

REQUEST FOR AMENDMENT TO S.173 COVENANT

Applicant:



On behalf of:

Each property owner in Mulqueeny Lane whose lot abutts the Yea Racecourse and Public Recreation Reserve

Location of the subject properties:

PS 523108N dated 10/09/04 Stage 1 Lots 1 - 8 inclusive
PS 523108N dated 08/01/18 Stage 2 Lots 9 -16 inclusive

Agreement proposed to be amended:

S.173 Agreement that relates to the subject properties, at Clause 4.2

Proposed amendment:

4.2 Access

*The Owner covenants and agrees that any Lot which has a western boundary that adjoins the Crown land situated to the west of the Land, must not have direct access to or from that Crown land, **to the satisfaction of the Council.***

Then, an amendment to the effect that:

The Council is so satisfied and permits the Owner limited direct access to and from the Crown land on the conditions following:

- a) The Owner supports the amendment and certifies that the terms of the covenant as amended are accepted under **no coercion or duress.**
- b) The covenant as amended permits **private** direct access to the Crown land for the Owner's immediate family only.
- c) Such access is restricted to a **single gate** for each property, of a size and design acceptable to the Council.
- d) Such access is not to be used to facilitate **business or trade or heavy vehicle access.**
- e) Any gate providing such access will be **chained and locked** securely on any day a race meet or similar closed event is held.
- f) The Owner accepts and agrees that **penalties may apply** in the case of any infringement of the terms of the covenant as amended.
- g) The Owner accepts **liability for damage** and/or injury proven to be caused by their breach of the covenant as amended.

Note: It is clear that if there is sufficient assurance that affected residents

- a) will not allow anything but **private** access to the reserve, and
- b) will **chain and lock** their rear gates on closed event days

then no greater protection against undue incident would be achieved by enforcing the covenant as it stands.

Note: The proposed amendment, if accepted, will by consent apply to each of the properties identified above.

Contd.

Rationale and purpose of the proposed amendment:

Addressing the stated problems:

There are three clearly identified problems

1. Race day security
2. Committee of Management perceptions of responsibility under the Act
3. Questions of who is liable IF

Reserve access and security - the status quo:

1. The reserve is designated for Public Recreation. All citizens have a claim for use of the Reserve for quiet recreation and healthy exercise.
2. Casual use of the Reserve for quiet recreation is moderated by all responsible citizens to account for any apparent risk when racing and golfing facilities are active (lofting golf balls, skittish horses, etc.). At other times there is no appreciable risk except from natural hazards.
3. At any time except closed event days the public has free and open access to the Reserve through three gates from Racecourse Road, whether the users' purposes and objects are legitimate and responsibly exercised or not.
4. The affected residents readily acknowledge the obligation of the Committee of Management to manage the Reserve responsibly. The COM however has limited capacity to protect against aberrant, careless or untoward use of the reserve. In consequence, a number of levels of insurance have been put in place.
5. The race club and St Pats do not offer any special protections, physical or otherwise apart from low fences, for those on the course attending race meetings. Residents' existing gates and fences offer the same or better protections. Protections from wayward golf balls at any point do not exist, and at least two private properties have experienced intrusion and alarm as a result.
6. There is no record to date of any accident or misdemeanor arising from the existence of means for private direct access to the Reserve.
7. None of the affected residents has any intention of permitting use of their property for public access to the Reserve. For home security reasons many of the affected residents, if not all, would prefer to keep any approved direct access point under lock and key - unless in short term use for their private purposes.

Purpose of the proposed amendment:

8. The affected residents wish to make private access to the Reserve more easily procured under conditions that raise no additional risk of accidental injury or damage, **and** to assign any residual liability.
9. A number of the affected residents, being of senior years, appreciate the chance to exercise on the reserve without having to travel to one of the Racecourse Road entrances.
10. Being retired, a number of the affected residents spend considerable time, directly from their homes, in maintaining the golf course for that club, and they value easy access to the course for this reason and for the convenience of conveying their golf buggies to the links.
11. All of the affected residents are house-proud, and they would like to be able, as in the past, to contribute to the care and maintenance of those parts of the reserve to which their homes are adjacent. If direct access is denied such regular care becomes impossible and an unsightly outlook results. (See over.)

PGC 24/4/18



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★ Accesses to reserve
 - Properties with Gates

21/06/2018
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Community Grant Applications Summary
Round 3 – March to May 2018

No	Org/Club	Project Name	Project Value	Grant amount Requested	Grant amount recommended by Assessment Committee	Comments Manager Community Services
1	Alexandra Primary School Arts Committee (APSAC)	Alexandra Beasties	\$8,150.00	\$4,800.00	\$4,800.00	The Alexandra Primary School Arts Committee is seeking funding for a multifaceted arts project. There are three phases to the project, this application seeks funding for Phase 2 only. The Alexandra Primary School and More Murals submitted an application relating to this project in the second round of the Community Grants Program, the panel required further information on the project prior to making a decision and recommended they resubmit. The group revised the application and the project in line with assessment panel feedback. The panel recommends that this application be supported in full.
2	Yea Water Tigers Amateur Swimming Club	Purchase and installation of removable swim starting blocks	\$9,526.00	\$4,218.00	\$4,218.00	The Yea Water Tigers Swimming Club is seeking to improve the facilities by installing four Swim Starting Blocks. This enhances the swimmers ability to train in dive pool entry and supports participation in pennant competitions. Blocks are removable and will be available for use by the Yea Water Tigers Swim Club only, as they have trained instructors to supervise diving. There are minor works that are required to the Yea Swimming pool concourse, these works will be undertaken by a Council approved contractor and overseen by the Infrastructure Assets department. The panel recommends that this application be supported in full.
3	Fawcett Mechanics Institute Reserve Committee of Management	Fawcett Mechanics Institute Hall Defibrillator	\$3250.00	\$1,750.00	\$1,750.00	The Fawcett Mechanics Institute Reserve Committee of Management is seeking to purchase a defibrillator package which is to be used by users of the Fawcett Hall and the wider community. In addition, an information session will be held to advise and train the community how to use the defibrillator correctly. This session will also be used as the unveiling of the plaque honouring contribution by Rotary, Lions and Murrindindi Shire Council. The committee provided evidence of significant support from the broader community and local health services for this initiative. The panel recommends that this application be supported in full.
4	Yea Wetlands Committee of Management	Yea Wetlands Indigenous Plant signage	\$6,377.00	\$4,340.00	Deferrred	The Yea Wetlands s86 Committee of Management is seeking to install 5 signs in the Yea Wetlands to explain the indigenous use of the flora within the wetland reserve. The signs will include relevant information on the plant, a photograph and indigenous name/use of the plant. This initiative aims to support the planning for a self-guided tourist trail that will be developed. The panel recommends that this application be deferred to the next round of community grants.

MURRINDINDI SHIRE COUNCIL ANNUAL BUDGET



Murrindindi
Shire Council

2018/2019



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The model budget, including financial statements, has been prepared in accordance with the requirements of the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

Mayor and CEO's Introduction

We are pleased to submit the proposed budget for 2018/19 for comment by the community.

In creating this budget, we are continuing our commitments in the Council Plan 2017-2021. The purpose of the Council Plan is to set out the strategies and actions necessary for Council to deliver its vision. Specifically, this budget will help us to deliver on the commitment made in that Plan to deliver on four key themes - Our People, Our Place, Our Prosperity and Our Promise.

The 'Have Your Say' community engagement process provided input from our communities in creating the Council Plan. In addition to guiding the focus in our Council Plan, that input also dictates priorities in the 2018/19 budget.

We know the community is keen to see Council services maintained at current levels, while also ensuring rates are kept as low as possible.

We know the community wants us to work continuously to improve the efficiency of the services we deliver.

We also know that the community wants Council to ensure it puts in place a financially responsible and sustainable budget.

To help achieve this in the 2018/19 financial year, Council's budget is based on the following principles. Council commits:

- to increase average rates by no more than 2.15%. This is below the average rate increase allowable under the State Government's Fair Go Rates System (which is 2.25% for the 2018/19 financial year).
- to deliver a balanced budget – i.e., a budget where forecast revenue matches forecast expenditure.
- to take on no new debt – this will reduce existing debt levels to under \$700,000 by 30 June 2019. This represents the lowest level of absolute debt Council has held in more than a decade.
- to not reduce service levels and to improve service levels in some areas where they will have a great impact on the community – e.g. Customer Services and Community Safety (formerly known as local laws)

One of the major projects to be delivered through this Budget is Council's 'Customer First' Project. Under the 'Our Promise' theme in the Council Plan, Council committed to ensuring its services were as easy as possible for the community to access.

In order to make this a reality, the 'Customer First' Project will ensure Council's systems, processes and structure are aligned appropriately to deliver great customer service. Council will be working to resolve the vast majority of customer requests at the first point of contact. Council is funding two new positions to assist with that goal. This will ensure the best possible experience for customers accessing Council's services.

We have allocated more than \$7.8 million to fund capital works projects across the Shire in 2018/19. This figure includes \$1.59 million of works which are to be carried forward from the 2017/18 year. We are working to ensure an equitable spread of works across the Shire. Some of the major proposed capital works are listed below:

- Yea High Street irrigation upgrade - \$103,000
- Yea Recreation Reserve change room renewal and upgrade - \$65,000
- Kinglake Range Neighbourhood House renewal - \$45,000
- Kinglake Community Centre renewal and upgrade - \$60,000
- Toolangi CJ Dennis Memorial Hall renewal - \$40,000
- Strath Creek Playground shade structure - \$47,000
- Bollygum Park toilets renewal - \$30,000
- Yarck public toilets renewal - \$59,000
- Flagpole installations at all Council offices - \$27,000
- Library bookstock renewal - \$100,000
- Roads and bridges renewal & upgrade program - \$3.43 million

In our Council Plan, we also committed to ensuring we increase our efforts to build tourism and events within our Shire. To this end, we have again allocated \$280,000 to fund our 'Business and Tourism Innovation Grants' Program. These grants will help businesses to prosper, and provide opportunities for growth and expansion. The grants will also support staging of events within our Shire which help encourage people to visit us and to showcase all the Shire has to offer. We are have also appointed a new Tourism and Events Coordinator and this will deliver a new focus on developing and communicating better the full range of events and attractions on offer in the Shire.

Council is also developing a new approach to how we work with communities – and to assist communities to work with one another. We have received generous support from IAG toward this project and, together, we will work to ensure Council takes a new and invigorated approach to engaging with the community.

We are also focussing our efforts to promote compliance and support emergency management. We are allocating funds to enable recruitment of an additional Community Safety officer and are renaming our 'Local Laws' function as 'Community Safety' to better reflect the focus and goal of this Unit. The additional officer will help strengthen a proactive compliance program, including a focus on education and awareness to support compliance and enforcement activities. This will also boost work in local laws, animal management, fire prevention and other areas – all of which helps to improve community safety.

For a number of years, Council has provided a green waste amnesty twice a year – at the start and end of the fire restriction period. As this has proved very popular with the community, we have decided to make green waste free to drop off at any of Council's Resource Recovery Centres (RRC) from 1 July 2018. We will also look for ways to assist those members of our community who might find it difficult to take green waste to an RRC – including by working together with community and service groups to support this.

Like other small rural councils, Murrindindi Shire Council must manage competing pressures on finite resources. These additional budget features have been made possible through the delivery of greater operational efficiencies internally in our service provision. We need to ensure responsible financial management while also delivering the services the community needs and wants.

Like all councils across Australia, Murrindindi Shire Council needs to manage the local impacts of changes in the international recycling market. As Australia's ability to export recycling waste becomes restricted, we will need to find new approaches to manage recyclable materials. Negotiations have advanced with Council's recycling service provider which will require us to make changes to our recycling charges to ensure the continuity of this vital service. As highlighted in the Draft Budget increases in costs associated with recycling services need to be passed on to rate payers through an increase in the waste service charge. It will therefore be necessary to increase the recycling collection charge for 2018/19 by an additional \$21 per bin per annum (or 40 cents per week) from the previously detailed charge of \$90 per bin, to ensure the continuity of this service. Local government agencies need to continue to advocate that the State Government needs to invest the waste levy paid collected from ratepayers, to help address this complex problem.

We are confident this budget represents both a fiscally-responsible approach to managing Council, but also one which reflects community sentiment and need and will help us make significant progress in delivering our Council Plan.



Mayor - Charlotte Bisset



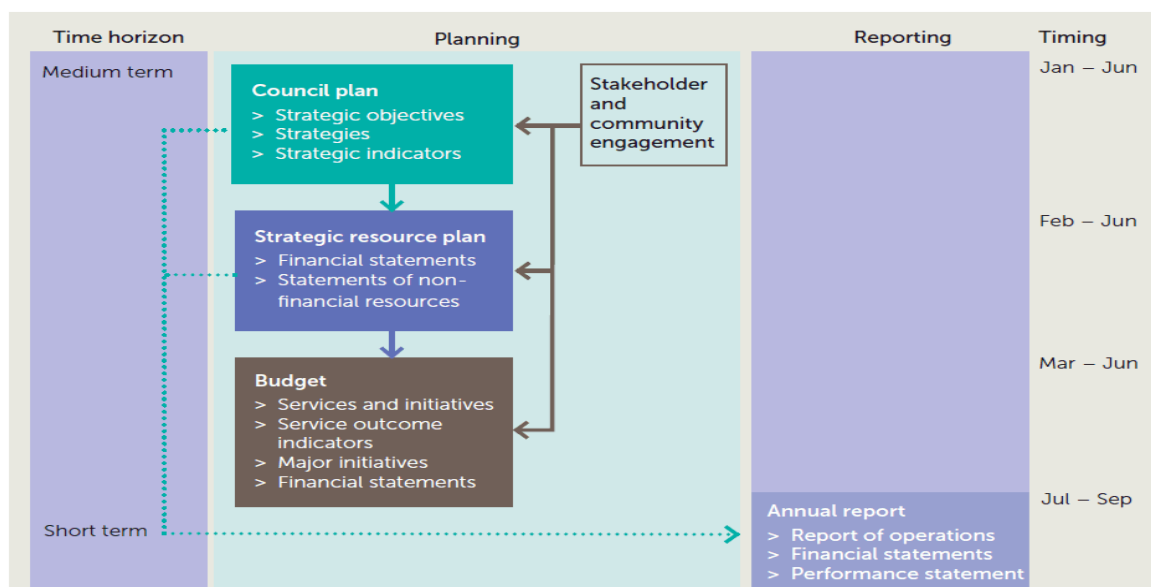
CEO - Craig Lloyd

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 (Murrindindi 2030 Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning

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

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

1.2 Our purpose

Our vision

In 2030 Murrindindi Shire is sustainable, vibrant and resilient. We focus on growing our business opportunities. Our communities are safe and connected, enjoying a healthy and productive lifestyle within our wonderful natural environment.

Our values

Collaboration: *We will operate as a cohesive team, we will work together with the community through accessible and inclusive engagement, and we will strive to build effective working relationships.*

Stewardship: *We will endeavour to make careful and responsible decisions, and we will strive to make decisions that do not limit the opportunities or aspirations of those who follow in the future.*

Equity & Fairness: *We will be fair, even-handed and impartial in our decision making and our dealings with others, we will consider the merits of each case while upholding legislated requirements and ensuring consistency and justice in our decision making, and we will strive to ensure all have access to similar opportunities and experiences.*

Respect: *We will respect the views, contributions, feelings, wishes and rights of others, we will actively seek to understand others experiences, ideas and perspectives, we will embrace and appreciate diversity or origin, viewpoint, experience and lifestyle, and we will recognise the achievements of others.*

Accountability & Honesty: *We will make our decisions openly and publicly whenever possible, we will take responsibility for our actions and decisions, we will honour our commitments, we will act with integrity and honesty in all our dealings, and we will openly report our performance and acknowledge our mistakes.*

1.3 Strategic objectives

We have committed to delivering on four key strategic objectives which will drive the work we do, and the services we deliver over the next four years, in partnership with our community.

We believe these objectives reflect the values, priorities and aspirations of the Murrindindi community as expressed in our 'Have Your Say' community engagement.

They address the things about the Murrindindi Shire that our community says are important to support opportunity, quality of life, wellbeing and the liveability of our towns and places.

Strategic Objective	Description
1. Our People	Together we will celebrate and encourage diverse, caring and connected communities.
2. Our Place	We will maintain and enhance places to be attractive and liveable, in balance with our natural environment.
3. Our Prosperity	In partnership with the community we will promote an environment in which business and community can thrive.
4. Our Promise	We will all work in collaboration with our communities to deliver the best possible outcomes in all that we do.

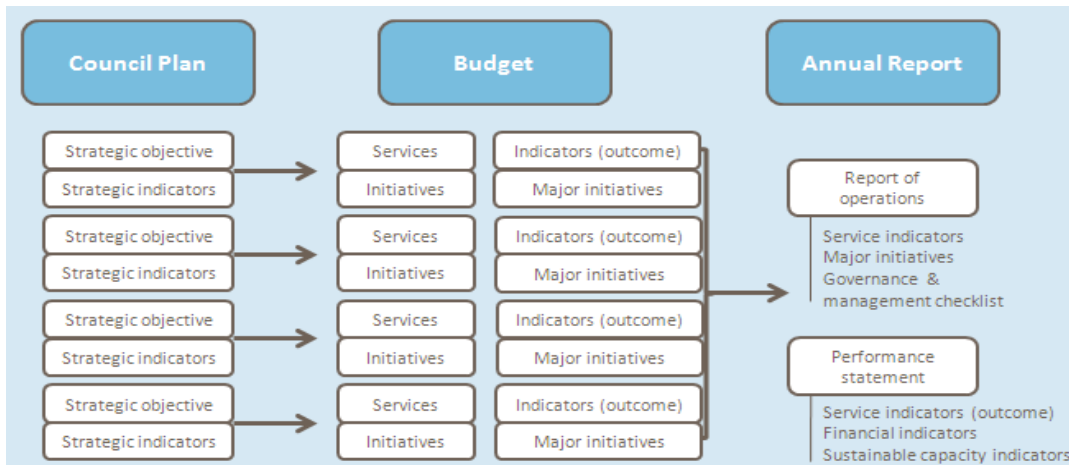
Council delivers activities and initiatives under 34 major service categories. Each contributes to the achievement of one of these strategic objectives as set out in our Council Plan for the 2017-2021 years.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2018/19 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. These indicators correlate to the annually audited indicators that are declared on the "Know Your Council" website that provides a comparison to all municipalities in Victoria, as well as to averages across the State and to averages for small rural Shire.

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: OUR PEOPLE

Together we will celebrate and encourage diverse, caring and connected communities.

Services

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Aged & Disability Services	This service area provides a range of services for the aged and people with disabilities including delivered and group meals, domestic support, personal care, social activities and outings, home maintenance and senior citizens clubs.	<i>Exp</i>	2,217	2,508	2,395
		<i>Rev</i>	1,847	2,095	2,099
		<i>NET COST</i>	370	413	296

A reduction of approximately \$100k in forecast expenditure for 2018/19 predominantly reflects efficiency savings in labour costs and small changes in service demand.

Children & Family Services	This service area provides family orientated support services including maternal and child health, home based childcare and youth support.	<i>Exp</i>	1,362	1,415	1,458
		<i>Rev</i>	1,023	1,320	1,252
		<i>NET COST</i>	339	95	206

The net cost is forecast to increase slightly in 2018/19 due predominantly to changes in funding arrangements by the State Government for the delivery of this service.

Library Services	This service area provides libraries in Alexandra, Yea and Kinglake and the mobile library to the Shire's more remote communities. The service caters for cultural, recreational and educational needs of residents and provides a focal point for the community to meet, relax and enjoy the facilities and services offered.	<i>Exp</i>	470	549	503
		<i>Rev</i>	168	224	173
		<i>NET COST</i>	302	325	330

The mobile library service will be expanded in 2018/19 with delivery of Council's customer services from the mobile van, and inclusion of new service visits to Toolangi, Glenburn and Highlands in addition to the existing visits to Eildon, Marysville, Buxton, Strath Creek and Flowerdale.

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Community Service Administration	This includes the cost of management and general administration across all of Council's community services. External non-recurrent grant revenue received in 2016/17 is forecast to be expended in 2018/19 to deliver the Building Community Resilience project, resulting in an increase in expenditure for the year.	<i>Exp</i>	272	299	441
		<i>Rev</i>	165	0	0
		<i>NET COST</i>	107	299	441
Emergency Services	This is funding of Council's statutory emergency services obligations, including the provisions of the annual roadside slashing program.	<i>Exp</i>	293	279	301
		<i>Rev</i>	60	66	67
		<i>NET COST</i>	233	213	234
No material changes are forecast in the delivery of this service in 2018/19.					
Recreation, Aquatic and Youth Services	This service area provides strategic planning to inform the development of recreation and youth services and infrastructure and coordinates council services including recreation facilities, swimming pools and all recreation and youth responsibilities within the municipality.	<i>Exp</i>	633	715	610
		<i>Rev</i>	260	115	167
		<i>NET COST</i>	373	600	443
No material changes are budgeted to occur in the delivery of this service for 2018/19.					

Major Initiatives

- 1) Encourage activities and events that celebrate our vibrant, diverse and creative people and communities.
- 2) Work with our community and groups to connect, collaborate and plan for our future.

Other Initiatives

- 3) Work with our partner agencies to ensure people can access the health and community services.
- 4) Create a positive environment that supports our young people to grow, participate and be happy.
- 5) Promote opportunities for people of all ages to connect with and be involved in their community.

Service Performance Outcome Indicators

Service	Indicator	2016/17 Actual	2017/18 Forecast	2018/19 Budget
Maternal and Child Health	Participation in the MCH service	98%	98%	98%
Maternal and Child Health	Participation in the MCH service by Aboriginal children	100%	100%	100%
Libraries	Participation	40%	40%	45%
Aquatic Facilities	Utilisation	1.3	1.3	1.3

Service Performance Outcome Indicators Explanation

Service	Indicator	Performance Measure	Computation
Libraries	Participation	Active library members. (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Maternal and Child Health	Participation	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
Maternal and Child Health	Participation by Aboriginal children	Participation in MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

2.2 Strategic Objective 2: OUR PLACE

We will maintain and enhance places to be attractive and liveable, in balance with our natural environment.

