



STRATHBOGIE SHIRE COUNCIL

MINUTES OF A SPECIAL MEETING OF THE STRATHBOGIE SHIRE COUNCIL HELD ON TUESDAY 14 JULY 2020 AT THE EUROA COMMUNITY CONFERENCE CENTRE COMMENCING AT 5.19 P.M.

Chair:	Amanda McClaren (Mayor)	<i>(Lake Nagambie Ward)</i>
Councillors:	Robert Gardner	<i>(Lake Nagambie Ward)</i>
	Malcolm Little	<i>(Hughes Creek Ward)</i>
	John Mason	<i>(Seven Creeks Ward)</i>
	Chris Raeburn	<i>(Honeysuckle Creek Ward)</i>
	Alistair Thomson	<i>(Mount Wombat Ward)</i>
	Graeme Williams OAM	<i>(Seven Creeks Ward)</i>
Officers:	Julie Salomon	Chief Executive Officer (CEO)
	Phil Howard	Director, Community and Planning (DCP)
	David Roff	Director, Corporate Operations (DCO)
	Dawn Bray	Executive Manager, Governance and Customer Service (EMGCS)
	Kristin Favaloro	Executive Manager, Communications and Engagement (EMCE)

Until further notice, all meetings conducted by Strathbogie Shire Council will be virtually, using Zoom, and live streamed on our website at www.strathbogie.vic.gov.au. This ensures we are meeting the Victorian Government's social distancing requirements to slow the spread of coronavirus (COVID-19) and help keep our communities safe

We encourage all community members to watch the meeting online, given we have had to close the public gallery until further notice following legal advice around how to comply with COVID-19 social distancing rules.

A handwritten signature in black ink, located in the bottom right corner of the page.

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

Nil
4. Disclosure of Interests

Nil (*Please note: The Chair declared an Interest in Item 6.7.2 during the course of the meeting, as noted during discussion of the matter under consideration*)
5. Petitions

Nil
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
8. Closure of Meeting to the Public
9. Confirmation of 'Closed Portion' Decision/s

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

Council does not generally permit individuals to make audio recordings of meetings. Individuals are required to make a written request addressed to the Council (Director, Corporate Operations) should they seek to obtain permission to do so.

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6. REPORTS

6.7 ORGANISATION

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021

Responsible Director: Director Corporate Operations

EXECUTIVE 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 2021.

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.

Ninety-one submissions to the draft Budget were received - a summary (Schedule 6) is attached and these have been considered by Council. Of these submissions 54 were in relation to the proposed rate increase, which Council will respond to in considering the Budget.

As a result of the remainder of the submissions, a number of amendments to the advertised budget have been made and will be responded to individually. Some submissions have been addressed in future years.. Recent receipt of Government funding has assisted in funding some of these initiatives.

As a result of submissions, the following changes have been made to the 2020/21 Draft Budget

Item	Capital Expense
Scoping construction of Wattlevale Road	75,000
Essential repairs to Violet Town netball courts (Grant funded)	300,000
Provision for scoping of Rockies Bridge (scope 2020/21 build 2021/22)	(300,000)
Installation of dump points in Violet Town and Nagambie	10,000
Upgrade to Violet Town Recreation infrastructure to assist hosting of market and other functions (Grant funded)	84,000
Solar system for Longwood Community Centre (Grant funded)	42,000
Completion of footpath Strathbogie and Spring Creek pavilion picnic area (Grant funded)	50,000
Footpath – Anderson Street ~ Scobie to Atkins Street	35,000
TOTAL	296,000

Further amendments have been necessitated by:

- changed circumstances following the budget advertising
- expected 2019/20 carryovers,
- receipt of advice of significant capital and operating grants after advertising of the Draft Budget.
- Review of capital budget

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

A summary of amendments is provided below:

Reconciliation of Advertised Budget to Adopted Budget	Operating Result 2020/21 \$000	Capital Expenditure 2020/21 \$000	Cash In/(Outflow) 2020/21 \$000
Advertised Budget	2,380	14,873	(904)
<u>Comprehensive Income Statement</u>			
Rate reduction	(348)		(348)
Working for Victoria grant	2,020		(1,618)
Community Infrastructure grant	1,440		1,440
IT grant	100		100
Delay in fleet replacement sale proceeds	(515)		-
Working for Victoria salary cost	(1,673)		(1,673)
Increase in material & services	(36)		(36)
Capital Works Statement			
Carry forward from 2019/20		533	586
Swimming pool works		121	133
Longwood Community Centre Solar		42	46
Euroa Historical Society Store room		(5)	(6)
Nagambie Tennis Club Kitchen		(20)	(22)
Health Centre - Repair brick column Structure		(6)	(7)
Ruffy Recreation Reserve - External/internal paint		(6)	(7)
Violet Town Rec Reserve - pavilion replace carpet		(18)	(20)
Violet Town Community Centre-Meeting room		(23)	(25)
Euroa Friendlies Oval - Accessible toilet		(30)	(33)
Toilets Violet Town Lions Park		(75)	(83)
Toilets Avenel - Stewart Park		(30)	(33)
Balmattum hall paint		(10)	(11)
New water tank Euroa depot		(20)	(22)
Water infrastructure		(120)	(132)
Fleet replacement		515	567
Website upgrade		170	187
Zero Class Roads Upgrade Program		(112)	(123)
Roads Improvements		(389)	(428)
Footpaths & walking tracks		(56)	(62)
Rockies pedestrian footbridge		(350)	(385)
Ewings Livingston Intersection		187	206
Unallocated		164	180
Dump points Violet Town and Nagambie		10	11
Avenel - Hughes Creek low level crossing (New)		50	55
Unallocated - Infrastructure Fund		300	330
Stormwater drain surveys		75	83
Wattlevale Road Council contribution		75	83
Walking Tracks		10	11
Strathbogie Footpath		25	28
Footpath Anderson Street Scoble to Atkins		35	39
Footpaths		46	51
Rockies Pedestrian Footbridge (New)		50	55
Footpaths		(81)	(89)
Drainage upgrade		(133)	(146)
Project management		400	440
Strathbogie Rec Reserve amenities building		250	275
Violet Town Netball and Multi purpose courts		300	330
Violet Town Recreation Reserve Market infrastructure		84	92
Strathbogie Picnic Shelter		25	28
Streetscapes		600	660
Euroa Leash free area		25	28
Memorial Oval Netball Court Repairs		40	44
Shadforth Reserve Master Plan		40	44
Nagambie Foreshore Walk		351	386
Euroa swimming pool seating around trees		8	9
Nagambie Splash Park		50	55
Ruffy Recreation Reserve - Front veranda		(8)	(9)
Violet Town Community (Hall)		(22)	(24)
Strathbogie Forlonge memorial road		(14)	(15)
Play & recreation		(100)	(110)
Avenel aquatic facility		(121)	(133)
Nagambie aquatic facility		(1,320)	(1,452)
Ruffy Recreation Reserve - Facility		(6)	(7)
Nagambie Rec Reserve Picnic tables		(6)	(7)
Strathbogie Rec Reserve amenities		(250)	(275)
Whroovale Estate Nagambie Stage 1		(60)	(66)
Boardwalk		(351)	(386)
Euroa Cinema Seating		(100)	(110)
Nagambie High Street Toilets		(100)	(110)
Euroa swimming pool seating around trees		(8)	(9)
GSt adjustments			(110)
Net increase / (decrease)	988	631	(1,551)
Adopted Budget	3,368	15,504	(2,455)

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

In accordance with Section 130 of the Local Government Act 1989, Council is normally required to adopt the budget by 30 June 2020, and give public notice of its decision. In April 2020, the State Government advised that in view of Councils needing to respond to the coronavirus pandemic, the date for adoption had been extended 31 August 2020.

A copy of the adopted Strathbogie Shire Council 2020/21 Budget will be appended to the Minutes of the meeting for identification purposes.

MOVED COUNCILLOR MASON, SECONDED COUNCILLOR RAEBURN

1. That the budget, as amended, for the year ending 30 June 2021, be adopted.
2. That the Rates and Charges for the year ending 30 June 2021 be declared in accordance with the following recommendations:

1. **Amount Intended To Be Raised**

An amount of \$19,942,072 (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	17,116,373
Environmental Levy	198,931
Annual Service Charges	2,626,768
	19,942,072

2. **General Rates**

- 2.1 A general rate be declared in respect of the 2020/21 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.

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

Farm Land

Any land zoned Farming under the Strathbogrie 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	0.50682% (or 0.0050682 cents in the dollar of the Capital Improved Value)
Vacant Residential Land	0.88694% (or 0.0088694 cents in the dollar of the Capital Improved Value)
Farm Land	0.40546% (or 0.0040546 cents in the dollar of the Capital Improved Value)
Commercial / Industrial Land	0.60818% (or 0.0060818 cents in the dollar of the Capital Improved Value)
Vacant Commercial/Industrial Land	1.06432% (or 0.0106432 cents in the dollar of the Capital Improved Value)

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (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 No Municipal charge be declared in respect of the 2020/21 Financial Year.

4. Annual Service Charge

4.1 An annual service charge be declared in respect of the 2020/21 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:

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

4.3.1 for the collection and disposal of recyclables, \$181 per annum;

4.3.2 for the collection and disposal of waste and organics (80 litre or 120 litre bins), \$383 per annum; and

4.3.3 for the collection and disposal of waste and organics (240 litre bins), \$765 per annum.

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

1.4 An annual service charge be declared for a Roadside Tree Management Program, \$29 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.

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.

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. The current agreement expires at the end of the 2020/21 Financial Year.

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.

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

First Home Buyers Rebate

It be recorded that Council intends to grant a rebate of two years general 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 to be provided
- Council will excuse the general rates 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.

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:

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 Director Corporate Operations be authorised to levy and recover the general rates and annual service charge in accordance with the *Local Government Act 1989*.

8. That Fees and Charges for 2020/21 be adopted as per the draft Budget, with no alterations, except where set by legislation.

15/20 **CARRIED**

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

PURPOSE AND BACKGROUND

The proposed budget was considered by Council at a Special Council meeting held on Thursday 27 April 2020. 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.

91 submissions were received and noted at a Special Meeting of Council on Tuesday 16 June 2020. They were subsequently reviewed by Council.

The Council is proposing no increase in the average rate for 2020/21. This increase is less than the State Government requirement under the 'Fair Go Rates' legislation. This level keeps maintenance of existing service levels, funding of a number of new initiatives and continue to allocate sufficient funds for the continuing strategic renewal of Council's infrastructure. Waste charges will increase by 2% to fund ongoing waste collection and disposal commitments.

The 2020/21 Budget provides for a \$10.05 million capital works program. Officers acknowledge that the 2020/21 Capital Works program set by Councillors is ambitious and :

- given the current capacity issues of the Project Delivery team
- current efforts to increase resourcing in this area;

Officers foreshadow that completion of the program may not be fully achieved in 2020/21.

New Capital Works proposed include

ACTIVITY	EXPENDITURE (m)
Roads - including resealing, resheeting and rehabilitation	4.424
Road Bridges and Culverts	0.450
Drainage	0.440
Footpaths	0.166
Plant and Machinery	1.262
Buildings/Property	0.864
Information Technology	0.570
Aquatic Facilities	.314
Recreation , Leisure and Community Facilities	1.515

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

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

	2020/21	2021/22	2022/23	2023/24
Adjusted Underlying Result	0.1%	-1.0%	-0.2%	0.5%
Working Capital Ratio	2.07	1.15	1.14	1.30
Debt servicing/repayment as % of Rate Revenue	0.5	2.4	2.3	2.3
Asset Renewal and upgrade expenditure/Depreciation	163.8%	186%	66.8%	67.7%
Capital Works Expenditure	\$15.5 m	\$15.3 m	\$7.27 m	\$7.03 m
Cash and Investments	\$12.69 m	\$4.99 m	\$4.99 m	\$5.99 m
Cash Flow from Operations	\$8.15 m	\$9.45 m	\$8.34 m	\$9.02 m

COMMUNITY ENGAGEMENT

- The Council, as of Wednesday 6 May 2020, placed the statutory public notices in local newspapers advising that documents were available for inspection and that written submission were being sought in accordance with Section 223 of the Local Government Act 1989.
- Council provided details of the Budget via social media and its website.
- On line forums were also held as further means of providing information to the community and seeking feedback.

Submissions closed at 5.00 p.m. on Wednesday 3 June 2020.

POLICY CONSIDERATIONS

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.

LEGAL CONSIDERATIONS

The Local Government Act 1989 requires that Council adopt the budget by 30 June 2020 or by 31 August if it needs to.

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

6.7.1 Adoption of Budget, Rating Strategy, Fees and Charges and Declaration of Rates and Charges for the 12 Months Ending 30 June 2021 (cont.)

FINANCIAL CONSIDERATIONS

Ninety-one 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 2019/20, bringing forward of 50% of Grants Commission payment, receipt of additional grant funds and review of the capital works program.

SOCIAL CONSIDERATIONS

The Budget contains a range of actions designed to improve the community's way of life in a range of areas including :

- (a) sense of community
- (b) provision of community services
- (c) improving community health and well-being – e.g. recreation facilities, public safety, health services and facilities or public health implications;
- (d) transport – e.g. safety for travellers, emissions and fuel consumption, public transport usage, provision of a safe road network, walking and cycling or transportation needs of all people.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights considerations arising from the issues discussed in this report.

CONCLUSION

This report finalises a process to prepare and adopt the Council Budget which provides for a range of outcomes to be achieved in the 2020/21 year.

ATTACHMENTS

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

TABLED REPORT

- 2020/21 Strathbogie Shire Council Budget
- 2020/21 Rating Strategy
- 2020/21 Fees and Charges

The adopted Strathbogie Shire Council 2020/21 Budget and associated documents will be appended to the Minutes for identification purposes.

ATTACHMENT 1:

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 2020/21 Financial Year.

ATTACHMENT 2:

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 2020/21 Financial Year and whose total value does not exceed \$20,000.

ATTACHMENT 3:

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 2020/21 Financial Year.

ATTACHMENT 4:

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 2020/21 Financial Year.

ATTACHMENT 5:

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 2020/21 Financial Year and whose total value does not exceed \$20,000.



ATTACHMENT 6:

SCHEDULE 6

SUMMARY OF SUBMISSIONS TO DRAFT 2020/21 BUDGET

- Continuation of Anderson Street, Euroa footpath, east of Scobie Street
- Tree plantings in Nagambie
- Sealing of Plain Road Tabilk
- Tree plantings in Euroa
- Objection to proposed rate increase (multiple)
- Support for removal of Municipal Charge
- Building of public toilets in Strathbogie
- Arts and Sustainability projects
- Footpath Nagambie to Regatta Centre
- Request for fair and balanced Rating Strategy
- Drainage Shiffner Street Violet Town
- Sealing of Wattlevale Road Mitchellstown
- Improvements to Violet Town netball and tennis courts
- Support for Rockies Bridge (multiple)
- Toilets at Loddings Lane boat ramp
- Dump point in Violet Town
- Root barrier installation in footpath construction
- LED lighting Memorial Oval
- Improvement to library resources in Avenel area
- Upgrade of Violet Town market facilities
- Improvements to Apex Walking Track
- Several Longwood matters including exposure on website
- Concern with abolition of Municipal Charge
- Solar power for Longwood Community Centre
- Nagambie Foreshore works
- Investment in small business , arts , environment
- Footpath Main Street Strathbogie to recreation reserve , completion of Spring Creek Pavilion picnic area , ember proof Place of Last Resort



6.7.2 Draft 2017-2021 Council Plan (2020 Review) incorporating the 2020/21 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020

Responsible Director: Director Corporate Operations

EXECUTIVE 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 2020 revision has been completed and advertised.

There were two submissions to the Draft 2017 – 2021 Council Plan (2020 Review) and Draft 2020/21 Strategic Resource Plan, both in relation to public toilet facilities in Strathbogie.

There have been no changes to the Council Plan as a consequence of submissions but further investigation will be carried out in relation to matters raised

Strategic Resource Plan:

In accordance with Section 126 of the Local Government Act 1989 (the Act), Council has developed the 2020-2021 Draft Strategic Resource Plan (SRP). Information in the SRP is based on the 2020/21 Draft Budget and Council's Long Term Financial Plan.

A copy of the adopted Strathbogie Shire Council Plan (2020 Review) and 2020/21 - 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 (2020 Review) Strategic Indicators and Actions.***
- 2. That Council adopt the Draft 2020/21-2023/24 Strategic Resource Plan.***

6.7.2 Draft 2017-2021 Council Plan (2020 Review) incorporating the 2020/21 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020 (cont.)

MOTION:

MOVED COUNCILLOR LITTLE, SECONDED COUNCILLOR GARDNER

1. ***That Council adopt the Draft 2017 – 2021 Council Plan (2020 Review) Strategic Indicators and Actions, subject to the wording of the first action under Goal 6 (page 15) 'Key Areas – General' be amended to read 'Support advocacy programs to State and Federal government, Regional Partnerships, Regional Development Australia, the MAV, ALGA, Rural Councils Victoria and VLGA where it supports Council priorities'.***
2. ***That Council adopt the Draft 2020/21-2023/24 Strategic Resource Plan.***

5.47 p.m.

Councillor McClaren declared an interest in this matter as she is now chair of Hume Regional Development Australia, and consequently relinquished the Chair to the Deputy Mayor, Councillor Mason.

16/20 CARRIED

Cr McClaren abstained from the vote.

PURPOSE AND BACKGROUND

Council Plan:

The Draft 2017 – 2021 Council Plan (2020 Review) is presented for adoption following two submissions being received.

The Council Plan is a strategic document of Council that identifies the priorities of our community form the future and guides the decision making of Council and its partners, agencies and stakeholder. The Council Plan documents :

- A vision statement for the Strathbogie Shire community;
- Shared goals and strategies to achieve the vision; and
- The role and focus of Council, the goals it has set and the initiatives it will undertake over the four year term of Council. Key Strategies and Actions that sit under each Goal ensure the organisation delivers what the Council has set.

The program dates for this Draft 2017 – 2021 Council Plan (2020 Review) were as follows:

1. Draft 2017 – 2021 Council Plan (2020 Review) on Public Exhibition – from 03 May 2020
2. Public Exhibition period closed at 5pm Wednesday 03 June 2020



6.7.2 Draft 2017-2021 Council Plan (2020 Review) incorporating the 2020/21 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020 (cont.)

3. Special Council Meeting to adopt 2017 – 2021 Council Plan –Tuesday 14 July 2020
4. Present adopted 2017 – 2021 Council Plan (2020 Review) to the Minister for Local Government following the 14 July 2020 meeting.

Strategic Resource Plan:

The SRP was exhibited during the same period as the Draft 2017 – 2021 Council Plan (2020 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 2020/21 Budget and Long Term Financial Plan Modelling and has been amended to allow for Budget submissions.

COMMUNITY ENGAGEMENT

- The Council, as of Wednesday 6 May 2020, placed the statutory public notices in local newspapers advising that documents were available for inspection and that written submission were being sought in accordance with Section 223 of the Local Government Act 1989.
- Council provided details of the Budget via social media and its website.
- On line forums were also held as further means of providing information to the community and seeking feedback.

Submissions closed at 5.00 p.m. on Wednesday 3 June 2020.

POLICY CONSIDERATIONS

The Council Plan and SRP provide input into the preparation of the Budget and Council's long term financial planning.

LEGAL CONSIDERATIONS

The author of this report considers that the recommendation has no legal or statutory implications which require the consideration of Council as the preparation of the Council Plan satisfied the requirements of the Local Government Act, including the Strategic Planning Principles.

6.7.2 Draft 2017-2021 Council Plan (2020 Review) incorporating the 2020/21 to 2023/24 Strategic Resource Plan – amended Actions and Strategic Indicators for year ending 30 June 2020 (cont.)

No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

FINANCIAL CONSIDERATIONS

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

SOCIAL CONSIDERATIONS

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

- (a) sense of community
- (b) provision of community services
- (c) improving community health and well-being – e.g. recreation facilities, public safety, health services and facilities or public health implications;
- (d) transport – e.g. safety for travellers, emissions and fuel consumption, public transport usage, provision of a safe road network, walking and cycling or transportation needs of all people.

CONCLUSION

This report finalises a process to update the Council Plan which provides for a range of outcomes to be achieved in the 2020/21 year.

TABLED DOCUMENT/S

- 2017-2021 Council Plan (2020 Review)
- 2020/2021 - 2024/2025 Strategic Resource Plan



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**

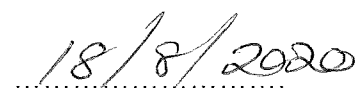
Nil

9. **CONFIRMATION OF 'CLOSED PORTION' DECISION/S**

THERE BEING NO FURTHER BUSINESS, THE MEETING CLOSED AT 5.48 P.M.

Confirmed as being a true and accurate record of the Meeting


.....
Chair


.....
Date

Annual Budget

2020/21
Strathbogie Shire

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Mayor's Introduction

Following presentation of the 2020/21 Strathbogie Shire Council Draft Budget in May and subsequent community consultation, Council is proud to release its proposed final Budget.

The Draft Budget generated much debate, deliberation and most importantly input from our community.

We are pleased to deliver a Budget firmly focussed on supporting our community through the coronavirus (COVID-19) pandemic.

Our community has not been shy on its need for support during this challenging time.

Coronavirus has hit us hard. Our region has experienced job losses, staff being stood down and businesses being forced to close.

We have heard our community is hurting and believe our 2020/21 Budget delivers on its calls for support.

Our Budget is now proposed with a zero rate rise in the average rate per property.

Please remember rate outcomes for individual properties will still vary, depending on how that property's independent valuation has changed.

In recognition of challenges faced by a number of our businesses, fees for registered premises have also been set at zero and we will refund fees for the 2019/20 year.

This will also apply to footpath trading fees.

We have also heard our community's calls to prioritise capital works.

We listened, asked for more time to deliberate, and this Budget outlines a capital works program that focuses on crucial projects for 2020/21. At the same time it provides significant funding for renewal works on our aging and outdated infrastructure.

The 2020/21 Budget provides for \$10.005 million in capital works with the following highlights:

ACTIVITY	EXPENDITURE
Roads - including resealing, re sheeting and rehabilitation	4,424,000
Road Bridges and Culverts	450,000
Drainage	440,000
Aquatic Facilities	314,000
Footpaths	166,000
Plant and Machinery	1,262,000
Buildings/Property	864,000
Information Technology	570,000
Parks, Open, Spaces and Streetscapes	1,515,000

In addition to the four year period covered by this Budget the Long Term Financial Plan has been extended to cover a 10-year period which allows for a total expenditure over that time of \$ 94.31 million including:

ACTIVITY	EXPENDITURE
Recreation and leisure facilities including aquatics	5,249,000
Rehabilitation of the Violet Town Land fill	5,000,000
Roads	45,589,000
Buildings, Recreation, Open Spaces	11,602,000
Road Bridges and Culverts	4,113,000
Footpaths	3,063,000
Drainage	5,464,000
Plant and equipment renewal	10,160,000
Information Technology	4,071,000

As outlined in section two of this document, the 2020/21 Budget provides for an expenditure of \$25.3 million on services.

This includes important services such as libraries, waste management, maintenance of roads, parks and gardens, animal management, maternal and child health, swimming pools and the arts and culture.

We are also listening to our community's call to rally a sense of community by creating events, art and business opportunities.

Included in this Budget is funding received through the Victorian Government's Working for Victoria Project which will generate opportunities for us to Reset, Reboot and Revitalise our community.

Finally, I want to thank all those who gave their time to participate in the 2020/21 Budget process.

By working together, we can and will, deliver great things for our community.

Thank you.

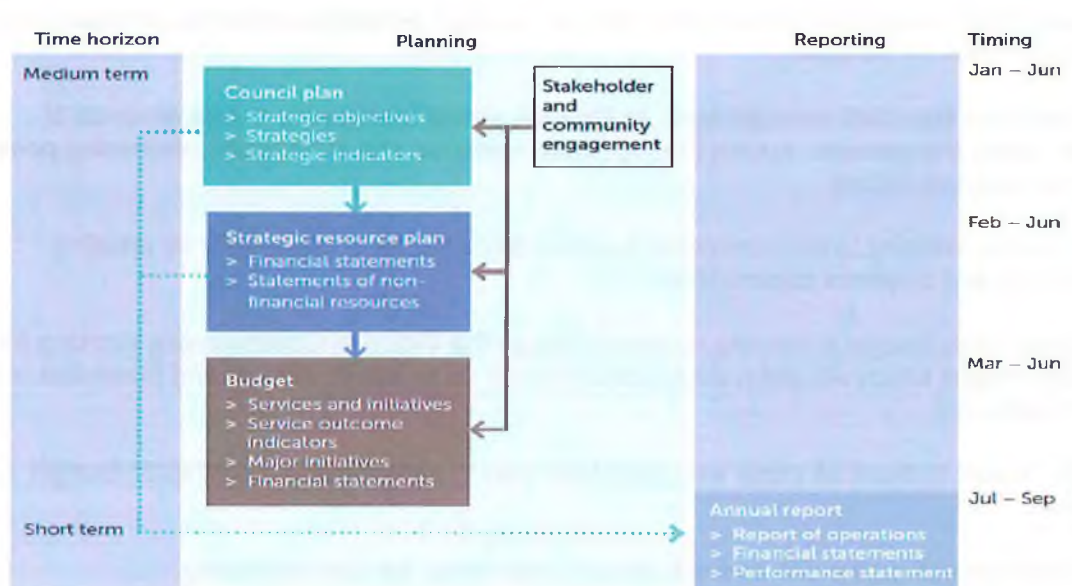
Amanda McClaren
Mayor

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).

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

Feeding in 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.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes.

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.

