

minutes



CORANGAMITE
SHIRE

CORANGAMITE SHIRE

SPECIAL MEETING OF COUNCIL

TUESDAY 11 JUNE 2019

Held at the Killara Centre
210-212 Manifold Street, Camperdown
at 5.00 pm

COUNCIL:

Cr Neil Trotter (South West Ward)
MAYOR

Cr Ruth Gstrein (Central Ward)
DEPUTY MAYOR

Cr Helen Durant (Central Ward)

Cr Wayne Oakes (Central Ward)

Cr Simon Illingworth (Coastal Ward)

Cr Lesley Brown (North Ward)

Cr Jo Beard (South Central Ward)

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**MINUTES OF THE SPECIAL MEETING OF THE CORANGAMITE
SHIRE COUNCIL HELD AT KILLARA CENTRE, 210-212 MANIFOLD
STREET, CAMPERDOWN 5.00 PM ON
11 JUNE 2019**

PRESENT

Councillors	N. Trotter (Chairperson), J. Beard, L. Brown, H. Durant, R. Gstrein, S. Illingworth, W. Oakes
Officers	Andrew Mason, Chief Executive Officer Ian Gibb, Director Sustainable Development Brooke Love, Director Works and Services David Rae, Director Corporate and Community Services

1. PRAYER

The prayer was read by the Mayor, Cr N. Trotter.

“We ask for guidance and blessing on this Council. May the true needs and wellbeing of our communities be our concern. Help us, who serve as leaders, to remember that all our decisions are made in the best interests of the people, culture and the environment of the Corangamite Shire.

Amen.”

2. ACKNOWLEDGEMENT OF COUNTRY

An acknowledgement of Country was made by the Mayor, Cr N. Trotter.

“We acknowledge the Traditional Owners of the land on which we are meeting, and pay our respects to their Elders, past and present.”

3. APOLOGIES

Nil.

4. DECLARATIONS OF CONFLICT OF INTEREST

Nil.

DISCLAIMER

The advice and information contained herein is given by the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written enquiry should be made to the Council giving the entire reason or reasons for seeking the advice or information and how it is proposed to be used.

5. DEPUTATIONS & PRESENTATIONS

Nil.

6. OFFICERS' REPORTS

6.1 Council Plan 2017-2021 Review

Author: Penny MacDonald, Executive Services and Governance Coordinator

File No:

Previous Council Reference: Nil

Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Penny MacDonald

In providing this advice to Council as the Executive Services and Governance Coordinator, I have no interests to disclose in this report.

Summary

Council is required by the *Local Government Act 1989* (the Act) to review its Council Plan at least once each financial year. This report provides Council with the opportunity to review the Council Plan 2017-2021 to determine if it requires any adjustment.

Introduction

Council must review its Council Plan at least once each financial year, in order to determine whether the current Council Plan requires any adjustment for the remaining period of the Plan.

The current Council Plan, which expires in June 2021, states Council's vision, mission and values. It also outlines Council's strategic objectives, strategies for achieving the objectives, and indicators for measuring success. Council's Strategic Resource Plan, outlining the required resources to achieve the Council Plan over the next four years, and the Annual Action Plan, detailing key actions and initiatives for a 12 month period, are also part of the Council Plan.

Issues

A review of the Council Plan 2017-2021 is important in terms of good governance and is necessary in order for Council to remain compliant with the *Local Government Act*.

Officers have reviewed the current Council Plan 2017-2021 and believe the Plan continues to be valid and relevant for Corangamite Shire. No changes are recommended to Council's strategic objectives, strategies or indicators. However, a new Annual Action Plan is required for the 2019-2020 financial year, and the Strategic Resource Plan needs to be updated to reflect changes in resourcing commitments.

Council's Annual Action Plan (Plan) is published as a supplement to the Council Plan. The attached Plan for 2019-2020 has been developed following briefings with Councillors during

the budget deliberation process. The Plan identifies projects and initiatives as key actions to be undertaken throughout the coming year alongside the usual business of Council. All actions within the Plan are specific and measurable within an annual timeframe, and relate to the long term objectives and strategies in the Council Plan. Key projects identified in the Plan include:

- adoption of a Community Vision for Corangamite Shire
- implementation of a Continuous Improvement and Project Management Plan
- establishment of a population and migration project
- strategic review of Family Day Care services
- construction of new public toilets in Port Campbell
- construction of the Derrinallum Streetscape
- creation of new apprenticeship trainee positions at Council.

The Strategic Resource Plan (SRP) is a four year plan that outlines the resources required to achieve the Council Plan objectives. The attached SRP has been updated to reflect changes in resourcing commitments.

Policy and Legislative Context

Section 125(7) of the *Local Government Act 1989* requires that once in each financial year a council must review its Council Plan. Should Council determine that the objectives, strategies or indicators require adjustment, it will be necessary to consult with the community in accordance with section 223 of the Act prior to any changes being made.

A review of the Council Plan is consistent with the Council Plan commitment and objective:

We are committed to ensuring the ethical behaviour of Councillors and staff, maintaining good governance and remaining financially sustainable.

Council will demonstrate high levels of ethical behaviour and governance standards.

Internal / External Consultation

Councillors, senior officers and managers have contributed to the development of the Annual Action Plan 2019-2020. The revised Strategic Resource Plan has been prepared by the Finance department as part of the annual budget process.

Financial and Resource Implications

Printing of the Council Plan 2017-2021 is required due to the revised Strategic Resource Plan. Printing costs will be met by current budget allocations, however it is proposed that the Strategic Resource Plan be printed as a supplement to the Council Plan (in addition to the Annual Action Plan supplement) to reduce future publication costs.

Options

Council may determine to make changes to the Council Plan 2017-2021, the Annual Action Plan 2019-2020 and/or the Strategic Resource Plan. Alternatively, Council may choose to make no changes to the documents and adopt the Annual Action Plan 2019-2020 and Strategic Resource Plan as presented.

Should Council determine that the objectives, strategies or indicators require adjustment, it will be necessary to consult with the community in accordance with Section 223 of the Act prior to any changes being made.

Conclusion

Council is required to review its Council Plan at least once each financial year to determine whether an adjustment is required for the remaining period of the Plan. It is proposed that Council makes no changes to the Council Plan 2017-2021, given that the existing objectives, strategies and performance measures remain relevant. However, the Strategic Resource Plan has been updated to reflect changes in resourcing commitments.

A new Annual Action Plan has been developed in consultation with Councillors, senior offices and managers, to identify key actions for the coming financial year. The Annual Action Plan 2019-2020 and Strategic Resource Plan are presented for adoption by Council.

RECOMMENDATION

That Council:

- 1. Determines to make no changes to the vision, mission, values, objectives, strategies or performance measures contained in the Council Plan 2017-2021.**
- 2. Adopts the Annual Action Plan for 2019-2020.**
- 3. Adopts the Strategic Resource Plan 2019-2023.**

COUNCIL RESOLUTION

MOVED: *Cr Durant*

SECONDED: *Cr Illingworth*

That the recommendation be adopted.