Services

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Environmental Management	This service includes management of Council's environmental impacts including sustainable resource use, energy consumption, roadside biodiversity management and pest plant and animal control.	<i>Exp</i>	296	312	294
		<i>Rev</i>	43	34	33
		NET COST	253	278	261
	No material changes are budgeted to occur in the delivery of this service for 2018/19.				
Waste Management Services	This service provides kerbside rubbish and recycling collection, management of Resource Recovery Centres at Alexandra, Yea, Eildon, Kinglake and Marysville and landfill operations in Alexandra. These operations generate funds above the annual cost requirements to ensure that Council's waste reserve is able to provide for future waste management works (ie. future cell construction, rehabilitation requirements and management of landfills).	<i>Exp</i>	2,783	2,598	2,859
		<i>Rev</i>	3,847	3,985	4,205
		NET REVENUE	(1,064)	(1,387)	(1,346)
Building Control	This service provides statutory building services to the council and community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	<i>Exp</i>	387	407	398
		<i>Rev</i>	378	366	368
		NET COST	9	41	30
	Revenue and costs for this service include the shared service arrangement with Mansfield Shire Council for the provision of municipal building surveying services.				
	No material changes are budgeted to occur in the delivery of this service for 2018/19.				

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Community Safety	This service facilitates a safer community through the provision of school crossing supervision, traffic management, domestic animal management, regulation and enforcement of local laws and community fire prevention as well as community education regarding these public safety programs.	<i>Exp</i>	345	341	409
		<i>Rev</i>	155	143	172
		NET COST	190	198	237
	Council is budgeting to employ one additional community safety officer from 2018/19 to ensure improved public safety and compliance requirements can be appropriately met. Increased collection of compliance and enforcement revenue is also expected to be achieved through this additional resource.				
Development Approvals	This service involves processing all planning applications, provides advice and makes decisions about development proposals that require a planning permit in accordance with the Victorian Planning Provisions (VPP), as well as representing Council at the Victorian Civil and Administrative Tribunal (VCAT) where necessary. The service also monitors the Murrindindi Planning Scheme as well as preparing major policy documents shaping the future of the shire. It also prepares and processes amendments to the Murrindindi Planning Scheme.	<i>Exp</i>	704	980	931
		<i>Rev</i>	265	377	312
		NET COST	439	603	619
	No material changes are budgeted to occur in the delivery of this service in 2018/19.				
Environmental Health	This service involves protecting the community's health and well being by coordinating food safety support programs, septic tank permit administration and immunisation programs.	<i>Exp</i>	235	279	274
		<i>Rev</i>	147	148	140
		NET REVENUE	88	131	134
	The costs associated with the development of a new domestic wastewater management plan as required by the State Government is also included in both 2017/18 and 2018/19.				

Service area	Description of services provided		2016/17 Actual \$'000	2017/18 Forecast \$'000	2018/19 Budget \$'000
Infrastructure Maintenance	Council has a vast network of infrastructure assets including buildings, roads, bridges, drains, and footpaths. This expenditure provides for ongoing maintenance of Council's infrastructure assets.	<i>Exp</i>	5,044	5,259	5,051
		<i>Rev</i>	2,518	964	1,799
		NET COST	2,526	4,295	3,252

A reduction of approximately \$200k in expenditure is forecast in 2018/19, which reflects efficiency savings. An additional \$800k of revenue is budgeted to be received through the full allocation of the Financial Assistance Grant from the Grants Commission, compared to 2017/18 when half of the year's funding was paid in advance in 2016/17.

Parks, Gardens & Open Space Management	This service provides planning, development and maintenance to our public open space, road reserves and parks.	<i>Exp</i>	1,374	1,410	1,406
		<i>Rev</i>	0	0	0
		NET COST	1,374	1,410	1,406

No material changes are budgeted to occur in the delivery of this service in 2018/19.

Major Initiatives

- 1) Support recreation opportunities for our residents and visitors that encourage participation and community connections.
- 2) Improve links and make Murrindindi Shire easier to navigate and its services and destinations easy to find
- 3) Through good land use planning enhance the liveability, prosperity and the rural character of our Shire.

Other Initiatives

- 4) Strengthen the environmental sustainability of our communities, protect our natural environment and reduce resource consumption.
- 5) Recognise and embrace the history, culture and identity of our towns and communities.
- 6) Enhance community safety, resilience and liveability through improved planning, community engagement, and a fair and transparent approach to compliance.

Service Performance Outcome Indicators

Service	Indicator	2016/17 Actual	2017/18 Forecast	2018/19 Budget
Statutory Planning	Decision making	67%	67%	67%
Waste Collection	Waste Diversion	36%	36%	38%
Roads	Satisfaction	46	47	48
Animal Management	Health and Safety	0%	0%	0%
Food Safety	Health and Safety	100%	100%	100%

Service Performance Outcome Indicators Explanation

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT. (Percentage of planning application decisions subject to review by VCAT that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill. (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Roads	Satisfaction	Satisfaction with sealed local roads. (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Animal Management	Health and safety	Animal management prosecutions. (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications. (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.3 Strategic Objective 3: OUR PROSPERITY

In partnership with the community we will promote an environment in which business and community can thrive.

Services

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual	Forecast	Budget
			\$'000	\$'000	\$'000
Tourism	Provides support to local visitor information centres, events and regional tourism marketing. Council is also the responsible authority for overseeing the management of the leases for the Yea and Marysville Caravan Parks.	<i>Exp</i>	375	555	603
		<i>Rev</i>	100	100	122
		<i>NET COST</i>	275	455	481
Business Development	This service assists business investment and growth and facilitates access to local employment. Council's recently launched Business and Tourism Innovation Grants Program is funded out of this service area, which is budgeted to continue in 2018/19.	<i>Exp</i>	278	763	605
		<i>Rev</i>	296	63	133
		<i>NET COST</i>	(18)	700	472
Saleyards	This area covers the management and operations of the Yea Saleyards. 2016/17 and 2017/18 saw increased levels of revenue and expenditure associated with the recently completed expansion of the saleyards.	<i>Exp</i>	169	238	265
		<i>Rev</i>	613	437	366
		<i>NET REVENUE</i>	(444)	(199)	(101)

Major Initiatives

- 1) Use a fresh approach to attract new and existing business investment.
- 2) Work with our businesses, regional partners and communities to support a diverse visitor experience that promotes our natural assets, and a vibrant range of events.
- 3) Support and encourage local businesses to work together, thrive and grow, through networking, start-up assistance, mentoring, and access to skills.

Other Initiatives

- 4) Advocate for high quality opportunities for education and training to meet community and business needs.
- 5) Advocate for improved infrastructure and access to public land for social and economic opportunities.

Service Performance Outcome Indicators

Service	Indicator	2016/17	2017/18	2018/19
		Actual	Forecast	Budget

There are no service performance outcome indicators related to this strategic objective.

2.4 Strategic Objective 4: OUR PROMISE

We will all work in collaboration with our communities to deliver the best possible outcomes in all that we do.

Services

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Councillors	This includes the cost of Council elections, Council chambers, Mayor and Councillors' expenses, Councillor development and civic events.	<i>Exp</i>	454	350	366
		<i>Rev</i>	13	11	0
		<i>NET COST</i>	441	339	366
Chief Executive and Executive Team	This area includes Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.	<i>Exp</i>	746	895	933
		<i>Rev</i>	0	0	0
		<i>NET COST</i>	746	895	933
Communications and Publications	This includes facilitation of communications, publications, regular radio spots and media releases issued as well as annual reports, strategic documents, the provision of Council's website, Facebook page and community engagement activities.	<i>Exp</i>	377	604	586
		<i>Rev</i>	5	4	5
		<i>NET COST</i>	372	600	581
Financial Services	These services include the management of Council's finances, payroll, accounts payable and receivable, raising and collection of rates and charges and valuation of properties throughout the municipality. Rate revenue is recorded separately at section 2.5.	<i>Exp</i>	1,004	1,136	1,032
		<i>Rev</i>	5,141	2,245	3,956
		<i>NET REVENUE</i>	(4,137)	(1,109)	(2,924)
	Income relates primarily to the Victorian Grants Commission annual grant, as well as interest on investments and rental of facilities.				

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Corporate Services	These services include statutory and corporate support services to Council, including the coordination of business papers for meetings of Council and its committees and the coordination of Council's procurement. It is also responsible for enterprise risk management and the provision of document and information management support services to Council, including compliance with statutory obligations under Freedom of Information, Public Records, Information Privacy and Local Government Acts.	<i>Exp</i>	867	802	877
		<i>Rev</i>	198	143	146
		<i>NET COST</i>	669	659	731

A number of vacancies existed in this area during 2017/18, with resource levels budgeted to return to actual levels achieved during 2016/17.

Human Resources	This has a focus on management of OH&S risk and organisational well being and improving performance through the continuous development, improvement and implementation of our strategies, policies, procedures and employee training opportunities in relation to human resources.	<i>Exp</i>	344	379	371
		<i>Rev</i>	1	0	0
		<i>NET COST</i>	343	379	371

Information Technology	This area provides support, and maintains communications and computing systems, facilities and infrastructure to enable staff to deliver services in a smart, productive and efficient way.	<i>Exp</i>	574	610	634
		<i>Rev</i>	0	0	0
		<i>NET COST</i>	574	610	634

Small increases in this service area reflect Council's requirement to continually invest in better technology and communications systems to meet increased customer and community expectations, as well as meet enhanced data security requirements.

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Customer Services	This unit provides front counter services at Alexandra, Yea and Kinglake offices including reception, telephone, receipting of payments, connecting customers with relevant departments, customer request coordination, hall bookings, as well as the provision of a number of other civic services.	<i>Exp</i>	535	528	686
		<i>Rev</i>	1	1	5
		<i>NET COST</i>	534	527	681
	Increases in expenditure in this area reflect Council's recently launched "Customer First" project, aimed at enhancing the quality of service experienced by residents, ratepayers and visitors when dealing with Council. The cost of two new customer service roles in 2018/19 will be offset by resource savings from across the organisation from 2019/20 as the Customer First initiatives are implemented.				
Asset Planning and Management	This unit strategically manages the capital works planning and renewal requirements of all of Council's \$300m worth of public assets.	<i>Exp</i>	1,200	1,256	1,224
		<i>Rev</i>	2,062	2,841	1,669
		<i>NET REVENUE</i>	(862)	(1,585)	(445)
	Reduced income expectations when compared to 2017/18 are due to no non-recurrent capital grants currently confirmed to be received in 2018/19, as well as the reduced payment expected to be received as a part of the current cycle of Roads to Recovery funding.				
Asset Rationalisation	The value of (\$54k) for 2018/19 reflects the minimal value of assets expected to be written out of Council's asset register during the year.	<i>Exp</i>	0	0	0
		<i>Rev</i>	(523)	(340)	(54)
		<i>NET COST</i>	523	340	54
	The value recorded primarily relates to the scheduled turnover of vehicles in Council's plant and machinery register in 2018/19.				

Major Initiatives

- 1) Represent and advocate for our community in a transparent and equitable way.
- 2) Ensure our culture, systems and technologies encourage and enable innovation in our business practices and service delivery.
- 3) Ensure the range of services we provide and the way we provide them are best aligned with community priorities and Council's resources.
- 4) Commit to developing a stronger customer-focused culture that makes us easier to deal with.

Other Initiatives

- 5) Expand our communication and two-way engagement with the community.
- 6) Maintain Council's financial sustainability through sound financial and assets management.
- 7) Support a skilled, engaged and flexible workforce that can respond to changing needs.

Service Performance Outcome Indicators

Service	Indicator	2016/17 Actual	2017/18 Forecast	2018/19 Budget
Governance	Satisfaction	41	42	45

Service Performance Outcome Indicators Explanation

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions. (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community

2.5 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Our People	1,950	5,708	3,758
Our Place	4,593	11,622	7,029
Our Prosperity	852	1,473	621
Our Promise	982	6,709	5,727
Total	8,377	25,512	17,135

Expenses added in:

Depreciation (Excluding Plant)	9,002
Finance costs	55
Others	0
Deficit before funding sources	17,434

Funding sources added in:

Rates and charges revenue	17,436
Total funding sources	17,436
Operating (surplus)/deficit for the year	(2)

Less

Capital grants	1,415
Capital contributions	516
Gain/Loss on disposal of property, plant or equipment	(55)
Underlying (surplus)/deficit for the year	1,874

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2018/19 has been supplemented with projection to 2021/22 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

Comprehensive Income Statement

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2017/18 \$'000	2018/19 \$'000	Projections		
				2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Income						
Rates and charges	4.1.1	19,793	20,526	21,142	21,776	22,429
Statutory fees and fines	4.1.2	856	889	909	929	950
User fees	4.1.3	2,238	2,345	2,398	2,452	2,507
Grants - Operating	4.1.4	5,076	7,347	7,477	7,620	7,765
Grants - Capital	4.1.4	2,397	1,415	1,415	1,415	1,415
Contributions - monetary	4.1.5	620	141	141	141	141
Contributions - non-monetary	4.1.5	204	400	400	400	400
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(341)	(55)	-	-	-
Other income	4.1.6	1,405	1,563	1,594	1,626	1,659
Total income		32,247	34,570	35,476	36,359	37,266
Expenses						
Employee costs	4.1.7	14,261	14,800	15,133	15,473	15,822
Materials and services	4.1.8	10,304	9,798	10,043	10,294	10,551
Depreciation and amortisation	4.1.9	9,401	9,603	9,843	10,089	10,341
Bad and doubtful debts		-	-	-	-	-
Borrowing costs		79	55	53	53	53
Other expenses	4.1.10	302	313	321	329	337
Total expenses		34,347	34,569	35,393	36,239	37,104
Surplus/(deficit) for the year		(2,100)	2	82	120	162
Other comprehensive income			-	-	-	-
Total comprehensive result		(2,100)	2	82	120	162

Balance Sheet

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Assets						
Current assets						
Cash and cash equivalents		26,561	28,133	27,884	27,350	28,683
Trade and other receivables		2,888	2,706	2,733	2,760	2,788
Other financial assets		-	-	-	-	-
Inventories		50	45	45	45	45
Non-current assets classified as held for sale		217	-	-	-	-
Other assets		350	417	417	417	417
Total current assets	4.2.1	<u>30,066</u>	<u>31,301</u>	<u>31,079</u>	<u>30,573</u>	<u>31,933</u>
Non-current assets						
Trade and other receivables		46	39	39	39	39
Other financial assets		-	-	-	-	-
Investments in associates, joint arrangement and subsidiaries		-	-	-	-	-
Property, infrastructure, plant & equipment		307,145	305,720	303,886	302,062	300,250
Investment property		-	-	-	-	-
Intangible assets		3,306	2,887	2,786	2,688	2,594
Total non-current assets	4.2.1	<u>310,497</u>	<u>308,646</u>	<u>306,711</u>	<u>304,790</u>	<u>302,883</u>
Total assets		<u>340,563</u>	<u>339,947</u>	<u>337,789</u>	<u>335,363</u>	<u>334,816</u>
Liabilities						
Current liabilities						
Trade and other payables		2,601	2,108	2,171	2,236	2,303
Trust funds and deposits		933	1,030	1,030	1,030	1,030
Provisions		3,531	3,602	3,638	3,674	3,711
Interest-bearing liabilities	4.2.3	320	188	141	94	47
Total current liabilities	4.2.2	<u>7,385</u>	<u>6,928</u>	<u>6,980</u>	<u>7,035</u>	<u>7,092</u>
Non-current liabilities						
Provisions		5,960	5,988	5,868	5,751	5,636
Interest-bearing liabilities	4.2.3	667	479	359	241	120
Total non-current liabilities	4.2.2	<u>6,627</u>	<u>6,467</u>	<u>6,227</u>	<u>5,992</u>	<u>5,756</u>
Total liabilities		<u>14,012</u>	<u>13,395</u>	<u>13,208</u>	<u>13,027</u>	<u>12,848</u>
Net assets		<u>326,551</u>	<u>326,552</u>	<u>324,582</u>	<u>322,336</u>	<u>321,968</u>
Equity						
Accumulated surplus		127,296	126,323	126,403	126,521	126,679
Reserves		199,255	200,230	198,179	195,815	195,289
Total equity		<u>326,551</u>	<u>326,553</u>	<u>324,582</u>	<u>322,336</u>	<u>321,968</u>

Statement of Changes in Equity
For the four years ending 30 June 2022

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018 Forecast Actual					
Balance at beginning of the financial year		328,651	130,013	182,944	15,694
Surplus/(deficit) for the year		(2,100)	(2,100)	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(2,025)	-	2,025
Transfers from other reserves		-	1,408	-	(1,408)
Balance at end of the financial year		326,551	127,296	182,944	16,311
2019 Budget					
Balance at beginning of the financial year		326,551	127,296	182,944	16,311
Surplus/(deficit) for the year		2	2	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(1,896)	-	1,896
Transfers from other reserves		-	921	-	(921)
Balance at end of the financial year		326,553	126,323	182,944	17,286
2020					
Balance at beginning of the financial year		326,553	126,323	182,944	17,286
Surplus/(deficit) for the year		82	82	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		(2,051)	-	-	(2,051)
Balance at end of the financial year		324,584	126,405	182,944	15,235
2021					
Balance at beginning of the financial year		324,584	126,405	182,944	15,235
Surplus/(deficit) for the year		120	120	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		(2,364)	-	-	(2,364)
Balance at end of the financial year		322,340	126,525	182,944	12,871
2022					
Balance at beginning of the financial year		322,340	126,525	182,944	12,871
Surplus/(deficit) for the year		161	161	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		(526)	-	-	(526)
Balance at end of the financial year		321,975	126,686	182,944	12,345

Statement of Cash Flows

For the four years ending 30 June 2022

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual 2017/18 Notes \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	19,908	20,348	20,685	21,305	21,944
Statutory fees and fines & user fees	4,346	4,235	4,256	4,277	4,299
Grants - operating & capital	7,317	8,884	8,662	8,445	8,234
Contributions - monetary	-	-	-	-	-
Interest received	716	726	741	755	770
Dividends received	-	-	-	-	-
Trust funds and deposits	(62)	98	-	-	-
Other receipts	-	-	-	-	-
Employee costs	(13,918)	(14,752)	(14,982)	(15,319)	(15,663)
Materials and services	(9,315)	(10,391)	(9,776)	(10,021)	(10,271)
Other payments	-	-	-	-	-
Net cash provided by/(used in) operating activities	8,992	9,148	9,585	9,444	9,313
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(10,291)	(7,820)	(9,834)	(10,054)	(8,136)
Proceeds from sale of property, infrastructure, plant and equipment	310	623	300	300	300
Payments for investments	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-
Net cash provided by/ (used in) investing activities	(9,981)	(7,197)	(9,534)	(9,754)	(7,836)
Cash flows from financing activities					
Finance costs	(84)	(59)	(61)	(63)	(64)
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	(368)	(320)	(240)	(161)	(80)
Net cash provided by/(used in) financing activities	(452)	(379)	(301)	(223)	(145)
Net increase/(decrease) in cash & cash equivalents	(1,441)	1,572	(249)	(533)	1,333
Cash and cash equivalents at the beginning of the financial year	28,002	26,561	28,133	27,884	27,350
Cash and cash equivalents at the end of the financial year	26,561	28,133	27,884	27,350	28,683

Statement of Capital Works

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		Actual 2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Property						
Land		30	-	-	-	-
Total land		30	-	-	-	-
Buildings		2,124	1,769	834	848	925
Heritage buildings		551	-	-	-	-
Building improvements		-	-	-	-	-
Leasehold improvements		-	-	-	-	-
Total buildings		2,675	1,769	834	848	925
Total property		2,705	1,769	834	848	925
Plant and equipment						
Heritage plant and equipment		-	-	-	-	-
Plant, machinery and equipment		1,815	1,367	1,086	928	1,118
Fixtures, fittings and furniture		6	29	-	-	-
Computers and telecommunications		347	185	105	145	240
Library books		104	100	100	100	100
Total plant and equipment		2,272	1,681	1,291	1,173	1,458
Infrastructure						
Roads		3,021	3,151	2,415	2,874	2,379
Bridges		1,136	590	453	539	446
Footpaths and cycleways		317	170	151	180	149
Drainage		375	174	212	211	226
Recreational, leisure and community facilities		-	-	-	-	-
Waste management		465	285	4,478	4,230	2,553
Parks, open space and streetscapes		-	-	-	-	-
Aerodromes		-	-	-	-	-
Off street car parks		-	-	-	-	-
Other infrastructure		-	-	-	-	-
Total infrastructure		5,314	4,370	7,709	8,033	5,753
Total capital works expenditure	4.3.1	10,291	7,820	9,834	10,054	8,136
Represented by:						
New asset expenditure		-	-	-	-	-
Asset renewal expenditure		6,572	5,061	4,679	4,393	6,015
Asset expansion expenditure		996	955	3,734	2,978	1,130
Asset upgrade expenditure		2,723	1,804	1,421	2,683	991
Total capital works expenditure	4.3.1	10,291	7,820	9,834	10,054	8,136
Funding sources represented by:						
Grants		2,397	1,453	1,415	1,415	1,415
Contributions		551	133	-	-	-
Council cash		7,344	6,234	8,419	8,639	6,721
Borrowings		-	-	-	-	-
Total capital works expenditure	4.3.1	10,291	7,820	9,834	10,054	8,136

Statement of Human Resources

For the four years ending 30 June 2022

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2017/18	2018/19	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	14,261	14,800	15,133	15,473	15,822
Employee costs - capital	122	101	103	106	108
Total staff expenditure	14,383	14,901	15,236	15,579	15,930
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	152.7	158.2	156.6	155.6	154.6
Total staff numbers	152.7	158.2	156.6	155.6	154.6

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

Department	Budget 2018/19 \$'000	Comprises			
		Permanent		Casual	Temporary
		Full Time \$'000	Part time \$'000	\$'000	\$'000
Business Services	2,114	1,280	799	-	35
Communications, Library and Customer Services	1,447	640	690	27	90
Community Services	3,445	307	2,625	340	173
Development Services	1,750	1,202	285	-	263
Executive Services and Support	894	804	90	-	-
Infrastructure Assets	1,022	765	152	-	105
Infrastructure Operations	4,128	3,422	706	-	-
Total permanent staff expenditure	13,767	8,420	5,347	367	666
Casuals, temporary and other expenditure	1,033				
Capitalised labour costs	101				
Total expenditure	14,901				

A summary of the number of full time equivalent (FTE) positions in relation to the above expenditure is included below.