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"

Our values

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

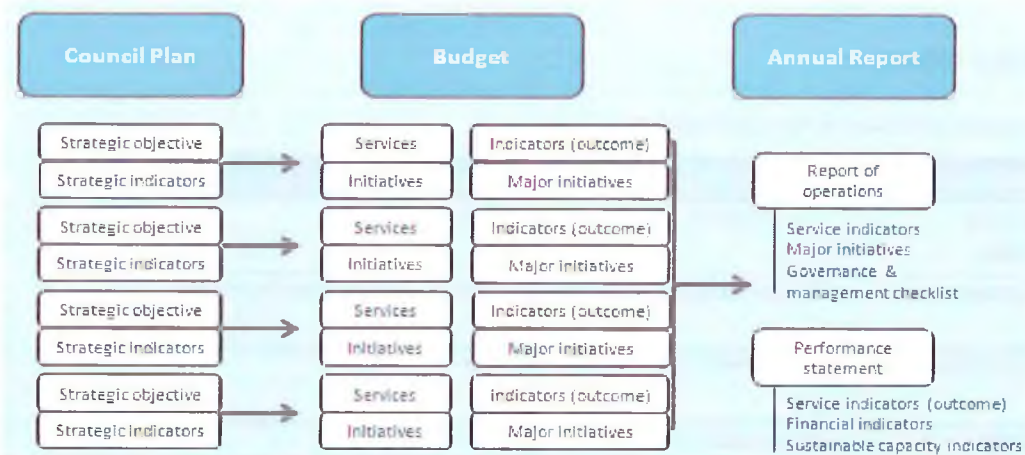
1.3 Strategic objectives

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

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2020/21 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

Services

Service area	Description of services provided		2018/19	2019/20	2020/21
			Actual \$'000	Forecast \$'000	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.	<i>Exp</i>	146	159	183
		<i>Rev</i>	(96)	(34)	(39)
		NET	50	125	144
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.	<i>Exp</i>	184	244	183
		<i>Rev</i>	(86)	(34)	(39)
		NET	98	210	144
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.	<i>Exp</i>	283	276	296
		<i>Rev</i>	(100)	-	-
		NET	183	276	296

Community Grants and Recreational Planning	This service provides funding for the development of community facilities and activities.	<i>Exp</i>	14	20	181
		<i>Rev</i>	(3)	(3)	(3)
		<i>NET</i>	11	17	178
Maternal and Child Health	0.0084525	<i>Exp</i>	265	391	249
		<i>Rev</i>	(240)	(230)	(278)
		<i>NET</i>	25	161	(29)
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.	<i>Exp</i>	212	242	246
		<i>Rev</i>	(107)	(121)	(92)
		<i>NET</i>	106	121	154
Street Lighting	This service enhances public safety and community access by providing street lighting in urban areas.	<i>Exp</i>	127	140	145
		<i>Rev</i>	-	-	-
		<i>NET</i>	127	140	145
Parks and Reserves	This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.	<i>Exp</i>	1,604	1,651	2,519
		<i>Rev</i>	(63)	-	-
		<i>NET</i>	1,541	1,651	2,519
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.	<i>Exp</i>	131	89	106
		<i>Rev</i>	(4)	(19)	(24)
		<i>NET</i>	127	70	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.	<i>Exp</i>	403	452	401
		<i>Rev</i>	(240)	(115)	(45)
		<i>NET</i>	164	338	355
Emergency Services	This service includes financial assistance for the SES service, fire prevention activities and flood risk planning and mitigation.	<i>Exp</i>	179	618	128
		<i>Rev</i>	(92)	(595)	(129)
		<i>NET</i>	87	23	()
School Crossing Supervision	This program provides supervision of school crossings in Euroa and Nagambie before and after school hours.	<i>Exp</i>	60	60	60
		<i>Rev</i>	(24)	(24)	(25)
		<i>NET</i>	36	36	35

Major Initiatives

Work with the Strathbogie Health and Community Services Consortium to determine future direction
Undertake self assessment under Workplace Equality and Respect Standards

Other

Initiatives

Review parking arrangements at Avenel Pre-School and Maternal and Child Health
Continue to review and implement priorities from the Walking Tracks and Trails Strategy

Service Performance Outcome Indicators

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Libraries and Arts	Participation	23	24	24
Maternal and Child Health	Participation	74	80	80
Animal Management	Health and safety	0	0	0
Environmental Health	Health and safety	NA	0	0

* refer to table at end of section 2.2 for information on the calculation of Service Performance Outcome Indicators

2.2 Strategic Objective 2

Environment

Services

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 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>	344	306	238
		<i>Rev</i>	(141)	(122)	(61)
		<i>NET</i>	203	184	176
Waste Management	This service includes kerbside garbage and recycling collections, transfer station operations and waste management of public areas.	<i>Exp</i>	2,633	2,716	3,064
		<i>Rev</i>	(333)	(223)	(150)
		<i>NET</i>	2,300	2,492	2,914

Major Initiatives

Continue to support Landcare groups and Catchment Management Networks to target weed and pest animal management on roadsides
Complete Work with Event organisers to implement Zero Waste events

Other

Initiatives

Support sustainable energy initiatives in the Strathbogie Shire in conjunction with the Sustainable Development Reference Group Ongoing
Implement initiatives contained within the Sustainable Strathbogie 2030 Plan

Service Performance Outcome Indicators

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Waste Management	Waste diversion	70	70	70

* refer to table at end of section 2.2 for information on the calculation of Service Performance Outcome Indicators

2.3 Strategic Objective 3

Infrastructure

Services

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Municipal Buildings	This service area is responsible for the maintenance of Council owned and controlled buildings.	<i>Exp</i>	1,107	1,024	1,374
		<i>Rev</i>	(191)	(208)	(198)
		<i>NET</i>	916	815	1,176
Swimming Pools and Beaches	Council operates outdoor pools in Euroa, Nagambie, Violet Town and Avenel.	<i>Exp</i>	275	529	331
		<i>Rev</i>	(23)	(14)	(20)
		<i>NET</i>	252	515	311
Roads and Bridge Maintenance Operations	This service area is responsible for the maintenance of Council's roads and bridges network.	<i>Exp</i>	7,776	6,315	6,471
		<i>Rev</i>	(9,175)	(7,353)	(6,103)
		<i>NET</i>	(1,399)	(1,038)	369

Major Initiatives

Review Council Asset list to ensure ongoing need

Complete survey and design for footpaths, kerb and channelling and parking at the east end of Bank ,Belmont , Queen Street Avenel

Other

Initiatives

Target major capital works projects to seek government funding to reduce Council's costs

Progress review of Nagambie Growth Management Plan

Service Performance Outcome Indicators

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Pool Facilities	Utilisation	2.9	2.5	3
Roads	Satisfaction	51	52	53

2.4 Strategic Objective 4

Economic Development

Services

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Planning	The services covers planning applications, advocacy on developments proposals and all regulators compliance on the Shire	<i>Exp</i>	591	655	857
		<i>Rev</i>	(292)	(269)	(252)
		<i>NET</i>	299	385	605

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.	<i>Exp</i>	129	187	233
		<i>Rev</i>	(77)	(55)	(92)
		<i>NET</i>	52	132	141
Economic Development	This service provides strategic planning and support for the pursuit of economic opportunities in the Shire	<i>Exp</i>	138	168	298
		<i>Rev</i>	-	(25)	(26)
		<i>NET</i>	138	142	272
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.	<i>Exp</i>	477	603	512
		<i>Rev</i>	(137)	(147)	(5)
		<i>NET</i>	340	456	507
Caravan Parks	Council has control of caravan parks at Nagambie Lakes and Euroa.	<i>Exp</i>	17	53	28
		<i>Rev</i>	(91)	(57)	(85)
		<i>NET</i>	(74)	(4)	(57)
Saleyards	This service area refers to the Euroa Saleyards. The saleyards operate on an approximately one sale per month basis.	<i>Exp</i>	153	172	220
		<i>Rev</i>	(305)	(233)	(273)
		<i>NET</i>	(152)	(60)	(53)

Major Initiatives

Promote local businesses through a Bi Annual Business Awards program
Support and engage with local representative business groups

Other Initiatives

Review results of Longwood free camping trial and implement recommendations
Partner with business groups to develop support programs

Service Performance Outcome Indicators

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Statutory planning	Decision Making	55	56	57
Economic Development	Economic activity	NA	NA	NA

2.5 Strategic Objective 5

Organisation

Services

Service area	Description of services provided		2018/19	2019/20	2020/21
			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>	2,299	1,673	1,948
		<i>Rev</i>	(4,524)	(3,007)	(6,197)
		<i>NET</i>	(2,224)	(1,334)	(4,249)
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>	918	1,053	1,159
		<i>Rev</i>	-	-	-
		<i>NET</i>	918	1,053	1,159
Human Resources and Risk Management	Management of recruitment and induction, occupational health and safety, procedures relating to employment matters, administration of insurances, staff training and development, employee assistance program.	<i>Exp</i>	508	1,076	1,002
		<i>Rev</i>	(93)	-	-
		<i>NET</i>	415	1,076	1,002
Community Relations	Customer service contact, media, communications, public notices, community surveys, website, marketing and community engagement.	<i>Exp</i>	825	873	1,239
		<i>Rev</i>	(3)	(3)	(3)
		<i>NET</i>	822	870	1,236
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>	328	284	437
		<i>Rev</i>	(4)	(6)	(12)
		<i>NET</i>	324	278	424

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>	953	677	647
		<i>Rev</i>	-	-	-
		<i>NET</i>	953	677	647

Major Initiatives

Continue to enhance customer experiences through ongoing development of customer
Develop framework for service planning inclusive of community consultation

Other Initiatives

Continue to explore opportunities through collaboration with other Councils in service delivery
Prioritise outcomes of ICT strategy to aid business transformation through finalization of "Roadmap"

Service Performance Outcome Indicators

Service	Indicator	2018/19	2019/20	2020/21
		Actual	Forecast	Budget
Governance	Satisfaction	55	56	57



2.6 Reconciliation with budgeted operating result

	Net Cost (Revenue)	Expenditure	Revenue
	\$'000	\$'000	\$'000
Community Wellbeing	4,256	4,996	(740)
Environment	3,091	3,302	(211)
Infrastructure	1,855	8,176	(6,321)
Economic Development	1,415	2,148	(733)
Organisation	217	6,429	(6,212)
Total	10,834	25,051	(14,217)
Expenses added in:			
Depreciation	5,835		
Finance costs	20		
Others (Impact of changes in AASB)	253		
Deficit before funding sources	16,942		
Funding sources added in:			
Rates and charges revenue	17,686		
Waste charge revenue	2,624		
Total funding sources	20,309		
Operating (surplus)/deficit for the year	(3,368)		

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2020/21 has been supplemented with projections to 2023/24 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 2020-21 budget has been prepared based on the accounting standards applicable at the date of preparation. It has been updated to include the impact of *AASB 16 Leases*, *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-for-Profit Entities*, but pending accounting standards that will be in effect from the 2020-21 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2020-21 financial statements, not considered in the preparation of the budget include:
AASB 1059 Service Concession Arrangements: Grantors



Comprehensive Income Statement
For the four years ending 30 June 2024

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2019/20 \$'000	2020/21 \$'000	Projections		
				2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Income						
Rates and charges	4.1.1	19,823	19,942	20,441	20,952	21,475
Statutory fees and fines	4.1.2	392	494	604	622	641
User fees	4.1.3	619	602	626	651	677
Grants - Operating	4.1.4	4,050	8,416	6,584	6,791	7,007
Grants - Capital	4.1.4	5,916	5,214	2,315	1,840	2,240
Contributions - monetary	4.1.5	494	275	314	324	333
Contributions - non-monetary	4.1.5	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(184)	(839)	(617)	(643)	(600)
Fair value adjustments for investment property		-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures		-	-	-	-	-
Other income	4.1.6	517	424	431	439	447
Total Income		31,627	34,528	30,698	30,975	32,220
Expenses						
Employee costs	4.1.7	10,051	12,167	10,837	11,108	11,382
Materials and services	4.1.8	11,944	12,581	12,175	12,439	12,657
Depreciation	4.1.9	5,900	5,835	6,095	6,278	6,398
Amortisation - intangible assets	4.1.10	-	-	-	-	-
Amortisation - right of use assets	4.1.11	187	227	176	182	179
Bad and doubtful debts		1	1	-	-	-
Borrowing costs		30	20	110	99	88
Finance Costs - leases		26	26	19	13	7
Other expenses	4.1.12	280	303	380	396	421
Total expenses		28,419	31,160	29,793	30,515	31,132
Surplus/(deficit) for the year		3,208	3,368	905	459	1,088
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment/(decrement)		-	-	-	-	-
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)						
		-	-	-	-	-
Total comprehensive result		3,208	3,368	905	459	1,088

Balance Sheet

For the four years ending 30 June 2024

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	Projections 2022/23 2023/24 \$'000	
Assets						
Current assets						
Cash and cash equivalents		15,144	12,689	4,987	4,994	5,995
Trade and other receivables		2,027	2,228	2,374	2,374	2,434
Other financial assets		-	-	-	-	-
Inventories		5	5	5	5	5
Non-current assets classified as held for sale		-	-	-	-	-
Other assets		113	113	113	113	113
Total current assets	4.2.1	17,289	15,035	7,479	7,487	8,547
Non-current assets						
Trade and other receivables		877	651	651	651	651
Other financial assets		-	-	-	-	-
Investments in associates, joint arrangement and subsidiaries		243	243	243	243	243
Property, infrastructure, plant & equipment		299,664	307,876	312,302	312,821	313,045
Right-of-use assets	4.2.4	875	649	473	290	112
Investment property		-	-	-	-	-
Intangible assets		-	-	-	-	-
Total non-current assets	4.2.1	301,659	309,419	313,669	314,005	314,051
Total assets		318,948	324,454	321,148	321,492	322,598
Liabilities						
Current liabilities						
Trade and other payables		5,951	2,873	2,968	2,968	3,043
Trust funds and deposits		468	468	468	468	468
Provisions - Employee benefits		2,336	2,350	2,410	2,477	2,546
Provisions - Other		1,000	1,000	101	101	101
Interest-bearing liabilities	4.2.3	81	385	391	396	307
Lease liabilities	4.2.4	226	176	182	179	106
Total current liabilities	4.2.2	10,062	7,252	6,519	6,588	6,571
Non-current liabilities						
Provisions - Employee benefits		240	280	341	395	451
Provisions - Other		4,356	5,916	4,699	398	398
Interest-bearing liabilities	4.2.3	287	4,903	4,512	4,116	3,809
Lease liabilities	4.2.4	649	473	291	111	6
Total non-current liabilities	4.2.2	5,532	11,572	9,842	5,020	4,664
Total liabilities		15,594	18,824	16,362	11,608	11,234
Net assets		303,354	305,630	304,786	309,883	311,364
Equity						
Accumulated surplus		96,597	99,965	100,870	101,330	102,417
Reserves		206,757	205,665	203,916	208,554	208,946
Total equity		303,354	305,630	304,786	309,883	311,364

Statement of Changes in Equity
For the four years ending 30 June 2024

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020 Forecast Actual					
Balance at beginning of the financial year		300,146	93,389	206,757	-
Impact of adoption of new accounting standards		-	-	-	-
Adjusted opening balance		300,146	93,389	206,757	-
Surplus/(deficit) for the year		3,208	3,208	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		303,354	96,597	206,757	-
2021 Budget					
Balance at beginning of the financial year		302,262	96,597	205,665	-
Surplus/(deficit) for the year		3,368	3,368	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	-	-	-	-
Transfers from other reserves	4.3.1	-	-	-	-
Balance at end of the financial year	4.3.2	305,630	99,965	205,665	-
2022					
Balance at beginning of the financial year		305,630	99,965	205,665	-
Surplus/(deficit) for the year		905	905	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		(1,749)	-	(1,749)	-
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		304,786	100,870	203,916	-
2023					
Balance at beginning of the financial year		304,786	100,870	203,916	-
Surplus/(deficit) for the year		459	459	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		4,638	-	4,638	-
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		309,883	101,330	208,554	-
2024					
Balance at beginning of the financial year		309,883	101,330	208,554	-
Surplus/(deficit) for the year		1,088	1,088	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		393	-	393	-
Transfers from other reserves		-	-	-	-
Balance at end of the financial year		311,364	102,417	208,946	-

Statement of Cash Flows

For the four years ending 30 June 2024

Notes	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	19,823	19,942	20,441	20,951	21,475
Statutory fees and fines	525	494	604	622	641
User fees	791	602	626	651	677
Grants - operating	7,688	4,778	6,584	6,791	7,006
Grants - capital	7,761	5,214	2,315	1,840	2,240
Contributions - monetary	494	275	314	324	333
Interest received	170	180	180	180	180
Dividends received	-	-	-	-	-
Trust funds and deposits taken	-	-	-	-	-
Other receipts	347	244	250	259	265
Net GST refund / payment	1,082	1,473	1,532	728	703
Employee costs	(10,051)	(12,167)	(10,666)	(10,972)	(11,240)
Materials and services	(11,944)	(12,581)	(12,127)	(12,439)	(12,657)
Short-term, low value and variable lease payments	-	-	-	-	-
Trust funds and deposits repaid	-	-	-	-	-
Other payments	(281)	(304)	(596)	(589)	(606)
Net cash provided by/(used in) operating activities	4.4.1 16,405	8,150	9,456	8,344	9,018
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(11,905)	(16,202)	(16,847)	(8,004)	(7,734)
Proceeds from sale of property, infrastructure, plant and equipment	187	698	183	157	200
Payments for investments	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-
Loan and advances made	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-
Net cash provided by/ (used in) investing activities	4.4.2 (11,718)	(15,504)	(16,664)	(7,847)	(7,534)
Cash flows from financing activities					
Finance costs	(23)	(20)	(110)	(99)	(88)
Proceeds from borrowings	-	5,000	-	-	-
Repayment of borrowings	(136)	(81)	(385)	(391)	(396)
Interest paid - lease liability	-	-	-	-	-
Repayment of lease liabilities	-	-	-	-	-
Net cash provided by/(used in) financing activities	4.4.3 (159)	4,899	(495)	(490)	(484)
Net increase/(decrease) in cash & cash equivalents	4,528	(2,455)	(7,703)	8	1,000
Cash and cash equivalents at the beginning of the financial year	10,616	15,144	12,689	4,987	4,994
Cash and cash equivalents at the end of the financial year	15,144	12,689	4,987	4,994	5,995

Statement of Capital Works
For the four years ending 30 June 2024

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		Actual		2021/22	2022/23	2023/24
		2019/20	2020/21	\$'000	\$'000	\$'000
Property						
Land improvements		-	-	5,000	-	-
Total land		-	-	5,000	-	-
Buildings		1,157	978	1,407	534	440
Total buildings		1,157	978	1,407	534	440
Total property		1,157	978	6,407	534	440
Plant and equipment						
Heritage plant and equipment		-	-	-	-	-
Plant, machinery and equipment		1,337	1,262	904	1,148	752
Fixtures, fittings and furniture		-	-	-	-	-
Computers and telecommunications		315	570	350	350	357
Library books		-	-	-	-	-
Total plant and equipment		1,652	1,832	1,254	1,498	1,109
Infrastructure						
Roads		5,629	6,613	5,015	3,491	3,507
Bridges		247	513	200	250	450
Footpaths and cycleways		293	378	600	347	131
Drainage		541	1,031	377	229	140
Recreational, leisure and community facilities		157	1,332	1,074	123	280
Parks, open space and streetscapes		1,147	2,827	388	804	974
Total Infrastructure		8,014	12,694	7,654	5,244	5,482
Total capital works expenditure	4.5.1	10,823	15,504	15,315	7,276	7,031
Represented by:						
New asset expenditure		1,966	2,296	1,311	1,557	1,170
Asset renewal expenditure		6,974	9,559	11,339	4,196	4,331
Asset expansion expenditure		1,237	2,507	2,215	1,123	1,130
Asset upgrade expenditure		646	1,142	450	400	400
Total capital works expenditure	4.5.1	10,823	15,504	15,315	7,276	7,031
Funding sources represented by:						
Grants		5,916	5,214	2,515	1,840	2,440
Contributions		492	-	305	314	324
Council cash		4,415	10,290	7,495	5,122	4,267
Borrowings		-	-	5,000	-	-
Total capital works expenditure	4.5.1	10,823	15,504	15,315	7,276	7,031

Statement of Human Resources

For the four years ending 30 June 2024

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual		2021/22	2022/23	2023/24
	2019/20	2020/21	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	10,051	12,167	10,837	11,108	11,382
Employee costs - capital	-	-	-	-	-
Total staff expenditure	10,051	12,167	10,837	11,108	11,382
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	113.0	161.5	119.0	119.0	119.0
Total staff numbers	113.0	161.5	119.0	119.0	119.0

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

Department	Budget 2020/21 \$'000	Comprises			
		Permanent		Casual \$'000	Temporary \$'000
		Full Time \$'000	Part time \$'000		
Corporate Leadership	2,387	1,612	738	37	-
Corporate Operations	6,191	4,442	1,512	237	-
Community & Planning	3,589	2,331	1,198	15	45
Total permanent staff expenditure	12,167	8,385	3,448	289	45
Casuals, temporary and other expenditure	-	-	-	-	-
Capitalised labour costs	-	-	-	-	-
Total expenditure	12,167				

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

Department	Budget 2020/21	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
Corporate Leadership	29.6	14	15	0	-
Corporate Operations	83.7	55	25	3	-
Community & Planning	48.2	22	25	0	1
Total permanent staff expenditure	161.5	91	66	4	1
Casuals, temporary and other expenditure	-	-	-	-	-
Capitalised labour costs	-	-	-	-	-
Total staff	161.5				

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

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 2020/21 the FGRS cap has been set at 2.0%. 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.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.0% in line with the rate cap.

This will raise total rates and charges for 2020/21 to \$20,291,000.

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

	2019-20 Forecast Actual	2020/21 Budget	Change	%
	\$'000	\$'000	\$'000	
General rates	16,160	17,116	956	5.92%
Municipal charge	921	-	921	-100.00%
Waste management charge	2,484	2,627	143	5.76%
Service rates	194	199	5	2.58%
Total rates and charges	19,759	19,942	183	0.93%

*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	2019/20 cents/\$CIV*	2020/21 cents/\$CIV*	Change
General rate for rateable residential properties	0.0050194	0.0050682	0.0097223
General rate for rateable vacant residential properties	0.0087839	0.0088694	0.0097280
General rate for rateable farm properties	0.0040155	0.0040546	0.0097273
General rate for rateable commercial properties	0.0060232	0.0060818	0.0097357
General rate for rateable vacant commercial properties	0.0105407	0.0106432	0.0097261

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	2019/20	2020/21	Change	
	\$'000	\$'000	\$'000	%
Residential	7,228	7,702	474	6.55%
Residential - vacant	569	553	16	-2.84%
Farm	7,485	7,917	432	5.77%
Commercial	859	924	65	7.62%
Commercial - vacant	19	20	1	8.05%
Total amount to be raised by general rates	16,160	17,116	956	5.92%

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	2019/20	2020/21	Change	
	Number	Number	Number	%
Residential	4,665	4,701	36	0.77%
Residential - vacant	346	326	20	-5.78%
Farm	2,232	2,243	11	0.49%
Commercial	305	307	2	0.66%
Commercial - vacant	11	10	1	-9.09%
Total number of assessments	7,559	7,587	28	0.37%

4.1.1(e) The basis of valuation to be used is the*

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	2019/20	2020/21	Change	
	\$'000	\$'000	\$'000	%
Residential	1,440,078	1,519,726	79,648	5.53%
Residential - vacant	64,797	62,341	2,456	-3.79%
Farm	1,864,029	1,952,613	88,584	4.75%
Commercial	142,542	151,969	9,427	6.61%
Commercial - vacant	1,756	1,873	117	6.66%
Total value of land	3,513,202	3,688,522	175,320	4.99%

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	
	2019/20	2020/21		
	\$	\$	\$	%
Municipal	133	-	133	-100.00%

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

Type of Charge	2019/20	2020/21	Change	
	\$	\$	\$	%
Municipal	920,739	-	920,739	-100.00%

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		Change	
	2019/20	2020/21		
	\$	\$	\$	%
<i>Kerbside Collection- 80Litre</i>	375	383	8	2.13%
<i>Kerbside Collection- 120Litre</i>	375	383	8	2.13%
<i>Kerbside Collection- 240Litre</i>	750	765	15	2.00%
<i>Recycling-120Litre</i>	178	181	3	1.69%
<i>Recycling-240Litre</i>	178	181	3	1.69%
<i>Recycling-360Litre</i>	178	181	3	1.69%
<i>Tree Management Service Charge</i>	28	29	1	3.57%

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	2019/20	2020/21	Change	
	\$	\$	\$	%
<i>Kerbside/Recycling/Organics</i>	1,801,271	1,911,391	110,120	6.11%
<i>Kerbside</i>	506,596	528,102	21,506	4.25%
<i>Recycling</i>	176,447	187,275	10,828	6.14%
<i>Tree Management Service Charge</i>	194,234	198,931	4,697	2.42%
Total	2,678,548	2,825,699	147,151	5.49%

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

	2019/20	2020/21	Change	
	\$'000	\$'000	\$'000	%
<i>General Rates</i>	16,245	17,116	871	5.36%
<i>Municipal Charges</i>	921	-	921	-100.00%
<i>Kerbside Collection/Recycling/Organics</i>	2,484	2,627	143	5.75%
<i>Tree Management Service Charge</i>	194	199	5	2.54%
Total Rates and charges	19,844	19,942	98	0.49%

4.1.1(l) Fair Go Rates System Compliance

Victoria City Council is required to comply with the State Government's Fair Go Rates System (FGRS). The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	2019/20	2020/21
Total Rates	\$ 16,640,463	\$ 17,116,372
Number of rateable properties	7,513	7,587
Base Average Rate	2,215	2,256
Maximum Rate Increase (set by the State Government)	2.50%	2.00%
Capped Average Rate	\$ 2,270	\$ 2,315
Maximum General Rates and Municipal Charges Revenue	\$ 17,056,475	\$ 17,563,905
Budgeted General Rates and Municipal Charges Revenue	\$ 17,003,571	\$ 17,116,372
Budgeted Supplementary Rates	\$ 126,370	\$ -
Budgeted Total Rates and Municipal Charges Revenue	\$ 17,129,941	\$ 17,116,372

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.

4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual	2020/21	\$'000	%
	2019/20	\$'000	\$'000	%
Land Information Certificates	17	20	3	17.65%
Subdivision Fees	8	10	2	25.00%
Planning Application Fees	200	240	40	20.00%
Building Fees	55	92	37	67.27%
Building Enforcement	1	7	6	600.00%
Animal Registration	110	115	5	4.55%
Health Registrations	-	-	-	0.00%
Other statutory fees & fines	1	10	9	0.00%
Total statutory fees and fines	392	494	102	26.02%

There is a one off waiver of health registration fess to support local businesses.

4.1.3 User fees

	Forecast	Budget	Change	
	Actual	2020/21	\$'000	%
	2019/20	\$'000	\$'000	%
Yard Fees Saleyards Income	220	219	- 1	-0.45%
Road opening fees	11	11	-	0.00%
Tip Fees	140	124	- 16	-11.43%
Pound fees	6	7	1	16.67%
Euroa Cinema	54	45	- 9	-16.67%
Swimming pool fees	14	20	6	42.86%
Fire Prevention Notice Infringements	26	27	1	3.85%
Septic Tank Fees	17	17	-	0.00%
Visitor Guide	1	3	2	200.00%
Regatta Centre Events	20	26	6	30.00%
Agent Fees- Saleyards	16	17	1	6.25%
Others	94	86	- 8	-8.51%
Total user fees	619	602	- 17	-2.75%

Sale yard income is expected to decrease due to the impact of drought.

4.1.4 Grants

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

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000		Change \$'000 %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	5,821	10,510	4,689	81%
State funded grants	4,145	3,120	1,025	-25%
Total grants received	9,966	13,630	3,664	37%
(a) Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	2,748	5,818	3,070	112%
Senior citizens	3	3	-	0%
Recurrent - State Government				
Roadside weeds & pest management	60	61	1	2%
School crossing supervision	25	25	-	0%
Maternal & child health	190	206	16	8%
Support play group	21	55	34	162%
Youth	61	62	1	2%
Tobacco control	17	17	-	0%
Emergency management	60	60	-	0%
Vulnerable persons register	18	18	-	0%
Other	38	56	18	47%
Total recurrent grants	3,241	6,381	3,140	97%
Non-recurrent - State Government				
Nagambie growth	90	-	90	-100%
Creative youth	25	-	25	-100%
Wellness	50	-	50	-100%
Waterways management	10	15	5	50%
Working for Victoria	-	2,020	2,020	2020%
Other	634	-	634	-100%
Total non-recurrent grants	809	2,035	1,226	152%
Total operating grants	4,050	8,416	4,366	108%
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	2,170	2,149	21	-1%
Total recurrent grants	2,170	2,149	21	-1%
Non-recurrent - Commonwealth Government				
Drought relief funding	900	1,100	200	22%
Community Infrastructure	-	1,440	1,440	1440%
Non-recurrent - State Government				
Fixing country roads	2,180	-	2,180	-100%
Community & building grants	563	425	138	-25%
Other	103	100	3	-3%
Total non-recurrent grants	3,746	3,065	681	-18%
Total capital grants	5,916	5,214	702	-12%
Total Grants	9,966	13,630	3,664	37%

There are number of non recurrent capital grants in the forecast; fixing country roads (\$2180k), drought relief funding will continue to 20/21.