CARRIED

Attachments

1. Annual Action Plan 2019-2020
2. Strategic Resource Plan 2019-2023

CORANGAMITE SHIRE
ANNUAL ACTION PLAN
2019-2020



CORANGAMITE
SHIRE

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1 GOVERNANCE AND FINANCIAL SUSTAINABILITY

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Council will demonstrate high levels of ethical behaviour and governance standards	Conduct a Councillor workshop in Melbourne featuring governance update and meetings with Parliamentarians	Governance Coordinator	Oct 2019
	Implement changes to Council policies and plans to comply with the new Local Government Act (if enacted)	CEO	June 2020
	Adopt a Community Vision for Corangamite Shire	CEO / Manager Growth & Engagement	June 2020
	Participate in the State Government's review of rural rates to achieve better certainty for rural ratepayers	CEO	As required
Council will deliver value for money by ensuring that services are required and delivered efficiently and sustainably	Implement a funded Continuous Improvement and Project Management program	Director Corporate & Community Services	Dec 2019
Council will advocate strongly in relation to roads and cost shifting and other Council and community priorities	Identify annual priorities and produce advocacy material	CEO / Manager Growth & Engagement	August 2019
	Create new advocacy/promotional videos	Manager Growth & Engagement	June 2020
	Work with VicRoads to co-fund energy efficient lighting changeover program on main roads	Manager Assets Planning	June 2020
	Work with DELWP for funding to maintain Crown land facilities and reserves	Director Works & Services	June 2020
	Advocate to the State Government for an increased allocation of funding for roadside vegetation assessment and fire prevention works within Corangamite Shire	CEO / Manager Environment & Emergency	June 2020
	Advocate to State and Federal Governments for investment in the Twelve Apostles Trail Stage 1 and Stage 2	CEO / Director Works & Services	June 2020
Council will build strong and effective partnerships with key stakeholders including peak organisations and the State and Federal Government	Host a regional roundtable with State Government representatives GSC councils on key issues shared by the region	CEO	March 2020

2 ROADS

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Maintain our local road network at current or improved standards	Investigate and implement smart technologies for road inspections	Manager Assets Planning	June 2020
	Review warrants for upgrading select dry weather roads to all weather roads and implement based on priority	Manager Assets Planning	April 2020
Council will focus on the provision of high quality roads	Trial innovation in pavement treatment on sealed roads to improve ride quality	Manager Assets Planning	June 2020
	Implement rural roadside drainage improvements	Manager Assets Planning	April 2020
Upgrade strategic local roads based on opportunities to improve economic outcomes	Actively seek funding to support strategic local road and bridge upgrades as identified in the Barwon South West Regional Dairy Supply Chain Project	Manager Assets Planning	June 2020
	Identify and implement road upgrade opportunities to support local business and tourism within the Shire	Manager Assets Planning	May 2020
Advocate on behalf of our communities for increased funding towards the main road network	Partner with neighbouring LGAs to advocate for funding to deliver on the Princes Highway West Corridor Strategy	Director Works & Services	June 2020
	Advocate to State Government for investment in priority main road infrastructure to support the regional dairy supply chain	CEO / Director Works & Services	June 2020
	Advocate to VicRoads and State and Federal Governments to deliver identified needs for the North South loop, being the main hinterland roads between the Great Ocean Road to the Princes Highway	CEO / Director Works & Services	June 2020

3 VIBRANT ECONOMY, AGRICULTURE AND TOURISM

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Maintain our competitive advantage as an "investment friendly" council and a leader in local economic development	Conduct at least two business workshops	Manager Growth & Engagement	April 2020
	Trial a new Business Support Grants program to stimulate business growth	Manager Growth & Engagement	June 2020
	Develop a business case for a Start-up Hub / business incubator / co-working space	Manager Growth & Engagement	June 2020
Increase the economic value of the food and fibre sector within Corangamite Shire	Investigate a Grains and Pulses study, recognising the growing importance of cereal production in the Shire	Director Sustainable Development	May 2020
	Develop and market a prospectus to attract investment in Intensive Animal industry (poultry)	Manager Growth & Engagement	March 2020
Support and facilitate the development of the visitor economy	Support local events and festivals through the Events and Festivals Grant Program	Manager Growth & Engagement	Aug 2019
	Participate in the Glenample Precinct Plan development and undertake advocacy for improved infrastructure and visitor experience	Director Sustainable Development	June 2020
	Investigate the provision of long vehicle bay parking and relevant options in each of Council's townships	Manager Assets Planning	May 2020
Increase the population of Corangamite Shire	Develop the new residents program to include new ways of attracting residents	Manager Growth & Engagement	March 2020
	Establish a transformative population and migration project	Manager Growth & Engagement	June 2020

4 BUILT AND NATURAL ENVIRONMENT

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Improve the appearance of our towns & public spaces	Carry out construction of Derrinallum Streetscape	Manager Assets Planning	June 2020
	Develop Nature Strip Planting policy	Manager Assets Planning	Dec 2019
	Complete design and commence procurement for Port Campbell Town Centre Urban Design Project	Director Sustainable Development	June 2020
	Advocate for State and Federal Government funding for the implementation of the Port Campbell Town Centre Urban Design project	CEO / Director Sustainable Development	June 2020
Township infrastructure will contribute to safe and accessible public areas	Implement findings of township lighting audits for Noorat	Manager Assets Planning	April 2020
	Develop Urban Stormwater Asset Management Plan	Manager Assets Planning	June 2020
Deliver high quality, optimally used, sustainable community facilities	Implement at least one action from the Facilities Property Review	Manager Facilities & Recreation	Feb 2020
	Construct new public toilets at Port Campbell	Manager Facilities & Recreation	Jan 2020
Ensure the Corangamite Planning Scheme provides for the fair, orderly, economic and sustainable use and development of land	Implement revised business approvals process, and recommendations from the Small Business Victoria project	Manager Growth & Engagement	Oct 2019
	Work with DELWP to prepare a planning scheme amendment to implement the 'policy neutral' Planning Policy Framework translation that is occurring State-wide	Manager Planning & Building Services	June 2020
	Implement the findings from the Rural Living Study into the Corangamite Planning Scheme	Manager Planning & Building Services	June 2020
	Undertake the Simpson and Timboon Strategic Placement Project	Manager Planning & Building Services	June 2020

4 BUILT AND NATURAL ENVIRONMENT

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Provide cost effective and high quality waste management services	Provide e-waste collections services that meet the new requirements of the e-waste to landfill ban and Australian Standards	Manager Environment & Emergency	March 2020
	Allocate funding to the community through the Environment Support Fund	Manager Environment & Emergency	December 2019
To preserve the natural environment of Corangamite Shire	Expand the weed control program to three additional weed species on local roads, and implement priority weed eradication actions	Manager Environment & Emergency	June 2020
	Clean up Council roadsides by removing dead trees in prioritised areas	Director Works & Services	June 2020
Consider the impacts of climate variability on Council operations and infrastructure and provide information and expertise to assist the community to adapt to changes	Implement energy saving or lighting retrofits for one community building within the Shire	Manager Environment & Emergency	March 2020



