)	(49)	(49)	(49)
Net cash provided by/(used in) financing activities	4.4.3	(172)	(148)	(49)	(49)	(49)
Net increase/(decrease) in cash & cash equivalents		(1,127)	(8,015)	(930)	102	(131)
Cash and cash equivalents at the beginning of the financial year		14,740	13,613	5,598	4,668	4,769
Cash and cash equivalents at the end of the financial year		13,613	5,598	4,668	4,769	4,639

G9 Statement of Capital Works
For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		Actual 2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Property						
Buildings		1,562	2,027	1,970	1,833	1,453
Total buildings		1,562	2,027	1,970	1,833	1,453
Total property		1,562	2,027	1,970	1,833	1,453
Plant and equipment						
Plant, machinery and equipment		897	1,100	704	670	501
Fixtures, fittings and furniture		228	505	225	350	350
Computers and telecommunications		-	-	-	-	-
Total plant and equipment		1,125	1,605	929	1,020	851
Infrastructure						
Roads		8,622	7,017	3,893	3,813	3,867
Bridges		2,046	954	1,000	450	450
Footpaths and cycleways		396	274	303	229	322
Drainage		692	907	333	62	345
Parks, open space and streetscapes		-	1,871	392	246	1,009
Other infrastructure		527	-	-	-	-
Total infrastructure		12,283	11,023	5,921	4,800	5,993
Total capital works expenditure	4.5.1	14,970	14,655	8,820	7,653	8,297
Represented by:						
New asset expenditure		2,433	733	441	383	415
Asset renewal expenditure		9,430	10,478	5,998	6,046	6,887
Asset expansion expenditure		589	-	-	-	-
Asset upgrade expenditure		2,518	3,444	2,381	1,224	996
Total capital works expenditure	4.5.1	14,970	14,655	8,820	7,653	8,297
Funding sources represented by:						
Grants		6,701	4,334	2,640	2,048	2,307
Contributions		423	373	305	314	324
Council cash		7,846	9,948	5,875	5,291	5,666
Borrowings		-	-	-	-	-
Total capital works expenditure	4.5.1	14,970	14,655	8,820	7,653	8,297

G1 Statement of Human Resources
For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan		
	Actual				
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	9,814	10,483	10,782	11,089	11,405
Total staff expenditure	9,814	10,483	10,782	11,089	11,405
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	103.0	113.0	113.0	113.0	113.0
Total staff numbers	103.0	113.0	113.0	113.0	113.0

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

Department	Budget	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
2019/20	\$'000	\$'000	\$'000	\$'000	\$'000
Corporate Leadership	348	348	-	-	-
Innovation and Performance	2,246	1,888	313	45	-
Community Assets	5,533	5,352	140	56	-
Corporate and Community	2,341	2,071	214	-	56
Culture and Leisure	-	-	-	-	-
Total permanent staff expenditure	10,483	9,659	667	101	56
Casuals, temporary and other expenditure	-	-	-	-	-
Capitalised labour costs	-	-	-	-	-
Total expenditure	10,483				

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

Department	Budget	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
2019/20					
Corporate Leadership	2	2	-	-	-
Innovation and Performance	25	17	7	1	-
Community Assets	64	59	3	2	-
Corporate and Community	22	16	5	0	1
Total permanent staff	113	94	15	3	1
Casuals, temporary and other expenditure	-	-	-	-	-
Capitalised labour costs	-	-	-	-	-
Total staff	113				

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

C11 4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2019/20 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

This will raise total rates and charges for 2019/20 to \$19,808,000.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	2018-19 Forecast Actual \$'000	2019/20 Budget \$'000	Change \$'000	%
General rates*	14,721	16,245	1,524	10.35%
Municipal charge*	1,825	921	- 904	-49.53%
Waste management charge	2,327	2,484	157	6.75%
Service rates and charges	185	194	9	4.86%
Special rates and charges	42	-	- 42	-100.00%
Total rates and charges	19,100	19,844	744	3.90%

*These items are subject to the rate cap established under the FGRS

4.1.1(b) The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2018/19 cents/\$CIV*	2019/20 cents/\$CIV*	Change
General rate for rateable residential properties	0.0048300	0.0050194	0.04
General rate for rateable vacant residential properties	0.0084525	0.0087839	0.04
General rate for rateable farm properties	0.0039848	0.0040155	0.01
General rate for rateable commercial properties	0.0057960	0.0060232	0.04
General rate for rateable vacant commercial properties	0.0101430	0.0105407	0.04



4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
Residential	6,984	7,781	797	11.41%
Farm	6,923	7,571	648	9.36%
Commercial	814	893	79	9.71%
Total amount to be raised by general rates	14,721	16,245	1,524	10.35%

Municipal Charge revenue has reduced 49.54% to offset this increase

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	Number	Number	Number	%
Residential	4,609	4,684	75	1.63%
Residential-Vacant	390	371	19	-4.87%
Farm	2,231	2,233	2	0.09%
Commercial	309	309	-	0.00%
Commercial-Vacant	7	9	2	28.57%
Total number of assessments	7,546	7,606	60	0.80%

4.1.1(e) The basis of valuation to be used is Capital Improved Value (CIV)

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
Residential	1,326,309	1,435,181	108,872	8.21%
Residential-Vacant	64,977	65,298	321	0.49%
Farm	1,727,386	1,867,786	140,400	8.13%
Commercial	136,115	144,004	7,889	5.80%
Commercial-Vacant	1,446	1,756	310	21.44%
Total value of land	3,256,233	3,514,025	257,792	7.92%

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2018/19	2019/20		%
	\$	\$	\$	%
Municipal	266	133	133	-50.00%

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2018/19	2019/20	Change	
	\$	\$	\$	%
Municipal	1,824,635	920,739	903,896	-49.54%

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

Type of Charge	Per Rateable Property 2018/19	Per Rateable Property 2019/20	Change	
	\$	\$	\$	%
Kerbside Collection- 80Litre	360	375	15	4.17%
Kerbside Collection- 120Litre	360	375	15	4.17%
Kerbside Collection- 240Litre	720	750	30	4.17%
Recycling-120Litre	171	177	6	3.51%
Recycling-240Litre	171	177	6	3.51%
Recycling-360Litre	171	177	6	3.51%
Kerbside/Recycling/Organics	530	552	22	4.15%
Kerbside/Organics	360	375	15	4.17%
Tree Management Service Charge	27	28	1	3.70%

4.1.1(j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	2018/19	2019/20	Change	
	\$	\$	\$	%
Kerbside/Recycling/Organics	1,697,939	1,801,271	103,332	6.09%
Kerbside	464,238	506,596	42,358	9.12%
Recycling	165,037	176,447	11,410	6.91%
Tree Management Service Charge	185,409	194,234	8,825	4.76%
Total	2,512,623	2,678,548	165,925	6.60%