4.1.5 Contributions

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Monetary	494	275	- 219	-44.33%
Total contributions	494	275	- 219	-44.33%

A reduction is expected for development contributions.

4.1.6 Other income

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Interest	273	181	- 92	-33.70%
Investment property rental	69	85	16	23.19%
Fuel tax credit	65	60	- 5	-7.69%
Infringements	5	8	3	60.00%
<i>Other</i>	105	90	- 15	-14.29%
Total other income	517	424	- 93	-17.99%

4.1.7 Employee costs

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Wages and salaries	7,603.66	9,204.38	1,600.72	21.05%
WorkCover	135.34	163.84	28.49	21.05%
Superannuation	729.79	883.43	153.64	21.05%
Public holidays & other	402.14	486.79	84.66	21.05%
Annual leave	662.00	801.36	139.36	21.05%
Long service leave	214.33	259.45	45.12	21.05%
<i>Other</i>	303.74	367.68	63.94	21.05%
Total employee costs	10,051.00	12,166.93	2,115.93	21.05%

Current year forecast is lower due to number of vacancies and timing of replacement.

4.1.8 Materials and services

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Building maintenance	1,505	2,229	724	48.11%
Consultants	326	420	94	28.86%
General maintenance	4,531	4,803	272	6.01%
Information technology	528	513	- 15	-2.89%
Insurance	356	415	59	16.64%
Legal fees	139	97	- 42	-30.25%
Office administration	1,862	1,423	- 439	-23.60%
Utilities	453	571	118	25.99%
Waste Management	2,244	2,110	- 134	-5.95%
Total materials and services	11,944	12,581	637	5.33%

4.1.9 Depreciation

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000		Change \$'000	%
Property	870	870	-	-	0.00%
Plant & equipment	504	439	-	65	-12.90%
Furniture & equipment	220	220	-	-	0.00%
Infrastructure	4,306	4,306	-	-	0.00%
Total depreciation	5,900	5,835	-	65	-1.10%

4.1.11 Amortisation - Right of use assets

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000		Change \$'000	%
Right of use assets	187	227	-	40	21.39%
Total amortisation - right of use assets	187	227	-	40	21.39%

4.1.12 Other expenses

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

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000		Change \$'000	%
Audit fee - external	42	44	-	2	4.76%
Audit fee - internal	40	50	-	10	25.00%
Councillor expenses	198	209	-	11	5.56%
Total other expenses	280	303	-	23	8.21%

Internal audit fee increased to include more wider scope.

4.2 Balance Sheet

4.2.1 Assets

Current assets are projected to decrease by 7.556m. These resources are used to fund capital works and reflects continuing strong commitment to infrastructure asset renewal.

4.2.2 Liabilities

Liabilities are budgeted to be maintained at current levels. However, borrowings are flagged for the 2020/21 financial year to complete landfill rehabilitation works.

4.2.3 Borrowings

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

	Forecast Actual 2019/20 \$	Budget 2020/21 \$
Amount borrowed as at 30 June of the prior year	505	369
Amount proposed to be borrowed	-	5,000
Amount projected to be redeemed	(136)	(81)
Amount of borrowings as at 30 June	369	5,288

4.2.4 Leases by category

As a result of the introduction of AASB 16 Leases, right-of-use assets and lease liabilities have been recognised as outlined in the table below.

	Forecast Actual 2019/20 \$	Budget 2020/21 \$
Right-of-use assets	-	-
Property	18	9
Vehicles	631	463
Other, etc.	-	-
Total right-of-use assets	649	472
Lease liabilities		
Current lease Liabilities		
Land and buildings	9	9
Plant and equipment	167	173
Other, etc.	-	-
Total current lease liabilities	176	182
Non-current lease liabilities		
Land and buildings	9	-
Plant and equipment	464	290
Other, etc.	-	-
Total non-current lease liabilities	473	290
Total lease liabilities	649	472

Where the interest rate applicable to a lease is not expressed in the lease agreement, Council applies the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate is 3.2%.

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 2020/21.



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 \$8.150 million.

4.4.2 Net cash flows provided by/used in investing activities

Net cash used in the investing activities is budgeted to be \$15.504 million. The capital works program of \$16,202 (includes GST) is funded from this.

4.4.3 Net cash flows provided by/used in financing activities

Financing activities budgeted to be \$4.899 million. This includes proposed \$5 million loan to fund rehabilitation works for the Violet Town landfill.

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4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2020/21 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000	%
Property	1,157	978	-179	-15.49%
Plant and equipment	1,652	1,832	180	10.87%
Infrastructure	8,013	12,694	4,681	58.41%
Total	10,823	15,504	4,681	43.25%

	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	546	-	453	92	-	205	-	340	-
Plant and equipment	1,832	1,832	-	-	-	-	-	1,832	-
Infrastructure	7,628	251	4,326	1,050	2,001	2,620	-	5,008	-
Total	10,005	2,083	4,779	1,142	2,001	2,825	-	7,180	-

4.5.2 Current Budget

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
PROPERTY									
Building Improvements									
Saleyards relocate truck wash	165		165			165			-
Saleyards Additional Water Tanks	40			40		40			-
Eurora Tennis Club sewer scoping	100		100					100	
Longwood Community Centre Solar	42			42				42	
Toilets Graytown Scoping/Delivery	50		50					50	
Building - Avenel, Violet Town & Nagambie Pools - replace chlorinators	10			10				10	
Swimming Pool works	121		121					121	
Euroa Croquet Club paint	17		17					17	
TOTAL PROPERTY	545	-	453	92	-	205	-	340	-

PLANT AND EQUIPMENT							
Plant, Machinery and Equipment							
Fleet	1,262	1,262	-	-	-	-	1,262
Computers and Telecommunications							
IT upgrade	670	570	-	-	-	-	570
TOTAL PLANT AND EQUIPMENT	1,832	1,832	-	-	-	-	1,832

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			700	-	-	-
Shoulders Pavement Program	400		400			400	-	-	-
Rehabilitation Program	800		800			800	-	-	-
Gravel Road Resheeting Program	600				600			600	
Kerb & Channel	50		50					50	
Zero Class Roads Upgrade Program	400			400				400	
Ewings Livingston Intersection	200				200			200	
Unallocated	164		164					164	
Dump points Violet Town and Nagambie	10		10					10	
Avenel - Hughes Creek low level crossing (New)	50				50			50	
Unallocated - Infrastructure Fund	300				300			300	
Stormwater drain surveys	75		75					75	
Wattlevale Road Council contribution	75		75					75	
Bridges									
Bridges & Major Culverts	450	-	450	-	-	-	-	450	-
Footpaths and Cycleways									
Walking Tracks	10	10						10	
Strathbogie Footpath	25			25				25	
Footpath Anderson Street Scobie to Atkins	35	35						35	
Footpaths	46	46						46	
Rockies Pedestrian Footbridge (New)	50		50					50	

Drainage								
Pit & Pipe Replacement Program	60	60			-	-	60	-
Bores and Storage Tanks	220		220		220		-	-
Bank /Queen/Belmont Street Drainage	160	160					160	-
Recreational, Leisure & Community Facilities								
Sporting Fields & Courts	10	10					10	-
Play Space	15	15					15	-
Open Space Amenities	10	10					10	-
Streetscapes	10	10					10	-
Town Entry Sign Upgrades	30	30					30	-
Project management	400	400					400	-
Nagambie Aquatic park	125			125	125		-	-
Pipe Lake to Nagambie Recreation Reserve	125			125	125	-	-	-
Strathbogie Rec Reserve amenities building	250	250			250		-	-
Violet Town Netball and Multi purpose courts	300	300			-		300	-
Violet Town Recreation Reserve Market infrastructure	84	84			-		84	-
Strathbogie Picnic Shelter	25		25		-	-	25	-
Streetscapes	600		600				600	-
Euroa Leash free area	25	25			-	-	25	-
Memorial Oval Netball Court Repairs	40	40					40	-
Shadforth Reserve Master Plan	40	40			-	-	40	-
E Building - Euroa RSL Clubroom Expansion - Construction Yr2	200			200			200	-
Nagambie Foreshore Walk	351			351	-	-	351	-
Euroa swimming pool seating around trees	8	8					8	-
Nagambie Splash Park	50			50	-	-	50	-
Avenel exercise station	50	50					50	-
TOTAL INFRASTRUCTURE	7,628	251	4,326	1,050	2,001	2,620	-	5,008
TOTAL NEW CAPITAL WORKS	10,005	2,083	4,779	1,142	2,001	2,825	-	7,180

4.5.3 Works carried forward from the 2019/20 year

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
PROPERTY									
Buildings									
Euroa Saleyards sprinkler system	60		60					60	
Toilets Graytown Scoping/Delivery	20		20					20	
E Building - 'Euroa Tennis Club - Remove existing cyprus tree & replace	40		40					40	
Euroa Civic Centre Roof cladding Stage 2	80		80					80	
Public Art	20		20					20	
Graytown Solar panels	23		23					23	
Strathbogie Rec Reserve Pizza Oven cover	3		3					3	
E Building - Euroa Saleyards - PA System	10		10					10	
E Building - Euroa Saleyards - Security System (cameras)	25		25					25	
Recreation Reserves Master Plans	25		25					25	
Violet Town Recreation Reserve Toilet block	127		127					127	
TOTAL PROPERTY	433	-	433	-	-	-	-	433	-

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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									
Euroa Strath Creek Junction	420		420			420	-	-	
Harrys Creek Bonnie Doon	370		370			370			
Harrys Creek Road Major Culvert 349	140		140			140			
Upton Road Major Culvert 505	175		175			175			
Mullers Road	360		360					360	
Longwood Ruffly@ Tarcombe	750		750			704		46	
Create Easements for flood levees	15		15					15	
Memorial Oval to Friendlies	390		390					390	
Small Towns Wastewater Plan	10		10					10	
Kerb and Channel program	50		50					50	
E Road - 'Euroa Tennis Club - Car Park Scoping	5				5				5
Clifton Street Kirkland Ave to Binney Street	26		26					26	
Gobur Street from Turnbull Street	25		25					25	
Nagambie Industrial Area Scoping	53		53					53	
									-
Bridges									
Harrys Creek Road Culvert 349	63	-	63	-	-	-	-	63	
Footpaths and Cycleways									
Tracks and Tails DROUGHT FUNDING	212	212	-	-	-	212	-	-	
Drainage									
Bores and Storage Tanks	368		368			368			
Boundary Rd South Future Open Drain - Stage 2	100		100					100	
Upgrade three existing retarding basins at McGregor Avenue with a pump system (solar).	28		28					28	
Stormwater Drain Survey	15		15					15	
Nagambie Wastewater Management Scheme	80		80					80	
						-	-	-	

Recreational, Leisure & Community Facilities								
Town Entry Sign Upgrades	30		30			-	-	30
Nagambie Recreation Reserve netball court/carpark	250		250					250
Nagambie Active Space	500		500					500
E Building - Euroa RSL Clubroom Expansion - Construction Yr2	150				150			150
Nagambie Foreshore Walk	351				351			351
Euroa Caravan Park Tree replacement	115		115					115
Tree Management Projects	15		15					15
TOTAL INFRASTRUCTURE	5,066	212	4,348	-	506	2,389	-	2,677
TOTAL CARRIED FORWARD CAPITAL WORKS 2019/20	5,499	212	4,781	-	506	2,389	-	3,110

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
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	+/-
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	0.2%	-3.8%	0.1%	-1.0%	-0.2%	0.5%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	215%	172%	207%	115%	114%	130%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	0.0%	145.9%	168.5%	69.3%	68.7%	84.1%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	2.6%	1.9%	26.5%	24.0%	21.5%	19.2%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		1.2%	0.8%	0.5%	2.4%	2.3%	2.3%	-
Indebtedness	Non-current liabilities / own source revenue		24.8%	25.3%	53.2%	43.9%	21.8%	19.8%	-
Asset renewal	Asset renewal expenses / Asset depreciation	5	147.1%	118.2%	163.8%	186.0%	66.8%	67.7%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	66.5%	78.0%	66.7%	71.3%	71.1%	71.0%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	o

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	+/-
Efficiency									
Expenditure level	Total expenses / no. of property assessments		\$3,795	\$3,688	\$4,041	\$3,860	\$3,951	\$4,028	+
Revenue level	Residential rate revenue / no. of residential property assessments		\$2,945	\$3,214	\$3,272	\$3,352	\$3,433	\$3,516	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		4.9%	4.4%	4.2%	4.2%	4.2%	4.2%	+

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

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Rating Strategy

2020/21
Strathbogie Shire

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RE

SET
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1.0 Background

The Strathbogie Shire Council rating strategy has been developed to maintain a fair and equitable basis for determining rates and charges levied on/charged to residents and ratepayers of the Shire.

The Rating Strategy seeks to improve the community's understanding of how Council determines its rates by providing a detailed explanation of rating concepts and the decisions made by Strathbogie Shire Council in determining its rating system.

The strategy is to be used as part of the Budget papers to clarify how Council proposes to operate a fair rating system for the Shire.

The Victorian State Government Fair Go rates capping system requires more detailed consultation with communities if Council wishes to declare a rates increase above the cap set by the Minister for Local Government. For Council to maintain existing service levels it has to find innovative ways of providing services, reducing costs, seeking alternative sources of revenue and in fact reviewing all services to determine their relevance to today's society. Council has not indicated an intention to seek an increase outside the cap.

The strategy is prepared to reflect the legislative requirements of the Local Government Act 1989.

The State Government is currently undertaking a review of the rating system with a report due in 2020. Any changes will not apply for the 2020/21 rating year.

In considering the objectives of the strategy, Council must have regard for the following.

In common with most small rural local governments, Strathbogie Shire has a fundamental strategic weakness –

- It has a relatively low population and consequent low revenue base;
- It has a large sparsely populated geographic area with consequent extensive infrastructure network maintenance and technical requirements; and
- Community capacity to pay is less than larger municipalities where households have a higher disposable income.

The combination of these circumstances creates a critical problem with regard to the funding of infrastructure renewal, i.e how do we maintain the shire's roads, bridges, buildings, drainage assets etc. with a relatively low revenue base?

This problem, commonly referred to as the "infrastructure renewal gap" is symptomatic of the majority of small rural municipalities and has over time resulted in inadequate levels of investment in infrastructure renewal with consequent progressive decline in the standard of rural infrastructure.

In addition to addressing the renewal gap, there is increasing pressure from the community and its capacity to pay. Subsequently, Council is reviewing the types and levels of services that it provides in an endeavour to reduce the rate burden on its community.

Council, individually and in conjunction with other rural municipalities and industry groups has endeavoured over many years, and will continue to endeavour, to enlist the support of the Commonwealth and State governments to assist with fairer funding arrangements.

Consequently, previous strategies identified the need to arrest the deterioration of Shire infrastructure through increased investment in infrastructure renewal from local resources. This strategy looks to eventual savings in renewal expenditure to strengthen Council's financial position.



The current strategy is looking to maintain closure of the renewal gap and maintain current services and levels, whilst maintaining sufficient ongoing working capital to allow for future investment in infrastructure.

To measure its financial sustainability, Council has created a Long Term Financial Plan to provide assurance that today's decisions do not impose unacceptable financial burdens on future generations. Accordingly, Council's Rating Strategy, Strategic Resource Plan and Budget are a reflection of this objective.

Section 9.0 "Proposed Rates Structure" provides further supporting information and details of the rating structure proposed to maintain the levels of investment required.

1.1 What are rates?

Rates are income that is collected by Councils to fund the broad range of services that they provide to their communities. All Councils must determine the fairest and most equitable rating system for their individual municipalities from the parameters established in the *Local Government Act 1989* (the Act).

"Rates" and Charges (predominantly rates) are the primary source of income for local government. Other revenue sources that local governments rely upon include grants from Federal and State Governments, fees, fines and charges, income from the sale of assets and interest earned.

The diagram below depicts revenue for Strathbogie Shire Council. Of the \$34.53 million budgeted in total revenue for 2020/21 - \$19.94 million was sourced from rates and waste charges.

Rates are levied on each property owner based on the value of their property.

Council rates are the contribution that each ratepayer makes towards services provided by Council. Some Council services are statutory which means they are required by a law, and others are based on the needs and aspirations of the community.

Some of the services which Council provides include:

- Land use planning, development and building control and assessment;
- Environmental health (food and public health, noise and nuisance inspection);
- Fire prevention (building inspection / fire prevention);
- Dog and cat management and control.
- Traffic and parking regulations;
- Community leadership and advocacy / community development programmes;
- Sporting and leisure centres including swimming pools and community centres;
- Festivals, events, arts spaces and libraries;
- Parks, gardens, reserves and playgrounds;
- Street lighting;
- Walking & Cycling tracks, road and footpath construction and maintenance;
- Skate parks, sporting and recreation ovals, courts and facilities
- Stormwater and drainage management;
- Family services including maternal and child health and immunization;
- Waste and recycling collection and disposal and water conservation; and
- Roads, bridges and drainage.



1.2 Sound Financial Management and its relationship to the Rating Strategy

Council is committed to continually review its expenditure base and is determined to make savings where they can be made.

The *Act* (section 136) provides four principles of sound financial management for Councils. All Councils are required to implement these principles and establish budgeting and reporting frameworks that are consistent with the following principles:

1. Manage financial risks prudently, having regard to economic circumstances;
2. Pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rate burden;
3. Ensure that decisions and actions have regard to financial effects on future generations; and
4. Ensure full, accurate and timely disclosure of financial information relating to the Council.

Developing a Rating Strategy requires Council to strike a balance between competing priorities for Council services and infrastructure and to come up with a mixture of rates and charges (the Rating System) that provides the revenue needed for ongoing financial sustainability.

1.3 Strathbogrie Shire Council's Rating System

The key platforms that currently form the basis of the approach to rating at Council include:

- That rates will be based on an ad-valorem basis (i.e. based on the valuation of the various properties) using the CIV method of calculation – S 157(1);
- That Council will not levy a Municipal Charge on all properties but will apply service charges to fully recover the cost of the collection and disposal of garbage, recyclables, organics and tree management program (S162); and
- That Council will continue to apply differential rating (S 161) against various property classes that assists to achieve equality across the community. (The use of differential rates enables Council to maintain a fair and equitable rate contribution by property type).

Section STRATHBOGIE SHIRE COUNCIL – RATING SYSTEM	
Section 2.2 Property Valuation	Council applies Capital Improved Valuation (CIV) as the valuation methodology to levy Council rates. Council reviews the impacts of revaluations as they occur.
Section 9 Rating Differentials /Rate Type	Council applies differential rating as its rating system. Council considers that each differential rate contributes to the equitable and efficient carrying out of Council functions.
Section 9 What differential rates should be applied?	That Council applies differential rates for: <ol style="list-style-type: none"> 1. Residential – General 2. Vacant Residential 3. Farm 4. Commercial/Industrial 5. Vacant Commercial/Industrial
Section 9 Service Rates and Charges	The service charges applied by Council are a Waste Collection Charge for the collection and disposal of household waste, including recyclables, litter bins collections and organic waste for developed properties only. A service charge applies to cover the full cost of the tree management program - this applies to all rateable properties.
Section 9 Municipal Charge	Council does not apply a Municipal charge
Section 12 Collection of Rates	<p>Instalments with the due dates for payment each financial year are as follows:</p> <ul style="list-style-type: none"> • 1st Instalment due – 30 September • 2nd instalment due – 30 November • 3rd Instalment due – 28 February • 4th Instalment due – 31 May <p>Section 167(2A) provides that a Council may allow a person to pay a rate or charge in a lump sum , and in order to avoid incurring interest charges any lump sum full payment must be made by 30 September.</p> <p>Council also allows ratepayers to pay property rates via payment arrangements, by any number of instalments, provided the full amount of rates and charges are paid by 31 May each year. Interest is payable under this option.</p>
Section 12 Hardship Policy	Council recognizes there are cases of genuine financial hardship and has a Hardship Policy which establishes the guidelines for assessment based on fairness, compassion, confidentiality and compliance with statutory requirements.

1.4 Rates & Charges

In order for Council to determine its revenue building capacity to meet current and future activities, while pursuing spending and rating policies that are consistent with a reasonable degree of stability in the level of the rate burden rates and charges, Council has developed a Long Term Financial Plan (LTFP). The LTFP assesses Council’s current and future objectives with a view to maintaining service levels and continuing a strong capital expenditure programme.

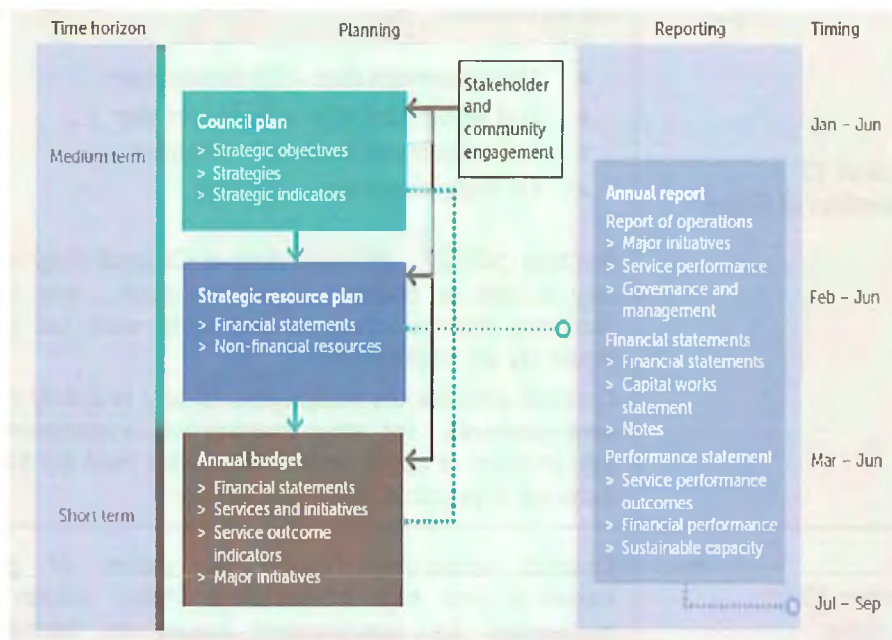
In doing so, Council has projected the required rate increases for the period 2020-2030 which is generally tied to the first application of the Fair Go Rates System. These percentages will change as a result of CPI and Wage changes, and the decision of the Minister each year. In 2020/21 Council is proposing an increase of 0%.

2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

In addition to the increases allowed under the Fair Go Rates System, Council also generates “Supplementary” rate revenue as a result of changes to valuations due to subdivisions, property improvements and new dwellings. This requires a valuation to be done in between revaluations.

1.5 Planning and accountability framework

The Strategic Resource Plan, included in the Council Plan, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the services and initiatives included in the Annual Budget 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.



The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.



2.0 What is a Rating Strategy?

A rating strategy is the method by which Council systematically considers factors of importance that informs its decisions about the rating system. The rating system determines how 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 rating system comprises of the valuation base for each property and the actual rating instruments allowed under The Act to calculate the property owners' liability for rates.

The Act requires that the rating system provides a "reasonable degree of stability in the level of the rates burden", it must also meet the requirements of Part 8 of The Act - Rates and Charges on Rateable Land.

The Rating Strategy must also link with other Council strategies and key planning documents.

This strategy details the framework which will be used by Strathbogie Shire Council in determining a fair and equitable distribution of rates and charges. The rating framework is set out within The Act and determines a Council's ability to develop a rating system. The framework provides sufficient flexibility for a Council to determine its rating system to best suit its requirements within the context of a public finance methodology, which includes principles of equity, benefit, efficiency and community resource allocation.

The following recommendations are the basis for the Rating Strategy:

- Application of Capital Improved Value as the valuation methodology to levy Council rates.
- Application of five (5) differential rates in the dollar; (Residential - General, Vacant Residential, Commercial/Industrial, Vacant Commercial/Industrial, Farm).
- Review the rating structure following each biennial valuation.
- Application of a kerbside waste, recycling and organics collection service.
- Application of a service charge for the tree management program.
- Application of mandatory rate instalment payment options.
- Allowance of direct debit payments from cheque or savings accounts.
- Consideration of waivers in accordance with the hardship policy.

2.1 Revenue

This strategy takes account of known rates and charges variables effecting potential rating/revenue futures in the Shire. The strategy addresses revenue - side issues only as they relate to rates and charges. It is based on assumed expenditure (operating and capital) forecasts as set out in Council's Strategic Resource Plan and Long Term Financial Plan.

This strategy does not address the potential for Council to increase other revenue sources such as user fees and charges, government grants and developer contributions. Nor does it explore any potential for new income sources to offset the net rate/charge requirement such as from new business undertakings/enterprises. The strategy assumes a given total rate and charge requirement.

2.2 CIV Rating Basis

The Shire raises rates and charges under The Act (s.157(1)). It strikes rates based on the Capital Improved Value (CIV) of rateable property in the Shire. The CIV represents the value of a property including land and all constructed and other improvements on the land.

Under The Act, Council may also raise revenue from a range of flat charges and has the power to levy differential rates on different classes of property. The basis of and assumptions that apply to these are addressed in this Strategy.

3.0 Defining Success - Fairness & Equity

The rating mechanism is simply the method by which the cost of providing Council services and facilities is distributed across the Shire's property base. Council's goal is to strike a mix of rates and charges that will distribute these costs as fairly as possible across all ratepayer groups.

Wealth tax principle. Wealth can be defined as the total value reflected in property and investments and income directed to day-to-day living. Local government is limited to taxing one component of wealth – real property. Council rates tax the stored “wealth” or unrealised capital gains inherent in land and buildings. The “wealth tax” principle implies that the rates paid are dependent upon the value of a ratepayer's real property and have no correlation to the individual ratepayer's consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.

In terms of equity, section 3C (2) (f) of The Act – to ensure the equitable imposition of rates and charges is of significance in developing this strategy. Equity is a subjective concept that is difficult to define – especially because it has a number of elements. What is eminently fair to one person may be totally unfair to another. Other considerations are horizontal and vertical equity. Horizontal equity means that those in the same position (e.g. with the same property value and land use) should be treated the same. Vertical equity in respect to property taxation means that higher property values should incur higher levels of tax.

Efficiency - meaning that in a technical sense the tax should not unduly interfere with the efficient operation of the economy. For Local Government the tax should be consistent with the major policy objectives of Council.

Simplicity - for both administrative ease (and therefore lower cost) and to ensure that the tax is understood by taxpayers. The latter ensures that the tax system is transparent and capable of being questioned and challenged by ratepayers.

In considering what rating approaches are equitable Council must deal with all facets of the rating structure, including valuation, budgetary requirements, differential rating, government taxation and concessions, collection and hardship considerations.

An issue often raised is that the rates levied have no correlation with the services consumed. This issue is based on the benefit principle (the opposite of the wealth tax principle). The application of the benefit principle is difficult in practice because of the complexity and, in some cases, impossibility, of measuring the relative levels of access and consumption across the full range of council services. A simplistic determination of rates based on where services are located is also short sighted because it ignores issues such as:

- Some services are not location specific;
- Access is not synonymous with consumption;
- Residents can travel or use technology to access some services; and
- Service levels provided in different locations within the municipality have different costs. For example, the actual cost of providing the same service may be higher for Marraweeny than for a property in the middle of Euroa.