5 SAFE AND HEALTHY COMMUNITIES

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Council will continue to provide and support a range of community and social support services	Implement outcomes of Aged and Disability Services Strategic Review	Manager Community Services	June 2020
	Promote awareness of children support services that are available within the community	Manager Community Services	June 2020
	Complete a strategic review of Family Day Care	Manager Community Services	Nov 2019
Engage with and listen to our communities	Implement online engagement tool module for website	Manager Growth & Engagement	Aug 2019
	Implement stage one of the Berrybank Windfarm projects	Manager Growth & Engagement	June 2020
Council will provide and support a range of opportunities that support people to engage in healthy and active lifestyles, the arts, recreation and sport	Develop a statistical profile of sport and recreation participation in the Shire	Manager Facilities & Recreation	March 2020
	Provide a club development workshop to encourage volunteerism and capacity building	Manager Facilities & Recreation	Feb 2020
	Allocate funding to the community through a grants program specifically for schematic design plans for facilities	Manager Facilities & Recreation	Oct 2019
Improved educational outcomes in Corangamite Shire	Prepare a Community Youth Plan in consultation with Youth Council	Manager Community Services	April 2020
	Upgrade public WiFi at static library branches	Director Works & Services	Sept 2019
Foster a partnership approach to Emergency Management and understanding risks	Expand the fire related community planning program to two additional towns within Corangamite	Manager Environment & Emergency	June 2020
	Develop signage for Bushfire Places of Last Resort to explain the role and function of these open spaces	Manager Environment & Emergency	March 2020
	Advocate to the State and Federal Government to address mobile black spot issues	CEO / Manager Growth & Engagement	March 2020

5 SAFE AND HEALTHY COMMUNITIES cont'd

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Foster a partnership approach to Emergency Management and understanding risks cont'd	Maintain Council as a signatory to the MAV resource sharing protocol	Manager Environment & Emergency	June 2020
Improve the health and wellbeing of our community	Advocate for external assessment of impact of St Patrick's Day fires on community health and wellbeing	Manager Environment & Emergency	June 2020

6 ORGANISATIONAL PERFORMANCE

COUNCIL PLAN OBJECTIVES	KEY ACTIONS	RESPONSIBILITY	COMPLETION DATE
Improved customer service through improved accessibility of services through on-line delivery	Improve website integration with corporate systems to enhance digital customer service delivery	Manager Information Services	June 2020
	Update corporate style guide	Manager Growth & Engagement	April 2020
Commitment to the education and training of our employees and the provision of a safe workplace	Install defibrillators in the Cobden, Timboon and Terang depots and Killara Centre	Manager Human Resources & Risk	Dec 2019
	Establish Council traineeships and apprentice positions	Manager Human Resources & Risk	Jan 2020
Achieve improved efficiencies through shared service, innovative practices and joint procurement	Purchase drone technology to help with building, tree and bridge inspections, to deliver efficiencies. (training and licence to use)	Manager Recreation & Facilities	December 2019

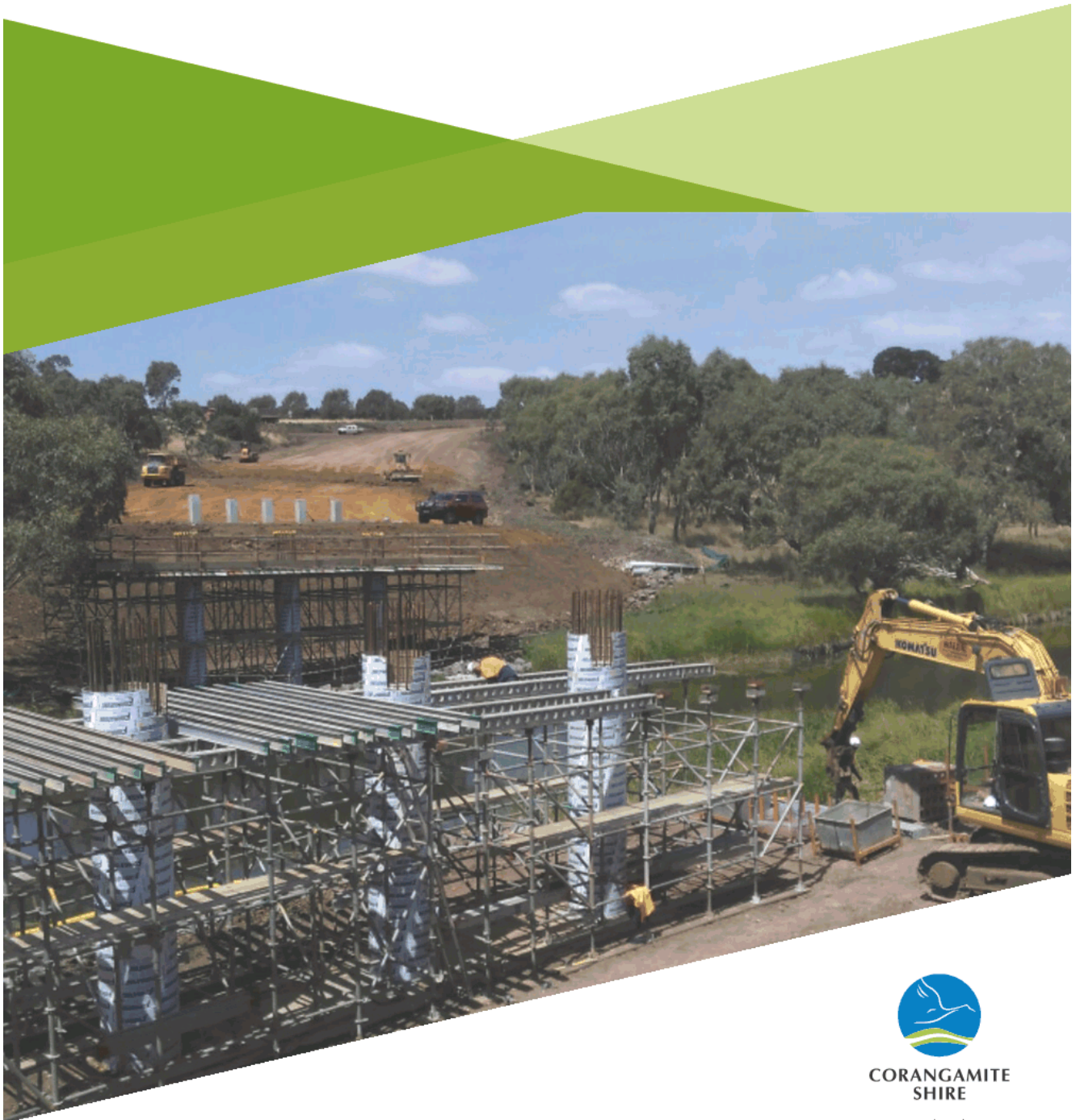
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CORANGAMITE SHIRE
STRATEGIC RESOURCE PLAN
2019-2023



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Strategic Resource Plan 2019-2023

The *Local Government Act* (the Act) requires a Strategic Resource Plan (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan.

In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared a SRP for the four years 2019-2020 to 2022-2023 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework.

The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan.