Department	Budget 2018/19 FTE	Comprises			
		Permanent		Casual	Temporary
		Full Time FTE	Part time FTE		
Business Services	20.23	11.00	9.23	0.00	0.40
Communications, Library and Customer Services	14.76	7.00	7.76	0.30	1.00
Community Services	33.94	2.00	31.94	3.99	1.84
Development Services	13.65	11.00	2.65	0.00	3.00
Executive Services and Support	5.04	4.00	1.04	0.00	0.00
Infrastructure Assets	9.20	7.00	2.20	0.00	1.00
Infrastructure Operations	48.37	39.50	8.87	0.00	0.00
Total permanent staff expenditure	145.19	81.50	63.69	4.29	7.24
Casuals, temporary and other expenditure	11.53				
Capitalised labour costs	1.50				
Total staff	158.22				

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 are identified as Council's most 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 2018/19 the FGRS cap has been set at 2.25%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges. It should be noted that the waste & recycling charges are not included in the FGRS cap calculation.

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 2.15%, below the rate cap set by the State Government of 2.25%.

This will raise total rates and charges for 2018/19 to \$20.39M.

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

	Forecast Actual \$'000	Budget \$'000	Change \$'000	%
General rates*	13,672	14,081	409	2.99%
Municipal charge*	3,045	3,123	78	2.56%
Waste management charge	2,889	3,090	201	6.95%
Supplementary rates and rate adjustments	124	168	44	35.48%
Revenue in lieu of rates	63	64	1	1.59%
Total rates and charges	19,793	20,526	733	3.70%

*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	2017/18 cents/\$CIV*	2018/19 cents/\$CIV*	Change
General rate for rateable residential properties	0.3584	0.3273	-8.68%
General rate for rateable commercial/industrial properties	0.4393	0.4091	-6.87%
General rate for rateable vacant land properties	0.5376	0.4909	-8.69%
General rate for rateable rural 1 properties	0.2509	0.2291	-8.69%
General rate for rateable rural 2 properties	0.3548	0.3240	-8.68%

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

Type or class of land	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Residential	6,117	6,253	136	2.22%
Commercial / Industrial	829	839	10	1.21%
Vacant Land	602	641	39	6.48%
Rural 1	3,199	3,254	55	1.72%
Rural 2	2,925	3,094	169	5.78%
Total amount to be raised by general rates	13,672	14,081	409	2.99%

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

Type or class of land	2017/18	2018/19	Change	
	Number	Number	Number	%
Residential	5,508	5,589	81	1.47%
Commercial / Industrial	429	439	10	2.33%
Vacant Land	739	725	(14)	-1.89%
Rural 1	1,323	1,275	(48)	-3.63%
Rural 2	1,737	1,780	43	2.48%
Total number of assessments	9,736	9,808	72	0.74%

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

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

Type or class of land	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Residential	1,708,632	1,910,493	201,861	11.81%
Commercial / Industrial	188,764	204,977	16,213	8.59%
Vacant Land	112,075	130,638	18,563	16.56%
Rural 1	1,274,938	1,420,191	145,253	11.39%
Rural 2	824,421	954,831	130,410	15.82%
Total value of land	4,108,830	4,621,130	512,300	12.47%

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 2017/18	Per Rateable Property 2018/19	Change	
	\$	\$	\$	%
Municipal	326.00	333.00	7	2.15%

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

Type of Charge	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Municipal	3,045	3,123	78	2.56%

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	Per Rateable	Change	
	Property 2017/18	Property 2018/19	\$	%
<i>Kerbside Collection</i>	352.50	363.00	10.50	2.98%
<i>Recycling</i>	87.50	111.00	23.50	26.86%
Total	440.00	474.00	34.00	7.73%

For the purposes of clarification of "defined properties" for garbage and recycling charges, defined properties for compulsory garbage and recycling charges are described as follows;

- all townships (residential)
- all townships and low density residential zones;
- all other residential properties within the area as defined previously by Council. (no change).

As highlighted in the Draft Budget increases in costs associated with recycling services need to be passed on to rate payers through an increase in the waste service charge. It will therefore be necessary to increase the recycling collection charge for 2018/19 by an additional \$21 per bin per annum (or 40 cents per week) from the previously detailed charge of \$90 per bin, to ensure the continuity of this service.

For industrial or commercial properties, 75% of the garbage charge & recycling charge will be waived upon production of satisfactory evidence to Council that an alternative commercial waste disposal arrangement is in operation.

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	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
<i>Kerbside Collection</i>	2,303	2,356	53	2.30%
<i>Recycling</i>	586	734	148	25.20%
Total	2,889	3,090	201	6.95%

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

	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
<i>General Rates</i>	13,672	14,081	409	2.99%
<i>Municipal Charge</i>	3,045	3,123	78	2.56%
<i>Kerbside Collection and Recycling</i>	2,889	3,090	201	6.95%
<i>Agreement in lieu of rates (Power Station)</i>	63	64	1	1.59%
<i>Supplementary rates and charges</i>	124	168	44	35.48%
Total Rates and charges	19,793	20,526	733	3.70%

Council is budgeting for a 1% growth of its rate base in 2018/19, which is an increase from what is forecast to be achieved in 2017/18. It should be noted that the details highlighted in the table above incorporates the full-year impact of rates growth achieved in 2017/18. Details as to how the average rating increase is calculated to ensure compliance with the rate cap is highlighted in the table below.

4.1.1(l) Fair Go Rates System Compliance

Murrindindi Shire Council is fully compliant with the State Government's Fair Go Rates System, as demonstrated in the following table.

	2017/18	2018/19
Total Rates	\$ 19,793	\$ 20,526
Number of rateable properties	9,736	9,808
Base Average Rates	\$ 2,033	\$ 2,093
Maximum Rate Increase (set by the State Government)	2.00%	2.25%
Capped Average Rate (as applied by Council)	1.99%	2.15%
Maximum General Rates and Municipal Charges Revenue	\$ 16,730	\$ 17,220
Budgeted General Rates and Municipal Charges Revenue	\$ 16,722	\$ 17,204

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.
- Finalisation of changes to the contract with Council's recycling services provider, which will be finalised prior to the adoption of the budget in June 2018.

4.1.1(n) Differential rates categories

Rates to be levied

The rate and amount of rates payable in relation to land in each category are:

- A general rate of 0.003273 (0.3273 cents in the dollar of CIV) for all rateable residential properties; and
- A differential rate of 0.004091 (0.4091 cents in the dollar of CIV) for all rateable Commercial and Industrial properties (125% of general rate); and
- A differential rate of 0.002291 (0.2291 cents in the dollar of CIV) for all rateable Rural 1 properties (70% of general rate); and
- A differential rate of 0.003240 (0.3240 cents in the dollar of CIV) for all rateable Rural 2 properties (99% of general rate); and
- A differential rate of 0.004909 (0.4909 cents in the dollar of CIV) for all rateable Vacant Land properties (150% of general rate).

Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below.

Rural 1 Land

Rural 1 land is any rateable land, which is:

- Not less than 40 hectares in area; and
- shall include non-contiguous assessments within the Shire operating as a single farm enterprise.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services;
- Provision of general support services; and
- Recognition of the capital required for farming within the Shire and limited access to some services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

Rural 2 Land

Rural 2 land is any rateable land, which is:

- greater than 4 hectares and less than 40 hectares in area; and
- shall include non-contiguous assessments within the Shire operating as a single farm enterprise.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services;
- Provision of general support services; and
- Recognition of the capital required for farming within the Shire and limited access to some services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

Vacant Land

Vacant land is defined as:

- Any land which is located in Council's defined residential, commercial, rural living or industrial zones for planning purposes that is currently undeveloped.
- Undeveloped land is broadly classified as land not containing an approved, habitable structure, or land that has not been developed for the purpose of commercial or industrial use.

The objective of this differential rate is to encourage property owners to develop vacant land identified by Council as suitable for development, rather than simply acquire or hold land for the purpose of future investment without developing it. Encouraging the development of land ensures that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Council.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

Commercial / Industrial Land

Commercial and industrial properties are defined as:

- Any property which is used primarily for commercial and/or industrial purposes and/or,
- Any property zoned as commercial and industrial land under the planning scheme in force in the municipal district which is not deemed vacant as per above.

The objective of this differential rate is to ensure that the owners of the property having the characteristics of Commercial and Industrial Land make an equitable financial contribution to the cost of carrying out Council's functions, including those functions supporting economic development and tourism, and the renewal and maintenance of public infrastructure that is of critical importance and benefit to business owners.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual	2018/19		
	2017/18	2018/19	\$'000	%
	\$'000	\$'000	\$'000	%
Building	278	279	1	0.36%
Environmental Health & Local Laws	260	282	22	8.46%
Planning and Subdivisions	254	269	15	5.91%
Infrastructure	31	33	2	6.45%
<i>Other</i>	33	26	(7)	-21.21%
Total statutory fees and fines	856	889	33	3.86%

Statutory fees and fines are projected to increase in 2018/19, primarily in the areas of local laws and planning, due to a greater focus on compliance activities. Local Laws fines are forecast to increase by \$28k, with planning fines forecast to increase by \$15k, as a result of greater resources and focus being allocated by Council to ensure public safety.

4.1.3 User fees

	Forecast	Budget	Change	
	Actual	2018/19		
	2017/18	2018/19	\$'000	%
	\$'000	\$'000	\$'000	%
Halls & Community Centres	47	36	(11)	-23.1%
Aged Care	785	790	5	0.7%
Valuation data	9	99	90	1000.0%
Saleyards fees	329	361	32	9.6%
Recreation Pools & leisure centres	79	84	5	6.6%
Waste - transfer stations & landfill fees	955	938	(16)	-1.7%
<i>Other fees and charges</i>	34	36	2	6.7%
Total user fees	2,238	2,345	107	4.79%

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for use of community facilities and the provision of human services such as home help services, saleyards fees and waste management fees. In setting the budget, the key principle for determining the level of user charges has been to ensure that individual fee levels increases do not exceed the rate cap level of 2.25%.

User charges are projected to increase by \$0.11 million over 2018/19. This is primarily due to the receipt of payments related to the revaluation for 2018/19 of \$99k, which offsets expected decreases in waste management fees of \$16k, and the reduction in fees associated with the Alexandra Community Leisure Centre due the change in the leasing arrangements of the facility.

4.1.4 Grants

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

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change	
			\$'000	%
Grants received in respect of the following:				
Summary of grants				
Commonwealth funded grants	5,700	7,361	1,661	29%
State funded grants	1,772	1,401	(371)	-21%
Total grants received	7,472	8,761	1,289	17%
(a) Operating Grants				
Recurrent - Commonwealth Government				
Aged and disability	907	884		
Financial assistance grants	2,302	4,644	2,342	102%
Children services	796	743	(52)	-7%
Recurrent - State Government				
Aged and disability	341	356	15	4%
Children services	1	1	0	0%
Environmental health	14	13	(1)	-7%
Libraries	149	152	3	2%
Maternal and child health	175	179	4	3%
Maternal and child health	15	15	0	0%
Total recurrent grants	4,699	6,987	2,311	49%
Non-recurrent - Commonwealth Government				
Children services	41	55	14	33%
Economic development	50	121	71	144%
Emergency management	60	60	0	0%
Environmental health	5	5	0	0%
Environmental programs	30	29	(1)	-3%
Library services	5	0	(5)	-100%
Planning services	90	0	(90)	-100%
Recreational services	22	0	(22)	-100%
Youth services	74	90	16	22%
Total non-recurrent grants	376	359	(17)	-4%
Total operating grants	5,076	7,347	2,271	45%

Operating grants include all funds received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to increase by \$2.24 million compared to 2017/18. This is mostly due to the expectation that the full value of the Financial Assistance Grants due to be paid to Council for 2018/19 from the Federal Government via the Victorian Grants Commission is actually received in the year that the funding relates to.

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change \$'000 %	
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	1,598	1,083	(516)	-32%
Library Book stock	6	6	0	1%
Recurrent - State Government				
Total recurrent grants	1,605	1,089	(515)	-32%
Non-recurrent - Commonwealth Government				
Buildings	91	0	(91)	-100%
Non-recurrent - State Government				
Buildings	306	326	19	6%
Heritage	63	0	(63)	-100%
Plant & Equipment	41	0	(41)	-100%
Roads and Bridges	291	0	(291)	-100%
Total non-recurrent grants	792	326	(466)	-59%
Total capital grants	2,397	1,415	(982)	-41%
Total Grants	7,472	8,761	1,289	17%

Capital grants include all funds received from State, Federal and community sources for the purposes of funding the annual capital works program. Overall the level of capital grants is forecast to decrease by \$0.98 million compared to 2017/2018 due mainly to specific funding for some large capital works projects in 2016/17 - with minimal State Government capital funding being confirmed for 2018/19. Section 4.5. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during 2018/2019.

4.1.5 Contributions

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change \$'000 %	
Monetary - operating	5	25	20	388.18%
Monetary - capital	615	30	(586)	-95.21%
Non-monetary - Capital	204	400	196	96.02%
Total contributions	824	454	(370)	-44.87%

Monetary contributions are funds paid by developers that relate to public recreation, drainage and car parking in accordance with planning permits issued for property development. 2017/18 saw a large amount of funds recognised as a part of the funding towards the completion of the bushfire memorials project, that will not be duplicated in 2018/19.

Non-monetary contributions relate to gifted assets that are received from developers for public recreation, drainage and car parking in accordance with planning permits issued for property development in lieu of making a monetary payment to Council. The current pipeline of planning and building approvals indicates strong growth in this area for Council in the coming years.

4.1.6 Other income

	Forecast	Budget	Change	
	Actual			
	2017/18	2018/19	\$'000	%
	\$'000	\$'000		
Interest	558	657	99	17.74%
Interest on rates	109	129	20	18.35%
Rental	216	239	23	10.65%
Reimbursements	372	382	10	2.69%
<i>Other</i>	150	156	6	4.00%
Total other income	1,405	1,563	158	11.25%

Other income relates to a range of items such as cost recovery and other miscellaneous income items. It consists primarily of interest revenue on investments and rate arrears and rent revenue that Council receives from various lease or licence agreements. Increases on interest are expected due to higher rates of return expected in 2018/19, as well as higher levels of capital forecast to be held for investment in the next financial year.

4.1.7 Employee costs

	Forecast	Budget	Change	
	Actual			
	2017/18	2018/19	\$'000	%
	\$'000	\$'000		
Wages and salaries	12,832	13,384	552	4.30%
WorkCover	202	205	3	1.49%
Superannuation	1,227	1,211	(16)	-1.30%
<i>List other components - agree to Model Accounts</i>	-	-	0	
Total employee costs	14,261	14,800	539	3.78%

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, fringe benefits, employer superannuation, rostered days off, etc. The budget expectations for 2018/19 include the outcome of the recently re-negotiated Enterprise Bargaining Agreement that specifies a 1.85% wage increase for the 2018/19 financial year. A small number of additional positions as detailed in **Section 3** are also reflected in the 3.8% increase in overall employee costs. It should be noted that short-term employee number increases have been primarily funded through grant funding and utilising Council's reserves to achieve the agreed strategic objectives in the Council Plan.

4.1.8 Materials and services

	Forecast	Budget	Change	
	Actual	2018/19	\$'000	%
	2017/18	2018/19		
	\$'000	\$'000	\$'000	%
Consultants	436	268	- 168	-38.53%
Contractors	6,874	6,601	- 273	-3.98%
Contributions	930	878	- 52	-5.59%
Insurance	446	426	- 20	-4.48%
Legal expenses	239	255	16	6.69%
Materials	886	843	- 43	-4.85%
Utilities	493	527	34	6.90%
Total materials and services	10,304	9,798	- 506	-4.91%

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by \$0.67 million compared to 2017/18, following a \$0.45 million decrease in 2016/17, reflecting Council's continued focus on achieving efficiency savings through detailed procurement initiatives.

Although legal expenses are forecast to increase in 2018/19, the majority of this amount refers to the expenditure that Council incurs in recovering long overdue debts from delinquent ratepayers. These costs are not passed on to all ratepayers, but are fully recovered from the individual ratepayers who cause these costs to be incurred, and are recorded as part of Council's "other income".

4.1.9 Depreciation and amortisation

	Forecast	Budget	Change	
	Actual	2018/19	\$'000	%
	2017/18	2018/19		
	\$'000	\$'000	\$'000	%
Property	2,619	2,666	47	1.80%
Plant & equipment	855	885	30	3.48%
Infrastructure	5,508	5,632	125	2.26%
Intangible Assets	420	420	0	0.00%
Total depreciation and amortisation	9,401	9,603	201	2.14%

Depreciation is an accounting measure which allocates the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.2 million for 2018/2019 is due mainly to the completion of the 2017/2018 capital works program as well as the required revaluation of Council's road network which occurred during 2017/18. Refer to Section 4.5. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program in 2018/2019.

4.1.10 Other expenses

	Forecast	Budget	Change	
	Actual	2018/19	\$'000	%
	2017/18	2018/19		
	\$'000	\$'000	\$'000	%
Auditors' remuneration - auditing financial report	47	47	-	0.00%
Auditors - internal audit	30	40	10	33.33%
Councillor Allowances	200	202	2	1.00%
Other	25	24	- 1	-4.00%
Total other expenses	302	313	11	3.64%

Other expenses relate to rates and charges waived for charitable and not-for-profit organisations, Councillors' allowances and remuneration for auditors and audit committee members. Council's internal audit contract is due for review in 2018/19, following the conclusion of the current three year arrangement.

4.2 Balance Sheet

4.2.1 Assets

Council's asset position is primarily driven by the value of its physical infrastructure (property, plant and equipment) and its projected cash levels. Cash and cash equivalents include cash and investments held in the bank in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to increase by \$1.58 million during the year mainly to fund the increase in reserves of \$1.0 million.

4.2.2 Liabilities

Council's liabilities, exclusive of bank debt which is detailed further in section 4.2.3 below is primarily made up of entitlements owed to employees and funds held as sureties against a variety of contracts.

Council's working capital ratio remains extremely strong, as more than four times the level of Council's current liabilities are covered by its current asset position. This ensures Council's ability to meet its employee and supplier payments, as well as immediately commence on its capital works program in 2018/19, rather than waiting for the receipt of rate funds which do not commence until October each year.

4.2.3 Borrowings

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

	2017/18	2018/19
	\$	\$
Amount borrowed as at 30 June of the prior year	1,355	987
Amount proposed to be borrowed	-	-
Amount projected to be redeemed	(368)	(320)
Amount of borrowings as at 30 June	987	667

4.2.4 Borrowing Costs

	Forecast Actual 2017/18	Budget 2018/19	Change	
	\$'000	\$'000	\$'000	%
Interest - borrowings	79	55	- 24	-30.38%
Total borrowing costs	79	55	- 24	-30.38%

Council is forecasting no new borrowings for the first time in more than a decade. As a result, Council's total debt holdings will decrease to \$667k by 30 June 2019, with costs associated with borrowings reducing by more than 30% in the 2018/19 financial year.

4.3 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2018/19 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.3.1 Summary

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change \$'000	%
Property	2,705	1,769	(936)	-34.60%
Plant and equipment	2,272	1,681	(591)	-26.01%
Infrastructure	5,314	4,370	(944)	-17.76%
Total	10,291	7,820	(2,471)	-24.01%

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Property	1,769	-	1,127	542	100	364	46	1,359	-
Plant and equipment	1,681	-	1,033	137	511	6	-	1,675	-
Infrastructure	4,370	-	2,901	1,125	344	1,083	87	3,200	-
Total	7,820	-	5,061	1,804	955	1,453	133	6,234	-

4.3.2 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									
Land Improvements									
<i>Parks & Reserves Access Roads</i>	40		40					40	
<i>Helipad -Emergency Services Access</i>	22		11	11				22	
<i>Yea Office Carpark Traffic Managmt.</i>	22			22				22	
<i>Marysville Settlers Park Power Heads</i>	20		20					20	
<i>Yea High Street irrigation upgrade</i>	103		51	52				103	
<i>Alexandra Leckie Park jump renewal</i>	13		13				3	10	
<i>Pioneer Park Parking Area sealing</i>	57		11	46				57	
<i>Yea Visitor Info / Events Board</i>	9			9				9	
<i>Tourist Signage</i>	30		6		24			30	
Total Land Improvements	316	-	152	140	24	-	3	313	-
Buildings									
<i>CJ Dennis Memorial Hall - external</i>	40		40					40	
<i>Council Buildings - Switchboards</i>	200		200					200	
<i>Kinglake Ranges Neighbourhood House</i>	45		36	9				45	
<i>Kinglake Community Centre</i>	60		30	30				60	
<i>Yea Recreation Reserve Changerooms</i>	65		33	32				65	
<i>Alexandra Leckie Park storage shed</i>	4				4		2	2	
<i>Strath Creek Playground Shade Struct.</i>	47				47			47	
<i>Public Convenience - Bollygum Park</i>	30		30					30	
<i>Public Convenience - Yarck</i>	59		41	9	9			59	
<i>Yea Playground - Station Street</i>	30			30				30	
<i>Swimming Pool Shell Renewal</i>	25		25					25	
<i>Yea Saleyards - floor renewal</i>	6		3	3				6	
<i>Corporate Buildings - Flagpoles</i>	27		8	19				27	
<i>Depot Development Works</i>	54			38	16			54	
Total Buildings	692	-	446	170	76	-	2	690	-
TOTAL PROPERTY	1,008	-	598	310	100	-	5	1,003	-

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
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
<i>Motor Vehicles - Passenger & Fleet</i>	330		267		63			330	
<i>Major Plant & Machinery</i>	515		288		227			515	
<i>Waste Management Equipment</i>	60			20	40			60	
Total Plant, Machinery & Equip.	905	-	555	20	330	-	-	905	-
Fixtures, Fittings and Furniture									
<i>Swimming Pool Equipment</i>	29		29					29	
Total Fixtures & Fittings	29	-	29	-	-	-	-	29	-
Computers and Telecommunications									
<i>Personal Computers & Network</i>	75		38	37				75	
<i>IT Software Upgrades</i>	60		30	30				60	
Total Computers & Telecomm.	135	-	68	67	-	-	-	135	-
Library books									
<i>Library Bookstock</i>	100		60		40	6		94	
Total Library Books	100	-	60	-	40	6	-	94	-
TOTAL PLANT AND EQUIPMENT	1,169	-	712	87	370	6	-	1,163	-
INFRASTRUCTURE									
Roads									
<i>Sealed Roads - Renewal</i>	432		432					432	
<i>Sealing Unsealed Roads</i>	341		16	325				341	
<i>Sealing Unsealed Road Entrances</i>	25		5	20				25	
<i>Sealed Roads - Upgrade</i>	84		6	78				84	
<i>Sealed Roads - Reseals</i>	281		281					281	
<i>Sealed Roads - Shoulder Resheeting</i>	93		84	9				93	
<i>Sealed Roads - Traffic Treatment</i>	30			30				30	
<i>Gravel Road - Resheeting</i>	875		875			875			
<i>Gravel Roads - Major Maintenance</i>	425		340	85		208		217	
<i>Kerb & Channel - Renewal</i>	87		70		17			87	
<i>Road Safety measures</i>	164				164			164	
Total Roads	2,837	-	2,109	547	181	1,083	-	1,754	-
Bridges									
<i>Bridges & Culverts - Renewal</i>	440	-	396	44	-	-	-	440	-
<i>Bridges & Culverts - Upgrade</i>	150		60	90				150	
Total Bridges	590	-	456	134	-	-	-	590	-

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
Footpaths and Cycleways									
<i>Footpath - Renewal</i>	90		81	9				90	
<i>Footpath - Missing Links</i>	40				40			40	
<i>Paths - Urban Access Improvements</i>	40	-	20	20	-	-	-	40	-
Total Footpaths & Cycleways	170	-	101	69	-	-	-	170	-
Drainage									
<i>Urban Drainage - Renewal</i>	47		33	-	14			47	
<i>Urban Drainage - Trouble Spots</i>	127		20	8	99			127	
Total Drainage	174	-	53	8	113	-	-	174	-
Waste Management									
<i>Landfill - Cell Capping</i>	75			75				75	
<i>Landfill - Minor Projects</i>	55		36	19				55	
<i>Landfills - Closed Landfill Capping</i>	55			55				55	
<i>Resource Recovery Centres Upgrade</i>	50		30	20				50	
<i>Resource Recovery Centres E Waste</i>	50		-	-	50			50	
Total Waste Management	285	-	66	169	50	-	-	285	-
TOTAL INFRASTRUCTURE	4,056	-	2,785	927	344	1,083	-	2,973	-
TOTAL CAPITAL WORKS	6,233	-	4,095	1,324	814	1,089	5	5,139	-

4.3.3 Works carried forward from the 2017/18 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									
<i>Yea Shire Hall</i>	147		147					147	
<i>Timber Tramway Museum</i>	36		36					36	
<i>Alexandra Tennis Court Resurfacing</i>	96		96			68	10	18	
<i>Yea Hall Clock Tower</i>	80		80					80	
<i>Yea & District Children's Centre</i>	232			232		201	31		
<i>Yea Railway Station</i>	170		170			95		75	
Total Buildings	761	-	529	232	-	364	41	356	-
TOTAL PROPERTY	761	-	529	232	-	364	41	356	-
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
<i>Motor Vehicles - Passenger & Fleet</i>	427		286		141			427	
<i>Major Plant & Machinery</i>	35		35					35	
Total Plant, Machinery & Equip.	462	-	321	-	141	-	-	462	-
Computers and Telecommunications									
<i>Project / Contract Management</i>	50			50				50	
Total Computers & Telecomm.	50	-	-	50		-	-	50	-
TOTAL PLANT AND EQUIPMENT	512	-	321	50	141	-	-	512	-
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									
<i>Pendlebury St Kerbing Special Charge</i>	53	-	-	53		-	27	26	-
<i>Snodgrass St Stage 2 Special Charge</i>	110		28	82			60	50	
<i>Vegetation Projects</i>	88		88					88	
<i>Murchison Street Carpark Marysville</i>	63			63				63	
Total Roads	314	-	116	198	-	-	87	227	-
TOTAL INFRASTRUCTURE	314	-	116	198	-	-	87	227	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2017/18	1,587	-	966	480	141	364	128	1,095	-

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
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	6.3%	-6.5%	0.0%	0.2%	0.3%	0.4%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	537.7%	407.1%	451.8%	445.2%	434.6%	450.3%	o
Unrestricted cash	Unrestricted cash / current liabilities	3	53.5%	359.7%	406.1%	399.5%	388.8%	404.4%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	7.1%	5.0%	3.2%	2.4%	1.5%	0.7%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		4.1%	2.3%	1.8%	1.4%	1.0%	0.6%	+
Indebtedness	Non-current liabilities / own source revenue		29.5%	26.4%	25.0%	23.4%	21.9%	20.5%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	81.6%	69.9%	52.7%	47.5%	43.5%	58.2%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	55.5%	61.4%	59.4%	59.6%	59.9%	60.2%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	o
Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	+/-
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$3,331	\$3,528	\$3,525	\$3,609	\$3,695	\$3,783	o
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,077	\$1,111	\$1,119	\$1,144	\$1,170	\$1,196	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		12.0%	12%	10%	10%	10%	10%	o

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

Appendix A
Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2018-19 year.

Fees & Charges	Ref	Fee Type	2017-18	2018-19	18/19
Administration Charges			Adopted	Budget	Change
Photocopy / Incoming Fax Charges - A4 Black & White	Per side printed	Council	0.30	0.30	0.0%
Photocopy / Incoming Fax Charges - A4 Colour	Per side printed	Council	1.00	1.00	0.0%
Photocopy / Incoming Fax - A3 Black & White	Per side printed	Council	0.60	0.60	0.0%
Photocopy / Incoming Fax - A3 Colour	Per side printed	Council	2.00	2.00	0.0%
Photocopy / Incoming Fax - AO B&W Photocopies	Per copy	Council	8.00	8.00	0.0%
Photocopy / Incoming Fax - A1 B&W Photocopies	Per copy	Council	6.80	6.80	0.0%
Photocopy / Incoming Fax - A2 B&W Photocopies	Per copy	Council	5.50	5.50	0.0%
Photocopy / Incoming Fax Charges - Planning Photo A3	Per side printed	Council	1.00	1.00	0.0%
Freedom of Information Request - Statutory (Photocopy / Incoming Faxing additional)	Per application	Statutory	28.40	28.90	1.8%
FAXING			2.00	2.00	0.0%
Freedom of Information - Search Charges	1.5 fee units per hour	Statutory	1.5 fee units per hour	1.5 fee units per hour	0.0%
Freedom of Information requests - Supervision Charges	1.5 fee units per hour	Statutory	1.5 fee units	1.5 fee units	0.0%
Freedom of Information requests - B & W Photocopy / Incoming Fax (A4)	Per copy	Statutory	0.20	0.20	0.0%
Freedom of Information - health explanation provided by a suitably qualified practitioner	Per qtr hour or part thereof	Statutory	1.9 fee units to a maximum of 6 fee units	1.9 fee units to a maximum of 6 fee units	0.0%
Freedom of Information - provision of a health information summary	Per qtr hour or part thereof	Statutory	1.9 fee units to a maximum of 6 fee units	1.9 fee units to a maximum of 6 fee units	0.0%
General - Rates etc.					
Land Information Certificate Receipt	Per certificate	Statutory	25.90	26.30	1.5%
Reprint of lost/misplaced Rates Notice <i>(waived if provided electronically)</i>	Per certificate	Council	5.00	5.00	0.0%
Streets & Open Space					
Road Closure Permit - Advertising costs	Per application	Council	N/A	100.00	0.0%
Development Services					
Drainage Point of Discharge information (BCA Scheduled fee)	Per information certificate	Statutory	65.40	66.50	1.7%
Works Maintenance Bonds (Refundable)		Council	5% of Cost of works	5% of Cost of works	0.0%
Checking Engineering Plans	Per application	Statutory	0.75% of value of works	0.75% of value of works	0.0%
Supervision Fees of Works	Per application	Statutory	2.5% of value of works	2.5% of value of works	0.0%
Municipal Roads <50kph					
Major Works (A)	Per application	Statutory	334.20	339.60	1.6%
Major Works (B)	Per application	Statutory	85.30	86.70	1.6%
Minor Works (A)	Per application	Statutory	132.20	134.40	1.7%
Minor Works (B)	Per application	Statutory	85.30	86.70	1.6%
Municipal Roads >50kph					
Major Works (A)	Per application	Statutory	612.80	622.80	1.6%
Major Works (B)	Per application	Statutory	334.20	339.60	1.6%
Minor Works (A)	Per application	Statutory	132.20	134.40	1.7%
Minor Works (B)	Per application	Statutory	85.30	86.70	1.6%
Building					
Domestic Building Applications:					
Dwellings additions / alterations					
Up to \$40,000	Per permit	Council	498.00	498.00	0.0%
Up to \$164,000 in value (4 inspections)	Per permit	Council	888.00	888.00	0.0%
Over \$164,000 in value (4 inspections)	Per permit	Council	\$cost/200 + gst	\$cost/200 + gst	0.0%
New Dwellings					
Up to \$271,000	Per permit	Council	1,488.00	1,488.00	0.0%
Over \$271,000	Per permit	Council	\$cost/200 + gst	\$cost/200 + gst	0.0%
e.g. cost of works new dwelling \$272,000 / 200 = \$1,360 + gst + \$30 Lodgement fee + government levy		Council			
Shed / Carport / Verandas	Per permit	Council	495.00	505.00	2.0%
Sheds over 50m2	Per permit	Council	670.00	683.00	1.9%
Swimming Pools	Per permit	Council	670.00	683.00	1.9%
Re-stumping	Per permit	Council	335.00	340.00	1.5%
Underpinning	Per permit	Council	335.00	340.00	1.5%
Demolition Permits					
- Dwellings	Per permit	Council	350.00	355.00	1.4%
- Commercial / Industrial up to 200m2	Per permit	Council	680.00	690.00	1.5%
Fences	Per permit	Council	270.00	275.00	1.9%
Commercial Building Applications:					
as per AIBS Guidelines 4 (\$cost / 2000 + V cost)					
e.g. cost of works \$250,000 / 2000 = \$125, V\$250,000 = \$500, \$125 + \$500 = \$625 x 4 = \$2,500 + GST + \$37.40 Lodgement fee + govt. levy					
			as per AIBS Guidelines 4(\$cost/2000+Sqrt\$cost)	as per AIBS Guidelines 4(\$cost/2000+Sqrt\$cost)	
Construction value \$100,000	Per application	Council	1,611.39	1,611.39	0.0%
Construction value \$250,000	Per application	Council	2,760.00	2,760.00	0.0%

Fees & Charges	Ref	Fee Type	2017-18	2018-19	18/19
Building Commission's Operations Levy					
Domestic Building Permits - where value of works is greater than \$10,000	Levy per permit	Statutory	0.128% of \$	0.128% of \$	0.0%
Commercial Building Permits - where value of works is greater than \$10,000	Levy per permit	Statutory	0.128% of \$	0.128% of \$	0.0%
Extension of Time	Per application	Council	207.00	210.00	1.4%
Amendment to Permit / Variation to Plan	Per application	Council	Min. \$130.00	Min. \$132.50	1.9%
Inspection of dwelling - relocation (plus deposit \$50.00)	Per application	Council	437.00	445.00	1.8%
Inspection Fees - expired permits - final certificate required	Per application	Council	210.00	214.00	1.9%
Copy of Plans- (Dwellings)	Per set	Council	55.00	56.00	1.8%
Copy of Plans- (Commercial/Industrial)	Per set	Council	85.00	86.00	1.2%
Building Permit Search Fee	Per search	Council	75.00	76.00	1.3%
Modification to siting requirements	Per application	Statutory	256.90	262.10	2.0%
Application to build over easement	Per application	Statutory	210.00	262.10	24.8%
Building Information Certificate	Per certificate	Statutory	51.15	52.20	2.1%
Complex Property Inquiry - Commercial/Industrial	Per inquiry	Statutory	76.50	76.50	0.0%
Building Control Lodgement Fees (Domestic & Commercial)	Per lodgement	Statutory	38.30	39.10	2.1%
Fee for Building in a flood prone area	Per lodgement	Statutory	256.90	262.10	2.0%
Health					
Septic Tank Fees domestic	Per permit	Council	530.00	540.00	1.9%
Septic Tank Alteration	Per permit	Council	295.00	300.00	1.7%
Septic Tank Fees commercial	Per permit	Council	530.00	540.00	1.9%
Septic Tank Permit extension	Per permit	Council	147.00	150.00	2.0%
Food Premises Registration (New categories)					
Category 3	Per registration	Council	177.00	180.00	1.7%
Category 2	Per registration	Council	315.00	320.00	1.6%
Category 1	Per registration	Council	394.00	400.00	1.5%
Prescribed Accommodation Registration					
Level 1 - up to 25 beds	Per registration	Council	144.00	145.00	0.7%
Level 2 - 26 to 50 beds	Per registration	Council	196.00	200.00	2.0%
Level 3 - 51 to 74 beds	Per registration	Council	262.00	265.00	1.1%
Level 4 - 75 to 100 beds	Per registration	Council	327.00	330.00	0.9%
Level 5 - 101 to 125 beds	Per registration	Council	394.00	395.00	0.3%
Hair Dressers Registration	Per registration	Council	173.00	175.00	1.2%
Skin Penetration Registration	Per registration	Council	173.00	175.00	1.2%
Caravan Parks Registration - per site	Per site registration	Statutory	NA	NA	0.0%
Business Registration Transfers - Health	Per transfer	Council	140.00	143.00	2.1%
Inspections - Health	Per inspection	Council	140.00	143.00	2.1%
Flu shots to external organisations	Per shot	Council	19.50	19.90	2.1%
Local Laws					
Animal Impoundment Fees					
Dog	Per head	Council	83.00	84.00	1.2%
Dog (Concession owner)	Per head	Council	43.00	43.50	1.2%
Cattle	Per head	Council	90.00	92.00	2.2%
Goats & Pigs	Per head	Council	48.00	49.00	2.1%
Horses	Per head	Council	90.00	92.00	2.2%
Sheep Pound	Per head	Council	24.00	24.50	2.1%
Each additional animal	Per head	Council	3.50	3.55	1.4%
Sustenance (per day)	Per head	Council	21.00	25.00	19.0%
All other animals (birds & poultry)	Per head	Council	2.10	2.10	0.0%
- sustenance (per day)	Per head	Council	1.30	1.30	0.0%
Livestock transport	Flat rate	Council	250.00	255.00	2.0%
Animal Registrations					
Dog Tag Replacement Fee	Per tag	Council	4.20	4.25	1.2%
Cat Tag Replacement Fee	Per tag	Council	4.20	4.25	1.2%
Dog/cat registration - not desexed	Per dog/cat	Council	129.00	130.00	0.8%
Dog/cat registration - not desexed (Concession)	Per dog/cat	Council	65.00	65.00	0.0%
Dog/cat Registration - Desexed	Per dog/cat	Council	43.00	43.50	1.2%
Dog/cat Registration - Desexed (Concession)	Per dog/cat	Council	22.00	22.00	0.0%
Guide dog registration & re-registration	Per dog	Statutory	0.00	0.00	0.0%
Restricted breeds/Declared Animals	Per animal	Council	240.00	245.00	2.1%
Dog/cat discounted registration	Per dog/cat	Council	43.00	43.50	1.2%
Dog/cat discounted registration - concession	Per dog/cat	Council	22.00	22.00	0.0%
New dog/cat registration (after 1 January - pro rata)	Per dog/cat	Council	65.00	65.00	0.0%
New dog cat registration (after 1 January - pro rata)- Concession	Per dog/cat	Council	33.00	33.00	0.0%
New Dog/cat Registration (after 1 January) - pro rata- Desexed	Per dog/cat	Council	22.00	22.00	0.0%
New Dog/cat Registration (after 1 January) - pro rata- Desexed - Concession	Per dog/cat	Council	11.00	11.00	0.0%
Domestic Animal Business Registration / Renewal	Per Premises	Council	120.00	122.00	1.7%
Fire Prevention					
Fire Prevention Slashing of Private Blocks - Administration Charges	Per infringement	Council	50.00	51.00	2.0%
Other					
Eildon Alliance Boat Ramp - parking fee	Daily Fee	Council	5.00	5.00	0.0%
Temporary Shipping Container Permit Application Fee	Per application	Council	N/A	100.00	0.0%
A Frame Sign Application Fee	Per sign for 2 years	Council	65.00	66.00	1.5%
Disabled Parking Permits	Per permit	Council	6.70	0.00	-100.0%
Planning Charges					
Advertising fee					
Public notice in paper (to be inserted by Council)	Per notice	Council	170.00	170.00	0.0%

Fees & Charges	Ref	Fee Type	2017-18	2018-19	18/19
Public notice on site (when erected for applicant)	Per notice	Council	79.00	79.00	0.0%
Admin. Charge	Per notice	Council	39.00	39.00	0.0%
Satisfaction Matters					
Satisfaction matters - As prescribed in regulation					
Assessing a Plantation Development Notice	Per assessment	Council	135.00	135.00	0.0%
Assessing a Timber Harvesting Plan	Per assessment	Council	150.00	150.00	0.0%
Subdivision Certification Fees					
Public Open Space Contributions		Statutory	5% of land value	5% of land value	0.0%
Preparation of Engineering Plans By Council	Per set	Statutory	3.5% of works value	3.5% of works value	0.0%
Planning Fees					
Tree removal	Per application	Statutory	1,265.60	1,286.10	1.6%
Shed <\$10,000	Per application	Statutory	192.00	195.10	1.6%
House \$10,000 - \$100,000	Per application	Statutory	604.40	614.10	1.6%
House > \$100,000	Per application	Statutory	1,237.10	1,257.20	1.6%
Building works <100,000	Per application	Statutory	1,102.10	1,119.90	1.6%
Building works >\$100,001 - \$1,000,000	Per application	Statutory	1,486.00	1,510.00	1.6%
Building works >\$1,000,001 - \$5,000,000	Per application	Statutory	3,277.70	3,330.70	1.6%
2 lot subdivision	Per application	Statutory	1,265.60	1,286.10	1.6%
Change in use	Per application	Statutory	1,265.60	1,286.10	1.6%
Creation of easement	Per application	Statutory	1,265.60	1,286.10	1.6%
Section 173 Agreements					
Administrative fee	Per agreement	Statutory	130.00	130.00	0.0%
Applicant must also pay the full cost of assessment of a Section 173 agreement by council's solicitors					
Planning Permit / Consent Fees					
Extension of time for Planning Permit & Consents	Per application	Council	130.00	130.00	0.0%
Approval of Endorsed Plan/s	Per approval	Council	130.00	130.00	0.0%
Amendment of Endorsed Plan/s	Per amendment	Council	130.00	130.00	0.0%
Planning Permit / Consent archive search fee	Per item	Council	75.00	76.50	2.0%
Planning - Archive Search Fee	Per item	Council	75.00	76.50	2.0%
Administrative Fees					
Fee for providing formal advice aerial photography		Council	39.00	39.00	0.0%
Planning Enforcement					
Planning infringement notice - As prescribed in regulation		Council	777.30	792.85	2.0%
Community Services					
Community Bus rental per day					
- Not for Profit	Half day	Council	72.00	73.00	1.4%
- Not for Profit	Full day	Council	118.00	120.00	1.7%
- Disability Rate 1/2 Day Hire	Half day	Council	36.00	36.50	1.4%
Refundable Bond		Council	103.00	105.00	1.9%
HACC charges					
Social Support Planned Activity Group					
- Low Income & Medium Income	Per service	Statutory	7.70 venue based program 13.05 for activity and transport based programs plus cost of meal/venue entry if applicable	7.85 venue based program or 13.30 venue based program if transport is required. 13.30 for activity and transport based programs plus cost of meal/venue entry if applicable Movie +additional \$5	1.9%
- High Income (Core)	Per service	Statutory	13.95 venue based program 19.50 for activity and transport based programs plus cost of meal/venue entry if applicable	14.25 venue based program 19.90 for activity and transport based programs plus cost of meal/venue entry if applicable	2.2%
- High Income (High Care)	Per service	Statutory	19.50 venue based program 24.80 for activity and transport based programs plus cost of meal/venue entry if applicable	19.50 venue based program 24.80 for activity and transport based programs plus cost of meal/venue entry if applicable	0.0%
Food Services (Meals)					
- Low Income	Per meal	Council	9.25	9.45	2.2%
- Medium Income	Per meal	Council	9.25	9.45	2.2%
- High Income	Per meal	Council	16.10	16.45	2.2%
Home Care					
- Low Income	Per hour	Council	6.15	6.25	1.6%
- Medium Income	Per hour	Council	15.95	16.25	1.9%
- High Income	Per hour	Council	46.85	47.80	2.0%
Property Maintenance					