In adopting a differential rating structure for ad valorem taxes, Council considers that they will contribute to the equitable and efficient carrying out of its functions – *The Act* section 161(1) (b).

The outcomes being sought from Council's rating structure include:

- A system which can be demonstrated to be 'fair and equitable';
- A system which meets Council's revenue requirements (based on the Strategic Resource Plan and Long Term Financial plan).
- A system which provides stability in terms of the proportional revenue contribution by the various property category segments.

3.1 Property Value Fluctuations

Section 4.0 of this report discusses the various tools which Council can use to effect the distribution of the rates burden to achieve a fair and equitable outcome.

The key rating determinants are, however, the Capital Improved Value of each property and the rate in the dollar of CIV applied by Council.

Property value is a factor outside Council's control. Property values are determined (for local government rating purposes) by independent valuations undertaken annually. Valuations are determined through a market-based statistical assessment of property values for a range of property types and geographic areas. Property value changes can be volatile and reflect wider prevailing economic conditions that are also beyond Council's control. The most recent municipal revaluation will have effect from 1 January 2020 – these values will apply for the 2020/21 year.

In light of the COVID 19 pandemic the Valuer General has issued advice to the effect that the 2020 general valuation has a relevant date of 1 January 2020 and is therefore based on market conditions at, and immediately before that date. Any market changes occurring now or in the future due to COVID 19 will be applicable to future valuation cycles. This means that rate assessment notices for 2020 will be based on valuations prior to the pandemic.

As property values do not increase or decrease uniformly across the various geographic areas and property types, shifts in the level of rates burden experienced by individual ratepayers, will vary. Just as a two year cycle smoothed out fluctuations compared to the previous four year cycle, an annual cycle should also do that.

Recognising and communicating the potential impacts of property value volatility is an important aspect of an effective rating strategy. Increased property value is often the factor most responsible for significant rating increases and is probably the factor which is least well understood by the community. The positive aspect of this equation, which is often not sufficiently acknowledged, is that such a valuation increase is a real and realisable increase in the capital asset of the effected ratepayer.

It is a widely held truth that when it comes to municipal rating, ratepayers object more to the sudden and sharp percentage shifts in the rates they pay, than to the actual amount of rates they pay. Expectations tend to be built on the status quo and sudden changes to relative rate shares inevitably (and understandably) are met with community concern. Clear and transparent communication is a key factor in the management of any revaluation process.

The underlying assumption of the local government rating mechanism is that property values, in the long term, represent an individual's capacity to pay. Council understands that this is often not the case; however it is constrained by the methodology determined by The Act.

4.0 The Rating/Charge 'Levers' Available to Council

As indicated, Council cannot influence the property values which are the key determinant in rate burden distribution. There are however 3 basic revenue-side 'tools' or 'levers' available to Council which can be used to assist the achievement of fair and equitable rating outcomes.

- Use of differential rates - differential rates can legally be levied (up to a differential ratio of 4:1 from the highest to the lowest differential) for property type/use, location or in combination.
- The amount of the municipal charge levied on assessments (irrespective of valuation); and
- The level of direct service charges (garbage charge, recycling charge, organics charge and a service charge to recover transfer tree management program costs). Council determines the level of these charges on a cost – recovery basis.

4.1 Differential Rates

Differential rates can only be applied if the CIV valuation system is used (which Strathbogie Shire does). It is also necessary to be able to demonstrate that any proposed differential rates are consistent with the principles of fairness and equity.

Where Council decides to apply differential rates it should consider three equity principles:

- the **benefit** or user pays principle – some groups have more access to, make more use of and benefit more from specific council services .The current property value based method of raising tax does not take this into account. It simply applies the property value.
- the **capacity to pay** principle – some ratepayers have greater ability to pay rates than do others with similarly valued properties .Other ratepayers will be "asset rich" and "income poor."
- the **incentive or encouragement** principle – some ratepayers may be doing more towards achieving council goals than others in areas such as environmental or heritage protection.

Another consideration is delivering an efficient, simple and transparent system of rates and charges. A simple rating system is more transparent, meaning that the underlying purpose and principles behind it are clearer – who is liable for a particular rate and how the liability is calculated.

4.2 Service Charges

The level of service charges is ultimately a policy matter for Council. Council's current policy for service charges is to align the level of charges for service to that required to achieve full cost recovery as far as is possible. This policy is consistent with mainstream local government practice for non-rate charges.

Such a policy enables full transparency for the charges levied. Residents/ratepayers as a general rule would expect that a charge levied for a particular service would be in some way aligned to the costs of that service. In policy terms, there are several arguments that need to be considered in relation to the use of service charges to raise revenue (as opposed to levying higher rates in the dollar):

- Service charges shift the cost burden from ratepayers generally to those who actually use the service, thereby reducing the overall amount needed to be raised through rates; and
- Service charges (if set at levels that equate with full service cost recovery) eliminate cross-subsidies from the general ratepayer populace to specific service users.

4.3 Municipal Charge - General Policy

Under The Act, Councils are able to levy a uniform Municipal Charge. The charge is generally designed to be a base charge reflecting a proportion of base/administrative costs incurred by Council. Presently the level of municipal charge cannot exceed 20% of the total rates and municipal charges of Council and some changes have been discussed in the current rating review but no decisions taken.

In the 2019/20 Budget Council reduced the charge from \$266 to \$133 and reduced the Farm rate differential from 82.5% to 80%

In 2020/21 Council proposes to remove the Municipal Charge the effect of which will be an easing of the rate burden on lower valued properties.

5.0 Financial Sustainability and Capacity to Pay

In developing this strategy Council has reviewed the relative sustainable capacity of council and the community. The components of this include:

- Impact of inherent geographic and demographic factors on costs
- Assistance received from recurrent government grants
- Sustainability of Council

5.1 Impact of inherent geographic and demographic factors on costs

There are six (6) "general" independent variables used in modelling the impact of geographic and demographic factors on the costs of operating Council.

1. Population size
2. Population density
3. Concentration of service activity (CSA)
4. Average traffic volumes (ATV)
5. Dispersion of population into townships & rural areas
6. Remoteness of the municipality from major population centres

There are four (4) "cost" specific variables used in modelling the impact of geographic and demographic factors on the costs of operating Council.

1. Aged population
2. Infant population
3. Bridges
4. Roads

5.2 Assistance received from recurrent government grants

Council receives a significant portion of its income from various, commonwealth and state grants. These grants are either tied grants (for specific services) or untied grants (VGC) and comprise about 20% of council recurrent revenue. Such grants:

- Provide a reliable & consistent source of recurrent income (although diminishing when compared to costs)
- Have a direct impact on sustainable capacity, reducing net operating cost per head



5.3 Sustainable Capacity – Council and Community

Sustainable capacity is measured annually by the Victorian Auditor General's Office and results in recent years show that Strathbogie has a low risk of being financially unsustainable.

What it does not measure is the Rates Affordability of the community and its capacity to pay.

Council is aware of community concerns in relation to the level of rates and has developed a Long Term Financial Plan (LTFP) to reflect lower rate rises to address these community concerns and their capacity to pay. This was seen in the reduction of a proposed increase to 4% for the 2015/16 financial year and compliance with the rate cap figures of 2.5% in 2016/17 and 2% in 2017/18 and a figure of 1.9% (below the rate cap of 2.25%) in 2018/19, followed by 2.25% (below the rate cap of 2.5%) in 2019/20.

For 2020/21 Council is proposing an increase in the average rate of 0% once again below the rate cap (of 2%)

The effect of rate capping is another factor that Council needs to consider. This has had the effect of reduced rate rises for the community which should enhance its ability to pay.

6.0 Strathbogie Shire – Current Rates/Charges Profile

The 2019/20 Budget provided for the following rates and charges:

Rate/Charge:	c/\$	No. of Assess.	\$ Revenue 2019/20
Residential Rate	.0050194	4,696	7,313,000
Vacant Residential Rate	.0087839	340	569,000
Commercial/Industrial Rate	.0060232	307	859,000
Vacant Commercial Industrial Rate	.010547	10	19,000
Farm Rate	.0040155	2,234	7,485,000
TOTAL RATES:		7,587	16,245,000
Charges:	\$		\$ Revenue 2019/20
Recycle Charge	178		176,447
Kerbside	375/750		506,596
Kerbside Recycling/Organics	552		1,801,271
Municipal Charge	133		920,739
Tree Management Service Charge	28		194,234
TOTAL CHARGES:			3,599,287
TOTAL RATES & CHARGES:			19,844,287

(*less RL Rebates where applicable)

Profile Summary:

- Service charges generate 14% of total rates and charges revenue. Rates generate 86% of total rates and charges.
- The major source of rates charge income is the Farm sector (40%) followed by the Residential sector (39%);
- The weighting (in an overall context) of the Commercial/Industrial rate base is small (5%). This is largely concentrated in the Nagambie and Euroa townships.

7.0 Differential Rating

The CIV rating method allows differential rating (s.161) of the Act). That means Councils can strike different rates in the dollar for different property classes. This effectively attributes a greater or lesser percentage of the total cost burden of local government services onto different classes of ratepayers according to the levels of differentials applied. Under The Act, the highest differential cannot be more than 4 times the lowest differential. There is no limit to the number of differentials that may be applied.

Any differentials applied must be demonstrably fair and equitable. Any rates struck by Council may be legally challenged. Ministerial Guidelines for Differential Rating were released 26 April, 2013 and define what types of land are considered to be appropriate for differential rates, what types of land need to be carefully considered for differential rates and land that would be considered not appropriate to declare differential rates. Using the current differential rates, the distribution of the rates burden is clearly defined and easily applied. Equity is defined in s.3.

A general observation of other local government experience indicates that successful outcomes in the determination of fair differential rates have been arrived at only with high levels of consultation with community and interest groups. Whilst some attempts have been made to ascribe differential rates based on levels of deemed benefit derived, these have generally been unsuccessful. This is due to the very subjective nature of determining levels of benefit (directly and indirectly) from Council services, the related arguments such as the community service obligations of businesses and the balance between benefit derived and capacity to pay.

Arguments regarding benefit derived become entwined with related philosophical issues such as the equity of progressive taxation regimes, the validity of capacity to pay as a criteria (and property values as a fair representation of capacity to pay) and the tax deductibility of local government rates available to businesses.

The following broad principles ought to be applied to the use of differential rates:

- Differential rates should be levied on the basis of fairness and equity;
- Differential rates should not be used merely as a means of negating the impacts of shifts in the rating base (property market valuations);
- Councils should attempt, as far a possible, to achieve efficiency, transparency and stability in any differential rates applied.

8.0 Pensioners Rate Remission

Pensioners in Victoria may apply for the State Government Pensioner Rates Remission. At present, pensioners are entitled to a rates remission of 50% of their rates bill up to a maximum of \$235.15 (2020/21) per annum. The Fire Services Property Levy has a government rebate of up to \$50.

Clearly, the remission payable to pensioners under Pensioner Rates Remission Scheme is vastly less than the average residential rates bill. As such, the scheme could be said to, at best, offer only a modest relief to the financial impost of local government rates and charges.

The Pensioner Rates Remission Scheme is cost-neutral in the context of the Shire's rating strategy. Council presently provides no additional relief to pensioners over and above the State-funded remission scheme.

9.0 Proposed Rates Structure

9.1 Expenditure Assumptions and Infrastructure Investment Needs

As indicated, the focus of this strategy is on the fair and equitable distribution of the rating burden across the wider community. The expenditure assumptions upon which future rating scenarios have been developed are drawn from Council's Strategic Resource Plan and Long Term Financial Plan.

Under the previous Council's long-term strategic planning, significant increases in Council expenditure were identified as being necessary to maintain an effective program of infrastructure renewal. The level is expected to be maintained to meet the infrastructure renewal gap and allow for options to invest in future services and infrastructure.

Council has made significant progress in addressing the infrastructure renewal gap, to the extent that its Asset Management Policy has been reviewed to :

- Apply the "renew before new" philosophy by fully funding the asset renewal demand in each year of the Long Term Financial Plan as a non-discretionary budget item
- Any additional funding available may then be applied by Council to upgrade , expansion and new works as priorities in the annual Capital Works Program
- In calculating the renewal demand , Council will accept up to 3% of assets being outside intervention, given their good overall condition
- Modelling to determine the renewal demand will exclude several high value assets , which may be subject to alternative approaches

It also needs to be understood that the infrastructure investment gap refers to **renewal** only and does not include allowance for investing in **new** assets, facilities and infrastructure for our communities.

There remain challenges in respect of normal annual increases in the costs associated with local government service provision, many of which rise in excess of inflation.

9.2 Rates Structure

In 2010/11 Council introduced a 2 tiered rating and revenue structure over 5 years to address infrastructure issues. The components were:

- Normal annual rate increases:
 - these would be set at levels necessary to meet Council recurrent costs indexed in line with inflation; and
- An 'Infrastructure Catch-up levy':
 - this levy was a surcharge on Council rates and municipal charges specifically to address the infrastructure and asset renewal backlog.

The introduction of the 2011/2015 Rating Strategy was as a result of an identified renewal gap of approximately \$9M in 2009. The gap was expected to increase if that rating strategy was not introduced.



As indicated in the previous section, Council is now in a good position in relation to renewal demands following a review of its Asset Management Policy and outcomes of investment in recent years. Council is now funding its underlying renewal needs. This strategy was replaced with an across the board 4% rate increase and changes to service charges for the 2015/19 Rating Strategy . This has changed further with the implementation of rate capping.

The current LTFP is now based on a 0 % rate increase in 2020/21 and 2.0% thereafter plus investment growth as a result of new properties being added to the rate base. This has provided the basis for the consistent rate rises over the term of the LTFP.

The key features of the proposed rating/charge structure, as amended, are:

- Rates increases of 0 % then 2.0 % a year plus supplementary growth
- Retention of the existing policy of full cost recovery for all service charges where practical, with the level of service charges indexed annually in line with costs;
- Inclusion of service charges to fully recover the cost of the collection and disposal of garbage, recyclables and organics. There is also a service charge to be assessed on all assessments that contributes to the recovery of costs required to maintain a tree management program and ;
- Removal of the municipal charge in 2020/21.

9.3 Proposed Differential Rates

The differential rates shown will be applied to the items of expenditure described in the annual budget. The level of the rates for each land category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

General/Residential (Base)	100%
Vacant Residential Land	175%
Commercial/Industrial	120%
Vacant Commercial/Industrial	210%
Farm	80%

9.4 Proposed Commercial/Industrial Differential Rate

A differential rate will be applied to land used for commercial or industrial use.

Council currently has a 120% differential rate on commercial/industrial properties – this is proposed to be retained at this level. Commercial and industrial differential rates are commonly applied in local governments throughout Victoria and Australia. Indeed, Council has previously applied a higher differential rate for commercial and industrial properties.

Land classed as commercial/industrial is identified as that land which is categorised within the rating system as having a predominantly commercial or industrial use. Where a commercial enterprise is a secondary use to the predominant farm use, then land in this case will be classed as farm use.

The characteristics of the land classed as commercial/industrial are that it is used for the purposes of retail, wholesale, tourism activities, accommodation, professional or other commercial services or for manufacturing, maintenance, storage and distribution of goods or other industrial services.

Council considers that the introduction of a commercial/Industrial differential is consistent with the principles of fairness and equity.



The objectives, definitions, identification and characteristics of the various differential rates are provided in Section 11 of this strategy.

9.5 Proposed Farm Differential

A differential rate will be applied to land used for farming purposes.

Council currently has an 80% differential rate on farm properties above 40 hectares. The farm differential rate is available to all farm properties of 40 Hectares or greater and to farm properties of less than 40 Hectares which can meet criteria which establish them as bona fide farming activities.

Land classed as farm is identified as that land which is situated within the farming zone, is not less than 40 hectares in area and is not classified as having a commercial or industrial use. Land classified as having a commercial or industrial use will be rated accordingly. Land situated within the farming zone of less than 40 hectares may be considered for the farm differential rate, subject to satisfying Council's criteria for recognition as a bone fide farming activity. Typically such consideration would apply to intensive farming pursuits.

The characteristics of the land classed as farm are that it is used to;

- propagate, cultivate or harvest plants, including cereals, flowers, fruit, seed, trees, turf, and vegetables; or keep, breed, board, or train animals, including livestock, and birds; or propagate, cultivate, rear, or harvest living resources of the sea or inland waters.

Farming properties of less than 40 Hectares, which do not satisfy farm rate criteria, are rated at the general rate.

The objectives, definitions, identification and characteristics of the various differential rates are provided in Section 11 of this strategy.

9.6 Proposed Vacant Residential Land Differential

A differential will be applied to land which is classed as vacant residential land.

Council currently has a 175% differential rate on vacant residential land properties – this is proposed to be retained at this level. Vacant residential land differential rates are commonly applied in local governments throughout Victoria and Australia.

The differential is applied to encourage the development of vacant residential land for the general benefit of the community. Land classed as vacant residential is identified as that land which is categorised within the rating system as having a residential use and having improvements valued at not greater than \$20,000. Vacant residential land which is considered contiguous with occupied residential land will be rated as residential. The characteristics of the land classed as vacant residential are that it is located within a residential (or township or similar) zone, is permitted for residential development and has improvements of not greater than \$20,000.

Council considers that the introduction of a vacant residential land differential is consistent with the principles of fairness and equity.

The objectives, definitions, identification and characteristics of the various differential rates are provided in Section 12 of this strategy.



9.7 Proposed Vacant Commercial/Industrial Land Differential

A differential will be applied to land which is classed as vacant commercial or industrial land.

Council currently has a 210% differential rate on vacant commercial/industrial land properties – this is proposed to be retained at this level. Vacant commercial/industrial land differential rates are commonly applied in local governments throughout Victoria and Australia.

Land classed as vacant commercial/industrial is identified as that land which is categorised within the rating system as having a commercial or industrial use and having improvements valued at not greater than \$20,000. Vacant commercial/industrial land which is considered contiguous with occupied commercial/industrial land will be rated as vacant commercial/industrial. The characteristics of the land classed as vacant commercial/industrial are that it is located within a commercial or industrial zone, is permitted for commercial or industrial development and has improvements of not greater than \$20,000.

Council considers that the introduction of a vacant commercial/industrial land differential is consistent with the principles of fairness and equity.

The objectives, definitions, identification and characteristics of the various differential rates are provided in Section 11 of this strategy.

9.8 Proposed Municipal Charge

Council has decided to remove the Municipal Charge transferring approximately \$910,000 revenue from a fixed charge to become rate revenue determined by valuations.

9.9 Service Charges

The LGA allows Council to declare a service rate or an annual service charge.

This charge can be applied on, or a combination of, any of the following services:

- Provision of a water supply
- Collection and disposal of refuse
- Provision of sewerage services
- Any other prescribed service

This service rate or service charge may be declared on the basis of any criteria specified by the Council in the rate or charge. The service charges applied by Council are a Waste Collection Charge for the collection and disposal of household waste, including recyclables and organics, together with a levy to cover tree management costs.

Components of waste management charges are as follows:

9.10 Garbage

All developed land used primarily for residential, commercial or other purposes that are serviced by the weekly or fortnightly waste collection service will incur a Garbage Collection Charge for the provision of a domestic garbage bin. This charge will also be applied to all non-rateable properties that utilise the garbage collection service.

9.11 Recycling

All developed land used primarily for residential, commercial or other purposes that are serviced by the weekly or fortnightly waste collection service will incur a Recycling Charge for the provision of a recycling bin. This charge will also be applied to all non-rateable properties that utilise the recycling collection service.



9.12 Organic Waste

All developed land used primarily for residential, commercial or other purposes that are serviced by the weekly or fortnightly waste collection service will incur a Organic Waste Charge for the provision of an organic waste bin. This charge will also be applied to all non-rateable properties that utilise the organic waste collection service.

9.13 Service Charge

All rateable properties will be levied a service charge to provide for a specific tree management program that addresses Councils requirement to manage tree maintenance on roadsides.

9.14 Trust For Nature - conservation covenants

Council has previously considered implementation of a scheme to encourage preservation of areas of conservation significance .One option Council considered was to do tis through the rating system but at its meeting in October 2019 the Council resolved :

“That Council approve an Annual Conservation Incentive for Strathbogie Shire property owners of Trust for Nature registered Conservation Covenants, of \$25 per hectare capped at \$250 per property, to be trialled in 2019/20, payable prior to 30 November 2019.

2. *That Council acknowledge that the balance of the budget will be put towards support for our rural communities.*
3. *That a short Conservation Incentive Evaluation be completed by all recipients annually, in order to;*
 - a. *confirm a landowner's participation in each year's incentive, and;*
 - b. *reinforce Council's ongoing support with feedback and data on how the incentive benefits landowners via:*
 - *local economic development,*
 - *support of group and individual biodiversity initiatives,*
 - *support of property maintenance initiatives, and*
 - *support of weed and pest eradication.*
4. *That a review of the Annual Conservation Incentive be undertaken in July 2020.”*

Therefore administration of this program is outside the scope of the Rating Strategy.



9.15 Proposed Rates/Charges Profile 2020/21

Rate/Charge:	c/\$	No. of Assess.	\$ Revenue 2020/21
Residential Rate	.0050682	4,701	7,702,000
Vacant Residential Rate	.0088694	326	553,000
Commercial/Industrial Rate	.0060818	307	924,000
Vacant Commercial Industrial Rate	.0106432	10	20,000
Farm Rate	.0040546	2,243	7,917,000
TOTAL RATES:		7,587	17,116,000
Charges:	c/\$	No.	\$ Revenue 2020/21
Kerbside collection 80/120/240 litre	383/765		529,000
Recycling 120/240/360litre	181		187,000
Kerbside/Recycling/Organics	563		1,911,000
Kerbside/Organics	383		
Tree Management Service Charge	29		199,000
TOTAL CHARGES:			2,826,000
TOTAL RATES & CHARGES:			19,942,000

10.0 Special Rates & Charges

Section 163 of *The Act* provides that Councils may declare a special rate or charge or combination of both if Council considers that such action will provide a special benefit to the persons required to pay the rate or charge.

This is a commonly used rating mechanism in local government and is typically used for projects where the benefit is relatively easy to identify and quantify.

The establishment of Special Charge Schemes may be considered where:

- Existing or proposed development has highlighted a need for additional infrastructure improvement, or
- Potential New or Upgraded infrastructure has been identified to hold high strategic value, and
- Scheme participants would receive tangible and direct benefit from that infrastructure, and Council has capacity to fund the inherent community benefit

The implementation of such schemes would only proceed subject to extensive community consultation.

11.0 Differential Rates – Objectives and Characteristics

Section 161 of The Act provides that a Council may raise any general rates by the application of a differential rate if -

- (a) it uses the capital improved value system of valuing land; and
- (b) it considers that the differential rate will contribute to the equitable and efficient carrying out of its functions

Section 161 further requires that the objectives of the differential rate and characteristics of the land which are the criteria for declaring the rate be specified.

11.1 Commercial/Industrial Differential Rate

A differential rate will be applied to land used for commercial or industrial purposes. The reasons for the application of a commercial/industrial differential rate are to ensure the equitable and efficient carrying out of Council's functions and to ensure the appropriate distribution of costs associated with the delivery of services which specifically benefit commercial/industrial properties.

Services specifically benefiting commercial/industrial properties include street cleaning, streetscape infrastructure maintenance, waste management, environmental health, compliance - particularly car parking and animal control, street tree management and improvements to commercial and industrial areas.

The appropriate level for the commercial/industrial differential rate is considered to be 120% of the general rate.

Land classed as commercial/industrial is identified as that land which is categorised within the rating system as having a commercial or industrial use.

The characteristics of the land classed as commercial/industrial are that it is used for the purposes of retail, wholesale, tourism activities, accommodation, professional or other commercial services or for manufacturing, maintenance, storage and distribution of goods or other industrial services.

11.2 Farm Differential Rate

A differential rate will be applied to land used for farming purposes.

The reason for the application of a farm differential rate is to ensure the equitable and efficient carrying out of Council's functions.

Specifically, reasons include –

- Acknowledgement that land invested in farming is intrinsic to the activity, distinguishing it from land upon which an activity is based.
- Acknowledgement that farming viability generally requires broadacre investment and recognition of the consequent adverse rating impacts of that investment.
- Acknowledgement that farmers are key contributors to the successful management of the rural environment and that the general community derives benefit from that management.
- Recognition of the importance of farming as a local economic generator with flow on impacts for local business and employment.
- The importance of maintaining the Shire's rural amenity for the enjoyment of residents and the attraction of tourists.
- The application of a farm differential is consistent with the general practice of rural local governments.
- National economic importance of encouraging investment in primary industry.

The appropriate level for the farm differential rate is considered to be 80% of the general rate.

Land classed as farm is identified as that land which is situated within the farming zone, 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 may be considered for the farm differential rate, subject to satisfying Council's criteria for recognition as a bone fide farming activity. Typically such consideration would apply to intensive farming pursuits.

The characteristics of the land classed as farm are that it is used to –

- propagate, cultivate or harvest plants, including cereals, flowers, fruit, seeds, trees, turf, and vegetables; or
- keep, breed, board, or train animals, including livestock, and birds; or
- propagate, cultivate, rear, or harvest living resources of the sea or inland waters.

11.3 Vacant Residential Land Differential Rate

A differential rate will be applied to land which is classed as vacant residential. Residential land will be deemed to be vacant if improvements are valued at \$20,000 or less.

The reason for the application of a vacant land differential rate is to ensure the equitable and efficient carrying out of Council's functions.

Specifically, reasons include –

- To encourage occupation of developed residential land to ensure the appropriate distribution of the cost of Council services
- To discourage the stockpiling of sought after residential land for investment purposes
- To encourage social and economic development
- To encourage development of community facilities and amenity

The appropriate level for the vacant residential land differential rate is considered to be 175% of the general rate.

Land classed as vacant residential is identified as that land which is situated within the residential zone and has improvements valued at \$20,000 or less.

The characteristics of land classed as vacant residential land are that -

- it is zoned residential under Council's planning scheme; and
- it has improvements valued at \$20,000 or less; and
- it satisfies any other requirements for the construction of a dwelling;

11.4 Vacant Commercial/Industrial Land Differential Rate

A differential rate will be applied to land which is classed as vacant Commercial/Industrial. Commercial/Industrial land will be deemed to be vacant if improvements are valued at \$20,000 or less.

The reason for the application of a vacant commercial/industrial land differential rate is to ensure the equitable and efficient carrying out of Council's functions.

Specifically, reasons include –

- To encourage occupation of developed commercial/industrial land to ensure the appropriate distribution of the cost of Council services
- To discourage the stockpiling of sought after commercial/industrial land for investment purposes
- To encourage social and economic development
- To encourage development of community facilities and amenity

The appropriate level for the vacant commercial/industrial land differential rate is considered to be 210% of the general rate.

Land classed as vacant commercial/industrial is identified as that land which is categorised within the rating system as having a commercial or industrial use and has improvements valued at \$20,000 or less.

The characteristics of the land classed as vacant commercial/industrial are that it is classed as being available for purposes of retail, wholesale, tourism activities, accommodation, professional or other commercial services or for manufacturing, maintenance, storage and distribution of goods or other industrial services.

Elloura

Council grants a rebate to each owner of rateable land within the Elloura development in Nagambie 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 the developer.

11.5 First Home Buyers

Council operates a scheme whereby a rebate of two year's rates is granted to ratepayers who qualify for the Victorian Government's First Home Owners Grant.

When proof of approval for First Home Buyers Grant is provided, Council will excuse 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 .