The key financial objectives, which underpin the SRP, are:

- Council will make budgetary decisions that ensures Council remains in a strong position now and into the future
- Council will deliver value for money by ensuring that services are required and delivered efficiently and sustainably
- Council will advocate strongly in relation to roads, cost shifting, and other Council and community priorities

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Council service providers, followed by a detailed sensitivity analysis to achieve the key financial objectives. When updating the SRP Council considers:

- Asset management in accordance with Council's asset management plans
- Annual assessment of Council's financial position
- A borrowing strategy that maintains debt management ratios within State Government prudential limits
- A rating strategy that minimises annual average rates increases and anticipates future ongoing restrictions on rate increases imposed by the State Government's rate capping framework
- A plan to use cash-backed reserves for future unfunded superannuation liability contributions and future landfill remediation works.

Financial resources

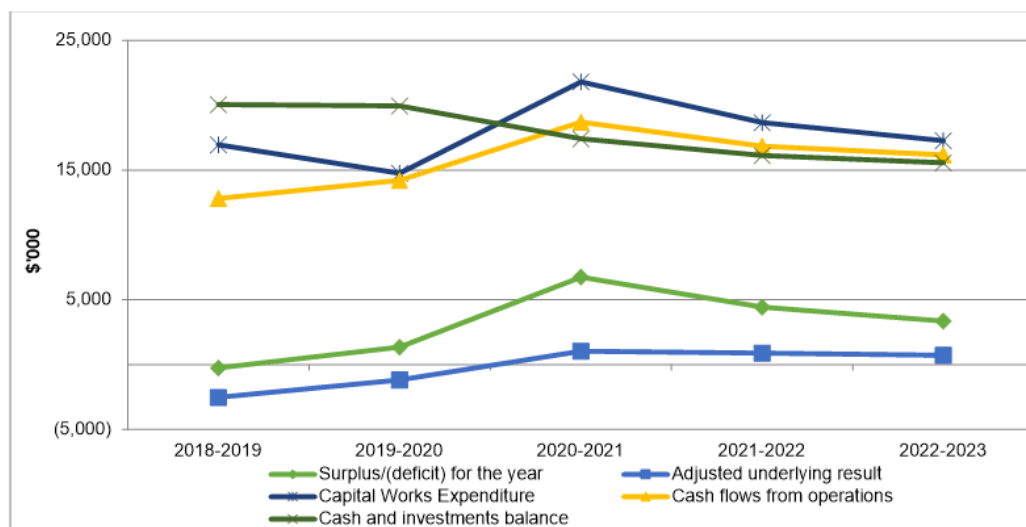
The following table summarises the key financial results for the next four years as set out in the SRP for years 2018-2019 to 2022-2023. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	+o/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	(249)	1,365	6,755	4,444	3,377	+
Adjusted underlying result	(2,522)	(1,170)	1,043	895	738	+
Cash and investments balance	20,058	19,971	17,435	16,145	15,590	-
Cash flows from operations	12,812	14,221	18,710	16,846	16,184	o
Capital works expenditure	16,949	14,756	21,809	18,656	17,273	+

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

The following graph shows the general financial indicators over the four year period.

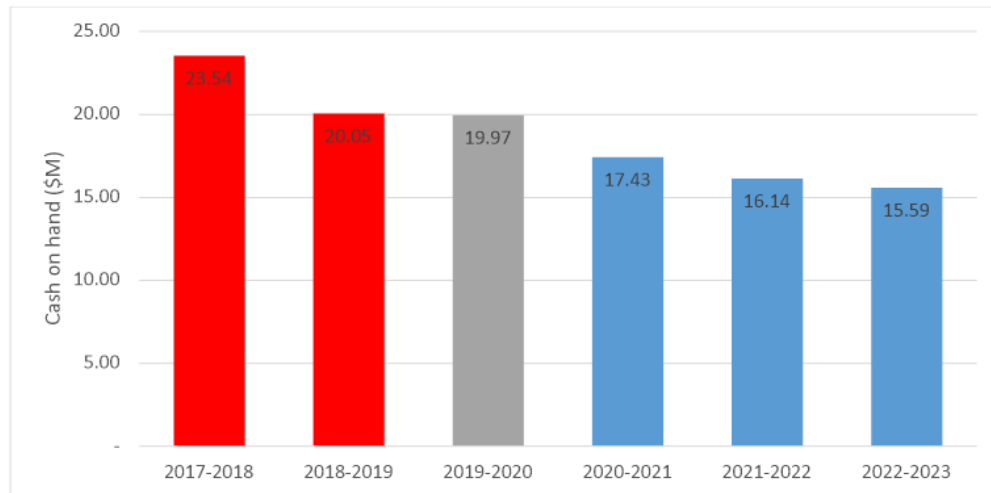


The following key assumptions were used to for the plan:

	2019-2020	2020-2021	2021-2022	2022-2023
	%	%	%	%
Consumer Price Index	2.50	2.50	2.50	2.50
Rate increases	2.50	2.50	2.50	2.50
Wages growth	2.00	2.25	2.25	2.25
Statutory fees	2.50	2.50	2.50	2.50
Investment return	2.50	2.25	2.25	2.25

Financial Sustainability

Cash and investments are forecast to decrease by \$4.38 million over the four year period from \$19.97 million to \$15.59 million. This decrease reflects the surplus funds accumulated being allocated to large scale capital projects over the term of the SRP.



Rating Levels

A 2.50% increase is budgeted for 2019-2020 in line with the State Government's rate capping framework.

A 2.5% increase has been forecast for final three years of the SRP. The projected rate increases are in accordance with anticipated CPI increases. The garbage charge is predicted to decrease by 4.72% in 2019-2020 to reflect the repayment of charges related to the recycling crisis. We anticipate the market will stabilise in the final three years of the SRP and increases have been set at CPI.

Year	General Rate	Municipal Charge	Garbage Charge	Total Rates
	Increase	Increase	Increase	Raised
	%	%	%	\$'000
2018-2019	2.25	2.25	21.42	21,609
2019-2020	2.50	2.50	-4.72	22,034
2020-2021	2.50	2.50	2.50	22,585
2021-2022	2.50	2.50	2.50	23,150
2022-2023	2.50	2.50	2.50	23,729

The existing rating structure comprises four differential rates (general, vacant industrial, farming and cultural and recreational). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the *Cultural and Recreational Lands Act 1963*, provision is made for a Council to levy the rate for recreational lands at "such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands".

The farm rate is set at 89.5% of the general rate, vacant industrial land is set at 120% of the general rate and the rate concession for recreational land is set at 50% of the general rate. Council also levies a municipal charge, a kerbside collection charge and a recycling charge as allowed under the Act.

Rate type	How applied	2018-2019	2019-2020	Total Raised \$000's	Change
General rate for rateable residential properties	Cents/\$ CIV	0.38137	0.37456	5,449	-1.8%
General rate for rateable commercial properties	Cents/\$ CIV	0.38137	0.37456	576	-1.8%
General rate for rateable industrial properties	Cents/\$ CIV	0.38137	0.37456	2,149	-1.8%
General rate for rateable farm properties	Cents/\$ CIV	0.34323	0.33523	10,239	-2.3%
General rate for rateable vacant industrial land properties	Cents/\$ CIV	0.45764	0.44947	15	-1.8%
General rate for cultural and recreational land properties	Cents/\$ CIV	0.19069	0.18728	6	-1.8%
Municipal charge	\$/ property	\$197.65	\$202.50	1,635	2.5%
Kerbside collection charge	\$/ property	\$360.00	\$343.00	1,591	-4.7%

Service delivery strategy

From 2019-2020, until the remainder of the SRP, no significant changes to service levels are anticipated based on the rating assumptions previously mentioned. Operating surpluses are forecast for all years as a result of capital grant revenue being received to fund the annual capital works program.