4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
General Rates	14,721	16,245	1,524	10.35%
Municipal Charges	1,825	921	904	-49.53%
Kerbside Collection/Recycling/Organics	2,327	2,484	157	6.75%
Tree Management Service Charge	185	194	9	4.86%
List rate/charge	-	-	-	0.00%
Special Rates	42	-	42	-100.00%
Total Rates and charges	19,100	19,844	744	3.90%

4.1.1(l) Fair Go Rates System Compliance

Strathbogie Shire Council is fully compliant with the State Government's Fair Go Rates System

	2018/19	2019/20
Total Rates	\$ 16,538,067	\$ 16,640,463
Number of rateable properties	7,546	7,513
Base Average Rate	2,192	2,215
Maximum Rate Increase (set by the State Government)	2.25%	2.50%
Capped Average Rate	\$ 2,202	\$ 2,270
Maximum General Rates and Municipal Charges Revenue	\$ 16,626,982	\$ 17,056,475
Budgeted General Rates and Municipal Charges Revenue	\$ 16,416,611	\$ 17,003,571
Budgeted Supplementary Rates	\$ 122,389	\$ 126,370
Budgeted Total Rates and Municipal Charges Revenue	\$ 16,539,000	\$ 17,129,941

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

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

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

G12 4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Land Information Certificates	20	20	-	0.00%
Subdivision Fees	58	20	38	-65.52%
Planning Application Fees	200	200	-	0.00%
Building Fees	73	90	17	23.29%
Building Enforcement	1	1	-	0.00%
Animal Registration	95	110	15	15.79%
Health Registrations	79	89	10	12.66%
Total statutory fees and fines	526	530	4	0.76%

Higher subdivision and building fee income is expected due to the level of activity

G12 4.1.3 User fees

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Yard Fees Saleyards Income	273	255	18	-6.59%
Debt Collection Expenses Recoverd	93	136	43	46.24%
Tip Fees	148	120	28	-18.92%
Lease income	67	57	10	-14.93%
Euroa Cinema	60	64	4	6.67%
Cattle Scanning Fees	55	13	42	-76.36%
Fire service Property Levy Financial Support	41	26	15	-36.59%
Fire Prevention Notice Infringements	26	26	-	0.00%
Septic Tank Fees	20	17	3	-15.00%
Truckwash (included in Saleyards income)	20	-	20	-100.00%
Visitor Guide	16	-	16	-100.00%
Regatta Centre Events	15	25	10	66.67%
Agent Fees- Saleyards	12	13	1	8.33%
Others	75	19	56	-74.67%
Total user fees	921	771	150	-16.29%

G13 4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's annual budget.

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	3,705	5,477	1,772	48%
State funded grants	2,323	2,173	150	-6%
Total grants received	6,028	7,650	1,622	27%
(a) Operating Grants				
Recurrent - Commonwealth Government				
Victorian Grant Commission	5,747	2,781	2,966	-52%
Senior Citizens	20	-	20	-100%
Commonwealth Roads of Access	40	-	40	-100%
Recurrent - State Government				
Maternal and Child Health	130	165	35	27%
Youth	145	145	-	0%
School crossing supervisors	27	25	2	-7%
Community Safety	5	3	2	-40%
Municipal Emergency Resources Program	62	60	2	-3%
Pest and Plants Program	55	55	-	0%
PTSD Project		50		
Review Lake Nagambie Speed Limits		15		
Other	357			
Median Strip Subsidy	7	-	7	-100%
Total recurrent grants	6,595	3,299	3,004	-46%
Non-recurrent - Commonwealth Government				
Recycling	13	-	13	-100%
Building Energy Audit	25	17	8	-32%
Recreation	10	-	10	-100%
Total non-recurrent grants	48	17	31	-65%
Total operating grants	6,643	3,316	3,327	-50%
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	930	1,152	222	24%
Total recurrent grants	930	1,152	222	24%
Non-recurrent - State Government				
Roads	3,978	2,161	1,817	-46%
Bridges	140	-	140	-100%
Drains	557	100	457	-82%
Buildings	646	921	275	43%
Recreation	400	-	400	-100%
Local Govt Energy Saver Project	50	-	50	-100%
Total non-recurrent grants	5,771	3,182	2,589	-45%
Total capital grants	6,701	4,334	2,367	-35%
Total Grants	13,345	7,650	5,695	0

G12 4.1.5 Contributions

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Monetary	423	373	50	-11.82%
Non-monetary	-	-	-	-
Total contributions	423	373	50	-11.82%

The reduction in revenue from contributions reflects the lower level of contributions to capital works projects 2019/20

4.1.6 Other income

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Fire Prevention Notice Infringements	60	20	40	-66.67%
Interest on Investments	234	220	14	-5.98%
Tas Crosbie Trust Income	2	-	2	-100.00%
Interest On Rates	92	70	22	-23.91%
Recycling accepting and Sorting	79	40	39	-49.37%
Regional Shared Services	-	-	-	0.00%
Diesel Fuel Tax Credit Rebate	60	60	-	0.00%
Insurance Recovery - Income Protection	-	-	-	0.00%
Workcover Salaries Recovered	50	-	50	-100.00%
Community Education	82	-	82	-100.00%
William Pearson Reserve Grants	3	-	3	-100.00%
Miscellaneous Income	6	6	-	0.00%
Total other income	668	416	252	-37.72%

G12 4.1.7 Employee costs

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Wages and salaries	8,771	9,251	480.00	5.47%
WorkCover	202	206	4.00	1.98%
Superannuation	713	734	21.00	2.95%
Other	128	292	164.00	128.13%
Total employee costs	9,814	10,483	669.00	6.82%

G12 4.1.8 Materials and services

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Legal Fees	56	58	2	3.57%
Building & Infrastructure maintenance	3,377	2,853	- 524	-15.52%
Consultancies/Contractors	1,520	2,322	802	52.76%
Community Expenses	815	380	- 435	-53.37%
Councillors Expenses	49	60	11	22.45%
Materials and Other Contract Payments	856	778	- 78	-9.11%
Plant Operating	880	1,045	165	18.75%
Insurance	370	360	- 10	-2.70%
Contractors Labour	20	20	-	0.00%
Utilities	349	381	32	9.17%
Postage	41	30	- 11	-26.83%
Printing & Stationery	130	110	- 20	-15.38%
Advertising and Marketing	161	95	- 66	-40.99%
Information Systems & Communications	698	635	- 63	-9.03%
Staff Training	196	186	- 10	-5.10%
Waste Management	2,386	2,175	- 211	-8.84%
Total materials and services	11,904	11,488	- 416	-3.49%