In line with requirements to obtain the Grant home owners will qualify :

- for a newly built home sold for the first time (applied from the date of contract to purchase) ,
- for a house and land package (applied from the date of contract to purchase) ,
- for a vacant block on which a new home is to be built (applied from the date of contract to build house) - maximum property value is \$750,000.

12.0 Collection of Rates

In accordance with Section 167(1) of The Act, Council must allow a person to pay a rate or charge in four instalments and the instalments are due and payable on the date fixed by the Minister by notice published in the Government Gazette.

Section 167(2A) provides that a Council may allow a person to pay a rate or charge in a lump sum , and in order to avoid incurring interest charges any lump sum full payment must be made by 30 September. Rates paid via instalments must be received by the due dates for payment each financial year as follows:

- 1st Instalment due – 30 September
- 2nd instalment due – 30 November
- 3rd Instalment due – 28 February
- 4th Instalment due – 31 May

Council also allows ratepayers to pay property rates via payment arrangements, by any number of instalments, provided the full amount of rates and charges are paid by 31 May each year.



12.1 Payment Methods

Council has a number of different payment options for rates:

- Over the Counter
- In person at Australia Post agencies.
- At Councils Customer Services.
- Internet
- Payment via BPay.
- Payment via Post billpay.
- Telephone by credit card
- May make payment from cheque or savings account.
- Mail
- Post cheque or Money Order to Council.

12.2 Unpaid Rates or Charges

In accordance with section 172 of *The Act* Council may charge interest on unpaid rates and charges in accordance with the rate fixed under section 2 of the *Penalty Interest Rate Act 1983* which is altered from time to time by the Victorian State Government. The penalty interest rate applicable under *The Act* is the rate ruling on 1 July each year. The current rate is 10% and will apply each year unless it is amended on or before 30 June.

12.3 Debt Recovery

After the final day for payment of rates and charges, reminder notices are forwarded to ratepayers. A further final notice is sent requesting payment or inviting ratepayers to make arrangements to pay their outstanding debt.

Any ratepayer who has difficulty paying their rates is invited to contact Council to make alternate payment arrangements. If no payment is forthcoming or no arrangements have been made to pay the amount outstanding, Council pursues the recovery of outstanding rates and charges through Debt Collection agents. All costs incurred for recovery are added to the amount outstanding.

Council has a Hardship Policy that is to be referenced in all cases.

Council will also make every effort to contact ratepayers at their correct address but it is the ratepayer's responsibility to properly advise Council of their contact details. Amendments to the LGA require both the vendor and buyer of the property, or their agents to notify Council by way of notices of disposition and acquisition respectively.

13.0 Fire Service Property Levy (FSPL)

While the Fire Service Property Levy is not part of the rating strategy, Council is responsible for the collection of the FSPL on behalf of the State Government.

Prior to the introduction of the Fire Services Property Levy, Victoria's fire services were funded by financial contributions from insurance companies, the State Government and metropolitan Councils. Insurance companies recovered the cost of their contributions by imposing a fire services levy on insurance premiums.

One of the key findings of Victorian Bushfire Royal Commission was that this model for fire services funding was inequitable, lacked transparency and discouraged some owners from insuring, or fully insuring, their property due to the additional cost the levy imposed on premiums. As a result, the Commission recommended that the insurance-based fire services levy be replaced with a property-

based levy which would require all property owners contributing to fire services funding, not just those with adequate insurance.

On 28 August 2012, the Victorian Government announced that it would implement the Commission's recommendation. The *Fire Services Property Levy Act 2012* (FSPLA) was developed to establish the legal framework for the new Fire Services Property Levy. The Act received Royal Assent on 16 October 2012, and will impose a levy on land in Victoria from 1 July 2013.

The Local Government sector or Councils were appointed as the collection agency for the State Government to collect the levy on leviable land within their municipal district including leviable land owned by Council.

13.1 Property Subject to FSPL

All land is leviable under the FSPLA unless that land is:

- Commonwealth owned land;
- State Government owned land; and
- Public bodies.

For the 2019/20 financial year, the fixed charges were set as follows:

- Residential land (including vacant residential land): \$105;
- Commercial land: \$213;
- Industrial land: \$213;
- Primary production land: \$213;
- Public benefit land: \$213 and
- Vacant land (excluding vacant residential land): \$213.

The fixed charge is subject to adjustment in line with the Victorian Consumer Price Index (CPI). The State Revenue Office (SRO) will notify Councils of changes when they occur.

The Minister will publish the CPI adjusted fixed charge for a levy year before 31 May of the previous year on the SRO website at www.sro.vic.gov.au.

13.2 Levy of Rates

The Minister may determine different levy rates based on land use classification and whether the land is located in the metropolitan fire district or in the country fire district of Victoria. If the Minister does not determine and specify the levy rate by 31 May for the next levy year, the levy rate will remain the same as the most recently determined levy rate.

13.3 FSPL Collection

Section 25(2) of the *Fire Services Property Levy Act 2012* currently requires that for levy purposes the assessment notice must display a number of information items. The information that must be displayed is as follows:

- Date of the notice;
- Name and address of the owner of the land or a person that the owner has nominated the notice should be sent to;
- The levy amount including the fixed charge and variable component;
- How the levy amount was calculated, including the levy rate and any concession applied;
- Land use classification (residential, commercial, industrial etc);
- Address or legal description of the land;

- CIV of the land;
- Date by which the levy amount must be paid;
- Any outstanding levy or levy interest payable;
- That the owner of the land may apply for a waiver, deferral or concession in respect of the leviable land under section 27 of the *Fire Services Property Levy Act 2012* for rateable land and section 28 for non-rateable land; and
- Any prescribed matters.

14.0 Recommendations

1. Apply Capital Improved Value as the valuation methodology to levy Council rates.
2. Apply five (5) differential rates in the dollar; (Residential - General, Vacant Residential, Commercial/Industrial, Vacant Commercial/Industrial, Farm).
 - Residential - Differential - 100%
 - Vacant Residential - Differential - 175%
 - Commercial/Industrial - Differential - 120%
 - Vacant Commercial/Industrial - Differential - 210%
 - Farm - Differential - 80%
3. Review the rating structure following each biennial valuation.
4. Apply no Municipal Charge
5. Apply a kerbside collection, organics and recycling service charge.
6. Apply a service charge that fully recovers the cost of a tree management program.
7. Apply the mandatory rate instalment payment options.
 - 1st instalment due – 30 September
 - 2nd instalment due – 30 November
 - 3rd instalment due – 28 February
 - 4th instalment due – 31 May
8. A lump sum option is available but must be paid by 30 September in order to avoid incurring interest.
9. Allow direct debit payments from cheque or savings accounts.
10. Consider waivers in accordance with the hardship policy.



Q



Fees & Charges

2020/21
Strathbogie Shire



.. "Strathbogie

RE

SET
BOOT
VITALISE



Budget 2020/21
Adopted Fees and Charges

Description	Fee Unit	GST Applicable	2019/20	2020/21	2020/21	
			Current Fees (Post GST) Rounded	Budgeted Fees (Pre GST)	Budgeted Fee (Post GST) Rounded	% Increase 2020/21 (Post GST)
Euroa Cinema						
Single Ticket	1 ticket	Yes	10.00	8.45	10.00	0.00%
Cinema hire fee - half day or evening	session	Yes	211.00	197.86	218.00	3.32%
Swimming Pools						
Family	Season	Yes	92.00	85.94	95.00	3.26%
Adult	Season	Yes	61.00	57.30	63.00	3.28%
Child	Season	Yes	40.00	37.86	42.00	5.00%
Adult	Day	Yes	5.00	5.12	6.00	20.00%
Child	Day	Yes	4.00	4.09	4.00	0.00%
Fire Prevention						
Admin fee for Fire Infringement notice or arrangement of cleanup of properties		Yes	113.00	106.09	117.00	3.54%
Tip/Transfer Station Fees						
Commercial Garbage (Residents)	m3	Yes	59.00	55.26	61.00	3.39%
Commercial Garbage (Non - Residents)	m3	Yes	107.00	100.27	110.00	2.80%
Domestic Garbage (Residents)	m3	Yes	37.00	34.78	38.00	2.70%
Domestic Garbage (Non - Residents)	m3	Yes	74.00	69.58	77.00	4.05%
Green waste (Residents)	m3	Yes	18.00	16.88	19.00	5.56%
Green waste (Non-Residents)	m3	Yes	23.00	21.86	24.00	4.35%
Whitegoods (Requiring degassing)	unit	Yes	10.00	9.71	11.00	10.00%
Mattresses/Mattress Bases (all sizes) (Residents)	unit	Yes	23.00	21.53	24.00	4.35%
Mattresses/Mattress Bases (all sizes) (Non-Residents)	unit	Yes	45.00	42.22	46.00	2.22%
Tyres - Car (Residents)	unit	Yes	5.00	5.05	6.00	20.00%
Tyres - Car (Non-Residents)	unit	Yes	11.00	10.90	12.00	9.09%
Tyres - Light Truck/4WD (Residents)	unit	Yes	13.00	12.74	14.00	7.69%
Tyres - Light Truck/4WD (Non-Residents)	unit	Yes	18.00	16.88	19.00	5.56%
Tyres - Heavy Truck (Residents)	unit	Yes	28.00	26.33	29.00	3.57%
Tyres - Heavy Truck (Non-Residents)	unit	Yes	33.00	30.80	34.00	3.03%
Tyres - Tractor (Residents)	unit	Yes	70.00	65.56	72.00	2.86%
Tyres - Tractor (Non-Residents)	unit	Yes	81.00	75.40	83.00	2.47%
Tyres - Earthmoving (Residents)	unit	Yes	164.00	153.97	169.00	3.05%
Tyres - Earthmoving (Non-Residents)	unit	Yes	196.00	183.78	202.00	3.06%
Co-mingled Recyclables - Residential (Residents)	m3	No	No charge	No charge	No charge	
Co-mingled Recyclables - Residential (Non-Residents)	m3	Yes	8.00	7.16	8.00	0.00%
Co-mingled Recyclables - Commercial/Business (Residents)	m3	Yes	5.00	4.87	5.00	0.00%
Co-mingled Recyclables - Commercial/Business (Non-Residents)	m3	Yes	11.00	8.93	11.00	0.00%
Gas Bottles (<9kg) (Residents)	unit	Yes	8.00	7.84	9.00	12.50%
Gas Bottles (<9kg) (Non-Residents)	unit	Yes	13.00	11.82	13.00	0.00%
Gas Bottles (9kg) (Residents)	unit	Yes	11.00	8.93	11.00	0.00%
Gas Bottles (9kg) (Non-Residents)	unit	Yes	18.00	16.88	19.00	5.56%
Gas Bottles (>9kg) (Residents)	unit	Yes	19.00	17.88	20.00	5.26%
Gas Bottles (>9kg) (Non-Residents)	unit	Yes	28.00	25.82	28.00	0.00%
TVs/Computers	unit	Yes	No charge	No Charge	No charge	
Soft Furnishings (couches, sofas, armchairs) (Residents)	unit	Yes	26.00	23.98	26.00	0.00%
Soft Furnishings (couches, sofas, armchairs) (Non-Residents)	unit	Yes	51.00	47.96	53.00	3.92%
Building Fees						
Domestic Building Works:						
New Dwellings up to \$180,000	app'n	No	2,866.00	2,951.52	2,952.00	3.00%
New Dwellings Over \$180,000	app'n	No	3,165.00	3,259.88	3,260.00	3.00%
Additions to Dwelling, Garage, Decks, Pergolas, Fencing, Masts etc. \$0 - \$30,000	app'n	No	895.00	921.62	922.00	3.02%
Additions Over \$30,000 to \$180,000	app'n	No	1,313.00	1,352.87	1,353.00	3.05%
Industrial / Commercial						
Minor Works to \$10,000	app'n	No	2,161.00	2,225.81	2,228.00	3.01%
Minor Works \$10,000 to \$30,000 (Cost of works x 0.0145+\$2,000)	app'n					
Bulking Works \$30,000 to \$500,000 (Cost of works x0.0145+\$2,000)	app'n					
Bulking Works Above \$500,000 (POA)	app'n					
Service Fees						
Building Permit Extension Class 1	app'n	No	214.00	220.27	220.00	2.80%
Building Permit Extension Class 10	app'n	No	119.00	122.88	123.00	3.36%
Essential Safety Measures Report per hour (Minimum 2 hour charge)	hour	No	181.00	196.45	196.00	2.62%
Occupancy Inspection per hour (Minimum 2 hour charge)	hour	No	181.00	196.45	196.00	2.62%
Building Permit Amendments per hour (Minimum 2 hour charge)	hour	No	191.00	196.45	196.00	2.62%
Preparation of Reports per hour (Minimum 2 hour charge)	hour	No	181.00	196.45	196.00	2.62%
Installation Permit (Removable Dwellings under Residential Tenancies Act)	app'n	No	957.00	985.38	985.00	2.83%
P.O.P.E. Places Of Public Entertainment Approval	app'n	No	1,739.00	1,791.08	1,791.00	2.89%
P.O.P.E. Siting MBS approvals (Min 2 hours)	hour	No	181.00	196.39	196.00	2.62%
Planning Fees						
Advertising for newspaper		Yes	165.00	154.50	170.00	3.03%
Amended Plans		Yes	112.00	150.00	165.00	47.32%
Title search		Yes	55.00	51.50	57.00	3.64%
File retrievals from GRACE		Yes	85.00	78.31	87.00	2.35%
Extension of time applications		Yes	165.00	154.50	170.00	3.03%
2nd request for extension of time		Yes	495.00	463.50	510.00	3.03%
Section 173 Agreement - administration for agreements outside of Planning Permit conditions and where a solicitor other than Council's solicitor prepares the agreement. Applicant must also pay the full costs of assessment of a Section 173 agreement by Council's solicitor.		Yes				
Other fees are regulated under The Planning and Environment (Fees) Regulations 2016 and to be paid to the Minister, planning authorities and the Council are available in https://www.planning.vic.gov.au/legislation-regulations-and-fees/planning-and-subdivision-fees						
Road Opening Permit Fees						
Vehicle Crossing	Permit	No	134.00	137.92	138.00	2.98%
Other Road Openings - per Regulations						
Permit for removal of fallen timber	Permit	No	10.00	10.61	11.00	10.00%
Service Connections/Other	Permit	No	87.00	89.12	89.00	2.30%
Domestic Animal Registration Fees						
Entire dog or cat (maximum fee under Domestic Animals Act 1984)	Animal	No	186.00	191.28	191.00	2.69%
Concession fee entire dog or cat (50% discount as per Domestic Animals Act 1984)	Animal	No		95.64	95.50	

Budget 2020/21
Adopted Fees and Charges

Description	Fee Unit	GST Applicable	2019/20	2020/21	2020/21	
			Current Fees (Post GST) Rounded	Budgeted Fees (Pre GST)	Budgeted Fee (Post GST) Rounded	% Increase 2020/21 (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	42.23	42.00	2.44%
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	20.60	21.00	5.00%
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	42.23	42.00	2.44%
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	20.60	21.00	5.00%
Entire dog or cat first registered with Council prior to April 2013	Animal	No		92.86	93.00	
Concession entire dog or cat first registered with Council prior to 2013	Animal	No		48.43	46.00	
Declared dangerous, menacing or restricted breed dogs (no concession available under the Domestic Animals Act 1994)	Animal	No	372.00	382.88	383.00	2.96%
Declared Dogs-property inspection fee for dangerous, menacing or restricted breed	Per hour	No	53.00	54.64	55.00	3.77%
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	No				
Replacement registration tag	Animal	No		5.00	5.00	0.00%
Pound Fees						
Domestic Animals (Dogs/Cats)	Day	No	21.00	21.85	22.00	4.76%
Domestic Animal - Administration Fee (Accounting/Advertising/Release etc)	Animal	No	133.00	138.59	137.00	3.01%
Domestic Animals - After Hours Collection Fee when impounded	Collection	No	133.00	136.59	137.00	3.01%
Livestock - Sheep	Head/Day	No	7.00	7.63	8.00	14.29%
Livestock - Cattle	Head/Day	No	21.00	21.85	22.00	4.76%
Livestock - Horses	Head/Day	No	21.00	21.85	22.00	4.76%
Livestock - Stallions & Bulls	Head/Day	No	74.00	76.46	76.00	2.70%
Livestock - Other	Head/Day	No	21.00	21.85	22.00	4.76%
Livestock - Administration Fee (Accounting/Advertising/Release etc)	per event	No	133.00	136.63	137.00	3.01%
Impound/Call Out Fees						
After hours staff Impound/Call out fee	per collection	No	127.00	131.16	131.00	3.15%
Transport fee	per collection	Yes		At cost plus 25%		
Surrender of Animals						
All animals surrendered to be euthanised	Animal	No	25.00	25.00	25.00	0.00%
Animals surrendered for rehoming	Animal	No	25.00	25.00	25.00	0.00%
Other Fees						
Vet Fees (all animals)	Animal	Yes		At cost		
Domestic Animal Business						
Registration or Renewal	No	No	254.00	261.86	262.00	3.15%
Additional Inspections	No	No	122.00	125.87	126.00	3.28%
New Business Establishment Fee	No	No	254.00	261.86	262.00	3.15%
Local Laws - Permits						
Roadside Fire collection	Permit	No	16.00	16.23	16.00	0.00%
Permit to graze livestock by resident owner	Permit	No	42.00	43.40	43.00	2.39%
Other Permits (Administration Fee)	Permit	No	85.00	87.51	88.00	3.53%
Annual Permits, including single item street trading	Permit	No	85.00	87.51	88.00	3.53%
Annual Permits for multiple use in street trading	Permit	No	137.00	141.59	142.00	3.65%
Impounded vehicle reclaim	per vehicle	No	212.00	218.55	219.00	3.30%
Local Laws - Impounded Vehicles						
Towing fee recovery	per vehicle	Yes		at cost		
Saleyards						
Agents Yard Fee for sale days (cattle sold per head)	Yes	Yes	0.37	0.35	0.39	5.41%
or						
Fee per sale (whichever is greater)	Yes	Yes	382.00	357.32	363.00	2.88%
NLIS Tags	Yes	Yes	64.00	58.55	66.00	3.13%
Weighings	Yes	Yes	5.00	4.72	5.20	4.00%
Scanning	Yes	Yes	3.10	2.89	3.20	3.23%
Sheep	Yes	Yes	0.30	0.29	0.30	0.00%
Horse	Yes	Yes	7.00	6.56	7.20	2.86%
Alpaca	Yes	Yes	7.00	6.56	7.20	2.86%
Llama	Yes	Yes	7.00	6.56	7.20	2.86%
Truck wash	Yes	Yes	2.00	1.85	2.00	0.00%
Fees Associated with Sales						
Sale day	Yes	Yes	10.80	10.15	11.20	3.70%
Day after Sale day (before 5.00pm)	Yes	Yes	10.80	10.15	11.20	3.70%
Use of yards as a trans-shipment point (max. 12hours)	Yes	Yes	276.00	258.26	264.00	2.90%
Single Truck Operators	Yes	Yes	138.00	128.16	142.00	2.90%
Health Fees						
Food Premises						
Class 1 Food Premises (includes one routine inspection and audit)	Permit	No	546.00	-	-	-
- Additional fees for late registration (add 50% of scheduled fee)	No	No	273.00	-	-	-
Class 2 Food Premises (includes one routine inspection and compliance check)	Permit	No	546.00	-	-	-
- Additional fees for late registration (add 50% of scheduled fee)	No	No	273.00	-	-	-
Class 2 with 3rd party FSP (includes one routine inspection and compliance check)	Permit	No	546.00	-	-	-
- Additional fees for late registration (add 50% of scheduled fee)	No	No	273.00	-	-	-
Class 3 Food Premises (includes one routine inspection)	Permit	No	239.00	-	-	-
- Additional fees for late registration (add 50% of scheduled fee)	No	No	119.50	-	-	-
New Business Establishment Fee	Permit	No				
Sporting Clubs/Community Groups (not for profit)	Permit	No	53.00			

Budget 2020/21
Adopted Fees and Charges

Description	Fee Unit	GST Applicable	2019/20	2020/21	2020/21	
			Current Fees (Post GST) Rounded	Budgeted Fees (Pre GST)	Budgeted Fee (Post GST) Rounded	% Increase 2020/21 (Post GST)
Food vehicle						
Class 2	Permit	No	308.00	-	-	-
Class 3	Permit	No	191.00	-	-	-
Temporary Food Stall						
Single event						
Class 2	Permit	No	132.00	-	-	-
Class 3	Permit	No	74.00	-	-	-
Single event for Sporting Clubs/Community Groups (not for profit) registered in Strathbogie	Permit	No	53.00	-	-	-
Annual Fee						
Class 2	Permit	No	239.00	-	-	-
Class 3	Permit	No	119.00	-	-	-
Class 4 (sausage sizzles etc, for fund raising)	Permit	No	-	-	-	-
Food stall for Sporting Clubs/Community Groups (not for profit)	Permit	No	53.00	-	-	-
Submission of plans						
Application fee for submission of plans (50% of applicable registration fee)		No	25% Sched Fee	-	-	-
Inspections						
Additional inspections (all categories)		No	120.00	-	-	-
Pre Inspection of Premise being sold (Rename Transfer Fee)	Each	No	120.00	-	-	-
Priorily inspection request (within 5 days)	Each	No	180.00	-	-	-
Urgent inspection request (within 48 hrs)	Each	No	313.00	-	-	-
Public Health & Wellbeing Act Premises						
Beauty parlours, skin penetration or similar	Permit	No	170.00	-	-	-
Allied Health and Alternative Therapy Including Massage Therapy and Acupuncture, etc	No	No	170.00	-	-	-
Prescribed Accommodation (no kitchen)	Permit	No	212.00	-	-	-
New Business Establishment Fee	No	No	50% Sched	-	-	-
Transfer of ownership fees						
Food Premises Class 1, 2a, 2b or 3 premises - 50% of applicable registration fee	per transfer					
Public Health & Wellbeing Act premises - 50% of applicable registration fee	per transfer					
Septic Tank Application Fees						
New Installation	Permit	No	419.00	431.80	432.00	3.10%
Alteration to existing system	Permit	No	212.00	218.21	218.00	2.83%
Significant variation to initial application	per application	No		205.00	205.00	0.00%
Extension of life of permit to install	per application	No		215.00	215.00	0.00%
Land Capability Assessment review (up to 2 lots)	per application	No		195.00	195.00	0.00%
Additional fee for Land Capability Assessment review for every lot > 2 lots (in	per additional lot	No		20.00	20.00	0.00%
Caravan Parks and Moveable Dwelling fees						
Up to 25 sites - 17 fee units				245.65		
26 - 50 sites - 34 fee units				491.30		
51 to 100 sites - 68 fee units				982.60		
101 to 150 sites - 100 fee units				1,445.00		
151 - 200 sites - 120 fee units				1,734.00		
Transfer of ownership of caravan park				71.00		
Regatta Centre Building						
Downstairs Function area - no staff - 1/2 day hire (4 hours)	1/2 Day	Yes	77.00	71.87	79.00	2.60%
Downstairs Function area - no staff - full day hire (8 hours)	Full Day	Yes	178.00	166.93	184.00	3.37%
Upstairs Conference area - no staff - 1/2 Day hire (4 hours)	1/2 Day	Yes	77.00	71.87	79.00	2.60%
Upstairs Conference area - no staff - Full Day hire (8 hours)	Full Day	Yes	178.00	166.93	184.00	3.37%
Kitchen - commercial (if selling) - 1/2 Day hire (4 hours)	1/2 Day	Yes	128.00	119.41	131.00	2.34%
Kitchen - commercial (if selling) - Full Day hire (8 hours)	Full Day	Yes	255.00	238.81	263.00	3.14%
Kitchen - private function 1/2 Day Hire (4 hours)	1/2 Day	Yes	64.00	60.28	66.00	3.13%
Kitchen - private function Full Day Hire (8 hours)	Full Day	Yes	128.00	119.41	131.00	2.34%
Boatshed - showers & toilets - 1/2 Day (4 hours)	1/2 Day	Yes	64.00	60.28	66.00	3.13%
Boatshed - showers & toilets - Full Day (8 hours)	Full Day	Yes	128.00	119.41	131.00	2.34%
Entire Regatta Centre Building not including kitchen - no staff - 1/2 Day hire (4 hrs)	1/2 Day	Yes	204.00	191.28	210.00	2.94%
Entire Regatta Centre Building not including kitchen - no staff- Full Day hire (8 hrs)	Full Day	Yes	409.00	382.56	421.00	2.93%
Peninsular - 1/2 Day hire (4 hours)	1/2 Day	Yes	510.00	477.62	525.00	2.94%
Peninsular - Full Day hire (8 hours)	Full Day	Yes	1,020.00	955.24	1,051.00	3.04%
Training Camps - Groups of 50 or less	Day	Yes	64.00	60.28	66.00	3.13%
Training Camps - Groups of more than 51	Day	Yes	128.00	119.41	131.00	2.34%
Entire Venue - no staff - Full Day hire (8 hours)	Day	Yes	1,750.00	1,639.09	1,803.00	3.03%
Extra Toilet Facilities	Day	Yes	467.00	437.09	481.00	3.00%
Tourist Attraction Signage						
4' Standard Name Blade	Sign	Yes	210.00	197.07	217.00	3.33%
Other sizes	Sign					
Official Visitor Guide (OVG) Advertising						
1/4 Page	Advertisement	Yes	332.00	310.90	342.00	3.01%
1/2 Page	Advertisement	Yes	557.00	521.67	574.00	3.05%
Full Page	Advertisement	Yes	1,007.00	943.23	1,038.00	3.08%
Back Cover	Advertisement	Yes	1,458.00	1,364.77	1,501.00	2.95%
Inside Back Cover	Advertisement	Yes	1,232.00	1,154.00	1,289.00	3.00%
The following fees and charges are provided for information only. They are determined by regulation not by Council.						
Consent Application						
Secondary Consent Application	Per Application	No		102.00	102.00	
Extension of time to a permit	Per Application	No		102.00	102.00	
Miscellaneous Fees						
Stormwater Discharge			65.40	65.40	65.40	
Demolition Approval			65.40	65.40	65.40	
Land Information Certificate						
Statutory fee per Regulations			25.80	27.00	27.00	

Budget 2020/21
Adopted Fees and Charges

Description	Fee Unit	GST Applicable	2019/20	2020/21	2020/21		
			Current Fees (Post GST) Rounded	Budgeted Fees (Pre GST)	Budgeted Fee (Post GST) Rounded	% Increase 2020/21 (Post GST)	
Freedom of Information							
Application Fee			28.40	28.40	28.40		
Search time			21.30	21.30	21.30		
Photocopying			0.20	0.20	0.20		
Supervised viewing			5.30	5.30	5.30		
Permit file retrieval							
Initial search fee - Electronic file retrieval	per file	Yes		40.40	44.00	2.33%	
Initial search fee - hard copy file retrieval	per file	Yes		105.06	118.00	3.57%	
plus scan of 1 - 50 hardcopy pages (A4 or A3) to electronic format	per page	Yes		0.19	0.20	1.01%	
plus scan of 51 - 100 hardcopy pages (A4 or A3) to electronic format	per page	Yes		0.18	0.20	8.85%	
plus scan of larger than A3 hardcopy pages to electronic format	per page	Yes		1.75	2.00	8.95%	

Council Plan Review

2017/2021
Strathbogie Shire



~~scribble~~

Strathbogie Shire Council Plan

2017-2021 (2020 REVIEW)



"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."