Excluding the effects of items such as capital contributions, the adjusted underlying result is a small surplus over the four year period. The net cost of the services provided to the community increases from \$20.56 million to \$21.28 million over the four year period.

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2018-2019	(249)	(2,522)	(16,899)
2019-2020	1,360	(1,175)	(20,557)
2020-2021	6,750	1,038	(20,143)
2021-2022	4,439	890	(20,682)
2022-2023	3,371	733	(21,282)

Borrowing strategy

Council repaid all borrowings in 2017-2018 and has not forecast any further borrowings in the four years of the SRP.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2018-2019	-	-	-	-
2019-2020	-	-	-	-
2020-2021	-	-	-	-
2021-2022	-	-	-	-
2022-2023	-	-	-	-

Infrastructure strategy

Capital Expenditure proposed over the four year period will total \$72.49 million at an average of \$18.12 million. Excluding the cost of the large scale capital projects (Twelve Apostles Trail and Port Campbell Streetscape) the average capital expenditure would be \$14.57 million.

Year	Total Capital Program	Summary of funding sources		
		Grants	Contributions	Council Cash
	\$'000	\$'000	\$'000	\$'000
2018-2019	16,949	3,864	338	12,747
2019-2020	14,756	4,363	111	10,282
2020-2021	21,809	7,586	160	14,062
2021-2022	18,656	5,470	158	13,029
2022-2023	17,273	4,607	161	12,505

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
			2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	8.4%	-5.8%	-3.2%	-1.6%	-1.7%	-2.0%	o
Liquidity									
Working Capital	Current assets / current liabilities	2	366.5%	315.2%	313.8%	274.2%	252.0%	240.1%	o
Unrestricted cash	Unrestricted cash / current liabilities		316.4%	208.8%	214.5%	213.6%	205.6%	207.1%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		11.2%	11.7%	0.0%	0.0%	0.0%	0.0%	o
Indebtedness	Non-current liabilities / own source revenue		12.4%	9.6%	9.3%	7.8%	8.5%	8.7%	o
Asset renewal	Asset renewal expenses / Asset depreciation	4	74.8%	114.8%	105.7%	127.2%	133.6%	139.4%	+
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	48.8%	47.2%	48.6%	46.1%	48.3%	49.4%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		3,996	4,787	4,571	4,393	4,516	4,644	+
Revenue level	Residential rate revenue / no. of residential property assessments		1,242	869	895	918	941	964	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		11.16%	7.50%	7.50%	7.50%	7.50%	7.50%	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

Notes to indicators

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period meaning council will not have to rely on cash reserves or borrowings to maintain services.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to remain steady at an acceptable level.

3 Debt compared to rates - Trend indicates Council's not having any projected borrowings in the four years of the Strategic Resource Plan.

4 Asset renewal - This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

5 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become less reliant on rate revenue compared to all other revenue sources.

Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also require non-financial resources, in particular human resources. A summary of Council's anticipated human resource requirements for the 2018-2019 year is shown below.

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	14,638	15,140	15,481	15,803	16,236
Employee costs - capital	1,386	1,413	1,442	1,470	1,500
Total staff expenditure	16,024	16,554	16,923	17,274	17,736
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	185	185	185	185	185
Total staff numbers	185	185	185	185	185

Department	Budget	Comprises		Casual
	2019-2020	Permanent		
	\$'000	Full Time	Part time	
		\$'000	\$'000	\$'000
Corporate & Community Services	4,610	2,971	1,587	52
Executive Services	1,082	634	411	36
Sustainable Development	2,966	2,367	563	36
Works & Services	6,482	6,282	181	19
Total permanent staff expenditure	14,996			
Casuals, temporary and other expenditure	143			
Capitalised labour costs	1,413			
Total expenditure	16,553			

Department		Comprises		
	Budget	Permanent		Casual
	2019-2020	Full Time	Part time	
Corporate & Community Services	60	40	19	1
Executive Services	13	7	5	1
Sustainable Development	32	24	7	1
Works & Services	58	56	2	0
Capitalised labour	22	21		1
Total staff	185			

Appendix A

Financial Statements

The appendix presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2019-2020 to 2022-2023 forms part of the Strategic Resource Plan.

The appendix includes the following information:

1.1 Statements

- 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 2023

		Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates and charges	4.1.1	21,609	22,034	22,585	23,150	23,729
Statutory fees and fines		498	443	454	465	477
User fees		5,982	6,014	6,164	6,318	6,476
Grants - Operating	4.1.2	12,534	11,407	11,198	11,443	11,694
Grants - Capital	4.1.2	3,872	4,363	7,586	5,470	4,607
Contributions - monetary		455	239	160	158	161
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		18	-	-	-	-
Other income		850	860	883	907	931
Total income		45,816	45,360	49,030	47,911	48,074
Expenses						
Employee costs		14,638	15,140	15,481	15,803	16,236
Materials and services		15,523	13,055	11,913	12,221	12,537
Depreciation and amortisation		12,876	12,856	11,863	12,298	12,701
Bad and doubtful debts		97	3	3	3	3
Borrowing costs		-	-	-	-	-
Other expenses		2,931	2,942	3,016	3,142	3,221
Total expenses		46,065	43,995	42,275	43,467	44,698
Surplus/(deficit) for the year		(249)	1,365	6,755	4,444	3,377
Other comprehensive income						
Net asset revaluation increment /(decrement)		-	10,000	10,000	10,000	10,000
Total comprehensive result		(249)	11,365	16,755	14,444	13,377

Balance Sheet

For the four years ending 30 June 2023

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	20,058	19,971	17,435	16,145	15,590
Trade and other receivables	2,500	2,500	2,563	2,627	2,692
Other financial assets	25	12	8	-	-
Inventories	80	80	82	84	86
Other assets	494	494	507	519	532
Total current assets	23,157	23,057	20,594	19,375	18,900
Non-current assets					
Trade and other receivables	46	46	47	49	50
Other financial assets	13	-	-	-	-
Investments in associates, joint arrangement and subsidiaries	265	265	265	265	265
Property, infrastructure, plant & equipment	464,116	475,593	494,980	510,826	524,865
Total non-current assets	464,440	475,904	495,292	511,139	525,179
Total assets	487,597	498,962	515,887	530,514	544,080
Liabilities					
Current liabilities					
Trade and other payables	3,261	3,261	3,342,316	3,426	3,512
Trust funds and deposits	236	236	241,474	248	254
Provisions	3,851	3,851	3,927,726	4,016	4,106
Interest-bearing liabilities 4.1.3	-	-	-	-	-
Total current liabilities	7,347	7,347	7,512	7,689	7,872
Non-current liabilities					
Provisions	3,560	3,560	3,565	3,571	3,577
Interest-bearing liabilities 4.1.3	-	-	-	-	-
Total non-current liabilities	3,560	3,560	3,565	3,571	3,577
Total liabilities	10,907	10,907	11,076	11,261	11,449
Net assets	476,690	488,055	504,810	519,254	532,631
Equity					
Accumulated surplus	178,122	180,005	189,511	194,936	199,284
Reserves	298,568	308,050	315,299	324,318	333,347
Total equity	476,690	488,055	504,810	519,254	532,631