G12 4.1.9 Depreciation and amortisation

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Property	800	870	70	8.75%
Plant & equipment	500	500	-	0.00%
Infrastructure	4,300	4,310	10	0.23%
Furniture and Equipments	200	220	20	10.00%
Total depreciation and amortisation	5,800	5,900	100	1.72%

G12 4.1.10 Other expenses

Add additional tables for each material component of the Comprehensive Income Statement

	Forecast	Budget	Change	
	Actual 2018/19 \$'000	2019/20 \$'000	\$'000	%
Councillors' Workcover	4	4	-	0.00%
Audit Fees- External	41	42	1	2.44%
Audit Fees- Internal	34	35	1	2.94%
Bad Debts and Doubtful Debts	1	-	- 1	-100.00%
Councillor/Mayor Allowances	184	186	2	1.09%
Councillor/Mayor Superannuation	18	18	-	0.00%
Councillor Travelling	13	15	2	15.38%
Total other expenses	295	300	5	1.69%

4.2 Balance Sheet

4.2.1 Assets

Current assets are projected to decrease by \$1.232m . These resources are used to fund capital works and reflects Council's continuing strong commitment to infrastructure asset renewal

4.2.2 Liabilities

Notwithstanding the continuing reduction in Council borrowings , liabilities are budgeted to be maintained at current levels

G14 4.2.3 Borrowings

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

	2018/19	2019/20
	\$	\$
Amount borrowed as at 30 June of the prior year	505	368
Amount proposed to be borrowed	-	-
Amount projected to be redeemed	- 137	- 125
Amount of borrowings as at 30 June	368	243

4.3 Statement of changes in Equity

4.3.1 Reserves

No material change

4.3.2 Equity

The movement in equity reflects the budgeted operating surplus for 2019/20

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

Net cash provided by operating activities is budgeted to be \$7.779m

4.4.2 Net cash flows provided by/used in investing activities

Net cash used in investing activities is budgeted to be \$15.646 m .The capital works program of \$14.655 m and landfill rehabilitation of \$1 m is partially funded from asset sales of \$.474m

4.4.3 Net cash flows provided by/used in financing activities

Net cash used by financing activities is budgeted to be \$.148m , comprising \$.125m in loan redemption and \$.023m in loan interest

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2019/20 year, classified by expenditure type and funding source.

G15 4.5.1 Summary

	Forecast Actual 2018/19	Budget 2019/20	Change	%
	\$'000	\$'000	\$'000	
Property	1,562	1,927	365	23.37%
Plant and equipment	1,125	1,605	480	42.67%
Infrastructure	12,283	11,123	- 1,160	-9.44%
Total	14,970	14,655	- 315	-2.10%

2018/19 included significant amounts for Flood damage repairs to infrastructure

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Property	1,927	855	404	327	341	245	51	1,631	-
Plant and equipment	1,605	-	1,605	-	-	30	-	1,575	-
Infrastructure	11,123	1,563	6,684	2,614	262	3,783	185	7,155	-
Total	14,655	2,418	8,693	2,941	603	4,058	236	10,361	-

4.5.2 Current Budget

Capital Works Area	0.010143 \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Avenel, Violet Town & Nagambie Pools - replace chlorinators	10	-	10	-	-	-	-	10	-
Euroa Tennis Club - Remove existing cyprus tree & replace	40	-	40	-	-	-	-	40	-
Civic Centre Toilet Upgrade	50	-	-	50	-	-	-	50	-
Toilets Violet Town Lions Park Scoping/Delivery	30	-	-	30	-	-	-	30	-
Toilets Graytown Scoping/Delivery	20	-	-	20	-	-	-	20	-
Euroa RSL Clubroom Expansion - Construction Yr2	150	-	-	-	150	-	-	150	-
St. Johns - Kiss and Go facility on Bury St	36	-	-	-	36	-	-	36	-
Friendlies Reserve area Master Plan	25	-	-	-	25	-	-	25	-
Nagambie Boardwalk	351	351	-	-	-	175	51	125	-
Violet Town Men's Shed	18	-	-	18	-	-	-	18	-
Ruffy Community Centre Kitchen	30	-	-	30	-	-	-	30	-
Violet Town Bowls Club	7	-	7	-	-	-	-	7	-
Building Improvements									
Euroa Saleyards - PA System	50	50	-	-	-	-	-	50	-
Euroa Saleyards - Security System (cameras)	20	20	-	-	-	-	-	20	-
TOTAL PROPERTY	837	421	57	148	211	175	51	611	-
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Plant and Equipment	1,100	-	1,100	-	-	-	-	1,100	-
Fixtures, Fittings and Furniture									
Euroa Theatre Seating	60	-	60	-	-	30	-	30	-
Computers & Telecommunications									
ICT	255	-	255	-	-	-	-	255	-
TOTAL PLANT AND EQUIPMENT	1,415	-	1,415	-	-	30	-	1,385	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
INFRASTRUCTURE									
Roads									
Reseal Program	700	-	700	-	-	640	-	60	-
Shoulders Pavement Program	400	-	400	-	-	-	-	400	-
Rehabilitation Program	500	-	500	-	-	500	-	-	-
Gravel Road Resheeting Program	600	-	600	-	-	-	-	600	-
Fixing Country Roads Program	3,370	-	3,370	-	-	1,880	100	1,390	-
Kerb & Channel	50	-	50	-	-	-	-	50	-
Zero Class Roads Upgrade Program	400	-	-	400	-	-	-	400	-
Shelton Watson Street Corner - Design and Construct	190	-	-	190	-	-	-	190	-
Euroa Council Kirkland Ave Carpark - final seal & line marking	40	-	-	40	-	-	-	40	-
Euroa Tennis Club - Car Park Scoping	5	-	-	5	-	-	-	5	-
Project Management	250	-	-	-	250	-	-	250	-
Euroa Stacksites Clearing - Future Stockpiles of Filling Material	12	-	-	-	12	-	-	12	-
Infrastructure Fund	200	-	200	-	-	-	-	200	-
Bridges									
Bridges & Major Culverts									
Avenel - Hughes Creek low level crossing	250	250	-	-	-	-	-	250	-
Footpaths and Cycleways									
Footpaths	46	-	46	-	-	-	-	46	-
Walking Tracks	10	-	10	-	-	-	-	10	-
Watsons St/ Livingston St to Kindergarten north side -Avenel	22	22	-	-	-	-	-	22	-
Rowe Street - Garrett to Frost St subway entrance -Euroa	52	52	-	-	-	-	-	52	-
McGregor Ave - High St (GVHwy) to Tarquin St/Helena Court. (1.5m concrete)	71	71	-	-	-	-	-	71	-
Cowslip St from Hospital to IGA south side widen - V/Town	46	46	-	-	-	-	-	46	-
Footpath Nagambie	7	-	7	-	-	-	-	7	-
Drainage									
Pit & Pipe Replacement Program	60	-	60	-	-	-	-	60	-
Upgrade three existing retarding basins at McGregor Avenue with a pump system (solar).	50	-	-	50	-	-	-	50	-
Review 1 in 5 STAGE storm event of the existing stormwater pipe network.	40	-	-	40	-	-	-	40	-
Boundary Rd South Future Open Drain - Stage 2	100	-	-	100	-	-	-	100	-
Flood Protection Works	80	-	-	80	-	58	-	22	-
Ballantyne Rd Retention Basin design-Nagambie	76	76	-	-	-	-	-	76	-
Town centre outlet to Lake Nagambie.	60	60	-	-	-	-	-	60	-
Bank St Survey & Design -Avenel	50	50	-	-	-	-	-	50	-
Recreational, Leisure & Community Facilities									
Swimming Pool- Euroa	195	61	-	134	-	-	-	195	-
Swimming Pool-V/Town	187	137	-	50	-	-	-	187	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Parks, Open Space and Streetscapes									
Sporting Fields & Courts	10	-	10	-	-	-	-	10	-
Play Space	15	-	15	-	-	-	-	15	-
Open Space Amenities	10	-	10	-	-	-	-	10	-
Streetscapes	10	-	10	-	-	-	-	10	-
Bike Racks	20	-	20	-	-	-	-	20	-
Nagambie Recreation Reserve netball court	150	-	150	-	-	100	25	25	-
Nagambie Recreation Reserve Road seal/carpark	100	-	-	100	-	-	-	100	-
Town Entry Sign Upgrades	30	-	-	30	-	-	-	30	-
E Structure - Weir Gates - Flood Damage Prevention Measures	15	-	-	15	-	-	-	15	-
E Structure - Weir Gates - OHS Repairs and Maintenance Measures	20	-	-	20	-	-	-	20	-
Watering System Violet Town Recreation Reserve	40	-	-	40	-	-	-	40	-
Irrigation Nagambie	25	-	-	25	-	-	-	25	-
GT Building - Graytown Community Hub - Upgrade access ramp to meet appropriate standard/ Replace flashing and guttering	9	-	-	9	-	-	-	9	-
N Building - Nagambie Regatta Centre Conference Room Upgrades	43	-	-	43	-	-	-	43	-
Openspace /Play Recreation frame work - Nagambie	450	-	-	450	-	225	-	225	-
Play & Recreation- Violet Town	80	-	-	80	-	-	-	80	-
Memorial Oval Exercise stations	50	50	-	-	-	-	-	50	-
Graytown Solar panels	23	23	-	-	-	-	-	23	-
Nagambie Oval Upgrade additional funds	150	-	-	150	-	50	-	100	-
Pavilion additional funds (income -20 spend -80)	100	-	-	100	-	-	-	100	-
Strathbogie Rec Reserve Pizza Oven cover	3	3	-	-	-	-	-	3	-
TOTAL INFRASTRUCTURE	9,471	900	6,158	2,151	262	3,453	125	5,893	-
TOTAL NEW CAPITAL WORKS	11,723	1,321	7,630	2,299	473	3,658	176	7,889	-