A handwritten signature in black ink, located in the bottom right corner of the page.

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 determine future direction	X	X
Undertake self-assessment under Workplace Equality and Respect Standards	X	X
Review parking arrangements at Avenel Pre-School and Maternal and Child Health	X	X
Continue to review and implement priorities from the Walking Tracks and Trails Strategy	X	X
Seek grant funding to accelerate improvements to the footpath network	X	X
Commence new planning cycle for Municipal Public Health and Wellbeing Plan	X	X
Prioritise actions within the Play and Recreation Framework to allocate available budget to locations	X	X
Work with the community to implement provision of dogs off leash areas	X	X

Key Strategies	2019/20	2020/21
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 Laws – to reflect contemporary issues	X	X
Complete MOU with Nagambie Health for delivery of Nagambie Ageing Hub	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 including implementation of priority projects from Community Action Group Plans	X	X
Review status of Recreation Reserve Master Plans		X
Achieve funding and deliver Nagambie Youth Hub	X	X

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

Key Strategies	2019/20	2020/21
Work with neighbouring Councils to develop Memorandums of Understanding with Taungurung Land and Waters Council and Yorta Yorta Aboriginal Corporation	X	X
Develop Reconciliation Action plans with Taungurung Land and Waters Council and Yorta Yorta Aboriginal Corporation	X	X
Review public transport options within the Shire		X
Recognise and profile the importance of volunteers in our local community	X	X
Seek funding for provision of emergency power at relief centres, places of last resort within the Shire	X	X
Continue consultation with Fire Brigade Captains to explore Fire Management Planning and CFA Best Practice	X	X



Support and drive community, arts and cultural events

Key Strategies	2019/20	2020/21
Continue implementation of Shire wide youth programs that focus on cultural activities, training and development, pathways to employment and civic participation	X	X
Investigate potential for art work on Nagambie Water Tower	X	X
Begin implementation of Tourism Arts and Culture Strategy Action Plan	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
Complete Work with Event organisers to implement Zero Waste events	X	X
Support sustainable energy initiatives in the Strathbogrie Shire in conjunction with the Environment and Sustainable Development Advisory Committee	X	X
Support Clean up Australia Day	X	X
Continue to support the Goulburn Broken Greenhouse Alliance	X	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

	2019/20	2020/21
Key Strategies		
Implement initiatives contained within the Sustainable Strathbogrie 2030 Plan	X	X
Identify priorities for flood mitigation/drainage in Violet Town	X	
Include urban forestry into urban design frameworks to increase the shaded environment of our townships and implement pilot program	X	X
Partner with agencies (Catchment Management Authority, Agriculture Victoria, Goulburn-Murray Water, Goulburn Valley Water) to deliver a series of listening posts for farmers to identify issues of concern and how they can be addressed	X	X

Protect and enhance our natural environmental assets

	2019/20	2020/21
Key Strategies		
Review Implement Tree Management Guidelines	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

	2019/20	2020/21
Key Strategies		
Implement priority actions from the Stormwater Management Plan	X	X
Develop Guidelines and priority locations for improvements to street lighting in accordance with adopted policy	X	X

Provide efficient and effective waste management

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



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
Review Council Asset list to ensure ongoing need	X	X
Complete survey and design for footpaths, kerb and channelling and parking at the east end of Bank, Belmont, Queen Street Avenel	X	X
Target major capital works projects to seek government funding to reduce Council's costs	X	X
Progress review of Nagambie Growth Management Plan	X	X
Formalise Euroa parking arrangements after adoption of Euroa Township Strategy		X
Continue support of Roads Advisory Committee	X	X
Prioritise outcomes of condition assessment of public toilets	X	X
Implement extension of angle parking in Nagambie including 2-hour limit in appropriate locations	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 in Euroa and over Hughes Creek between Kent Street and Watson Street in Avenel		X
Construct pedestrian bridge linking Memorial Oval and Friendlies Reserve in Euroa	X	
Continue to implement outcomes of the Community Pools Strategy	X	X
Seek Stage 2 funding for Stage 2 boardwalk Seven Creeks Park in Euroa	X	X
Progress priority projects identified in the Nagambie Tourism Infrastructure Business Case	X	X



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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
Promote local businesses through a Bi-Annual Business Awards program	X	X
Support and engage with local representative business groups	X	X

Support tourism and business development

Key Strategies	2019/20	2020/21
Review results of Longwood free camping trial and implement recommendations	X	X
Partner with business groups to develop support programs	X	X

Key Strategies	2019/20	2020/21
Continue to promote smaller communities through presence on the Strathbogie Shire website, the investigation of interpretive signs and historical information and other mediums	X	X
Implement Policy on town entry and roadside signage	X	X
Ensure appropriate involvement in new regional tourism structure	X	X
Install a dump point in Nagambie	X	X

Provide innovative and sustainable land use planning

Key Strategies	2019/20	2020/21
Seek funding to review rural land use/rural residential strategy	X	X
Review, in conjunction with the community, to identify options for footpath, roads and kerb and channel works in Cowslip Street, Violet Town, similar to works identified for Bank Street, Avenel	X	X
Review Violet Town Master Plan 2020/21		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
Develop framework for service planning inclusive of community consultation	X	X
Continue to explore opportunities through collaboration with other Councils in service delivery	X	X
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

Key Strategies	2019/20	2020/21
Prioritise outcomes of ICT strategy to aid business transformation through finalization of "Roadmap"	X	X
Develop Action Plan to address outcomes of the 2020 Community Satisfaction Survey in order to improve customer service and address areas of concern	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
Implement training in relation to Procurement and Contract Management Guidelines	X	X
Refine Long Term Financial Plan covering Ten Year period	X	X
Develop and implement Project Management Framework		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 –i.e, Hume Region Local Government Network	X	X
Promote open and transparent reporting of Council decision making including Know Your Council Data	X	X

Key Strategies	2019/20	2020/21
Implement Communications and Engagement Strategy including training		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
General	Support advocacy programs to State and Federal government; Regional Partnerships, Regional Development Australia, the MAV, ALGA, Rural Councils Victoria and VLGA where it supports Council priorities
Education	Advocate to relevant education providers for an education precinct in Nagambie
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 personnel
Public Transport	Advocate to V/Line for a bus stop in Longwood Advocate for fast rail services in the region Advocate for improvements to Public transport within the Shire generally
Inland Rail	Advocate for preferred outcome with Euroa overpass
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 feasibility study for Mangalore Airport
Utilities	<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 Strathbogje township, Kirwans Bridge and Goulburn Weir</p>
Utilities/ Natural Resources	Advocate for natural gas and increases in the quality of other utility services across the Shire growth areas of the Shire.





Strategic Resource Plan

2020/21 to 2023/24
Strathbogie Shire



RE3 RESET
REBOOT
REVITALISE

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.. "Strathbogie

RE

SET
BOOT
VITALISE



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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 2020/21 are:

- Council will increase the capped average rate by 0 percent in the 2020/21 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;
- New Capital Expenditure is \$10.005 million in 2020/21; and

- New borrowings of \$5 million in 2020/21 to fund rehabilitation of the Violet Town landfill site.

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 2020/21 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;
- Maintain debt at a prudent level;
- 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 2020/21 Budget.

Section	Strategic Direction
Section 2 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 2020/21 Budget. <p>That Strathbogie Shire Council achieves an operating surplus over the life of this SRP.</p>
Section 3 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 6 (Section 4.6 Management Systems), 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 4 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 5 Long-term Borrowing Strategies	<ol style="list-style-type: none"> 1. Borrowings to finance rehabilitation of the Violet Town landfill site are proposed during the term of this SRP with Council debt ratios remaining in the Low risk category.
Section 6 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 \$4 million to \$6 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 \$4 million to \$6 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
Section 7 Rating and Other Revenue Strategies	<p>That Strathbogie Shire Council;</p> <ol style="list-style-type: none"> 1. retains capital improved value (CIV) as its valuation base; 2. no longer levy a Municipal Charge; 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 2020/21, adopts an percent capped average rate increase of 0% for general rates (excluding supplementaries) and a 2.0 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. 7.
Section 8 Strategic Financial Plan	<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 2020/21

2. FINANCIAL SUSTAINABILITY

2.1 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.

2.2 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– 2020/21

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.

2.3 Analysis of Council's Financial Sustainability

2.3.1 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 (-\$376,000) compares favourably within the Small Rural category at (\$-4,770,000) for underlying operating surplus at June 30 2019.



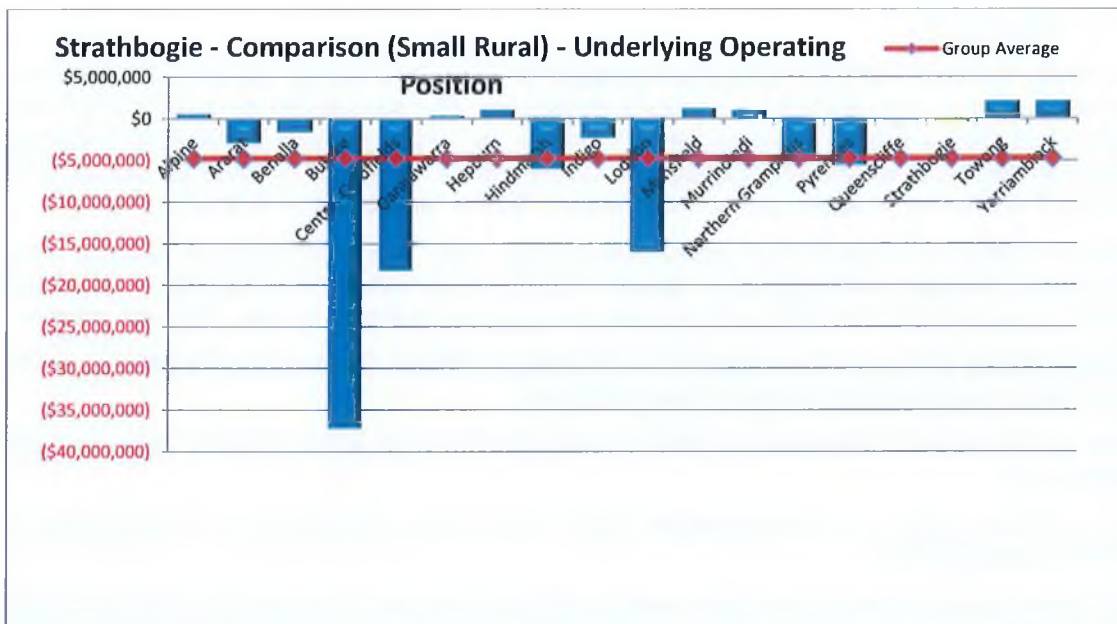


Chart 1: Underlying Operating Position – 2018/19

Liquidity

The Victorian Auditor General's Office considers a Liquidity ratio of more than 100% Low Risk - reflecting no immediate issues with repaying short term liabilities as they fall due.

Council's Working Capital ratio of 215 percent indicates Council's liquidity is considered healthy and in excess of 100% for the foreseeable future.

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 of a capped increase in the average rate per property of 2.00 per cent for the 2020/21 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.

Operating Expenses per assessment of \$3,767 are slightly below the Small Rural average of \$3,801. Council's employee cost as a percentage of total expenditure is 36.49 percent, marginally above the Small Rural average of 36.22 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.

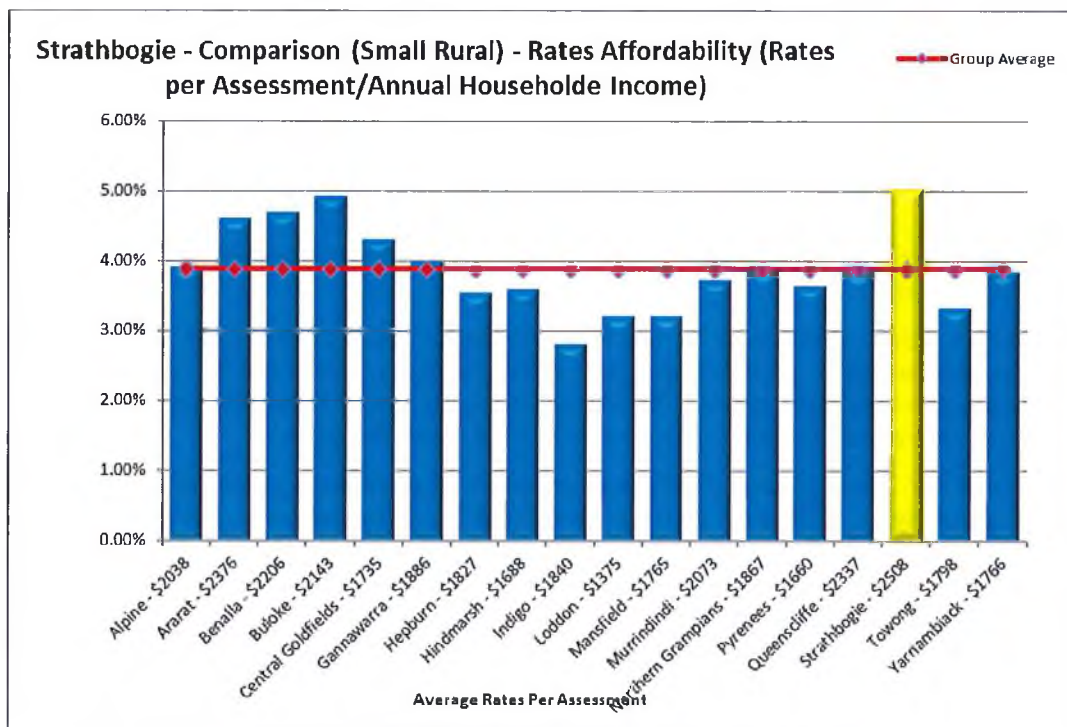


Chart 2: Rates Affordability Small Rural – 2018/19

2.3.2 Victoria Auditor General

The Victoria Auditor General's Office prepares a report on Local Government which outlines a detailed analysis on the financial sustainability of Councils and Regional Library Corporations.



The 2018/19 results for Strathbogie for VAGO's indicators of Council viability are:

Indicator	Calculation	Description	Results 2018/19	VAGO Risk rating
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.	18.26	Low
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.	1.23	Medium
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.	2.15	Low
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.	24.74	Low
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	75.47%	Medium



Indicator	Calculation	Description	Results 2018/19	VAGO Risk rating
		finance capital works from their own funds.		
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.	2.33	Low
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.	1.94	Low

Table 3: Strathbogie Shire Council VAGO Indicators of Council Viability

2.4 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 result close to surplus;
- Slightly below 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 2020/21 Budget.
3. That Strathbogie Shire Council achieves an operating surplus over the life of this SRP.

3. CAPITAL WORKS PROGRAM

3.1 Introduction

The previous section discusses the long-term issues with respect to *Financial Sustainability*.

It should be noted that 59 per cent of the capital expenditure is on renewal and upgrade type projects in the draft capital works program for 2020/21. The total new capital program of \$10.005 million is composed of \$4.084 million in new and expanded assets and \$5.921 million in renewal and upgrade.

The proposed program for 2020/21 comprises \$4.779 million in renewal and \$1.142 million in upgrade.

An amount of \$350,000 has been provided in 2020/21 for detailed design and cost estimation for rehabilitation of the Violet Town Landfill – it is proposed that these works be funded by borrowings.

In addition to new capital expenditure of \$10.005 million works carried forward from 2019/20 will total \$5.499 million . These projects are carried over due to a range of reasons:

- Subject of pending grant applications
- Funded over 2 year
- Subject to government approvals
- Government funded projects with completion dates in 2020/21

This section includes:

- Level and nature of capital works;
- 2020/21 Capital Investment levels
- Capital funding sources; and
- Capital Works Evaluation process

The benchmark for 2018/19 capital expenditure levels by Small Rurals is illustrated below:



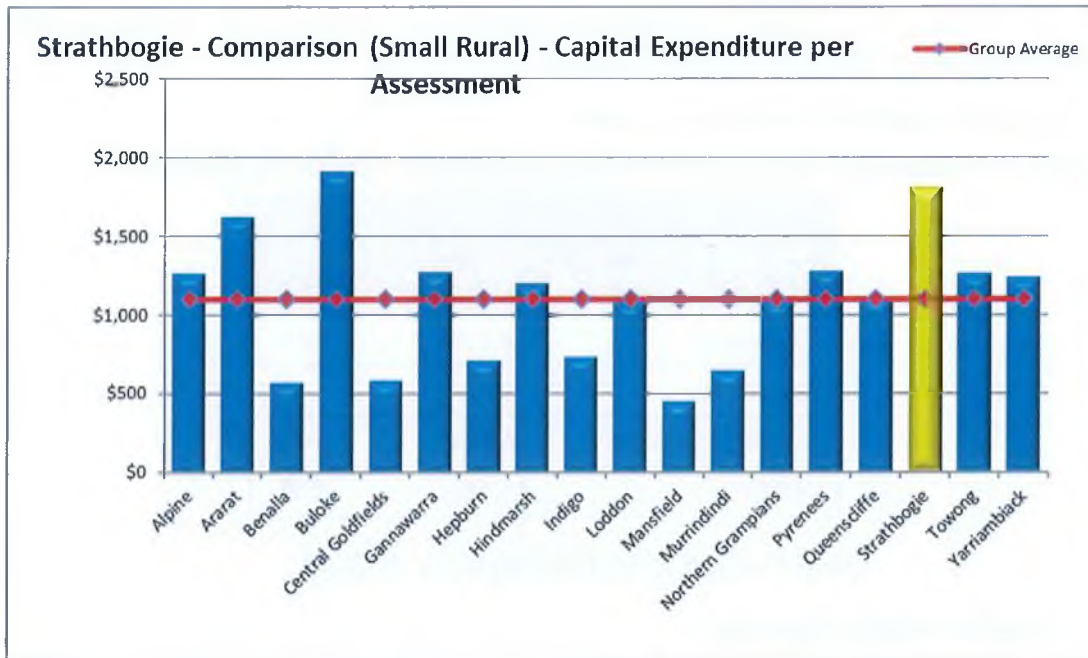


Chart 3: Capital Expenditure – 2018/19

Capital expenditure per assessment is higher than average in 2018/19 at \$1,813 per assessment as compared to \$1,100 for the average Small Rurals.

3.2 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.

3.2.1 Capital works 2020/21

The following are the parameters against which the 2020/21 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 2029/30 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.

3.3 2020/21 Capital Investment Levels

The 2020/21 capital works program by expenditure type is detailed hereunder:

Capital Expenditure Type	2020/21 \$	2020/21 %
Renewal	4,779	48
Upgrade	1,142	11
New/Expansion	4,084	41
TOTAL	10,005	100

Table 4: Capital Works Summary 2020/21

3.4 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 2020/21 financial year by Council's Asset Planning 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.

3.5 Capital Works Evaluation Process

3.5.1 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

3.5.2 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.

3.6 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 6 (Section 4.6 Management Systems), 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.

4. ASSET MANAGEMENT

4.1 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 2019;
- Key questions to determine service level/investment;
- Asset investment;
- Condition assessments;
- Management Systems; and
- Strategic asset management.

4.2 Council's Asset Portfolio - 30 June 2019

4.2.1 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 2019 was \$ 15.96 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 2019 was \$292.15 million. The balance of this section will focus on the fixed assets and the management strategies that Council is pursuing.

4.2.2 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 2019 total \$292.425 million.

4.2.3 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:

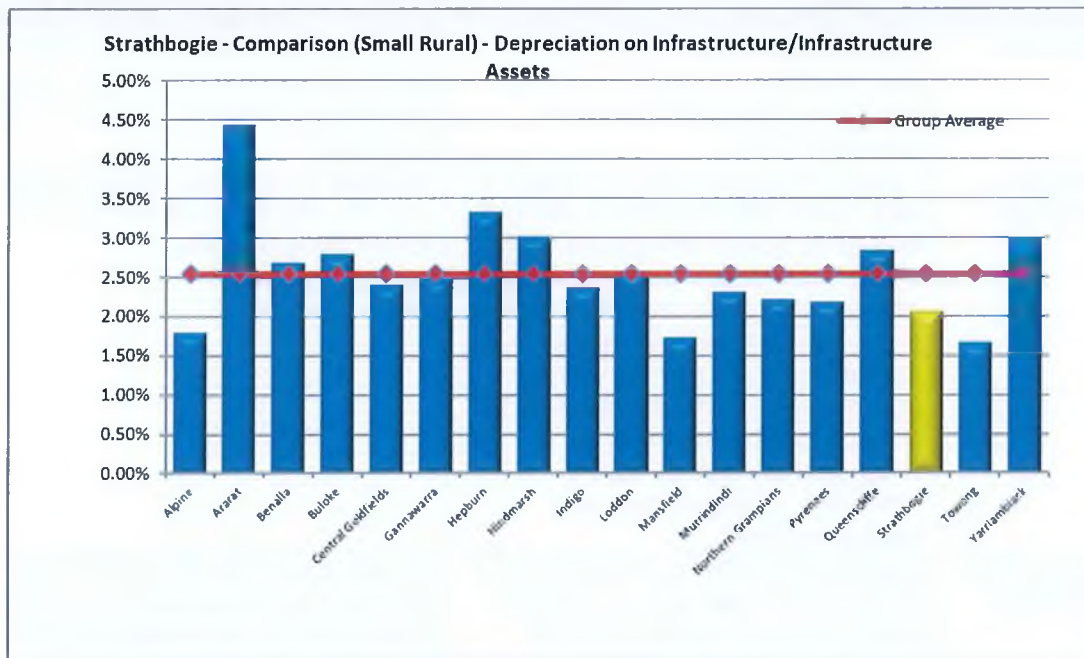


Chart 4: Depreciation on Infrastructure/Infrastructure Assets – 2018/19

4.3 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?

4.4 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.



Type of Expenditure	Definition	Purpose/Example
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 5: Expenditure Definitions – Asset Management – 2020/21

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.

4.5 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).

4.6 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	8.00
(High Traffic) Urban"		
(Low Traffic) Urban"		7.50
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



Asset Group Name	Asset Set Description	Retreat. Intervention Condition
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 6: Intervention Levels by Service Area – Asset Set – 2020/21

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

4.7 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 sources/timeframes.

Table 7: 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.

4.7.1 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 2020/21 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;
- Having documented *Asset Management Plans* detailing levels of service will be a challenge during 2020/21;
- What services, including their performance levels, are required to meet the community outcomes? ; and
- 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.

4.7.2 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*.

4.7.3 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."

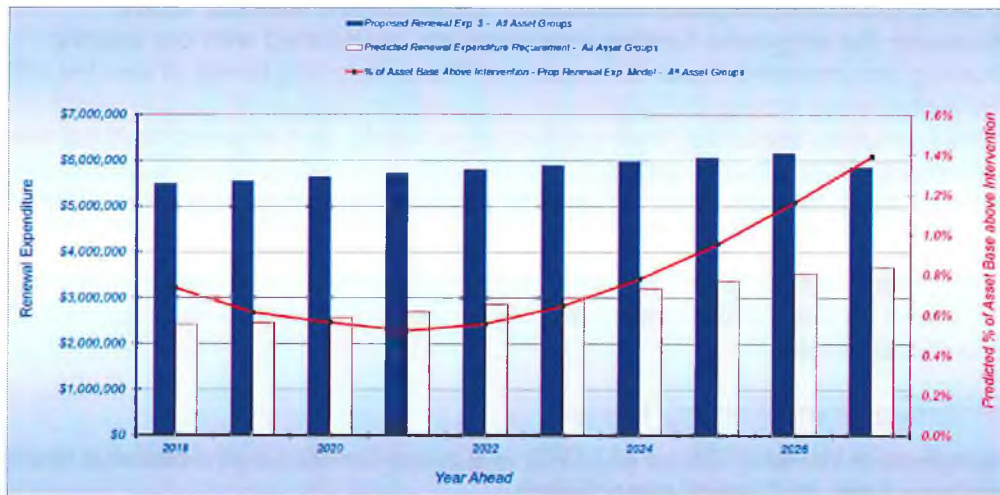


Chart 5: Proposed and Predicted Renewal Expenditure Chart – 2018/19

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

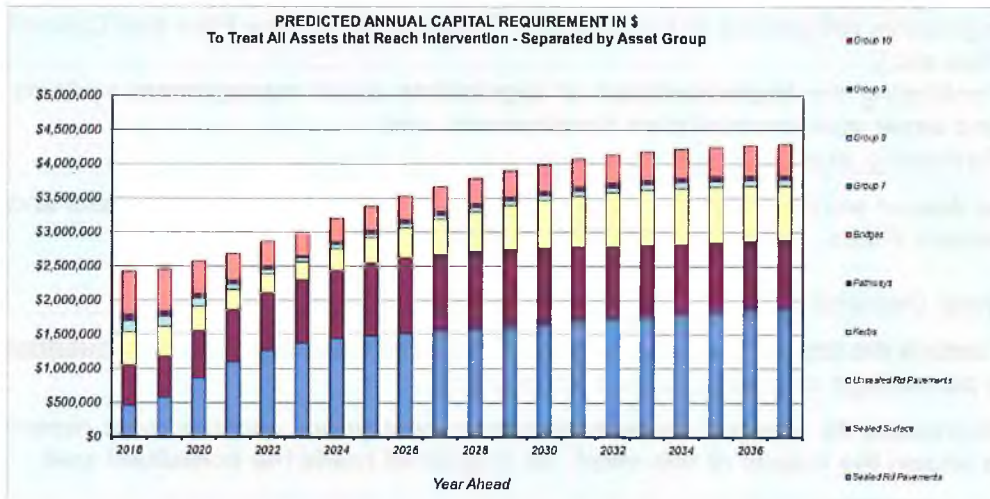


Chart 6: Proposed Renewal Expenditure Profiles Chart– 2018/19



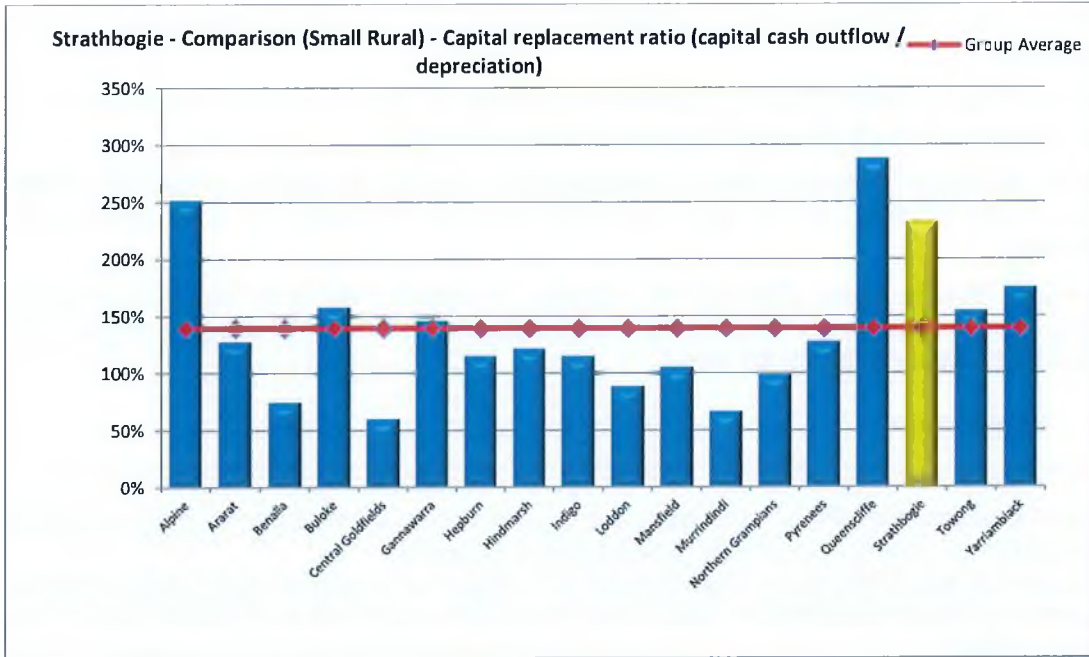


Chart 7: Capital Replacement Ratio

Charts 7 and 8 show that Council is doing well in renewing its assets at the appropriate time . In particular Chart 7 shows that funds spent on replacement of Council's asset base exceeds depreciation and is well above the Small Councils average.