Fees & Charges	Ref	Fee Type	2017-18	2018-19	18/19
- Low Income	Per hour	Council	12.30	12.55	2.0%
- Medium Income	Per hour	Council	18.45	18.85	2.2%
- High Income	Per hour	Council	48.60	49.65	2.2%
Personal Care					
- Low Income	Per hour	Council	4.60	4.70	2.2%
- Medium Income	Per hour	Council	9.20	9.40	2.2%
- High Income	Per hour	Council	46.85	47.90	2.2%
Respite Care					
- Low Income	Per hour	Council	3.10	3.15	1.6%
- Medium Income	Per hour	Council	4.50	4.60	2.2%
- High Income	Per hour	Council	46.85	47.80	2.0%
Respite Care in home overnight					
- Low Income	Per 10 hours	Council	17.00 per ten hour block	17.35 per ten hour block	2.1%
- Medium Income	Per 10 hours	Council	21.90 per ten hour block	22.35 per ten hour block	2.1%
- High Income	Per 10 hours	Council	147.75 per ten hour block	150.70 per ten hour block	2.0%
PRIVATE CLIENTS - AGED AND DISABILITY SERVICES					
Home Care					
Mon - Fri - 7am - 7pm	Per hour	Council	49.90	50.90	2.0%
Mon - Fri - outside hours - and Saturday (first 2 hours)	Per hour	Council	59.50	60.70	2.0%
Mon - Fri - outside hours - and Saturday (hours thereafter)	Per hour	Council	68.05	69.40	2.0%
Sunday all day	Per hour	Council	78.00	79.55	2.0%
Public Holidays	Per hour	Council	81.75	83.40	2.0%
Travel rate	Per hour	Council	48.45	49.40	2.0%
Travel cost	Per kilometre	Council	1.50	1.55	3.3%
Personal Care and Respite Care					
Mon - Fri - 7am - 7pm		Council	52.75	53.80	2.0%
Mon - Fri - outside above hours - and Saturday (first 2 hours)		Council	62.30	63.55	2.0%
Mon - Fri - outside above hours - and Saturday (hours thereafter)		Council	71.30	72.75	2.0%
Sunday all day		Council	81.75	83.40	2.0%
Public Holidays		Council	85.65	87.35	2.0%
Travel rate		Council	48.45	49.40	2.0%
Travel cost		Council	1.50	1.55	3.3%
Home Maintenance					
Mon - Fri 7am - 7pm	Per hour	Council	66.25	67.70	2.2%
Mon - Fri (outside above hours)	Per hour	Council	72.05	73.50	2.0%
Travel rate	Per hour	Council	48.45	49.40	2.0%
Travel cost	Per kilometre	Council	1.60	1.65	3.1%
Food Services (Meals)	Per meal	Council	17.10	17.45	2.0%
Social Support					
Service delivery	Per hour	Council	24.80	50.60 plus cost of meal and venue entry if applicable. Transport outside of town centre additional and will be charged at a km rate of \$1.55	
- Core Meal	Per meal	Council	17.10	17.45	2.0%
Swimming Pools					
Admissions					
Adults	Per adult	Council	6.00	6.00	0.0%
Children	Per child	Council	5.00	5.00	0.0%
Family	2 Adults + 1 or more children	Council	17.00	17.00	0.0%
Seasons Tickets *					
Senior	Per person	Council	75.00	76.50	2.0%
Junior / Concession	Per person	Council	52.00	53.00	1.9%
1 Adult and 1 Dependent Child		Council	81.00	82.50	1.9%
1 Adult and 2 or more Dependent Children		Council	130.00	132.50	1.9%
2 Adults with 1 or more Dependent Children		Council	156.00	159.50	2.2%
* Season Tickets for Public Hours Only		Council			
Multi Pass- Adult	Per adult - 10 visits	Council	42.00	42.90	2.1%
Multi Pass- Child	Per child - 10 visits	Council	35.00	35.75	2.1%
School Fees					
Schools/all private hirers	Per hour	Council	40.00	40.80	2.0%
Hirers who require Lifeguard	Per hour	Council	\$80/hr \$240 min with one guard \$120/hr - \$360min with two guards	\$80/hr \$240 min with one guard \$120/hr - \$360min with two guards	0.0%
Public Hire Facilities					
Public Liability Insurance - all facilities	Per hire	Council	\$35.00	\$35.00	0.0%
Fee for hire for funeral (excludes wakes) - all facilities	Per hire	Council	\$100.00	\$100.00	0.0%
Alexandra - Council Chambers					
Bond	Per rental period	Council		\$120.00	
Commercial	Per 1/2 day	Council		\$70.00	
Commercial	Per Full day	Council		\$140.00	

Fees & Charges	Ref	Fee Type	2017-18	2018-19	18/19
Bond	Per rental period	Council		\$60.00	
Non commercial	Per 1/2 day	Council		\$35.00	
Non commercial	Per Full day	Council		\$70.00	
Alexandra Town Hall Charges					
Bond	Per rental period	Council	\$235.00	\$235.00	0.0%
Commercial	1/2 day	Council	\$125.00	\$125.00	0.0%
Commercial	Full day	Council	\$250.00	\$250.00	0.0%
Bond	Per rental period	Council	\$120.00	\$120.00	0.0%
Non commercial	1/2 day	Council	\$60.00	\$60.00	0.0%
Non commercial	Full day	Council	\$120.00	\$120.00	0.0%
Bond - Piano hire	Per hire	Council		\$150.00	0.0%
Piano Hire Fee	Per hire	Council	\$120.00	\$120.00	0.0%
Kinglake Community Centre					
Bond	Per rental period	Council		\$250.00	0.0%
Stadium Hire	Hourly rate	Council	\$30.00	\$30.50	1.7%
Stadium Hire	Daily rate	Council	\$240.00	\$245.00	2.1%
Stadium Hire	Weekend rate	Council	\$400.00	\$408.00	2.0%
Lounge, Hall and Craft Room - Casual Hire	Hourly rate	Council	\$30.00	\$30.50	1.7%
Lounge, Hall and Craft Room - User Group with Agreement Hire	Hourly rate	Council	\$15.00	\$15.30	2.0%
Lounge, Hall and Craft Room	Daily rate	Council	\$120.00	\$122.00	1.7%
Lounge, Hall and Craft Room	Weekend rate	Council	\$240.00	\$245.00	2.1%
Foyer	Flat rate per function	Council	\$100.00	\$102.00	2.0%
Servery	Flat rate per function	Council	\$50.00	\$51.00	2.0%
Kitchen and Servery	Flat rate per function	Council	\$100.00	\$102.00	2.0%
Kinglake - Council meeting room & kitchen					
Bond	Per rental period	Council		\$100.00	
Commercial	Per 1/2 day	Council		\$50.00	
Commercial	Per Full day	Council		\$100.00	
Bond	Per rental period	Council		\$50.00	
Non commercial	Per 1/2 day	Council		\$25.00	
Non commercial	Per Full day	Council		\$50.00	
Thornton Hall					
Bond	Per rental period	Council	\$235.00	\$240.00	2.1%
Commercial (profit) casual hire	Hourly rate	Council	\$20.00	\$20.40	2.0%
Community group (non-profit) casual hire	Hourly rate	Council	\$15.00	\$15.30	2.0%
Commercial (profit) casual hire	Daily rate	Council	\$125.00	\$127.50	2.0%
Community group (non-profit) casual hire	Daily rate	Council	\$100.00	\$102.00	2.0%
Commercial (profit) casual hire	Weekend rate	Council	\$200.00	\$204.00	2.0%
Community group (non-profit) casual hire	Weekend rate	Council	\$150.00	\$153.00	2.0%
Yea - council chambers & supper room					
Chambers & kitchen					
Bond	Per rental period	Council		\$120.00	
Commercial	Per 1/2 day	Council		\$70.00	
Commercial	Per Full day	Council		\$140.00	
Bond	Per rental period	Council		\$60.00	
Non commercial	Per 1/2 day	Council		\$35.00	
Non commercial	Per Full day	Council		\$70.00	
Supper room & kitchen					
Bond	Per rental period	Council		\$100.00	
Commercial	Per 1/2 day	Council		\$50.00	
Commercial	Per Full day	Council		\$100.00	
Bond	Per rental period	Council		\$50.00	
Non commercial	Per 1/2 day	Council		\$25.00	
Non commercial	Per Full day	Council		\$50.00	
Yea Town Hall Hire (YTH)					
New Charging system set 16/17					
Bond	Per rental period	Council	\$235.00	\$235.00	0.0%
Commercial	per hour	Council	90.00	\$90.00	0.0%
Commercial	Per 1/2 day	Council	\$270.00	\$270.00	0.0%
Commercial	Per Full day	Council	\$540.00	\$540.00	0.0%
Bond	Per rental period	Council	\$120.00	\$120.00	0.0%
Non commercial	per hour	Council	45.00	\$45.00	0.0%
Non commercial	1/2 day	Council	\$135.00	\$135.00	0.0%
Non commercial	Full day	Council	\$270.00	\$270.00	0.0%
Bond	Per hire	Council	\$1,000.00	\$1,000.00	0.0%
Commercial	Per hire	Council	\$200.00	\$200.00	0.0%
Bond	Per hire	Council	\$500.00	\$500.00	0.0%
Non-commercial	Per hire	Council	\$100.00	\$100.00	0.0%
YTH - Supper room and kitchen hire only					

Fees & Charges	Ref	Fee Type	2017-18	2018-19	18/19
Bond	Per rental period	Council	\$120.00	\$120.00	0.0%
Commercial	Per 1/2 day	Council	\$60.00	\$60.00	0.0%
Commercial	Per Full day	Council	\$120.00	\$120.00	0.0%
Bond	Per rental period	Council	\$60.00	\$60.00	0.0%
Non commercial	Per 1/2 day	Council	\$30.00	\$30.00	0.0%
Non commercial	Per Full day	Council	\$60.00	\$60.00	0.0%
Yea Railway Station - Goods Shed including kitchen	Per day	Council		\$100.00	
Library Services					
Murrindindi Library - Photocopy / Incoming Fax Charges	Per copy	Council	0.30	0.30	0.0%
Murrindindi Library - Photocopy / Incoming Fax Charges A4 Black & White - double sided	Per double sided copy	Council	0.60	0.60	0.0%
Murrindindi Library - Photocopy / Incoming Fax Charges A4 Colour	Per copy	Council	1.00	1.00	0.0%
Murrindindi Library - Photocopy / Incoming Fax Charges A4 Colour - double sided	Per double sided copy	Council	2.00	2.00	0.0%
Murrindindi Library - Photocopy / Incoming Fax - A3 Black & White	Per copy	Council	0.60	0.60	0.0%
Murrindindi Library - Photocopy / Incoming Fax - A3 Black & White - double sided	Per double sided copy	Council	1.20	1.20	0.0%
Murrindindi Library - Photocopy / Incoming Fax - A3 Colour	Per copy	Council	2.00	2.00	0.0%
Murrindindi Library - Photocopy / Incoming Fax - A3 Colour - double sided	Per double sided copy	Council	4.00	4.00	0.0%
Murrindindi Library - Inter Library Loan Fees (Non Academic Library)	Per item	Council	3.00	3.00	0.0%
Murrindindi Library - Academic Library Loan Fees		Council	(\$3 + 16.50) Per item	(\$3 + 16.50) Per item	0.0%
Murrindindi Library Overdue Fees	Per day per item	Council	0.30	0.30	0.0%
Murrindindi Library Reimbursement Lost Item	Per Item	Council	book cost	book cost	
Murrindindi Library Internet Printing - A4 Black & white	Per page	Council	0.30	0.30	0.0%
Murrindindi Library Internet Printing - A4 colour	Per page	Council	1.00	1.00	0.0%
Murrindindi Library Internet Printing - A3 Black & white	Per page	Council	0.60	0.60	0.0%
Murrindindi Library Internet Printing - A3 Colour	Per page	Council	2.00	2.00	0.0%
Replacement Membership Cards	per Card	Council	2.50	2.50	0.0%
Value Added Library Programs (Holiday Activities)	per participant	Council	0.00	\$0.00	0.0%
Saleyards					
Yea Saleyard Agent Fees	Per head	Council	0.50	0.50	0.0%
Yea Saleyard Fees - Cow & Calf (incl. \$2 weigh fee)	Per head	Council	11.00	13.00	18.2%
Yea Saleyard Fees - Cattle (incl. \$2 weigh fee)	Per head	Council	10.00	12.00	20.0%
Yea Saleyard Fees - Bulls (incl. \$2 weigh fee)	Per head	Council	15.00	17.00	13.3%
Yea Saleyard Fees - Scanning	Per head	Council	2.55	2.55	0.0%
Yea Post Breeder Tags - No Tag	Per head	Council	35.00	35.00	0.0%
Yea Post Breeder Tags - Dead Tag	Per head	Council	11.00	11.00	0.0%
Yea Non-Sale Day Fee (Private)	Per head	Council	1.20	1.20	0.0%
Yea Non-Sale Day Fee (Agent)	Per day	Council	400.00	400.00	0.0%
Yea Saleyards Facility Hire (private)	Per day	Council		By arrangement with Council	
Yea Saleyard Fees - Hay	Per Bale	Council	Cost plus \$1.00	Cost plus \$1.00	0.0%
Yea Saleyards - Non-Sale Day Weigh Fee	Per head	Council	5.00	Min \$250 /or \$5 per head	0.0%

Waste Fees and Charges 2018-19		2017-18	2018-19	2018-19
	Ref	Adopted	Budget	Change
Waste direct to landfill (over weighbridge)				
Compacted Commercial / Business (Industrial) Waste (Direct to Landfill)	per tonne	178.00	185.00	3.9%
Construction/Demolition material (Industrial) (direct to landfill)	per tonne	178.00	185.00	3.9%
Commercial/Business (Industrial) Waste - general	per tonne	178.00	185.00	3.9%
Residential/Municipal General Waste (direct to landfill)	per tonne	155.00	155.00	0.0%
Clean fill	per tonne	32.00	32.00	0.0%
Asbestos cement sheet (direct to landfill) - wrapped - max 10m2 per day, no commercial disposal	per tonne	178.00	185.00	3.9%
Minimum gate fee	per tonne	52.00	55.00	5.8%
Account card replacement fee	per item	30.00	30.00	0.0%
Public Weighing	per weigh	20.00	20.00	0.0%
Transfer Station & Tipping Fees				
Commercial/Business (Industrial) Waste	per cu. metre	100.00	100.00	0.0%
Residential (Municipal) Waste – all kinds	per cu. metre	40.00	40.00	0.0%
Motor Cycle Tyre	each	4.00	4.00	0.0%
Car Tyre	each	5.00	9.00	80.0%
4wd / Light truck tyre	each	8.00	12.00	50.0%
Truck Tyre	each	15.00	27.00	80.0%
Super single/large truck tyre	each	45.00	45.00	0.0%
Tractor Tyre < 1m diameter	each	72.00	80.00	11.1%
Tractor Tyre > 1m diameter	each	115.00	115.00	0.0%
Earthmover equipment tyre (grader, front end loader etc)	each	138.00	165.00	19.6%
Tyre on rim	each	+ 3.00	+ 3.00	0.0%
Greenwaste Cuttings (domestic - Shire residents)	per cu. metre	14.00	0.00	-100.0%
Greenwaste Cuttings (commercial / non-residents)	per cu. metre	14.00	14.00	0.0%
Natural timber >25cm diameter	per metre	2.00	0.00	-100.0%
Comingled Recyclables (Commercial)	per cu. metre	7.00	7.00	0.0%
Comingled Recyclables (Residential)	per cu. metre	0.00	0.00	0.0%
Waste Motor Oil	per litre	0.10c + \$1 per container	0.10c + \$1 per container	0.0%
Domestic Gas Bottle - small	per bottle	6.00	6.00	0.0%
Domestic Gas Bottle - medium	per bottle	8.00	8.00	0.0%
Domestic Gas Bottle - large /acetylene	per bottle	13.00	13.00	0.0%
Plastic Chemical Containers - not eligible for "DrumMuster" collection (must still be clean) <20 l.	Per container	6.00	6.00	0.0%
Plastic Chemical Containers - not eligible for "DrumMuster" collection (must still be clean) >20 l	Per container	8.00	8.00	0.0%
Mattress - single / double	per item	25.00	25.00	0.0%
Couches 1, 2, 3 seater	per item	25.00	25.00	0.0%
Fridges	per item	10.00	10.00	0.0%
Car Batteries	per item	0.00	0.00	0.0%
Scrap Steel	per m3	10.00	0.00	-100.0%
Electronic waste (excluding white goods)	per item	0.00	0.00	0.0%
Commercial collection charges				
Commercial garbage bin hire	per item/year	12.00	12.00	0.0%
Commercial garbage bin per lift	per item	12.00	12.00	0.0%
Commercial recycle bin hire	per item/year	12.00	12.00	0.0%
Commercial recycle bin per lift	per item	7.00	7.00	0.0%
Event bin charges				
Event bin delivery	per item	4.00	4.00	0.0%
Event bin top hire	per item	0.00	0.00	0.0%
Garbage bin - supply and clear - 1st five bins (public events only) only if recycling is included	per item	0.00	0.00	0.0%
Recycle bin - supply and clear - 1st five bins (public events only)	per item	0.00	0.00	0.0%
Garbage bin - supply and clear - bins in excess of 5 bins (all bins for private event)	per item	17.00	17.00	0.0%
Recycle bin - supply and clear - bins in excess of 5 bins (all bins for private event)	per item	17.00	17.00	0.0%
Special garbage clearance only	per item	14.00	14.00	0.0%

Submitter 1

This submission concerns the proposed allocation of \$47,000 to improve the playground shade structure in Strath Creek as a part of the capital works program for 2018/19. The submitter is supportive of Council allocating funds to improve facilities in the area, but would prefer that these funds are allocated to local roads instead of the playground.

Submitter 2

Similar to the first submitter, this submission concerns the proposed allocation of \$47,000 to improve the playground shade structure in Strath Creek. The submitter would also prefer that these funds are allocated to local roads instead of the playground.

Submitter 3

The third submission received requests Council funding of \$30,000 to support a grant application that will facilitate the development of the Spring Valley Recreation Reserve. This entire project has been designed, developed and costed to a total of \$201,496, of which the balance of the funds will be provided by a variety of grant funding, funds contributed by the Committee of Management of the reserve and in-kind contributions.

This proposal will provide an upgrade of the community facilities and change rooms at the Spring Valley Recreation Reserve which managed by the local Committee of Management on behalf of the Department of Environment, Land, Water and Planning (DELWP).

Submitter 4

Submission four was provided on behalf of the Eildon Action Incorporation, requesting a variety of improvements to infrastructure in and around Eildon, including road improvements, the development of the Eildon/Thornton bicycle track, the establishment of a waste discharge site, kerb and channelling works, improvements to the swimming pool, parks and gardens, road marking and signage both in and around Eildon.

Submitter 5

The fifth submission received by Council officers relating to the 2018/19 Draft Budget relates to a proposal to establish a National Bushfire Museum, Education and Research Centre in Marysville. The proposal is requesting \$20,000 from Council, which combined with further grant funds that have been applied for as well as in-kind support, would be used to develop a comprehensive business plan to demonstrate the viability of this proposal.

Submitter 6

The sixth submission received by Council was in support of extending the pedestrian path along Falls Road in Marysville. This submission was received from the local police who noted the public safety aspect of ensuring such improvements were made to assist in managing pedestrian traffic in this area.

Submitter 7

This submission requests further support from Council for community groups in Alexandra – with a particular focus on whether Council would consider acquiring the old Alexandra hospital, or a new facility being built to house these groups.

Submitter 8

This submission provided commentary regarding the comparison of the revenue raised by Council via rates and charges and the amount paid in employee costs. The submitter asked Council to consider the costs paid to the Chief Executive Officer (CEO), executives and employees of Council.

The submitter also noted the amount of legal expenses that are budgeted to be spent in 2018/19 and believes that this amount may not be enough.

The submitter also commented on the structure of the budget and believes it to be too complicated and therefore unable to be understood by the majority of residents and ratepayers.

Submitter 9

The ninth submission received for the 2018/19 Annual Budget relates to Buxton Waters Reserve. This submission has been made by the local Country Fire Authority (CFA) brigade with regard to fire prevention and emergency responsiveness for this public space. The brigade is requesting an allocation of approximately \$30,000 - \$40,000 be made in the 2018/19 budget to ensure that pathways and access be improved in the reserve and that further consultation between Council officers and the brigade be undertaken.

Submitter 10

Similar to the seventh submission, this submitter has requested Council to consider the current situation regarding the old Alexandra hospital site, and whether it could be converted into a Community Activity Hub or Centre.

Submitter 11

The 11th submission received requests for Council to consider road improvements to South Cathedral Lane in Buxton. This submission has been made on behalf of a number of residents on South Cathedral Lane and is requesting an allocation of funding to consider sealing the road and employ traffic calming measures, rather than continuing to maintain it as an unsealed road.

Submitter 12

This submission has been put to Council on behalf of the Buxton Progress Association regarding the car parking facilities at the Buxton Memorial Hall. The Association are requesting an expansion of designated parking spaces from the current number of four to be considered by Council as a part of its capital budget allocation for 2018/19.

Submitter 13

The 13th submission received by Council was also made on behalf of the Buxton Progress Association and concerns the Buxton Waters Reserve and the paths included in the area. Similar to the ninth submission, the Association are requesting that Council allocate funds to improve the paths in this Reserve, as had been indicated in previous budgets prepared by Council.

Submitter 14

Submission 14 concerned the Yarck Public Hall and the current condition of disabled parking and access to the facility. The Committee has requested Council and its officers to inspect the location and consider taking action to improve these facilities in the coming 12 months.

Submitter 15

The next submission received requests Council to consider investing in further services and infrastructure in the Alexandra area. The submission notes a number of services and infrastructure that are already in place, but asks for further Council support to ensure sustainability and growth in this part of the Shire.

Submitter 16

The final submission requests a small number of improvements to signage relating to the Goulburn Valley Rail Trail, to assist users in accessing the trail and in connecting the trail to our communities.

Strategic Resource Plan (2018/19 Review)

The Strategic Resource Plan (SRP) identifies the financial and non-financial resources required over the four-year period of the Council Plan 2017-21. The purpose of the strategic resource plan is to ensure adequate resources are available to maintain services at levels established by the Council and to implement the strategic objectives identified in the Council Plan.

The SRP is prepared in accordance with the requirements of the Local Government Act 1989 (the Act) and requires a minimum four-year financial estimate based on financial and economic data available at the time of its preparation. Council has elected to extend this plan to a ten-year horizon to facilitate better long term planning for community priorities and to better manage its longer term infrastructure renewal requirements.

The SRP will be reviewed annually as part of the Council Plan review and Budget process, to both confirm that the underlying assumptions remain valid and to ensure that its outcomes meet the strategic objectives identified in the new Council Plan 2017-21.

As well as establishing this financial framework, sound financial management as required by the Act is dependent on non-financial strategies such as risk management, organisational development and good governance. The SRP seeks to blend both financial and non-financial strategies in the pursuit of achieving Council's strategic objectives.

A number of assumptions are required to be made regarding forecasts for income, expenditure, capital works, borrowings, cash, assets, liabilities and human resources. These assumptions are sourced from historical audited performance of Council's financial position, external economic indicators, forecast changes in population and demographics, advice from officers responsible for service delivery and capital works planning and the strategic objectives proposed to be delivered by Council in the new Council Plan.

Key strategic assumptions and strategies that underpin the SRP are detailed further as follows:

Rates Strategy

Rates and charges are the most significant source of Council revenue, accounting for nearly 60% of total operating revenue that Council is forecasting for 2018/19.

The State Government of Victoria now requires that local government rates adhere to a rate cap, which is announced in December each year for the forthcoming financial year. For 2018/19 this has been determined at 2.25%, though Council is electing to only apply an average rate increase of 2.15%. Increases from 2019/20 and beyond are assumed at 2.25%, in line with longer term inflation for the life of the SRP.

Council adopted its Rating Strategy in March 2015 that defines differential rating categories as they apply to different classes of land. It was adopted to provide a fair and considered approach to the way rates are dealt with across different classes of land. It is reflected across the ten years of the SRP.

Borrowing Strategy

Council is forecasting no new borrowings for the first time in more than a decade. As a result, Council's total debt holdings will decrease to \$667k by 30 June 2019, with costs associated with borrowings reducing by more than 30% in the 2018/19 financial year. It is anticipated that Council will be debt free by 2022/23.

Goods and Services Costs

Goods and services costs are expected to increase by 2.5%, which is above the current Consumer Price Inflation (CPI) rate of 1.9%. This is due to Council procuring a wider range of goods and services than those reflected in the CPI levels, such as building materials, heavy machinery and professional services.

Fees and charges

Revenue from fees and charges is assumed to increase at 2.25% per annum, in line with CPI expectations and based on historical increases.

Wages

Council's current Enterprise Agreement expired during the 2017/18 financial year. The new agreement which will cover the next three years, though still subject to final ratification by Fair Work Australia at the time of this draft SRP being made public, is assumed to be final. This agreement now considers the impact of the rate cap that is now imposed on Council, which did not exist when the prior agreement was negotiated. All wages growth in the SRP takes this into account, as well as incremental movements in salary banded positions.

Grants (capital and operating)

Council receives both non-recurrent and recurrent government grants for funding capital works. Where the source of funds is certain, or reasonably assumed to continue over the life of the plan (eg. Roads to Recovery), a funding allowance is made in the SRP. Where capital works are predicated on unconfirmed capital grants, such projects are not included at this stage, but remain available to be reconsidered each year as a part of the annual budget process.

Asset Management

Council maintains a strong focus on balancing its asset renewal gap over the life of the SRP. Renewal expenditure will not fully meet renewal requirements over the next ten years, which will see the asset renewal gap increase, though improved strategic asset management systems and planning, combined with enhanced strategic procurement will continue the gains made in this area in recent years.

Interest

Interest on investments is assumed at 2.5% per annum during the life of the plan.

Depreciation

All depreciation expenses are based on current accounting standards rates and current asset valuations.

Staffing Levels

Council's budget and SRP must incorporate all current funded positions, which is not an indication of Council's permanent establishment listing, as a number of positions remain funded via operating grants, are determined by service demand (eg. Home Carers and Family Day Carers), or are fixed term positions to facilitate specific projects. Council's establishment listing is currently forecast to remain constant over the life of the SRP.

Strategic Resource Plan (2018/19 Review)

Standard Statements

The standard income statement for the SRP shows what is expected to occur during the next ten years in terms of revenue, expenses and other adjustments. The Operating Result (Surplus or Deficit) shows the total difference between the financial position at the beginning and the end of each year.

BUDGETED COMPREHENSIVE INCOME STATEMENT

	Forecast Actual	Budget	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates and charges	19,793	20,526	21,142	21,776	22,429	23,102	23,795	24,509	25,244	26,002
Statutory fees and fines	856	889	909	929	950	972	994	1,016	1,039	1,062
User fees	2,238	2,345	2,398	2,452	2,507	2,563	2,621	2,680	2,740	2,802
Contributions - cash	620	141	141	141	141	141	141	141	141	141
Contributions - non-monetary assets	204	400	400	400	400	400	400	400	400	400
Grants - Operating (recurrent)	4,699	6,987	7,127	7,270	7,415	7,563	7,715	7,869	8,026	8,187
Grants - Operating (non-recurrent)	376	359	350	350	350	350	350	350	350	350
Grants - Capital (recurrent)	2,397	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415
Net gain on disposal of property, infrastructure, plant and equipment	(341)	(55)	0	0	0	0	0	0	0	0
Other income	1,405	1,563	1,594	1,626	1,659	1,692	1,726	1,760	1,795	1,831
Total income	32,247	34,570	35,476	36,359	37,266	38,198	39,156	40,140	41,151	42,190
Expenses										
Employee costs	14,261	14,800	15,133	15,473	15,822	16,178	16,542	16,914	17,294	17,684
Materials and services	10,304	9,798	10,043	10,294	10,551	10,815	11,085	11,362	11,646	11,937
Depreciation and amortisation	9,401	9,603	9,843	10,089	10,341	10,600	10,865	11,137	11,415	11,700
Finance costs	79	55	53	53	53	53	53	53	53	53
Other expenses	302	313	321	329	337	345	354	363	372	381
Total expenses	34,349	34,569	35,393	36,238	37,104	37,991	38,899	39,829	40,781	41,756
Surplus (deficit) for the year	(2,102)	2	83	120	162	207	257	311	370	434

BUDGETED BALANCE SHEET

The standard balance sheet for the SRP shows a snap shot of the expected financial situation of Council at the end of each of the next ten years. It shows the total of what is owned by Council (ie. assets) against what is owed (ie. liabilities). The difference between these two figures is the net assets, or equity of Council.

	Forecast Actual	Budget	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Current assets										
Cash and cash equivalents	26,561	28,133	27,858	27,298	28,605	30,707	30,846	30,778	32,265	34,160
Trade and other receivables	2,888	2,706	2,733	2,760	2,788	2,816	2,844	2,872	2,901	2,930
Non-current assets held for sale	217	0	0	0	0	0	0	0	0	0
Inventories	50	45	45	45	45	45	45	45	45	45
Other assets	350	417	417	417	417	417	417	417	417	417
Total current assets	30,066	31,301	31,053	30,521	31,855	33,985	34,152	34,112	35,629	37,552
Non-current assets										
Trade and other receivables	46	39	39	39	39	39	39	39	39	39
Property, infrastructure, plant & equipment	307,145	305,720	303,886	302,062	300,250	298,448	296,658	294,878	293,109	291,350
Intangible assets	3,306	2,887	2,786	2,688	2,594	2,504	2,416	2,331	2,250	2,171
Total non-current assets	310,497	308,646	306,711	304,790	302,883	300,991	299,113	297,248	295,397	293,560
Total assets	340,563	339,947	337,763	335,311	334,738	334,976	333,265	331,361	331,026	331,112
Liabilities										
Current liabilities										
Trade and other payables	2,601	2,108	2,171	2,236	2,303	2,373	2,444	2,517	2,593	2,670
Trust funds and deposits	933	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030
Provisions	3,531	3,602	3,638	3,674	3,711	3,748	3,786	3,824	3,862	3,900
Interest-bearing loans and borrowings	320	188	141	94	47	0	0	0	0	0
Total current liabilities	7,385	6,928	6,980	7,035	7,092	7,151	7,259	7,371	7,484	7,601
Non-current liabilities										
Provisions	5,960	5,988	5,868	5,751	5,636	5,523	5,413	5,304	5,198	5,094
Interest-bearing loans and borrowings	667	479	359	241	120	0	0	0	0	0
Total non-current liabilities	6,627	6,467	6,227	5,992	5,756	5,523	5,413	5,304	5,198	5,094
Total liabilities	14,012	13,395	13,208	13,027	12,848	12,674	12,672	12,675	12,683	12,695
Net assets	326,551	326,552	324,556	322,284	321,890	322,302	320,593	318,686	318,343	318,417
Equity										
Accumulated surplus	127,296	126,322	126,405	126,525	126,687	126,894	127,151	127,462	127,831	128,265
Reserves	199,255	200,230	198,151	195,759	195,204	195,409	193,442	191,224	190,512	190,152
Total equity	326,551	326,552	324,556	322,284	321,890	322,302	320,593	318,686	318,343	318,417

BUDGETED STATEMENT OF CHANGES IN EQUITY

The budgeted statement for changes in equity for the SRP shows what is included across Council's various reserves throughout the life of the ten year long term financial plan.

	Forecast Actual	Budget	SRP	SRP	SRP	SRP	SRP	SRP	SRP	SRP
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Surplus	127,296	126,322	126,405	126,525	126,687	126,894	127,151	127,462	127,831	128,265
Waste Reserve	7,239	8,485	3,575	3,019	3,637	2,066	713	1,031	1,929	2,252
Yea Saleyards Reserve	35	80	110	135	160	195	220	245	270	300
Marysville Caravan Park Reserve	89	140	140	140	140	140	140	140	140	140
Yea Caravan Park Reserve	0	50	50	50	50	50	50	50	50	50
Public Open Space Reserve	452	400	400	400	400	380	380	380	380	380
Unfunded Superannuation Reserve	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Future Capital Works Reserves	7,446	6,781	6,901	7,023	6,601	6,718	6,617	6,734	6,853	6,974
Asset Revaluation Reserve	182,794	183,094	185,775	183,792	183,016	184,660	184,122	181,444	179,690	178,856
Total Equity	326,551	326,552	324,556	322,284	321,890	322,302	320,593	318,686	318,343	318,417

BUDGETED STATEMENT OF CASH FLOWS

The standard cash flow statement for the SRP shows what is expected to happen over the next ten years in terms of the cash held, received and paid by Council. It details the expectations of cash movements each year, and the ways in which it is anticipated that cash will be generated through operating activities, what is invested in capital works, what financial commitments need to be met, and ultimately what is left to fund future operating and capital requirements.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$'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)
Cash flows from operating activities										
Rates and charges	19,908	20,348	20,825	21,449	22,093	22,756	23,438	24,141	24,866	25,612
User fees	4,346	4,235	4,256	4,277	4,299	4,320	4,342	4,364	4,385	4,407
Grants - operating	7,317	8,884	8,662	8,445	8,234	8,028	7,828	7,632	7,441	7,255
Interest	716	726	741	755	770	786	802	818	834	851
Other receipts	(62)	98	0	0	0	0	0	0	0	0
Employee costs	(13,918)	(14,752)	(14,982)	(15,319)	(15,663)	(16,016)	(16,376)	(16,745)	(17,121)	(17,507)
Materials and consumables	(9,315)	(10,391)	(9,942)	(10,191)	(10,445)	(10,707)	(10,974)	(11,249)	(11,530)	(11,818)
Net cash provided by operating activities	8,992	9,148	9,559	9,418	9,287	9,168	9,059	8,961	8,875	8,800
Cash flows from investing activities										
Payments for property, plant and equipment	(10,291)	(7,820)	(9,834)	(10,054)	(8,136)	(7,299)	(9,152)	(9,259)	(7,615)	(7,131)
Proceeds from sale of property, plant and equipment	310	623	300	300	300	300	300	300	300	300
Net cash used in investing activities	(9,981)	(7,197)	(9,534)	(9,754)	(7,836)	(6,999)	(8,852)	(8,959)	(7,315)	(6,831)
Cash flows from financing activities										
Finance costs	(84)	(59)	(61)	(63)	(64)	(66)	(68)	(70)	(73)	(75)
Proceeds from borrowings	0	0	0	0	0	0	0	0	0	0
Repayment of borrowings	(368)	(320)	(240)	(161)	(80)	0	0	0	0	0
Net cash provided by (used in) financing activities	(452)	(379)	(301)	(223)	(145)	(66)	(68)	(70)	(73)	(75)
Net (decrease) increase in cash & cash equivalents	(1,441)	1,572	(275)	(559)	1,307	2,102	139	(68)	1,487	1,894
Cash and cash equivalents at beginning of the financial year	28,002	26,561	28,133	27,858	27,298	28,605	30,707	30,846	30,778	32,265
Cash and cash equivalents at end of the financial year	26,561	28,133	27,858	27,298	28,605	30,707	30,846	30,778	32,265	34,160

BUDGETED STATEMENT OF CAPITAL WORKS

The budgeted capital works statement is provided to indicate the level of capital works that are anticipated to be funded over the next ten years, and in what asset categories the works are to occur in. The level of capital works expenditure is consistent with Council's long term strategic asset management plans and determined by the expected level of funding that will be available.

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	SRP 2019/20 \$'000	SRP 2020/21 \$'000	SRP 2021/22 \$'000	SRP 2022/23 \$'000	SRP 2023/24 \$'000	SRP 2024/25 \$'000	SRP 2025/26 \$'000	SRP 2026/27 \$'000
Property										
Land	30	0	0	0	0	0	0	0	0	0
Total land	30	0	0	0	0	0	0	0	0	0
Buildings	2,675	1,759	834	848	925	396	320	1,297	858	824
Total buildings	2,675	1,759	834	848	925	396	320	1,297	858	824
Total property	2,705	1,759	834	848	925	396	320	1,297	858	824
Plant and equipment										
Plant, machinery and equipment	1,815	1,367	1,086	928	1,118	1,191	1,375	1,320	1,475	1,624
Fixtures, fittings and furniture	6	29	0	0	0	0	0	0	0	0
Computers and telecommunications	347	185	105	145	240	135	130	90	90	130
Library books	104	100	100	100	100	100	100	100	100	100
Total plant and equipment	2,272	1,681	1,291	1,173	1,458	1,426	1,605	1,510	1,665	1,854
Infrastructure										
Roads	3,021	3,141	2,415	2,874	2,379	3,065	2,714	2,449	2,477	2,430
Bridges	1,136	590	453	539	446	575	509	459	464	456
Footpaths and cycleways	317	190	151	180	149	192	170	153	155	152
Drainage	375	174	212	211	226	266	266	266	316	316
Waste management	465	285	4,478	4,230	2,553	1,380	3,569	3,125	1,680	1,100
Total infrastructure	5,314	4,380	7,709	8,033	5,753	5,477	7,227	6,452	5,092	4,453
Total capital works expenditure	10,291	7,820	9,834	10,054	8,136	7,299	9,152	9,259	7,615	7,131
Represented by:										
New asset expenditure	996	307	0	0	0	0	0	0	0	0
Asset renewal expenditure	6,572	5,569	4,679	4,393	6,015	4,380	5,075	4,840	4,689	4,738
Asset expansion expenditure	0	0	3,734	2,978	1,130	2,764	590	1,034	2,109	2,222
Asset upgrade expenditure	2,723	1,944	1,421	2,683	991	155	3,487	3,385	817	171
Total capital works expenditure	10,291	7,820	9,834	10,054	8,136	7,299	9,152	9,259	7,615	7,131

BUDGETED STATEMENT OF HUMAN RESOURCES

The budgeted human resources statement is provided to indicate the level of staffing that is required to deliver the services and capital works detailed by Council in its operating statement and capital works program. The EFT included for budgetary purposes is a financial measure, and includes all funded positions for the upcoming financial year, and is not an indication of Council's permanent establishment listing. The total forecast costs and staff numbers are further broken down by each division in the following statements.

	Forecast	Budget	Strategic Resource Plan		
	Actual 2017/18 \$'000	2018/19 \$'000	Projections		
			2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Staff expenditure					
Employee costs - operating	14,261	14,800	15,133	15,473	15,822
Employee costs - capital	122	101	103	106	108
Total staff expenditure	14,383	14,901	15,236	15,579	15,930
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	152.7	158.2	156.6	155.6	154.6
Total staff numbers	152.7	158.2	156.6	155.6	154.6

Division	2018/19			2019/20 Total EFT	2020/21 Total EFT	2021/22 Total EFT
	Budget FTE	EFT Full Time	EFT Part Time			
Executive Office	5.0	4.0	1.0	5.0	5.0	5.0
Infrastructure and Development Services	76.7	59.0	17.7	76.1	75.1	74.1
Corporate and Community Services	76.5	20.0	56.5	75.5	75.5	75.5
Total Staff Numbers	158.2	83.0	75.2	156.6	155.6	154.6

Division	2018/19			2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
	Budget \$'000	Full Time \$'000	Part Time \$'000			
Executive Office	894	804	90	912	930	949
Infrastructure and Development Services	7,001	5,490	1,511	7,141	7,283	7,429
Corporate and Community Services	7,006	2,227	4,779	7,183	7,366	7,552
Total Staff Expenditure	14,901	8,521	6,380	15,236	15,579	15,930

Title:	Procurement Policy
Type:	Council
Adopted:	"[Insert Date]"
File No:	18/27950
Attachments:	Procurement Guidelines 16/2303

1. Purpose

The purpose of the Procurement Policy (Policy) is to:

- outline Council's procurement principles
- provide guidance on expected ethical behaviour in procurement processes
- demonstrate how Council supports the local economy through its procurement practices
- ensure consistency and control over procurement activities
- demonstrate to rate payers how value for money is achieved.

2. Rationale

Section 186A of the *Local Government Act 1989* (the *Act*) requires the Council to prepare, approve and comply with a procurement policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the Council. The Council must review its Policy annually and make it available for public inspection.

3. Scope

This Policy covers all procurement activities of Council and is binding upon Councillors, Council officers and temporary employees, contractors and consultants while engaged by Council.

4. Definitions

Nil

5. Policy

5.1 Procurement Principles

Council will apply the following fundamental best practice principles to every procurement process irrespective of monetary value or complexity.

Best Value for Money

Council's procurement decisions will be based on achieving best value for money taking into account all costs of ownership and the acceptability of the solution in terms of fit for purpose and risk. Section 186 of the *Act* provides that Council is not required to accept the lowest price response or any response.

Fair and Honest Dealing

All participants will be treated fairly in an open, transparent and consistent manner without any bias or the perception of bias. Where participants are selected to take part in a procurement process, the selection decision will be impartial, based on value for money considerations and documented.

Procurement processes will be reasonable. The time and cost of participating will be minimised to remove barriers to participation and increase accessibility, particularly for small and medium sized companies.

Council does not tolerate corrupt or improper conduct by its Councillors, employees, agents or, suppliers. People are encouraged to report known or suspected incidences of corrupt or improper

conduct to the General Manager Corporate and Community Services or direct to either the Independent Broad Based Anti-Corruption Commission (IBAC) or Victorian Ombudsman.

Accountability

Procurement activities will be documented, decisions will be made by people with appropriate authorisations and more than one person will be involved in procurement and financial commitment processes.

Open and Transparent

Procurement processes will be open and transparent. Participants will have equal access to information. Council will provide constructive feedback to participants to build capacity and understanding of Council's procurement and decision making processes.

Confidentiality

Councillors and staff will treat all information contained in responses as commercial-in-confidence. The information will be kept secure and not disclosed to any other participant or third party, or to any person who has no official interest in the procurement process.

Councillors and staff will protect commercial information by refusing to publicly release or discuss commercial in confidence information provided in response to a procurement process.

5.2 Expected Ethical Behaviour

What is Expected From Council

Council will:

- comply with the relevant legislation, regulation and guidelines including the *Act*, Council's Code of Conduct and this Procurement Policy
- treat all individuals or organisations involved in procurement processes fairly
- encourage fair and open competition while seeking value for money and efficiency
- try to minimise the cost of participating in procurement processes
- protect commercial in confidence material
- act honestly and be accountable
- avoid and manage situations where private interests conflict with public duty
- disclose any situations that involve, or could be perceived to involve, a conflict of interest
- not ask for or accept financial or other benefits from potential, current or past suppliers/business partners for performing official duties
- respond to reasonable requests for information or advice without delay and ensure equitable distribution of information for all participants.

What Council Expects From Participants in Procurement Processes and/or Suppliers

Council has the following expectations regarding the behaviour of participants in procurement processes and/or suppliers:

- comply with the conditions and requirements stated in Council's procurement documents
- comply with legal obligations including industrial relations, security of payment and occupational health and safety obligations
- respect the obligation of Councillors and staff to comply with relevant legislation, regulation and guidelines including the *Act*, Council's Code of Conduct and this Procurement Policy

Procurement

- not engage in collusive practices. Act with integrity and openness and respond to reasonable requests for advice and information
- not offer Councillors or staff financial inducements or any gifts or other benefits which may lead to, or be seen as leading to, an unfair advantage in dealings with Council
- ensure business and supply chain practices are conducted in an honest, ethical and safe manner.

5.3 Supporting the Local Economy

The Council is committed to buying from suppliers based in the shire of Murrindindi and will give preference to these suppliers where their price is within 5% of the highest scoring value for money offer and they have demonstrated that they can meet Council's requirements with minimal risk. Council may also take into account contributions that suppliers from outside the Shire may make to the local economy when determining best value for money.

Council is also committed to increasing opportunities for local suppliers to gain Council work and building the capacity and competitiveness of local businesses. For instance, Council will:

- take reasonable steps to raise awareness within the local economy of open opportunities whilst recognising that businesses should take responsibility for monitoring the market and identifying opportunities
- provide local businesses with access to information regarding procurement processes, requirements and expectations through the Procurement Unit
- host information sessions on bidding and the use of Council's e-Tendering portal
- offer face to face de-briefing sessions with unsuccessful respondents to support them to do better in future procurement processes.

Council is also strongly focussed on making it easy to do business with Council. For instance, Council will adopt procurement and contract documents that are simple and easy to read in order to remove barriers to participation and increase accessibility, particularly for small and medium sized companies. Council will also use its online e-Tendering portal wherever possible because it makes it easier and faster for local businesses to get information and learn about opportunities and engage with Council. The e-Tendering portal also reduces costs and streamlines procurement processes for Council and participants.

5.4 Supporting improved sustainability outcomes

Council is committed to strengthening the environmental sustainability of our communities, protecting our natural environment and reducing resource consumption. For this reason, Council's procurement practices will take into account the environmental consequences of procurement decisions and may give preference to sustainable products and/or services that are fit for purpose and provide value for money.

Sustainable products and/or services are:

- energy and resource efficient
- made with minimum use of virgin materials
- made with maximum post-consumer/recycled materials
- non-polluting or reduce pollution
- durable, easily upgraded and repairable
- reusable and recyclable.

5.5 Procurement Control Arrangements

Approval to Release Procurement Documents

Procurement documents are not to be released unless there is an approved budget or source of funds and a firm commitment, intention and capacity to proceed.

The approving officer, the appropriate department manager, is also required to check that the procurement documents:

- are clear, unambiguous and easily understood
- include a sufficiently detailed specification that can easily be costed and is consistent with the scope of the approved budget or source of funds
- identify reasonable and relevant criteria upon which responses will be evaluated
- are not overly onerous and do not include requirements that unnecessarily limit who can respond or create barriers to participation.

Council's e-Tendering Portal

Wherever practicable, Council will release opportunities through its e-Tendering Portal because it enhances:

- openness as the same information is available to all participants simultaneously
- accountability as a system generated audit record is created for each procurement process
- efficiency by removing the need to print and submit hardcopy submissions
- confidentiality as system controls limit access to responses to authorised officers only
- communication as the web-based portal provides ongoing and immediate notification of opportunities reducing reliance on local paper advertisements.

Opportunities released through the e-Tendering Portal will need to be responded to through the portal.

Some selective opportunities will continue to be released via email direct to selected suppliers where this represents the most efficient and effective way of seeking and responding to requests.

Late Submissions to Tenders

Council has a policy not to accept late submissions to tenders. A late submission to a tender can only be accepted if there are exceptional circumstances that prevented a response from being lodged on time and where acceptance will not:

- cause unfair advantage
- compromise the integrity and competitiveness of the process.

Exceptional circumstances are defined as those beyond the control of the respondent and/or could not have been prevented. Examples include: natural disaster, electricity black out, cyber-crime, e-Tendering Portal system failure or interruption, or mishandling by a Council officer.

Conflict of Interest

Anyone participating in a procurement evaluation process is required to declare any interest they may have in the outcome of the evaluation by completing the Conflict of Interest Declaration Form. For clarity, this includes any actual, potential and/or perceived direct or indirect interest that might reasonably be thought to be in conflict with their role.

If an interest is declared, the Council officer's manager or the evaluation team Chair, if one has been appointed, will determine how best to manage the interest. Depending on the significance of the declared interest, the Council officer may be required to take no further part in the process, to undertake a reduced role or to continue their involvement with their interest known to all others involved.

Evaluation Process

Procurement processes where only one response (quote) is sought may be evaluated by a single Council officer. The rationale for accepting or rejecting the response must be documented. If it is accepted, the person raising the purchase order must not be the same person that approves the purchase order. This separation of roles is critical to Council's system of financial control.

Procurement processes where more than one response has been sought must be evaluated by an evaluation team of at least two people, one of whom is appointed as the evaluation team Chair.

The evaluation Chair is responsible for managing the evaluation process and ensuring a fair and consistent evaluation, confidentiality and the appropriate management of conflicts of interest. Following the completion of the evaluation process, the Evaluation Chair will document the recommendation for the endorsement of the evaluation team. The final decision on whether to accept a response rests with the Council officer with delegated authority to commit the funds.

Communications

Communications throughout procurement processes need to be controlled to ensure that all participants are treated fairly with equal access to information in an environment where confidentiality is maintained.

Communications regarding opportunities published on the Council's e-Tendering Portal must be lodged through the portal so that all participants have access to the same information. Communications during an evaluation process must be directed to or come from the evaluation Chair. Participants will receive written notification of the outcome of procurement processes. Upon request, unsuccessful participants will be provided with constructive feedback on their submission and improvements that could increase competitiveness in future procurement processes.

5.6 Emergency Procurement

In accordance with the Murrindindi Shire Municipal Emergency Management Plan (MEMP), during an emergency the Municipal Emergency Resource Officer will have the same financial delegation as the CEO and the power to suspend parts of the Procurement Policy where required to enable a timely emergency response. The decision to suspend parts of the Procurement Policy must be recorded and reported to Council as soon as reasonably practicable.

The Municipal Emergency Resource Officer must ensure that procurement processes comply with the *Emergency Management Act 1986* and take into account value for money, accountability and probity to the extent possible given the severity of the emergency. As a minimum, the Municipal Emergency Resource Officer will be required to report to Council details regarding Council's suppliers and the value of goods, services and works supplied.

5.7 Process for Achieving Value for Money (Procurement Thresholds)

The achievement of best price can most easily be demonstrated through highly competitive processes involving a number of participants. However, participating in these processes can be costly and the overarching principle of value for money requires a balance between the time and cost of participating in competitive procurement process and the likely cost benefits of greater competition.

Council's procurement thresholds provide guidance on how this balance can be achieved by setting minimum levels of competition depending on the value of the good, service or works. These are

shown in the following table. Levels of competition above these minimum requirements will be considered where it is reasonably likely to generate better value for money.

Tier	Value (inclusive of GST)	Procurement Threshold (min requirement)
Tier 1	\$0 - \$5,000	Request a minimum of one verbal quote from a potential supplier. The rationale for selecting the successful respondent to be documented. If the successful response is verbal it must be confirmed by the Council officer via email. For incidental purchases made by Operations staff, up to a maximum of \$200, these must be documented on running sheets with approved vendors. Monthly reconciliations will then be undertaken by Council Accounts Payable officers to confirm and allocate expenditure.
Tier 2	\$5,001 - \$20,000	A written request (letter, fax, email, e-Tendering portal) to be issued to a minimum of two potential suppliers. The responses can be verbal or written. The rationale for selecting the successful respondent to be documented, including if only one response is received. If successful response is verbal it must be confirmed by the Council officer via email.
Tier 3	\$20,001 – \$150,000 (goods and services)/ \$200,000 (works)	A written request (letter, fax, email, e-Tendering portal) to be issued to a minimum of three potential suppliers. The rationale for selecting the successful respondent to be documented, including if less than three responses are received. A formal agreement between parties is required.
Tier 4	Over \$150,000 (goods and services)/ \$200,000 (works)	Open and advertised tender process published on the e-Tendering portal. The responses must be in writing and submitted through the e-Tendering portal. The rationale for selecting the successful respondent to be documented. A formal agreement between parties is required.

5.8 Procurement Threshold Exemptions (Tiers 1, 2, and 3)

An exemption from the procurement threshold must be clearly documented and formally approved by the Chief Executive Officer or relevant General Manager. Exemptions from procurement thresholds up to \$150,000 (goods and services) and \$200,000 (works) will only be considered in emergency situations or where compliance is either not possible or unlikely to generate better value for money. For instance, it may not be possible or appropriate to meet the minimum levels of competition if the service is highly specialised with very limited providers, or where intellectual property or compatibility issues mean that only one provider or make/model/system is suitable. It may also be inappropriate or impossible to meet minimum levels of competition in urgent or emergency situations.

5.9 Procurement Threshold Exemptions (Tier 4 only)

For procurements worth \$150,000 (goods and services) and \$200,000 (works) or more, the *Act* requires Council to undertake an open and advertised procurement process unless an exemption under Section 186(5) is applicable.

Section 186(5) allows for the following exemptions, if Council:

- has resolved that a contract must be entered into because of an emergency
- has entered into an agency arrangement with another Council or third party agent that has otherwise complied with the *Act*

Procurement

- has been granted a Ministerial exemption or is making use of a Ministerial Approved Arrangement (eg use of State Purchase and Whole of Victorian Government Contracts) or
- is entering into a type of contract which is exempt (eg legal services, loans, purchase of land, sale of goods).

5.10 Purchasing from Existing Standing Offer or Panel Agreements

Council is committed to adopting efficient work practices and reducing, wherever possible, the time and resources involved in procurement activities whilst also ensuring best value and effective risk management. For this reason, where a panel or standing offer agreement has been established through a competitive and open process, the Chief Executive Officer may set panel or standing offer purchasing thresholds to support purchases through these existing agreements.

5.11 Order Splitting

Suppliers, contractors and Council staff must not request, encourage or facilitate the prohibited act of 'order splitting' (splitting one order into a succession of orders) for the purpose of obtaining the goods or services under a financial delegation level or procurement delegation level.

5.12 Cumulative Spend

Council is committed to strategic procurement practices that take into account the cumulative spend on similar goods and services over time. Council recognises that the cumulative spend of small value or larger value frequent purchases can quickly amount to significant sums and create opportunities for savings through strategic procurement practices.

For this reason, Council monitors cumulative spend with suppliers to identify strategic procurement opportunities such as bundling and consolidated supply contracts. Council also requires staff to have a long-term view of regular and/or ad hoc procurement processes and consider cumulative spend and savings opportunities.

5.13 Complaints

General feedback and complaints regarding Council's procurement processes and procedures are taken seriously and will be handled fairly and promptly in a respectful manner. Feedback and complaints should be directed to the Coordinator Procurement & Risk Management.

6. Related Policies, Strategies and Legislation

- Capital Works Expenditure Policy
- Complaints Resolution Policy
- Confidentiality and Privacy
- Corporate Card Policy
- Councillor Code of Conduct
- Employee Code of Conduct
- Financial Delegations Policy
- Fraud Prevention and Control
- Information Management
- Petty Cash
- Risk and Safety
- Using Consultants

7. Council Plan

This report is consistent with the Council Plan 2017-2021 strategic objective Our Promise to work in collaboration with our communities to deliver the best possible outcomes in all that we do.

8. Management and Review

The Executive Management Team is responsible for monitoring compliance with this Policy. The Procurement Unit will prepare reports to assist management in carrying out that responsibility.

This policy will be reviewed at least annually by Council.

9. Consultation

Consultation has been undertaken internally with relevant stakeholders.

10. Human Rights Charter

This Policy has been developed with consideration of the requirements under the Charter of Human Rights and Responsibilities.



MINUTES
of the
AUDIT ADVISORY COMMITTEE MEETING
held on
FRIDAY 25 MAY 2018
in the
ALEXANDRA OFFICE - MAIN MEETING ROOM
commencing at
1 pm

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1. PRESENT/APOLOGIES

Apology: Cr Sandice McAulay

Present:

- Michele Sheward (Chair)
- Ian McKaskill
- Cr Charlotte Bisset (Mayor)
- Cr Leigh Dunscombe

In attendance:

- Craig Lloyd, Interim Chief Executive Officer
- Michael Chesworth, General Manager Corporate and Community Services
- Stuart McConnell, General Manager Infrastructure and Development Services
- Andrew Bond, Manager Business Services
- John Gavens, Partner, Crowe Horwath

2. DECLARATIONS OF INTEREST

Nil

3. CONFIRMATION OF MINUTES

3.1 Minutes of the Audit Advisory Committee Meeting held on 8 March 2018.

Officer Recommendation

That the Minutes of the Audit Advisory Committee Meeting held on 8 March 2018 be confirmed.

RESOLUTION:

Cr L Dunscombe / I McKaskill

That the Minutes of the Audit Advisory Committee Meeting held on 8 March 2018 be confirmed.

CARRIED

4. REVIEW ANY BUSINESS ARISING FROM PREVIOUS MINUTES

To be noted that the Investment Policy is to return to the September 2018 Audit Advisory Committee meeting.

5. RISK MANAGEMENT

5.1 REVIEW RISK REGISTER (SUMMARY OF CHANGES)

No report this quarter for risk register

To be returned at the next meeting, circulated earlier when done.

5.2 CEO MATTERS

The CEO provided an update to the Committee on a number of initiatives that have been instigated since the last Committee meeting in May.

These include a new quarterly program of internal management reporting that will be utilised to provide a health check on the operational performance of the organisation, a planned external independent review of the performance of Council's rates unit and a review of Council's processes for managing complaints that are received.

The CEO also detailed to the Committee a number of efforts that are being undertaken in conjunction with other small rural councils in the region to advance shared procurement initiatives as well as other efficiencies that could be gained by working together more frequently.

It was requested that the Local Government Act Bill and Council's submission be circulated to the Committee.

5.2.1 CEO'S QUESTIONNAIRE

Attachment(s): *CEO – Audit Committee – Questionnaire to General Managers 2018-05-25 (refer Attachment 5.2.1)*

The Chief Executive Officer tabled this document at the meeting.

5.2.2 WASTE SERVICES CHARGES REVIEW

Purpose

This report provides an update to the Audit Advisory Committee regarding Council's response to the Victorian Ombudsman's Investigation into Wodonga Council regarding its collection and use of revenue via waste services charges.

Officer Recommendation

That the Audit Advisory Committee notes the report.

Background

On 24 April 2018 the Victorian Ombudsman tabled a report in State Parliament, entitled *Investigation into Wodonga City Council's overcharging of a waste management levy*, which showed that Wodonga Council collected at least \$18 million in extra revenue from its waste services charges over the past decade, using the surplus to fund other council services.

Of the total amount of waste services charges collected over the period of her review, the Ombudsman found that about 70 per cent of the revenue raised through the charge had been spent on waste-related services. Nearly a third had been spent on other council services, such as the maintenance of parks, gardens and other council activities.

As a part of her recommendations tabled in Parliament, of which the majority related specifically to Wodonga Council, the Ombudsman did encourage the 72 other Victorian councils that have waste management charges to satisfy themselves that their charges are a reasonable reflection of their waste-related costs.

Discussion

Following the announcement of the Ombudsman's finding an immediate review was undertaken of Council's current practices with regards to the collection of waste service charges, the allocation of expenditure against these charges, and the resulting transfers in and out of Council's waste reserve that have been made to fund large scale capital expenditure and to provide for future rehabilitation costs.

Figures for the last three completed financial years, as well as for 2017/18 for both operational and capital expenditure were reviewed as a part of this exercise. Machinery and heavy plant items associated with the landfill and resource recovery centres were also reviewed to ensure their utilisation rates were only calculated on activity relating to waste management operations.

These values were then cross-referenced with the waste reserve transfer calculations for the last few years, resulting in alignment of both designated operational expenditure as well as approved capital expenditure that related to waste management (ie. cell construction and capping, leachate pond construction, waste related heavy plant purchases).

It is also anticipated that this will be a key area of focus with Council's external auditors as a part of the 2017/18 end of year process. Preliminary discussions with Johnsons MME have indicated that this will be looked at, as waste related calculations are looked at every year.

A few items that were highlighted that would require continued monitoring to ensure compliance with the *Local Government Act 1989* are as follows:

1. Employment of Specific Waste Project Engineers
Council is currently recruiting a Capital Works (Waste) Engineer to assist in designing and implementing elements of the long term capital works program required at the Alexandra landfill, that is being fully funded via the waste reserve. As such, it needs to be ensured that this role is solely focussed on waste related projects, and not utilised to undertake other capital works projects that are funded via other means.
2. Write-off of Waste Related Debts
Council recently elected to write-off the cost of the disposal of a large amount of commercial waste from a local community group, that had incorrectly budgeted on the cost of the disposal of its premises. From an accounting perspective, this needs to be treated as an operating write-off from general revenue, and not expensed against waste related expenditure accounts which would impact on the transfer into the waste reserve at the end of the current financial year.
3. Other Officers Undertaking Tasks Associated with Waste Management
Council does not undertake a time sheeting arrangement, or activity based costing model for a number of Council employees who undertake tasks that are specifically related to waste management, and that are required for the appropriate operations of Council's landfill and resource recovery centres.

Examples of this include the management of the infrastructure operations department, of which waste management is one unit, and the general management of the broader infrastructure division. Other units, such as finance, procurement, risk and IT provide regular specific support to the waste management unit, to allow the designated waste officers the capacity to undertake their regular operations.

Subject to the points raised above, Council officers are confident to be able to advise the Audit Advisory Committee and Council, that current practices employed with regard to the calculation, collection and administration of waste service charges comply with the legislation and regulations prescribed under the *Local Government Act 1989*.

Council Plan/Strategies/Policies

This report is consistent with the Council Plan 2017-2021 strategy under Our Promise to maintain Council's financial sustainability through sound financial and asset management practices.

Relevant Legislation

The *Local Government Act 1989* sets out in section 162 that a council may declare a service rate or an annual service charge for the collection and disposal of refuse.

Financial Implications and Risk

Financial governance is an important role for Council. The risk of poor financial management can have a significant impact upon the governance of the Council.

Conflict of Interest

There are no declared conflicts of interest by Council officers in the preparation of this report.

RESOLUTION:

Cr L Dunscombe / I McKaskill

That the Audit Advisory Committee notes the report.

CARRIED

5.3 RECENT REPORTS AND PUBLICATIONS OF INTEREST TO LOCAL COUNCILS

Attachment(s) Publications of Interest (*refer Attachment 5.3*)

This report was presented by Crowe Horwath.

Noted.

This document to be circulated separately to the Councillors.

6. AUDITS – INTERNAL

6.1 REVIEW INTERNAL AUDIT REPORTS AND MANAGEMENT RESPONSES

Attachment(s): *Internal Audit - Local Laws Enforcement Final Report (refer Attachment 6.1)*

This report was presented by Crowe Horwath.

Noted.

6.2 FOLLOW UP SIGNIFICANT ISSUES RAISED BY INTERNAL AUDIT

Nil to report.

6.3 REVIEW IMPLEMENTATION OF PREVIOUS AUDIT ACTIONS

Attachment(s): *Internal Audit Recommendations - Status of Actions May 2018 (refer Attachment 6.3)*

A verbal progress report was provided at the meeting.

Noted.

6.4 REVIEW SCOPES OF AUDITS BY CROWE HORWATH

Attachment(s): *Internal Audit – MSC Contract Management Scope draft V2.1 (refer attachment 6.4)*

This report was presented by Crowe Horwath.

Noted.

7. AUDITS - EXTERNAL

7.1 REVIEW AUDITORS PROPOSED SCOPE AND APPROACH

Attachments(s): *VAGO – Audit Strategy 2017/18 – Audit Committee Chair (refer Attachment 7.1)*

The audit strategy from the Victorian Auditor General's Office and Johnsons MME was presented by the Manager Business Services and is attached for review by the Committee.

Noted.

8. FINANCIAL REPORT

8.1 REVIEW SIGNIFICANT ACCOUNTING AND REPORTING ISSUES

Nil to report.

8.2 REVIEW QUARTERLY FINANCIAL STATEMENTS

Attachment(s): *3rd Qtr Financial Report (refer Attachment 8.2)*

Purpose

This report provides the quarterly financial report for the period ending 31 March 2018.

Officer Recommendation

That the Audit Advisory Committee notes the Quarterly Financial Report to 31 March 2018.

Discussion

Annual Council Budget

The draft quarterly financial statements attached to this report detail Council's financial position as of 31 March 2018 and provide a record of all financial activity that occurred in the past nine

months of the 2017/18 financial year. It should be noted that the first quarter report (to September 2017) adjusted for the financial impact of all items carried forward from the 2016/17 financial year. This included items that were budgeted to occur in the 2016/17 financial year that were incomplete or not achieved prior to 30 June 2017.

The second quarter report (to December 2017) detailed additional new grant funded projects approved since the budget adoption and also identified works to be deferred in 2017/18 and carried forward into the 2018/19 Budget. Details of these adjustments were tabled at the 28 February 2018 Ordinary Meeting of Council and at the previous Audit Advisory Committee meeting.

Quarterly Financial Report to 31 March 2018

As previously reported the original budget operating deficit (refer Statement A – Income Statement) was impacted by carry forward adjustments as detailed in the September 2017 budget review, projecting a \$2.66 million operating deficit for 2017/18. With revised grant funding, increased income generation through user fees and operating grants, together with a revision of all operating and capital expenditure expected by 30 June 2018, Council's revised budget for 2017/18 is now forecasting an operating deficit of \$2.09 million.

It should again be noted that the bulk of the operating deficit results from the advance payment of the 2017/18 Victorian Grants Commission (VGC) funding of \$2,224,000 that was unexpectedly received in the last week of June 2017 and not in the 2017/18 year. Several other grant funded projects not completed at year end improved the June 2017 end of year operating result and increased the levels of cash held by Council. These project budgets will be expended during 2017/18.

The annual revised budget for 30 June 2018 incorporates all adjustments detailed above and included in the attached financial statements.

Balance Sheet (Statement B)

As at 31 March 2018 shows a favourable variance in 'Cash and Cash Equivalents' of \$1,279,116 which is directly related to the year to date operating result variance as presented within the Income Statement. The unfavourable variance of (\$528,436) in 'Property Plant & Equipment' is detailed in Statement D -Capital Works.