4.5.3 Works carried forward from the 2018/19 year

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
300011 Nagambie Bowls Club - Carpet	120	-	120	-	-	-	-	120	-
350004 Nagambie High St Toilets	370	370	-	-	-	-	-	370	-
350005 Environmental solar power Civic Centre	45	45	-	-	-	-	-	45	-
350006 Euroa Civic Centre: Roof cladding Stage 2	80	-	80	-	-	-	-	80	-
350008 Euroa Visitor Info Centre	130	-	-	-	130	-	-	130	-
350009 Nagambie Recreation Reserve	170	-	-	170	-	70	-	100	-
350010 Violet Town Rec Reserve Football/Netball	127	-	127	-	-	-	-	127	-
350014 Building - Euroa Saleyards - Sprinkler System	10	10	-	-	-	-	-	10	-
350021 Nagambie Senior Citizens - Shade Sail	9	9	-	-	-	-	-	9	-
350027 Euroa Saleyards: Truck Wash relocation scoping	20	-	20	-	-	-	-	20	-
350028 Strathbogie Rec Res scope pavillion upgrade	9	-	-	9	-	-	-	9	-
TOTAL PROPERTY	1,090	434	347	179	130	70	-	1,020	-
PLANT AND EQUIPMENT									
Computers and Telecommunications									
370003 Hardware Replacement Program	190	-	190	-	-	-	-	190	-
TOTAL PLANT AND EQUIPMENT	190	-	190	-	-	-	-	190	-



	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
INFRASTRUCTURE									
Roads									
300008 Nagambie Streetscape - furniture	13		13					13	
330006 Birkett St Railway Pedestrian Crossing	189			189				189	
330009 Ewings/Livingstone	7	7						7	
330015 Town Entry Signs Nagambie	30		30					30	
330040 Avenel Primary School scope parking solution	10	10						10	
320006 Clifton St - Kirkland Ave to Binney St	26		26					26	
320007 Gobur St - from Turnbull St	25		25					25	
Bridges									
300009 Friendlies Reserve to Memorial Oval	395	395				200		195	
310009 Moormbool Road - Bridge No. 134 (Replace)	100		100					100	
310012 Wattlevale Road - Bridge No. 74	100		100					100	
310014 Harrys Creek Rd @ Ch 4.705: Culvert 349	63		63					63	
310016 Tarcombe Road - Major Culvert No. 497	20		20					20	
310017 Upton Rd: Concrete lining Culvert 505	17		17					17	
320033 Pedestrian Bridge Design	6	6						6	
320034 Avenel Pedestrian Footbridge	4	4						4	
Footpaths and Cycleways									
320011 Access to Balmttum Hill track	20	-	20	-				20	
Drainage									
320005 Create Easements for Flood Levees	15	15						15	
320016 Scobie Street Catchment - Construct open drain	20	20						20	
320018 Boundary Rd South Future Open Drain	38	38						38	
320019 Pit & Pipe Replacement Program	40		40					40	
320021 Flood Investigation Outcomes	10			10				10	
320025 Euroa - Augment Castle Creek Levee	143			143		120		23	
320029 Nagambie Industrial Area Scoping & Drainage	68	68						68	
320030 Small Towns Wastewater Management Plan	10		10					10	
320031 Stormwater Drain Survey	15		15					15	
320032 Nagambie Waste Management Scheme	20		20					20	
320036 Town Maintenance Do not use Operational	12		12					12	
Recreational, Leisure & Community Facilities									
300005 Shadforth Reserve Master Plan	40			40				40	
300006 Nagambie Rec Reserve: Irrigation Supply	60	60						60	
300013 Friendlies Reserve Development	67			67		10	60	3	
300020 Artwork Nagambie Water Tower	20	20						20	
300022 Nagambie Bowls Club - contribution to new green	15			15				15	
300024 Active Program	20	20						20	
300028 Tree Management Projects	15		15					15	
TOTAL INFRASTRUCTURE	1,652	663	526	463	-	330	60	1,262	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2018/19	2,932	1,097	1,063	642	130	400	60	2,472	-

G16 5. Financial performance indicators

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

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-6.30%	1.60%	1.80%	5.80%	4.90%	5.80%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	278.10%	255.50%	132.00%	114.70%	115.40%	114.30%	o
Unrestricted cash	Unrestricted cash / current liabilities	3	138.10%	211.30%	85.90%	67.90%	68.90%	66.60%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	3.70%	1.90%	1.20%	1.00%	0.70%	0.40%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.10%	0.90%	0.70%	0.20%	0.20%	0.20%	+
Indebtedness	Non-current liabilities / own source revenue		30.10%	24.00%	19.50%	14.20%	9.70%	5.60%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	147.90%	162.60%	177.60%	100.90%	100.50%	112.50%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	62.20%	67.50%	69.10%	66.70%	68.10%	67.60%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.60%	0.70%	0.70%	0.70%	0.70%	0.70%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$3,814	\$3,690	\$3,707	\$3,781	\$3,857	\$3,934	+
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,672	\$1,712	\$1,739	\$1,767	\$1,796	\$1,796	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		%	%	%	%	%	%	+

Key to Forecast Trend:

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



A small, handwritten mark or signature located in the bottom-left corner of the page. It consists of a few loops and a trailing line, possibly representing a stylized letter or a personal mark.

Budget 2019/2020 - Council Fees	Fee Unit	GST Applicable	2018/19	2019/20		Comments
			Current Fees (Post GST) Rounded	Proposed Fee (Post GST) Rounded	% Increase 2019/20 (Post GST)	
Euroa Cinema						
Single Ticket	1 ticket	Yes	10.00	10.00	0.00%	
Cinema hire fee - half day or evening	session	Yes	205.00	211.00	2.93%	
Swimming Pools						
Family	Season	Yes	89.00	92.00	3.37%	
Adult	Season	Yes	59.00	61.00	3.39%	
Child	Season	Yes	39.00	40.00	2.56%	
Adult	Day	Yes	5.00	5.00	0.00%	
Child	Day	Yes	4.00	4.00	0.00%	
Fire Prevention						
Admin fee for Fire Infringement notice or arrangement of cleanup of properties		Yes	110.00	113.00	2.73%	
Tip/Transfer Station Fees						
Commercial Garbage (Residents)	m3	Yes	57.00	59.00	3.51%	To be reviewed in exhibition period
Commercial Garbage (Non - Residents)	m3	Yes	104.00	107.00	2.88%	To be reviewed in exhibition period
Domestic Garbage (Residents)	m3	Yes	36.00	37.00	2.78%	To be reviewed in exhibition period
Domestic Garbage (Non - Residents)	m3	Yes	72.00	74.00	2.78%	To be reviewed in exhibition period
Greenwaste (Residents)	m3	Yes	18.00	18.00	0.00%	To be reviewed in exhibition period
Greenwaste (Non-Residents)	m3	Yes	23.00	23.00	0.00%	To be reviewed in exhibition period
Whitegoods (Requiring degassing)	unit	Yes	9.00	10.00	11.11%	To be reviewed in exhibition period
Mattresses/Mattress Bases (all sizes) (Residents)	unit	Yes	22.00	23.00	4.55%	To be reviewed in exhibition period
Mattresses/Mattress Bases (all sizes) (Non-Residents)	unit	Yes	44.00	45.00	2.27%	To be reviewed in exhibition period
Tyres - Car (Residents)	unit	Yes	5.00	5.00	0.00%	To be reviewed in exhibition period
Tyres - Car (Non-Residents)	unit	Yes	10.00	11.00	10.00%	To be reviewed in exhibition period
Tyres - Light Truck/4WD (Residents)	unit	Yes	12.00	13.00	8.33%	To be reviewed in exhibition period
Tyres - Light Truck/4WD (Non-Residents)	unit	Yes	18.00	18.00	0.00%	To be reviewed in exhibition period
Tyres - Heavy Truck (Residents)	unit	Yes	27.00	28.00	3.70%	To be reviewed in exhibition period
Tyres - Heavy Truck (Non-Residents)	unit	Yes	32.00	33.00	3.13%	To be reviewed in exhibition period
Tyres - Tractor (Residents)	unit	Yes	68.00	70.00	2.94%	To be reviewed in exhibition period
Tyres - Tractor (Non-Residents)	unit	Yes	78.00	81.00	3.85%	To be reviewed in exhibition period
Tyres - Earthmoving (Residents)	unit	Yes	160.00	164.00	2.50%	To be reviewed in exhibition period
Tyres - Earthmoving (Non-Residents)	unit	Yes	191.00	196.00	2.62%	To be reviewed in exhibition period
Co-mingled Recyclables - Residential (Residents)	m3		No charge	No charge		To be reviewed in exhibition period
Co-mingled Recyclables - Residential (Non-Residents)	m3	Yes	7.00	8.00	14.29%	To be reviewed in exhibition period
Co-mingled Recyclables -Commercial/Business (Residents)	m3	Yes	5.00	5.00	0.00%	To be reviewed in exhibition period
Co-mingled Recyclables -Commercial/Business (Non-Residents)	m3	Yes	10.00	11.00	10.00%	To be reviewed in exhibition period
Gas Bottles (<9kg) (Residents)	unit	Yes	8.00	8.00	0.00%	To be reviewed in exhibition period
Gas Bottles (<9kg) (Non-Residents)	unit	Yes	12.00	13.00	8.33%	To be reviewed in exhibition period
Gas Bottles (9kg) (Residents)	unit	Yes	10.00	11.00	10.00%	To be reviewed in exhibition period
Gas Bottles (9kg) (Non-Residents)	unit	Yes	18.00	18.00	0.00%	To be reviewed in exhibition period
Gas Bottles (>9kg) (Residents)	unit	Yes	19.00	19.00	0.00%	To be reviewed in exhibition period
Gas Bottles (>9kg) (Non-Residents)	unit	Yes	27.00	28.00	3.70%	To be reviewed in exhibition period
TVs/Computers	unit	Yes	No charge	No charge		To be reviewed in exhibition period
Soft Furnishings (couches, sofas, armchairs) (Residents)	unit	Yes	25.00	26.00	4.00%	To be reviewed in exhibition period
Soft Furnishings (couches, sofas, armchairs) (Non-Residents)	unit	Yes	50.00	51.00	2.00%	To be reviewed in exhibition period
Building Fees						
Domestic Building Works:						
New Dwellings up to \$180,000	app'n	No	2,782.00	2,866.00	3.02%	
New Dwellings Over \$180,000	app'n	No	3,073.00	3,165.00	2.99%	
Additions to Dwelling, Garage, Decks, Pergolas, Fencing, Masts etc. \$0 - \$30,000	app'n	No	869.00	895.00	2.99%	
Additions Over \$30,000 to \$180,000	app'n	No	1,275.00	1,313.00	2.98%	
Industrial / Commercial						
Minor Works to \$10,000	app'n	No	2,098.00	2,161.00	3.00%	CPI increase OK. The charge needs to increase by 3% to \$2160
Minor Works \$10,000 to \$30,000 (Cost of works x 0.0145+\$2,000)	app'n					
Building Works \$30,000 to \$500,000 (Cost of works x0.0145+\$2,000)	app'n					
Building Works Above \$500,000 (POA)	app'n					
Service Fees						
Building Permit Extension Class 1	app'n	No	208.00	214.00	2.88%	
Building Permit Extension Class 10	app'n	No	116.00	119.00	2.59%	
Essential Safety Measures Report per hour (Minimum 2 hour charge)	hour	No	185.00	191.00	3.24%	
Occupancy Inspection per hour (Minimum 2 hour charge)	hour	No	185.00	191.00	3.24%	
Building Permit Amendments per hour (Minimum 2 hour charge)	hour	No	185.00	191.00	3.24%	
Preparation of Reports per hour (Minimum 2 hour charge)	hour	No	185.00	191.00	3.24%	
P.O.P.E. Places Of Public Entertainment Approval	app'n	No	1,688.00	1,739.00	3.02%	
P.O.P.E. Siting MBS approvals (Min 2 hours)	hour	No	185.00	191.00	3.24%	
Road Opening Permit Fees						
Vehicle Crossing	Permit	No	130.00	134.00	3.08%	
Other Road Openings - per Regulations						
Permit for removal of fallen timber	Permit	No	10.00	10.00	0.00%	
Service Connections/Other	Permit	No	84.00	87.00	3.57%	
Domestic Animal Registration Fees						
Entire dog or cat (maximum fee under Domestic Animals Act 1994)	Animal	No	180.00	186.00	3.33%	
Concession fee entire dog or cat (50% discount as per Domestic Animals Act 1994)	Animal	No		93.00		50% discount as per the Act

Budget 2019/2020 - Council Fees	Fee Unit	GST Applicable	2018/19	2019/20		Comments
			Current Fees (Post GST) Rounded	Proposed Fee (Post GST) Rounded	% Increase 2019/20 (Post GST)	
Reduced fee dogs (defined by the Domestic Animals Act 1994) - desexed, dog over 10 years old, dog kept for breeding by the proprietor of a domestic animal business conducted on a registered premises, dog registered with an applicable organisation, dog that has undergone obedience training with a registered organisation, dog kept for working stock, desexed dog continuously registered with Council prior to April 2013	Animal	no	41.00	41.00	0.00%	
Concession fee dogs - desexed, dog over 10 years old, dog kept for breeding by the proprietor of a domestic animal business conducted on a registered premises, dog registered with an applicable organisation, dog that has undergone obedience training with a registered organisation, dog kept for working stock, desexed dog continuously registered with Council prior to April 2013	Animal	no	20.00	20.00	0.00%	50% discount as per the Act
Reduced fee cats (defined by the Domestic Animals Act) - desexed cat, cat over 10 years old, Cat kept for breeding by the proprietor of a domestic animal business conducted on a registered premises, cat registered with an applicable organisation, desexed cat that has been continuously registered with Council prior to April 2013	Animal	no	41.00	41.00	0.00%	
Concession fee cats - desexed cat, cat over 10 years old, cat kept for breeding by the proprietor of a domestic animal business conducted on a registered premises, cat registered with an applicable organisation, desexed cat that has been continuously registered with Council prior to April 2013	Animal	no	20.00	20.00	0.00%	50% discount as per the Act
Entire dog or cat first registered with Council prior to April 2013	Animal	no		93.00		
Concession entire dog or cat first registered with Council prior to 2013	Animal	no		46.00		50% discount as per the Act
Declared dangerous, menacing or restricted breed dogs (no concession available under the Domestic Animals Act 1994)	Animal	No	361.00	372.00	3.05%	
Declared Dogs-property inspection fee for dangerous, menacing or restricted breed	Per hour	No	52.00	53.00	1.92%	This needs to be a per hour fee not a per event fee given that travel time and report writing is also required
Pro rata registration fee for dogs or cats - calculated using the portion of the year for which the animal is registered using the applicable fee outlined above	Animal					This new fee encourages people to register their animals throughout the year and the Domestic Animals Act enables Council to set pro rata fees.
Replacement registration tag	Animal	No				We now issue lifelong tags and so need a replacement fee - other Councils set this fee
Pound Fees						
Sustenance fee - Domestic Animals (Dogs/Cats)	Day	No	21.00	21.00	0.00%	
Domestic Animal - Administration Fee (Accounting/Advertising/Release etc)	Animal	No	129.00	133.00	3.10%	
Domestic Animals - After Hours Collection Fee when impounded	Collection	No	129.00	133.00	3.10%	
Sustenance fee- Sheep	Head/Day	No	7.00	7.00	0.00%	
Sustenance fee - Cattle	Head/Day	No	21.00	21.00	0.00%	
Sustenance fee - horses	Head/Day	No	21.00	21.00	0.00%	
Sustenance fee - Stallions and Bulls	Head/Day	No	72.00	74.00	2.78%	
Sustenance fee - other animals	Head/Day	No	21.00	21.00	0.00%	
Livestock - Administration Fee (Accounting/Advertising/Release etc)	per event	No	129.00	133.00	3.10%	
Impound/Call Out Fees						
After hours staff impound/Call out fee	per collection	No	124.00	127.00	2.42%	This fee is applicable when people wish to recover their impounded stock out of normal business hours
Transport fee	per collection					We do not have our own stock transport vehicle and it is important we recover this cost, which is based on benchmarking of Councils in the North East
Surrender of Animals						
All animals surrendered to be euthanased	Animal	No	92.00	25.00	-72.83%	This fee is commensurate with other councils in the region and encourages people to surrender their animal rather than mistreat it or dump it.
Animals surrendered for rehoming	Animal	No	92.00	25.00	-72.83%	This fee is commensurate with other councils in the region and encourages people to surrender their animal rather than mistreat it or dump it.
Other Fees						
Vet Fees (all animals)	Animal	Yes				Needs to say At Cost
Domestic Animal Business						
Registration or Renewal		No	247.00	254.00	2.83%	OK
Additional Inspections		No	119.00	122.00	2.52%	OK
New Business Establishment Fee		No	247.00	254.00	2.83%	OK

Budget 2019/2020 - Council Fees	Fee Unit	GST Applicable	2018/19	2019/20		Comments
			Current Fees (Post GST) Rounded	Proposed Fee (Post GST) Rounded	% Increase 2019/20 (Post GST)	
Local Laws - Permits						
Roadside Fire collection	Permit	No	15.00	16.00	6.67%	OK
Permit to graze livestock by resident owner	Permit	No	41.00	42.00	2.44%	OK
Other Permits (Administration Fee)	Permit	No	82.00	85.00	3.66%	OK
Annual Permits, including single item street trading	Permit	No	82.00	85.00	3.66%	OK
Annual Permits for multiple use in street trading	Permit	No	133.00	137.00	3.01%	OK
Impounded Vehicles						
Impounded vehicle reclaim	per vehicle	No	206.00	212.00	2.91%	
Local Laws - Impounded Vehicles						
Towing fee recovery	per vehicle					We need this charge in case we need to hire a tow truck to remove a vehicle for impounding
Salvards						
Agents Yard Fee for sale days (cattle sold per head) or		Yes	0.36	0.37	2.78%	
Fee per sale (whichever is greater)		Yes	370.00	382.00	3.24%	
NLIS Tags		Yes	62.00	64.00	3.23%	
Weighings		Yes	4.90	5.00	2.04%	
Scanning		Yes	3.00	3.10	3.33%	
Sheep		Yes	0.30	0.30	0.00%	
Horse		Yes	6.80	7.00	2.94%	
Alpaca		Yes	6.80	7.00	2.94%	
Llama		Yes	6.80	7.00	2.94%	
Truck wash		Yes	1.90	2.00	5.26%	
Fees Associated with Sales						
Sale day		Yes	10.50	10.80	2.86%	
Day after Sale day (before 5.00pm)		Yes	10.50	10.80	2.86%	
Use of yards as a trans-shipment point (max. 12hours)		Yes	268.00	276.00	2.99%	
Single Truck Operators		Yes	134.00	138.00	2.99%	
Health Fees						
Food Premises						
Class 1 Food Premises (includes one routine inspection and audit)	Permit	No	530.00	546.00	3.02%	OK
- Additional fees for late registration (add 50% of scheduled fee)		No	265.00	273.00	3.02%	OK
Class 2a Food Premises (includes one routine inspection and compliance check)	Permit	No	530.00	546.00	3.02%	Should read Class 2a
- Additional fees for late registration (add 50% of scheduled fee)		No	265.00	273.00	3.02%	OK
Class 2b with 3rd party FSP (includes one routine inspection and compliance check)	Permit	No	530.00	546.00	3.02%	Should read Class 2b
- Additional fees for late registration (add 50% of scheduled fee)		No	265.00	273.00	3.02%	OK
Class 3 Food Premises (includes one routine inspection)	Permit	No	232.00	239.00	3.02%	OK
- Additional fees for late registration (add 50% of scheduled fee)		No	116.00	119.00	2.59%	OK
New Business Establishment Fee	Permit	No	50% Sched	50% Sched		OK
Sporting Clubs/Community Groups (not for profit)	Permit	No	52.00	53.00	1.92%	OK
Food vehicle						
Class 2	Permit	No	299.00	308.00	3.01%	OK
Class 3	Permit	No	186.00	191.00	2.69%	OK
Temporary Food Stall						
Single event						
Class 2	Permit	No	128.00	132.00	3.13%	OK
Class 3	Permit	No	72.00	74.00	2.78%	OK
Single event for Sporting Clubs/Community Groups (not for profit) registered in Starthbogie	Permit	No	52.00	53.00	1.92%	OK
Annual Fee						
Class 2	Permit	No	232.00	239.00	3.02%	OK
Class 3	Permit	No	116.00	119.00	2.59%	OK
Class 4 (sausage sizzles etc, for fund raising)	Permit	No				
Food stall for Sporting Clubs/Community Groups (not for profit)	Permit	No	52.00	53.00	1.92%	OK
Submission of plans						
Application fee for submission of plans (50% of applicable registration fee)		No	25% Sched Fee	25% Sched Fee		OK
Inspections						
Additional inspections (all categories)	Each	No	117.00	120.00	2.56%	OK
Transfer of ownership inspection fee	Each	No	117.00	120.00	2.56%	OK
Priority inspection request (within 5 days)	Each	No	175.00	180.00	2.86%	OK
Urgent inspection request (within 48 hrs)	Each	No	304.00	313.00	2.96%	OK
Public Health & Wellbeing Act Premises						
Beauty parlours, skin penetration or similar	Permit	No	165.00	170.00	3.03%	OK
Allied Health and Alternative Therapy including Massage Therapy and Acupuncture, etc		No	165.00	170.00	3.03%	OK
Prescribed Accommodation (no kitchen)	Permit	No	206.00	212.00	2.91%	OK
New Business Establishment Fee		No	50% Sched	50% Sched		OK
Transfer of ownership fees						
Food Premises Class 1, 2a, 2b or 3 premises - 50% of applicable registration fee	per transfer	No				50% of total registration fee - this has been charged in the past
Public Health & Wellbeing Act premises - 50% of applicable registration fee	per transfer	No				50% of total registration fee - this has been charged in the past