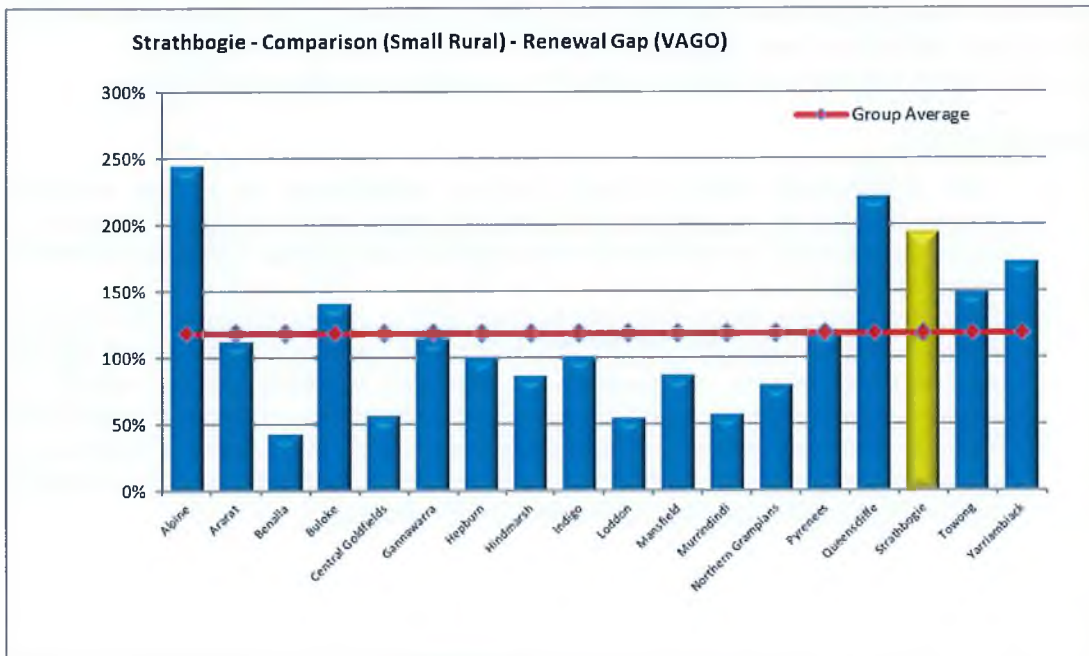


Chart 8: Renewal Gap

This Chart shows that Council is funding its “renewal gap” or renewing its assets at the optimal time.

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.

4.8 Conclusion

Council’s priorities for the 2020/21 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.



5. BORROWING STRATEGIES

This section includes:

- Assessment of Council's current debt position
- Borrowing Program going forward

5.1 Assessment of Council's current debt position

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 2019. 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.

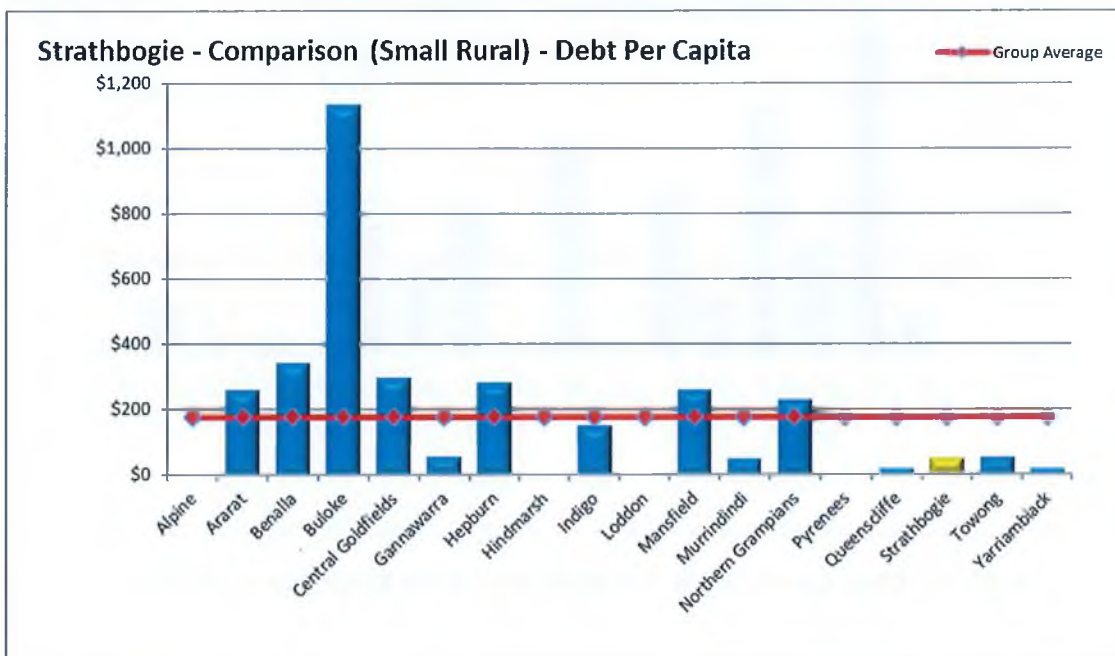


Chart 9: Comparison of Total Debt Levels within Small Rural Group 2018/19

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

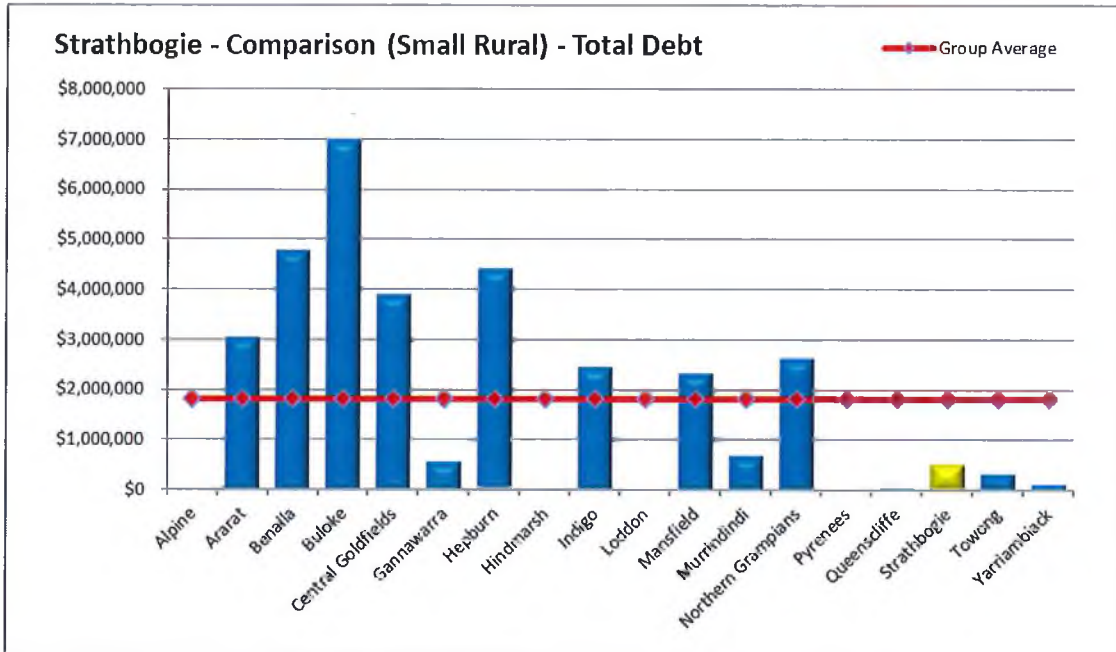


Chart 10: Comparison of Total Debt Levels within Small Rural Group 2018/19

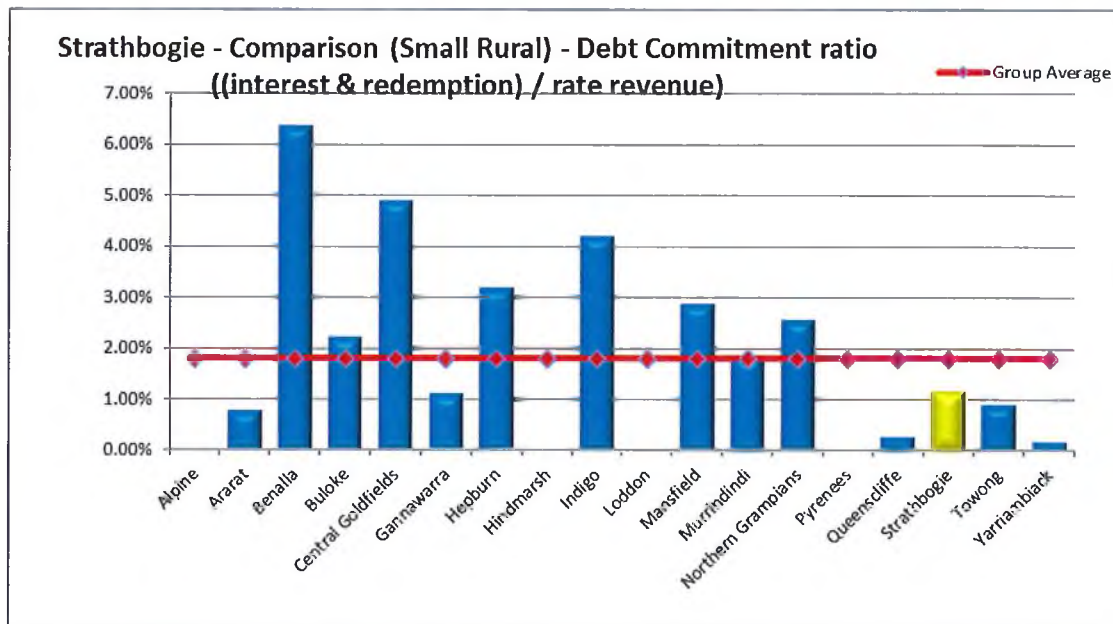


Chart 11: Debt Servicing & Redemption / Rate Revenue – 2018/19

5.1.1 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.

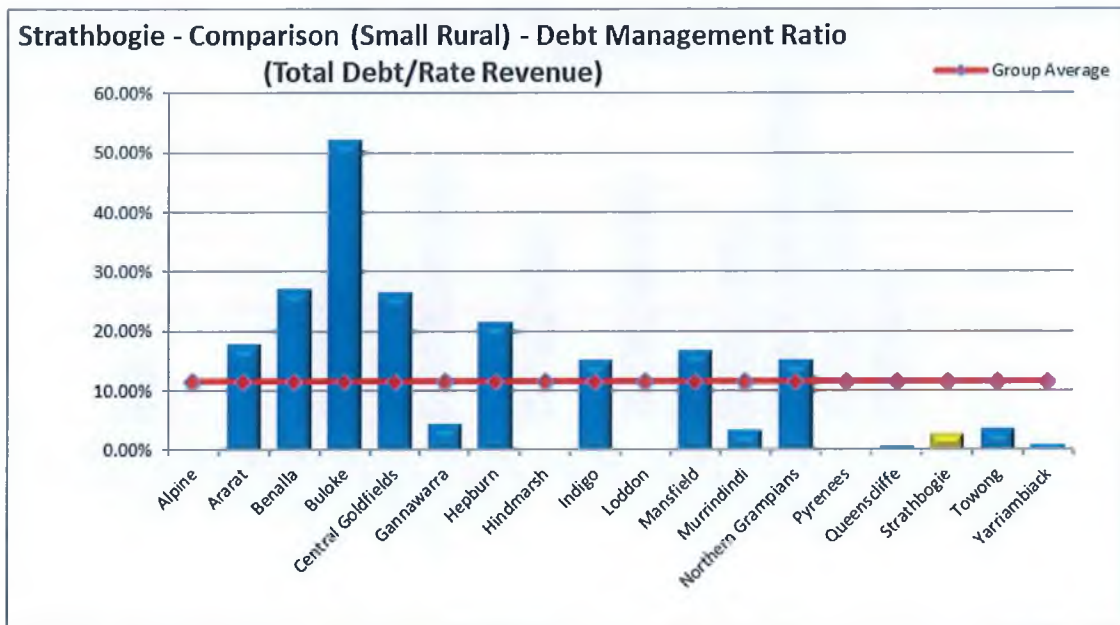


Chart 12: Total Debt as a Percentage of Rate Revenue – 2018/19

Strathbogie Shire Council's debt as a percentage of rate revenue as at June 30, 2019 was 2.65 percent, which is well below the 80 percent benchmark and well below the Small Rurals average.



5.1.2 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.

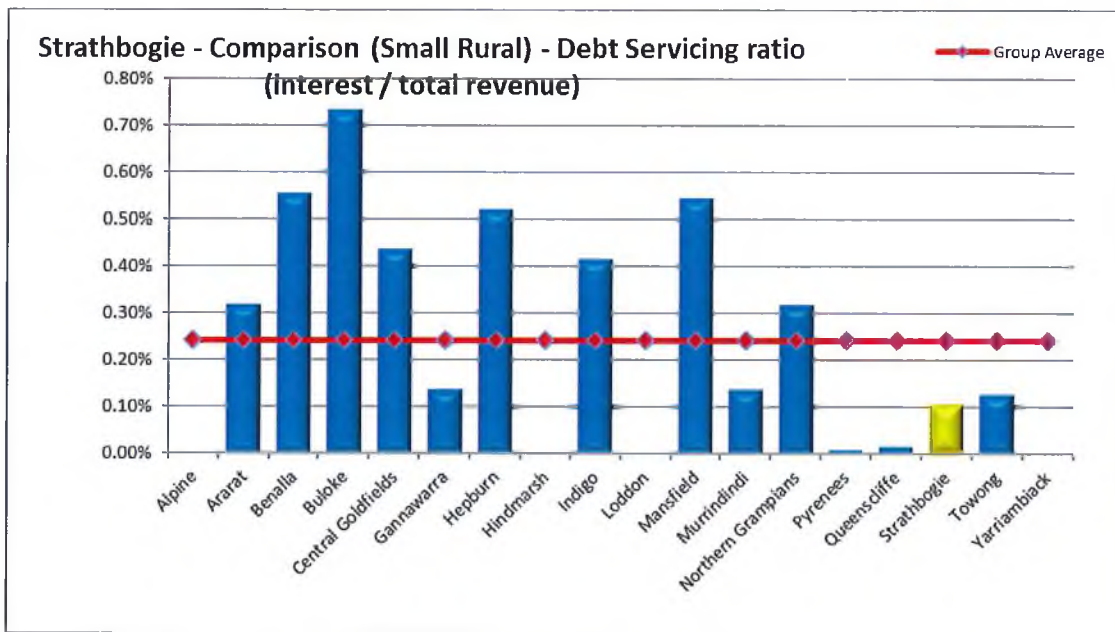


Chart 13: Debt Servicing Ratio (Interest / Total Revenue) – 2018/19

The Strathbogie Shire Council's projected ratio was .10 percent at 30 June 2019, 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.

5.2 Borrowing Program going forward

From the foregoing data it is clear that Council has a very low level of debt and has the capacity to borrow funds for projects it considers necessary.

The Violet Town Landfill has been closed for some years and requires rehabilitation in accordance with EPA requirements.

Estimates of cost are in the range of \$5 million and in order to preserve funds for other projects Council proposes to fund this rehabilitation from a loan over 15 years at an interest rate estimated at 2% per annum.

Funding is provided in the 2020/21 Operating Budget for detailed design and costing with borrowings proposed to be taken up at the end of the 2020/21 financial year.



This should have limited impact on Council's liability position as a provision currently exists in Council accounts of \$ 5.57 million at 30 June 2019 so the cash from the loan will allow for the carrying out of the works and a reduction in the provision as the liability will no longer exist.

In considering borrowings it is necessary to review the impact on various ratios.

Council's current and projected performance on a number of the financial indicators which are shown below together with recommended indicators.

Area	Financial Indicator	Rec Max	20/21	21/22	22/23	23/24
Debt Servicing	Debt Servicing Costs as a % of Total Revenue	5%	.06%	.35%	.31%	.27%
Debt Commitment	Debt Servicing and Redemption Costs as a % of Rate Revenue	10%	.49%	2.35%	2.27%	2.18%
Non Current Liabilities/Own Source Revenue	Less than 25 = Low risk 40 - 60 = Medium	<25 low risk 40-60 medium	53	44	22	20

Table 8: Indicators after borrowings 2020/21

The figure of 41 in 2020/21 reflects existence of both the provision and the loan with the provision dropping the following year.

6. RESTRICTED ASSETS

6.1 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

6.2 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 2020/21 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 \$4 million to \$6 million in working capital to meet day to day needs.

6.2.1 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.

6.2.2 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.



6.2.3 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.

6.2.4 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 2020 \$000's
Unexpended Capital Works	5,499
Amounts held in Trust	685
Total	6,184

Table 9: Restricted Assets – 2020/21

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 \$4 million to \$6 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 \$4 million to \$6 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.

7. RATING AND OTHER REVENUE STRATEGIES

7.1 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 2020/21;
- Waste services;
- Grant revenue;
- Victoria Grants Commission; and
- Fees and charges revenue.

7.2 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 2019 revaluation was undertaken based on property values at 1 January 2020.

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.

7.2.1 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.



7.2.2 *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.

7.3 **Components of Council's Rating Base**

Strathbogie Shire Council levies differential rates and annual service charges 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;
- Special Rates and Charges;
- Service Rates and Charges; and
- Rebates and Concessions

7.4 **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.

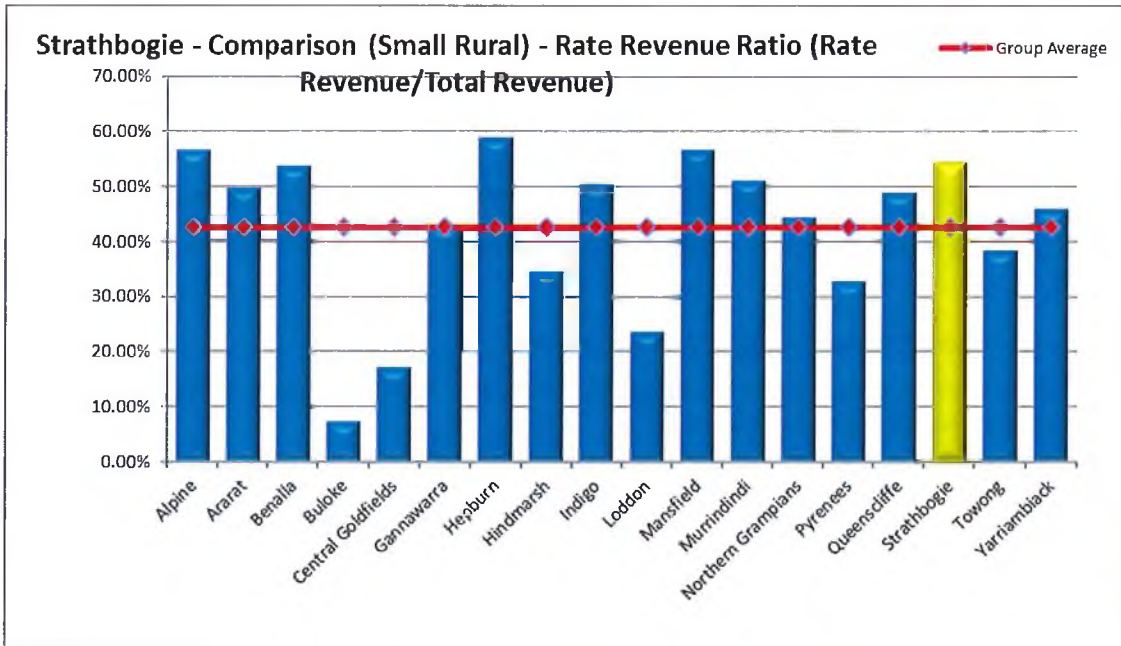


Chart 14: Rates as % of Total Revenue– 2018/19

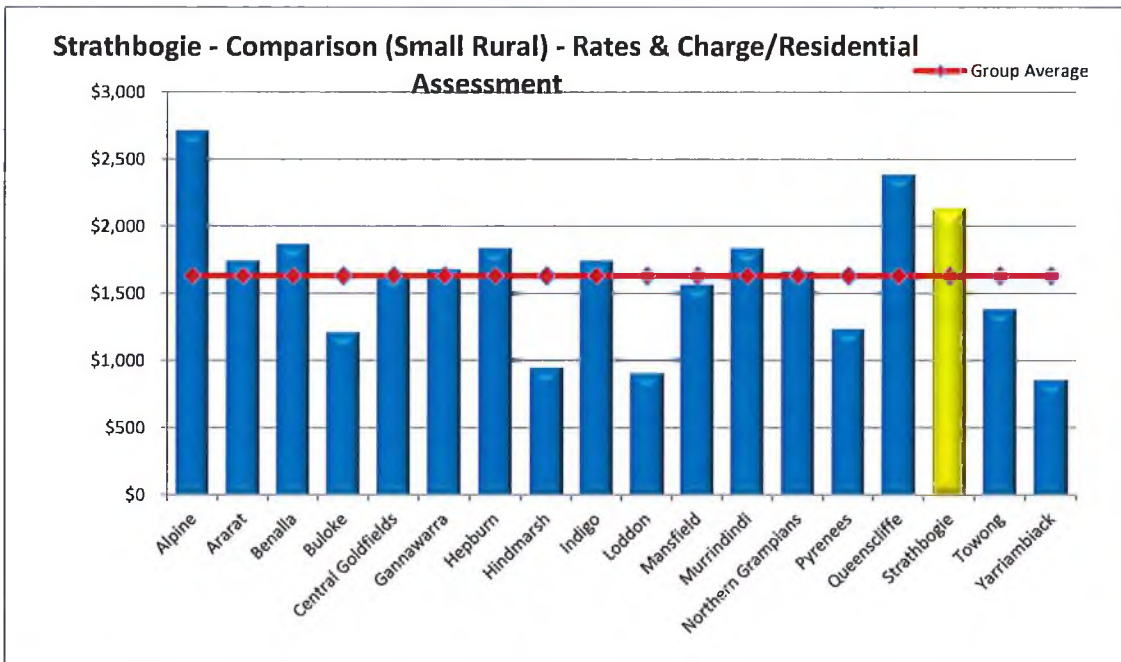


Chart 15: Rates & Charges per Residential Assessment – 2018/19

On a rates per residential assessment Strathbogie Shires rating effort is approximately \$503 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.

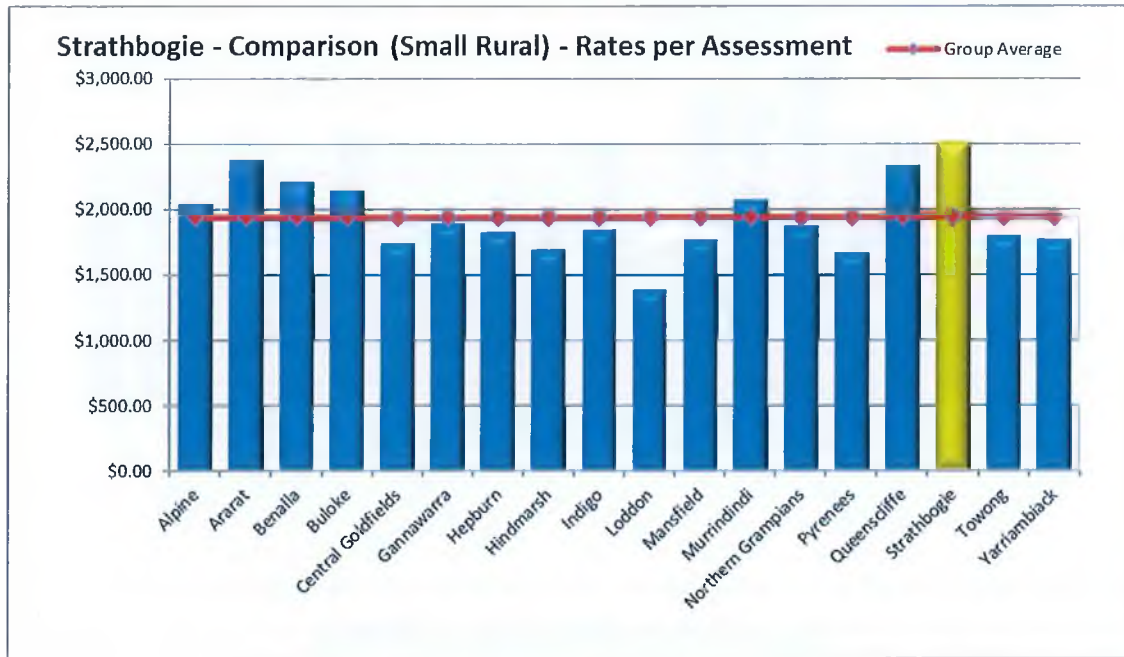


Chart 16: Rates Per Assessment – 2018/19

On rates per assessment basis in the 2018/19 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.

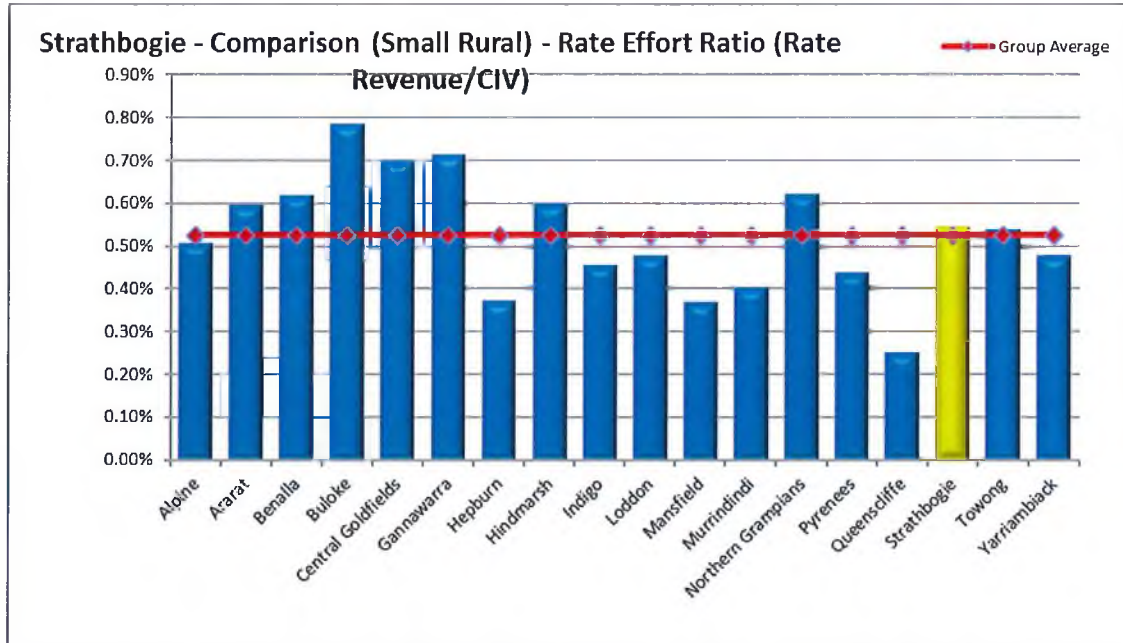


Chart 17: Rate Effort Ratio – 2018/19

7.5 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 2019/20 year including a comparison with 2020/21:

Differential Rate Type	Cents in/\$ CIV 2019/20	Cents in/\$CIV 2020/21	Change (%)
Rateable Residential Properties	.0050194	.0050682	0.97
Rateable Farm Properties	.0040155	.0040546	0.97
Rateable Commercial/Industrial Properties	.0060232	.0060818	0.97
Rateable Vacant Commercial/Industrial Properties	.0105407	.0106432	0.97
Rateable Vacant Residential Land	.0087839	.0088694	0.97

Table 10: Rates and Charges Annualised - 2020/21



The table below outlines the total rates and charges for 2019/20 and 2020/21;

Description	Total Annualised 2019/20 (\$)	Total 2020/21 (\$)	Change (%)
General Rates	16,245,000	17,116,000	5.36*
Municipal Charges	921,000	0	-100*
Waste Service Charges	2,678,000	2,826,000	5.53
Total Rates and Charges Revenue	19,844,000	19,942,000	0.49

Table 11: Rates and Charges 2019/20 as compared to 2020/21

- *Reflects removal of Municipal Charge

7.6 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.