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

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
2019 Forecast Actual				
Balance at beginning of the financial year	476,940	184,171	290,749	2,020
Surplus/(deficit) for the year	(249)	(249)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(5,859)	-	5,859
Transfers from other reserves	-	60	-	(60)
Balance at end of the financial year	476,691	178,123	290,749	7,819
2020 Budget				
Balance at beginning of the financial year	476,691	178,123	290,749	7,819
Surplus/(deficit) for the year	1,365	1,365	-	-
Net asset revaluation increment/(decrement)	10,000	-	10,000	-
Transfers to other reserves	-	(527)	-	527
Transfers from other reserves	-	1,046	-	(1,046)
Balance at end of the financial year	488,056	180,006	300,749	7,301
2021 Budget				
Balance at beginning of the financial year	488,056	180,006	300,749	7,301
Surplus/(deficit) for the year	6,755	6,755	-	-
Net asset revaluation increment/(decrement)	10,000	-	10,000	-
Transfers to other reserves	-	(526)	-	526
Transfers from other reserves	-	3,112	-	(3,112)
Balance at end of the financial year	504,811	189,347	310,749	4,715
2022 Budget				
Balance at beginning of the financial year	504,811	189,347	310,749	4,715
Surplus/(deficit) for the year	4,444	4,444	-	-
Net asset revaluation increment/(decrement)	10,000	-	10,000	-
Transfers to other reserves	-	(527)	-	527
Transfers from other reserves	-	1,112	-	(1,112)
Balance at end of the financial year	519,254	194,376	320,749	4,130
2023 Budget				
Balance at beginning of the financial year	519,254	194,376	320,749	4,130
Surplus/(deficit) for the year	3,377	3,377	-	-
Net asset revaluation increment/(decrement)	10,000	-	10,000	-
Transfers to other reserves	-	(528)	-	528
Transfers from other reserves	-	1,103	-	(1,103)
Balance at end of the financial year	532,631	198,327	330,749	3,556

Statement of Cash Flows

For the four years ending 30 June 2023

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018- 2019 \$'000	2019-2020 \$'000	2020- 2021 \$'000	2021- 2022 \$'000	2022- 2023 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	21,728	22,034	22,523	23,086	23,663
Statutory fees and fines	498	443	454	465	477
User fees	5,884	6,011	6,162	6,316	6,474
Grants - operating	12,534	11,407	11,198	11,443	11,694
Grants - capital	3,872	4,363	7,586	5,470	4,607
Contributions - monetary	455	239	160	158	161
Interest received					
Other receipts	845	860	882	906	930
Net GST refund / payment	-	-	-	-	-
Employee costs	(14,548)	(15,140)	(15,405)	(15,715)	(16,146)
Materials and services	(18,456)	(15,997)	(14,849)	(15,282)	(15,675)
Trust funds and deposits repaid		-	-	-	-
Other payments		-	-	-	-
Net cash provided by/(used in) operating activities	12,812	14,221	18,710	16,846	16,184
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(16,949)	(14,756)	(21,809)	(18,656)	(17,273)
Proceeds from sale of property, infrastructure, plant and equipment	591	424	559	513	534
Payments for investments	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-
Loan and advances made	63	25	4	8	-
Payments of loans and advances		-	-	-	-
Net cash provided by/ (used in) investing activities	(16,295)	(14,308)	(21,246)	(18,135)	(16,739)
Cash flows from financing activities					
Finance costs	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-
Net cash provided by/(used in) financing activities	-	-	-	-	-
Net increase/(decrease) in cash & cash equivalents	(3,482)	(87)	(2,536)	(1,290)	(555)
Cash and cash equivalents at the beginning of the financial year	23,540	20,058	19,971	17,435	16,145
Cash and cash equivalents at the end of the financial year	20,058	19,971	17,435	16,145	15,590

Statement of Capital Works

For the for years ending 30 June 2023

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land	-	-	51	53	75
Total land		-	51	53	75
Buildings	2,067	1,401	1,123	1,360	968
Total buildings	2,067	1,401	1,123	1,360	968
Total property	2,067	1,401	1,175	1,413	1,044
Plant and equipment					
Furniture and equipment	12	-	21	18	-
Heavy Fleet and Minor Plant	2,126	1,170	1,501	979	1,265
I.T. Hardware/Software	803	142	518	557	269
Light Fleet	-	359	600	615	630
Total plant and equipment	2,941	1,671	2,638	2,169	2,165
Infrastructure					
Artworks	20	50	51	32	32
Bridges	2,304	610	513	431	495
Drainage	196	-	461	473	485
Footpaths	267	206	222	218	196
Kerb and channel	365	233	250	297	318
Parks and gardens	-	1,510	2,783	494	345
Playgrounds and Skate Parks	202	42	174	63	65
Roads	7,505	8,239	7,812	6,065	6,563
Streetscapes	832	250	3,690	3,894	3,888
Waste	250	295	2,040	3,109	1,679
Total infrastructure	11,941	11,435	17,996	15,075	14,065
Total capital works expenditure	16,949	14,506	21,809	18,656	17,273
Represented by:					
New asset expenditure	2,170	2,503	8,678	4,328	1,823
Asset renewal expenditure	13,851	9,239	11,310	13,167	13,973
Asset upgrade expenditure	928	2,765	1,821	1,162	1,477
Total capital works expenditure	16,949	14,506	21,809	18,656	17,273
Funding sources represented by:					
Grants	3,864	4,363	7,586	5,470	4,607
Contributions	338	111	160	158	161
Council cash	12,747	10,282	14,062	13,029	12,505
Borrowings	-	-	-	-	-
Total capital works expenditure	16,949	14,756	21,809	18,656	17,273

Statement of Human Resources

For the four years ending 30 June 2023

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018- 2019 \$'000	2019- 2020 \$'000	2020- 2021 \$'000	2021- 2022 \$'000	2022- 2023 \$'000
Staff expenditure					
Employee costs - operating	14,638	15,140	15,481	15,803	16,236
Employee costs - capital	1,386	1,413	1,442	1,470	1,500
Total staff expenditure	16,024	16,553	16,923	17,274	17,736
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	185	185	185	185	185
Total staff numbers	185	185	185	185	185



**CORANGAMITE
SHIRE**

Corangamite Shire Council

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6.2 Budget 2019-2020

Author: Adam Taylor, Manager Finance

File No:

Previous Council Reference: Nil

Declaration

Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Adam Taylor

In providing this advice to Council as the Manager Finance, I have no interests to disclose in this report.

Summary

The purpose of this report is for Council to consider and adopt the 2019-2020 Budget, incorporating the 2019-2020 Fees and Charges Schedule in accordance with the *Local Government Act 1989* (the Act). The 2019-2020 Budget is attached to this report under separate cover.