Budget 2019/2020 - Council Fees	Fee Unit	GST Applicable	2018/19	2019/20		Comments
			Current Fees (Post GST) Rounded	Proposed Fee (Post GST) Rounded	% Increase 2019/20 (Post GST)	
Septic Tank Application Fees						
New Installation	Permit	No	407.00	419.00	2.95%	OK
Alteration to existing system	Permit	No	206.00	212.00	2.91%	OK
Significant variation to initial application	per application	No		205.00		Based on benchmarking of Councils in the North East
Extension of life of permit to install	per application	No		215.00		Based on benchmarking of Councils in the North East
Land Capability Assessment review (up to 2 lots)	per application	No		195.00		Based on benchmarking of Councils in the North East
Additional fee for Land Capability Assessment review for every lot > 2 lots (in addition to the fee for review of 2 lots)	per additional lot	No		20.00		Based on cost of EHO's time and complexity of task
Caravan Parks and Moveable Dwelling fees						
Council is required to set fees for caravan parks/moveable dwelling parks by legislation. Schedule 2 limits the maximum fees Council can charge. The fees here are benchmarked against Mansfield Shire. For 2018/19 the fee unit for Victoria is \$14.45						
Up to 25 sites - 17 fee units	Unit	No		246.00		
26 - 50 sites - 34 fee units	Unit	No		491.00		
51 to 100 sites - 68 fee units	Unit	No		983.00		
101 to 150 sites - 100 fee units	Unit	No		1,445.00		
151 - 200 sites - 120 fee units	Unit	No		1,734.00		
Transfer of ownership of caravan park	per transfer	No		71.00		
Boat Ramp Fees						
Boat Ramp	Day	Yes	12.00	12.00	0.00%	OK
Boat Ramp Residents	Annum	Yes	81.00	83.00	2.47%	OK
Boat Ramp Non-Residents	Annum	Yes	132.00	136.00	3.03%	OK
Regatta Centre Building						
Downstairs Function area - no staff - 1/2 day hire (4 hours)	1/2 Day	Yes	75.00	77.00	2.67%	
Downstairs Function area - no staff - full day hire (8 hours)	Full Day	Yes	173.00	178.00	2.89%	
Upstairs Conference area - no staff - 1/2 Day hire (4 hours)	1/2 Day	Yes	75.00	77.00	2.67%	
Upstairs Conference area - no staff - Full Day hire (8 hours)	Full Day	Yes	173.00	178.00	2.89%	
Kitchen - commercial (if selling) - 1/2 Day hire (4 hours)	1/2 Day	Yes	124.00	128.00	3.23%	
Kitchen - commercial (if selling) - Full Day hire (8 hours)	Full Day	Yes	248.00	255.00	2.82%	
Kitchen - private function 1/2 Day Hire (4 hours)	1/2 Day	Yes	63.00	64.00	1.59%	
Kitchen - private function Full Day Hire (8 hours)	Full Day	Yes	124.00	128.00	3.23%	
Boatshed - showers & toilets - 1/2 Day (4 hours)	1/2 Day	Yes	63.00	64.00	1.59%	
Boatshed - showers & toilets - Full Day (8 hours)	Full Day	Yes	124.00	128.00	3.23%	
Entire Regatta Centre Building not including kitchen - no staff - 1/2 Day hire (4 hrs)	1/2 Day	Yes	198.00	204.00	3.03%	
Entire Regatta Centre Building not including kitchen - no staff- Full Day hire (8 hrs)	Full Day	Yes	397.00	409.00	3.02%	
Peninsular - 1/2 Day hire (4 hours)	1/2 Day	Yes	495.00	510.00	3.03%	
Peninsular - Full Day hire (8 hours)	Full Day	Yes	990.00	1,020.00	3.03%	
Training Camps - Groups of 50 or less	Day	Yes	63.00	64.00	1.59%	
Training Camps - Groups of more than 51	Day	Yes	124.00	128.00	3.23%	
Entire Venue - no staff - Full Day hire (8 hours)	Day	Yes	1,700.00	1,750.00	2.94%	
Extra Toilet Facilities	Day	Yes	453.00	467.00	3.09%	
Tourist Attraction Signage						
4' Standard Name Blade	Sign	Yes	204.00	210.00	2.94%	
Other sizes	Sign					
Official Visitor Guide (OVG) Advertising						
1/4 Page	Advertisement	Yes	322.00	332.00	3.11%	
1/2 Page	Advertisement	Yes	541.00	557.00	2.96%	
Full Page	Advertisement	Yes	978.00	1,007.00	2.97%	
Back Cover	Advertisement	Yes	1,415.00	1,458.00	3.04%	
Inside Back Cover	Advertisement	Yes	1,197.00	1,232.00	2.92%	
The following fees and charges are provided for information only. They are determined by regulation not by Council.						
Consent Application						
Building over Easement Report & Consent			262.10	262.10		Delete - If other statutory fees are not listed (eg Planning fees) then these should be deleted to ensure consistency. These fees also change throughout the year.
Variation to Part 4 of the Building Regs Report & Consent			262.10	262.10		Delete - If other statutory fees are not listed (eg Planning fees) then these should be deleted to ensure consistency. These fees also change throughout the year.
Hoarding Report & Consent (Public Protection)			262.10	262.10		Delete - If other statutory fees are not listed (eg Planning fees) then these should be deleted to ensure consistency. These fees also change throughout the year.
Flood Approval Report & Consent			262.10	262.10		Delete - If other statutory fees are not listed (eg Planning fees) then these should be deleted to ensure consistency. These fees also change throughout the year.

Budget 2019/2020 - Council Fees	Fee Unit	GST Applicable	2018/19	2019/20		Comments
			Current Fees (Post GST) Rounded	Proposed Fee (Post GST) Rounded	% Increase 2019/20 (Post GST)	
Building Search Certification Reg 326(1) (Permits/Certificates details, notices & orders)			52.20	52.20		Delete - If other statutory fees are not listed (eg Planning fees) then these should be deleted to ensure consistency. These fees also change throughout the year.
Building Search Certification Reg 326(2) (Flood, Termite, Snowfall & Designated Land)			52.20	52.20		Delete - If other statutory fees are not listed (eg Planning fees) then these should be deleted to ensure consistency. These fees also change throughout the year.
Building Search Certification Reg 326(3) (Approved dates for mandatory notification stages)			52.20	52.20		Delete - If other statutory fees are not listed (eg Planning fees) then these should be deleted to ensure consistency. These fees also change throughout the year.
Building Permit Lodgement Fee						
Miscellaneous Fees						
Stormwater Discharge			65.40	65.40		
Demolition Approval			65.40	65.40		
Land Information Certificate						
Statutory fee per Regulations			25.90	25.90		
Freedom of Information						
Application Fee			28.40	28.40		
Search time			21.30	21.30		
Photocopying			0.20	0.20		
Supervised viewing			5.30	5.30		
Permit file retrieval						
Initial search fee - Electronic file retrieval	per file					Based on the 2017/18 fee plus 6% inflation for 2 years
Initial search fee - hard copy file retrieval	per file					Based on the amount of work required to retrieve files from archives and then scan hard copies to create electronic documents (councils from NE used as benchmark - this is roughly a median charge)
plus scan of 1 - 50 hardcopy pages (A4 or A3) to electronic format	per page					Based on the 2017/18 fee plus 6% inflation for 2 years
plus scan of 51 - 100 hardcopy pages (A4 or A3) to electronic format	per page					Based on the 2017/18 fee plus 6% inflation for 2 years
plus scan of larger than A3 hardcopy pages to electronic format	per page					Based on the 2017/18 fee plus 6% inflation for 2 years

Q