'Trade and Other Receivables' year to date are on track with initial budget projections.

Council's debt position has been adjusted to reflect the decision not to borrow an additional \$500,000 in 2017/18, which gives a revised balance as at 30 June 2018 in interest bearing borrowings of \$986,865.

Cash Flow Statement (Statement C)

This statement provides a more holistic picture and reports the important information on Council's cash inflows and outflows.

Net cash flow from operating activities in the Cash Flow Statement (a cash view of the operating statement) shows an increase of \$1 million when compared to the adopted budget. The bulk of this adjustment is in revised projections for payments to suppliers and employees, as well as an improved projection in revenue collected from user charges, fines and contributions. Net cash used in investing activities (capital works) shows an overall decrease of \$3.18 million related to carried forward and new grant funded projects. Net cash used in financing activities shows movement in Trust and Deposits, reflecting the high level of funds held for retention of contract works, together with the adjustment of (\$500,000) in proceeds from borrowings.

The overall result with the inclusion of the additional cash of \$5.17 million held at 30 June 2017 as detailed in the first quarter report is reflected in the Balance Sheet with the revised budget for

2017/18 projecting an increase in cash of \$2.11 million, when compared to the original adopted budget.

Non-Discretionary Cash and Council Reserves (Statement E)

Included as part of this report is an additional reconciliation detailing Council's Non-Discretionary Cash Flow requirements. This reconciliation lists all Council reserves together with funds held as deposits or trust which are required to be refunded, and an allowance for the provision of employee entitlements. The employee entitlement provision includes a nominal amount of 25% of Council's Annual Leave Liability and 25% of the Long Service Leave Liability as of 30 June 2017. An allowance of \$1.41 million has also been recognised as funding for the operational and capital carry forward adjustments. These funds have been included in the increase in projected cash held as at 30 June 2018.

Councillor Expenses (GST Exclusive):

As required in the Councillor Reimbursement Policy adopted by Council at the February 2017 Ordinary Meeting of Council, the following table details Councillor expenses for the nine month period ending 31 March 2018.

Table 1:

Councillor	Councillor Allowance	Mobile Phone	Training & Professional Development	Accomm. & Travel	Total
Cr C Bisset	\$55,403.83	\$981.81	\$760.22	\$55.45	\$57,201.31
Cr S McAulay	\$18,544.67	\$981.81	\$529.55	\$1,564.27	\$21,620.30
Cr J Ashe	\$18,544.67	\$981.81	\$479.55	\$0.00	\$20,006.03
Cr R Bowles	\$18,544.67	\$981.81	\$529.55	\$711.54	\$20,767.57
Cr L Dunscombe	\$18,544.67	\$981.81	\$529.55	\$5,254.42	\$25,310.45
Cr E Lording	\$18,544.67	\$981.81	\$579.55	\$5,797.37	\$25,903.40
Cr M Rae	\$18,544.67	\$981.81	\$529.55	\$0.00	\$20,056.03
Subtotal	\$166,671.85	\$6,872.67	\$3,937.52	\$13,383.05	\$190,865.09

It should be noted that accommodation and travel costs include the reimbursement of the claims which a Councillor may choose to submit for travelling to Council meetings, briefings and other functions which they attend in their capacity as a Councillor. Where a Councillor's residence is greater than 50 kilometres from the location of a Council meeting they may also claim the statutory remote area allowance.

Councillors can elect for part of their allowance to be deducted for superannuation purposes.

The total Councillor expenditure of \$190,865 to 31 March 2018 compared to the budgeted amount of \$191,486 for the first nine months of 2017/18.

Council Plan/Strategies/Policies

This report, in relation to the Annual Budget and quarterly financial reporting, is consistent with the Council Plan 2017-2021 strategy under Our Promise to maintain Council's financial sustainability through sound financial and asset management practices.

Relevant Legislation

The *Local Government Act 1989* (the *Act*) sets out in section 127 that the Council must prepare a budget for each financial year. Then, in section 138, the *Act* requires that quarterly financial reports must be presented to Council.

Financial Implications and Risk

The financial governance of a Council is an important role for Councillors. The risk of poor financial management can have a significant impact upon the governance of the Council. The financial implications flowing from this quarterly financial review are outlined in this report.

Conflict of Interest

There are no declared conflicts of interest by Council officers in the preparation of this report.

Community and Stakeholder Consultation

The *Act* requires that Councils give public notice of their annual review of the Council Plan (which includes the Strategic Resource Plan) and also its Annual Budget. All submissions received by Council must be considered, in accordance with section 223 of the *Act*.

RESOLUTION:

Cr L Dunscombe / I McKaskill

That the Audit Advisory Committee notes the Quarterly Financial Report to 31 March 2018.

CARRIED

9. MANAGEMENT REPORTING

9.1 REVIEW DRAFT OF ANNUAL BUDGET

Attachment(s): *Draft Annual Budget (refer Attachment 9.1)*

Purpose

The purpose of this report is to present to the Audit Advisory Committee the Draft Annual Budget 2018/19 which has been placed on public exhibition in accordance with the *Local Government Act 1989*.

Officer Recommendation

That the Audit Advisory Committee note this report.

Background

The preparation of the financial budget is part of a cyclical process that begins with the development of the Council Plan, the four-year blueprint for Council activities. Council developed the Council Plan 2017-2021 following consultation with the community. Council has also developed the Strategic Resource Plan (SRP), which ensures resource allocation is able to service Council's long term activities and initiatives. The SRP and its underpinning strategies inform the budget development process. The Annual Budget is a one-year financial plan that considers SRP activities, current influences and any new initiatives.

The Draft Murrindindi Shire Council Budget 2018/19 (the Draft Budget) presented in this report outlines the financial implications of the strategic objectives and initiatives planned by Council, focusing on the coming financial year.

The Draft Budget balances the need to deliver infrastructure and services while also providing the best possible value for residents and recognising the need for careful ongoing financial management.

The Introduction and Executive Summary of the Draft Budget detail the key features of the budget.

Discussion

The Draft Budget ultimately details the resource requirements and project priorities that are in accordance with the key strategic objectives that have been set in the Council Plan 2017-2021.

The Draft Budget has been developed based on the following principles:

- to increase average rates by no more than 2.15%. This is below the average rate increase allowable under the State Government's Fair Go Rates System (which is 2.25% for the 2018/19 financial year)
- to deliver a balanced budget – i.e., a budget where forecast revenue matches forecast expenditure
- to take on no new debt – this will reduce existing debt levels to under \$700,000 by 30 June 2019. This represents the lowest level of absolute debt Council has held in more than a decade
- to not reduce service levels and to improve service levels in some areas where they will have a great impact on the community – e.g. Customer Services and Community Safety (formerly known as local laws)
- to limit increases to all fees and charges (those within Council's control) and to cap any increases to no more than 2.25%, in line with the rate cap.

For 2018/19, the Draft Budget has identified total operating expenditure of \$34.4 million against forecast revenue of \$34.4 million, which will generate a breakeven result – a balanced budget. Council's cash flows will remain very strong with a projected cash increase of \$1.57 million over the year.

For 2018/19, service levels have been maintained in most areas, though additional resources are proposed to be added to the areas of customer service, community safety and community planning to increase service levels. These proposed additional budget features have been made possible through the delivery of greater operational efficiencies internally in our service provision.

It is also proposed to make green waste free to drop off at any of Council's Resource Recovery Centres (RRC) from 1 July 2018 following strong feedback from the community about the popular green waste amnesty program that has previously been in place.

The Draft Budget also provides another allocation of \$280,000 to fund the Business and Tourism Innovation Grants Program that was successfully launched in the current financial year. These grants will help businesses to prosper, and provide opportunities for growth and expansion. The grants will also support staging of events within the Shire which help encourage people to visit and to showcase all the Shire has to offer.

Highlights of the \$7.8 million capital works program that are included in this year's Draft Budget include:

- Yea High Street irrigation upgrade - \$103,000
- Yea Recreation Reserve change room renewal and upgrade - \$65,000
- Kinglake Range Neighbourhood House renewal - \$45,000
- Kinglake Community Centre renewal and upgrade - \$60,000
- Toolangi CJ Dennis Memorial Hall renewal - \$40,000
- Strath Creek Playground shade structure - \$47,000
- Bollygum Park toilets renewal - \$30,000
- Yarck public toilets renewal - \$59,000
- Flagpole installations at all Council offices - \$27,000
- Library book stock renewal - \$100,000
- Roads and bridges renewal & upgrade program - \$3.43 million

It should be noted that the current Draft Budget does not include the final position that Council will need to adopt to manage the local impacts of changes in the international recycling market. Negotiations are currently ongoing with Council's recycling service provider which are anticipated to be finalised before the budget is adopted in June 2018. Any increase in costs associated with recycling services will need to be passed on to rate payers through an increase in the waste service charge that is currently detailed in the Draft Budget.

Local Government agencies across Victoria are advocating for the Victorian Government to be part of a long term solution. The State Government needs to invest the waste levy all councils collect from ratepayers on its behalf to address this complex problem.

Council Plan/Strategies/Policies

The Draft Budget is the financial output of funding annual operations and initiatives detailed in the development Council Plan for 2017-2021.

Relevant Legislation

Council is required under the *Local Government Act 1989* (the *Act*), to prepare and adopt an annual budget. The structure and contents of the budget are legislated under Section 127 of the *Act*.

Financial Implications and Risk

The proposed Draft Budget is fiscally responsible in its scope of discretionary spending. The Draft Budget details how Council can manage its requirement to keep average rate increases below the rate cap of 2.25% legislated by the State Government for 2018/19, whilst providing a responsible and viable financial plan for the ensuing year.

Conflict of Interest

There are no declared interests by Council officers in the preparation of this report.

Community and Stakeholder Consultation

In accordance with the requirement of the *Act*, Council is required to give public notice that it intends to adopt the Budget and the document must be made available for inspection at its offices and on its website for a period of at least 28 days, and submissions are invited from members of the public. The Draft Budget was formally advertised in a range of publications from 1 May 2018, with written submissions called for by 12 pm on 1 June 2018.

RESOLUTION:

I McKaskill / Cr L Dunscombe

That the Audit Advisory Committee note this report.

CARRIED

9.2 LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK

Nil to report.

10. GENERAL BUSINESS AND FUTURE PLANNING

10.1 RATES – RECEIVABLES AND COLLECTIONS

Attachment: *MCMS – Procedural “Debt Recovery” Flow Chart (refer Attachment 10.1)*

Purpose

The purpose of this report is to update the Audit Advisory Committee on Council’s current rating practices and position, following a request for this information at the previous Committee meeting.

Background

Council’s current Rating Strategy was adopted in March 2015 which set the strategic direction for Council’s rating structure over the following five years.

Council’s Rating Strategy provides a clearer understanding to the community about Council’s objectives for raising revenue through rates, as well as better defining the parameters that Council will use to collect and manage its rates revenue. This ensures that Council can continue to appropriately and responsibly manage its long term financial obligations in delivering services to the Murrindindi Shire community.

The underpinning principles of Council’s approach to the management of rates, as outlined in the current rating strategy are as follows:

- that rates will continue to be based principally on the valuation of properties that are deemed rateable in accordance with the *Local Government Act 1989* (the *Act*)
- that Council will continue to apply a service charge to fully recover the cost of the collection and disposal of garbage
- that Council will continue to apply differential rating against various property classes that considers equity across the community
- that Council will continue to apply a municipal charge to assist in the funding of the administrative cost of Council in accordance with the *Act*.

Exemptions from rates apply to a number of types of properties that include Crown land, charitable land, land used for religious purposes, and land used exclusively for mining or forestry.

All rateable assessments are valued utilising Capital Improved Value (CIV) as the base valuation methodology.

Legal/Policy Issues

The *Act* sets out the statutory requirements that Council must comply with when undertaking its rating and valuation processes.

The *Act* sets out the objectives for Local Government. Part 8 – Rates and Charges on Rateable Land, specifies the legislative guidelines for raising rates revenue, payment of rates and the charging of interest for non-payment.

A change in legislation in the way interest is calculated and charged came into effect in 2013/14. Previously interest on overdue rates was calculated back to the date the notice was issued, which in most delinquent rates matters accounted for six months of interest, ie. the difference between August rates notice issuance and the February annual rates payment date. The change in legislation now only allows the charging of the current year’s rates based on the amount of the instalment(s) due – back to the date of the instalment – being 30 September, 30 November, 28 February and 31 May. Under the *Penalty Interest Rates Act 1983*, interest is currently charged at

10.0% and has been set at this level since 1 February 2017.

Discussion

Following the issue of rate notices for the current year, rate payers electing to pay by instalment are sent reminder notices, as well as advertising within newspapers when instalments are due. In addition, for several weeks prior to 15 February, the date for full payment of rates, advertising is also undertaken reminding ratepayers that rates are due.

Council allows approximately two weeks post 15 February, for receipt of rate payments that may be delayed in the mail, electronic payments etc., prior to commencing any formal debt collection processes.

The first step taken is a 'Rates Final Notice' being sent out by Council advising rates are overdue, and also advising that failure to make full payment or to contact Council within 14 days to explain the failure to pay may result in legal action to recover the full amount outstanding including interest and legal cost without further notice.

In the majority of cases, this process initiates some contact with Council, resulting in either the payment of the outstanding rates, or contact is established that allows for suitable arrangements (ie. payment plans) to address the outstanding rates. Unfortunately, not all ratepayers respond, and following review by Council officers, these properties are forwarded to Council's Debt collection agency, Midstate Credit Management Services (Midstate).

The first step from Midstate is to issue a letter of demand (Solicitors letter) for the outstanding rates. It is important to note that at this stage if rates are paid, there are currently no legal costs incurred by the recalcitrant ratepayer. It is only after a further 14 days without any response to this second notice of failure to pay, that Council Officers review the file with Midstate prior to providing instruction to issue a formal Complaint.

If further debt recovery is required following the steps detailed above, Council's debt management provider is engaged to solely handle the collection of the monies owed to Council from this point onwards. An important point to note is that from this stage on, the ratepayer can only resolve the amount owed to Council through collaboration with Midstate, not through contact with the rates officers of Council.

Legal recovery costs are also instituted from this stage in the process, with costs escalating through each stage of the process (complaint, judgement, oral examination, warrant), relative to the amount of time and resource associated with managing each action that requires debt management. As per the attached (*Attachment 10.1*) is a copy of Midstate's procedural Debt Recovery Flow Chart that details the steps that follow.

Once debt recovery has reached complaint stage, timelines that can be achieved for recovery can vary greatly, depending on the response that is received from the debtor. Generally, rates are recovered relatively quickly at this stage as it is confirmed to the debtor the approach that Council is taking, and that all additional costs will be borne by them until the full debt is cleared.

The table below details the current level of rate debtors as at 1 May 2018 (next page).

Rates Trial Balance



Double click onto the Rate Differentials to access

Authority Database - 1 May 2018

1 Rates Comparison

Dif	Description	Bfwd	Levied	Paid	Rebated	Adjusted	Owed Total	Current	Arrears	Legal	Interest	Balance
	Total General:	1,332,506	13,739,138	(11,322,197)	(192,988)	66,175	3,622,635	3,026,031	439,847	78,932	77,824	3,622,635
	Total Municipal	341,043	3,085,603	(2,495,330)	(57,505)	10,527	884,339	703,078	149,066	0	32,195	884,339
	Total Waste Charges	300,019	2,885,444	(2,318,721)	(66,201)	1,016	801,558	665,045	121,846	78,932	14,666	801,558
	Total Fire Service Levy	460,157	2,534,196	(1,989,358)	(70,050)	(130,751)	804,195	727,158	70,612	0	6,425	804,195
	Total Amount Owed	2,433,725	22,244,381	(18,125,605)	(386,744)	(53,032)	6,112,726	5,121,312	781,372	157,864	131,110	6,112,726
	LY Balance	2,025,726	21,675,201	(18,636,518)	(392,622)	208,981	4,880,768	3,778,596	874,170	68,007	159,995	4,880,768

Council increased the level of debt collection commencing late May 2013, after several years of an easing in pursuit of debt post the February 2009 Bushfires.

The increase in level of debt collection has also increased the related legal expenses. However, it should be noted that there is no overall net increase in costs to Council, as all debt collection expenses together with interest are a charge on the property and ultimately collectable, regardless of how long the recovery process takes, or at what stage the debt recovery process is concluded.

Rates debtors has shown an increase for 2017/18, and at a rate above the annual rates increase of 2.0%. The payment method of choice of ratepayers has also continued to evolve, with more than 100 ratepayers electing to pay via direct debit since its introduction this year. Council has also seen more ratepayers move towards quarterly payments and away from the annual payment option, contributing to the higher balance owed as at 1 May, with the final quarterly payment still to be received for the current financial year.

With more than \$2.5 million due to be paid to Council in the final quarterly payment, as well as the resolution from some overdue annual ratepayers, it is anticipated that the brought forward amount for 2018/19 will be similar to the \$2.43 million that was brought forward as of 1 July 2017.

Noted.

It was requested that this become an annual report to the Committee, including trends over time on what is recovered.

10.2 SINGLE TOUCH PAYROLL

Purpose

The purpose of this report is to update the Audit Advisory Committee on Council's preparation for changes to new Australian Tax Office (ATO) requirements regarding single touch payroll.

Officer Recommendation

That the Audit Advisory Committee note this report.

Background

Employers are currently required to withhold amounts from an employee's salary or wages at the time it is paid. Council must notify the Commissioner of Taxation of the amount withheld at a later date, remit these amounts to the Commissioner, provide each employee with an annual payment summary and provide an annual report to the ATO.

Employers are also required to report superannuation contribution information to funds on the same day they make a contribution to the fund (through SuperStream). Employers are not currently required to report this information to the ATO. However, employers must lodge

superannuation guarantee (SG) statements to the Commissioner if they have a SG shortfall for a quarter, or if required to do so by the Commissioner under the *Superannuation Guarantee (Administration) Act 1992*.

From 1 July 2018, under the new ATO requirements, employers with 20 or more employees are required to report to the Commissioner through Single Touch Payroll-enabled software. The following information must be reported on or before the day you withhold from a payment (i.e. the pay day):

- payment information, including salary or wages, allowances, deductions, etc.
- withholding amounts
- superannuation liability information or ordinary times earnings (OTE).

Employers who fully report all the information required through Single Touch Payroll will not have to comply with a number of other reporting obligations under the existing law. This includes providing certain payment summaries and the corresponding payment summary annual report (PSAR).

As a result of these changes, employees will be able to view their payment information in ATO online services, which they can access through their 'myGov' account. Council employees can also request a copy of this information from the ATO.

Discussion

Council has been involved in regular working group meetings with other Victorian councils, as well as with its primary operational systems technology provider, Civica, in the last year in order to prepare for the known changes to payroll reporting requirements from 1 July 2018.

Civica, on behalf of all of its local government clients, has been undertaking the development of an enhancement to its payroll module that will allow for an end-to-end solution, which allows employers to report and send the required file directly to the ATO as a part of its fortnightly payroll processes.

Council also recently completed a comprehensive upgrade to its Civica and Microsoft Office environment, which was necessary to ensure compatibility with this new Single Touch Payroll module, in addition to a number of other expansion and renewal requirements.

Council officers recently received a demonstration of the Single Touch Payroll module, that showed the additional steps that will be required to be undertaken by Council's payroll officer in this process, as well as showing the necessary audit and reporting requirements that will be received by the ATO and scrutinised by Council's external auditor as a part of future audits, from the 2018/19 financial year.

The new module is in the final stage of testing with the ATO, before it will be deployed by Civica to all of its local government clients in mid-June, prior to Council utilising this new enhancement for the first payroll run in July 2018.

Relevant Legislation

Council is required to prepare for the new ATO requirements in order to fulfil its obligations as an employer under the *Superannuation Guarantee (Administration) Act 1992*.

Financial Implications and Risk

Council's primary operating systems partner, Civica, is undertaking the development of this software upgrade to ensure that all of its local government clients will be able to achieve compliance with the ATO from 1 July 2018 onwards.

Conflict of Interest

There are no declared interests by Council officers in the preparation of this report.

RESOLUTION:

Cr L Dunscombe / I McKaskill

That the Audit Advisory Committee note this report.

CARRIED

The Chair, Michele Sheward, stood down from the position of Chair prior to consideration of item 10.4 on the agenda at 3.16 pm. The CEO, Craig Lloyd, assumed the Chair.

10.4 ELECTION OF CHAIR OF AUDIT ADVISORY COMMITTEE

As per Section 2c of the Audit Advisory Committee Charter, the Audit Advisory Committee is to 'elect the Chair of the Committee to commence in the first quarter of each financial year. The term of the Chair is to be 12 months, with a maximum of three (3) consecutive years with a break of at least one (1) year.'

As per Section 2g of the Audit Advisory Committee Charter, 'The Chairperson shall be appointed from the external members of the Committee by the Audit Advisory Committee subject to Council's approval.

It is therefore appropriate to now call for nominations for the Chair of the Committee for the 2018/19 financial year to be called for. It is noted that until such time as the election result is approved by Council at its next Ordinary Council Meeting, the Chair elected will be in an Acting capacity only.

Officer Recommendation

That, it be recommended to Council at the June Ordinary Council Meeting that (name) be endorsed as Chair of the Audit Advisory Committee.

RESOLUTION:

I McKaskill / Cr L Dunscombe

That, it be recommended to Council at the June Ordinary Council Meeting that Michele Sheward be endorsed as Chair of the Audit Advisory Committee.

CARRIED

Michele Sheward resumed the position of the Chair at 3.19 pm.

11. OTHER REPORTS

Nil to report.

12. NEXT MEETING

Thursday 13 September at 3 pm in the Alexandra office main meeting room.

There being no further items of Business, the Chairperson declared the meeting closed at 3.20 pm.

CONFIRMED THIS _____

CHAIRPERSON _____

SUBJECT TO CONFIRMATION