Introduction

At the Ordinary Council Meeting held on 23 April 2019, Council resolved a number of matters including:

1. Preparation of Budget
2. Public notice, display and inspection
3. Invitation of submissions.

For 2019-2020 an operating surplus of \$1.365 million has been budgeted with a capital works program of \$14.756 million. Key performance indicators include delivery of a year-end unrestricted working capital ratio of 215%. The proposed underlying rate increase is 2.50% in accordance with the State Government rate cap.

The proposed 2019-2020 Budget was advertised widely in newspapers across the Shire and copies of the Budget have been available for inspection at the Civic Centre and on Council's website since 24 April 2019.

Issues

As required by the *Local Government Act 1989*, the 2019-2020 draft Budget was placed on public exhibition and submissions invited for a period in excess of 28 days, closing on 31 May 2019. A total of four submissions were received during the statutory public notice period and one was received prior to this period. Two submitters requested to present to a committee of the whole Council in support of their submission on 4 June 2019, however one submitter cancelled their presentation on the day.

The 2019-2020 Budget has been prepared to ensure that Council continues to maintain its services and meet the objectives of Council's asset management and Strategic Resource Plan in a financially constrained environment. The principles of sound financial management requires Council to deliver recurrent operating surpluses, continue to invest in asset renewal and maintain adequate liquidity. All of which are delivered within the 2019-2020 Budget.

Changes to the 2019-2020 Draft Budget

During the exhibition period Council received additional information which has been updated in the attached budget:

- An estimate of Financial Assistance Grants to be received from the Commonwealth for 2019-2020 would be \$196,127 greater than draft budget. It is recommended to recognise this income in the budget but not introduce any new expenditure.
- The Victorian Valuer-General finalised the 2019 valuations of ratepayer properties within the shire. As a result there have been minor changes to the advertised general rate and differentials as shown below. The changes in valuation data impacts the burden of rates across the shire but does not have any material impact on the amount of rates income raised.

Type or class of land	2019-2020 Draft Budget (as advertised)	2019-2020 Budget (Finalised Revaluation)
	cents/\$CIV	cents/\$CIV
General Rate	0.37451	0.37456
Farm Rate	0.33519	0.33523
Vacant Industrial Land Rate	0.44941	0.44947
Cultural & Recreational Land Rate	0.18726	0.18728

2019-2020 Budget Outcomes

Key financial outcomes for the 2019-2020 Budget are as follows:

	2019-2020 Budget
Operating result	\$1,365,053
Rate income	\$22,034,273
Underlying rate increase	2.50%
Total Increase in rates & charges	1.92%
Operating expenditure	\$31,139,937
Capital expenditure	\$14,756,400
Loan redemption including interest	nil
Transfer to reserves	\$527,480
Total budget commitments	\$46,423,817
Cash balance at year end	\$19,967,782
Borrowings at year end	nil
Working Capital Ratio	215%

Rate Income

Rates and Charges will account for 48% of the total Council revenue in 2019-2020. An increase in rate income is required to meet Council's aspirations and community expectations for new and existing infrastructure. The Strategic Resource Plan includes rate increases equal to an estimate of CPI over the next four years.

The total increase in rates and charges for 2019-2020 is 2.56% due to annualisation of supplementary income. The decrease in the Waste Management Charge will be 4.53% and includes a \$19 adjustment relating to 2018-2019. This equates to an increase in total rates and charges of 1.92% on the 2018-2019 forecast. This is detailed below.

Type of Charge	2018-2019 Forecast	2019-2020 Budget	Increase	Comments
General Rates	17,972,900	18,434,273	2.57%	
Municipal Charge	1,676,825	1,718,213	2.47%	Applicable for recipients of the service
	19,649,725	20,152,486	2.56%	Increase in rates and charges including supplementary rates
Waste Management Charge	1,943,659	1,855,547	-4.53%	Decreased cost of service
TOTAL	21,593,384	22,008,033	1.92%	Total increase in rates & charges

Council is also responsible for collecting the Victorian State Government Fire Services Property Levy. The levy appears on rate notices as a separate charge. Council does not derive any benefit and is required to remit amounts collected to the State Revenue Office quarterly. The fire services levy is not subject to Councils rate cap and some components of the increase will increase in excess of 15%.

Operating Expenditure

Council's budgeted operating expenditure for 2019-2020 will be \$31.14 million (on a "cash" basis). This represents an increase of \$1.77 million, or 6.2% over the 2018-2019 Adopted Budget as per the following table:

	2018-2019 Adopted Budget	2019-2020 Draft Budget	2018-2019 v 2019-2020 Favourable / (Unfavourable)	
Operating Expenditure (Cash)	\$29,372,146	\$31,139,937	(\$1,767,791)	(6.20%)

The total operating initiatives are contained within the budget (refer to Section 2) and total \$3.577 million, of which \$3.095 million will come from council operations, \$397,200 from external grants and \$102,500 from community contributions. This is an increase of \$1.545 million on the previous year and accounts for most of the increase in operating expenditure.

Capital Expenditure

The total Capital Works program will be \$14.756 million, of which \$10.28 million will come from Council operations, \$4.363 million from external grants, \$0.111 million from special charge schemes and community contributions. Details are provided in Section 4.5 of the attached Budget document. Council will continue to heavily invest in its road network through capital renewal, which is also supplemented by programmed maintenance.

The 2019-2020 Capital works program includes:

- \$8.23 million on road assets with grant income of \$3.44 million budgeted
- \$1.67 million of heavy plant and light fleet replacements
- \$1.51 million of parks and gardens
- \$3.35 million of other projects including building, kerb and channel, information technology, footpaths and recreation projects.

A substantial part of the capital works program is based on existing asset management plans. Other projects have been included to take advantage of external funding opportunities and to deliver community planning outcomes. Council's asset renewal gap for 2019-2020 is projected to be 108% against a long-term target of 100%. Council's four year Strategic Resource Plan forecasts an average annual renewal ratio of 114%.

Major Budget Initiatives

Some major budget initiatives included in the 2019-2020 budget include:

Project	Amount
Foxhow Berrybank Road Widening	\$1,656,000
Twelve Apostles Trail – Stage 1 Construction	\$1,480,000
Port Campbell Toilet Block	\$500,000
Derrinalum Streetscape	\$200,000
Implementation actions from the Fire Debriefing Report	\$165,000
Population and Migration Attraction Program	\$100,000
Simpson Strategic Planning Project	\$30,000

Borrowings

The Budget provides for no new borrowings in 2019-2020.

Reserve Transfers

The Naroghid Landfill has an estimated remaining life of 53 years. The current net present value estimate for restoration and monitoring is \$5.199 million and was recently reviewed in January 2017. The draft budget includes a \$93,000 transfer to the Landfill Restoration Reserve. This additional allocation will create a reserve of \$566,816 as at 30 June 2020.

Statutory Disclosures

The 2018-2019 Budget includes the disclosure requirements of the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2014*. The required statutory information pertaining to Rates and Charges is detailed within Section 4.1.

Policy and Legislative Context

Council is required under the Act to adopt the Budget by 30 June 2019. Council is required to undertake public consultation as part of the process. The Budget is Council's annual financial strategic document and has been prepared in accordance with its commitment in the Council Plan 2017-2021 that:

Council will make budgetary decisions that ensures Council remains in a strong financial position now and into the future.