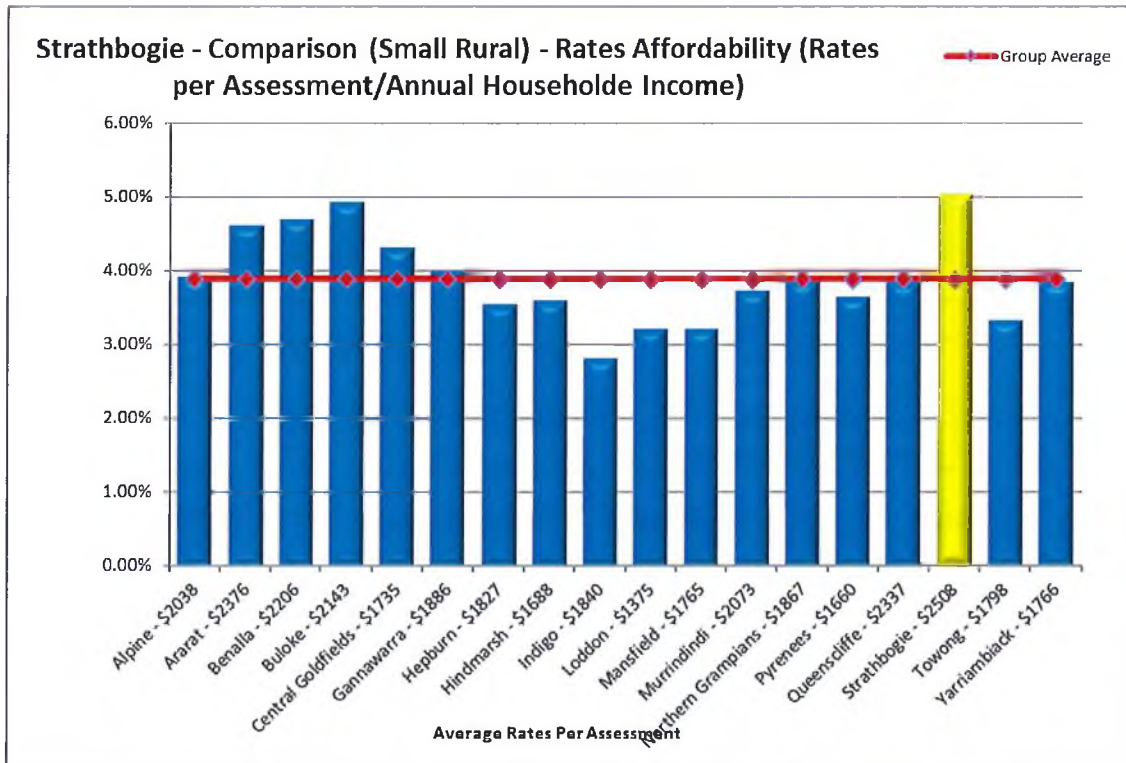


Chart 18: Rates Affordability Small Rural – 2018/19

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

7.7 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 discontinue the Municipal charge.

No change is proposed to Differential rates or the structure of Service Charges.

Removal of the Municipal Charge will cause some redistribution of the rate burden with a benefit to lower valued properties.

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

	Current Structure	Municipal Charge \$133, Farm Differential 82.5%, Tree Management Charge 2019/20	No Municipal Charge, Farm Differential 80%, Tree Management Charge 2020/21
Rateable Residential Properties	Y	.0050194	.0050682
Vacant Land Residential properties	Y	.0087839	.0088694
Rateable Farm Properties	Y	.0040155	.0040546
Rateable Commercial/Industrial Properties	Y	.0060232	.0060818
Vacant Land Commercial/ Industrial Properties	Y	.01054	.0106432
Municipal Charge	Y	133	0
Tree Management Charge	Y	28	29

Table 12: Summary rate in the dollar – proposed changes rating structure

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.

7.8 Rates and Charges Budget – 2020/21

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 to be provided
- Council will excuse the rates 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.

7.9 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 2.00 per cent will apply for 2020/21 financial year

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

7.10 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 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 \$2.82 million will be received for waste and recycling services in 2020/21 to support recurrent operating expenditure).



Service Charge	Charge per Service 2019/20 (\$)	Charge per Service 2020/21 (\$)	Change (\$)	Change (%)
Kerbside Collection 80 litre	375	383	8	2.13
Kerbside Collection 120 litre	375	383	8	2.13
Kerbside Collection 240 litre	750	765	15	2.00
Recycling 120 litre	178	181	3	1.69
Recycling 240 litre	178	181	3	1.69
Recycling 360 litre	178	181	3	1.69
Kerbside/Organics	375	383	8	2.13
Tree Management	28	29	1	3.57

Table 13: Projected Waste Charges – 2020/21

7.11 Grant Revenue

As at 30 June 2019 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 17.8 percent of its revenue (as a percentage of total revenue) from recurrent operating grants compared to the average of Small Rurals at 20.4 percent. Some years ago Council re-auspiced its Home and Community Care program while some some councils still continue to provide this service and receive income from grants for this program.

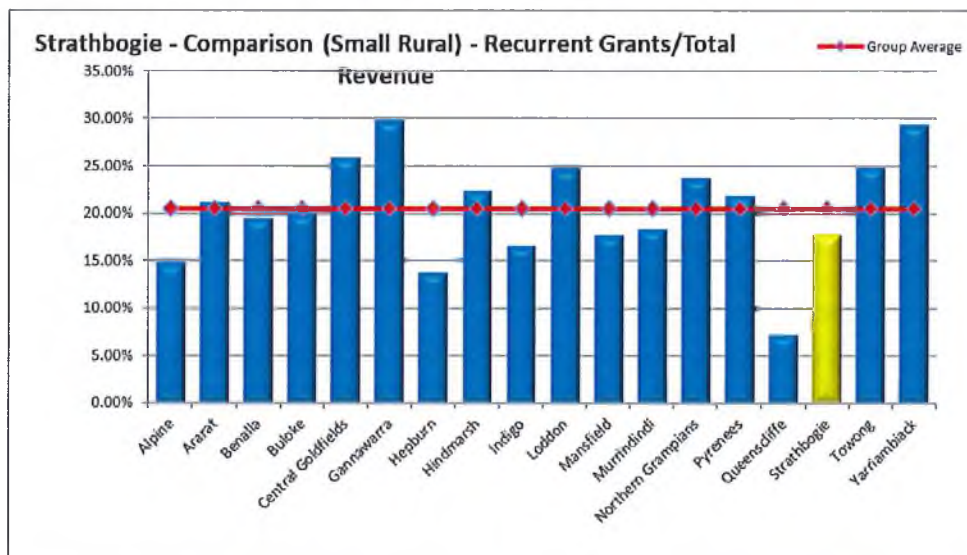


Chart 19: Recurrent Grants/Total Revenue – 2018/19

Strathbogie Shire Council must continue its strong focus on securing grant revenue, particularly for capital works. Grants (capital and operating) at 30 June 2019 totalled \$12.716 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.



7.12 Victoria Grants Commission

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

7.13 Fees and Charges Revenue

Strathbogie Shire Council's fees and charges revenue as a percentage of its total revenue is below average for Small Rurals as outlined in the graph below. Some years ago Council re-auspiced its Home and Community Care program while some councils still continue to provide this service and receive income from fees for this program. There is scope for Strathbogie Shire Council to review fees and charges to ensure maximum return for service.

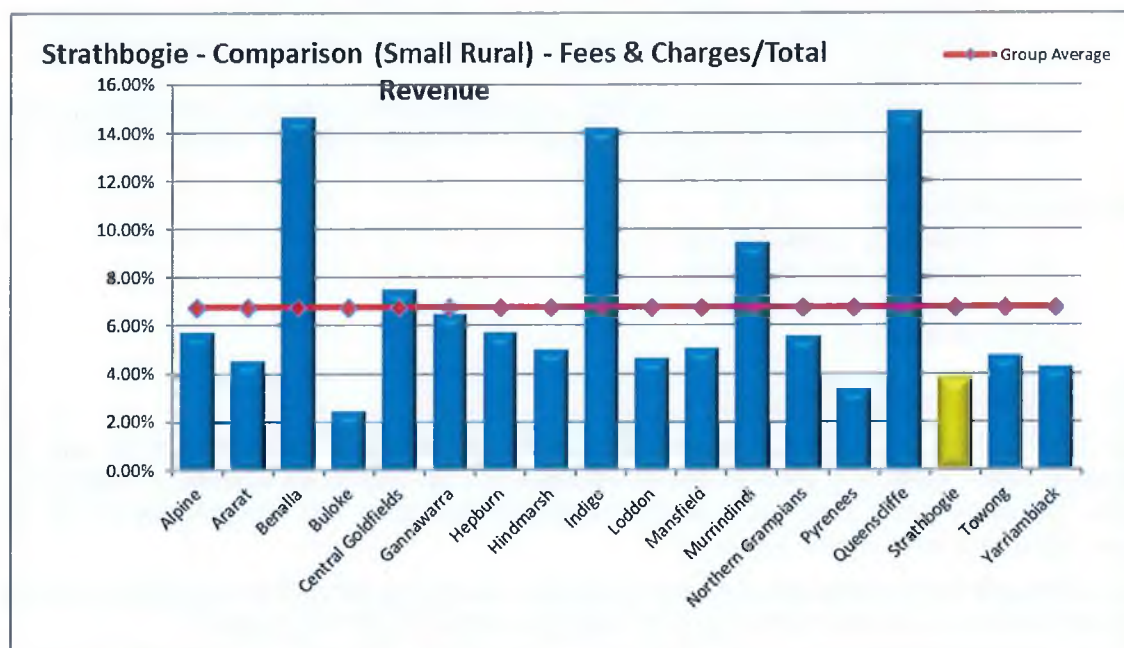


Chart 20: Fees & Charges/Total Revenue – 2018/19

Strategic Direction

That **Strathbogie Shire Council**;

1. retains capital improved value (CIV) as its valuation base;
2. no longer levy a Municipal Charge;
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 2020/21, adopts an percent capped average rate increase of 0% for general rates (excluding supplementaries) and a 2.0 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.

8. STRATEGIC FINANCIAL PLAN

8.1 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

8.2 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 2020, 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*.

8.3 Financial Assumptions

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

8.3.1 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	2020/21	2021/22	2022/23
	%	%	%
Enterprise agreement	1.5	1.7	1.7
Award Increments	.75	.75	.75
Total	2.25	2.45	2.45

Table 14: Labour and on-costs – 2020/21

8.3.2 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.

8.3.3 Materials and contracts

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

8.3.4 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.

8.3.5 Debt servicing and redemption

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

8.3.6 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.

8.3.7 Rate revenue

The 2020/21 Budget is based on an increase of 0% in the average rate per property and removal of the municipal charge and retaining existing differentials.

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.

8.3.8 Service charges

The 2020/21 Budget is based on a 2.0 percent increase in Waste and service charges.

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

8.3.9 Grant revenue

An allowance of \$8.416 million has been made as operating grant revenue for services and projects in 2020/21. 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.

8.3.10 User Fees

Fees and charges that Council has discretion over have been increased by 3.0 percent per annum. Fees and charges of \$.578 million have been provided for in 2020/21.

8.3.11 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. \$.494 million is budgeted from this source. This is a reduction on the previous year as Council proposes to set fees for Registered premises (cafes, hairdressers etc) at zero in an effort to assist with the current difficult economic times. (Revenue approx. \$90,000)

8.3.12 Interest on investments

Interest on investments has been estimated based on cash flow.

8.3.13 Proceeds from sale of assets

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

8.3.14 Capital grants

Capital grant revenue is \$5.214 million in 2020/21, 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.

8.3.15 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 2020/21 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.

8.3.16 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*.



9. 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



TERM	DEFINITION
	resources reflecting 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).

TERM	DEFINITION
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.
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.

TERM	DEFINITION
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 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.



TERM	DEFINITION
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 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"



TERM	DEFINITION
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 15: Glossary of Terms / Definitions

10. 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.



10.1 Comprehensive Income Statement

Figure 2: Comprehensive Income Statement

For the four years ending 30 June 2024	Forecast Actual	Budget	Strategic Resource Plan Projections										
	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	2029/30 \$'000		
Income													
Rates and charges	19,823	19,942	20,441	20,952	21,475	22,012	22,563	23,127	23,705	24,287	24,905		
Statutory fees and fines	392	494	604	622	641	660	680	700	721	743	765		
User fees	619	602	626	651	677	704	732	762	792	824	857		
Grants - Operating	4,050	8,416	6,584	6,791	7,007	7,204	7,427	7,652	7,880	8,115	8,359		
Grants - Capital	5,916	5,214	2,315	1,840	2,240	1,816	1,666	1,666	1,666	1,666	1,666		
Contributions - monetary	494	275	314	324	333	343	354	364	375	386	398		
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-		
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(184)	(839)	(617)	(643)	(600)	(631)	(600)	(600)	(600)	(600)	(600)		
Fair value adjustments for investment property	-	-	-	-	-	-	-	-	-	-	-		
Net gain/(loss) on disposal of investment property	-	-	-	-	-	-	-	-	-	-	-		
Net gain/(loss) on disposal of intangible assets	-	-	-	-	-	-	-	-	-	-	-		
Share of net profits/(losses) of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-		
Other income	517	424	431	439	447	455	463	471	480	180	180		
Total Income	31,627	34,528	30,698	30,975	32,220	32,563	33,285	34,142	35,019	35,612	36,530		
Expenses													
Employee costs	(10,051)	(12,167)	(10,837)	(11,108)	(11,382)	(11,668)	(11,973)	(12,276)	(12,586)	(12,905)	(13,231)		
Materials and services	(11,944)	(12,581)	(12,175)	(12,439)	(12,657)	(12,974)	(13,298)	(13,631)	(13,971)	(14,321)	(14,679)		
Bad and doubtful debts	(1)	(1)	-	-	-	-	-	-	-	-	-		
Depreciation and amortisation	(5,900)	(5,835)	(6,095)	(6,278)	(6,398)	(6,488)	(6,570)	(6,673)	(6,773)	(6,891)	(6,991)		
Borrowing costs	(30)	(20)	(110)	(99)	(88)	(80)	(73)	(67)	(61)	(54)	(47)		
Other expenses	(483)	(556)	(575)	(591)	(607)	(624)	(641)	(659)	(677)	(696)	(715)		
Total Expenses	(28,419)	(31,160)	(29,793)	(30,515)	(31,132)	(31,833)	(32,555)	(33,306)	(34,068)	(34,866)	(35,663)		
Surplus/(deficit) for the year	3,208	3,368	905	459	1,088	730	729	836	951	746	867		
Other comprehensive income													
Items that will not be reclassified to surplus or deficit in future periods:													
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-		
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-		
Items that may be reclassified to surplus or deficit in future periods	-	-	-	-	-	-	-	-	-	-	-		
Total comprehensive result	3,208	3,368	905	459	1,088	730	729	836	951	746	867		



10.2 Budgeted Balance Sheet

Figure 3: Balance Sheet

For the four years ending 30 June 2024	Forecast	Budget									
	Actual		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	15,144	12,689	4,987	4,994	5,995	6,531	7,536	7,295	7,901	7,359	6,838
Trade and other receivables	2,027	2,228	2,374	2,374	2,434	2,438	2,470	2,611	2,547	2,575	2,617
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	5	6	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	17,289	18,036	7,479	7,487	8,547	9,087	10,125	9,925	10,567	10,052	9,573
Non-current assets											
Trade and other receivables	877	881	651	651	651	651	651	651	651	651	651
Investments in associates and joint ventures	243	243	243	243	243	243	243	243	243	243	243
Property, infrastructure, plant & equipment	299,664	307,876	312,302	312,821	313,045	313,358	313,671	313,985	314,299	314,613	314,928
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible asset	-	-	-	-	-	-	-	-	-	-	-
Rights of use assets	875	649	473	290	112	-	-	-	-	-	-
Landfill rehabilitation intangible asset	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	301,659	308,419	313,669	314,005	314,051	314,252	314,565	314,879	315,193	315,507	315,822
Total assets	318,948	324,464	321,148	321,492	322,598	323,339	324,690	324,804	325,760	325,560	325,395
Liabilities											
Current liabilities											
Trade and other payables	5,951	2,873	2,958	2,968	3,043	3,048	3,088	3,139	3,184	3,223	3,276
Trust funds and deposits	468	468	468	468	468	468	468	468	468	468	468
Provisions - Employee benefits	2,336	2,350	2,410	2,477	2,546	2,617	2,688	2,763	2,790	2,818	2,909
Provisions - Other	1,000	1,000	101	101	101	101	101	101	151	201	190
Lease liabilities	226	176	182	179	106	-	-	-	-	-	-
Interest-bearing loans and borrowings	81	386	391	396	307	313	319	326	332	339	346
Total current liabilities	10,062	7,262	6,519	6,589	6,871	6,547	6,665	6,797	6,925	7,049	7,189
Non-current liabilities											
Provisions - Employee benefits	240	280	341	395	451	507	566	626	687	750	815
Provisions - Other	4,356	5,916	4,699	398	398	16	1,342	587	1,496	1,628	1,628
Lease liabilities	649	473	291	111	6	-	-	-	-	-	-
Interest-bearing loans and borrowings	287	4,903	4,512	4,116	3,809	3,497	3,177	2,852	2,520	2,181	1,835
Total non-current liabilities	5,532	11,672	9,844	8,020	4,664	4,020	5,085	4,064	4,703	4,569	4,278
Total liabilities	15,594	18,934	16,362	11,608	11,234	10,567	11,750	10,861	11,628	11,608	11,466
Net assets	303,354	305,530	304,786	309,883	311,364	312,773	312,940	313,943	314,132	313,952	313,928
Equity											
Accumulated surplus	96,597	89,966	100,870	101,330	102,417	103,147	103,877	104,713	105,654	106,410	107,277
Reserves	206,757	205,666	203,916	208,554	208,946	209,625	209,064	209,230	208,468	207,542	206,652
Total equity	303,354	305,632	304,786	309,883	311,364	312,773	312,940	313,943	314,132	313,952	313,928

10.3 Budgeted Statement of Changes in Equity

Figure 4: Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020/21				
Balance at beginning of the financial year	302,262	96,597	205,665	-
Surplus/(deficit) for the year	3,368	3,368	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	305,630	99,965	205,665	-
2021/22				
Balance at beginning of the financial year	305,630	99,965	205,665	-
Surplus/(deficit) for the year	905	905	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(1,749)	-	(1,749)	-
Balance at end of financial year	304,786	100,870	203,916	-
2022/23				
Balance at beginning of the financial year	304,786	100,870	203,916	-
Surplus/(deficit) for the year	459	459	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	4,638	-	4,638	-
Balance at end of financial year	309,883	101,330	208,554	-
2023/24				
Balance at beginning of the financial year	309,883	101,330	208,554	-
Surplus/(deficit) for the year	1,088	1,088	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	393	-	393	-
Balance at end of financial year	311,364	102,417	208,946	-

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10.4 Budgeted Statement of Cash Flows

Figure 5: Cash Flows

For the four years ending 30 June 2024	Forecast Actual		Strategic Resource Plan Projections								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
Rates and charges	19,823	19,342	20,441	20,951	21,475	22,012	22,563	23,127	23,705	24,297	24,905
Statutory fees and fines	525	494	604	622	641	660	680	700	721	743	765
User fees	791	602	626	651	677	704	732	762	792	824	857
Grants - operating	7,658	4,778	6,584	6,791	7,006	7,204	7,427	7,652	7,880	8,115	8,359
Grants - capital	7,761	5,214	2,315	1,840	2,240	1,816	1,666	1,666	1,666	1,666	1,666
Contributions - monetary	454	276	314	324	333	343	354	364	375	386	398
Interest received	170	180	180	180	180	180	180	180	180	180	180
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits taken	-	-	-	-	-	-	-	-	-	-	-
Other receipts	347	244	250	259	265	275	282	290	299	-	-
Net GST refund / payment	1,082	1,473	1,532	728	703	738	699	845	781	888	914
Employee costs	(10,051)	(12,167)	(10,686)	(10,972)	(11,240)	(11,519)	(11,818)	(12,113)	(12,415)	(12,728)	(13,052)
Materials and services	(11,944)	(12,681)	(12,127)	(12,438)	(12,657)	(12,973)	(13,298)	(13,630)	(13,971)	(14,321)	(14,615)
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-
Other payments	(281)	(304)	(596)	(589)	(606)	(622)	(639)	(657)	(675)	(694)	(712)
Net cash provided by/(used in) operating activities	16,405	8,150	9,456	8,344	9,018	8,817	8,827	9,185	9,338	9,359	9,664
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(11,905)	(16,202)	(16,847)	(8,004)	(7,734)	(8,114)	(7,686)	(9,290)	(8,595)	(9,765)	(10,050)
Proceeds from sale of property, infrastructure, plant and equipment	187	698	183	157	200	219	250	250	250	250	250
Proceeds from investment property	-	-	-	-	-	-	-	-	-	-	-
Payments for intangible assets	-	-	-	-	-	-	-	-	-	-	-
Proceeds from intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for investments	-	-	-	-	-	-	-	-	-	-	-
Proceeds from investments	-	-	-	-	-	-	-	-	-	-	-
Loan and advances made	-	-	-	-	-	-	-	-	-	-	-
Repayments of loans and advances	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) investing activities	(11,718)	(15,504)	(16,664)	(7,847)	(7,534)	(7,895)	(7,436)	(9,040)	(8,345)	(9,515)	(9,800)
Cash flows from financing activities											
Finance costs	(23)	(20)	(110)	(98)	(88)	(80)	(73)	(67)	(61)	(54)	(47)
Proceeds from borrowings	-	6,000	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(136)	(81)	(385)	(391)	(396)	(307)	(313)	(319)	(326)	(332)	(339)
Net cash provided by/(used in) financing activities	(159)	4,899	(485)	(490)	(484)	(386)	(386)	(386)	(386)	(386)	(388)
Net increase/(decrease) in cash & cash equivalents	4,528	(2,456)	(7,703)	8	1,000	536	1,005	(241)	606	(542)	(522)
Cash and cash equivalents at the beginning of the financial year	10,616	18,144	12,689	4,987	4,994	5,995	6,531	7,536	7,295	7,901	7,359
Cash and cash equivalents at the end of the financial year	15,144	12,689	4,987	4,994	5,995	6,531	7,536	7,295	7,901	7,359	6,838

10.5 Budgeted Statement of Capital Works

Figure 6: Capital Works

For the four years ending 30 June 2024	Forecast Actual		Budget									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	5,000	-	-	-	-	-	-	-	-	-
Total land	-	-	5,000	-	-	-	-	-	-	-	-	-
Buildings	1,157	878	1,407	534	440	100	67	321	102	479	1,050	
Total buildings	1,157	878	1,407	534	440	100	67	321	102	479	1,050	
Total property	1,157	878	6,407	534	440	100	67	321	102	479	1,050	
Plant and equipment												
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	1,337	1,262	904	1,148	752	1,316	1,102	919	919	919	919	
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-	-	
Computers and telecommunications	315	570	350	350	357	364	371	379	386	394	550	
Library books	-	-	-	-	-	-	-	-	-	-	-	
Total plant and equipment	1,652	1,832	1,254	1,498	1,109	1,680	1,473	1,298	1,305	1,313	1,469	
Infrastructure												
Roads	5,629	6,613	5,015	3,491	3,507	3,713	3,733	5,318	4,893	4,878	3,878	
Bridges	247	513	200	250	450	450	450	450	450	450	450	
Footpaths and cycleways	293	378	600	347	131	368	208	126	233	255	417	
Drainage	541	1,031	377	229	140	496	598	449	310	512	1,322	
Recreational, leisure and community facilities	157	1,332	1,074	123	280	463	112	243	382	890	350	
Waste management	-	-	-	-	-	-	-	-	-	-	-	
Parks, open space and streetscapes	1,147	2,827	388	804	974	106	346	240	139	100	200	
Other infrastructure	-	-	-	-	-	-	-	-	-	-	-	
Total infrastructure	8,014	12,694	7,654	5,244	5,482	5,696	5,447	6,826	6,407	7,085	6,617	
Total capital works expenditure	10,823	16,504	15,315	7,276	7,031	7,376	6,987	8,445	7,814	8,877	9,136	
Represented by:												
New asset expenditure	1,966	2,298	1,311	1,557	1,170	1,680	1,473	1,298	1,305	1,313	1,469	
Asset renewal expenditure	6,974	9,559	11,339	4,196	4,331	4,052	4,327	6,062	5,410	5,766	5,667	
Asset expansion expenditure	1,237	2,507	2,215	1,123	1,130	1,338	1,042	1,023	932	1,610	1,750	
Asset upgrade expenditure	646	1,142	450	400	400	306	145	62	167	188	250	
Total capital works	10,823	16,504	15,315	7,276	7,031	7,376	6,987	8,445	7,814	8,877	9,136	
Funding sources represented by:												
Grants	5,916	5,214	2,515	1,840	2,440	1,416	1,266	1,266	1,266	1,266	1,266	
Contributions	492	-	305	314	324	333	343	354	364	375	386	
Council Cash	4,415	10,290	7,495	5,122	4,267	5,627	5,378	6,825	6,184	7,236	7,484	
Borrowings	-	-	5,000	-	-	-	-	-	-	-	-	
Total capital works expenditure	10,823	16,504	15,315	7,276	7,031	7,376	6,987	8,445	7,814	8,877	9,136	

10.6 Budgeted Statement of Human Resources

Figure 7: Statement of Human Resources

For the four years ending 30 June 2024	Forecast Actual	Budget	Strategic Resource Plan Projections								
	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	2029/30 \$'000
Staff expenditure											
Employee costs - Operating	-	-	-	-	-	-	-	-	-	-	-
Employee costs - Capital	-	-	-	-	-	-	-	-	-	-	-
Total staff expenditure	-	-	-	-	-	-	-	-	-	-	-
Staff numbers	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT
Employees	113	162	119	119	119	119	119	119	119	119	119
Total staff numbers	113	162	119	119	119	119	119	119	119	119	119

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11. 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.