Council will deliver value for money by ensuring that services are required and delivered efficiently and sustainably.

Council will advocate strongly in relation to roads, cost shifting, and other Council and community priorities.

Internal / External Consultation

The Budget has been developed following an extensive consultation process with Councillors and officers, and using information from Council adopted strategies and plans, including asset management plans.

Council advertised the 2019-2020 Budget and called for public submissions under Section 223 of the *Local Government Act 1989*.

Submissions

Council has received four submissions to the 2019-2020 Budget during the statutory public notice period and one submission prior to this period. One submitter appeared at a meeting of the Committee of the whole Council on 4 June 2019 commencing at 11.00am to present in support of their submission.

Submissions have been provided to Councillors as received and each submission is provided under separate cover. A summary and analysis of the submissions is provided below.

Issue		Submissions Received	Theme of Submission	Officers Response
1	Differential Rates	4	Corangamite Shire should have a lower differential rate for farming properties	The current differential rate is 89.5% following the direction set in the Rating Strategy which was adopted last year. A more aggressive change in the differential would result in instability in the rating burden. Council would like to see the outcome of the state wide rating reviewing before making any changes to the rating strategy.
2	Sealing of Road	1	Request to seal Boundary Road, Cobden	This is an operational issue that will be reviewed and considered as a part of Council's road maintenance program.

Financial and Resource Implications

The Budget has been prepared in accordance with the direction provided by Council and in accordance with Council's Long Term Financial Plan. The Budget has been prepared within the following parameters:

- A 1.92% increase in rates and charges which results from compliance with the rate cap of 2.50% plus supplementary rates and offset by adjustment to Waste Management Charge
- An operating result of \$1.365 million
- A capital works program of \$14.756 million
- An unrestricted working capital ratio of 215% to maintain a solid liquidity buffer for Council to meet its short term obligations

- Capital budgets have been prepared in accordance with good asset management principles.

Contained within the 2019-2020 Budget document is:

- Detailed information on project initiatives, staffing and resources
- Detailed capital works program included proposed future capital expenditure
- 2019-2020 Fees and Charge Schedule (Appendix A).

Options

Council may choose to either:

1. Adopt the 2019-2020 Budget, incorporating the 2019-2020 Fees and Charges Schedule, as attached, being the advertised budget with the proposed amendments described above, or
2. Adopt the 2019-2020 Budget, incorporating the 2019-2020 Fees and Charges Schedule, as attached with additional amendments. If amendments are proposed that result in additional cost, Council should consider alternate savings.

Conclusion

The 2019-2020 Budget maintains Council's sound financial position with a strong commitment to a high standard of services, complemented by a significant capital works program.

The 2019-2020 Budget presented to Council is balanced and has regard to the key indicators that reflect Council's financial sustainability.

RECOMMENDATION

That Council:

1. **Adopts the Budget as presented.**
2. **Authorises the Chief Executive Officer to give public notice of this decision to adopt such Budget, in accordance with Section 130(2) of the *Local Government Act 1989*.**
3. **Adopts the following determinations on the rates and charges and other matters for the 2019-2020 financial year.**
 - (a) **That an amount of \$22,029,360 be declared as the amount which Council intends to be raised by rates and charges for 2019-2020 – 1 July 2019 to 30 June 2020, calculated as follows:**

	\$
General Rate	8,174,370
Farm Rate (89.5% of General Rate)	10,238,886
Vacant Industrial Land Rate (120% of General Rate)	14,855
Recreation and Cultural Rate (50% of General Rate)	6,162
Municipal Charge	1,718,213
Waste Management Charge	1,855,547
Rating Agreements	26,240
Total Amount to be raised	22,034,273

GENERAL RATES

- (b) General rates be declared for the period commencing on 1 July 2019 and concluding on 30 June 2020.
- (i) It be further declared that general rate income be raised by the application of a general rate being 0.37456 cents in the dollar.
- (ii) It be confirmed that the general rate for all rateable land within the Corangamite Shire be determined by multiplying the Capital Improved Value of rateable land by the rate in the dollar.

DIFFERENTIAL RATES

- (c) That different rates in the dollar be declared for different classes of property.

	cents/\$CIV
General Rate	0.37456
Farm Rate	0.33523
Vacant Industrial Land Rate	0.44947
Cultural & Recreational	0.18728

CLASSES OF PROPERTY

- (i) Farm land:

- A differential rate for farm land be declared for that rateable land classified as farm land under the Rating Strategy for the 2019-2020 rating year.
- The differential rate be determined by multiplying the Capital Improved Value of the rateable land by the percentage indicated below:

Category	Cents in \$ Capital Improved Value	Percentage
Farm Land	0.33523	89.5% of General Rate

- (ii) Vacant Industrial land:

- A differential rate for vacant industrial land be declared for that rateable land classified as vacant industrial land under the Rating Strategy for the 2019-2020 rating year.
- The differential rate be determined by multiplying the Capital Improved Value of the rateable land by the percentage indicated below:

Category	Cents in \$ Capital Improved Value	Percentage
Vacant Industrial Land	0.44947	120% of General Rate

- **A differential rate for cultural and recreational land be declared for that rateable land classified as Cultural and Recreational under the Rating Strategy for the 2019-2020 rating year and listed in the Rating Strategy.**
- **Rateable land:**
 - **Terang Trotting Club**
 - **Camperdown Racecourse, and**
 - **Terang Racecourse.**
- **The differential rate be determined by multiplying the Capital Improved Value of the rateable land by the percentage indicated below:**

Category	Cents in \$ Capital Improved Value	Percentage
Cultural & Recreational Land	0.18728	50% of General Rate

(d) A Municipal Charge be declared for the period commencing on 1 July 2019 and concluding on 30 June 2020.

(i) The Municipal Charge be declared for the purpose of covering some of the administrative costs of Council.

(ii) The Municipal Charge be fixed at \$202.50 for each rateable land (or part) in respect of which a Municipal Charge may be levied.

(e) Annual service charges be declared for the period commencing on 1 July 2019 and concluding on 30 June 2020.

(i) Waste Management Charge covers kerbside waste collection and disposal where available, emptying and disposal of public rubbish and recycling bins, public education programs and costs associated with contract administration and dealing with customer service inquiries. “Kerbside waste” includes general waste, green waste (including kitchen organics) and recyclables.

General Charge	\$343.00
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(f) **The Rate Revenue Coordinator be authorised to levy and recover the general rates, the municipal charges and annual service charges described earlier in this resolution in accordance with the *Local Government Act 1989*.**

INTEREST RATE

- (g) The rate of interest is in accordance with Section 172(2) and 227A of the *Local Government Act 1989*, calculated at the rate fixed under Section 2 of the *Penalty Interest Rates Act 1983* that applied on the first day of July immediately before the due date for the payment.

COUNCIL RESOLUTION

MOVED: *Cr Brown*

SECONDED: *Cr Beard*

That the recommendation be adopted.

CARRIED

Attachments

1. Budget 2019-2020 - Under Separate Cover
2. 2019-2020 Budget Submissions combined - Under Separate Cover - Confidential

Meeting Closed: 5.21 pm

I hereby certify that these minutes have been confirmed and are a true and correct record.

CONFIRMED:

(Chairperson)

DATE: