



## ORDINARY COUNCIL MEETING

Tuesday 23 April 2019

6:00pm

Community Hub

Room 1

48 Burns Street, Maryborough

### AGENDA

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1.	Commencement of Meeting, Welcome and Opening Prayer	
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5.	Confirmation of the Minutes of the Previous Council Meeting	3
6.	Reports from Committees	
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7.	Petitions NIL	
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8.1	<b>ASSEMBLIES OF COUNCILLORS</b>	<b>6</b>
8.2	<b>APPOINTMENT OF A PUBLIC PLACES TREE ADVISORY COMMITTEE</b>	<b>9</b>
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8.4	<b>DRAFT RATING STRATEGY 2019-2021</b>	<b>36</b>
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8.8	<b>AUDIT AND RISK COMMITTEE CHARTER UPDATE</b>	<b>55</b>
8.9	<b>APPOINTMENT OF SUBSTITUTE REPRESENTATIVE TO MAV STATE COUNCIL</b>	<b>58</b>

9. Notices of Motion Nil

10. Urgent Business

11. Confidential Business Nil

12. Meeting Close

## 5 CONFIRMATION OF THE MINUTES OF PREVIOUS COUNCIL MEETINGS

**Author:** Manager Governance Property and Risk

**Responsible General Manager:** Chief Executive Officer

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### **SUMMARY/PURPOSE:**

To present for confirmation, the minutes of the Ordinary Council Meeting held on 26 March 2019.

### **POLICY CONTEXT:**

Central Goldfields Shire Council's Council Plan 2017-2021 (2018 Refresh) – Our Organisation

**Outcome:** Central Goldfields Shire is proactive, well governed, professional and financially sustainable organisation.

**4.3 Objective:** Provide leadership in governance and Council decision making

### **BACKGROUND INFORMATION:**

The minutes of meetings remain unconfirmed until the next meeting of Council.

### **REPORT:**

Section 93 of the *Local Government Act 1989* requires Council to keep minutes of each meeting of the Council and Special Committees, and for minutes to be submitted to the next appropriate meeting for confirmation.

### **CONCLUSION:**

The unconfirmed minutes of the Ordinary Council Meeting held on 26 March 2019 are presented for confirmation.

### **ATTACHMENTS:**

1. Minutes of Ordinary Council Meeting held 26 March 2019.

### **RECOMMENDATION:**

*That Council confirms the Minutes of the Ordinary Council Meeting held on 26 March 2019.*



## **ORDINARY MEETING OF COUNCIL MINUTES**

Tuesday 26 March 2019  
6:00pm

Council Chamber  
Room 1 Community Hub  
48 Burns Street  
Maryborough

### **MEMBERSHIP**

Administrator Noel Harvey  
Administrator Karen Douglas  
Administrator Hugh Delahunty

To be confirmed at the Ordinary Council Meeting  
scheduled for 23 April 2019

# UNCONFIRMED MINUTES

## 1. COMMENCEMENT OF MEETING AND WELCOME

The meeting commenced at 6.00pm

The Chair, Administrator Noel Harvey read the Council Prayer and acknowledgement statement:

### **Council Prayer**

Almighty God, we ask you to be present in this Council.

Direct and guide our deliberations.

We ask you to grant us wisdom and sensitivity as we deal with the business of our Shire.

May each decision that we make advance the wellbeing of all our residents.

This we pray. Amen.

### **Acknowledgement of Country**

I acknowledge the Traditional Owners of the land on which we are meeting. I pay my respects to their Elders, past and present, and the Elders from other communities who may be here today.

## **PRESENT**

Administrator Noel Harvey  
Administrator Karen Douglas  
Administrator Hugh Delahunty

## **IN ATTENDANCE**

Chief Executive Officer, Lucy Roffey  
General Manager Corporate Performance, Paul Brumby  
General Manager Infrastructure, Assets and Planning, Rebecca Stockfeld  
General Manager Community Wellbeing, Brenton West

The Chair of the Administrators noted that this would be the General Manager Community Wellbeing's last Council Meeting and thanked Brenton for his contribution with Council.

## 2. APOLOGIES

Nil

## 3. LEAVE OF ABSENCE

Nil

## 4. DISCLOSURES OF CONFLICTS OF INTEREST

Nil

## UNCONFIRMED MINUTES

### 5. CONFIRMATION OF THE MINUTES OF THE PREVIOUS COUNCIL MEETING

The purpose of this report was to present for confirmation, the minutes of the Ordinary Council Meeting held on 26 February 2019.

#### **Council Resolution**

*That Council confirms the Minutes of the Ordinary Council Meeting held on 26 February 2019 as amended.*

**Moved** Administrator Delahunty  
**Seconded** Administrator Douglas

**CARRIED**

### 6. REPORTS FROM COMMITTEES

#### 6.1 NOTING OF THE APPROVED MINUTES OF SPECIAL COMMITTEE MEETINGS

The purpose of this report was to present for noting the confirmed minutes of Council's Special Committees established under section 86 of the Local Government Act 1989.

#### **Council Resolution**

*That Council notes the confirmed Minutes of the Audit and Risk Committee Meeting Minutes 4 December 2018.*

**Moved** Administrator Douglas  
**Seconded** Administrator Delahunty

**CARRIED**

### 7. PETITIONS

Nil

### 8. OFFICER REPORTS

#### 8.1 ASSEMBLIES OF COUNCILLORS

The purpose of this report was to provide the record of any assembly of Councillors, which has been held since the last Council Meeting, so that they are recorded in the minutes of the formal Council Meeting.

#### **Council Resolution**

*That Council note the record of Assemblies of Councillors as outlined in the report.*

**Moved** Administrator Delahunty  
**Seconded** Administrator Douglas

**CARRIED**

# UNCONFIRMED MINUTES

## 8.2 PROPOSED ROAD NAME – WORRALL COURT

The purpose of the report is to recommend that Council names two sections of road on PS807060 as Worrall Court and Hosken Street, Maryborough. Worrall Court has been suggested in recognition of John “Jack” Worrall. Hosken Street is the continuation of a current street of that name.

### Council Resolution

*That Council:*

1. Approves Hosken Street as the road name for R1 on PS807060
2. Approves Worrall Court as the road name for R2 on PS807060
3. Submits the names Hosken Street and Worrall Court to Geographic Names
4. Advises the developer of subdivision PS 807060 of this decision.

**Moved Administrator Douglas**  
**Seconded Administrator Delahunty**

**CARRIED**

## 8.3 LEASE PART OF MARYBOROUGH AERODROME TO AMBULANCE VICTORIA

The purpose of this report is to advise on the outcome of the statutory process and recommend that Council enters into a site lease agreement with Ambulance Victoria for site 1/136 located at 152 Leviathan Road, Maryborough Aerodrome.

### Council Resolution

*That Council*

1. Enters into a 21 year lease agreement with Ambulance Victoria for site 1/136 located at 152 Leviathan Road, Maryborough Aerodrome (comprising an area of 408m<sup>2</sup>), with an initial term of seven years plus two options for a further seven years each, at a rental of \$104 plus GST per annum.
2. Authorises the CEO to sign and seal all documentation required to effect the lease agreement with Ambulance Victoria for site 1/136 located at 152 Leviathan Road, Maryborough Aerodrome

**Moved Administrator Douglas**  
**Seconded Administrator Delahunty**

**CARRIED**

## UNCONFIRMED MINUTES

### 8.4 PLANNING PERMIT AMENDMENT APPLICATION D108/18 – APPLICATION TO AMEND PLANNING PERMIT D107/04 FOR USE AND DEVELOPMENT OF A DOG KEEPING AND TRAINING ESTABLISHMENT FOR UP TO 6 RACING GREYHOUND DOGS AT 89 SHAW ROAD, DAISY HILL

The purpose of this report is to recommend council issue a Notice of Decision to Grant a Planning Permit subject to conditions requiring detailing and treatment of stormwater runoff for a planning permit application to amend a planning permit at 89 Shaw Road, Daisy Hill Victoria that allows “dog keeping and training establishment for up to six racing greyhound dogs”.

#### **Council Resolution.**

*That Council consider planning permit amendment application D108/18 and determine to issue a Notice of Decision to Grant an amended Planning Permit D107/04 for the Use and Development of a dog keeping and training establishment for up to 6 racing greyhound dogs, with amended endorsed plans which include buildings and works to construct a short run training track and a circuit track, at 89 Shaw Road, Daisy Hill Victoria, subject to the following conditions:*

- 1. The use and development must be in accordance with the endorsed plan and information submitted with and forming the planning permit.*
- 2. The use and/or development as shown on the endorsed plans must not be altered without the written consent of the Responsible Authority.*
- 3. Once the development has started it must be continued and completed to the satisfaction of the Responsible Authority.*
- 4. The amenity of the area must not be detrimentally affected by the use or development through the:*
  - a) Transport of materials, goods or commodities to or from the land.*
  - b) Appearance of any buildings, works or materials.*
  - c) Emission of noise, artificial light, vibration, smell, wastewater and waste products.*
  - d) Presence of vermin.*
  - e) Discharge of polluted water or run off onto the site and or watercourses within or outside of the boundaries of the land.*
- 5. The number of racing dogs present on the site at any one time shall not exceed 6 dogs without the further consent of the Responsible Authority.*
- 6. In the event of the dog keeping and training use causing or generating any nuisance or detriment whether directly or consequentially to the locality in the opinion of the Responsible Authority, in consultation with appropriate Council or other officers, the Responsible Authority may serve written notice on the operator under this permit requiring such works, kennel practices or operating procedures to be undertaken as are deemed fit to endeavour to remedy any nuisance or detriment situation. Such measures may include soundproofing action, limits on the numbers of dogs, waste treatment systems, screening, planting and the like and the operator shall comply with any written directions of the Responsible Authority received in such matters in the manner and time directed.*
- 7. All dogs shall be suitably housed and secured to prevent escape onto adjoining land or roads to the satisfaction of the Responsible Authority.*



## UNCONFIRMED MINUTES

8. *All goods, materials and waste products stored onsite must be stored out of view or not appear in an unsightly manner if viewed from a street or adjoining property.*
9. *This permit will expire if one of the following circumstances applies:*
  - a) *The development of training tracks is not started within 1 year of the date of issue of this amended permit.*
  - b) *The development of training tracks is not completed within 2 years of the date of issue of this amended permit.*
  - c) *The use is not started within two years of the date of this permit.*
  - d) *The use is discontinued for a period of two or more years.*

*The Responsible Authority may extend the periods referred to if a request is made in writing before the permit expires or within six months afterwards.*

10. *All dog food shall be stored to the satisfaction of the Council's Environmental Health Officer.*
11. *Between the hours of 6:00pm and 8:00am Eastern Standard Time (March to September) and 9:00pm and 8:00am Eastern Standard Time (October to February) all dogs, unless being exercised on a leash, shall be locked in kennels. Such a kennel building shall:*
  - a) *Be constructed in such a manner and with walls, roof and doors of such material that darkness inside the kennel is ensured between the hours stated in this condition, in order to prevent dogs barking.*
  - b) *The materials of construction of the building shall be waterproof and durable and shall be capable of being cleaned without deterioration.*
12. *A permanent screen of trees and shrubs must be planted around the kennel shed and perimeters of the runs to provide an effective visual screen and must be designed and completed to the satisfaction of the Responsible Authority and then maintained to the satisfaction of the Responsible Authority.*
13. *All wastes and kennel runoff water generated by the use shall be disposed of and treated to the satisfaction of the Responsible Authority and then maintained to the satisfaction of the Responsible Authority, to EPA standards to the requirements of the Environmental Health Officer.*

### *14. New Amended Plans – Drainage for New Training Tracks*

*Before the use and development of the new short run and circular training tracks permitted by this permit commences, amended plans, based on those submitted with the application, must be submitted to and approved by Council. The plans when approved will be endorsed and will then form part of the permit. The plans must be amended to show:*

- a) *The location of the legal point of discharge of stormwater from the short run and circular training tracks.*
- b) *A drainage plan to drain the development site to the legal point of discharge at (a) above.*

### *15. Engineering Department Requirements – Drainage for New Training Tracks*

*Prior to the building and works associated with the construction of a short run and circular training track the following must be undertaken by the applicant/ owner to the requirements and satisfaction of the Responsible Authority:*

## UNCONFIRMED MINUTES

- a) *All stormwater must be accommodated and treated within the subject land.*
- b) *The owner/ applicant must design a basic drainage system to drain the development site to the legal point of discharge.*
- c) *A legal point of stormwater discharge (LPD) must be provided for the development to the existing table drain at the south east of the property to the satisfaction of the Responsible Authority.*
- d) *At any time the permit holder must ensure that the operation and condition of Council assets are not damaged by the construction works. If the Responsible Authority deems Council assets have been detrimentally affected or damaged by development construction access, then the assets will be required to be repaired and reinstated by the permit holder to the satisfaction of the Responsible Authority.*
- e) *The applicant/ owner shall restrict sediment discharges from the training track site in accordance with Construction Techniques for sediment Control (EPA 1991) and Environmental Guidelines for Major Construction Sites (EPA 1995). The owner/ applicant will submit a sediment management plan to the responsible Authority for approval. This approved plan will then form part of this permit.*

**Moved**            **Administrator Delahunty**  
**Seconded**      **Administrator Douglas**

**CARRIED**

### **8.5 GRANT APPLICATIONS FOR REGIONAL ROADS VICTORIA FIXING COUNTRY ROADS PROGRAM FUNDING ROUND 2**

The purpose of this report is to recommend that Council pre-allocate \$270,000 (Council own source funds) of the 2019/2020 capital works budget and the allocation of the Roads to Recovery funds to the projects so that Council can apply for Regional Roads Victoria Round Fixing Country Roads Fund Round 2 grant applications which require matching funding.

#### **Council Resolution**

*That Council approve the pre-allocation of \$270,000 of Council funds and \$630,000 of Roads to Recovery grant funds from the 2019/20 budget to support the grant submissions to the Regional Roads Victoria Fixing Country Roads Fund Round 2 for projects totaling \$2.7 million.*

**Moved**            **Administrator Douglas**  
**Seconded**      **Administrator Delahunty**

**CARRIED**

## UNCONFIRMED MINUTES

### 8.6 SURRENDER OF TITLE- DUNOLLY RECREATION RESERVE (DELEDIO RESERVE)

The purpose of this report is to provide Council with the history of ownership and management of the Dunolly Recreation Reserve (Deledio Reserve) and recommend that Council surrender title for the land back to the Crown at the request of the Department of Environment, Land, Water and Planning (DELWP).

#### Council Resolution

*That Council:*

1. *Acknowledges the Committee of Management for Delidio Reserve is the Dunolly Recreation Reserves Committee of Management Incorporated, as appointed by DELWP.*
2. *Authorises Council officers to commence the relevant processes to surrender Certificate of Title Volume 00635 Folio 824 to the Crown.*
3. *Authorises the Chief Executive Officer to sign and seal any documentation relating to the transfer of Certificate of Title Volume 00635 Folio 824 to the Crown.*

**Moved Administrator Delahunty**  
**Seconded Administrator Douglas**

**CARRIED**

### 8.7 PLANNING APPLICATION 119/18 – DISPLAY OF A PROPOSED FLOODLIT PROMOTION SIGN AT LOT 1 ON TP080977K, 216 HIGH STREET, MARYBOROUGH

The purpose of this report is to recommend that Council refuse to grant a planning permit application received proposing the display of a floodlit promotion sign at 216 High Street, Maryborough.

#### Council Resolution

*That Council consider the planning permit application PA119/18 and determine to issue a Notice of Decision to Refuse a Planning Permit for the display of a floodlit promotion sign at Lot 1 on TP080977K, 216 High Street, Maryborough on the following grounds:*

1. *The sign would negatively impact on the local streetscape, the heritage character of this heritage listed building, and adjacent heritage listed historic residential buildings, which are required to be protected by planning policy.*
2. *The sign would be an overly dominant element in the streetscape, and would not enhance this entrance to the Maryborough town centre.*
3. *The sign would have a significant visual amenity impact upon the residents of the almost entirely residential area to the north which the sign would face*

**Moved Administrator Douglas**  
**Seconded Administrator Delahunty**

**CARRIED**

## UNCONFIRMED MINUTES

### 8.8 MID-YEAR FINANCIAL REVIEW

The mid-year financial review is presented to Council to show a forecast of Council's financial performance projected to 30 June 2019 against the current budget (the adopted budget adjusted for carry forward items as reported to Council in October 2018).

#### **Council Resolution**

*That Council note the mid-year financial review which shows a forecast of Council's financial performance projected to 30 June 2019 against the current budget. The forecast includes a number of variations mainly due to the timing of receipt and expenditure of grants.*

**Moved Administrator Delahunty**

**Seconded Administrator Douglas**

**CARRIED**

### 8.9 JANUARY FINANCIAL REPORT

Monthly financial reports are presented to Council to show Council's financial performance and how it is tracking against the adopted (original) budget.

#### **Council Resolution**

*That Council receives and notes the attached January 2019 Financial Report showing progress against the budget, as presented.*

**Moved Administrator Douglas**

**Seconded Administrator Delahunty**

**CARRIED**

## UNCONFIRMED MINUTES

### 8.10 CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW

The purpose of this report is to consider the Chief Executive Officer's annual performance review.

#### Council Resolution

*That Council:*

1. *Receives the following documents:*
  - *Minutes of the Chief Executive Officer Recruitment, Performance and Recruitment Review Advisory Committee.*
  - *CEO Performance Review*
  - *CEO Remuneration Review*
2. *Resolves that the Minutes of the Chief Executive Officer Recruitment, Performance and Recruitment Review Advisory Committee, the CEO Performance Review and the CEO Remuneration Review are Confidential documents as defined under Section 77(2)(b) of the Local Government Act 1989, on the grounds that they relate to personnel matters.*
3. *Adopt the recommendations contained in the CEO Remuneration Review.*

**Moved** Administrator Harvey  
**Seconded** Administrator Douglas

**CARRIED**

### 9 DOCUMENTS FOR SEALING CONFIRMATION

#### 9.1 DOCUMENTS FOR SEALING CONFIRMATION REPORT

The purpose of this report is to present to Council for noting, documents that have been signed under Council's common seal, via delegation, since the last Ordinary Council meeting.

#### Council Resolution

*That Council note that the contract documentation relating to Contract G1263-18 Design & Construct Porteous Road Bridge with Murray Constructions Pty Ltd was signed and sealed by the Chief Executive Officer under delegation on behalf of Council, in accordance with the following resolution of Council made on 26 February 2019:*

1. *Award the Porteous Road Wareek Bridge Replacement Contract G1263-18 to Murray Constructions Pty Ltd for \$1,080,035.00 (GST Inclusive).*
2. *Authorise the Chief Executive Officer to sign and affix the Common Seal to the contract documentation for Contract G1263-18 for Porteous Road Bridge Replacement.*

**Moved** Administrator Delahunty  
**Seconded** Administrator Douglas

**CARRIED**

## **UNCONFIRMED MINUTES**

### **10 NOTICES OF MOTION**

Nil

### **11 URGENT BUSINESS**

Nil

### **12 CONFIDENTIAL BUSINESS**

Nil

### **13 MEETING CLOSURE**

The Chair, Administrator Noel Harvey declared the meeting closed at 6.26pm

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To be confirmed at the Ordinary Council Meeting  
held on 23 April 2019.

Chair, Administrator Noel Harvey

## 6.1 NOTING OF THE APPROVED MINUTES OF SPECIAL COMMITTEE MEETINGS AND ADVISORY COMMITTEE MEETINGS

**Author:** Manager Governance Property and Risk

**Responsible General Manager:** Chief Executive Officer

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### **SUMMARY/PURPOSE:**

To present for noting the confirmed minutes of Council's Special Committees established under section 86 of the *Local Government Act 1989*.

### **POLICY CONTEXT:**

Central Goldfields Shire Council's Council Plan 2017-2021 (2018 Refresh) – Our Organisation

**Outcome:** Central Goldfields Shire is proactive, well governed, professional and financially sustainable organisation.

**4.3 Objective:** Provide leadership in governance and Council decision making

### **BACKGROUND INFORMATION:**

In accordance with section 86 of the *Local Government Act 1989*, Council has established Special Committees.

The Terms of Reference for the Special Committees require the minutes to be presented to Council for noting.

Minutes of Special Committees are confirmed/approved at the next scheduled meeting of that Special Committee.

### **REPORT:**

The following special and advisory committees of Council have provided confirmed minutes from their meeting as follows:

- Talbot Town Hall Committee Meeting 21 January 2019

### **CONSULTATION/COMMUNICATION:**

Not applicable.

### **RESOURCE IMPLICATIONS:**

There are no resource implications involved in the preparation of this Report.

**CONCLUSION:**

Recently received, confirmed minutes of Council's special and advisory committees are presented to Council for noting.

**ATTACHMENTS:**

1. Talbot Town Hall Committee Meeting Minutes 21 January 2019

**RECOMMENDATION**

*That Council notes the confirmed Minutes of the Talbot Town Hall Committee Meeting Minutes of 21 January 2019.*



**Talbot Town Hall General meeting**  
**Held on the 21<sup>st</sup> January 2019**  
**Meeting held at: Talbot Town Hall**  
**Meeting Started at 7.00pm**

**Present:** Daryl Greenwood, Leanne Boyle, Maria Wolff, Gerry Seymour, Lynda Kent, Ralph Durr

**Apologies:** Ethan Fowler, Steven Perry

**Minutes of the Previous Meeting:**

Read out

**Moved by:** Leanne Boyle

**Seconded by:** Lynda Kent

**Carried**

**Business arising from Previous Meeting**

- **First aid kit -**
- **The roller door –** Have contacted Ian Burt and he will be around to fix it
- **Market Insurance –** to go to general business
- **Purchase of a long handle scrubbing brush, bucket and detergent -** has been purchase
- **Still no reply from council in regards to maintenance list that they requested on the hall**

**Treasurer Report**

Tabled

**Moved by:** Leanne Boyle

**Seconded by:** Gerry Seymour

**Carried**

**Correspondence be dealt with as read**

**Moved by:** Tina Fowler

**Seconded by:** Maria Wolff

**Carried**

**Correspondence in**

- Kerry Homes
- Flick
- Insurance

**Correspondence out**

- Talbot fire brigade regarding Santa
- Talbot football netball club regarding the late return of their BBQ application
- The last of the BBQ acceptances

**Market Report**

read

- Letter to Farmer Market regarding their Santa
- There was some discussion regarding the condition of the Barbecues & Bain-maries, It has been brought to TTTs attention as they are the owners of the items and nothing has been done.
- After some discussion a Motion to was put forward purchase BBQ (provided we find somewhere to store them) and Bain-maries

**Moved by:** Tina Fowler

**Seconded by:** Ralph Durr

**Carried**

## General Business

- **.Booking:** There has been a complaint from a previous booking about the ovens not working properly, the pie warmer not working properly, there were ants over the bench tops. Why was their no cleaning fee in the price etc.  
This was discussed in length and the cost of cleaning the hall after their booking will be taken off their bond.  
Due to the confetti being hard to sweep up it was suggested about buying a vacuum cleaner.  
A motion to purchase an Aldi vacuum Cleaner when they come on special.

**Moved:** Daryl Greenwood

**Seconded:** Leanne Boyle

**Carried:**

- **Gas stove:** Lynda may know of a tradesman that might be able to help with is ongoing problem
- **Flick increase in price:** It was discussed and it was decided that at the end of the contract that we look around for another pest company
- **The handy man-** has fix the honour board
  - The ladies toilet doors
  - The ANA hall front door latch
  - The door to the upstairs office
  - The door knob for the hairdresser
- **Items to repair:**
  - The upstairs windows have never been painted and need doing, the walls also need paint, the kitchen cupboard has a broken shelf and doors need attention. Stopper on the chairs need replacing.
  - As we have not heard from the council regarding maintenance of the hall we will engage our handyman to do these repairs

**Moved by:** Daryl Greenwood

**Seconded by:** Tina Fowler

**Carried**

- **Insurance for the Market**  
Leanne and Tina will go into the insurance and try again to get a quote for the additional stalls.

**Meeting Closed at: 8 pm**

## 8.1 ASSEMBLIES OF COUNCILLORS

**Author:** **Manager Governance Property and Risk**

**Responsible General Manager:** **Chief Executive Officer**

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

### SUMMARY/PURPOSE:

The purpose of this report is to provide the record of any assembly of Councillors, which has been held since the last Council Meeting, so that it can be recorded in the Minutes of the formal Council Meeting.

### POLICY CONTEXT:

Section 80A of the Local Government Act 1989 requires the record of any assembly of Councillors to be reported to the next practicable Council Meeting and recorded in the Minutes and to include the names of all Administrators and Council Staff attending, the matters considered and any conflicts of interest recorded.

### BACKGROUND INFORMATION:

The Local Government Act provides a definition of an assembly of Councillors where conflicts of interest must be disclosed.

A meeting will be an assembly of Councillors if it considers matters that are likely to be the subject of a Council decision, or, the exercise of a Council delegation and the meeting is:

1. A planned or scheduled meeting that includes at least half the Councillors and a member of Council staff; or
2. An advisory committee of the Council where one or more Councillors are present.

The requirement for reporting provides increased transparency and the opportunity for Councillors to check the record, particularly the declarations of conflict of interest.

### REPORT:

Outlined below are the details of Assemblies of Councillors since the last meeting:

<b>Date</b>	26 March	<b>Meeting:</b>	Briefing Meeting
<b>Councillor Attendees</b>	Noel Harvey (Chief Administrator), Hugh Delahunty (Administrator), Karen Douglas (Administrator)		
<b>Council Staff Attendees</b>	Lucy Roffey (CEO)		
<b>Guests</b>			
<b>Conflict of interest disclosures:</b>	NIL		
<b>Matters Considered</b>	Pre meeting to discuss March Ordinary Council Meeting.		

<b>Date</b>	9 April	<b>Meeting:</b>	Briefing Meeting
<b>Councillor Attendees</b>	Noel Harvey (Chief Administrator), Hugh Delahunty (Administrator), Karen Douglas (Administrator)		
<b>Council Staff Attendees</b>	Lucy Roffey (CEO) Paul Brumby (GMCP), Rebecca Stockfeld (GMIAP), Brenton West (GMCW), Gary Nevill, Special Projects Officer, Lynn Waters, Healthy Heart Broker, Philip Schier, Manager Strategy and Economic Development, Joel Chadwick, Manager Economic Development and Tourism, Kristie Berry, Property and Risk Officer, Ron Potter, Manager Infrastructure		
<b>Guests</b>	David Richardson, Chair of the Loddon Campaspe Regional Partnership, Linda Beilharz OAM, Chair of the Loddon Mallee RDA Committee, Peter Forbes, Manager Planning & Coordination, RDV		
<b>Conflict of interest disclosures:</b>		NIL	
<b>Matters Considered</b>	2018/2019 Capital Works Update Healthy Hearts Update Economic Development and Tourism Strategy Update on Council's Title Register Appointment of a Public Places Tree Advisory Committee 2019 Community Grants Program Community Support Policy Planning Application 061/18 – Application to Construct Two Dwellings on a Lot; Demolition in Heritage Overlay; Easement Creation; Vehicle Access In Road Zone 1; Three Lot Subdivision, at 18 High Street, Maryborough, being Crown Allotment 2 On Section 57 of The Township Of Maryborough, Parish of Maryborough Maryborough IWM Project Station Domain Stormwater Collection and Irrigation Design Funding 2019-2020 Energy Saver Program 2019-2020 Budget Regional Councils Transformation Program Business Cases Draft Rating Strategy Adoption of updated Audit and Risk Committee Charter Loddon Campaspe Regional Growth Strategy		

<b>Date</b>	16 April	<b>Meeting:</b>	Briefing Meeting
<b>Councillor Attendees</b>	Noel Harvey (Chief Administrator), Hugh Delahunty (Administrator), Karen Douglas (Administrator)		
<b>Council Staff Attendees</b>	Lucy Roffey (CEO), Paul Brumby (GMCP), Glenn Deaker Acting GMIAP, Anna Bartlett, Finance Manager, Megan Kruger, Manager Governance Property and Risk, Kristie Berry, Property and Risk Officer		
<b>Guests</b>	Kate Scarce, AFS Chartered Accountants Bendigo		
<b>Conflict of interest disclosures:</b>		NIL	
<b>Matters Considered</b>	2019/2020 Draft Budget March Finance Report Strategic Risk Register Workshop		

<b>Date</b>	16 April – 2pm	<b>Meeting:</b>	Listening Post
<b>Councillor Attendees</b>	Noel Harvey (Chief Administrator), Karen Douglas (Administrator)		
<b>Council Staff Attendees</b>	Paul Brumby (GMCP), Glenn Deaker Acting GMIAP,		
<b>Guests</b>	Submitter to the Rating Strategy		
<b>Conflict of interest disclosures:</b>	NIL		
<b>Matters Considered</b>	Draft Rating Strategy		

<b>Date</b>	16 April – 4:15pm	<b>Meeting:</b>	Listening Post
<b>Councillor Attendees</b>	Noel Harvey (Chief Administrator), Karen Douglas (Administrator)		
<b>Council Staff Attendees</b>	Paul Brumby (GMCP)		
<b>Guests</b>	Submitter to the Rating Strategy		
<b>Conflict of interest disclosures:</b>	NIL		
<b>Matters Considered</b>	Draft Rating Strategy		

**RECOMMENDATION:**

*That Council note the record of Assemblies of Councillors as outlined in this report.*

## 8.2 APPOINTMENT OF A PUBLIC PLACES TREE ADVISORY COMMITTEE

**Author:** General Manager Infrastructure Assets and Planning

**Responsible General Manager:** General Manager Infrastructure Assets and Planning

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### **SUMMARY/PURPOSE:**

This Report recommends the Public Places Tree Advisory Committees that Council appointed at its Meeting on 27 March 2018 be reduced from four locally specific advisory committees to one advisory committee.

Council has the following advisory committees on public places trees:

- a) *Public Places Tree Advisory Committee – Maryborough*
- b) *Public Places Tree Advisory Committee – Carisbrook*
- c) *Public Places Tree Advisory Committee – Dunolly*
- d) *Public Places Tree Advisory Committee – Talbot*

The Terms of Reference for the Committee have been reviewed and altered to reference the role of the Dja Dja Wurrung as the traditional custodians of this Country and the impact of climate change on public place tree programs.

Advertising for expressions of interest to be an Advisory Committees member can commence after adoption of this report.

### **POLICY CONTEXT:**

All of the Council Plan pillars are relevant to public place tree planting and the role of an advisory committee as street trees add value to community and business areas and life and an advisory committee will assist on good governance around public place trees.

Central Goldfields Shire Council's Council Plan 2017-2021 (2018 Refresh):

- Our Community - Outcome: A supported, cohesive community, living a full and healthy life.
- Our Economy - Outcome: A vibrant local economy which contributes to the municipality's economic prosperity.
- Our Built and Natural Environment - Outcome: central goldfields shire celebrates the rich built and natural heritage and a sustainable environment.
- Our Organisation - Outcome: Central Goldfields Shire is a proactive, well governed, professional and financially sustainable organisation.

**BACKGROUND INFORMATION:**

Since 2003 Council has formed and run Public Places Tree Advisory Committees in different townships within the Shire. These towns have included Maryborough, Dunolly, Carisbrook, Talbot and Bealiba.

In March 2018 Council resolved to appoint four Public Places Tree Advisory Committees. These committees have met infrequently and membership and attendance is not constant.

**REPORT:**

The Public Places Tree Advisory Committees have provided invaluable assistance to Council in understanding and determining an annual street tree planting program and broader strategy around the importance of greening our places and spaces. Council will continue to have a single Public Places Tree Advisory Committee, with a common understanding and view of the need to maintain and extend our tree planting in public spaces.

Establishment of a single Public Places Tree Advisory Committee will ensure high level strategic advice that is in the interests of the whole of the community, and not a single town view. It will also ensure the Committee has a good range of community representation.

The Draft Terms of Reference for the Committee are in Attachment 1 and have been expanded on that previous used to include climate change and the role of the Dja Dja Wurrung as the traditional custodians of this land.

**CONSULTATION/COMMUNICATION:**

Membership of the Committee will be voluntary. An advertising process in the community seeking expressions of interest for membership will be undertaken.

The Committee will form the basis of Council's consultation with the community.

The Public Places Tree Advisory Committee and a call for expressions of interest to be on the committee will re-engage council and the community in public place planting programs and widen the view of the impact that public planting has.

**FINANCIAL & RESOURCE IMPLICATIONS:**

Resourcing of the Public Places Tree Advisory Committee will be undertaken by Council officers. Any expert advice required by Council will be sought when necessary and will be funded from the tree budget.

**CONCLUSION:**

Establishment of a single Public Places Tree Advisory Committee to assist Council with strategic planning and annual planting programs for public place trees will ensure a good level of representation from the community. The Draft Terms of Reference will broaden the view of the Committee and should lead to good tree planting outcomes.

A Draft Terms of Reference for the Public Places Tree Advisory Committee sets out expectations of community members and council in the group.

**ATTACHMENTS:**

1. Draft Terms of Reference for the Public Places Tree Advisory Committee.

**RECOMMENDATION**

*That Council:*

1. *Approve the establishment of a single Public Places Tree Advisory Committee to replace the four Public Places Tree Advisory Committees.*
2. *Adopt the Terms of Reference for the Public Places Tree Advisory Committee;*
3. *Approve the advertisement of an expression of interest process to attract membership for the Public Places Tree Advisory Committee.*



# Terms of Reference

Central Goldfields Shire Council  
Public Places Tree Advisory Committee

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## 1. Background

Since 2003 Central Goldfields Shire Council has formed and run Public Places Tree Advisory Committees in different townships within the shire, these towns include; Maryborough, Dunolly, Carisbrook, Talbot and Bealiba.

The Public Places Tree Advisory Committees have provided invaluable assistance to council in understanding and determining an annual street tree planting program and broader strategy around the importance of greening our places and spaces. Council will continue to have a single Public Places Tree Advisory Committee, with a common understanding and view of the need to maintain and extend our tree planting in public spaces.

## 2. Purpose of committee

Council is focussed on delivering high quality open spaces throughout the shire.

The values of the community are a major factor in delivering not only the service, but also a major focus on the future and what we want our towns to reflect.

The following are key points to the purpose of the Committee:

- To assist in formulating greening strategies and enhancements to our open spaces
- To review and provide input into the “Street Tree” Strategy and annual planting program
- To understand the Community needs and act as a conduit between Council and the Community
- To associate with and consult community groups in relation to open space
- To assist Council in identifying opportunities to work in partnership with other authorities and community groups to achieve high quality open spaces and places through planting programs
- To understand and further our relationship with the Dja Dja Wurrung as the traditional custodians of this Country and use their unique relationship and skills in managing this Country
- To identify the role public place planting has in responding to climate change.

## 3. Membership

Membership must be determined by Council and will comprise:

- General Manager (Chair)
- 2 Central Goldfields Shire Council staff members
- 7 community members

## 4. Meetings

The Public Places Tree Advisory Committee will meet quarterly.

### Guests and expert advice

- External expertise may be needed from time to time and their attendance at meetings or reports will be made available to meetings, coordinated through the Chair.

## 5. Sharing information

- Submissions to the committee must be addressed to the chairperson
- Remember that information discussed at committee meetings could be confidential

## 6. Reporting

- The minutes of the Public Places Tree Advisory Committee will be reported to Council as soon as practical after the meeting.

## 7. Review

- The effectiveness and membership of this committee will be reviewed after 12 months
- Membership or expressions of interest from the public may be sought at any time where there is a Community area representative vacancy

**8.3 PLANNING APPLICATION 061/18 – APPLICATION TO CONSTRUCT TWO DWELLINGS ON A LOT; DEMOLITION IN HERITAGE OVERLAY; EASEMENT CREATION; VEHICLE ACCESS IN ROAD ZONE 1; THREE LOT SUBDIVISION, AT 18 HIGH STREET, MARYBOROUGH, BEING CROWN ALLOTMENT 2 ON SECTION 57 OF THE TOWNSHIP OF MARYBOROUGH, PARISH OF MARYBOROUGH**

**Author:** Planning Officer

**Responsible General Manager:** General Manager, Community Infrastructure Assets and Planning

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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**SUMMARY:**

Council has received a Planning Permit Application to redevelop a residential site by constructing two new attached two-storey side-by-side townhouses at the rear of an existing single storey dwelling in the urban area of Maryborough, creating a three lot subdivision.

Public Notice of the application has resulted in two written submissions objecting to the proposal.

The Application has been assessed against the policy and specific controls of the Planning Scheme and it is considered that the proposed development is acceptable and compatible with the neighbourhood character of the area.

**POLICY CONTEXT:**

Central Goldfields Shire Council's Council Plan 2017-2021 (2018 Refresh) – Our Economy

Outcome: A vibrant local economy which contributes to the municipality's economic prosperity.

2.3 Objective: Promote Central Goldfields as a place of choice to live, work and play.

**BACKGROUND:**

The site zoned General Residential Zone (GRZ1) and is within a Heritage Overlay (HO206) in the Central Goldfields Planning Scheme. The following permit triggers apply to this proposal:

General Residential Zone:

At Clause 32.08-3 (Subdivision) A permit is required to subdivide land.

At Clause 32.08-6 (Construction and extension of two or more dwellings on a lot, dwellings on common property and residential buildings)

A permit is required to (among other things) construct two or more dwellings on a lot.

A development must meet the requirements of Clause 55.

Road Zone Category 1:

At Clause 52.29-2 (Land Adjacent to a Road Zone, Category 1, or a Public Acquisition Overlay for a Category 1 Road) a permit is required to (among other things) Create or alter access to a road in a Road Zone, Category 1; and

Subdivide land adjacent to a road in a Road Zone, Category 1.

Heritage Overlay:

At Clause 43.01-1 (Permit requirement) A permit is required to:

- Subdivide land.
- Demolish or remove a building.
- Construct a building or construct or carry out works.

Clause 52.02 Easements, Restrictions and Reserves:

A permit is required before a person proceeds, (among other things):

- Under Section 23 of the *Subdivision Act 1988* to create, vary or remove an easement or restriction or vary or remove a condition in the nature of an easement in a Crown grant.

**REPORT:**

**Proposal**

The application seeks to undertake residential development and subdivision at the subject land at 18 High Street Maryborough. The proposal incorporates the following:

- Develop two new contemporary designed attached double storey dwellings at the rear of the existing dwelling and then to subdivide the site into three separate lots. The development would contain new Unit A (upon Lot 2A) of approximately 203.22 square metres in floor area and new Unit B (upon Lot 2B) of approximately 203.22 square metres in floor area. Each would comprise a double garage, pergola area, laundry, pantry, entry, lobby, kitchen/ living/ dining area, water closet, stair case, powder room and porch on the lower level and three bedrooms, walk in robes, stair case, hallway, bathroom, en-suite, walk-in linen cupboard and a landing on the upper level.
- Subdivide the approximately 911 square metre (sqm) property into three separate residential Lots, namely:
  - 18 High Street containing the existing dwelling, approximately 381 sqm,
  - Lot A of approximately 309 sqm, and
  - Lot B of approximately 221 sqm in area.
- Create two new vehicle crossovers from Alma Street, to separately service the two new units.

- Create a new vehicle crossover from High Street to the proposed two new car parking spaces to the existing dwelling, being a carport sited forward of the existing dwelling and within the front setback.
- Demolish the existing outbuilding which fronts Alma Street, the existing pergola at the rear of the existing dwelling and the existing garden bed and concrete pathway that connects the existing outbuilding to the existing dwelling on the lot.
- Create a new party wall easement between proposed units A and B. The easement would cover the central adjoining wall between the proposed entry, kitchen/ dining/ living area on the lower level and along the full length of the upper internal joining wall.

### **Site and surrounds**

The rectangular shaped residential site of approximately 911 square metres in area is located on the southern side of High Street some 30 metres from the intersection of High Street and Brougham street, and provides a street frontage to both High Street and Alma Street.

The site is currently developed with a single storey dwelling with frontage to High Street, and a large outbuilding accessed from Alma Street and modest landscaping with varying fencing types delineating the site. It abuts residential properties directly to the east and west and opposite allotments on High Street and Alma Street to the north and south respectively.

It is located about 45 metres south-west from the Maryborough commercial precinct with this particular area of Maryborough comprising various 19<sup>th</sup> and 20<sup>th</sup> century through to modern architecturally designed residential buildings with some public use, educational, commercial and retail premises present within a 500 metre radius of the site.

The surrounding properties contain a mix of single and double storey dwellings with varying front setbacks and open style front and rear yards.

### **Planning Scheme Provisions**

Council must take into consideration both State Planning Policy and the Local Planning Policy including the Municipal Strategic Statement (MSS).

#### **State Planning Policy:**

##### Clause 11-01-1S Settlement

This clause includes relevant strategies of:

- Support sustainable development of the regional centres of Ararat, Bacchus Marsh, Bairnsdale, Benalla, Castlemaine, Colac, Echuca, Gisborne, Hamilton, Kyneton, Leongatha, Maryborough, Portland, Sale, Swan Hill, Warragul/Drouin and Wonthaggi.
- Promote and capitalise on opportunities for urban renewal and infill redevelopment.
- Develop compact urban areas that are based around existing or planned activity centres to maximize accessibility to facilities and services.

### Clause 11.01-1R Settlement – Loddon Mallee South

This policy for the local region has the strategy of:

*‘Manage and support growth in Castlemaine, Gisborne, Kyneton and Maryborough as employment and service hubs that reinforce the network of communities in the region.’*

### Clause 15 Built Environment and Heritage

Clause 15 states that planning should ensure all new land use and development appropriately responds to its landscape, valued built form and cultural context, and protect places and sites with significant heritage, architectural, aesthetic, scientific and cultural value.

### Clause 15.01-3S Subdivision Design

This policy has the strategy that in the development of new residential areas and in the redevelopment of existing areas, subdivision should be designed to create liveable and sustainable communities by:

- Creating compact neighbourhoods that have walkable distances between activities.

### Clause 16.01-2S Location of Residential development

This policy has the objective *‘To locate new housing in designated locations that offer good access to jobs, services and transport.’*

And the following relevant strategies:

- Increase the proportion of new housing in designated locations within established urban areas and reduce the share of new dwellings in greenfield and dispersed development areas.
- Encourage higher density housing development on sites that are well located in relation to jobs, services and public transport.
- Ensure an adequate supply of redevelopment opportunities within established urban areas to reduce the pressure for fringe development.
- Facilitate residential development that is cost effective in infrastructure provision and use, energy efficient, water efficient and encourages public transport use.
- Identify opportunities for increased residential densities to help consolidate urban areas.

### Clause 16.01-4S Housing affordability

This policy has the objective *‘To deliver more affordable housing closer to jobs, transport and services.’* and the relevant strategy of:

- Increasing choice in housing type, tenure and cost to meet the needs of households as they move through life cycle changes and to support diverse communities.

### Clause 18.02 Transport

This clause includes the following relevant strategies:

- Plan or regulate new uses or development of land near an existing or proposed transport route to avoid detriment to, and where possible enhance the service, safety and amenity desirable for that transport route in the short and long terms.

### **Local Planning Policy:**

#### Clause 21.03 Protecting and enhancing heritage

This policy identifies that *‘the heritage and landscape setting of the shire’s towns are important elements of their lifestyle and “urban village” character’.*

#### Clause 21.04 Vision and Strategic Framework

This policy identifies Maryborough as a sub-regional centre, and as one of two focuses for growth along with some smaller urban centres, and describes its role as a ‘Major centre for employment, retailing, services and administration. Identity defined by forest setting, heritage and compact central area.’

#### Clause 21.06 Residential Development

This policy has an objective of *‘Develop a settlement pattern based on population being primarily directed to Maryborough as a sub-regional centre with other population directed to infill allotments that are suitable for development in the smaller townships of Dunolly, Carisbrook, Bealiba, Talbot and Majorca.’* Which is supported by a strategy of:

- Limit new residential development to infill areas identified in township structure plans. Expansion of township areas to occur when infill areas have been predominantly developed.

The policy also includes an objective of *‘Provide opportunity for residential development in a range of types, lot sizes and costs to meet the needs of the future population of the Shire.’* Which is to be supported by the strategy of:

- Provide medium density residential opportunities close to Maryborough CBA.

#### Clause 21.12 Strengthening the Regional Role of Maryborough

Objective 1 of this policy is to: *‘Encourage well-planned and integrated urban development of Maryborough to enhance its qualities as a place to live, work, invest and visit.’*

Which has the relevant supporting strategies of:

- Maximise the use of urban land in Maryborough by defining an urban boundary based on existing development patterns.
- Protect and enhance the highway and major road approaches to Maryborough.



### Local Planning Policy 21.10 Heritage

This policy states that *'Heritage buildings, streetscapes and places provide the Shire and its towns with their distinctive identity and image. Heritage is also the foundation of the Shire's tourism industry.'*

### Local Planning Policy 22.01 Urban Design

This local policy has a basis which details *'Residents value the quality of lifestyle offered by the Shire's urban centres. Urban heritage and landscape character of these centres provides the appeal for residents and tourist'*. The policy identifies various objectives including:

- To preserve and enhance the visual amenity and character of the Shire's city and towns.
- To ensure the siting and design of new development has regard to built form, landscape character and visual qualities of urban centres.
- To enhance the visual qualities and character of the major road entrances to Maryborough and townships in the Shire.

In order to achieve these objectives, Local Policy 22.01 identifies various relevant strategies as follows:

- Encourage development where the design and siting of new development has demonstrated the following:
  - How building scale, height, mass and external finishes reflect dominant building forms, particularly heritage buildings and structures.
  - How the proposal contributes to the overall appearance and character of the town.
  - The site has the capacity to accommodate the proposed development, including traffic circulation and carparking.
  - How the proposals responds to identified streetscape character.
  - Retention of native vegetation and other natural features and landscaping and tree species selection that is consistent with the landscape character of the city, town or locality.
- Encourage development proposals along or near to city and town where:
  - A city's or town's image is reflected along the entrance.
  - The character of the entrance is enhanced.
  - Proposed landscaping is consistent with identified planting themes.
- Encourage proposals that are located within urban areas or located to take advantage of proximity to urban centres.

### Local Planning Policy 22.03 Heritage

This policy the relevant objectives of:

- To encourage sympathetic design and construction of “in-fill” developments in the vicinity of listed buildings and heritage precincts and areas.
- To protect and enhance the cultural significance and visual character of heritage buildings, site and places.

And outlines that:

*‘Where a permit is required for development, it is policy to:*

*Encourage new development to be sited and designed having regard to the heritage character and values of adjacent sites, buildings, places and landscapes.’*

### **Zones and overlays**

#### Zone:

#### *General Residential Zone*

The purpose of this zone (Clause 32.08) includes:

- *To encourage development that respects the neighbourhood character of the area.*
- *To encourage a diversity of housing types and housing growth particularly in locations offering good access to services and transport.*

The site is also adjacent to land in a Road Zone Category 1 (RDZ1).

#### Overlays:

#### *Heritage Overlay*

The purpose of this overlay (Clause 43.01) includes:

- *To conserve and enhance heritage places of natural or cultural significance.*
- *To conserve and enhance those elements which contribute to the significance of heritage places.*
- *To ensure that development does not adversely affect the significance of heritage places.*

Heritage Overlay schedule listing HO206 ‘Maryborough’, is an area listing which covers a large number of historic buildings in this area, including the subject site.

## **Particular Provisions**

### *Clause 52.02 Easements, Restrictions and Reserves*

This clause requires that a permit is required before a person proceeds under Section 23 of the *Subdivision Act 1988* to create, vary or remove an easement or restriction or vary or remove a condition in the nature of an easement in a Crown grant.

The proposal would need to comply with Section 23 of the *Subdivision Act 1988*. As the proposed dwellings will share a common 'party wall', an application to create an easement for such is being applied for.

Further, provision is also made for the creation of an easement (3.000m width) along the southern boundary of the new Lot A to provide for existing and proposed sewer assets that either currently service or may be required to service the existing dwelling.

It is considered that the creation of the easements would not have any adverse impacts upon the dwellings or the created lots.

### *Clause 53.01 Public Open Space Contribution and Subdivision*

This Clause refers to public open space contribution and provides that a person who proposes to subdivide land must make a contribution to Council for public open space in accordance with any requirement included in the schedule to this clause. Where there is no entry in the schedule to this clause, as is the case, a contribution of up to a maximum 5% of the site value may still be requested under Section 18 of the Subdivision Act.

Having regard to each of the relevant criteria under the Act, it is considered that there will be a need for more open space as existing public open space is likely to be more intensively used because of the subdivision and the likely development of the land. A contribution toward the provision of public open space may assist in funding works such as better facilities at Ron Sinclair Park or other local reserves which may be used by residents of the development, and such a contribution is therefore appropriate.

### Clause 65 Decision Guidelines

Simply because a permit can be granted does not imply that a permit should or will be granted. The responsible authority must decide whether the proposal will produce acceptable outcomes in terms of the decision guidelines of this clause.

## **Referrals**

In accordance with the requirements of the planning scheme, the application was referred as follows:

Agency	Clause	Recommending or Determining Referral Authority	Responses
Central Highlands Water	Clause 66.01 (Subdivision referrals)	Determining	No objection subject to conditions
Vic Roads	Clause 66.03 (Referral of Permit Applications Under Other State Standard Provisions) (Clause 52.29 refers)	Determining	No objection subject to conditions
Powercor Australia Ltd	Clause 66.01 (Subdivision referrals)	Determining	No objection subject to conditions
Downer	Clause 66.01 (Subdivision referrals)	Determining	No objection subject to conditions
Council Engineering Department	Not applicable	Not applicable	No objection subject to conditions

#### **CONSULTATION/ COMMUNICATION:**

Notice of the application was given to adjoining landowners and occupiers. This notice resulted in two submissions being received; both submissions objected to the proposal.

The owners at 33 Brougham Street, which is located on the opposite side of Alma Street, south-east of the proposed development have raised issues of overlooking and diminished privacy to private open space.

The owner at 35 Brougham Street, which is immediately adjacent to the east of the proposed development has raised issues of overlooking, and diminished privacy to private open space and potential adverse impact on the property value.

Council officers raised the objectors concerns with the applicant who subsequently amended their plans to clearly show the site cut levels which will partially recess the building into the landscape, and added the use obscured windows on the upper storey windows where necessary to avoid overlooking of the neighbours to either side of the proposed new dwellings.

These revised plans were circulated to both objectors, who advised that they still remained opposed to the proposal.

## ASSESSMENT OF APPLICATION

The applicant has provided a ResCode assessment of the proposal as detailed under Clause 55 (Two or more Dwellings on a lot and Residential Buildings) and Clause 56 (Residential Subdivision) in the planning report submitted with the application.

Planning staff have reviewed the proposal below with detailed officer comments provided where necessary. Overall, the proposal has a relatively good level of compliance with Rescode, subject to some changes which could be required as amended plan permit conditions.

ResCode Assessment; Clause 55:

Ref	Title of standard	Complies?	Officer comments
B1	Neighbourhood character	Yes, subject to permit conditions.	Building form can be partially softened by requiring a good landscaping plan including tree plantings, and a colours and materials schedule showing the use of suitably muted external finishes.
B2	Residential policy	Yes	Consistent with urban containment policy; all services available.
B3	Dwelling diversity	N/A	Not applicable to developments of less than ten dwellings.
B4	Infrastructure	Yes	All services are available
B5	Integration with the street	Yes	Good pedestrian accessibility
B6	Street setback	No, variation proposed.	<p>For the new units facing Alma Street, the neighbouring dwellings are setback 4 metres on one side and 8.3 metres on the other, therefore requiring a setback of 6.15 metres under the standard as the average of these two neighbours.</p> <p>This setback is therefore reduced by 2.15 metres from the standard. This is a significant reduction of around a third.</p> <p>There are no significant site constraints nor justification provided by the applicant, and there is significant concern from neighbours regarding privacy impacts from the first floor which uses this reduced setback. This needs to be balanced against the difficulty of changing site cut and other impacts if the design is altered.</p> <p>Therefore, a proposed permit condition would require this setback to be increased by a minimum of 1 metre, for the benefit of neighbouring properties. Permit conditions</p>

			<p>would allow for any necessary subsequent minor changes to floor levels, site cut, and so on.</p> <p>For the proposed carport in the front yard area of the existing dwelling facing High Street, the neighbour to one side is setback around 1.5 metres and the other around 6 metres, requiring a setback of approximately 3.75 metres, and 4 metres is provided, complying with standard.</p>
B7	Building height	Yes	Height complies with standard.
B8	Site coverage	Yes	Site coverage of 60% complies with the maximum allowed under this standard.
B9	Permeability	Yes	Proposed 51% permeability complies with standard.
B10	Energy efficiency	Yes	Orientation suitably maximises available solar access given the site constraints, with North facing living areas.
B11	Open space	N/A	Not applicable as no public or communal space is proposed.
B12	Safety	Yes	Suitably safe and visible entrances are provided.
B13	Landscaping	No	A condition will require submission and approval of a suitable landscaping plan with tree plantings.
B14	Access	Yes	Vehicle access is direct and suitably minimised in width with a single width crossover to each lot.
B15	Parking location	Yes	Two on-site car parking spaces provided to each dwelling as required in easily accessed locations.
B17	Side and rear setbacks	No, variation proposed.	<p>The Northern wall of the Lot B dwelling will be 6.5 metres high requiring a 1.878m setback under the standard, but a 1.143m upper floor setback is proposed for the stairwell, and approximately 1.593m setback for the bedroom 1 wall, with greater setbacks meeting the standard for all other walls.</p> <p>The stairwell is a minor intrusion only 2.27m wide, while the 0.285m setback variation for the Bedroom 1 wall is considered to be relatively minor in nature, especially considering the lack of overshadowing impacts as the adjacent</p>

			neighbouring property is to the North, and the ample space given to other setbacks. This is considered an acceptable variation.
B18	Walls on boundaries	Yes	Garage on Lot B is within allowable length on boundary, complying with the limits of the standard.
B19	Daylight to existing windows	Yes	Daylight provision complies with standard.
B20	North facing windows	Yes	There are no existing north facing windows within 3m of the lot boundary affected by the development.
B21	Overshadowing open space	Yes	Shadow drawings show only limited overshadowing which is far less than the maximums allowed under this standard.
B22	Overlooking	Yes	First floor windows on east and west sides will have either window sills 1700 above FFL or have obscure glazing to 1700 above FFL, suitably preventing overlooking in accordance with this standard.
B23	Internal views	Yes	Overlooking within the development is suitably minimised in accordance with the standard.
B24	Noise impacts	Yes	Noise impacts are suitably minimised.
B25	Accessibility	Yes	The ground floor of each dwelling is easily accessed by people with limited mobility.
B26	Dwelling entry	Yes	Each dwelling has a suitably visible and distinct entry.
B27	Daylight to new windows	Yes	Habitable room windows for the two new dwellings are on the first floor with good access to daylight.
B28	Private open space	Yes	Private open space easily meets requirements with more than 40 square metres of secluded open space available to each dwelling.
B29	Solar access to open space	Yes	Site layout provides good solar access to main open space areas.
B30	Storage	Yes, subject to permit conditions.	Permit conditions could require the suitable provision of externally accessible storage space, whether with the addition of a small garden shed or the delineation of suitable garage space if it is available.

B31	Design detail	Yes	Design is considered acceptable given the mixed architectural styles of the area.
B32	Front fences	Yes	No new front fences are proposed
B33	Common property	Yes	No common property is proposed.
B34	Site services	Yes	Adequate provision is made for site services.

## Res Code Assessment: Clause 56

<b>Standard</b>	<b>Objective</b>	<b>Complies?</b>	<b>Officer comments</b>
56.03-5 C6	Neighbour character	Yes	Development is consistent with neighbourhood character
56.04-1 C7	Lot diversity and distribution	Yes	The three lots have a diversity of sizes and comply with this requirement.
56.04-2 C8	Lot area and building envelopes	Yes	Lot area and building envelopes comply, with the proposed dwellings assessed in detail against Rescode.
56.04-3 C9	Solar orientation of lots	Yes	Lot orientation will not negatively affect solar access
56.04-4 C10	Street orientation objective	Yes	Lots are oriented to the street
56.04-5 C11	Common area	Yes	No common areas are proposed.
56.05-1 C12	Integrated urban landscape	Yes	Only three lots are proposed with direct interface with the existing streets.
56.06-2 C15	Walking and cyclist network	Yes	Proposal links with existing walking and cycling networks and footpath infrastructure.
56.06-4 C17	Neighbourhood street network	Yes	Development links with existing street network.
56.06-5 C18	Walking and cycling network details	Yes	Refer to C15 above
56.06-7 C20	Neighbourhood street network detail	Yes	Refer to C17 above
56.06-8 C21	Lot access	Yes	All lots have good direct street access.



56.07-1 C22	Drinking water supply	Yes	Lots comply.
56.07-2 C23	Reused and recycled water	Yes	Lots comply.
56.07-3 C24	Wastewater management	Yes	Lots comply.
56.07-4 C25	Urban run-off management	Yes	Lots comply.
56.08-1 C26	Site management	Yes	Permit conditions are proposed to address any site management issues during construction.
56.09-1 C27	Shared trenching	Yes	Proposal is to utilise shared trenching.
56.09-2 C28	Electricity, Telecommunications and Gas	Yes	Referral agencies, for electricity, telecommunications and gas have confirmed availability of services.
56.09-3 C29	Fire hydrant	Yes	To be determined by CFA.
56.09-4 C30	Public lighting	Yes	Adequate public lighting already exists in the area.

### Objections

Following advertisement of the application in accordance with Sections 52(1)(a) and 52(1)(d) of the Planning and Environment Act 1987, 2 objections were received.

The issues raised by objectors have been summarised below.

1. *Overlooking and privacy impacts for the property at 33 Brougham Street Maryborough.*

### Officer response

Unusually, this property has a swimming pool in the area at the front of the dwelling facing Alma Street, which is provided with privacy by a wooden fence which appears to be around 1.8m in height. The proposed dwellings will face Alma Street from across the other side of this local road.

The Rescode standard for preventing the overlooking of secluded private open space is limited to views within a 9 metre radius of where people could look from, and assumes an eye-height of 1.7metres above floor level, as a rough human average. A note illustrating the application of this standard is attached to this report, (See Attachment 2).

The property at 33 Brougham Street, Maryborough is located on the opposite side of Alma Street to the proposed development, and the road reserve alone is 20 metres wide, placing the pool well outside of the area considered by the Rescode standard. A standard timber paling

fence demarcates the title boundary of that property on Alma Street. The aerial photograph attached shows its location relative to the proposed development at 18 High Street (See Attachment 3).

When the overlooking standard is applied to this situation the closest viewing point in the proposed development is from the balcony of the new dwelling on Lot B fronting Alma Street. From the elevation plans submitted with the application the point at nine metres distant when measured horizontally, is about the back of kerb immediately in front of the proposed development on the northern side of Alma Street. The secluded private open space in the rear yard of the property at 33 Brougham Street is on the opposite side of the road.

*2. Overlooking and privacy impacts for the property at 33 Brougham Street Maryborough.*

Officer response

The application of the overlooking standard to this property indicates that overlooking of secluded private open space from the ground floor windows of the new dwelling on proposed Lot B is interrupted by the existing fence built on the common title boundary between the properties. The proposed new Lot A and Lot B will be excavated at or slightly above the existing ground level at the Alma Street frontage. Thus the finished floor level of that new dwelling will be set below the bottom of that same fence. The elevation drawing labelled East Elevation (P-12B) shows the extent of the excavation, (See Attachment 4). This effectively obviates the overlooking issue from the ground floor.

The drawing labelled Site Plan – Overlooking FF (P-05A) shows the extent of overlooking from the first floor windows of the new dwelling when the standard is applied to the situation of the habitable room windows of the neighbouring dwelling at 35 Brougham Street. It is clear that the habitable room windows of the neighbouring dwelling are not impacted.

In response to the overlooking issues raised by the two submitters, the applicant submitted revised plans to show that all of the first floor windows on the east side and the west side of the proposed new dwellings on Lot A and Lot B are to be either fitted with obscuring glazing, or are highlight windows with window sills at least 1.7 metres above floor level, suitably preventing any overlooking. The drawings also specify the addition screening to a height of 1.7 metres above the proposed balustrade at each end of the two balconies overlooking Alma Street, (See Attachment 5). This effectively obviates the potential overlooking issues into the private open space of the neighbouring property.

*3. Concerns that the development is of an inappropriate density and that two storey development is unsuitable for the area.*

Officer Response

A large range of planning scheme policy supports greater density of development within existing urban areas, while amenity impacts and design requirements are assessed against Rescode requirements which this proposal can suitably satisfy subject to some recommended amended plan permit conditions. Two storey development is not uncommon, and must be considered in regards to impacts such as overshadowing or overlooking, which are mostly within the limits laid out by Rescode requirements with features such as obscure glazing being provided where needed.

#### 4. *Potential devaluation of properties from allowing development to occur*

##### Officer response

The potential devaluation of properties is not a valid planning issue.

##### **Summary assessment**

Both State Planning Policy Framework and Local Planning Policy Framework support developments which are capable of being sustained on the land and that do not cause detriment. The application has been assessed against the requirements of the state and local planning frameworks. The proposal is generally consistent with the relevant state and local planning policies.

The application has been assessed against the relevant clauses of the Central Goldfields Planning Scheme and from the analysis carried out above it is clear that the proposed development, subject to conditions, will not cause any adverse impacts to the neighbouring properties or to the wider community.

The application has been assessed by Council's Engineering Department and relevant referral agencies. Council's Engineering Department and all of the determining referral agencies have raised no objections to the proposal subject to standard conditions being imposed on the planning permit should a permit issue.

##### **Alternative Options**

Council could choose to issue a Notice of Decision to refuse the grant of a permit. For the reasons outlined in this report, this is not recommended by Council officers.

##### **FINANCIAL & RESOURCE IMPLICATIONS:**

The assessment of planning permit applications is within the normal operational budget of Council. Should any party (applicant or objector) appeal the determination of the application (permit condition or issue of permit) additional VCAT appeal costs will be incurred.

##### **CONCLUSION:**

Planning Application No.061/18 proposes to redevelop a residential site at 18 High Street, Maryborough by constructing two new attached two-storey side-by-side townhouses at the rear of an existing single storey dwelling in the urban area of Maryborough, creating a three lot subdivision. The proposal also incorporates demolition in HO206, Access in a Road Zone Category 1, and easements creation.

Two objections have been received following Public Notice of the Application. An assessment of the proposal has been undertaken and it is considered that the proposal:

- Accords with relevant policy;
- Will not cause any adverse impacts to neighbouring properties or to the wider community; and
- Is consistent with decision guidelines at Clause 65.

Council must determine a position on the application for a planning permit and take one of the following options:

- I. Approve a planning permit and issue a Notice of Decision to Grant a Planning Permit for the proposal (with or without conditions); or
- II. Issue a Refusal to Grant a Planning Permit for the proposal; appeal rights apply to the applicant.

It is recommend that a Notice of Decision to Grant a Planning Permit be issued, subject to the conditions.

**ATTACHMENTS:**

1. Proposed plan of subdivision
2. Graphic showing application of overlooking standard
3. Aerial photograph of subject site
4. East elevation drawing P-12B
5. Site Plan – Overlooking FF drawing P-05A
6. South elevation drawing P-11B

**RECOMMENDATION**

*That Council consider the planning permit application PA 061/18 and determine to issue a Notice of Decision to Grant a Planning Permit to construct two dwellings on a lot; demolition in heritage overlay; easement creation; vehicle access in road zone 1; and three lot subdivision at 18 High Street, Maryborough, being Crown Allotment 2 on section 57 of the Township of Maryborough, Parish of Maryborough, subject to the following conditions:*

**GENERAL CONDITIONS****Amended Plans**

1. *That before the development permitted by this permit commences, amended plans, based on those submitted with the application and revised to form numbers P-01B, P-02A, P-03B, P-04B, P-05A, P-06A, P-07A, P-08A, P-09A, P-10A, P-11B, P12B, P-13B, must be submitted to and approved by the Responsible Authority. The plans, when approved, will be endorsed and will then form part of the permit. The plans must be drawn to scale and dimensioned and three copies must be provided. The plans must be amended to show:*
  - (a) *The two new dwellings setback at least 1 metre more, to provide a better Alma Street setback in accordance with Rescode Standard B6. Any necessary subsequent minor changes to floor levels and site cuts must be shown on the amended plans provided.*
  - (b) *The location of, and construction details for, the new proposed vehicle crossover to High Street from the residual Lot fronting High Street.*
  - (c) *The location of, and the construction details for, the new proposed vehicle crossovers to Alma Street from the new Lot A and New Lot B.*
  - (d) *A schedule of suitably muted colours and materials, which will provide the two dwelling with individual identity, and will not dominate the streetscape and views of adjacent heritage buildings in the area.*
  - (e) *A landscaping plan in accordance with permit condition 3.*
  - (f) *Clear provision of 6 cubic metres of suitable externally accessible storage space in accordance with Rescode Standard B28, whether with the addition of a small garden shed or the delineation of suitable garage space if it is available without intruding into the space necessary for vehicle use and access.*

**Layout not Altered**

2. *The development as shown on the endorsed plans must not be altered without the further written consent of the Council.*

**Landscape Plan**

3. *Prior to the commencement of any works, a landscape plan must be submitted to and approved by the Council. When approved the plan will form part of the permit. The landscape plan must include:*
- (a) A survey (including botanical names) of all existing vegetation to be retained and/or removed;*
  - (b) Details of surface finishes of pathways and driveways;*
  - (c) A planting schedule of all proposed trees, shrubs and ground covers, including botanical names, common names, pot sizes, size at planting, sizes at maturity, quantities of each species;*
  - (d) Details of all fencing, including materials, height and finishes.*

**Payment In Lieu Of Open Space**

4. *The applicant or owner must pay to Council the sum equivalent to 5% of the value of the land in the subdivision. This payment must be made before a statement of compliance is issued and may be varied under Section 19 of the Subdivision Act, 1988.*

**Valuation Expenses**

5. *The applicant or owner must pay on demand to Council, the Council's reasonable costs and expenses to provide valuation for payment in lieu of open space.*

**Easements**

6. *All existing and proposed easements and sites for existing or required utility services require on the land must be set aside in the plan of subdivision submitted for certification in favour of the relevant authority for which the easement or site is to be created.*

**Construction Management Plan**

7. *Prior to the commencement of works, a Construction Management Plan must be prepared to the satisfaction of the Responsible Authority and endorsed as part of this permit. The Plan must detail:*
- (a) Hours of demolition and construction to accord with Local Laws*
  - (b) Methods to contain dust, dirt and mud within the site and the method and frequency of clean up procedures, including the management of on-site storage waste construction bins and vehicle washing*
  - (c) Management of parking of construction machinery and workers' vehicles to prevent adverse impact on nearby properties*

- (d) Management of staging of heavy vehicles, site deliveries and unloading and lifting points with expected frequency, and traffic management in the vicinity, ensure routes to and from the site minimise disruption to residential properties*
- (e) Minimising disruption to pedestrian access along footpaths*
- (f) Measures to minimise noise and other amenity impacts from mechanical equipment, including idling trucks, and demolition/construction activities, especially outside of daytime hours*
- (g) The provision of adequate environmental awareness training for all on-site contractors and sub-contractors*
- (h) A liaison officer for contact by the public and the Council in the event of relevant queries or problems experienced.*

*All works on the land must be undertaken in accordance with the endorsed Construction Management Plan to the satisfaction of the Council.*

### **Engineering Department**

*Prior to the issue of a Statement of Compliance and use of the dwellings the following must be undertaken by the applicant/owner to the requirements and satisfaction of the Responsible Authority:*

#### **8. Access:**

- (a) Vehicular access to the 18 High Street lot must be provided from High Street.*
- (b) Vehicular access to the Alma Street lots A and B must be provided from Alma Street.*
- (c) Any existing or new vehicular crossovers/driveways must be constructed between the lots and High Street and Alma Street for the respective lots. Such crossovers/driveways must be of concrete construction and be from kerb to property boundary. (Refer Infrastructure Design Manual Standard Drawing 240).*
- (d) The applicant/owner must make further application for and have approved driveway crossing permit/s for crossover/driveway works. All works constructed or carried out must be in accordance with the approved plans/permit(s).*
- (e) Once constructed the crossovers must be thereafter maintained by the landowner to the satisfaction of the Responsible Authority.*
- (f) Any disused crossovers/driveways must be removed and the kerb and channel and nature strip reinstated to the satisfaction of the Responsible Authority.*

**9. Drainage:**

- (a) *All stormwater must be accommodated and treated within the subject land.*
- (b) *The owner/applicant must design a drainage system to drain the development to the legal point of discharge.*
- (c) *A legal point of stormwater discharge (LPD) must be provided for the 18 High Street lot to the Alma Street kerb and channel via an underground drain in a drainage easement through Lot A to the satisfaction of the Responsible Authority.*
- (d) *A legal point of stormwater discharge (LPD) must be provided for the Alma Street lots A and B to the Alma Street kerb and channel to the satisfaction of the Responsible Authority.*

**10. Street Landscaping:**

- (a) *Upon completion of all off site works all nature strips must be levelled, topsoiled and seeded. Alternate landscaping methods may be undertaken, but must be approved, in writing, by the Responsible Authority prior to any works being undertaken.*

**11. Asset Protection**

- (a) *At any time the permit holder must ensure that the operation and condition of Council assets (including street trees, drainage pits and covers, footpaths and kerb and channel) are not damaged by the site construction works. If the Responsible Authority deems Council assets have been detrimentally affected or damaged by development construction access, then the assets will be required to be repaired and reinstated by the permit holder to the satisfaction of the Responsible Authority.*

**12. Sediment Control**

- (a) *The developer must restrict sediment discharges from any construction sites within the land in accordance with Construction Techniques for Sediment Pollution Control (EPA 1991) and Environmental Guidelines for Major Construction Sites (EPA 1995).*

**SUBDIVISION****Formal Plan of Subdivision**

- 13. *The formal plan of subdivision lodged for certification must be in accordance with the approved plan and must not be modified except to comply with statutory requirements or with the further written consent of the Council.*



14. *The owner of the land must enter into an agreement with:*

- *a telecommunications network or service provider for the provision of telecommunication services to each lot shown on the endorsed plan in accordance with the provider's requirements and relevant legislation at the time; and*
- *a suitably qualified person for the provision of fibre ready telecommunication facilities to each lot shown on the endorsed plan in accordance with any industry specifications or any standards set by the Australian Communications and Media Authority, unless the applicant can demonstrate that the land is in an area where the National Broadband Network will not be provided by optical fibre.*

15. *Before the issue of a Statement of Compliance for any stage of the subdivision under the Subdivision Act 1988, the owner of the land must provide written confirmation from:*

- *a telecommunications network or service provider that all lots are connected to or are ready for connection to telecommunications services in accordance with the provider's requirements and relevant legislation at the time; and*
- *a suitably qualified person that fibre ready telecommunication facilities have been provided in accordance with any industry specifications or any standards set by the Australian Communications and Media Authority, unless the applicant can demonstrate that the land is in an area where the National Broadband Network will not be provided by optical fibre.*

### **S173 Agreement**

16. *Prior to the certification of a Plan of Subdivision pursuant to this permit, the owner of the land to which this permit relates must enter into an agreement with the Responsible Authority under Section 173 of the Planning and Environment Act 1987. In addition to the usual mechanical provisions, the agreement must provide for the following matters:*

- (a) *Except with the consent of the Responsible Authority, the land and any lot created by the subdivision of the land may only be developed in accordance with the development authorised in Planning Permit No. 061/18 and depicted in the plans endorsed under that permit;*
- (b) *The costs of the Responsible Authority in relation to the agreement are to be borne by the owner.*

### **VicRoads**

17. *The crossover and driveway are to be constructed to the satisfaction of the Responsible Authority and at no cost to the Roads Corporation prior to the commencement of the use.*

18. *All disused or redundant vehicle crossings must be removed and the area reinstated to the satisfaction of the Responsible Authority and at no cost to the Roads Corporation prior to the commencement of the use.*

Central Highlands Water

19. *Any plan lodged for certification will be referred to the Central Highlands Region Water Corporation pursuant to Section 8(1)(a) of the Subdivision Act.*
20. *Reticulated sewerage facilities must be provided to each lot by the owner of the land (or applicant, in anticipation of becoming the owner) to the satisfaction of the Central Highlands Region Water Corporation. This will include the construction of works and the payment of major works contributions by the applicant.*
21. *A reticulated water supply must be provided to each lot by the owner of the land (or applicant, in anticipation of becoming the owner) to the satisfaction of the Central Highlands Region Water Corporation. This will include the construction of works and the payment of major works contributions by the applicant.*
22. *The owner will provide easements to the satisfaction of the Central Highlands Region Water Corporation, which will include easements for pipelines or ancillary purposes in favour of the Central Highlands Region Water Corporation, over all existing and proposed sewerage facilities within the proposal.*
23. *If the land is developed in stages, the above conditions will apply to any subsequent stage of the subdivision.*

Ausnet (Downer) Gas Services

24. *The plan of subdivision submitted for certification must be referred to AusNet Gas Services in accordance with Section 8 of the Subdivision Act 1988.*

Powercor

25. *The plan of subdivision submitted for certification under the Subdivision Act 1988 shall be referred to Powercor Australia Ltd in accordance with Section 8 of that Act.*
26. *The applicant shall:-*
  - *Provide an electricity supply to all lots in the subdivision in accordance with Powercor's requirements and standards, including the extension, augmentation or re-arrangement of any existing electricity supply system, as required by Powercor.*
  - *Where buildings or other installations exist on the land to be subdivided and are connected to the electricity supply, they shall be brought into compliance with the Service and Installation Rules issued by the Victorian Electricity Supply Industry. You shall arrange compliance through a Registered Electrical Contractor and provide to Powercor Australia Ltd a completed Electrical Safety Certificate in accordance with Electricity Safe Victoria's Electrical Safety System.*

- *The applicant shall provide to Powercor Australia Ltd, a copy of the version of the plan of subdivision submitted for certification, which shows any amendments which have been required.*
- *Any buildings must comply with the clearances required by the Electricity Safety*
- *(Installations) Regulations.*
- *Any construction work must comply with Energy Safe Victoria's "No Go Zone" rules.*

#### **27. Permit Expiry**

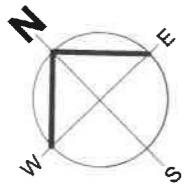
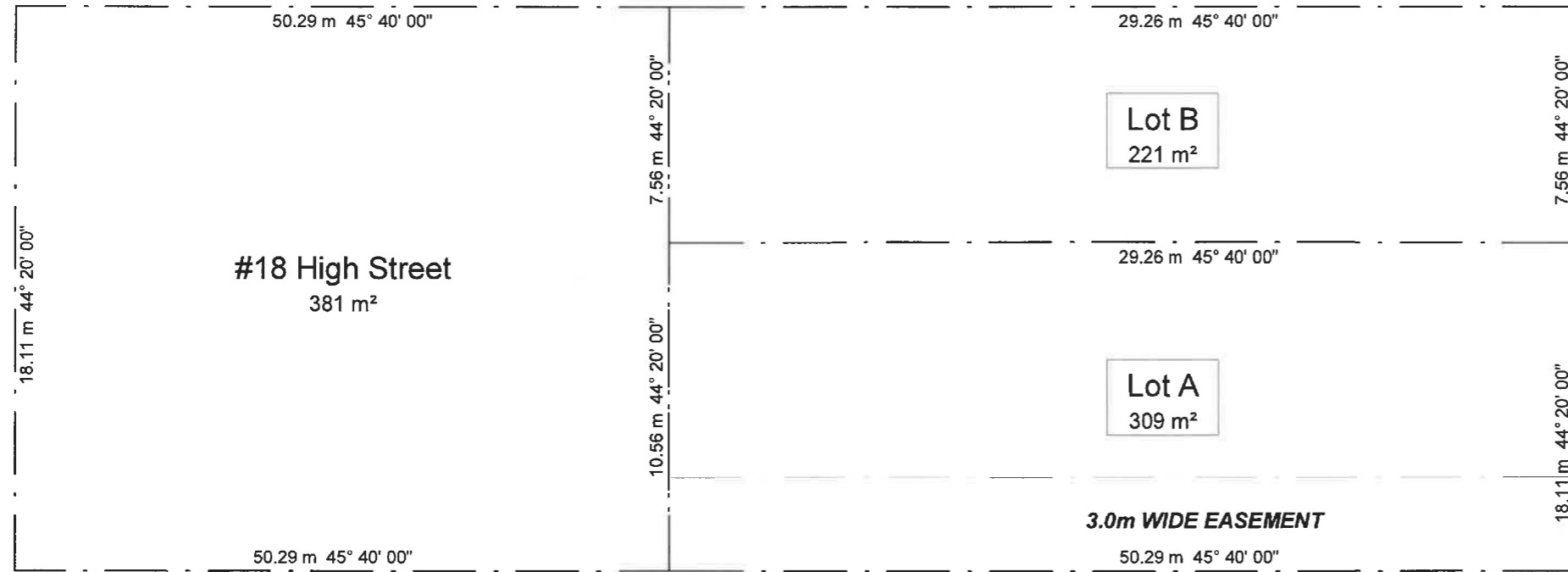
*The permit for development of the land will expire if one of the following circumstances applies:*

- (a) The development is not started within two years of the date of this permit;*
- (b) The development is not completed within four years of the date of this permit.*

*The Responsible authority may extend the periods referred to if a request is made in writing before the permit expires or within six months afterwards (for a request to extend the time to commence the development) or twelve months after the permit expires (for a request to extend the time to complete the development).*

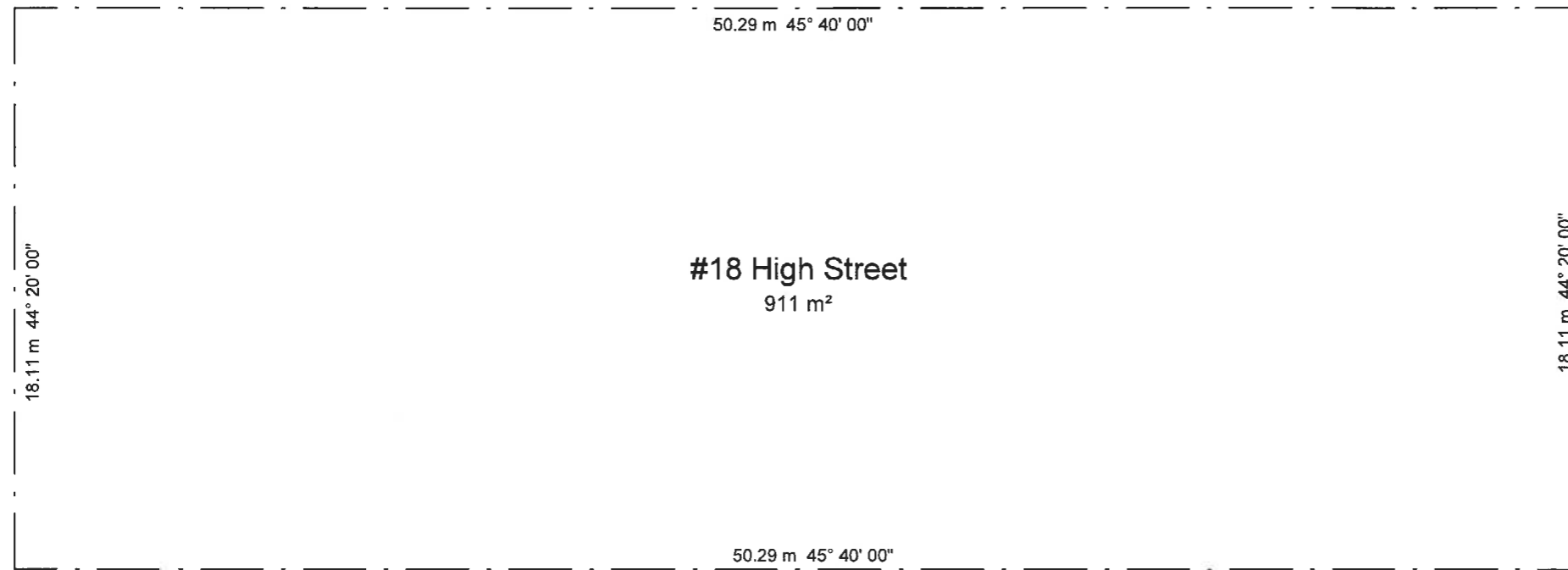
*The permit for subdivision of the land will expire if the plan of subdivision is not certified within two (2) years of the date of issue of this Permit unless the Responsible Authority grants an extension of the Permit upon application in writing by the permit holder within six (6) months of the prescribed expiry date. Once the plan of subdivision is certified, the Permit will expire five years from the date of certification of the plan of subdivision.*

HIGH STREET  
PYRENEES HIGHWAY



Site Plan - Title Proposed

HIGH STREET  
PYRENEES HIGHWAY



Site Plan - Title Existing

SCALE: 1 : 200

ALMA STREET

ALMA STREET



Site Plan - Location Plan

SCALE: 1 : 1000

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- EXTERNAL WALLS 240mm BRICK VENEER, UNLESS OTHERWISE INDICATED
- INTERNAL WALLS 90mm TIMBER STUD, UNLESS OTHERWISE INDICATED
- STEPS / STAIRS TREADS MIN 250mm RISERS MAX 190mm HANDRAILS & BALUSTRADING 1000mm MIN HIGH BALUSTERS MAX 125mm SPACING
- ALL WINDOWS HEADS TO BE 2145mm O/A UNLESS NOTATED OTHERWISE
- IF BRICKWORK OVER, ADJUST HEAD HEIGHT TO WITHIN 5-10mm OF LINTEL
- REFER TO ALL ENGINEERS DETAILS FOR STRUCTURAL MEMBERS
- REFER TO ALL ENGINEERS DETAILS FOR CONTROL / ARTICULATION JOINTS

TERMITE PRONE AREA:	YES
FLOOD PRONE AREA:	NO
WIND SPEED	S2
ALPINE AREA	NO
ENGINEER:	SHANE MUIR CONSULTING ENGINEER
BUILDING SURVEYOR:	TEKCON GROUP PTY LTD
COUNCIL:	MACEDON RANGES SHIRE COUNCIL
WATER AUTHORITY:	WESTERN WATER
Job No.	

DRAWING TYPE:

Title Sheet

PROJECT:

Planning Documents

Proposed Unit Development  
for Campbell Wightman at  
18 High Street Maryborough

SCALE:  
As indicated

Amended: A 20-12-18  
Note: General Revision  
AUTHOR: Wayne Kneller  
RBP No: DPAD-36665

ISSUE OF DRAWING:  
07-12-2017

REFERENCE No. :  
2017-06-01  
SHEET No:  
P-02A

©A3

## A15 and B22 Overlooking

*This standard protects existing windows and private open space from overlooking.*

### Standard A15 and B22

A habitable room window, balcony, terrace, deck or patio should be located and designed to avoid direct views into the secluded private open space and habitable room windows of an existing dwelling within a horizontal distance of 9 metres (measured at ground level) of the window, balcony, terrace, deck or patio. Views should be measured within a 45 degree angle from the plane of the window or perimeter of the balcony, terrace, deck or patio, and from a height of 1.7 metres above floor level.

A habitable room window, balcony, terrace, deck or patio with a direct view into a habitable room window of an existing dwelling within a horizontal distance of 9 metres (measured at ground level) of the window, balcony, terrace, deck or patio should be either:

- offset a minimum of 1.5 metres from the edge of one window to the edge of the other, or
- have sill heights of at least 1.7 metres above floor level, or
- have fixed, obscure glazing in any part of the window below 1.7 metres above floor level, or
- have permanently fixed external screens to at least 1.7 metres above floor level and be no more than 25 per cent transparent.

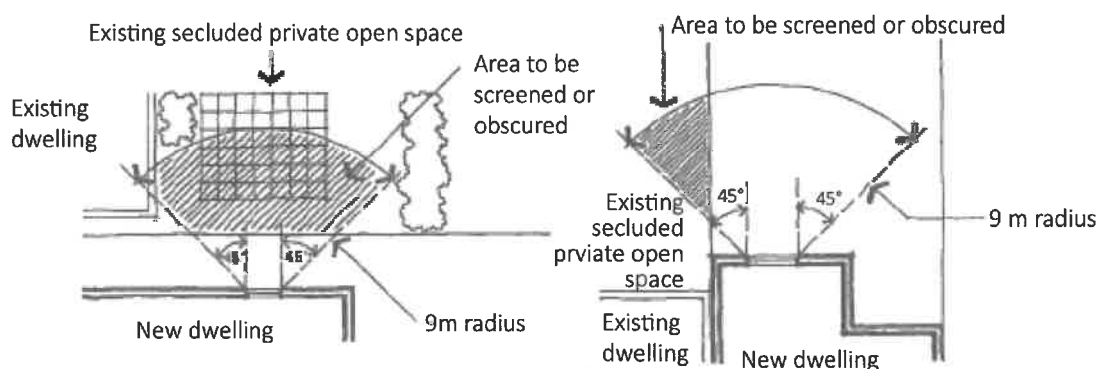
Obscure glazing in any part of the window below 1.7 metres above floor level may be openable provided that there are no direct views as specified in this standard.

Screens used to obscure a view should be:

- perforated panels or trellis with a maximum of 25 per cent openings or solid translucent panels
- permanent, fixed and durable
- designed and coloured to blend in with the development.

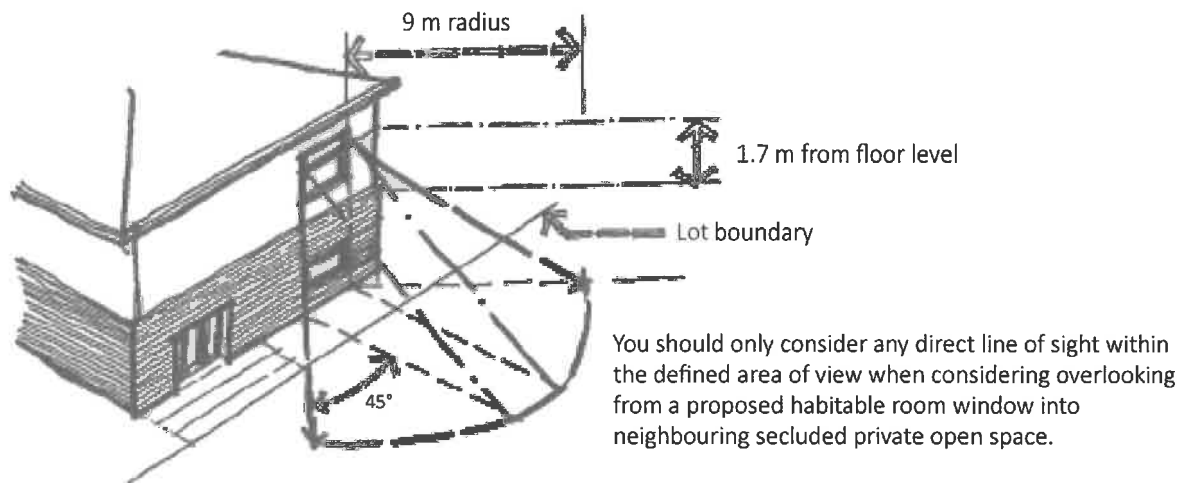
This standard does not apply to a new habitable room window, balcony, terrace, deck or patio which faces a property boundary where there is a visual barrier at least 1.8 metres high and the floor level of the habitable room, balcony, terrace, deck or patio is less than 0.8 metres above ground level at the boundary.

Diagram A4 and B4 Overlooking open space

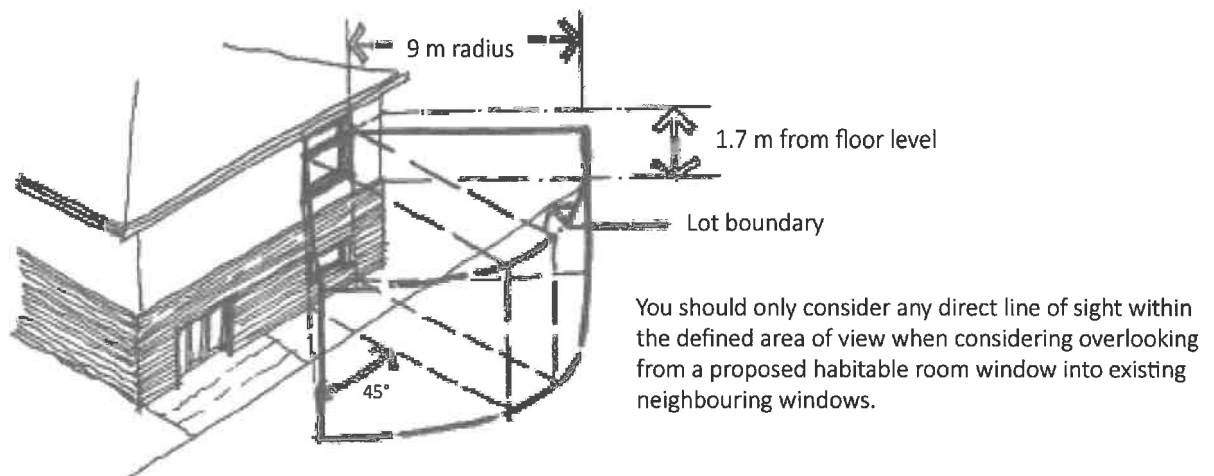


## Applying the standard

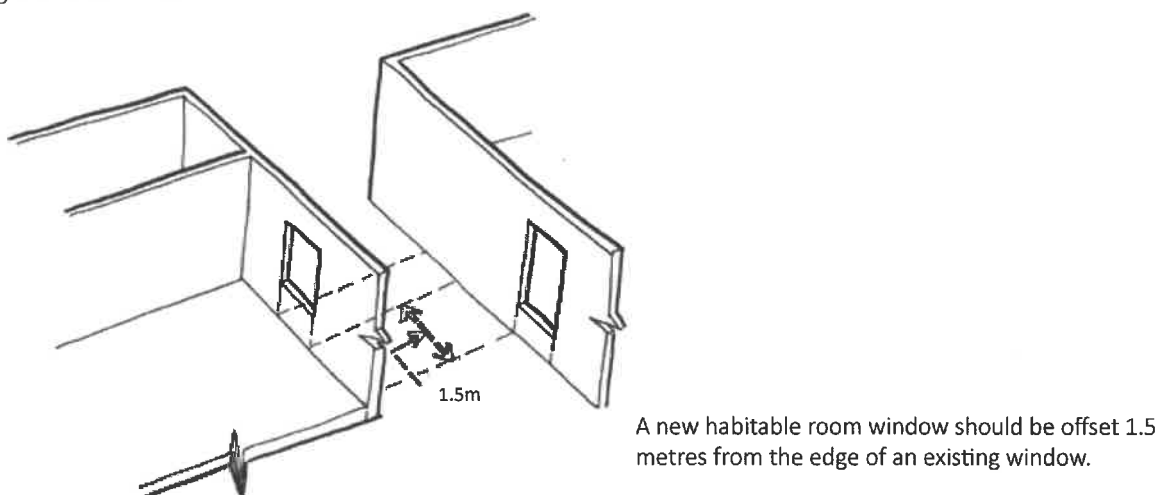
### Overlooking into secluded private open space



### Overlooking into existing windows

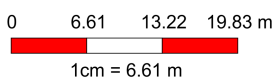


### Offsetting a new window



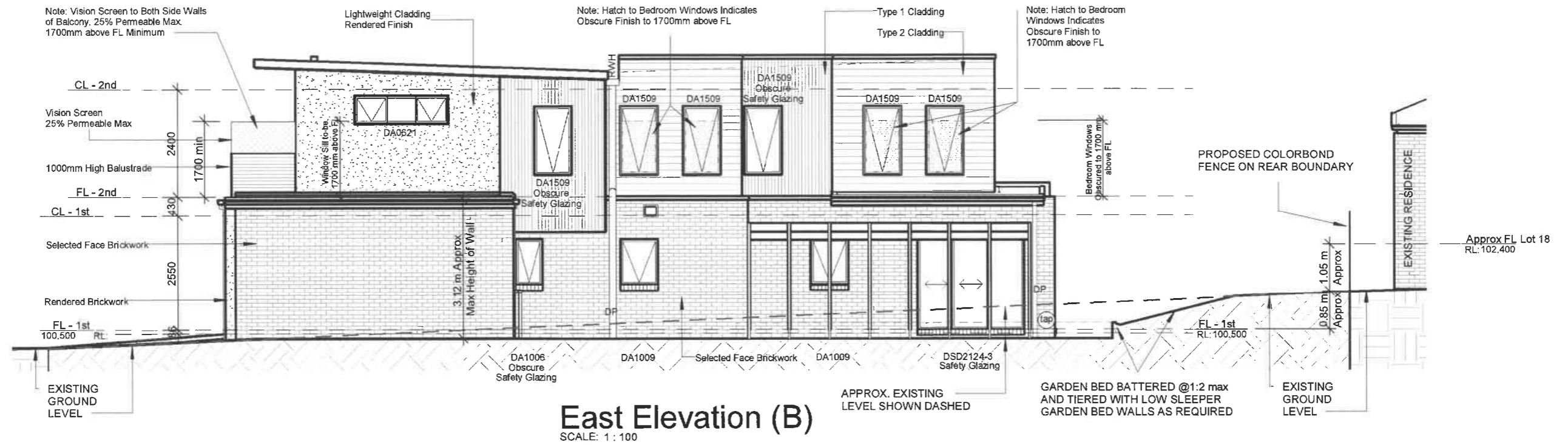


Scale 1 : 661

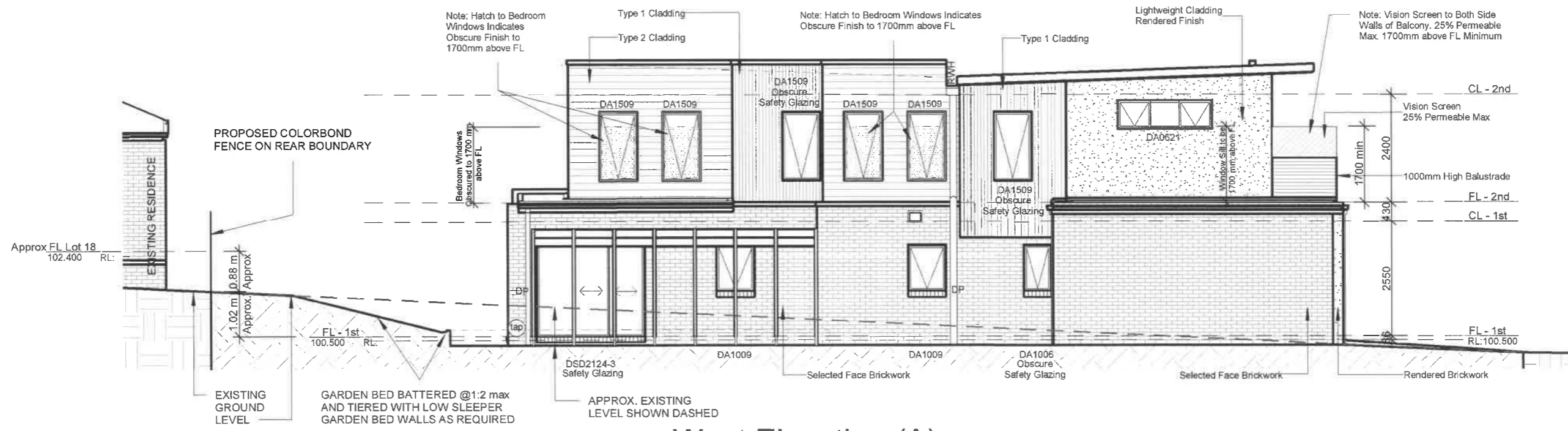


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Vicmap





**East Elevation (B)**  
SCALE: 1 : 100



**West Elevation (A)**  
SCALE: 1 : 100

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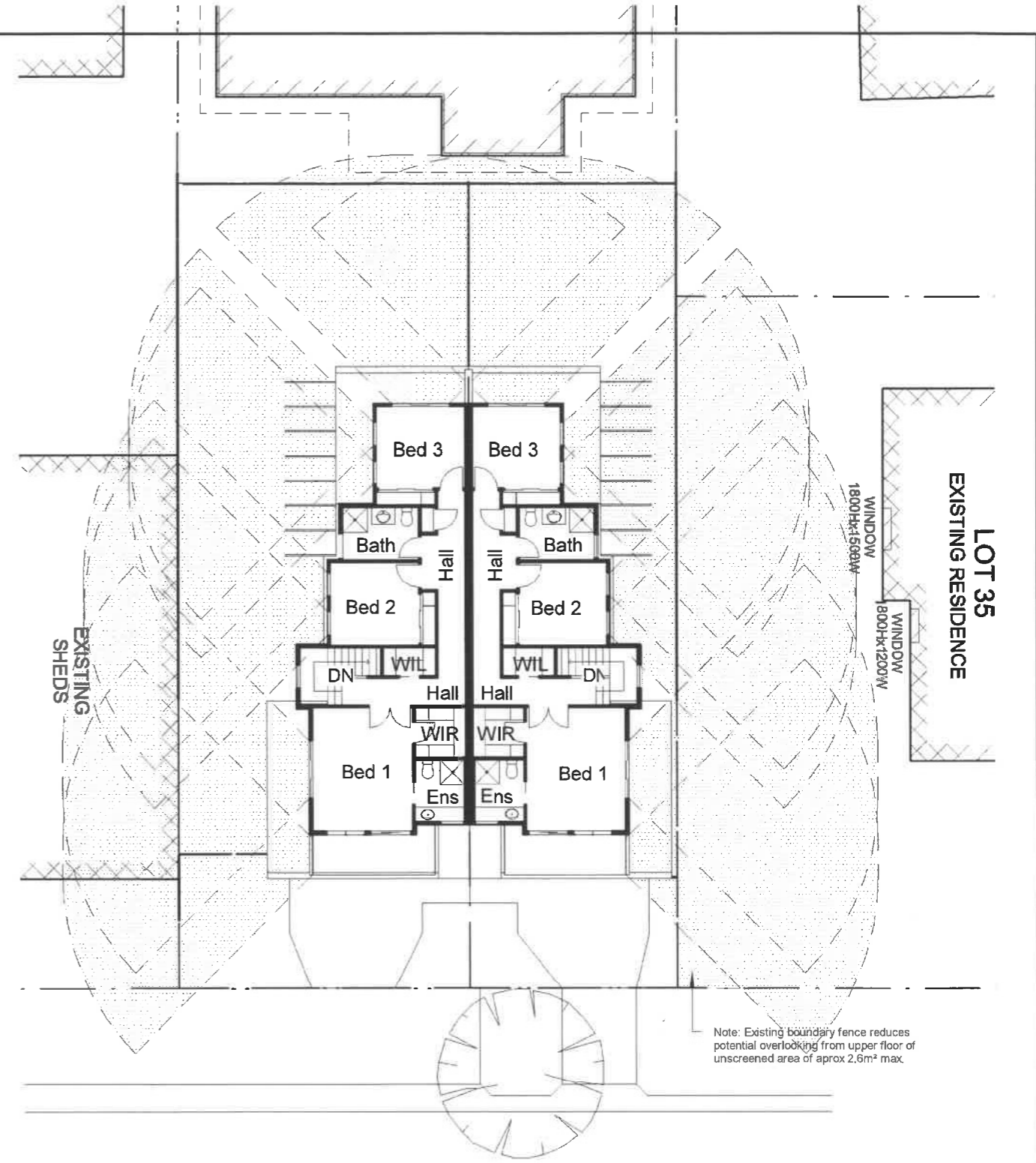
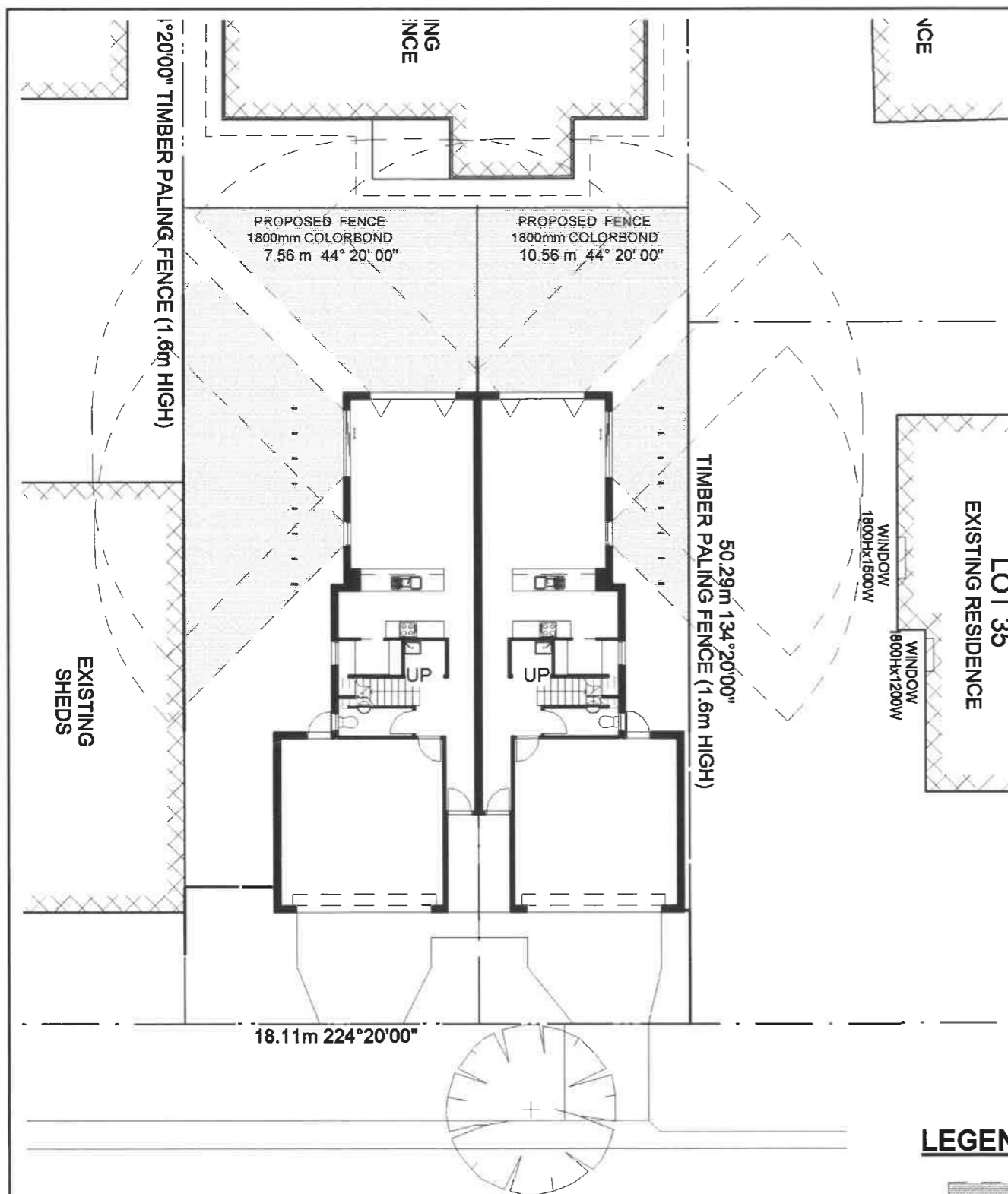
TERMITE PRONE AREA: YES  
FLOOD PRONE AREA: NO  
WIND SPEED: S2  
ALPINE AREA: NO  
ENGINEER: SHANE MUIR CONSULTING ENGINEER  
BUILDING SURVEYOR: TEKCON GROUP PTY LTD  
COUNCIL: MACEDON RANGES SHIRE COUNCIL  
WATER AUTHORITY: WESTERN WATER  
Job No.

DRAWING TYPE:  
PROJECT:

**Elevations**  
Planning Documents  
Proposed Unit Development  
for Campbell Wightman at  
18 High Street Maryborough

SCALE: 1 : 100  
ISSUE OF DRAWING: 07-12-2017  
REFERENCE No.: 2017-06-01  
SHEET No: P-12B  
Amended: B 12-02-19  
Note: General Revision  
AUTHOR: Wayne Kneller  
RBP No: DPAD-36665





Note: Existing boundary fence reduces potential overlooking from upper floor of unscreened area of approx 2.6m² max.

**LEGEND**

**GROUND FLOOR WINDOWS:**  
HABITABLE ROOM WINDOWS OVER-LOOKING THEIR OWN PRIVATE OPEN SPACE



**NOTE:**  
DUE TO THE DIFFERENCE IN LEVELS BETWEEN THE EXISTING SURROUNDING HOUSES / TOPOGRAPHY AND NEW & EXISTING BOUNDARY FENCES (1.8m & 1.65m HIGH RESPECTIVELY) COMPARED TO THE PROPOSED LEVELS OF THE COMPLETED DEVELOPMENT THERE WILL BE NO OVER-LOOKING FROM GROUND FLOOR HABITABLE ROOM WINDOWS &/OR DOORS.

**FIRST FLOOR WINDOWS:**  
HABITABLE ROOM WINDOWS & BALCONIES TREATED FOR OVER-LOOKING THE PRIVATE OPEN SPACE OF OTHERS



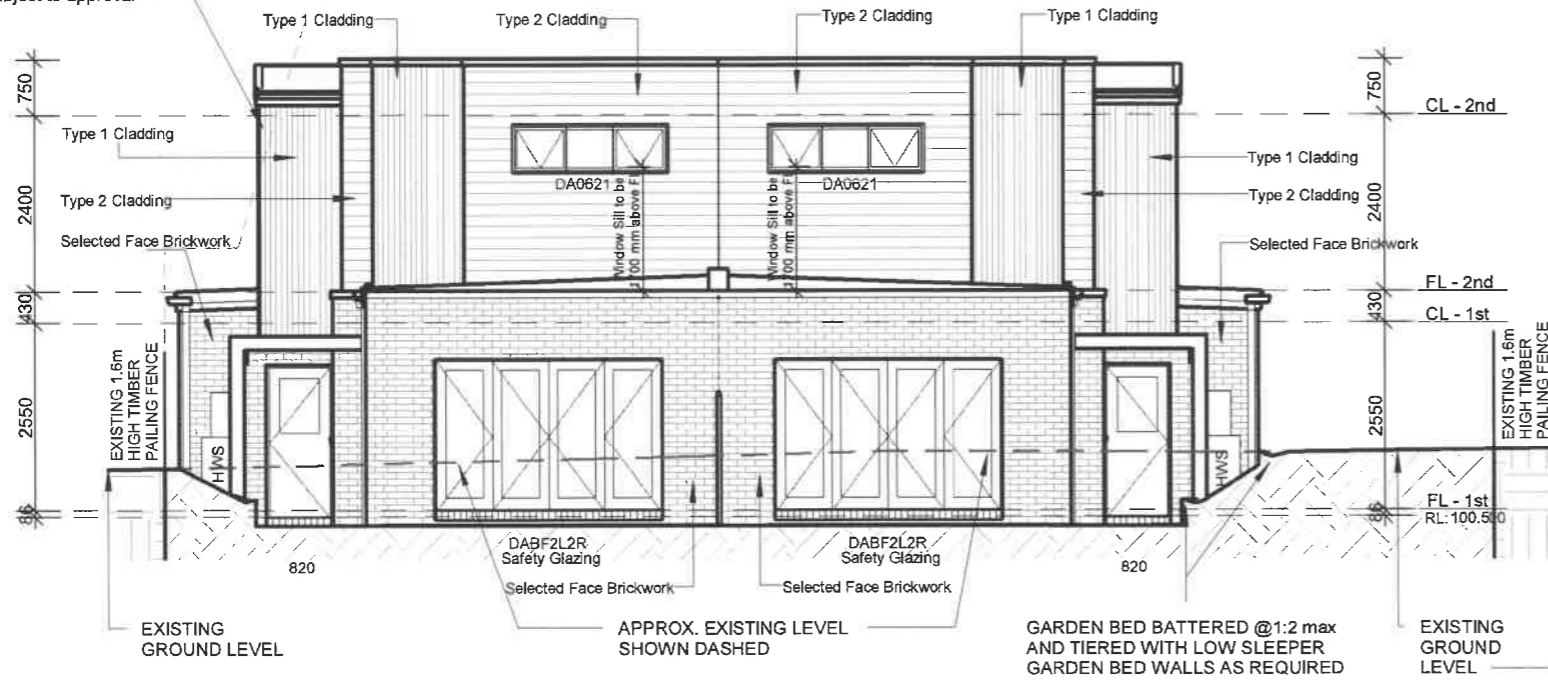
WINDOWS FROM HABITABLE ROOMS & BALCONIES SHALL BE TREATED TO RESTRICT OVERLOOKING OF ADJACENT NEIGHBOURING PRIVATE OPEN SPACES BY ONE OF THE FOLLOWING METHODS:  
 • OBSCURE GLAZING TO 1.7m MIN ABOVE ADJACENT FLOOR LEVEL, or  
 • THE SILL LEVEL SHALL BE NOT LESS THAN 1.7m ABOVE ADJACENT FL, or  
 • EXTERNAL VISION SCREENS (25% MAX. PERMEABLE) 1.7m ABOVE ADJACENT FL SHALL BE PROVIDED, REFER TO ELEVATIONS FOR FURTHER INFORMATION

**Site Plan - Overlooking GF**  
SCALE: 1 : 200

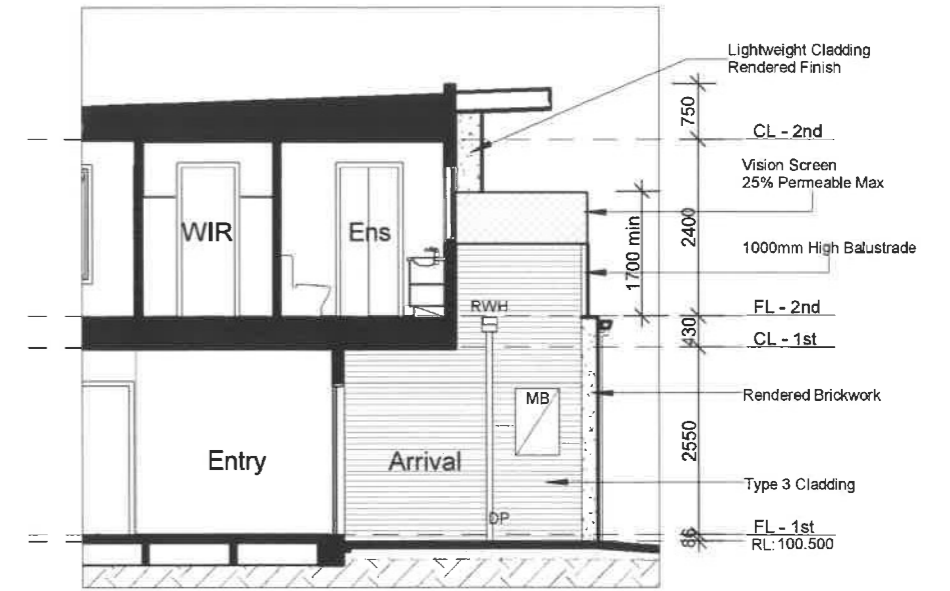
**ALMA STREET**  
**Site Plan - Overlooking FF**  
SCALE: 1 : 200

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		ENGINEER: SHANE MUIR CONSULTING ENGINEER BUILDING SURVEYOR: TEKCON GROUP PTY LTD COUNCIL: MACEDON RANGES SHIRE COUNCIL WATER AUTHORITY: WESTERN WATER Job No.	Proposed Unit Development for Campbell Wightman at 18 High Street Maryborough		

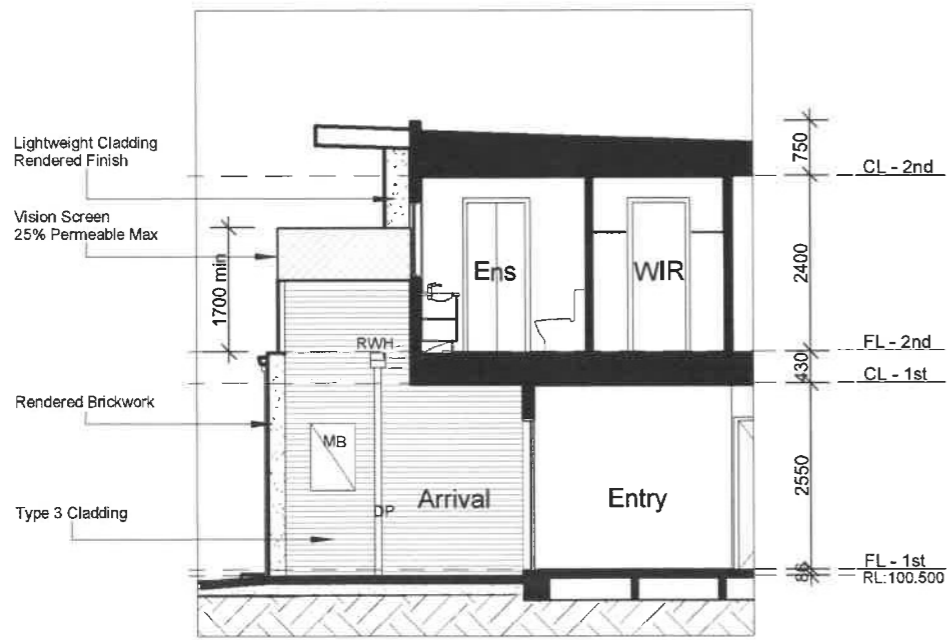
Note: Encroachment into Side Setback Subject to approval



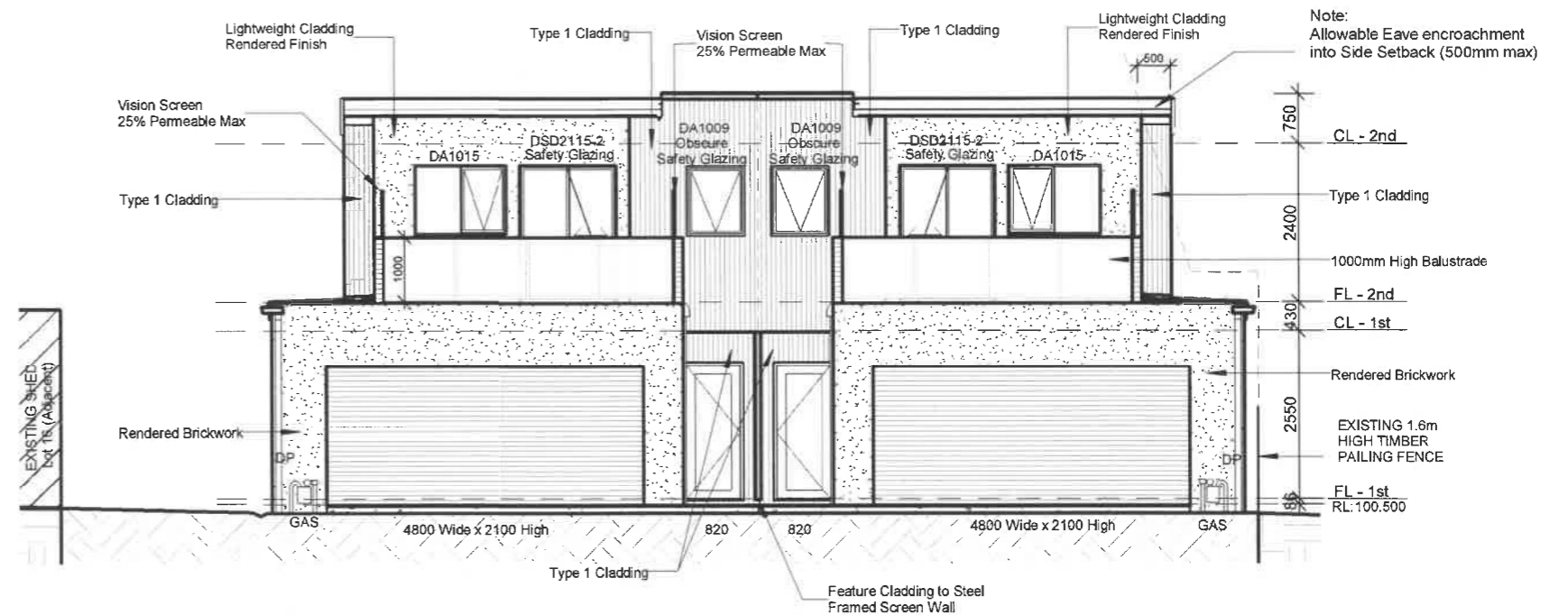
**North Elevation**  
SCALE: 1 : 100



**West Elevation (B)**  
SCALE: 1 : 100



**East Elevation (A)**  
SCALE: 1 : 100



**South Elevation**  
SCALE: 1 : 100

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TERMITE PRONE AREA:	YES
FLOOD PRONE AREA:	NO
WIND SPEED:	S2
ALPINE AREA:	NO
ENGINEER:	SHANE MUIR CONSULTING ENGINEER
BUILDING SURVEYOR:	TEKCON GROUP PTY LTD
COUNCIL:	MACEDON RANGES SHIRE COUNCIL
WATER AUTHORITY:	WESTERN WATER
Job No.	

DRAWING TYPE:

PROJECT:

**Elevations**  
Planning Documents  
Proposed Unit Development  
for Campbell Wightman at  
18 High Street Maryborough

SCALE:	1 : 100	ISSUE OF DRAWING:	07-12-2017
Amended:	B 12-02-19	REFERENCE No. :	2017-06-01
Note:	General Revision	AUTHOR:	Wayne Kneller
RBP No:	DPAD-36665	SHEET No:	<b>P-11<sup>B</sup></b>

@A3

## 8.4 DRAFT RATING STRATEGY 2019-2021

**Author:** General Manager Corporate Performance

**Responsible General Manager:** General Manager Corporate Performance

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### **SUMMARY/PURPOSE:**

This report provides information on the community feedback on Council's Draft Rating Strategy 2019-2021 document and presents a final Rating Strategy 2019-2021 document to Council for adoption.

### **POLICY CONTEXT:**

Central Goldfields Shire Council's Council Plan 2017-2021(2018 Refresh) – Our Organisation:

Outcome: Central Goldfields Shire is proactive, well governed, professional and financially sustainable organisation.

4.1 Objective: Ensure the financial sustainability of Council through efficient and effective delivery of services.

### **BACKGROUND INFORMATION:**

Municipal rates are Council's single biggest income source, representing 40.9% of income in the 2018-2019 budget. Council's rating strategy articulates to the community how the total rate revenue to be raised is allocated between individual ratepayers.

Council's current rating strategy was adopted on 24 June 2014.

Local Government Victoria produced a better practice guide in 2014 entitled "Revenue and Rating Strategy" which is aimed at assisting Councils to review their rating strategy. This guide recommends that Council should review its rating strategy every two years.

Municipal revaluations are conducted under the auspice of the Valuer-General Victoria, and up until 31 December 2017 they were conducted biennially. From 31 December 2018 the revaluations will be performed annually and will be used for the rating year commencing 1 July immediately after the revaluation date.

Council's current rating strategy was discussed by the Administrators and executive staff at an Assembly of Council held on 4 December 2018. This discussion identified three possible changes to the current rating strategy, and each of these possible changes were included in the options modelled in the draft rating strategy.

At the Council Meeting on 26 February 2019 it was resolved:

That Council:

1. Endorse the Draft Rating Strategy 2019-2021
2. Endorse Option 3 - Reduce the municipal charge to 10% and remove the three “Other” splits as Council’s preferred option
3. Propose that the change to the municipal charge be phased in equally over three years
4. Propose that the removal of the three “Other” differential rating categories be phased in equally over five years
5. Consult with the community on the Draft Rating Strategy 2019-2021 including the phase in timelines.

#### **REPORT:**

Information about the Draft Rating Strategy 2019-2021 was advertised in the print and social media channels and the weekly radio spot on Goldfields FM. A total of twelve submissions were received, and contained a wide variety of views. A full copy of all submissions was provided to the Administrators and executive staff, prior to discussion at an Assembly of Council held on Tuesday 9 April 2019.

A Hearing Meeting was held on Tuesday 9 April 2019 and six people who had made submissions on the Draft Rating Strategy 2019-2021 addressed the Administrators about their submission.

Council also conducted an online survey which asked 17 questions about the Draft Rating Strategy 2019-2021. A total of 22 surveys were completed, and also contained a wide variety of views. A full copy of all survey submissions was provided to the administrators and executive staff, prior to discussion at an Assembly of Council held on Tuesday 9 April 2019.

Council also conducted a listening post on Tuesday 16 April 2019 which provided an opportunity for those survey participants that wanted to discuss the Draft Rating Strategy 2019-2021 with a further opportunity to have a conversation about the draft strategy.

#### **CONSULTATION/COMMUNICATION:**

Public consultation seeking feedback on the draft rating strategy included advertising in the print and electronic media, an online survey which was promoted broadly and a listening post that provided interested persons the opportunity to have a conversation about the draft strategy.

#### **FINANCIAL & RESOURCE IMPLICATIONS:**

Work on consulting on the draft rating strategy has been completed in house using existing resources, with advertising being undertaken via Council’s regular Friday newspaper advertisement.

**CONCLUSION:**

Feedback on the Draft Rating Strategy 2019-2021 has been obtained from a number of interested people. The feedback responses provided a wide spectrum of both positive and negative feedback, including some conflicting views.

Following consideration of all feedback on the Draft Rating Strategy 2019-2021, it is recommended that Council does not make any changes to the preferred option outlined in the Draft Rating Strategy 2019-2021.

The Draft Rating Strategy 2019-2021 document has been revised to remove reference to the three modelled rating options that were not recommended by Council, in order to produce a final Rating Strategy 2019-2021 document.

**ATTACHMENTS:**

1. Rating Strategy 2019-2021

**RECOMMENDATION:**

*That Council adopts the Rating Strategy 2019-2021 document, and notes that:*

- 1. Implementing this strategy will reduce the municipal charge to 10% and remove the three "Other" differentials;*
- 2. Changes to the municipal charge will be phased in equally over three years;*
- 3. Changes to enable the removal of the three "Other" differential rating categories will be phased in equally over five years.*

**Central Goldfields Shire Council**  
**Rating Strategy 2019-2021**  
**April 2019**



**Central Goldfields Shire Council**  
**Rating Strategy 2019-2021**  
**April 2019**

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## Introduction

The purpose of this document is to communicate a strategy for the future rating of properties in the Central Goldfields Shire. During the development of this Rating Strategy four options were considered, with the objective being to implement changes to achieve a fairer and more equitable outcome for all ratepayers.

Property rates (rates) are Council's single biggest income source, representing 40.9% of income in the 2018-2019 budget. Council's rating strategy articulates to the community how the total rate revenue to be raised is allocated between individual ratepayers.

**Any changes to the rating system is a financial nil sum exercise for Council, in that the total revenue raised by Council remains the same. What any changes to the rating system does do is alters the amount that each individual property contributes in rates. In essence, any changes made that provides a reduction in rates paid by one group of ratepayers must be offset by increases in the rates paid by other groups of ratepayers.**

## Statutory requirements

The objectives of local government in Victoria are set out in the Local Government Act 1989 (The Act) and includes the statutory requirement 'to ensure the equitable imposition of rates and charges'. Some pertinent sections of the Act include the following:

A Council may declare the following rates and charges on rateable land:

- General rates under section 158;
- Municipal charges under section 159;
- Service rates under section 162;
- Service charges under section 162;
- Special rates under section 163;
- Special charges under section 163.

The systems of valuing land a Council:

- May use the site value, net annual value or capital improved value (CIV) system of valuation.
- Must publish public notice of its decision to change its system of valuation.

Municipal charge

- A Council may declare a municipal charge to cover some of the administrative costs of the Council.
- A Council's total revenue from a municipal charge in a financial year must not exceed 20 per cent of the sum total of the Council's total revenue from a municipal charge and total revenue from general rates.



## Rating Framework

### What are rates?

Council collect rates (which are a form of property tax) from property owners to fund community infrastructure and services that benefit the whole community. In Victoria property values are used as the basis for calculating how much each property owner pays.

**Council's annual budget determines how much Council needs to raise from rates. Council's rating strategy then determines how much the owner of each property will contribute towards the total that Council needs to raise from rates. The level of rate increase is capped by State Government legislation and this cap is set by the Minister for Local Government in December each year.**

Council's rating strategy considers the fair and equitable share of rates to be paid by the owner of each type of property (residential, farm, commercial, industrial and vacant land).

### Property valuations

Under Section 11 of the Valuation of Land Act 1960, Council is required, for rating purposes, to undertake a general revaluation of rateable land as at 1 January in each calendar year. This revaluation will then be used to calculate the rates for the financial year commencing on 1 July of that year.

Revaluations result in varying levels of valuation movements across the municipality, which sometimes results in major shifts in the rate burden and significant movement in rates for individual properties.

**There is a common misconception that as property values increase, Council receives a 'windfall gain' of additional revenue. This is not so as the revaluation process simply results in a redistribution of the rate burden across all properties in the municipality.**

Total income from rates is determined by the Council, during the budget process. In order to generate the same amount of rate revenue, in simple terms, as property values increase, the rate in the dollar decreases.



## Revenue and rating principles

The Local Government Victoria Revenue and Rating Strategy Better Practice Guide sets out the following seven revenue and rating principles.

### Wealth tax principle

Wealth can be defined as the total value reflected in property and investments and income directed to day-to-day living. Local government is limited to taxing one component of wealth – real property. Council rates tax the stored “wealth” or unrealised capital gains inherent in land and buildings.

**The “wealth tax” principle implies that the rates paid are dependent upon the value of a ratepayer’s real property and have no correlation to the individual ratepayer’s consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.**

One issue associated with the application of the wealth tax principle to property rating is that it takes no account of an individual ratepayer’s net financial equity in a property. Thus the owner of a house with a valuation of \$300,000 and a \$240,000 mortgage on that property pays the same rates as the owner of a house with a valuation of \$300,000 with no mortgage, despite only having 20% of the net equity (wealth) in that property.

This is an inherent shortcoming of the property rating system, in that it taxes the gross “wealth” embedded in a property, even when the bulk of that “wealth” may not be owned by the property owner (ie the majority of the “wealth” is owned by the mortgagee, which in most cases is a bank). **In effect, property rates are a tax on controlled wealth, as opposed to wealth measured by financial equity in a property.**



## Equity

**Equity is a subjective concept that is difficult to define. What is considered fair for one person may be considered unfair for another.** There are two main equity concepts used to guide the development of rating strategies (and taxation more generally):

**Horizontal equity – ratepayers in similar situations should pay similar amounts** (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).

**Vertical equity – those who are better off should pay more than those worse off** (this rationale applies for the use of progressive and proportional income taxation. It implies a “relativity” dimension to the fairness of the tax burden).

Rates are essentially a wealth tax, determined on the value of property. A pure “wealth tax” approach implies that the rates paid relate directly to the value of a ratepayer’s real property. The tests of horizontal and vertical equity are solely based on a property’s value. There is frequent debate surrounding the characteristics of property owners that may impinge on the application of an equity principle. The three main ways in which positions can vary are:

- the benefit or user pays principle – some ratepayers have easier access to, make more use of, or benefit more from the Council services paid for by rates
- the capacity to pay principle – some ratepayers have more ability to pay rates than do others with similarly valued properties
- the incentive or encouragement principle – some ratepayers may be doing more towards achieving Council goals than others (for example, in areas such as employment creation and environmental or heritage protection).

Concepts such as “user pays” and “capacity to pay” often conflict. Depending on your viewpoint the equitable outcome may be the one where individuals pay more, or less, or exactly in proportion to, their level of consumption of services.

## Efficiency

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by a tax. Setting aside taxes explicitly intended to change behaviour (such as high taxes on cigarettes), a perfectly efficient tax would be one, which did not distort behaviour. Of course, there is no such tax – all taxes affect behaviour to some extent. However, economic efficiency in revenue collection is maximised when the degree of this distortion is minimised.

Price is the major mechanism through which taxation efficiency may be achieved and for services where users are price sensitive, direct charging can influence demand and thus lead to greater efficiency. Conversely, the funding of services through rates (or via subsidies from other services) may result in an inflated demand for services and additional costs for Councils to meet this demand. As a result, a mix of user charges and rates revenue funds a variety of Council services.

The efficiency of a tax is also related to the cost of administration. Administration costs include the issuing of assessments, collection of rates (including maintaining and improving collection systems), monitoring outcomes, educating and informing ratepayers, and enforcement and debt recovery.





### Simplicity

The taxation principle of simplicity revolves around how easily a system can be understood by the public, and in particular ratepayers. This can conflict with the principles of equity and efficiency.

A simple rating scheme would have a limited number of rating classifications, even using a uniform rate. Other features of a simple rating scheme may be practicality and ease of administration. Rates in general are quite simple to administer in that they rely on a clear information source (property values) and they place a levy on something that is impossible to conceal (land). Public understanding is another consideration for a Council in striving for simplicity. A simple system should be easier for the public to understand as should the explanation of it by a Council.

The efficacy of using rates to provide incentive or encouragement for ratepayers to act in a certain way to achieve corporate goals (e.g. environmental) should be evaluated critically against other approaches in terms of likely effectiveness.

### Benefit principle

A popular complaint levelled at Councils is that “the rates I pay have no correlation with the services I consume or the benefits I receive”. This argument is based on the benefit principle (the opposite of the wealth tax principle) that argues there should be a clear nexus between consumption/benefit and the rate burden. A user pays system is closely reflective of the benefit principle.

Application of the benefit principle to rates is difficult in practice because of the impossibility of measuring the relative levels of access and consumption across the full range of Council services. While it might be quite obvious that certain geographic areas may not get access to specific services, for example street lighting, it is the level of benefit across the full range of rates-funded services that is important in determining the amount of rates that should be paid. This exercise is not clear cut – for example, it might be argued that rural ratepayers

derive less benefit from library services than their town counterparts but the reverse argument can apply to the costs of repairing gravel roads in rural areas which are predominantly used by rural ratepayers.

**In some ways the arguing of the benefit principle with respect to Council rates is like trying to do the same for Commonwealth income tax that is used to fund a wide range of universally accessed services.**

The benefits received principle applies to many tax systems, for example stamp duty paid on the purchase of a motor vehicle. However, it is difficult to rationalise a relationship between rates paid and services provided by local government. It is even more tenuous when attempting to draw a relationship with rates against services actually used by ratepayers, of which there is little research or evidence to support a proportional connection.

The analysis of benefit is often reduced to arguments of what services are consumed by town v. country, businesses v. residences and between different towns and suburbs. Such a simplistic determination of rates based on where services are located ignores the facts that:

- many services are not location specific
- access is not synonymous with consumption
- residents can travel or use technology to access some services
- more significantly, services provided in different locations within a municipality have different costs. For example, the actual cost of providing the same or a lesser level of service to a more remote or less central location may be higher due to dis-economies of scale or logistical reasons. Home care and waste collection are two examples where the cost of providing the same service is higher in rural areas than within Maryborough.



## Capacity to pay

The capacity to pay principle stands in contrast to the benefits received principle. Its measurability may be either determined by wealth or income. In the case of local government rating, it is determined on the value of property which reflects wealth, rather than the actual income of the ratepayer. It is acknowledged that over the lifetime of a taxpayer, the relativity between income and wealth may vary significantly.

Councils may decide that capacity to pay is fundamentally reflected by property value or that the application of the wealth tax and benefit principles should be moderated for groups of ratepayers because of capacity to pay considerations.

As rates are levied on unrealised wealth in the form of property, their nexus with ratepayers' capacity to pay may be tenuous – ratepayers may be “asset rich” but “cash poor” or vice versa.

It is an inherent restriction of property taxation that it does not recognise the situation where ratepayers are “asset rich” and “cash poor”. In these cases ratepayers may be assessed as having considerable wealth reflected in the property that they own, but have a low level of cash income. Examples may include pensioners, businesses facing cyclical downturn, households with large families, single parent families, property owners with little equity in their property and farmers dealing with climate variability.

**The use of differential rating categories is a blunt tool that is available to Councils in order to attempt to address the capacity to pay issue to some degree.**

## Diversity

There is no way of getting around the fact that despite the “likeness” of members of property classes, there will also be considerable diversity within each class. There is considerable diversity in the economic circumstances of households related to household income, the number of breadwinners and members, expenditure patterns and debt levels.

Similarly, enormous business diversity exists – businesses range from small businesses with owner operators and few employees to corporations employing many thousands of people. They may take a variety of forms – sole operators, companies, partnerships, cooperatives and trusts. Production may cover a diverse range of goods and services for local, national or overseas markets. They may vary considerably in terms of turnover, net worth, profitability and gearing – just to name a few characteristics. Businesses may be “price takers” with little market power or “price makers” operating in oligopolistic markets.

The taxation effect of property rates for income tax purposes is another point of diversity that challenges the equity principles of property rating. **Businesses that occupy commercial, industrial or farm properties are able to claim property rates as an income tax expense. This allows businesses to pay property rates in after-tax dollars, as opposed to private non-business people who have to pay property rates in pre-tax dollars.** There is a line of thought that incorporating the income taxation effect of property rates into the setting of differential rating category relativities would improve the overall equity of property rating systems.

Council rate setting for different groups may need to have regard to the general capacity of those classes of property to pay rates. There are practical limits to the extent that classes may be differentiated because of impacts on efficiency and simplicity – and the broader a property class, the more general are the assumptions about capacity to pay. Clearly, there is an issue of how well the assumptions made about a large class of ratepayers accurately reflect the circumstances of most of its members.

## Why review the rating strategy?

The Local Government Victoria Revenue and Rating Strategy Better Practice Guide recommends that Councils review their rating strategy every two years. Council's previous rating strategy was adopted in June 2014.

The Local Government Act 1989 (the Act) restricts the amount of total rates revenue that Council can be raised via a Municipal Charge to 20%. The Local Government Bill 2018 (the Bill) restricts the amount of total rates revenue that Council can be raised via a Municipal Charge to 10%. Council's Municipal Charge is budgeted to generate 17.7% of total rates revenue in the 2018-2019 budget. If the Bill becomes legislation in its current form, Council's 2014 rating strategy would be non-compliant with the new Act.

## Where did we start?

Council's 2014 rating strategy and the property rate base as it applied for the 2018-2019 financial year was the starting point for discussion and analysis of potential changes.

Council's rating strategy currently has five different land categories but eight differential rating categories as follows:

- Residential - Maryborough
- Residential - Other
- Vacant Land - Maryborough
- Vacant Land - Other
- Commercial - Maryborough
- Commercial - Other
- Industrial
- Farm

Council also levies a municipal charge of \$262.65 per property (noting that single farm enterprises are entitled to an exemption for all but one of the municipal charges levied on that single farm enterprise). The municipal charge generates 17.7% of the total revenue raised from property rates. Council has 1,027 properties rated as farms and they pay 472 municipal charges.



## The eight current differentials

Council's current eight differential rating categories are defined as follows:

### Residential - Maryborough

Meaning that rateable land which has an occupiable dwelling able to be issued with a certificate of occupancy, is used solely for residential purposes and is situated within the Maryborough District boundary. To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land by proximity to the major service centre.

### Residential - Other

Meaning that rateable land which has an occupiable dwelling able to be issued with a certificate of occupancy, is used solely for residential purposes, and is situated outside the Maryborough District boundary. To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land where the infrastructure cost and service provision has been affected by reason of its distance from the major service centre - Maryborough.

### Vacant Land - Maryborough

Meaning that rateable land where no occupiable dwelling is erected (an occupiable dwelling has a Certificate of Occupancy issued), and is situated within the Maryborough District boundary. To ensure an equitable contribution towards the total rate income and encourage the development of vacant land within the Maryborough District boundary.

### Vacant Land - Other

Meaning that rateable land where no occupiable dwelling is erected (an occupiable dwelling has a Certificate of Occupancy issued) and is situated outside the Maryborough District boundary. To ensure an equitable contribution towards the total rate income and encourage the development of vacant land outside the Maryborough District boundary.





### Commercial - Maryborough

Meaning that rateable land which is used solely for commercial purposes and is situated within the Maryborough District boundary. To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties, as well as the use and services available to the land.

### Commercial - Other

Meaning that rateable land which is used solely for commercial purposes and is situated outside the Maryborough District boundary. To ensure an equitable contribution towards the total rate income, which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties where the cost of infrastructure and commercial opportunity differ from Maryborough Commercial, as well as the use and services available to the land.

### Industrial

Meaning that rateable land which is used solely for industrial purposes. To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties, reflects the cost of infrastructure and encourages development.

The difference between commercial and industrial land is mainly one of use. In general, commercial areas are used for trading goods and services while industrial areas serve as sites of production. Commercial areas are most valuable when they receive heavy traffic from potential customers.



## Farm

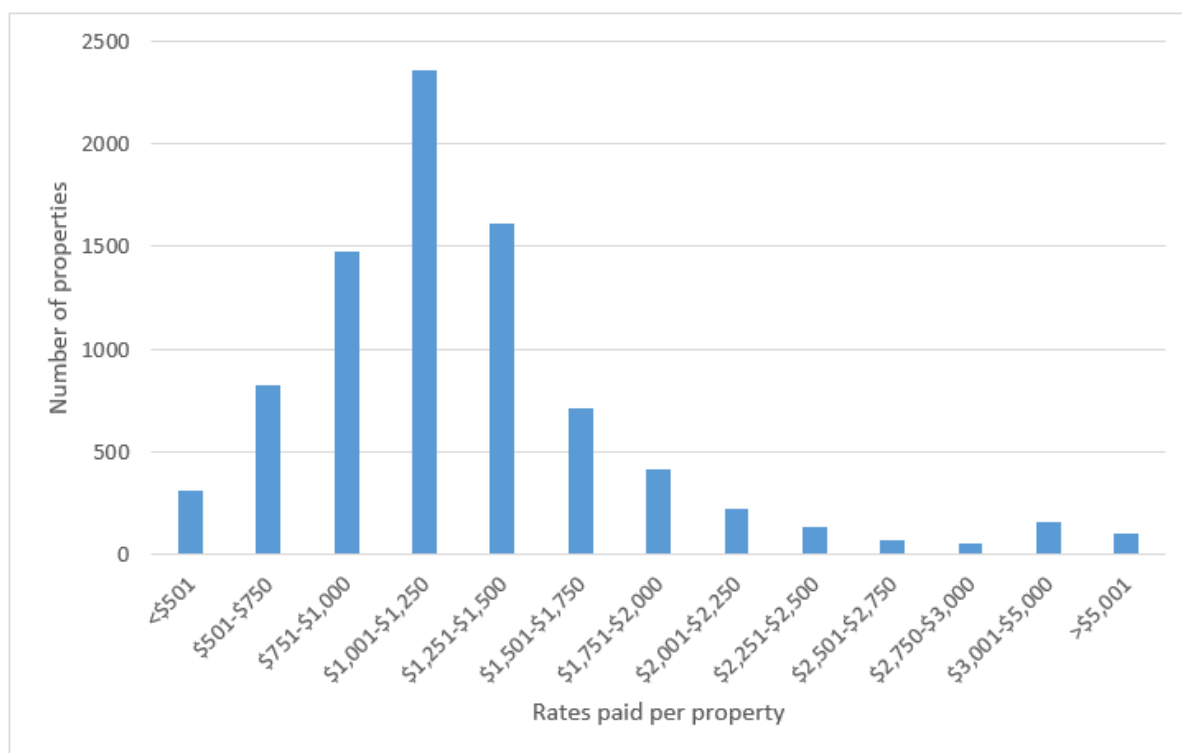
Meaning that rateable land, in aggregate, which is not less than 16 hectares (40 acres) in area and which is used primarily for carrying on one or more of the following businesses or industries:

Grazing (including agistment) dairying, pig farming, poultry, farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind.

To ensure an equitable contribution towards the total rate income commensurate with the nature of the land the capital improved value of which has been affected by reason of its abnormally large area and the use to which it is put in comparison to the general land size of the majority of rateable properties within the municipal district.

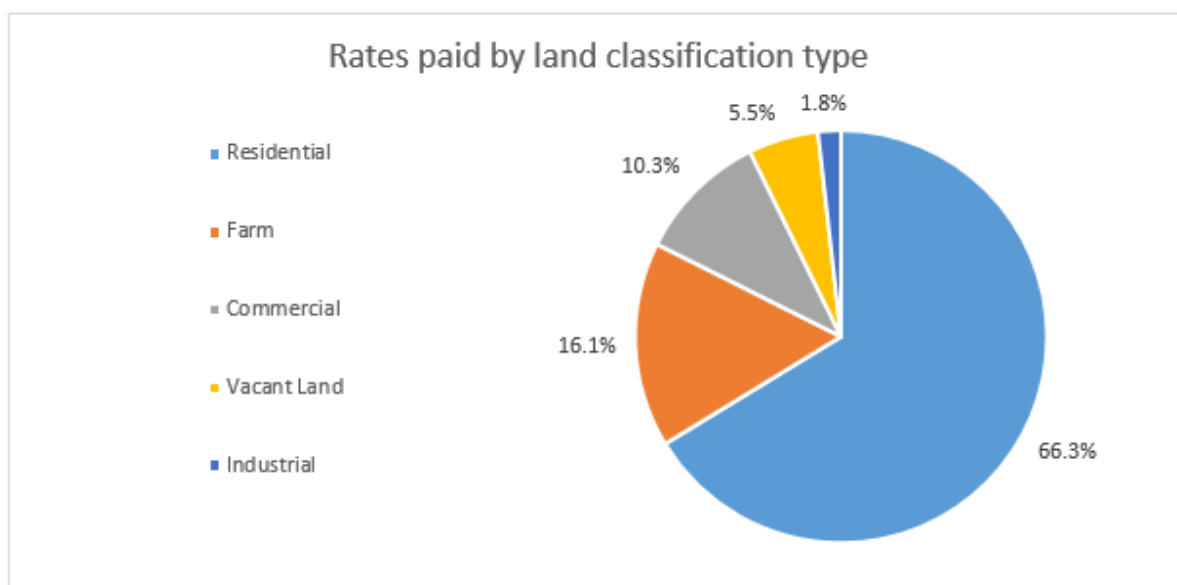
## Rates per assessment

The following table shows that 7,711 or 91.4% of properties pay less than \$2,000 per year (\$38.46 per week) in rates. The remaining 8.6% of properties paying more than \$2,000 per year account for 24.9% of Council's total rate revenue.



### Rate revenue by land classification type

Currently residential properties contribute two thirds of Council's rate revenue, with farm properties contributing 16%, commercial properties 10% and industrial and vacant land contributing the remaining 7% of rate revenue.



### Farm rates snapshot

Council has 472 single farm enterprises consisting of 1,027 farm assessments, or 2.2 assessments per single farm enterprise. The total area of farmland is 96,749 hectares and is valued at \$424.121 million at an average of \$4,384 CIV per hectare (\$1,774 per acre). The average single farm enterprise has a CIV of \$898,560, pays total rates of \$3,951 or \$19.27 per hectare (\$7.80 per acre). The most valuable farm land in the municipality is located in the Joyces Creek and Moolort areas and towards Baringhup West. The best farm land in this area is valued at \$7,000 per hectare (\$2,833 per acre) and pays rates of \$34.15 per hectare (\$13.82 per acre).

Farms are businesses and rates are deductible for income tax purposes. Using the marginal tax rate of 32.5 cents in the dollar (for income over \$37,000) Council's average current after-tax farm rate is \$13.01 per hectare (\$5.27 per acre). A farm enterprise pays \$3,293.06 after tax per \$1 million CIV of farm land, in comparison to a \$1 million CIV of Maryborough residential land which pays \$5,393.25 in rates after tax or 64% more.

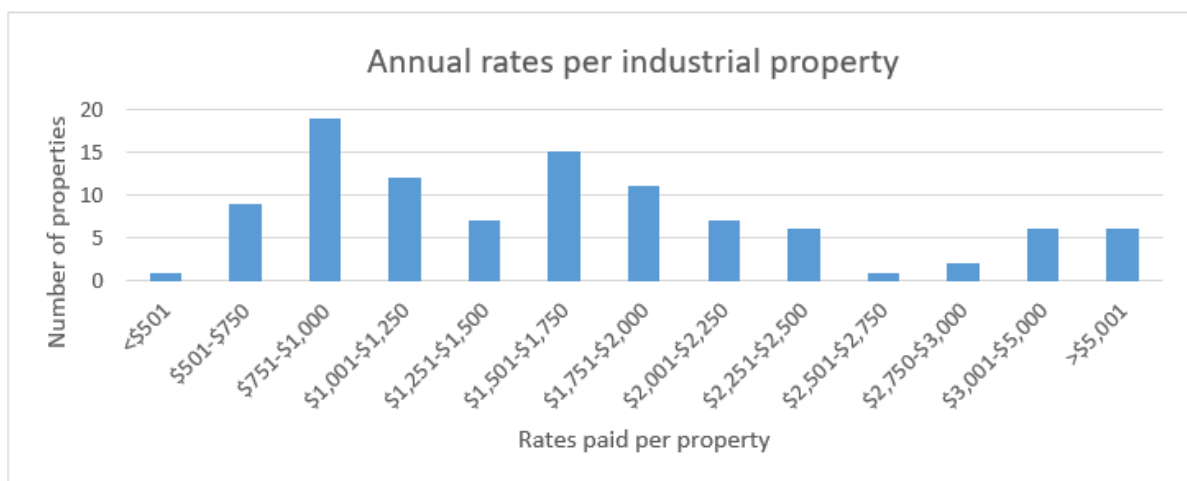
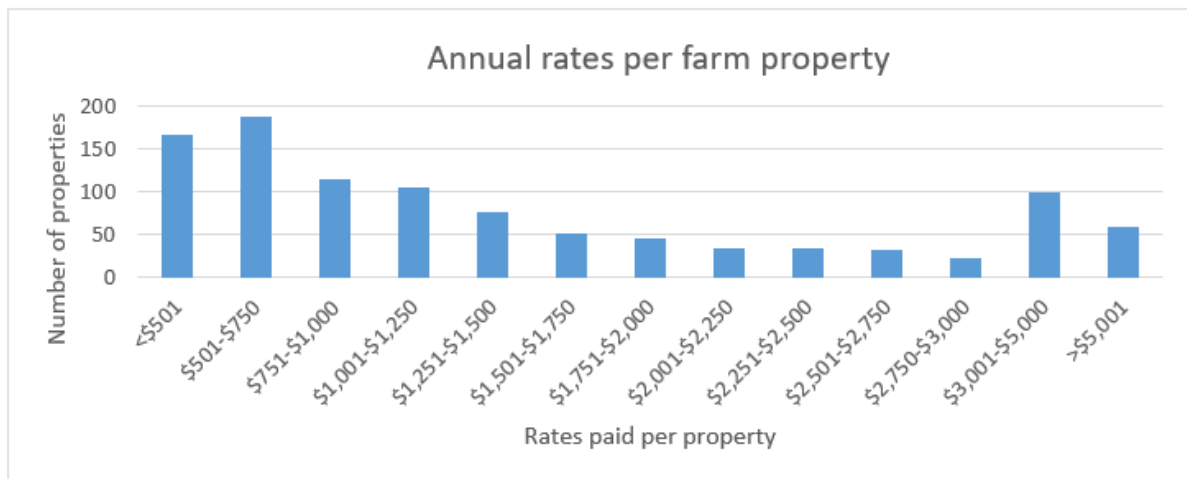
## Current Capital Improved Valuations

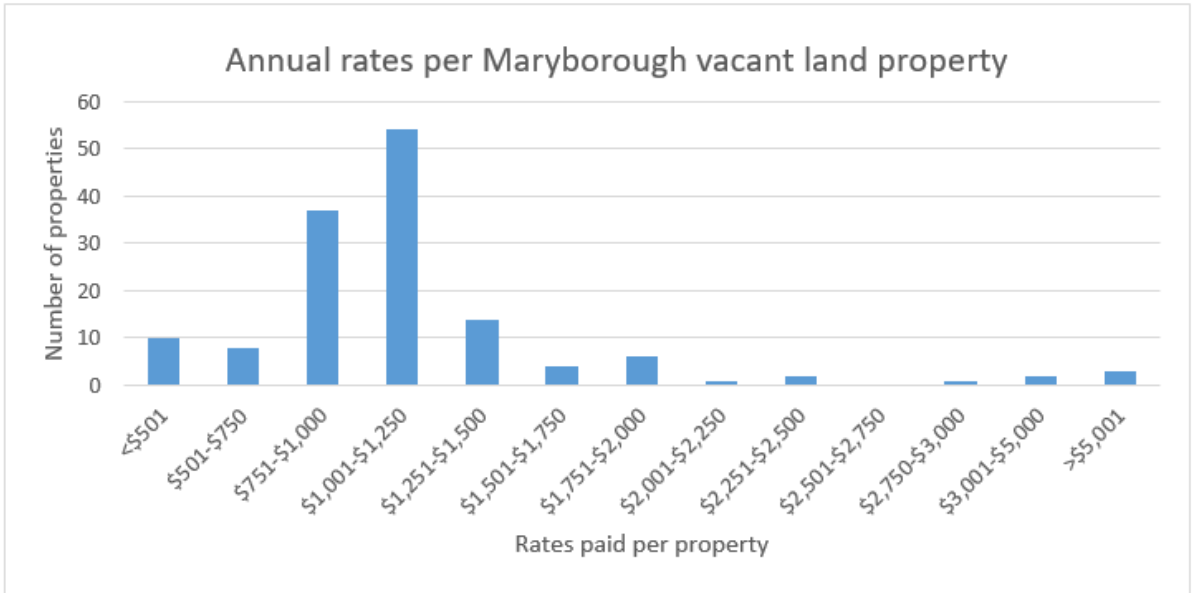
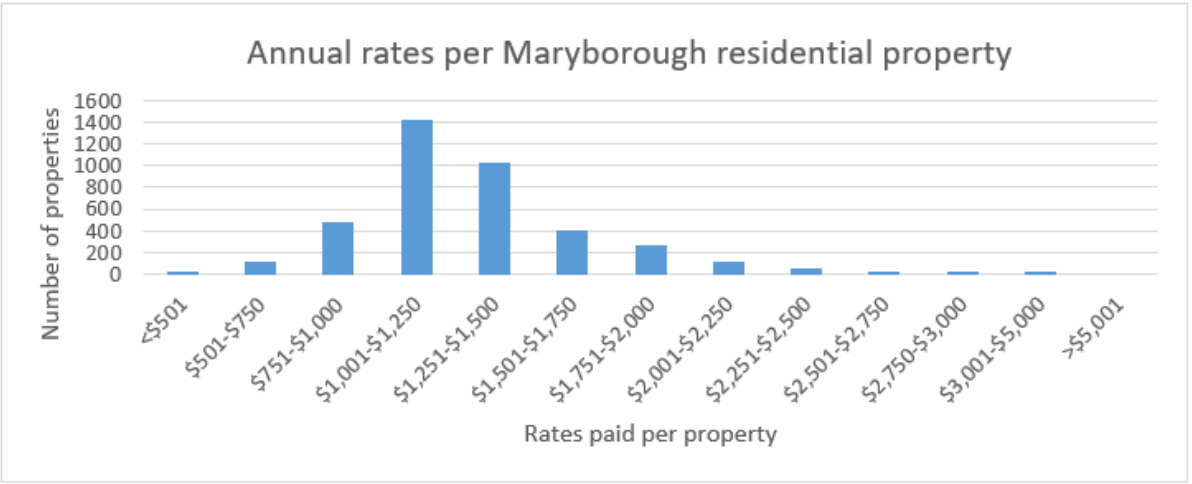
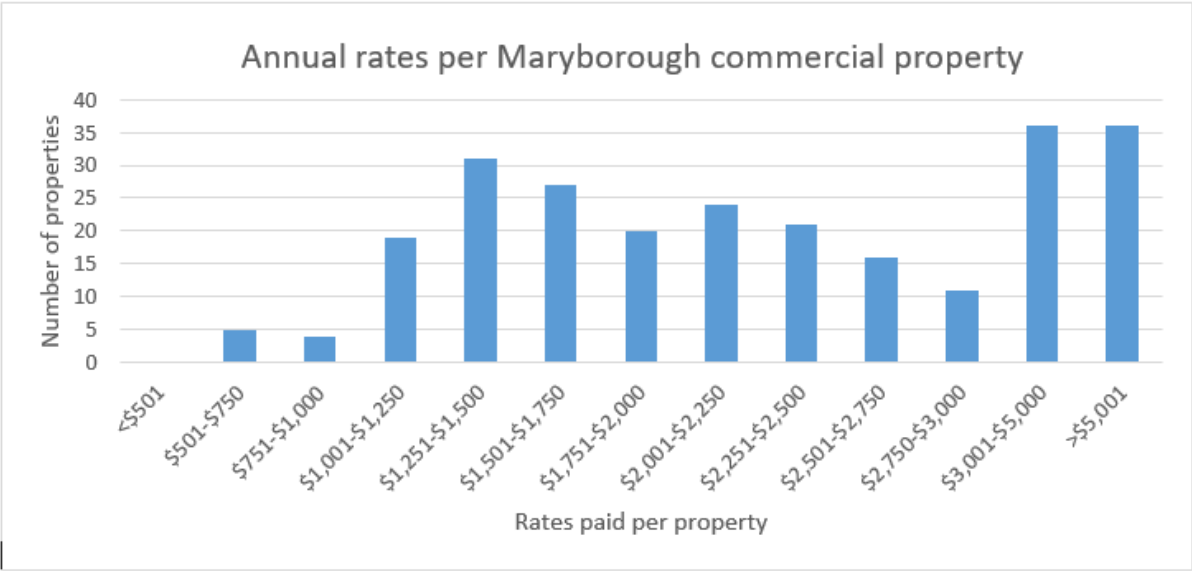
The CIV of each property at the 10<sup>th</sup>, 30<sup>th</sup>, 50<sup>th</sup> (median), 70<sup>th</sup> and 90<sup>th</sup> percentile is as follows:

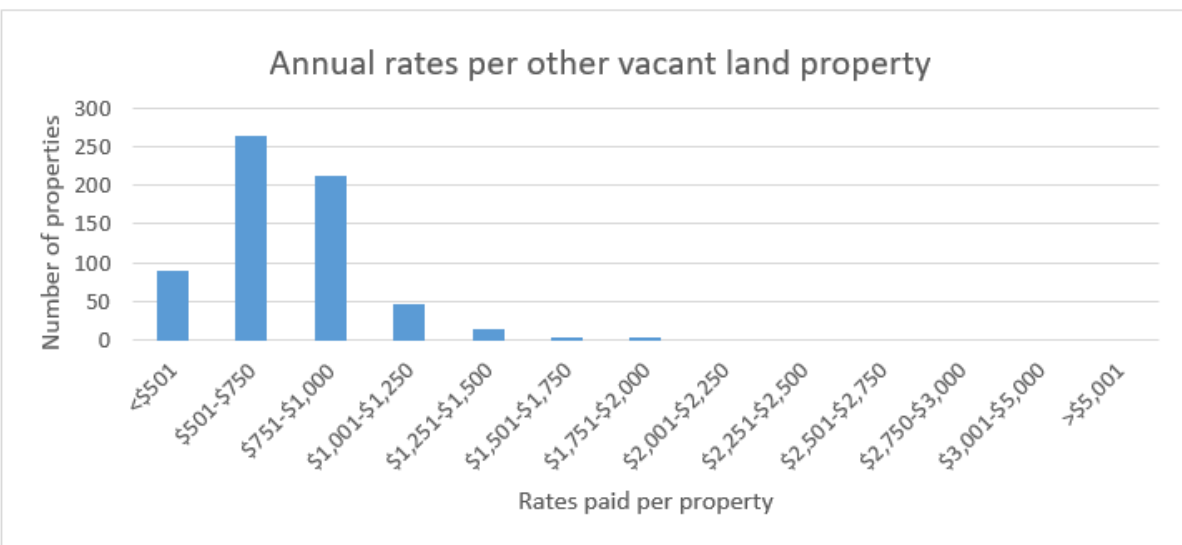
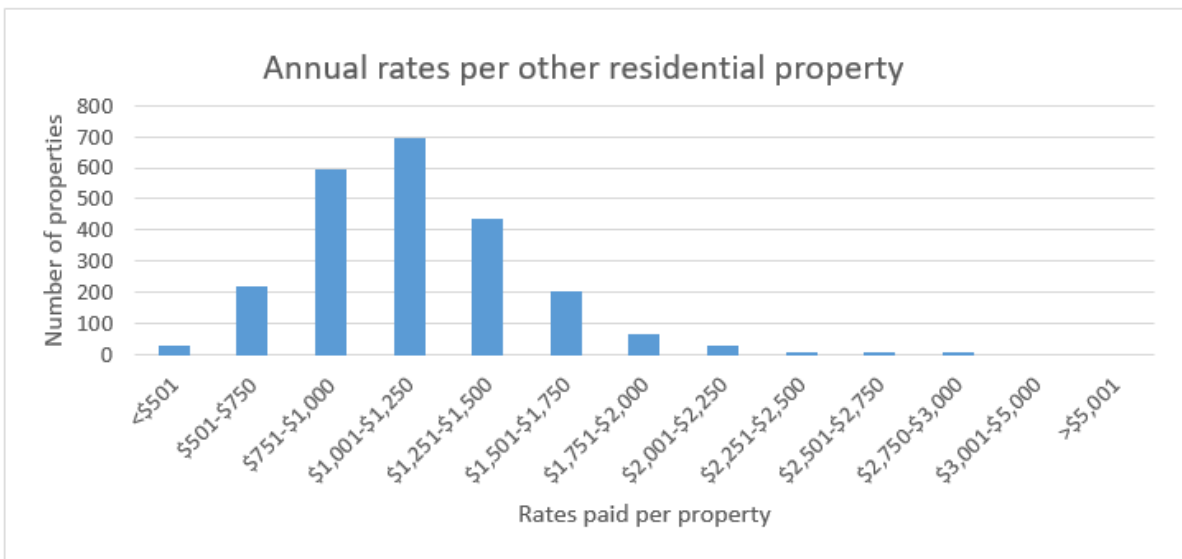
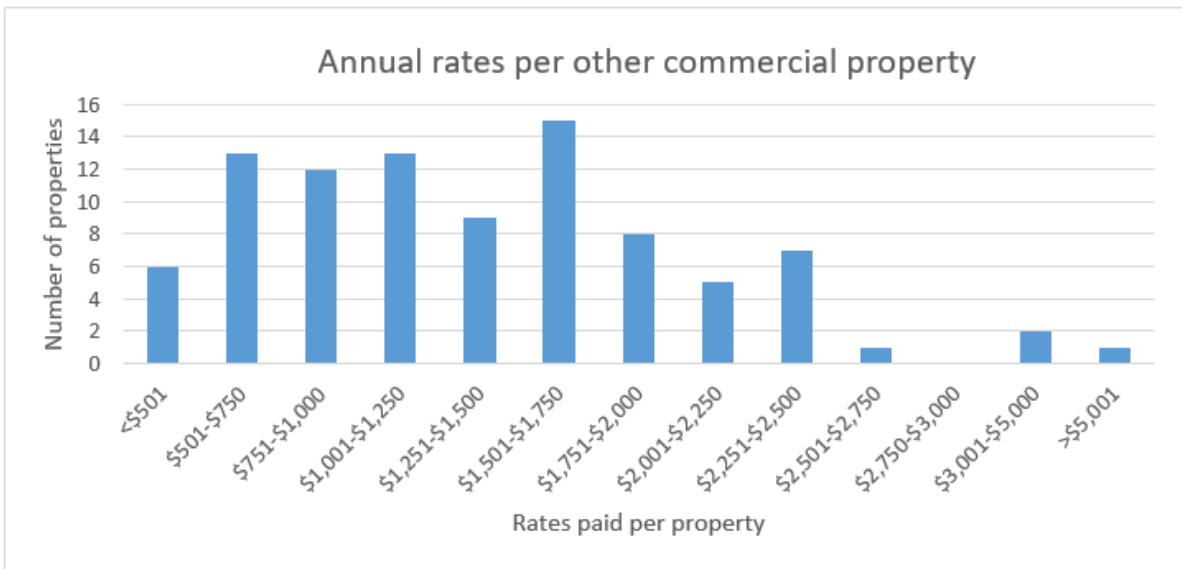
Current System	10th	30th	50th	70th	90th
	Percentile	Percentile	Percentile	Percentile	Percentile
Differential Category	CIV	CIV	CIV	CIV	CIV
Residential - Maryborough	\$130,000	\$165,000	\$190,000	\$220,000	\$300,000
Residential - Other	\$115,000	\$160,000	\$205,000	\$250,000	\$320,000
Vacant Land - Maryborough	\$47,000	\$70,000	\$85,000	\$95,000	\$175,000
Vacant Land - Other	\$23,000	\$44,000	\$55,000	\$75,000	\$100,000
Commercial - Maryborough	\$115,000	\$170,000	\$240,000	\$325,000	\$770,000
Commercial - Other	\$44,000	\$105,000	\$180,000	\$235,000	\$330,000
Industrial	\$85,000	\$135,000	\$240,000	\$300,000	\$570,000
Farm	\$70,000	\$130,000	\$240,000	\$420,000	\$860,000

## Annual rates paid for each differential

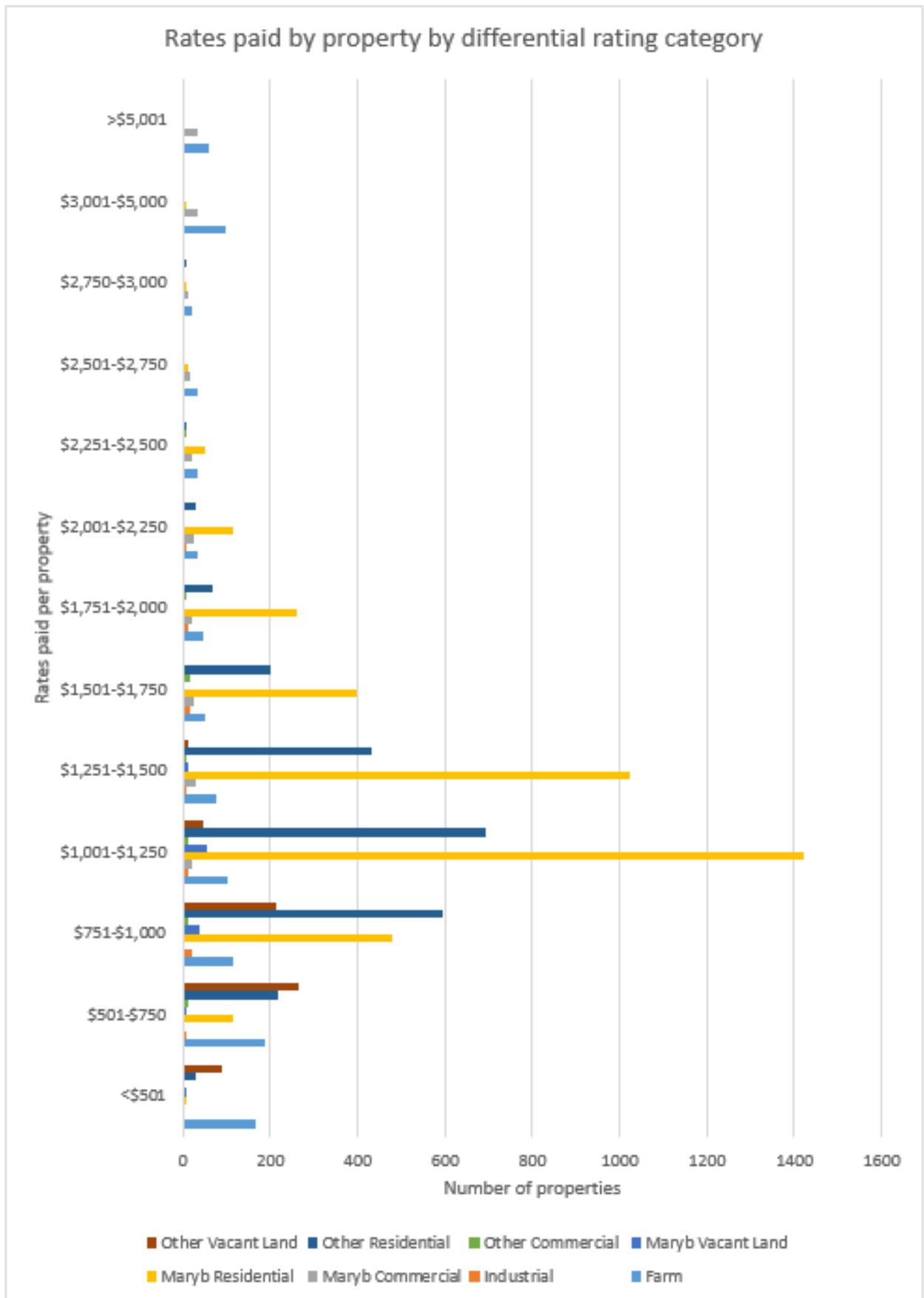
The following graphs show the annual rates paid in bands for each of the eight current differential rates.







These eight charts have been combined to create the following picture of how much each property pays in rates.



## What were the issues with the 2014 rating system?

Three main issues were identified with the 2014 rating system:

- The yield from the municipal charge was almost 18%
- The Maryborough/Other split within some differentials
- There was no mechanism for dealing with “rate shock”

Each of these issues are discussed in more detail below.

### The yield from the municipal charge was almost 18%

Council raises rates income from properties by two means:

- Rates levied on capital improved valuation (CIV)
- Municipal charge

The rates levied on capital improved valuation move directly in relation to valuation. Thus a house with a \$400,000 CIV will pay twice the rates on CIV as a house with a \$200,000 CIV. This is consistent with the vertical equity principle in the rating better practice guide.

A municipal charge is a flat amount charged on every<sup>#</sup> rateable property irrespective of the valuation of that property. By its very nature, the municipal charge is a regressive tax, (that is, the rate of taxation is higher on a low valued property than it is on a high valued property), and works in direct conflict to the vertical equity principle.

(<sup>#</sup> Single farm enterprises are entitled to an exemption for all but one of the municipal charges levied on that single farm enterprise.)

The municipal charge is the same for every property levied (\$262.65 in 2018-2019). The municipal charge on a retail building with a CIV of \$100,000 has a taxation effect ten times greater than the same municipal charge on a retail building with a CIV of \$1,000,000.

Part 8 of the Local Government Act 1989 (the Act) deals with “Rates and Charges on Rateable Land”. The Local Government Bill 2018 (the Bill) was brought before parliament by the Andrews Labor government with the intention of it replacing the 1989 Act. However the Bill failed to pass through parliament prior to parliament dissolving ahead of the November 2018 State election.

One significant difference between the Bill and the Act relates to the municipal charge. The Bill proposed to restrict the amount of total rates revenue that can be raised via a municipal charge to 10%, down from the 20% allowed in the Act. This will have a significant impact on Council if the Bill is passed in its current form because Council’s municipal charge is budgeted to generate 17.7% of total rates revenue in the 2018-2019 budget.



With the Andrews Labor government re-elected, it is highly likely that the Local Government Bill 2018 will be reintroduced into parliament in its current form.



The Local Government Bill Exposure Draft Frequently Asked Questions stated that “the 10% limit on the municipal rate (formerly municipal charge), will commence after the 2020 Council general elections.” In practice this would have meant implementation in the 2021-2022 financial year. If the Bill is passed with the same transitional provision, then Council will have a maximum of three budgets to transition this change.

Because the municipal charge is a regressive tax, reducing it provides a benefit to properties with a lower CIV and provides a detrimental impact on properties with a higher CIV. There is a break-even CIV point for rates paid by the owners of individual properties in each differential rating category, and this point is shown in the following table.

Differential Category	Pay Less	Breakeven CIV	Pay More
Residential - Maryborough	2,893 properties	< \$235,000 >	920 properties
Residential - Other	1,942 properties	< \$295,000 >	347 properties
Vacant Land - Maryborough	123 properties	< \$130,000 >	19 properties
Vacant Land - Other	627 properties	< \$155,000 >	4 properties
Commercial - Maryborough	54 properties	< \$150,000 >	196 properties
Commercial - Other	50 properties	< \$200,000 >	42 properties
All Industrial	47 properties	< \$215,000 >	55 properties
Farm	324 properties	< \$135,000 >	703 properties
<b>TOTAL</b>	<b>6,060 properties</b>		<b>2,286 properties</b>

**Any reduction in the total income raised by the municipal charge would need to be offset by an increase in the total income raised by valuation-based rates, and this would impact all properties across all differential rating categories.** Single farm enterprises who currently have municipal charge exemptions for multiple properties would be adversely impacted by a reduction in the municipal charge.



## The Maryborough/Other split within some differentials

Council's 2014 rating strategy had five different land categories but eight differential rating categories as follows:

- Residential - Maryborough
- Residential - Other
- Vacant Land - Maryborough
- Vacant Land - Other
- Commercial - Maryborough
- Commercial - Other
- Industrial
- Farm

Within the residential, vacant land and commercial differential rating categories there is a split between "Maryborough" and "Other" properties ("Other" properties are defined as being located outside of the Maryborough District Boundary). This split was not in the 2014 industrial or farm differential rating categories.

The original logic behind the split differential rating categories is that properties situated in Maryborough have closer access to more services therefore they should pay a higher rate than properties situated beyond Maryborough.

However, when assessing the Capital Improved Valuation (CIV) for each property, the valuer takes into account all of the attributes of a property that can affect its market value, including the distance of an individual property from services such as those located in Maryborough. This is why a house in Maryborough has a higher CIV than exactly the same house on the same size block, in say Bealiba.

Thus, during the property valuation process, the Valuer gives properties situated beyond Maryborough a reduced valuation to take into account the distance of that property from Maryborough based services. This reduced valuation leads to a direct reduction in rates paid.

Having a separate lower differential rate for properties situated beyond Maryborough, also leads to a direct reduction in rates paid on that property. However, the 2014 rating strategy combination of both factors leads to a "double dipping" effect for properties situated beyond Maryborough which allows them to pay less rates than they otherwise would. Thus, it appears that the original logic on which the "Other" splits concept was based, is actually flawed.

## There was no mechanism for dealing with “rate shock”

Rate shock is defined as the movement (both up or down) in total rates paid by any one differential rating category in any one year by ten percent or more. This situation occurs when as a result of a revaluation, when the movement in the valuation of one particular differential rating category is far greater (or less) than the average movement in valuations across the Shire. The 2014 rating strategy does not contain any mechanism to manage rate shock.

Prior to 31 December 2018 municipal revaluations were conducted every two years, and on some occasions the two-yearly movement in valuation for one differential rating category has been significantly above the movement in valuation for the whole Council. The change in State legislation requiring annual property revaluations should significantly reduce the occurrence and impact of such a situation.

History has shown that farm land is particularly susceptible to significant changes in valuation over a short time frame, predominantly in response to factors such as extreme weather events, major changes in international commodity prices and sharp changes in interest rates. One such situation occurred with the 31 December 2017 revaluation where dryland cropping land values in many Shires in the Western part of Victoria rose significantly from their 2015 levels and well above the average valuation increase across those Shires.

This caused “rate shock” in those Shires and a major redistribution of the rate burden from the non-farmland sector to the farmland sector. As most Councils in this situation did not have a mechanism to deal with rate shock in their rating strategy, some Councils chose to make snap changes to their rating system. One such Council was the Northern Grampians Shire which made a last minute decision to lower their farm rate differential to 47% in order to ensure that their farm differential rating category only paid the capped 2.25% rate increase.



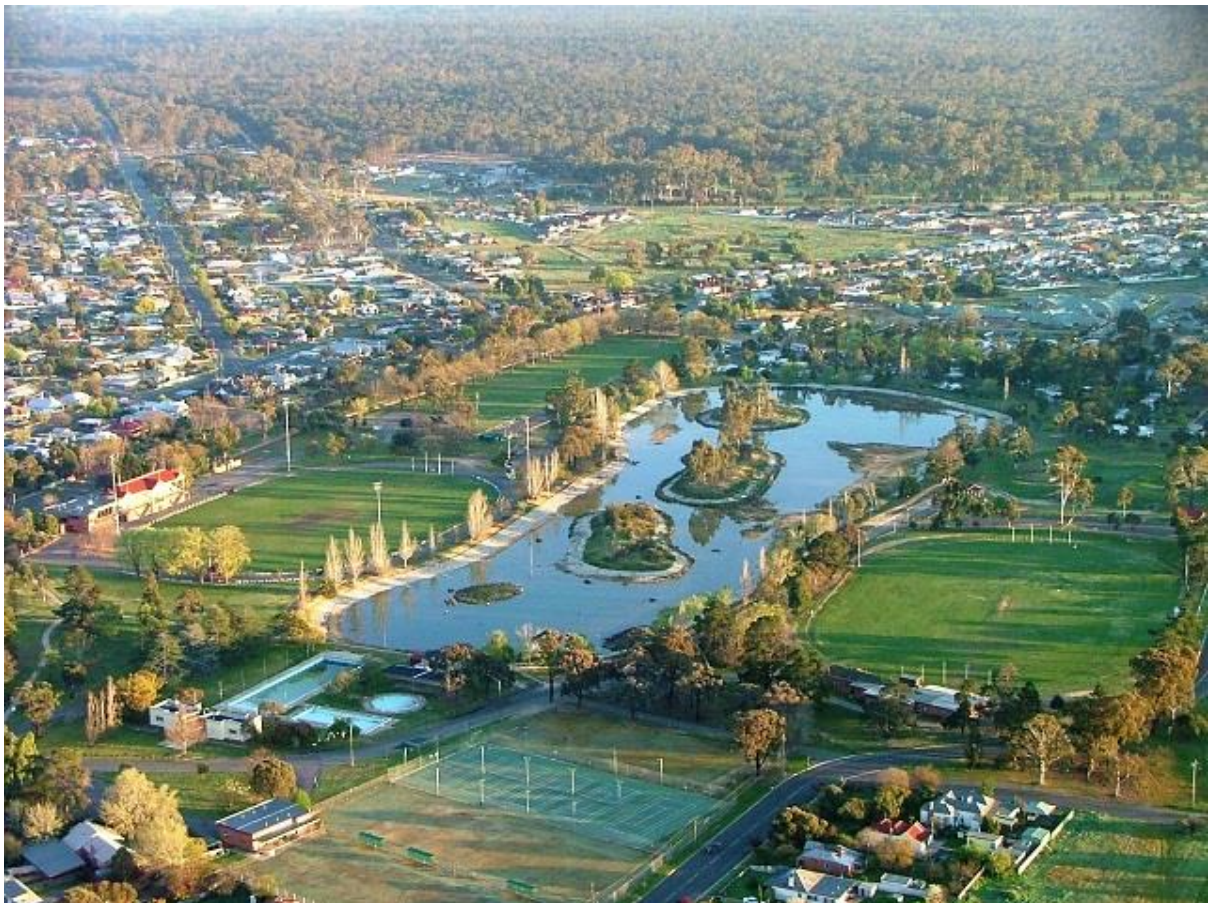
## What options did Council consider?

Council chose to consider four options when reviewing its rating strategy

- Do nothing
- Reduce the municipal charge to 10% of total property rating income
- Reduce the municipal charge to 10% of total property rating income and remove the three “Maryborough/Other” differential rating splits
- Reduce the municipal charge to 10% of total property rating income and move to a uniform rate.

Each option was modelled to illustrate the effects of that particular change, or combination of changes.

Council’s preferred option was to reduce the municipal charge to 10% of total property rating income and remove the three “Maryborough/Other” differential rating splits, and undertook consultation with the community on the potential implementation of this option.



## Reducing the municipal charge to 10% and remove the three “Other” splits

Rationale:

- That it appears highly likely that the Victorian State government will legislate to cap the total revenue generated by the municipal charge at 10% of total rates revenue (rates on CIV plus the municipal charge). In 2018-2019 Council raised 17.7% of its total rates revenue from the municipal charge.
- That the reduced differential rate for the “Other” differential rating categories creates a “double-dipping” effect that is unfair.

Removing the three “Other” differential rating categories will make Council’s rating strategy both simpler to understand and administer, and more equitable, as it will remove the current “double dipping” effect provided to residential, vacant land and commercial properties located beyond Maryborough.

Under this option the total revenue generated by the municipal charge would be capped at 10% of total rates revenue (rates on CIV plus the municipal charge). If this option was applied for the 2018-2019 year it would result in the municipal charge being reduced from the current \$262.25 to \$147.70 per property.

The total rates paid by individual properties to generate the same 2018-2019 total rates revenue would be as follows:

<b>Municipal Charge capped at 10% and no “Splits”</b>	<b>10th Percentile</b>	<b>30th Percentile</b>	<b>50th Percentile</b>	<b>70th Percentile</b>	<b>90th Percentile</b>
<b>Differential Category</b>	<b>Rates Paid</b>	<b>Rates Paid</b>	<b>Rates Paid</b>	<b>Rates Paid</b>	<b>Rates Paid</b>
Residential - Maryborough	\$834.75	\$1,019.73	\$1,151.85	\$1,310.40	\$1,733.20
<b>Change from base</b>	<b>-\$94.53</b>	<b>-\$89.14</b>	<b>-\$85.29</b>	<b>-\$80.67</b>	<b>-\$68.35</b>
Residential - Other	\$755.48	\$993.30	\$1,231.13	\$1,468.95	\$1,838.90
<b>Change from base</b>	<b>\$21.15</b>	<b>\$74.25</b>	<b>\$127.35</b>	<b>\$180.45</b>	<b>\$263.05</b>
Vacant Land - Maryborough	\$594.81	\$813.61	\$956.31	\$1,051.44	\$1,812.48
<b>Change from base</b>	<b>-\$101.53</b>	<b>-\$95.16</b>	<b>-\$91.00</b>	<b>-\$88.23</b>	<b>-\$66.07</b>
Vacant Land - Other	\$366.50	\$566.27	\$670.92	\$861.18	\$1,099.00
<b>Change from base</b>	<b>-\$72.74</b>	<b>-\$34.56</b>	<b>-\$14.56</b>	<b>\$21.80</b>	<b>\$67.25</b>
Commercial - Maryborough	\$1,120.14	\$1,585.22	\$2,177.14	\$2,895.90	\$6,658.82
<b>Change from base</b>	<b>-\$86.26</b>	<b>-\$72.73</b>	<b>-\$55.51</b>	<b>-\$34.60</b>	<b>\$74.87</b>
Commercial - Other	\$519.76	\$1,035.58	\$1,669.78	\$2,134.86	\$2,938.18
<b>Change from base</b>	<b>-\$13.40</b>	<b>\$126.84</b>	<b>\$299.27</b>	<b>\$425.71</b>	<b>\$644.12</b>
Industrial	\$641.89	\$932.59	\$1,543.06	\$1,891.90	\$3,461.68
<b>Change from base</b>	<b>-\$100.10</b>	<b>-\$91.60</b>	<b>-\$73.75</b>	<b>-\$63.55</b>	<b>-\$17.65</b>
Farm	\$363.84	\$617.52	\$1,082.60	\$1,843.64	\$3,703.96
<b>Change from base</b>	<b>-\$44.04</b>	<b>-\$36.66</b>	<b>-\$23.13</b>	<b>-\$0.99</b>	<b>\$53.13</b>

The two primary impacts of this option are:

- Because the municipal charge is a regressive tax, reducing it provides a benefit to properties with a lower CIV and provides a detrimental impact on properties with a higher CIV.
- Removing the “Other” categories from the residential, commercial and vacant land rates has a detrimental impact on all properties in these three differential rating categories and provides a benefit to properties in the other five differential rating categories.

When combined, these two impacts have a counter-balancing effect which eliminates some of the change impact. The primary reason for this effect is because many of the properties in the “Other” differential rating categories are properties with a lower than average CIV.

However, there is no denying that the majority (82.9%) of properties currently rated in the three “Other” differential rating categories face an increase in rates. This is entirely consistent with the rationale of this option.

There is a break-even CIV point for rates paid by the owners of individual properties in each differential rating category, and this point is shown in the following table.

Differential Category	Pay Less	Breakeven CIV	Pay More
Residential - Maryborough	3901 properties	< \$730,000 >	2 properties
Residential - Other	152 properties	< \$97,000 >	2,137 properties
Vacant Land - Maryborough	139 properties	< \$415,000 >	3 properties
Vacant Land - Other	353 properties	< \$63,000 >	278 properties
Commercial - Maryborough	204 properties	< \$465,000 >	46 properties
Commercial - Other	9 properties	< \$51,000 >	83 properties
Industrial	95 properties	< \$675,000 >	7 properties
Farm	723 properties	< \$425,000 >	304 properties
<b>TOTAL</b>	<b>5,576 properties</b>		<b>2,860 properties</b>

**Under this option 6,898 of the 8,436 (81.8%) of properties have a change in total rates paid per year (either up or down) by less than \$2.00 per week.**

However, 2,498 properties out of the 3,012 properties (82.9%) in the three “Other” differential rating categories will be faced with a rate rise, and 1,413 properties face a rate rise of greater than \$2.00 per week, at an average of \$4.09 per week or \$212.76 per year. The overall rate rise for these three differential rating categories is an average of 10.7%, which constitutes “Rate Shock” under this strategy. Therefore if this option is adopted, it should be phased in over two or more years.

This option produces a minimal change to the relative total contributed by each of the five land use categories.

Land Use	Base		Option 3		Change	
	Total Rates	Share	Total Rates	Share	Total Rates	Share
Residential	\$7,686,000	66.3%	\$7,802,000	67.3%	\$116,000	1.0%
Farm	\$1,865,000	16.1%	\$1,763,000	15.1%	-\$102,000	-1.0%
Commercial	\$1,200,000	10.3%	\$1,168,000	10.1%	-\$32,000	-0.2%
Vacant Land	\$643,000	5.5%	\$672,000	5.8%	\$29,000	0.3%
Industrial	\$209,000	1.8%	\$198,000	1.7%	-\$11,000	-0.1%
<b>TOTAL</b>	<b>\$11,603,000</b>	<b>100.0%</b>	<b>\$11,603,000</b>	<b>100.0%</b>	<b>\$0</b>	<b>0.0%</b>

However, when analysed by differential rating category there is a clear transfer of the rating burden from other residential properties to Maryborough residential properties, and a significant increase in the rate burden for the commercial other properties.

Differential Category	Base		Option 3		Change	
	Total Rates	Share	Total Rates	Share	Total Rates	Share
Residential - M	\$5,081,000	43.8%	\$4,757,000	41.0%	-\$324,000	-2.8%
Residential - O	\$2,605,000	22.5%	\$2,920,000	25.2%	\$315,000	2.7%
Farm	\$1,865,000	16.1%	\$1,863,000	16.1%	-\$2,000	0.0%
Commercial - M	\$1,070,000	9.2%	\$1,072,000	9.2%	\$2,000	0.0%
Commercial - O	\$130,000	1.1%	\$160,000	1.4%	\$30,000	0.3%
Vacant Land - M	\$185,000	1.6%	\$173,000	1.5%	-\$12,000	-0.1%
Vacant Land - O	\$458,000	3.9%	\$455,000	3.9%	-\$3,000	0.0%
Industrial	\$209,000	1.8%	\$203,000	1.8%	-\$6,000	-0.1%
<b>TOTAL</b>	<b>\$11,603,000</b>	<b>100.0%</b>	<b>\$11,603,000</b>	<b>100.0%</b>	<b>\$0</b>	<b>0.0%</b>

Benefits – this option will make Council’s rating system compliant with the 10% cap on revenue generated by the municipal charge proposed in the Local Government Bill 2018. As the municipal charge is a regressive tax (in that it taxes lower valued properties at a higher rate than higher valued properties), this option also addresses the vertical equity principle of rating (i.e. those who are better off should pay more than those worse off) and improves the overall equity of the rating system. This option also eliminates the “double-dipping” discount effect that is embedded in the existing differential rating system for those properties in the three “Other” differential rating categories.

Issues – the primary issues are that higher valued properties will pay more rates than they are presently, and that four out of five properties in the three “Other” differential rating categories will be faced with a rate rise.

Phase in – it is proposed to phase in the changes to the municipal charge equally over the three years 2019-2022, and to phase in the changes to the “Other” differential rating categories equally over the five years 2019-2024.



## Dealing with “Rate Shock”

Rate shock is defined by Council as the movement (both up or down) in total rates paid by any one differential rating category in any one year by ten percent or more.

Where rate shock occurs for one or more particular differential rating category in any particular year, Council will cap the movement in total rates raised for that differential rating category at 10% by changing the level of the rate in the dollar CIV.

For example, with the 2014 rating system this would then have the effect of moving the relativities between the eight differential rating categories away from the base of:

- Residential - Maryborough 100%
- Residential - Other 80%
- Vacant Land - Maryborough 180%
- Vacant Land - Other 150%
- Commercial - Maryborough 160%
- Commercial - Other 120%
- Industrial 120%
- Farm 80%

Capping should then continue until such time as the relativities between the eight differential rating categories returns to the base levels.





## 8.5 2019-2020 PROPOSED BUDGET

**Author:** General Manager Corporate Performance

**Responsible General Manager:** General Manager Corporate Performance

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### **SUMMARY/PURPOSE:**

To present to Council the Proposed Budget 2019-2020 for community consultation.

### **POLICY CONTEXT:**

Central Goldfields Shire Council's Council Plan 2017-2021(2018 Refresh) – Our Organisation:

4.1 Objective: Ensure the financial sustainability of Council through efficient and effective delivery of services.

### **BACKGROUND INFORMATION:**

In accordance with section 127, of the Local Government Act 1989, Council must ensure that the budget contains -

- (a) financial statements in the form and containing the information required by the regulations;
- (b) a description of the services and initiatives to be funded in the budget;
- (c) a statement as to how the services and initiatives described under paragraph (b) will contribute to achieving the strategic objectives specified in the Council Plan;
- (d) Major Initiatives, being initiatives identified by the Council as priorities, to be undertaken during the financial year;
- (da) for services to be funded in the budget, the prescribed indicators of service performance that are required to be reported against in the performance statement under section 131;
- (db) the prescribed measures relating to those indicators;
- (e) any other information required by the regulations.

Council must also ensure that the budget contains -

- (a) the information Council is required to declare under section 158(1);
- (b) if Council intends to declare a differential rate under section 161, the details listed in section 161(2);

- (c) if council intends to declare a differential rate under section 161A, the details listed in section 161(2).

In accordance with section 126 Council must also adopt a Strategic Resource Plan no later than 30 June.

## REPORT

Central Goldfields Shire Council has prepared this Proposed Budget for 2019-2020 for community feedback and consideration. The Proposed Budget is financially responsible and continues to implement priorities identified in the Council Plan 2017-2021 which was refreshed in 2018 through a comprehensive community consultation process.

The Council Plan 2017-2021 sets out the vision "To be a vibrant, thriving, inclusive community", delivered through the strategic themes of:

- Our Community – A supported, cohesive community, living a full and healthy life.
- Our Economy – A vibrant local economy which contributes to the municipality's economic prosperity.
- Our Built and Natural Environment – Central Goldfields Shire celebrates the rich built and natural heritage and a sustainable environment.
- Our Organisation – Central Goldfields is a proactive, well governed, professional and financially sustainable organisation.

The Proposed Budget outlines the resources required to deliver the diverse and extensive range of services we provide to the Central Goldfields community. It outlines projects to undertake strategic planning for our services, assets, economy and land use and includes a comprehensive list of capital works to be completed during the 2019-2020 year.

The Proposed Budget includes a rate increase of 2.5% in line with the State Government's Fair Go Rates System (FGRS) rate cap. Council has not applied to the State Government for a rate cap variation and will continue to manage Council services as efficiently as possible within the rate cap.

The Proposed Budget has also been prepared in accordance with Option 3 outlined in the Draft Rating Strategy 2019-2021. This strategy aims to simplify the rating system and improve equity between ratepayers. The strategy recommends reduction of the municipal charge from 17.7% of rates to 10% over three years, and the removal of the geographic split of Maryborough and Non-Maryborough rates over five years.

There are still uncertainties in the volatile waste recycling market that could impact on the budget during the year. The cost impact of the introduction of the State Government's policy on diversion of e-waste from landfill is still unknown as markets adjust to the increase in e-waste collected. Waste charges have been increased by 2.5% for 2019-2020 and Council will continue to work with the State Government and the Local Government Sector to find more cost effective solutions for recycling.

This budget includes a capital works program of \$10.29 million including a small number of projects carried forward from 2018-2019. This is a significantly higher program than in prior

years, due to an estimated \$5.2 million in grant funding (\$2.5 million confirmed, \$2.7 million pending). Highlights of the capital works program include:

- Significant upgrades (\$2.74 million) to roads funded through Regional Roads Victoria and Roads to Recovery as follows:
  - Avoca Road Talbot renewal and upgrade (Stage 2)
  - Gillies Street renewal – Rogers St to Majorca Rd Maryborough
  - Burke Street renewal and upgrade – Kars St to Inkerman St
  - Majorca Road renewal and upgrade (Stage 3)
  - Rodborough Road stabilisation Moolort
- Upgrades to Maryborough Recreation and Leisure Centre (\$430,000 grant funded)
- Restoration works at Maryborough Outdoor Swimming Pool (\$650,000 subject to grant)
- Implementation of Gordon Gardens Masterplan (\$25,000)
- New pathways in Maryborough, Carisbrook, Dunolly and Bealiba (\$75,000)
- Drainage renewal projects (\$60,000)
- Airport drainage to address silt issues (\$80,000)
- Carisbrook levy works (\$900,000 grant funded)
- Energy saving program for buildings (\$222,000 50% grant funded)
- Design of drain and water storage system for Station Domain (\$65,000 partly grant funded)
- Waste projects (fully funded from waste fees and charges) at transfer stations including monitoring systems at old landfill sites and bin roofs (total \$180,000)
- Repair works to Council offices to weather proof including roof works \$480,000
- Repair works to community buildings including Carisbrook and Talbot town halls \$90,000
- Implementation of Healthy Hearts initiatives (\$360,000 grant funded)

There are a number of special projects underway from 2018-2019 that will be completed in the 2019-2020 year, these include:

- Economic Development and Tourism Strategy
- Recreation Strategy
- Concept plans for Dunolly Recreation Reserve

Grant funded projects that will continue in 2019-2020 include:

- Go Goldfields
- TAC driving program
- Engage Youth program
- Freeza program
- L2P program

New initiatives for 2019-2020 include:

- Community planning for eight towns across the Shire \$120,000 (\$90,000 grant funded)
- Structural condition assessment and capital management plan for Shire buildings \$90,000
- Support for the National Piping Championships \$10,000
- Installation of a dump point at Dunolly \$11,000 (\$5,000 contribution funded)

The Proposed Budget 2019-2020 document is presented in the format required by Local Government Victoria using their “Model Budget” template, and contains the following key statements:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources
- Schedule of Fees and Charges

## **FINANCIAL & RESOURCE IMPLICATIONS:**

### **Carried Forward Projects**

The Porteous Road Bridge will be reconstructed across two financial years, with work commencing in late autumn 2019. This project has been included in the budget, as \$500,000 grant funding for this work will not be received until 2019-2020.

The Economic Development and Tourism Strategy is another project that is budgeted to occur across two financial years, with \$40,000 grant funding to be received in 2018-2019 being carried forward to complete work in the 2019-2020 financial year.

All other 2018-2019 projects are budgeted as being complete as at 30 June 2019. Any projects that are incomplete at this time will be carried forward as fully funded projects into the 2019-2020 financial year through the formal carry forward process.

### **Comprehensive Income Statement**

Council’s Enterprise Bargaining Agreement allows for a wage increase of 1.85% in the 2019-2020 year. The salaries budget has been constructed using this figure plus any known potential band movements.

Purchases of materials and services have been indexed at 2.0% unless otherwise adjusted due to contract commitments or other known factors.

The Minister for Local Government sets the rate cap for rate increases under the *Local Government Amendment (Fair Go Rates) Act 2015* each December. The Minister has set the rates cap for 2019-2020 at 2.5%.

Fees and Charges have been indexed at 2.0% unless otherwise adjusted using benchmarking, a review of cost recovery, etc. A full list of fees and charges is included in the budget document.

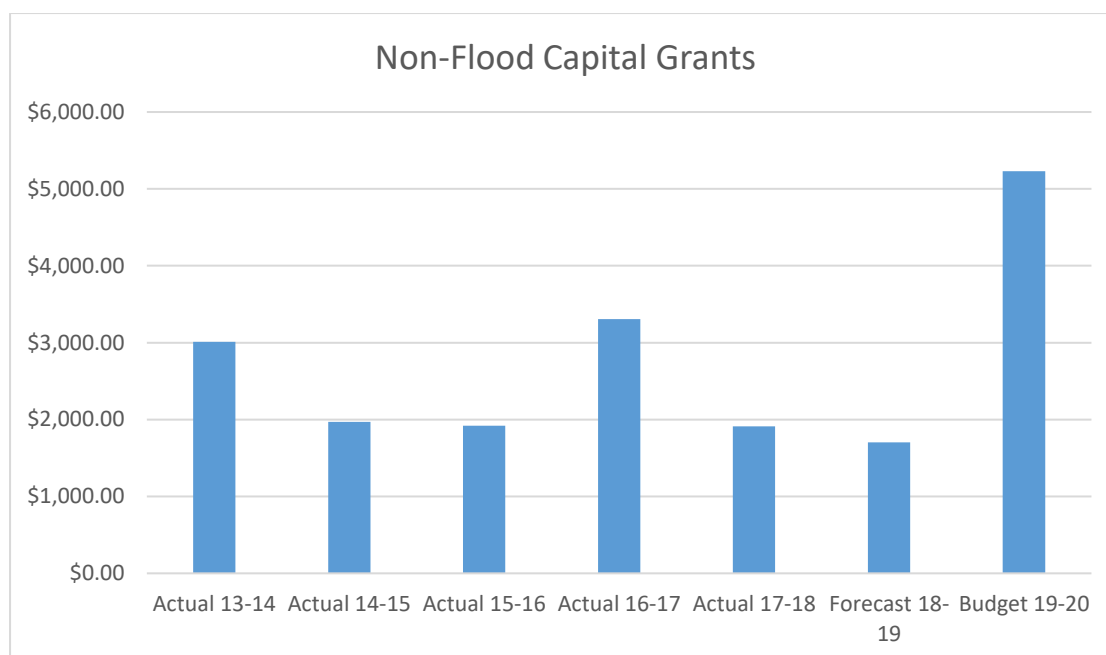
The draft budget has been prepared on the basis that Council will receive half (\$2.03 million) of its 2019-2020 Financial Assistance Grant (FAG) in late June 2019 as announced in the 2019-2020 Federal Budget on 2 April 2019, and on the assumption that Council will not receive an advance of the 2020-2021 Financial Assistance Grants in late June 2020 (as there is no confirmation of early payment for 2020-2021).

The early payment of the FAG grant should be received by Council in the last few business days of June 2019. This will have the effect of significantly increasing both the grant revenue in 2018-2019 and the cash balance at 30 June 2019.

The operating result, shows a surplus of \$1.08 million, compared to a budgeted operating deficit of \$0.58 million in 2018-2019. This significant change is a consequence of capital grants being \$4.22 million higher than last year. Major one-off capital grants in the draft budget include:

<b>Project</b>	<b>Source</b>	<b>Amount</b>	<b>Status</b>
Maryborough Sports & Leisure Centre indoor works	Federal	\$430,000	Confirmed
Skate Park	State/Federal	\$460,000	Seeking
Building Better Roads	State	\$1,800,000	Decision pending
Maryborough Sports & Leisure Centre carpark	State/Federal	\$180,000	Seeking
Carisbrook drainage mitigation	State	\$600,000	Confirmed
Maryborough outdoor swimming pool	State/Federal	\$300,000	Seeking
Porteous Road Wareek bridge	State	\$500,000	Confirmed
<b>TOTAL</b>		<b>\$4,270,000</b>	

Non-flood repair capital grants have averaged \$2.30 million over the six years 2013-2019, but are significantly higher in the draft budget at \$5.23 million, as can be seen in the graph below.



### Balance Sheet

As noted above, the draft budget has been prepared on the basis that Council will be receiving half of its 2019-2020 Financial Assistance Grants in late June 2019, and on the assumption that Council will not be receiving half of its 2020-2021 Financial Assistance Grants in late June 2020.

Cash on hand is forecast to be \$10.09 million as at 30 June 2019 and to be \$7.40 million as at 30 June 2020. The difference between these two figures is \$2.69 million and this movement is summarised in the cash flow statement analysis below.

The cash balance of \$7.40 million at 30 June 2020 is required in order to cover the following items:

- Accounts payable at 30 June 2020 - \$2.83 million
- Employee provisions \$3.10 million

Working capital (current assets minus current liabilities) is budgeted to be \$4.02 million at 30 June 2020, with a working capital ratio of 165% which is within recommended guidelines from the Victorian Auditor-General's Office.

Non-current assets are budgeted to increase by a net \$3.21 million from 30 June 2019 to 30 June 2020, as a result of the very large capital works program.

The budget does not include any new net borrowings although one short-term loan of \$1.5 million will be rolled over. Net borrowings is budgeted to reduce by \$564,042 in line with the current debt reduction program. Loan borrowings will reduce from \$3,885,313 at 1 July 2019 to \$3,321,271 at 30 June 2020. Interest paid on borrowings during 2019-2020 will be \$159,317.

### Statement of Changes in Equity

Council has not budgeted to make any transfers to reserve during the 2019-2020 year, with the movement in the statement of changes in equity equal to the operating result.

### Statement of Cash Flows

Council has received funding for the following three projects in prior years, and it is budgeted for these projects to be undertaken during 2019-2020:

Carisbrook levee	\$300,000
Energy saving initiatives for Council buildings	\$50,000
Economic Development Strategy	\$40,000
<b>Total Grants in Advance</b>	<b>\$390,000</b>

Council will also carry forward \$280,000 of Council cash from 2018-2019 to 2019-2020 for work on the Porteous Road bridge, which will be reconstructed across two financial years.

Council is also budgeting to receive half (\$2.03 million) of the 2019-2020 Federal Financial Assistance Grants in advance.

The draft budget shows a net reduction in cash held of \$2.69 million. When adjusted for the \$390,000 of projects funded by grants carried forward from prior years, the \$280,000 of Council cash carried forward for the Porteous Road bridge, and the \$2.03 million Federal Financial Assistance Grants in advance, results in an underlying net increase in cash held of \$11,000. In round terms this is best described as a balanced cash budget.

Producing a balanced cash budget is one of the fundamental elements of meeting Council Plan Objective 4.1 - Ensure the financial sustainability of Council.

### Statement of Capital Works

The 2018-2019 capital budget was funded by \$3.70 million of rates. This amount has been increased in the 2018-2019 draft budget by \$228,000 (or 1.90% of rates) as per the table below:

	2018-2019	2019-2020
<b>Gross Capital Expenditure</b>	<b>\$6,210,500</b>	<b>\$10,287,000</b>
Less funding sources:		
Total Capital Grant Funding	\$1,606,000	\$5,231,000
Contributions	\$0	\$5,000
Carry Forwards	\$0	\$630,000
Waste Charges	\$208,000	\$180,000
Asset Sales - Surplus Land	\$461,000	\$0
Asset Sales - Trade-Ins	\$232,459	\$310,000
<b>Rates Funded Capex</b>	<b>\$3,703,041</b>	<b>\$3,931,000</b>

The 2018-2019 budget included capital income of \$461,000 from the sale of the former Penney & Lang site, and the current draft budget has been prepared without any asset sale income (other than the trade-ins of vehicles and plant items).

The draft budget has a \$10.25 million capital works program, which is an increase of \$4.08 million (or 68%) on the 2018-2019 budgeted capital works program of \$6.21 million. This will be partially funded by the significant additional grants outlined in the Comprehensive Income Statement analysis above.

### Rates and charges

The total amount to be raised by rates and charges is as follows:

General Rate	\$10,157,000
Municipal Charge	\$1,811,000
Annual Service Charges (Garbage/Waste Management/Recycling)	\$3,171,000
<b>Total Amount to be raised by rates and charges</b>	<b>\$15,139,000</b>

The general rates are to be raised by application of differential rates for the period commencing on 1 July 2019 and concluding on 30 June 2020 are as follows:

Category	Rate Cents in \$
Residential Maryborough ( <i>General Rate</i> )	0.4950
Residential Other ( <i>84% of General</i> )	0.4158
Commercial Maryborough ( <i>160% of General</i> )	0.7920
Commercial Other ( <i>128% of General</i> )	0.6336
Farm Land ( <i>80% of General</i> )	0.3960
Vacant Land Maryborough ( <i>180% of General</i> )	0.8910
Vacant Land Other ( <i>156% of General</i> )	0.7722
Industrial ( <i>110% of General</i> )	0.5445

The municipal charge will be \$229.00 for each rateable property.



The following waste management charges will apply for the 2019-2020 year:

Waste collection - 80 litre bin service (urban) weekly	\$153.90
Waste collection - 140 litre bin (rural) fortnightly	\$153.90
Waste collection - 140 litre bin service (urban) weekly	\$263.30
Waste collection - 240 litre bin (rural) fortnightly	\$263.30
Recycling- 240 litre bin service fortnightly	\$137.70
Waste Management charge	\$133.70
Green Waste service charge	\$68.70

Fees and charges set by Council have generally been adjusted using the following methods:

- estimated CPI of 2.0 percent;
- market pricing;
- or a business case (where above 2.0 percent or market pricing).

A full list of fees and charges set by Council is included in section 6 of the proposed budget.

Council also charges a number of fees and charges that are set by the State Government.

#### **CONSULTATION/COMMUNICATION:**

All internal service owners have been consulted during the production of the Proposed Budget. Consultation with the Administrators was undertaken during a workshop

Consultation with the community will be undertaken in April-May and will include consultation meetings and a social media campaign, in addition to the statutory advertising process.

Copies of the Proposed Budget will be made available from 24 April 2019 on Council's website [www.centralgoldfields.com.au](http://www.centralgoldfields.com.au) and at the following locations during normal business hours:-

- Carisbrook Post Office
- Dunolly Rural Transaction Centre
- Dunolly Post Office
- Bealiba Post Office
- Talbot Post Office

Written submissions under Section 223 of the Local Government Act 1989 on any proposal contained in the Proposed Budget are invited and should be submitted to Council by close of business at 5.00pm on Wednesday 29 May 2019, with the opportunity for submissions to be heard at a special hearing at 5.30pm on Tuesday 11 June 2019.

**CONCLUSION:**

Central Goldfields Shire Council has prepared this Proposed Budget for 2019-2020 for community feedback and consideration. The Proposed Budget is financially responsible and continues to implement priorities identified in the Council Plan 2017-2021. The Proposed Budget includes a rate increase of 2.5% in line with the State Government's Fair Go Rates System (FGRS) rate cap and has also been prepared in accordance with Option 3 outlined in the Draft Rating Strategy 2019-2021. The draft budget has a \$10.25 million capital works program supported by \$5.2 million of grant funding.

**ATTACHMENTS:**

1. 2019-2020 Proposed Budget

**RECOMMENDATION:**

1. *That Council in accordance with Section 129 of the Local Government Act 1989 give public notice of the 2019-2020 Proposed Budget including the Strategic Resource Plan and the Proposed Rates, Fees and Charges and place the document on public display for a period of at least 28 days.*
2. *That Council invites submissions on the 2019-2020 Proposed Budget including the Strategic Resource Plan and the Proposed Rates, Fees and Charges in accordance with Section 223 of the Local Government Act 1989.*
3. *That submissions be received until close of business on at 5.00pm on Wednesday 29 May 2019.*
4. *That a submission hearing be held on Tuesday 11 June 2019 at 5:30pm in Room 1 of the Community Hub.*
5. *That the Proposed Budget including the Strategic Resource Plan, and the Proposed Rates, Fees and Charges prepared for the 2019-2020 financial year for the purposes of Section 126 and 127 of the Local Government Act 1989 be presented to Council for consideration at its Meeting on Tuesday 25 June 2019.*



# Central Goldfields Shire Council 2019/2020 Proposed Budget



**CENTRAL  
GOLDFIELDS**  
SHIRE COUNCIL

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## Disclaimer

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

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

## Chief Administrator and Chief Executive Officer's Introduction

Central Goldfields Shire Council has prepared this Proposed Budget for 2019-2020 for community feedback and consideration. The Proposed Budget is financially responsible and continues to implement priorities identified in the Council Plan 2017-2021 which was refreshed in 2018 through a comprehensive community consultation process.

The Council Plan 2017-2021 sets out the vision "To be a vibrant, thriving, inclusive community", delivered through the strategic themes of:

**Our Community** – A supported, cohesive community, living a full and healthy life.

**Our Economy** – A vibrant local economy which contributes to the municipality's economic prosperity.

**Our Built and Natural Environment** – Central Goldfields Shire celebrates the rich built and natural heritage and a sustainable environment.

**Our Organisation** – Central Goldfields is a proactive, well governed, professional and financially sustainable organisation.

The Proposed Budget includes a rate increase of 2.5% in line with the State Government's Fair Go Rates System (FGRS) rate cap. Council has not applied to the State Government for a rate cap variation and will continue to manage Council services as efficiently as possible within the rate cap.

The Proposed Budget has also been prepared in accordance with Option 3 outlined in the Draft Rating Strategy 2019-2021. This strategy aims to simplify the rating system and improve equity between ratepayers. The strategy recommends reduction of the municipal charge from 17.7% of rates to 10% over three years, and the removal of the geographic split of Maryborough and Non Maryborough rates over five years.

There are still uncertainties in the volatile waste recycling market that could impact on the budget during the year. The cost impact of the introduction of the State Government's policy on diversion of e-Waste from landfill is still unknown as markets adjust to the increase in e-Waste collected. Waste charges have been increased by 2.5% for 2019-2020 and Council will continue to work with the State Government and the Local Government Sector to find more cost effective solutions for recycling.

This budget includes a capital works program of \$10.29 million including a small number of projects carried forward from 2018-2019. This is a significantly higher program than in prior years, due to an estimated \$5.2 million in grant funding (\$2.5 million confirmed, \$2.7 million pending). Highlights of the capital works program include:

- Significant upgrades (\$2.74 million) to roads funded through Regional Roads Victoria and Roads to Recovery as follows:
  - o Avoca Road Talbot renewal and upgrade (Stage 2)
  - o Gillies Street renewal – Rogers St to Majorca Rd Maryborough
  - o Burke Street renewal and upgrade – Kars St to Inkerman St
  - o Majorca Road renewal and upgrade (Stage 3)
  - o Rodborough Road stabilisation Moolort
- Upgrades to Maryborough Recreation and Leisure Centre (\$430,000 grant funded)
- Construction of a new Skate Park in Maryborough (\$500,000 subject to grant)
- Restoration works at Maryborough Outdoor Swimming Pool (\$650,000 subject to grant)
- Implementation of Gordon Gardens Masterplan (\$25,000)
- New pathways in Maryborough, Carisbrook, Dunolly and Bealiba (\$75,000)
- Drainage renewal projects (\$60,000)
- Airport drainage to address silt issues (\$80,000)
- Carisbrook levy works (\$900,000 grant funded)
- Energy saving program for buildings (\$222,000 50% grant funded)
- Design of drain and water storage system for Station Domain (\$65,000 partly grant funded)
- Waste projects at transfer stations including monitoring systems at old landfill sites and bin roofs total cost \$180,000 fully funded from waste fees and charges
- Repair works to Council offices to weather proof including roof works (\$480,000)
- Repair works to community buildings including Carisbrook and Talbot town halls (\$90,000)
- Implementation of Healthy Hearts initiatives (\$360,000 grant funded)

There are a number of special projects underway from 2018-2019 that will be completed in the 2019-2020 year, these include:

- Economic development and tourism strategy
- Recreation strategy
- Concept plans for Dunolly Recreation Reserve

Grant funded projects that will continue in 2019-2020 include:

- Go Goldfields
- TAC driving program
- Engage Youth program
- Freeza program
- L2P program

New initiatives for 2019-2020 include:

- Community planning for eight towns across the Shire \$120,000 (\$90,000 grant funding)
- Structural condition assessment and capital management plan for Shire buildings (\$90,000)
- Support for the National Piping Championships (\$10,000)
- Installation of a dump point at Dunolly \$11,000 (\$5,000 contribution)

The Proposed Budget will be available on Council's website from 24 April 2019 and written submissions on any proposal contained in the Proposed Budget are invited and should be submitted to Council by close of business at 5.00pm on Wednesday 29 May 2019, with the opportunity for submissions to be heard at a special hearing at 5.30pm on Tuesday 11 June 2019.

Noel Harvey  
Chief Administrator

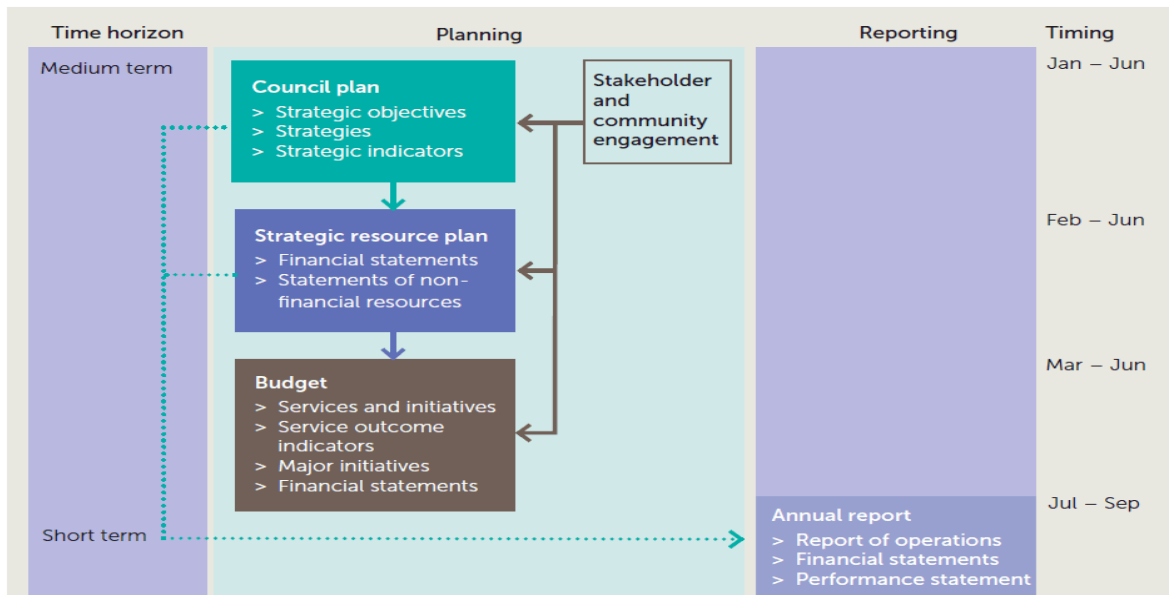
Lucy Roffey  
Chief Executive Officer

## 1. Link to the Council Plan

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

### 1.1 Legislative Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning

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

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

#### 1.1.2 Key planning considerations

##### Service level planning

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

## 1.2 Our purpose

### Our vision

To be a vibrant, thriving and inclusive community

### Our purpose

To achieve the best outcomes for the local community and having regard to the long term and cumulative effects of decisions

### Our values

These are the behaviours that support our vision. In all our dealings we will:

#### **Be Innovative**

Find new and creative ways; focus on the future

#### **Work Together**

Recognise collaboration and partnerships in meeting our challenges and opportunities

#### **Be Respectful, Inclusive and Caring**

Listen, consider all viewpoints and embrace and respect diversity and inclusion, that is, bring everyone along on the journey

#### **Value Knowledge**

As a way of realising our potential and encouraging lifelong learning.

#### **Be Accountable**

By being responsible for our actions and always acting with integrity

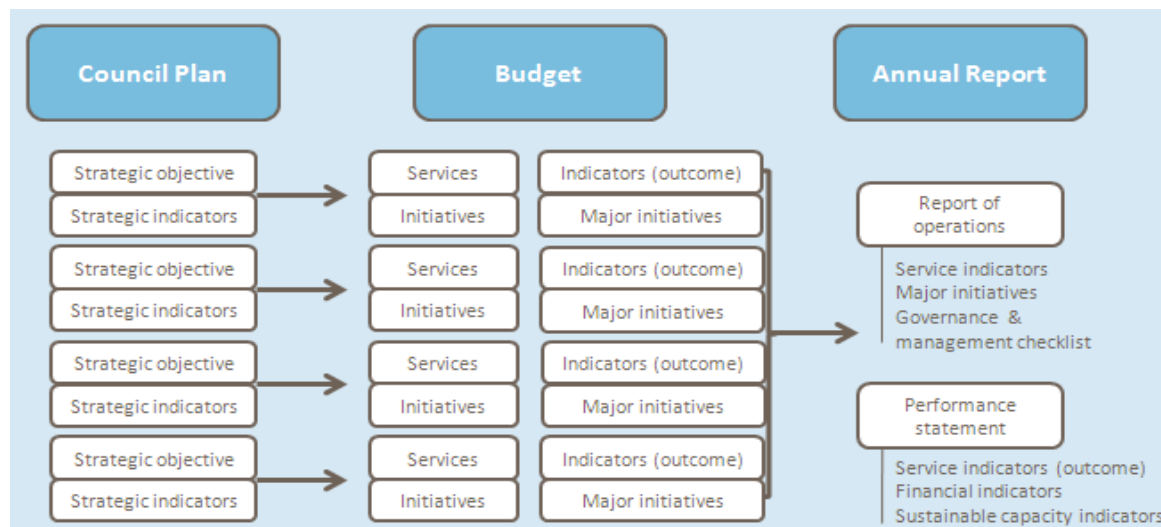
## 1.3 Strategic objectives

<b>Strategic Objective</b>	<b>Description</b>
1 Our Community	A supported cohesive community living a full and healthy life.
2 Our Economy	A vibrant local economy which contributes to the municipality's economic prosperity.
3 Our Built and Natural Environment	Central Goldfields Shire celebrates the rich built and natural heritage and a sustainable environment.
4 Our Organisation	Central Goldfields Shire is a proactive, well governed, professional and financially sustainable organisation.



## 2. Services and service performance indicators

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



Source: Department of Environment, Land, Water and Planning

### 2.1 Strategic Objective 1 Our Community

A supported, cohesive community, living a full and healthy life.

#### Services

Service area	Description of services provided		2017/18	2018/19	2019/20
			Actual \$'000	Forecast \$'000	Budget \$'000
Community Development *	This is the provision of community building and transport services to community groups, including Civic Halls.	Exp	90	233	346
		Rev	17	6	95
		<b>NET</b>	<b>73</b>	<b>227</b>	<b>251</b>
Aged and Disabled Care	Services for older people and people with disabilities to enable them to remain living independently. This includes home care services, personal care services, respite services, delivered meals, home safety and social support programs.	Exp	1,656	1,504	1,680
		Rev	1,884	1,818	1,782
		<b>NET</b>	<b>(228)</b>	<b>(315)</b>	<b>(102)</b>
Youth Services	Support for initiatives, activities and programs that strengthen young people's connections and place within the community.	Exp	143	198	208
		Rev	185	182	208
		<b>NET</b>	<b>(42)</b>	<b>16</b>	<b>-</b>

Service area	Description of services provided		2017/18	2018/19	2019/20
			Actual \$'000	Forecast \$'000	Budget \$'000
Library Services	Provides accessible information and resources for the recreational, cultural, educational and social development of our community. The service is provided through the library network located in Maryborough, Dunolly and Talbot.	<i>Exp</i>	510	442	448
		<i>Rev</i>	157	158	161
		<i>NET</i>	353	284	288
Arts	The Central Goldfields Art Gallery develops and delivers exhibitions, public programs and associated events.	<i>Exp</i>	170	248	230
		<i>Rev</i>	4	5	2
		<i>NET</i>	165	243	228
Go Goldfields	Go Goldfields brings together community members from Central Goldfields Shire with leaders from key services and government agencies, to improve outcomes for our children, youth and families.	<i>Exp</i>	895	959	775
		<i>Rev</i>	1,269	978	775
		<i>NET</i>	(374)	(19)	-
Child Care	This service provides half day and long day care, family day care and a kindergarten program for children in the Goldfields region.	<i>Exp</i>	1,945	1,990	1,973
		<i>Rev</i>	1,764	1,990	2,081
		<i>NET</i>	181	0	(108)
Maternal Child Health	Provides consultations, information, referrals, advice and support for children from birth to school age and their families.	<i>Exp</i>	321	371	409
		<i>Rev</i>	176	216	213
		<i>NET</i>	145	155	196
Local Laws	Improves safety and amenity by control of domestic animals and livestock, regulating parking, issuing local law permits and infringement notices.	<i>Exp</i>	462	282	258
		<i>Rev</i>	152	144	148
		<i>NET</i>	310	139	110
Compliance **	Improves safety and amenity by supervising school crossings, environmental health, fire prevention and planning compliance activities.	<i>Exp</i>	-	449	605
		<i>Rev</i>	-	144	153
		<i>NET</i>	-	305	452
Environmental Health **	Conducts inspections and maintains registrations for food and public health businesses, septic tanks and investigates complaints.	<i>Exp</i>	201	-	-
		<i>Rev</i>	92	-	-
		<i>NET</i>	109	-	-
Emergency Management	Implements strategies to increase emergency management capability and undertakes prevention measures to reduce risk from hazards including flood rehabilitation works.	<i>Exp</i>	173	345	158
		<i>Rev</i>	4,320	974	120
		<i>NET</i>	(4,147)	(629)	38
Fire **	Assesses and controls fire hazards and maintains fire tracks and extinguishers within the Shire.	<i>Exp</i>	43	-	-
		<i>Rev</i>	21	-	-
		<i>NET</i>	23	-	-

\* Due to an organisational restructure during 2018-2019, building maintenance services have now been reallocated to Community Development (previously included within various service areas).

\*\* Due to an organisational restructure during 2018-2019, Fire Prevention, School Crossing and Environmental Health services are now included within the Compliance service.

## Major Initiatives

- 1) Go Goldfields is about creating positive outcomes for children, youth and families in the Central Goldfields Shire. Go Goldfields is supported by funding from the State Government and philanthropic partners. (\$775,000)
- 2) The Road Trip project supporting new young drivers funded through the TAC. (\$66,333)
- 3) Continuation of the L2P Program (\$40,000)
- 4) Completion of a Community Planning Project (\$120,000)

## Capital Works

- 5) Allocation for Building Structural Condition Assessments & Building Management Plan (\$90,000)

## Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Libraries	Participation	Active library members. (Percentage of the municipal population that are active library members)	$[\text{Number of active library members} / \text{municipal population}] \times 100$
Maternal & Child Health	Participation	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service)	$[\text{Number of children who attend the MCH service at least once (in the year)} / \text{Number of children enrolled in the MCH service}] \times 100$
Maternal & Child Health	Participation	Participation in MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service)	$[\text{Number of Aboriginal children who attend the MCH service at least once (in the year)} / \text{Number of Aboriginal children enrolled in the MCH service}] \times 100$
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)	$[\text{Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up} / \text{Number of critical non-compliance notifications and major non-compliance notifications about food premises}] \times 100$

## 2.2 Strategic Objective 2 Our Economy

A vibrant local economy which contributes to the municipality's economic prosperity.

### Services

Service area	Description of services provided		2017/18	2018/19	2019/20
			Actual \$'000	Forecast \$'000	Budget \$'000
Tourism	Supports tourism through operation of the Visitor Information Centre, accommodation and tour booking services, and events throughout the Central Goldfields Shire	<i>Exp</i>	522	486	513
		<i>Rev</i>	65	53	32
		<i>NET</i>	457	434	481
Energy Breakthrough ***	The Energy Breakthrough is a major tourist event in partnership with the Country Education Project, which occurs each year during November.	<i>Exp</i>	-	486	498
		<i>Rev</i>	-	323	384
		<i>NET</i>	-	163	114
Caravan Parks #	Leasing and maintenance of Caravan Parks within the Central Goldfields Shire.	<i>Exp</i>	5	-	-
		<i>Rev</i>	77	-	-
		<i>NET</i>	(72)	-	-
Council Enterprises	Council undertakes works during the year on a commercial basis, and also operates the Maryborough Vicroads Agency.	<i>Exp</i>	281	295	260
		<i>Rev</i>	275	356	303
		<i>NET</i>	6	(61)	(43)
Economic Development	Undertakes initiatives to build the local economy including support for the growth of local businesses and industry networks.	<i>Exp</i>	11	125	135
		<i>Rev</i>	-	150	50
		<i>NET</i>	11	(25)	85
Building	Provides building services including fire safety inspections, swimming pool barrier audits and investigates complaints and illegal works.	<i>Exp</i>	420	225	254
		<i>Rev</i>	96	182	133
		<i>NET</i>	323	43	122
Statutory Planning	The service provides planning information and advice, assesses planning permit applications and undertakes compliance activities.	<i>Exp</i>	495	396	261
		<i>Rev</i>	160	204	149
		<i>NET</i>	335	193	112
Strategic Planning #	The service develops and implements urban and rural planning strategy and maintains an effective planning scheme through regular reviews and planning scheme amendments.	<i>Exp</i>	-	220	233
		<i>Rev</i>	-	-	-
		<i>NET</i>	-	220	233

\*\*\* The Energy Breakthrough financial transactions were previously managed by the S86 Committee of Council, and brought into the accounts at year end. The financial transactions of the event are now being managed by Council.

# Due to an organisational restructure during 2018-2019, strategic planning has now been identified as a service separate to statutory planning and Caravan Parks has been added in to the new Property & Risk service.

### Major Initiatives

- 1) Complete and commence implementation of the Economic Development and Tourism strategy (\$90,000)
- 2) Continued support of the Energy Breakthrough event (\$114,000)

### Other Initiatives

- 3) Support of the National Piping Championships (\$10,000)
- 4) Installation of a dump point within the Dunolly Township (\$11,000)

## Service Performance Outcome Indicators

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 and 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

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

## 2.3 Strategic Objective 3 Our Built and Natural Environment

Value, conserve and enhance the rich built and natural heritage and environment.

### Services

Service area	Description of services provided		2017/18 Actual \$'000	2018/19 Forecast \$'000	2019/20 Budget \$'000
Indoor Sports Centre	Maryborough Leisure Centre provides indoor swimming facilities, gym facilities and fitness programs and indoor sports facilities	<i>Exp</i>	567	550	537
		<i>Rev</i>	-	-	-
		<i>NET</i>	567	550	537
Recreation Programs	Oversees the administration of Council recreation facilities and planning for Council and community recreation facilities and programs.	<i>Exp</i>	316	306	348
		<i>Rev</i>	87	-	30
		<i>NET</i>	229	306	318
Swimming Pools	Provides and maintains Councils outdoor swimming pool facilities in Maryborough, Dunolly and Talbot.	<i>Exp</i>	181	192	159
		<i>Rev</i>	-	18	-
		<i>NET</i>	181	174	159
Parks & Gardens	Manages key parks and recreation areas, providing tree pruning, planting and removal.	<i>Exp</i>	1,217	1,243	1,255
		<i>Rev</i>	88	56	35
		<i>NET</i>	1,129	1,187	1,220
Parks Buildings	Council maintains a number of buildings and shelters within Councils parks and garden areas.	<i>Exp</i>	98	104	104
		<i>Rev</i>	-	-	-
		<i>NET</i>	98	104	104
Asset Management	This is provision of asset management, project management and design services for Council infrastructure.	<i>Exp</i>	393	445	492
		<i>Rev</i>	11	13	16
		<i>NET</i>	381	432	476
Local Roads	Maintenance of local roads including grading, patrol patching, gravel and bituminous resurfacing, road line markings and signage, drain clearance and street sweeping.	<i>Exp</i>	1,940	1,808	2,074
		<i>Rev</i>	331	73	44
		<i>NET</i>	1,610	1,735	2,031

Service area	Description of services provided		2017/18	2018/19	2019/20
			Actual \$'000	Forecast \$'000	Budget \$'000
Depot	Council operate two depots and three standpipes within the Shire (two standpipes to be handed back to Coliban Water during 2019/2020), providing access to bulk water and maintaining its operational facilities.	<i>Exp</i>	141	109	114
		<i>Rev</i>	70	68	37
		<i>NET</i>	71	41	77
Plant	This program runs and maintains Councils vehicle and plant ensuring Council has sufficient funds to replace plant as required.	<i>Exp</i>	859	1,067	915
		<i>Rev</i>	1,489	1,620	1,609
		<i>NET</i>	(630)	(552)	(695)
Drainage	Maintains and renews Councils stormwater drainage network and flood mitigation strategies.	<i>Exp</i>	142	235	141
		<i>Rev</i>	-	-	-
		<i>NET</i>	142	235	141
Environmental Management	Implements environmental projects in partnership to improve our environmental performance.	<i>Exp</i>	140	32	35
		<i>Rev</i>	72	32	37
		<i>NET</i>	68	-	(2)
Waste Management	Provides kerbside waste, recycling collection and develops and implements waste and resource recovery strategies.	<i>Exp</i>	2,228	2,601	3,028
		<i>Rev</i>	2,838	3,134	3,208
		<i>NET</i>	(610)	(534)	(180)
* Budgeted waste capital projects total \$180,000 in 2018/19					
Waste Water Recycling	Council harvests recycled waste water to provide water for Councils park and recreation facilities.	<i>Exp</i>	5	15	18
		<i>Rev</i>	-	7	7
		<i>NET</i>	5	8	11
Public Conveniences	The program provides for the maintenance and repair of Council's Public Conveniences throughout the Shire.	<i>Exp</i>	435	454	471
		<i>Rev</i>	-	-	-
		<i>NET</i>	435	454	471

### Major Initiatives

- 1) Continued development of a Recreation Strategy (\$23,000)
- 2) Development of a Concept Plan for the Dunolly Recreation Reserve (\$130,000)

### Capital Works

- 3) Upgrade to the Maryborough Sports & Leisure Centre (\$430,000)
- 4) Significant works to the Maryborough Outdoor Pool (\$650,000) subject to grant funding
- 5) Redevelopment of the Maryborough Skate Park (\$500,000) subject to grant funding
- 6) Works to the Maryborough Sports & Leisure Centre Car Park (\$180,000)
- 7) Avoca Road Talbot Renewal and Upgrade Stage 2 Part 1 (\$693,000)
- 8) Gillies Street Renewal - Rogers Street to Majorca Rd (\$606,000)
- 9) Burke Street - Kars Street to Inkerman Renewal/Upgrade (\$462,000)
- 10) Rodborough Rd Stabilisation to End of Seal (\$450,000)
- 11) Majorca Road Maryborough Renewal and Upgrade Stage 3 (\$525,000)
- 12) Unsealed Roads Renewal (\$300,000)
- 13) Seals Renewal Reseals (\$422,545)
- 14) Porteous Road Wareek Bridge Replacement (\$780,000)
- 15) Bin Roofs Transfer Stations (\$120,000)
- 16) Carisbrook Flood Mitigation Works (\$900,000)
- 17) Station Domain Integrated Water Management Project (\$50,000)

## Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
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.
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
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

## 2.4 Strategic Objective 4 Our Organisation

Implement strong, transparent corporate governance.

### Services

Service area	Description of services provided		2017/18 Actual \$'000	2018/19 Forecast \$'000	2019/20 Budget \$'000
Shire Management	This program provides strategic leadership to the organisation, implementation of Council decisions including the Council Plan and other key strategic directions. It provides representation and advocacy on key issues of importance to the Shire.	<i>Exp</i>	-	1,290	931
		<i>Rev</i>	-	-	-
		<i>NET</i>	-	1,290	931
Human Resources	Responsible for employment programs, traineeships, apprenticeships, organisation development and the health and safety of Councils employees.	<i>Exp</i>	346	279	341
		<i>Rev</i>	4	2	-
		<i>NET</i>	342	278	341
Community Engagement #	Community Engagement and Customer Services teams ensure the Shire is well informed of Council news and information is distributed using various communications channels available including promoting services and events to the community.	<i>Exp</i>	-	316	329
		<i>Rev</i>	-	3	3
		<i>NET</i>	-	313	326
Corporate Services	Corporate responsibilities including records management, property systems (GIS), administration building and office expenses (including printing, postage, telephone and office equipment).	<i>Exp</i>	1,911	757	633
		<i>Rev</i>	66	6	6
		<i>NET</i>	1,845	750	627
Information Technology #	Information technology involves the maintenance of computer networks and systems, and continual improvement and innovation to business processes.	<i>Exp</i>	-	221	431
		<i>Rev</i>	-	-	-
		<i>NET</i>	-	221	431
Governance	This program provides governance and oversight for the Council organisation. Coordinates Council meetings, Councillor related activities and provides support and oversight of compliance with the Local Government Act.	<i>Exp</i>	1,843	617	811
		<i>Rev</i>	-	1	0
		<i>NET</i>	1,843	616	811
Property & Risk #	The property and risk service aims to ensure that community assets (buildings & properties) are maintained and utilised to ensure the greatest benefit to the community, and that all forms of risk are managed effectively.	<i>Exp</i>	-	248	363
		<i>Rev</i>	-	133	107
		<i>NET</i>	-	115	256
Finance	Provides financial services for the organisation including financial management and reporting, rates and charges and financing costs.	<i>Exp</i>	785	933	810
		<i>Rev</i>	281	341	213
		<i>NET</i>	504	592	597
Asset Sales	Sale of Council commercial land assets.	<i>Exp</i>	193	441	-
		<i>Rev</i>	-	419	-
		<i>NET</i>	193	22	-

# Due to an organisational restructure during 2018-2019, community engagement, information technology, shire management, and property & risk have now been identified as separate services. Previously these services were included within Governance, Corporate Services and Finance.



## Major Initiatives

- 1) Implement IT Initiatives to improve organisational efficiencies (\$150,000)

## Capital works

- 2) Improvements to Council's Administration Building (\$480,000)
- 3) Implementation of Energy Efficient Green Initiatives (\$222,000)

## Service Performance Outcome Indicators

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

## 2.3 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Our Community	1,352	7,089	(5,737)
Our Economy	1,103	2,154	(1,050)
Our Built and Natural Environment	4,667	9,690	(5,024)
Our Organisation	4,320	4,649	(329)
<b>Total</b>	<b>11,442</b>	<b>23,582</b>	<b>(12,140)</b>
<b>Expenses added in:</b>			
Depreciation	6,724		
Net (Loss on disposal of assets)	47		
<b>Deficit before funding sources</b>	<b>18,212</b>		
<b>Funding sources added in:</b>			
Rates and municipal charge revenue	(11,968)		
Rates Interest	(66)		
Capital works income	(5,231)		
Unallocated Financial Assistance Grants Income	(2,028)		
<b>Total funding sources</b>	<b>(19,293)</b>		
<b>Operating (surplus) for the year</b>	<b>(1,081)</b>		

### 3. Financial Statements

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

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

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

#### Pending Accounting Standards

The 2019-2020 budget has been prepared based on the accounting standards applicable at the date of preparation. This means that pending accounting standards that will be in effect from the 2019-2020 financial year have not been considered in the development of the budget. Standards that are likely to impact on the 2019-2020 financial statements, not considered in the preparation of the budget include:

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

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

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

## Comprehensive Income Statement

For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Rates and charges	4.1.1	14,750	15,205	15,509	15,819	16,136
Statutory fees and fines	4.1.2	558	467	476	486	496
User fees	4.1.3	3,630	3,751	3,826	3,903	3,981
Grants - Operating	4.1.4	9,270	6,262	8,469	8,680	8,897
Grants - Capital	4.1.4	1,680	5,231	1,500	1,500	1,500
Contributions - monetary	4.1.5	212	88	90	92	93
Contributions - non-monetary	4.1.5	-	0	-	-	-
Net gain on disposal of property, infrastructure, plant and equipment		60	0	-	-	-
Other income	4.1.6	436	431	440	448	457
<b>Total income</b>		<b>30,596</b>	<b>31,435</b>	<b>30,309</b>	<b>30,928</b>	<b>31,560</b>
<b>Expenses</b>						
Employee costs	4.1.7	12,454	12,745	13,000	13,260	13,525
Materials and services	4.1.8	10,245	10,659	9,342	9,529	9,720
Depreciation and amortisation	4.1.9	6,724	6,724	6,858	6,996	7,136
Bad and doubtful debts		14	20	15	15	15
Borrowing costs		160	159	136	112	89
Net loss on disposal of property, infrastructure, plant and equipment		-	47	40	40	40
<b>Total expenses</b>		<b>29,597</b>	<b>30,354</b>	<b>29,391</b>	<b>29,952</b>	<b>30,525</b>
<b>Surplus/(deficit) for the year</b>		<b>999</b>	<b>1,081</b>	<b>918</b>	<b>976</b>	<b>1,035</b>
<b>Total comprehensive result</b>		<b>999</b>	<b>1,081</b>	<b>918</b>	<b>976</b>	<b>1,035</b>

## Balance Sheet

For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		10,083	7,394	7,513	7,723	7,986
Trade and other receivables		2,219	2,220	2,321	2,396	2,526
Non-current assets classified as held for sale		245	245	245	245	245
Other assets		381	381	381	381	381
<b>Total current assets</b>	4.2.1	12,928	10,240	10,460	10,745	11,138
<b>Non-current assets</b>						
Property, infrastructure, plant & equipment		316,995	320,200	320,460	320,726	320,998
Land under roads		381	381	381	381	381
<b>Total non-current assets</b>	4.2.1	317,376	320,581	320,841	321,107	321,379
<b>Total assets</b>		330,304	330,821	331,301	331,852	332,517
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables		2,830	2,830	2,930	2,905	2,935
Trust funds and deposits		415	415	415	415	415
Provisions		2,433	2,433	2,433	2,483	2,533
Interest-bearing liabilities	4.2.3	574	538	500	500	500
<b>Total current liabilities</b>	4.2.2	6,252	6,216	6,278	6,303	6,383
<b>Non-current liabilities</b>						
Provisions		668	668	668	718	768
Interest-bearing liabilities	4.2.3	3,311	2,783	2,283	1,783	1,283
<b>Total non-current liabilities</b>	4.2.2	3,979	3,451	2,951	2,501	2,051
<b>Total liabilities</b>		10,231	9,667	9,229	8,804	8,434
<b>Net assets</b>		320,073	321,154	322,072	323,048	324,083
<b>Equity</b>						
Accumulated surplus		123,225	124,306	125,224	126,200	127,235
Reserves		196,848	196,848	196,848	196,848	196,848
<b>Total equity</b>		320,073	321,154	322,072	323,048	324,083

## Statement of Changes in Equity

For the four years ending 30 June 2023

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2019 Forecast Actual</b>					
Balance at beginning of the financial year		319,074	122,226	196,387	461
Surplus/(deficit) for the year		999	999	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>320,073</b>	<b>123,225</b>	<b>196,387</b>	<b>461</b>
<b>2020 Budget</b>					
Balance at beginning of the financial year		320,073	123,225	196,387	461
Surplus/(deficit) for the year		1,081	1,081	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	-	-	-	-
Transfers from other reserves	4.3.1	-	-	-	-
<b>Balance at end of the financial year</b>	4.3.2	<b>321,154</b>	<b>124,306</b>	<b>196,387</b>	<b>461</b>
<b>2021</b>					
Balance at beginning of the financial year		321,154	124,306	196,387	461
Surplus/(deficit) for the year		918	918	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>322,072</b>	<b>125,224</b>	<b>196,387</b>	<b>461</b>
<b>2022</b>					
Balance at beginning of the financial year		322,072	125,224	196,387	461
Surplus/(deficit) for the year		976	976	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>323,048</b>	<b>126,200</b>	<b>196,387</b>	<b>461</b>
<b>2023</b>					
Balance at beginning of the financial year		323,048	126,200	196,387	461
Surplus/(deficit) for the year		1,035	1,035	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	-	-	-
Transfers from other reserves		-	-	-	-
<b>Balance at end of the financial year</b>		<b>324,083</b>	<b>127,235</b>	<b>196,387</b>	<b>461</b>

## Statement of Cash Flows

For the four years ending 30 June 2023

	Notes	Forecast	Budget	Strategic Resource Plan Projections		
		Actual		2020/21	2021/22	2022/23
		2018/19	2019/20	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>						
Rates and charges		14,750	15,205	15,509	15,819	16,136
Statutory fees and fines		558	467	476	486	496
User fees		3,630	3,751	3,826	3,903	3,980
Grants - operating		9,270	6,262	8,469	8,680	8,897
Grants - capital		1,680	5,231	1,500	1,500	1,500
Contributions - monetary		212	88	90	92	93
Interest received		135	120	120	120	120
Other receipts		301	311	319	329	338
Employee costs		(12,454)	(12,745)	(13,000)	(13,260)	(13,525)
Materials and services		(10,245)	(10,659)	(9,342)	(9,529)	(9,720)
Other payments		(14)	(20)	(15)	(15)	(15)
<b>Net cash provided by operating activities</b>	4.4.1	7,823	8,011	7,952	8,124	8,300
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment		(6,348)	(10,287)	(7,475)	(7,624)	(7,777)
Proceeds from sale of property, infrastructure, plant and equipment		625	310	316	323	329
<b>Net cash (used in) investing activities</b>	4.4.2	(5,723)	(9,977)	(7,159)	(7,302)	(7,448)
<b>Cash flows from financing activities</b>						
Finance costs		(160)	(159)	(136)	(112)	(89)
Proceeds from borrowings		-	1,500	-	-	-
Repayment of borrowings		(575)	(2,064)	(538)	(500)	(500)
<b>Net cash (used in) financing activities</b>	4.4.3	(735)	(723)	(674)	(612)	(589)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		1,365	(2,689)	119	210	263
Cash and cash equivalents at the beginning of the financial year		8,718	10,083	7,394	7,513	7,723
<b>Cash and cash equivalents at the end of the financial year</b>		10,083	7,394	7,513	7,723	7,986

## Statement of Capital Works

For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		Actual		2020/21	2021/22	2022/23
		2018/19	2019/20	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>						
Land		108	100	100	100	100
Land improvements		21	24	24	24	24
<b>Total land</b>		<b>129</b>	<b>124</b>	<b>124</b>	<b>124</b>	<b>124</b>
Buildings		519	2,160	500	500	500
<b>Total buildings</b>		<b>519</b>	<b>2,160</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Total property</b>		<b>648</b>	<b>2,284</b>	<b>624</b>	<b>624</b>	<b>624</b>
<b>Plant and equipment</b>						
Plant, machinery and equipment		386	792	700	700	700
Computers and telecommunications		330	215	200	200	200
<b>Total plant and equipment</b>		<b>716</b>	<b>1,007</b>	<b>900</b>	<b>900</b>	<b>900</b>
<b>Infrastructure</b>						
Roads		2,983	3,804	3,645	3,774	3,906
Bridges		625	850	500	500	500
Footpaths and cycleways		242	176	150	150	150
Drainage		411	1,117	300	300	300
Parks, open space and streetscapes		218	657	150	150	150
Off street car parks		35	180	-	-	-
Other infrastructure		470	212	200	200	200
<b>Total infrastructure</b>		<b>4,984</b>	<b>6,996</b>	<b>4,945</b>	<b>5,074</b>	<b>5,206</b>
<b>Total capital works expenditure</b>	4.5.1	<b>6,348</b>	<b>10,287</b>	<b>6,469</b>	<b>6,598</b>	<b>6,730</b>
<b>Represented by:</b>						
New asset expenditure		636	319	1,294	1,320	1,346
Asset renewal expenditure		4,408	8,026	4,528	4,619	4,711
Asset expansion expenditure		-	-	-	-	-
Asset upgrade expenditure		1,304	1,942	647	660	673
<b>Total capital works expenditure</b>	4.5.1	<b>6,348</b>	<b>10,287</b>	<b>6,469</b>	<b>6,598</b>	<b>6,730</b>
<b>Funding sources represented by:</b>						
Grants		1,680	5,231	1,500	1,500	1,500
Contributions		29	5	-	-	-
Asset Sales		693	310	320	330	340
Waste Charges		280	180	200	220	240
Council cash		3,666	4,561	4,449	4,548	4,650
<b>Total capital works expenditure</b>	4.5.1	<b>6,348</b>	<b>10,287</b>	<b>6,469</b>	<b>6,598</b>	<b>6,730</b>

## Statement of Human Resources

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>					
Employee costs - operating	12,454	12,745	13,000	13,260	13,525
Employee costs - capital	961	985	1,005	1,025	1,045
<b>Total staff expenditure</b>	<b>13,415</b>	<b>13,730</b>	<b>14,005</b>	<b>14,285</b>	<b>14,570</b>
	FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>					
Employees	149.0	149.0	149.0	149.0	149.0
<b>Total staff numbers</b>	<b>149.0</b>	<b>149.0</b>	<b>149.0</b>	<b>149.0</b>	<b>149.0</b>

\*FTE = the number of full time equivalent Council staff

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

Department	Budget	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
2019/20	\$'000	\$'000	\$'000	\$'000	\$'000
Our Community	5,156	1,834	3,219	103	-
Our Economy	1,221	507	714	-	-
Our Built and Natural Environment	3,476	2,873	546	57	-
Our Organisation	2,892	2,307	585	-	-
Total permanent staff expenditure	12,745	7,521	5,064	160	-
Capitalised labour costs	985				
<b>Total expenditure</b>	<b>13,730</b>				

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

Department	Budget	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
2019/20					
Our Community	61	20	39	2	-
Our Economy	12	5	8	-	-
Our Built and Natural Environment	40	32	7	1	-
Our Organisation	26	20	6	-	-
Total permanent staff expenditure	138	77	59	2	-
Capitalised labour costs	11				
<b>Total staff</b>	<b>149</b>				



## 4. Notes to the financial statements

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

### 4.1 Comprehensive Income Statement

#### 4.1.1 Rates and charges

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

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

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

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 2.5% in line with the rate cap.

This will raise total rates and charges for 2019/20 to \$15,139,000 (excluding interest on rates and charges).

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

	2018-19 Forecast Actual	2019/20 Budget	Change	%
	\$'000	\$'000	\$'000	
General rates*	9,551	10,157	606	6.34%
Municipal charge*	2,070	1,811	(259)	-12.51%
Waste management charge	1,049	1,067	18	1.72%
Service rates and charges	2,013	2,104	91	4.52%
Interest on rates and charges	67	66	(1)	-1.49%
<b>Total rates and charges</b>	<b>14,750</b>	<b>15,205</b>	<b>455</b>	<b>3.08%</b>

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

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

Type or class of land	2018/19 cents/\$CIV*	2019/20 cents/\$CIV*	Change
General rate for rateable residential Maryborough	0.5131	0.4950	-3.5%
General rate for rateable residential - other	0.4105	0.4158	1.3%
General rate for rateable vacant land Maryborough	0.9236	0.8910	-3.5%
General rate for rateable vacant land other	0.7697	0.7722	0.3%
General rate for rateable commercial Maryborough	0.8210	0.7920	-3.5%
General rate for rateable commercial - other	0.6157	0.6336	2.9%
General rate for rateable industrial properties	0.5644	0.5445	-3.5%
General rate for rateable farm properties	0.4105	0.3960	-3.5%

These figures are indicative only as they are based on valuation data at 1 March 2019. They may be subject to minor adjustment when striking the rate using valuation data as at 30 June 2019 in order to ensure compliance with the Local Government Amendment (Fair Go Rates) Act 2015.

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

Type or class of land	2018/19 Forecast	2019/20 Budget	Change	
	Actual		\$'000	%
Residential	6,107	6,529	422	6.91%
Vacant	428	471	43	10.05%
Commercial	1,097	1,099	2	0.18%
Industrial	181	179	(2)	-1.10%
Farm	1,738	1,879	141	8.11%
<b>Total amount to be raised by general rates</b>	<b>9,551</b>	<b>10,157</b>	<b>606</b>	<b>6.34%</b>

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

Type or class of land	2018/19	2019/20	Change	
	Number	Number	Number	%
Residential	6,179	6,222	43	0.70%
Vacant	769	778	9	1.17%
Commercial	334	331	(3)	-0.90%
Industrial	100	102	2	2.00%
Farm	1,028	1,034	6	0.58%
<b>Total number of assessments</b>	<b>8,410</b>	<b>8,467</b>	<b>57</b>	<b>0.68%</b>

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 land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
Residential	1,279,824	1,395,868	116,044	9.07%
Vacant	54,085	58,563	4,478	8.28%
Commercial	139,838	140,883	1,045	0.75%
Industrial	32,369	32,932	563	1.74%
Farm	424,121	474,395	50,274	11.85%
<b>Total value of land</b>	<b>1,930,237</b>	<b>2,102,641</b>	<b>172,404</b>	<b>8.93%</b>

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

Type of Charge	Per Rateable	Per Rateable	Change	
	Property	Property		
	2018/19	2019/20	\$	%
Municipal	256.90	229.00	(27.90)	-10.86%

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

Type of Charge	2018/19 Forecast	2019/20 Budget	Change	
	Actual		\$	%
Municipal	2,070	1,811	(259)	-12.51%

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2018/19	2019/20	\$	%
Standard Garbage Charge	150.20	153.90	3.70	2.46%
Non-Standard Garbage Charge	256.90	263.30	6.40	2.49%
Waste Management Fee	130.50	133.70	3.20	2.45%
Recycling Charge	134.40	137.70	3.30	2.46%
Green Waste Service (Optional *)	39.10	68.70	29.60	75.70%

\*in 2018/2019 the green waste service fee was levied as part of the rates for the first time. In previous years, the green waste service period was from December to November, and was levied on the 2018-2019 rate notice on a pro-rata basis (i.e. for the December to June period.) The 2019/2020 fee reflects a full twelve months of service.

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

Type of Charge	2018/19 Forecast Actual	2019/20 Budget	Change	
	\$	\$	\$	%
Standard Garbage Charge	863	883	20	2.32%
Non-Standard Garbage Charge	221	230	9	4.07%
Waste Management Fee	1,049	1,067	18	1.72%
Recycling Charge	877	905	28	3.19%
Green Waste Service (Optional #)	52	86	34	65.38%
<b>Total</b>	<b>3,062</b>	<b>3,171</b>	<b>109</b>	<b>3.56%</b>

# in 2018/2019 the green waste service fee was levied as part of the rates for the first time. In previous years, the green waste service period was from December to November, and was levied on the 2018-2019 rate notice on a pro-rata basis (i.e. for the December to June period.) The 2019/2020 budget reflects a full twelve months of service income.

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

	2018/19 Forecast Actual	2019/20 Budget	Change	
	\$'000	\$'000	\$'000	%
Total amount to be raised by general rates	9,551	10,157	606	6.34%
Total amount to be raised by the municipal charge	2,070	1,811	(259)	-12.51%
Total amount to be raised by waste charges	3,062	3,171	109	3.56%
<b>Total Rates and charges</b>	<b>14,683</b>	<b>15,139</b>	<b>456</b>	<b>3.11%</b>

#### 4.1.1(l) Fair Go Rates System Compliance

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

	2018/19	2019/20
Total Rates	\$ 11,632,000	\$ 11,968,000
Number of rateable properties	8,410.00	8,467.00
Base Average Rate	1,383.12	1,413.49
Maximum Rate Increase (set by the State Government)	<b>2.25%</b>	<b>2.50%</b>
Capped Average Rate	\$ 1,388	\$ 1,418
Maximum General Rates and Municipal Charges Revenue	\$ 11,608,434	\$ 11,922,800
Budgeted General Rates and Municipal Charges Revenue	\$ 11,593,167	\$ 11,912,000
Budgeted Supplementary Rates	\$ 38,833	\$ 56,000
Budgeted Total Rates and Municipal Charges Revenue	\$ 11,632,000	\$ 11,968,000

#### 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 (2019/20: estimated \$55,758 and 2018/19: \$38,833)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

#### 4.1.1(n) Differential rates

##### Rates to be levied

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

- Residential Maryborough rate of 0.4950% (0.4950 cents in the dollar of CIV) for all rateable residential properties situated within the Maryborough District boundary;
- Residential Other rate of 0.4158% (0.4158 cents in the dollar of CIV) for all rateable residential properties situated outside the Maryborough District boundary;
- Commercial Maryborough rate of 0.7920% (0.7920 cents in the dollar of CIV) for all rateable commercial properties situated within the Maryborough District boundary; and
- Commercial Other rate of 0.6336% (0.6336 cents in the dollar of CIV) for all rateable commercial properties situated outside the Maryborough District boundary;
- Farm Land rate of 0.3960% (0.3960 cents in the dollar of CIV) for all rateable farm properties;
- Vacant Land Maryborough rate of 0.8910% (0.8910 cents in the dollar of CIV) for all rateable vacant land properties situated within the Maryborough District boundary;
- Vacant Land Other rate of 0.7722% (0.7722 cents in the dollar of CIV) for all rateable vacant land properties situated outside the Maryborough District boundary; and
- Industrial rate of 0.5445% (0.5445 cents in the dollar of CIV) for all rateable industrial properties.

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.

It is considered that each differential rate will contribute to the equitable and efficient carrying out of Council's functions, in that it is likely to achieve an equitable financial contribution to the cost of carrying out the functions of Council, including:

- The construction and maintenance of public infrastructure;
- The development and provision of health and community services;
- The provision of general support services.

#### 4.1.2 Statutory fees and fines

	Forecast Actual		Budget		Change	
	2018/19	2019/20	2019/20			
	\$'000	\$'000	\$'000	\$'000	%	
Infringements and costs	6	8		2	33.33%	
Town planning fees	201	149		(52)	-25.87%	
Building control fees	166	116		(50)	-30.12%	
Environmental health	50	52		2	4.00%	
Land Information Certificates	15	15		-	0.00%	
Animal control	113	115		2	1.77%	
Other	7	12		5	71.43%	
<b>Total statutory fees and fines</b>	<b>558</b>	<b>467</b>		<b>(91)</b>	<b>-16.31%</b>	

Statutory fees and fines are higher in 2018-2019 due to a number of large planning and building applications during the year. Fees in 2019-2020 are expected to return to normal levels.

#### 4.1.3 User fees

	Forecast Actual		Budget		Change	
	2018/19	2019/20	2019/20			
	\$'000	\$'000	\$'000	\$'000	%	
Aged and disability	412	418		6	1.46%	
Parks and recreation	33	35		2	6.06%	
Child care	955	974		19	1.99%	
Local Laws	11	7		(4)	-36.36%	
Library	7	8		1	14.29%	
Energy Breakthrough	216	224		8	3.70%	
Tourism	50	27		(23)	-46.00%	
Environmental Health	4	4		-	0.00%	
Depot	68	37		(31)	-45.59%	
Transport	13	16		3	23.08%	
Building	17	17		-	0.00%	
Council enterprises	356	303		(53)	-14.89%	
Plant income	1,414	1,609		195	13.79%	
Waste disposal	37	37		-	0.00%	
Waste water	7	7		-	0.00%	
Other	30	28		(2)	-6.67%	
<b>Total user fees</b>	<b>3,630</b>	<b>3,751</b>		<b>121</b>	<b>3.33%</b>	

User fee income is expected to remain consistent with the prior year. Variations occur in Tourism due to the completion of the Official Visitors Guide in 2018-2019 (fee income only occurs every second year), Depot fees are lower in 2019-2020 due to the planned ceasing of Standpipe income from the Dunolly and Bealiba standpipes and Plant Income is expected to increase as a result of an higher capital works program in 2019-2020.

#### 4.1.4 Grants

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

	Forecast Actual		Budget	Change	
	2018/19	2019/20	2019/20		
	\$'000	\$'000	\$'000		%
<b>Grants were received in respect of the following:</b>					
Summary of grants					
Commonwealth funded grants	6,626	8,523	1,897		29%
State funded grants	4,324	2,880	(1,444)		-33%
<b>Total grants received</b>	<b>10,950</b>	<b>11,403</b>	453		4%
<b>(a) Operating Grants</b>					
<b>Recurrent - Commonwealth Government</b>					
Financial Assistance Grants	4,017	2,028	(1,989)		-50%
Family day care	131	133	2		2%
General home care	1,084	1,131	47		4%
<b>Recurrent - State Government</b>					
Emergency Management	120	120	-		0%
Go Goldfields	978	775	(203)		-21%
Aged care	313	233	(80)		-26%
Child Care	905	975	70		8%
School crossing supervisors	36	41	5		14%
Libraries	150	153	3		2%
Fire access tracks	10	10	-		0%
Tobacco reform	17	18	1		6%
Immunisation	17	17	-		0%
Maternal and child health	216	213	(3)		-1%
Youth	182	208	26		14%
Recreation	-	30	30		100%
Environmental management	32	37	5		16%
<b>Total recurrent grants</b>	<b>8,208</b>	<b>6,122</b>	(2,086)		-25%
<b>Non-recurrent - Commonwealth Government</b>					
Flood recovery	854	-	(854)		-100%
Community Planning	-	90	90		100%
<b>Non-recurrent - State Government</b>					
Tourism	2	-	(2)		-100%
Economic Development	150	50	(100)		-67%
Art Gallery	3	-	(3)		-100%
Centralised Valuations funding	31	-	(31)		-100%
Waste Recycling	22	-	(22)		-100%
<b>Total non-recurrent grants</b>	<b>1,062</b>	<b>140</b>	(922)		-87%
<b>Total operating grants</b>	<b>9,270</b>	<b>6,262</b>	(3,008)		-32%

	Forecast Actual		Budget	Change	
	2018/19	2019/20	2019/20		
	\$'000	\$'000	\$'000		%
<b>4.1.4 Grants (continued)</b>					
<b>(b) Capital Grants</b>					
<b>Recurrent - Commonwealth Government</b>					
Roads to recovery	540	790	250		46%
<b>Total recurrent grants</b>	<b>540</b>	<b>790</b>	250		46%
<b>Non-recurrent - Commonwealth Government</b>					
Indoor sporting centres	-	150	150		100%
Bridges	-	500	500		100%
Drainage	-	600	600		100%
<b>Non-recurrent - State Government</b>					
Buildings	50	111	61		122%
Car parks	-	180	180		100%
Families and Youth	16	-	(16)		-100%
Indoor sporting centres	-	280	280		100%
Swimming pools	-	300	300		100%
Recreation	204	460	256		125%
Integrated Water Management	-	35	35		100%
Infrastructure	770	1,800	1,030		134%
E-waste Infrastructure	100	25	(75)		-75%
<b>Total non-recurrent grants</b>	<b>1,140</b>	<b>4,441</b>	3,301		290%
<b>Total capital grants</b>	<b>1,680</b>	<b>5,231</b>	3,551		211%
<b>Total Grants</b>	<b>10,950</b>	<b>11,493</b>	543		5%

Councils operating grants are expected to be lower than the previous year due to the early receipt of 50% of Council's 2019-2020 Financial Assistance Grant during 2018-2019.

Capital Grants are expected to be much higher in 2019-2020 than the previous year due to the receipt of Fixing Country Roads and Bridges Renewal funding. In addition, Council is also expecting additional capital grant funding for the Carisbrook Drainage Mitigation, Maryborough Outdoor Pool, Maryborough Skate Park and Maryborough Sports and Leisure Centre projects.

#### 4.1.5 Contributions

	Forecast Actual		Budget	Change	
	2018/19	2019/20	2019/20		
	\$'000	\$'000	\$'000		%
Monetary	212	88	(124)		-58.49%
Non-monetary	-	-	-		0.00%
<b>Total contributions</b>	<b>212</b>	<b>88</b>	<b>(124)</b>		<b>-58.49%</b>

Monetary contributions are expected to be lower in 2019-2020 due to a number of one off contributions during 2018-2019 including Long Service Leave contributions of \$75,000.

#### 4.1.6 Other income

	Forecast Actual		Budget	Change	
	2018/19	2019/20			
	\$'000	\$'000	\$'000	%	
Interest	135	120	(15)	-11.11%	
Special charge scheme	40	25	(15)	-37.50%	
Royalties	4	4	-	0.00%	
Property rental	139	112	(27)	-19.42%	
Donations/sponsorships	100	160	60	60.00%	
Other	18	10	(8)	-44.44%	
<b>Total other income</b>	<b>436</b>	<b>431</b>	<b>(5)</b>	<b>-1.15%</b>	

Other income is in line with previous year levels.

#### 4.1.7 Employee costs

	Forecast Actual		Budget	Change	
	2018/19	2019/20			
	\$'000	\$'000	\$'000	%	
Wages and salaries	11,084	11,323	239	2.16%	
WorkCover	176	200	24	13.64%	
Superannuation	1,073	1,098	25	2.36%	
Other employee related expenses	121	124	3	2.36%	
<b>Total employee costs</b>	<b>12,454</b>	<b>12,745</b>	<b>291</b>	<b>2.34%</b>	

Employee costs are forecast to increase slightly in the 2019-2020 as a result of Council's 1.85% Enterprise Bargaining Agreement increase and banding movements.

#### 4.1.8 Materials and services

	Forecast Actual		Budget	Change	
	2018/19	2019/20			
	\$'000	\$'000	\$'000	%	
Contractor payments	7,805	8,136	331	4.24%	
Materials	2,440	2,523	83	3.40%	
<b>Total materials and services</b>	<b>10,245</b>	<b>10,659</b>	<b>414</b>	<b>4.04%</b>	

Materials and services expenditure is expected to increase in the 2019-2020 year mainly as a result of a number of budgeted strategic projects, including Deledio Reserve Concept Plan, Recreation Strategy, Economic Development Strategy and Community Planning.

#### 4.1.9 Depreciation and amortisation

	Forecast Actual		Budget	Change	
	2018/19	2019/20			
	\$'000	\$'000	\$'000	%	
Property	1,255	1,255	-	0.00%	
Plant & equipment	350	350	-	0.00%	
Infrastructure	4,988	4,988	-	0.00%	
Furniture & Fittings	131	131	-	0.00%	
<b>Total depreciation and amortisation</b>	<b>6,724</b>	<b>6,724</b>	<b>-</b>	<b>0.00%</b>	



## 4.2 Balance Sheet

### 4.2.1 Assets

Overall the assets in the Balance sheet are expected to increase each year due to a large capital works program in 2019/2020 offset by the impact of depreciation, and a positive cash position in future years resulting in a higher level of cash held.

### 4.2.2 Liabilities

Overall Council liabilities are forecast to remain steady into the next financial year, with a forecast reduction of \$564,042 in loans as Council pays down its loan debt over the coming financial year.

### 4.2.3 Borrowings

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

	2018/19 \$'000	2019/20 \$'000
Amount borrowed as at 30 June of the prior year	4,460,116	3,885,313
Amount proposed to be borrowed	-	1,500,000
Amount projected to be redeemed	574,803	2,064,042
Amount of borrowings as at 30 June	3,885,313	3,321,271

## 4.3 Statement of changes in Equity

### 4.3.1 Reserves

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time, as movements are difficult to predict, Council has not budgeted for any movement in this reserve.

The other reserves consist of an Unfunded Superannuation reserve, Council has not budgeted to make any transfers during the period.

### 4.3.2 Equity

The movement in the statement of equity relates to the budgeted comprehensive result for the period.

## 4.4 Statement of Cash Flows

### 4.4.1 Net cash flows provided by/used in operating activities

Cash flows from operating activities are consistent between the 2018/2019 and 2019/2020 years. Operating grant income is higher in 2018/2019 due to the expected receipt of 50% of Councils 2019/2020 Federal Assistance grant during the year. This is offset by a higher level of capital grant income in 2019/2020 due to additional funding for infrastructure works.

### 4.4.2 Net cash flows provided by/used in investing activities

Capital expenditure in 2019/20 is budgeted higher than 2018/19 due to the receipt of Fixing Country Roads and Bridges Renewal funding. In addition, Council is also expecting additional capital grant funding for the Carisbrook Drainage Mitigation, Maryborough Outdoor Pool, Maryborough Skate Park and Maryborough Sports and Leisure Centre projects.

### 4.4.3 Net cash flows provided by/used in financing activities

Financing costs relate to the repayment of borrowings and are in line with the previous financial year. Council does have large loan due for repayment in November 2019, however is budgeting to re-finance this loan, with overall debt redemption remaining consistent.

#### 4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2019/20 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

##### 4.5.1 Summary

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Change \$'000	%
Property	647	2,284	1,637	253.01%
Plant and equipment	716	1,007	291	40.64%
Infrastructure	4,985	6,996	2,011	40.34%
<b>Total</b>	<b>6,348</b>	<b>10,287</b>	<b>3,939</b>	<b>62.05%</b>

There are a number of significant property works budgeted for in 2019/2020. Including works at the Maryborough Outdoor Pool, Maryborough Skate Park and Council's Administration building.

The level of infrastructure works budgeted for in 2019/2020 has increased due to additional funding from Fixing Country Roads and Roads to Recovery.

	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	Asset Sales \$'000	Waste Charges \$'000	Borrowings \$'000
Property	2,284	11	2,141	132	-	866	5	1,248	-	165	-
Plant and equipment	1,007	150	857	-	-	-	-	697	310	-	-
Infrastructure	6,996	158	5,028	1,810	-	4,365	-	2,616	-	15	-
<b>Total</b>	<b>10,287</b>	<b>319</b>	<b>8,026</b>	<b>1,942</b>	<b>-</b>	<b>5,231</b>	<b>5</b>	<b>4,561</b>	<b>310</b>	<b>180</b>	<b>-</b>

#### 4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources					
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Asset Sales \$'000	Waste Charges \$'000	Borrowings \$'000
<b>PROPERTY</b>											
<b>Land</b>											
Renewal Ovals	30	-	30	-	-	-	-	30	-	-	-
Renewal Surrounds	40	-	40	-	-	-	-	40	-	-	-
Talbot Rehabilitate Landfill (Maryborough East Landfill)	15	-	15	-	-	-	-	-	-	15	-
Dunolly Rehabilitate Landfill (Maryborough West Landfill)	15	-	15	-	-	-	-	-	-	15	-
<b>Land Improvements</b>											
Dunolly Dump Point Installation	11	11	-	-	-	-	5	6	-	-	-
Rubbish Bins Renewal - General	3	-	3	-	-	-	-	-	-	3	-
Airport Fence Renewal	10	-	10	-	-	-	-	10	-	-	-
<b>Buildings</b>											
Building Insurance risk reduction upgrades	21	-	21	-	-	-	-	21	-	-	-
MSLC Upgrade Project	430	-	430	-	-	430	-	-	-	-	-
Outdoor Pools	10	-	10	-	-	-	-	10	-	-	-
Heated Swimming Pool	5	-	5	-	-	-	-	5	-	-	-
Maryborough Outdoor Swimming Pool	650	-	650	-	-	300	-	350	-	-	-
E-Waste Shed Dunolly	25	-	25	-	-	25	-	-	-	-	-
Council Administration Building	90	-	90	-	-	-	-	90	-	-	-
Building upgrades for civic centre	480	-	480	-	-	-	-	480	-	-	-
Building Energy Efficiency Green initiatives	222	-	222	-	-	111	-	111	-	-	-
Building asset data Collection and Management Plan	90	-	90	-	-	-	-	90	-	-	-
Essential Safety Measures Buildings Upgrade	5	-	5	-	-	-	-	5	-	-	-
Bin Roofs Transfer Stations	120	-	-	120	-	-	-	-	-	120	-
Transfer Station Worksafe Upgrades	12	-	-	12	-	-	-	-	-	12	-
<b>TOTAL PROPERTY</b>	<b>2,284</b>	<b>11</b>	<b>2,141</b>	<b>132</b>	<b>-</b>	<b>866</b>	<b>5</b>	<b>1,248</b>	<b>-</b>	<b>165</b>	<b>-</b>

4.5.2 Current Budget (cont'd)

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	Asset Sales \$'000	Waste Charges \$'000	Borrowings \$'000
<b>PLANT AND EQUIPMENT</b>											
Operational Plant Purchases	434	-	434	-	-	-	-	324	110	-	-
Vehicle Purchases	268	-	268	-	-	-	-	148	120	-	-
Ute Purchases	90	-	90	-	-	-	-	10	80	-	-
<b>Computers and Telecommunications</b>											
It Initiatives	150	150	-	-	-	-	-	150	-	-	-
Server Upgrades	23	-	23	-	-	-	-	23	-	-	-
PC Network/Hardware	42	-	42	-	-	-	-	42	-	-	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,007</b>	150	857	-	-	-	-	697	310	-	-
<b>INFRASTRUCTURE</b>											
<b>Roads</b>											
Major Patches	90	-	90	-	-	-	-	90	-	-	-
Avoca Road Talbot Renewal and Upgrade Stage 2 Part 1	693	-	693	-	-	632	-	61	-	-	-
Gillies Street Renewal - Rogers Street to Majorca Rd	606	-	606	-	-	606	-	-	-	-	-
Burke Street - Kars Street to Inkerman Renewal/Upgrade	462	-	462	-	-	462	-	-	-	-	-
Rodborough Rd Stabilisation to End of Seal	450	-	450	-	-	300	-	150	-	-	-
Design Stabilisation Goldsmith Street (Newton to Wills) & Wills Street (Goldsmith to Barkly)	12	-	12	-	-	-	-	12	-	-	-
Design Dunolly Avoca Rd - Renewal Racecourse Track to Shaw Track	25	-	25	-	-	-	-	25	-	-	-
Design Gillies Street Renewal & Upgrade Fraser Street to Sutton Rd	21	-	21	-	-	-	-	21	-	-	-
Design Rogers Street - Railway Street to Gillies Street Renewal	15	-	15	-	-	-	-	15	-	-	-
Ironbark Drive Courtbowl Construction Upgrade	10	-	10	-	-	-	-	10	-	-	-
Majorca Road Maryborough Renewal and Upgrade Stage 3	525	-	525	-	-	466	-	59	-	-	-
Sealed Road Shoulders Renewal	60	-	60	-	-	-	-	60	-	-	-
Unsealed Roads Renewal / Rural	300	-	300	-	-	-	-	300	-	-	-
Unsealed Roads Renewal / Urban	17	-	17	-	-	-	-	17	-	-	-
Seals Renewal Reseals	423	-	423	-	-	124	-	299	-	-	-
Seals Renewal Asphalt Reseals	60	-	60	-	-	-	-	60	-	-	-
Seals Renewal Final Seals	35	-	35	-	-	-	-	35	-	-	-

4.5.2 Current Budget (cont'd)

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	Asset Sales \$'000	Waste Charges \$'000	Borrowings \$'000
<b>Bridges</b>											
Major Culvert Renewal Program	70	-	-	70	-	-	-	70	-	-	-
Porteous Road Wareek Bridge Replacement	780	-	-	780	-	500	-	280	-	-	-
<b>Footpaths and Cycleways</b>											
Pathways New/Upgrade Maryborough	10	10	-	-	-	-	-	10	-	-	-
Pathways New/Upgrade Carisbrook	20	20	-	-	-	-	-	20	-	-	-
Pathways New/Upgrade Dunolly	23	23	-	-	-	-	-	23	-	-	-
Pathways New/Upgrade Bealiba	23	23	-	-	-	-	-	23	-	-	-
Pathways Renewal	100	-	100	-	-	-	-	100	-	-	-
<b>Drainage</b>											
Drainage Renewal	60	-	60	-	-	-	-	60	-	-	-
Tabledrain renewals	56	-	56	-	-	-	-	56	-	-	-
Aerodrome drainage renewal & Silt Control Measures	80	-	80	-	-	-	-	80	-	-	-
Main Drain Maryborough	21	-	21	-	-	-	-	21	-	-	-
Carisbrook Drainage Mitigation - Stg 3 North Pyrenees Hwy	800	-	-	800	-	600	-	200	-	-	-
Carisbrook Drainage Mitigation - Stg 4 South Pyrenees Hwy	100	-	-	100	-	-	-	100	-	-	-
<b>Parks, Open Space and Streetscapes</b>											
Public Place Recycling Bins	15	15	-	-	-	-	-	-	-	15	-
Phillips Gardens replanting the wetland	10	-	10	-	-	-	-	10	-	-	-
Phillips Gardens - Renewal	10	-	10	-	-	-	-	10	-	-	-
Gordon Gardens Masterplan Implementation	25	-	25	-	-	-	-	25	-	-	-
Princes Park Improvements	7	-	7	-	-	-	-	7	-	-	-
Renewal Playgrounds	15	-	15	-	-	-	-	15	-	-	-
Skate Park Development	500	-	500	-	-	460	-	40	-	-	-
Streetscapes	15	-	15	-	-	-	-	15	-	-	-
Playground Improvements / Upgrade	10	-	-	10	-	-	-	10	-	-	-
Central Highlands Water IWM Station Domain project	50	-	-	50	-	35	-	15	-	-	-
<b>Off Street Car Parks</b>											
Maryborough Rec Centre Carpark Renewal & Upgrade	180	-	180	-	-	180	-	-	-	-	-

#### 4.5.2 Current Budget (cont'd)

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	Asset Sales \$'000	Waste Charges \$'000	Borrowings \$'000
<b>Other Infrastructure</b>											
Minor Culverts New/Upgrade	15	15	-	-	-	-	-	15	-	-	-
Signs New	10	10	-	-	-	-	-	10	-	-	-
Kerb & Channel New/Upgrade	20	20	-	-	-	-	-	20	-	-	-
Traffic Control Facilities New/Upgrade	22	22	-	-	-	-	-	22	-	-	-
Minor Culverts Renewal	40	-	40	-	-	-	-	40	-	-	-
Furniture Renewal / Urban	15	-	15	-	-	-	-	15	-	-	-
Signs Renewal	15	-	15	-	-	-	-	15	-	-	-
Kerb & Channel Renewal	50	-	50	-	-	-	-	50	-	-	-
Traffic Control Facilities Renewal	10	-	10	-	-	-	-	10	-	-	-
Recycled Watermain Replacement	15	-	15	-	-	-	-	15	-	-	-
<b>TOTAL INFRASTRUCTURE</b>	<b>6,996</b>	<b>158</b>	<b>5,028</b>	<b>1,810</b>	<b>-</b>	<b>4,365</b>	<b>-</b>	<b>2,616</b>	<b>-</b>	<b>15</b>	<b>-</b>
<b>TOTAL NEW CAPITAL WORKS</b>	<b>10,287</b>	<b>319</b>	<b>8,026</b>	<b>1,942</b>	<b>-</b>	<b>5,231</b>	<b>5</b>	<b>4,561</b>	<b>310</b>	<b>180</b>	<b>-</b>

#### 4.5.3 Works carried forward from the 2018/19 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	Asset Sales \$'000	Waste Charges \$'000	Borrowings \$'000
<b>PROPERTY</b>											
<b>Buildings</b>											
Building Energy Efficiency Green initiatives	222	-	222	-	-	111	-	111	-	-	-
<b>TOTAL PROPERTY</b>	<b>222</b>	<b>-</b>	<b>222</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>-</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INFRASTRUCTURE</b>											
<b>Bridges</b>											
Porteous Road Wareek Bridge Replacement	780	-	-	780	-	500	-	280	-	-	-
<b>Drainage</b>											
Carisbrook Drainage Mitigation - Stg 3 North Pyrenees Hwy	800	-	-	800	-	600	-	200	-	-	-
Carisbrook Drainage Mitigation - Stg 4 South Pyrenees Hwy	100	-	-	100	-	-	-	100	-	-	-
<b>TOTAL INFRASTRUCTURE</b>	<b>1,680</b>	<b>-</b>	<b>-</b>	<b>1,680</b>	<b>-</b>	<b>1,100</b>	<b>-</b>	<b>580</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CARRIED FORWARD CAPITAL WORKS 2018/19</b>	<b>1,902</b>	<b>-</b>	<b>222</b>	<b>1,680</b>	<b>-</b>	<b>1,211</b>	<b>-</b>	<b>691</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5. Financial performance indicators

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

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+o/-
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-11%	-7.55%	-13.22%	-1.16%	-1.78%	-1.55%	o
<b>Liquidity</b>									
Working Capital	Current assets / current liabilities	2	139%	206.78	164.74	166.61	170.47	174.49	+
Unrestricted cash	Unrestricted cash / current liabilities	3	78%	154.64	112.27	113.06	115.94	118.61	+
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	39%	26%	22%	18%	14%	11%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		6%	5%	15%	4%	4%	4%	o
Indebtedness	Non-current liabilities / own source revenue		12%	20%	17%	15%	12%	10%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	142%	66%	119%	66%	66%	66%	+
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	6	42%	41%	45%	41%	41%	41%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		1%	1%	1%	1%	1%	1%	o

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+o/-
<b>Efficiency</b>									
Expenditure level	Total expenses/ no. of property assessments		\$3,749	\$3,519	\$3,585	\$3,471	\$3,537	\$3,605	o
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,200	\$1,245	\$1,278	\$1,293	\$1,308	\$1,324	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		12%	10%	7%	7%	7%	7%	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

The adjusted underlying result measures the sustainable operating result required to ensure Council to continue to provide core services in a financial sustainable way. The result is expected to improve over the SRP period, and will be impacted in 19/20 by the early payment of 50% of Council's 2019-2020 Financial Assistance Grant (FAG) during 2018-2019. If Council had not received half of the 2019-2020 FAG in advance, the adjusted underlying result would have been -5.24%.

##### 2. Working Capital

The working capital ratio is calculated by dividing current assets by current liabilities, and is a measure of liquidity. Ratios over 100% are required to ensure that Council is able to pay its debts when they fall due. The ratio over the SRP period will be maintained at a financially sustainable level.

##### 3. Unrestricted Cash

Unrestricted cash ratio calculates the level of cash that is not tied to grants or specific projects. The level is improving over the period of the SRP.

##### 4. Debt compared to rates

Council's debt levels will be reduced over the life of the SRP with approximately \$500,000 to be paid off existing loans per annum.

##### 5. Asset renewal

The asset renewal ratio shows the level of capital expenditure used to replace existing assets. A percentage less than 100 indicates that some assets are not being renewed at the same rate as their utilisation.

##### 6. Rates concentration

Rates concentration measures the level of rate revenue as a proportion of adjusted underlying revenue. This measure is expected to remain steady during the period.



## 6. User Fees and Charges

The fees and charges listed apply for the period 1 July 2019 to 30 June 2020.

Legislated fees and charges contained may change during the financial year. Where this occurs, the fees and charges document will be updated with the new fees and charges at which point they become applicable.

**GST** - Y = Includes GST

- N = No GST

**Fee Type** - F = Full Cost Recovery

- P = Partial Cost Recovery

- S = Fee set by Government

### 6.01 Art Gallery

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Gallery Admission			Free of Charge		
School Holiday Children's Workshop Fees	Y	P			

### 6.02 Animal Management

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Dog Registration – Animal either neutered, over 10 years old, working stock, breeding stock at registered business or obedience trained	N	P	\$35.00	\$35.70	\$0.70
Pensioner Dog Registration – Animal either neutered, over 10 years old, working stock, breeding stock at registered business or obedience trained	N	P	\$17.00	\$17.40	\$0.40
Cat Registration – Animal either neutered, over 10 years old or breeding stock at registered business.	N	P	\$35.00	\$35.70	\$0.70
Pensioner Cat Registration – Animal either neutered, over 10 years old or breeding stock at registered business	N	P	\$17.00	\$17.40	\$0.40
Dog Registration	N	P	\$100.00	\$102.00	\$2.00
Pensioner Dog Registration	N	P	\$50.00	\$51.00	\$1.00
Cat Registration	N	P	\$100.00	\$102.00	\$2.00
Pensioner Cat Registration	N	P	\$50.00	\$51.00	\$1.00
Micro chipping	Y	F	\$40.00	\$40.80	\$0.80
Permit for more than 2 dogs (per annum)	Y	P	\$40.00	\$40.80	\$0.80
Pound release fee (Cat)	Y	P	\$40.00	\$40.80	\$0.80
Pound release per day (Cat)	Y	P	\$15.00	\$15.30	\$0.30
Pound release fee (Dog)	Y	P	\$40.00	\$40.80	\$0.80
Pound release per day (Dog)	Y	P	\$15.00	\$15.30	\$0.30
Pound release fee per animal (Stock & other)	Y	P	\$100.00	\$102.00	\$2.00
Pound release fee per animal (Stock & other) Per Day	Y	P	\$20.00	\$20.40	\$0.40

### 6.03 Airport

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Site Leases	Y	F	Market Rate	Market Rate	
Licence fee			\$275.00	\$275.00	\$0.00

### 6.04 Asset Management

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Wood collection fee – per m3	N	F	\$21.00	\$21.50	\$0.50
Pensioner Concession Wood collection fee – per m3	N	F	\$10.50	\$10.80	\$0.30
Consent for excavation works	N	F	\$150.00	\$153.00	\$3.00
Vehicle crossing fee	N	F	\$130.00	\$132.60	\$2.60
General road occupation	N	F	\$95.00	\$96.90	\$1.90
Construction road occupation fee - First week	N	F	\$95.00	\$96.90	\$1.90
Construction road occupation fee - after one week	N	F	\$45.00	\$45.90	\$0.90
Storage road occupation fee -1 week	N	F	\$95.00	\$96.90	\$1.90
Storage road occupation fee - after one week	N	F	\$45.00	\$45.90	\$0.90
Tree Planting fee	Y	F	\$160.00	\$163.20	\$3.20
Landscaping fee	N	F	No cost. Landscaping permit required.		
Caravan/Motorhome storage	N	F	\$130.00	\$132.60	\$2.60
Container storage	N	F	\$130.00	\$132.60	\$2.60

### 6.05 Building

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Building Information Fee	N	S	\$54.00	\$54.00	\$0.00
Stormwater legal point of discharge	N	S	\$68.00	\$68.00	\$0.00
Report and Consent	N	S	\$68.00	\$68.00	\$0.00
Lodgement Fee	N	S	\$41.00	\$41.00	\$0.00
Building permit levy	N	S			
<b>Class 1 Dwelling (House)</b>					
\$0-\$150,000	Y	F	\$1,748.00	\$1,782.00	\$34.00
\$150,001-\$200,000	Y	F	\$1,917.00	\$1,947.00	\$30.00
\$200,001-\$300,000	Y	F	\$2,098.00	\$2,134.00	\$36.00
\$300,001-\$400,000	Y	F	\$2,750.00	\$2,805.00	\$55.00
\$400,001-\$500,000	Y	F	\$3,476.00	\$3,542.00	\$66.00
\$500,000 +	Y	F	POA		
<b>Class 10a Buildings (Sheds)</b>					
\$0 - \$5,000	Y	F	\$586.00	\$594.00	\$8.00
\$5,001 - \$10,000	Y	F	\$699.00	\$704.00	\$5.00
\$10,001-\$20,000	Y	F	\$812.00	\$825.00	\$13.00
\$20,000	Y	F	\$935.00	\$946.00	\$11.00
<b>Class 10B (Pools, fences)</b>					
\$0 - \$5,000	Y	F	\$586.00	\$594.00	\$8.00
\$5,001 - \$10,000	Y	F	\$699.00	\$704.00	\$5.00
\$10,001 +	Y	F	\$812.00	\$825.00	\$13.00

## 6.05 Building (cont'd)

Building Alterations Domestic					
\$0 - \$5,000	Y	F	\$586.00	\$594.00	\$8.00
\$5,001 - \$10,000	Y	F	\$699.00	\$704.00	\$5.00
\$10,001 - \$30,000	Y	F	\$935.00	\$946.00	\$11.00
\$30,001 - \$50,000	Y	F	\$1,210.00	\$1,232.00	\$22.00
\$50,001 - \$80,000	Y	F	\$1,540.00	\$1,562.00	\$22.00
\$80,001 - \$100,000	Y	F	\$1,748.00	\$1,782.00	\$34.00
\$100,001 - \$200,000	Y	F		\$1,917.00	
All other buildings including Commercial					
\$0 - \$500,000	Y	F	\$1.13 per 1% of value of Building works		
\$500,001 +	Y	F	POA		
Extension of existing Building Permit					
Class 10 buildings					
1 <sup>st</sup> permit extension	Y	F	\$512.50	\$517.00	\$4.50
Subsequent extension	Y	F	POA		
Class 1-9 buildings	Y	F			
1 <sup>st</sup> permit extension	Y	F	\$512.50	\$517.00	\$4.50
Subsequent extension	Y	F	POA		
Other					
Redline report liquor licence	Y	F	\$440.00	\$445.50	\$5.50
Inspections	Y	F	\$220.00	\$224.40	\$4.40
Demolition minor	Y	F	\$550.00	\$561.00	\$11.00
Demolition major	Y	F	\$770.00	\$781.00	\$11.00
Illegal building work	Y	F	1.5x BP cost		
ESM report	Y	F	\$550.00	\$561.00	\$11.00
Title search	Y	F	\$55.00	\$56.10	\$1.10
Archive retrieval	Y	F	\$55.00	\$82.50	\$27.50

## 6.06 Caravan Park Registrations

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Registration Application Fees less than 26 Sites	N	S	\$17.00	\$245.65	\$250.75
Registration Application Fees between 26 and 50 Sites	N	S	\$34.00	\$491.30	\$501.50
Registration Application Fees between 51 and 100 Sites	N	S	\$68.00	\$982.60	\$1,003.00
Registration Application Fees between 101 and 150 Sites	N	S	\$103.00	\$1,488.35	\$1,519.25
Registration Application Fees between 151 and 200 Sites	N	S	\$137.00	\$1,979.65	\$2,020.75
Registration Application Fees between 201 and 250 Sites	N	S	\$171.00	\$2,470.95	\$2,522.25
Registration Application Fees between 251 and 300 Sites	N	S	\$205.00	\$2,962.25	\$3,023.75
Registration Application Fees between 301 and 350 Sites	N	S	\$240.00	\$3,468.00	\$3,540.00
Registration Application Fees between 351 and 400 Sites	N	S	\$274.00	\$3,959.30	\$4,041.50
Registration Application Fees between 401 and 450 Sites	N	S	\$308.00	\$4,450.60	\$4,543.00
Registration Application Fees between 451 and 500 Sites	N	S	\$342.00	\$4,941.90	\$5,044.50

## 6.07 Civil Services

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Checking of Civil drawings for Subdivisions	N	F	0.75% of the total construction costs	0.75% of the total construction costs	
Supervision of construction	N	F	2.5% of the total construction costs	2.5% of the total construction costs	
Water from Standpipes Maryborough, Dunolly and Bealiba		F	\$6.00	\$6.20	\$0.20
Avdata Keys	Y	F	\$30.00	\$30.00	\$0.00
Private Works for Others	Y	F	Costs plus 20% plus GST		

## 6.08 Environmental Health

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Septic Tank application fee	N	F	\$400.80	\$410.00	\$9.20
Alter Septic Tank fee	N	F	\$200.40	\$300.00	\$99.60
Septic Tank amendment	N	F	\$51.30	\$55.00	\$3.70
Septic Tank extension	N	F	\$52.80	\$55.00	\$2.20
Additional Site Inspection	N	F	\$0.00	\$200.00	
Search Fee	Y	F	\$55.00	\$82.50	\$27.50
Immunisation - Influenza (industry)	N	F	\$25.00	\$25.50	\$0.50

## 6.09 Finance

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Land Information Certificate	N	S	\$25.90	\$26.30	\$0.40

## 6.10 Food Premises

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Class 1 fee	N	P	\$347.50	\$355.00	\$7.50
Class 2 fee	N	P	\$304.50	\$310.00	\$5.50
Community Group Class 2 fee including liquor licence	N	P	\$152.00	\$155.00	\$3.00
Community Group Class 2 fee without liquor licence	N	P	\$92.00	\$93.00	\$1.00
Class 3 fee	N	P	\$184.50	\$188.00	\$3.50
Initial Registration fee for new business	N	P	Renewal fee as per above + 50%. Fees applied on a pro-rata quarterly basis for new registrations		
Transfer of proprietor fee	N	P	50% of applicable renewal fee as per the above. Plus inspection fee		
Requested inspection fee	Y	P	50% of applicable renewal fee as per the above.		

### 6.11 Freedom of Information

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Search fee per hour	N	S	\$21.33	\$21.33	\$0.00
Search fee	N	S	\$28.40	\$28.40	\$0.00

### 6.12 Goldfields Family Centre

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Morning session	N	F	\$56.00	\$57.20	\$1.20
Afternoon session	N	F	\$53.00	\$54.10	\$1.10
Daily	N	F	\$106.00	\$108.20	\$2.20
Full time (5 days per week)	N	F	\$497.00	\$507.00	\$10.00
Morning session Holding Fee	N	P	\$28.00	\$28.60	\$0.60
Afternoon session Holding Fee	N	P	\$27.00	\$27.60	\$0.60
Daily Holding Fee	N	P	\$53.00	\$54.10	\$1.10
Full time (5 days per week) Holding fee	N	P	\$249.00	\$254.00	\$5.00

### 6.13 Health Registrations

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Skin Penetration fee	N	P	\$146.00	\$150.00	\$4.00
Hairdressers fee	N	P	\$146.00	\$150.00	\$4.00
Beauty Therapy	N	PP	\$146.00	\$150.00	\$4.00
Prescribed Accommodation fee	N	P	\$190.00	\$195.00	\$5.00
Initial Registration fee Skin Penetration, Hairdressers or Beauty Therapy	N	P	\$73.00	\$75.00	\$2.00
Initial Registration fee Prescribed Accommodation fee	N	P	\$95.00	\$100.00	\$5.00
Transfer of proprietor fee Skin Penetration, Hairdressers or Beauty Therapy	N	P	\$73.00	\$75.00	\$2.00
Transfer of proprietor fee Prescribed Accommodation Fee	N	P	\$95.00	\$97.50	\$2.50
Requested inspection fee	Y	P	50% of annual renewal fee as per the above.		

### 6.14 Home Support Services

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Home care	N	F	\$6.50	\$6.70	\$0.20
Respite	N	F	\$3.40	\$3.50	\$0.10
Personal care	N	F	\$3.40	\$3.50	\$0.10
Social support	N	F	\$1.20	\$1.30	\$0.10
Home maintenance	N	F	\$11.80	\$12.00	\$0.20
Delivered meals	N	F	\$9.80	\$10.00	\$0.20

## 6.15 Library Services

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Book Club Registration on Institution	Y	F	\$150.00	\$150.00	\$0.00
Fines	N	F	\$0.25	\$0.30	\$0.05
Lost Card	Y	F	\$2.10	\$2.20	\$0.10
Library Bags	Y	F	\$3.00	\$3.10	\$0.10
Photocopy A4 B&W	Y	F	\$0.25	\$0.30	\$0.05
Photocopy A3 B&W	Y	F	\$0.50	\$0.60	\$0.10
Photocopy A4 Colour	Y	F	\$1.00	\$1.10	\$0.10
Photocopy A3 Colour	Y	F	\$2.00	\$2.10	\$0.10
Fax - sending	Y	F	\$1.50	\$1.60	\$0.10
Fax - receiving	Y	F	\$0.20	\$0.30	\$0.10
Processing fee - lost books	Y	F	\$6.00	\$6.20	\$0.20
Reservations/Inter-Library Loan	Y	F	\$2.50	\$2.60	\$0.10
Reservations/Inter-Library Loan - Tertiary	Y	F	\$19.00	\$19.40	\$0.40

## 6.16 Local Laws

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Parking fines	N	F	\$45.00	\$46.00	\$1.00
Disabled Parking Permit	Y	F	\$11.00	\$12.00	\$1.00
Advertising and Marketing Permit	Y	F	\$50.00	\$51.00	\$1.00
Outside Dining Permit 2 Tables	Y	F	\$55.00	\$56.00	\$1.00
Outside Dining Permit 3 Tables or more	Y	F	\$110.00	\$112.00	\$2.00
Goods for display	Y	F	\$55.00	\$56.00	\$1.00
Container/Camping Storage Permit	Y	F	\$130.00	\$133.00	\$3.00

## 6.17 Planning

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Extension to Planning Permit – First extension	Y	F	\$205.00	\$210.00	\$5.00
Extension to Planning Permit – Second extension	Y	F	\$308.00	\$315.00	\$7.00
Extension to Planning Permit – Third extension	Y	F	\$513.00	\$525.00	\$12.00
Secondary Consent	Y	F	\$154.00	\$160.00	\$6.00
Written Planning Advice	Y	F	\$103.00	\$105.00	\$2.00
Request for copying of Planning Permit (Electronic Version)	Y	F	\$52.00	\$55.00	\$3.00
Request for hard copy of Planning Permit or other documentation	Y	F	\$103.00	\$105.00	\$2.00
Notice of Planning Application		F	\$50.00	\$51.00	\$1.00
Notice letters (only above 12 letters/notices) Per letter	Y	F	\$2.00	\$2.10	\$0.10
Public notice in newspaper or Government Gazette	Y	F	At Cost		
Planning Panel Costs	Y	F	At Cost		
Request to Approve Development Plan	Y	F	\$410.00	\$420.00	\$10.00
Request to Approve Development Plan	Y	F	\$205.00	\$210.00	\$5.00

## 6.18 Sporting Grounds Casual Use/ Hire

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Frank Graham Oval - Casual/hr	Y	P	\$45.00	\$45.90	\$0.90
Princes Park Oval Casual Hire - training without lights/hr	Y	P	\$45.00	\$45.90	\$0.90
Princes Park Oval Casual Hire - training with lights/hr	Y	P	\$65.00	\$66.30	\$1.30
Princes Park Netball Court Casual Hire - training without lights/hr	Y	P	\$11.00	\$11.30	\$0.30
Princes Park Netball Court Casual Hire - training with lights/hr	Y	P	\$27.50	\$28.10	\$0.60
Jubilee Oval - Casual/hr	Y	P	\$45.00	\$45.90	\$0.90
Hedges Oval - Casual/hr	Y	P	\$45.00	\$45.90	\$0.90
Jack Pascoe Reserve - Casual/hr	Y	P	\$45.00	\$45.90	\$0.90
Soccer Fields - Casual/hr	Y	P	\$45.00	\$45.90	\$0.90
Personal Training Licence Application 1-10 participants - per quarter	Y	P	\$93.00	\$94.90	\$1.90
Personal Training Licence Application 1-10 participants - per annum	Y	P	\$360.00	\$367.20	\$7.20
Personal Training Licence Application 11-20 participants - per quarter	Y	P	\$129.00	\$131.60	\$2.60
Personal Training Licence Application 11-20 participants - per annum	Y	P	\$515.00	\$525.30	\$10.30

## 6.19 Tourism & Resource Centre

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Tourism Membership - Premium	Y	P	\$615.00	\$625.00	\$10.00
Tourism Membership - Essential	Y	P	\$310.00	\$315.00	\$5.00
Tourism Membership - Not-for-profit	Y	P	\$155.00	\$160.00	\$5.00
Tourism Membership - Taste Member	Y	P	\$125.00	\$130.00	\$5.00
Tourism Membership - Associations	Y	P	\$515.00	\$520.00	\$5.00
Tourism Membership - Digital	Y	P	\$0.00	\$80.00	
Resource Centre Meeting Room/Foyer - Other users	Y	P	\$25.70	\$32.00	\$6.30
Resource Centre Meeting Room/Foyer - Not-for-profit	Y	P	\$0.00	\$11.50	
Photocopy A4 B&W	Y	F	\$0.25	\$0.30	\$0.05
Photocopy A3 B&W	Y	F	\$0.50	\$0.60	\$0.10
Photocopy A4 Colour	Y	F	\$1.00	\$1.10	\$0.10
Photocopy A3 Colour	Y	F	\$2.00	\$2.10	\$0.10
Fax	Y	F	\$2.00	\$2.00	\$0.00

## 6.20 Venue Hire

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
Community Hub – Community groups	Y	P	\$11.50	\$11.80	\$0.30
Community Hub – Other users	Y	P	\$32.00	\$32.70	\$0.70
Maryborough Town Hall* #	Y	P	\$360.00	\$367.20	\$7.20
Maryborough Town Hall Kitchen Only #	Y	P	\$50.00	\$51.00	\$1.00
Maryborough Lower Town Hall	Y	P	\$50.00	\$51.00	\$1.00
Maryborough Town Hall sound system hire *	Y	P	\$56.00	\$57.20	\$1.20

\* Plus Bond \$300 # Plus Key Bond \$100

## 6.21 Waste Services

Fee	GST	Fee Type	Actual Fee 2018-2019	Proposed Fee 2019-2020	Change
<b>Kerbside collection</b>					
Garbage collection – Standard bin	N	F	\$150.20	\$153.90	\$3.70
Garbage collection – Optional larger bin	N	F	\$256.90	\$263.30	\$6.40
Garbage collection – Multiple service (per bin)	N	F	\$150.20	\$153.90	\$3.70
Service establishment cost per new optional larger bin or multiple additional bin	Y	F	\$97.40	\$99.80	\$2.40
Recycling collection	N	F	\$134.40	\$137.70	\$3.30
Recycling collection – Multiple service (per bin)	N	F	\$134.40	\$137.70	\$3.30
Service establishment cost per new additional bin	Y	F	\$97.40	\$99.80	\$2.40
Waste Management fee	N	F	\$130.50	\$133.70	\$3.20
Green Waste collection	N	F	\$67.10	\$68.70	\$1.60
<b>Transfer Station Gate Fees</b>					
Waste Disposal - Per cubic metre	Y	F	\$40.00	\$41.00	\$1.00
Waste Disposal - Car boot load	Y	F	\$14.00	\$14.30	\$0.30
Waste Disposal - 240 litre bin	Y	F	\$10.00	\$10.20	\$0.20
Green Waste Disposal - Per cubic metre	Y	F	\$40.00	\$41.00	\$1.00
Car Tyre Disposal - Per tyre	Y	F	\$8.00	\$8.20	\$0.20
Truck or Tractor Tyre Disposal - Per tyre	Y	F	\$37.00	\$37.90	\$0.90
Mattress Disposal - Per mattress	Y	F	\$26.00	\$26.60	\$0.60
Televisions - Each	Y	F	\$21.00	\$21.50	\$0.50
Building demolition waste (up to 3 tonne) - Per cubic metre	Y	F	\$40.00	\$41.00	\$1.00
Additional Waste Vouchers for Monthly Kerbside Hard waste Collection	Y	F	\$10.00	\$10.20	\$0.20
<b>Recoverable Materials deposited at Transfer Station</b>					
Sorted trailer and truck loads		F	Free		
Scrap steel		F	Free		
Hard waste		F	Free		
Gas bottles		F	Free		
Waste oil		F	Free		
Batteries		F	Free		
Drum musters drums		F	Free		
Fluorescent tubes		F	Free		
E-waste (excluding screens)		F	Free		
Mulch sales		F	Free		
Loaded	Y	F	\$26.00	\$26.60	\$0.60
Self loaded	Y	F	\$5.50	\$5.60	\$0.10



## 8.6 MARCH FINANCIAL REPORT

**Author:** **Manager Finance**

**Responsible General Manager:** **General Manager Corporate Performance**

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### **SUMMARY/PURPOSE:**

Monthly financial reports are presented to Council to show Council's financial performance and how it is tracking against the mid-year forecast.

### **POLICY CONTEXT:**

Central Goldfields Shire Council's Council Plan 2017-2021(2018 Refresh) – Our Organisation:

4.1 Objective: Ensure the financial sustainability of Council through efficient and effective delivery of services.

### **BACKGROUND INFORMATION:**

This finance report is provided for the year to 31 March 2019 and does not include results for Council's Section 86 Committees such as the Tullaroop Leisure Centre which are consolidated within the annual financial report at year end.

### **FINANCIAL REPORT**

The monthly financial report comprises the following:

- Operating Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Statement of Capital Works
- Rate and General Debtor Information;
- Investment Schedule.

### **Operating Statement**

The operating result, incorporating the results of the mid-year review, for the year to date as at 31 March was a surplus of \$3.59 million. Income is at \$24.65 million compared to a budgeted income of \$25.12 million, a variance of 1.8%.

Expenditure is at \$21.06 million compared to budgeted expenditure of \$23.08 million, a variance of 8.8% for the year to date. The variation is primarily attributable to the timing of waste related expenditure.

### **Statement of Financial Position**

Council's equity position has increased from 30 June 2018, due to the levying of rates and charges during August. Refer to the receivables summary for an explanation for the movement in current receivables.

The creditors balance includes the Fire Services Property Levy (FSPL) which totalled \$414,000 as at 31 March 2019. This balance includes arrears, however, excludes the FSPL Concession (which effectively reduces the payable amount). Council's next instalment for 2018-2019 is to be paid by 28 June 2019.

### **Statement of Changes in Equity**

Council has not budgeted to make any transfers to reserve during the 2018-2019 year.

The movement of \$255,818 relates to the closure of the Energy Breakthrough bank account and the completed transfer of the Energy Breakthrough's accounts into Council's accounting system.

### **Cash Flow Statement**

The balance of cash and investments as at 31 March 2019 is \$11.27 million, which includes \$10.25 million in short-term deposits.

Council's cash position is higher than budget due to the timing of capital works and waste related expenditure.

Future cash flows are being monitored closely to enable completion of scheduled works and meeting recurrent obligations, as well as ensuring surplus funds are invested to generate maximum interest revenue.

### **Capital Works Statement**

The 2018-2019 budget included a capital works budget of \$6.21 million, and with the addition of \$460,000 in approved carried forward projects, and the incorporation of \$0.42 million in mid-year review adjustments, the budget now totals \$7.09 million across property, plant and equipment and infrastructure asset classes.

As at 31 March, Council had expended \$2.57 million on capital works. The contract for reseal works has now been awarded, with various infrastructure works commenced and scheduled for completion in the coming weeks.

### **Receivables Summary**

The Rate Debtor balance at 31 March is \$3.28 million (excluding FSPL), which is \$142,048 or 5% higher than this time last year, primarily due to the 2.25% increase in rates and increase in garbage service charges.

This level of arrears is consistent with the same time last year at 11.9% (12.0% as at 31 March 2018). Those ratepayers with arrears are currently being progressed for additional debt collection action in accordance with Council's Debt Collection Policy.

The Other Debtors balance totals \$416,590 which is \$56,536 or 16% higher than this time last year. This is primarily due to \$15,296.80 invoiced to Sustainability Victoria for Council's Energy Audit, and \$42,840.50 owing from Vicroads for agency costs.

### **Operating and Cash Flow Budget Amounts**

Council's budget forecast for 2018-2019 has been divided into monthly amounts. While every attempt is made to accurately predict when income and expenditure will occur and phase budgets appropriately, Council should make allowances for variations in these monthly budget allocations throughout the year. This is especially true for receipt of non-recurrent Government grants and completion of capital and large maintenance works which can be planned but not proceed due to a variety of issues including variable weather.

The monthly year-to-date (YTD) operating budget forecast amounts should be used to indicate budget position rather than an absolute result for each month.

### **CONSULTATION/COMMUNICATION:**

Nil required to this report.

### **FINANCIAL & RESOURCE IMPLICATIONS:**

Nil.

### **CONCLUSION:**

The financial position to the end of March 2019 does not highlight any issues for concern, however is impacted by the following:

- The timing of waste related and capital works expenditure.

Rate Debtor balances will continue to be monitored with debt collection action to be undertaken in accordance with Council's Debt Collection Policy.

Surplus funds have been invested to ensure interest earnings are maximised, and cash flows are to be monitored closely.

### **ATTACHMENTS:**

1. 31 March 2019 Financial Report

### **RECOMMENDATION:**

*That Council receives and notes the attached March 2019 Financial Report showing progress against the budget, as presented.*

# CENTRAL GOLDFIELDS SHIRE

## Operating Statement

For Period 1 July 2018 to 31 March 2019

	Actual Year to Date \$	Mid Year Forecast Year to Date \$	Variation on Budget	% Variation	Mid Year Forecast \$
<b>Revenues</b>					
Community	1,351,724	1,997,996	(646,272)	(32.3%)	2,072,949
Health & Human Services	3,087,549	3,134,218	(46,669)	(1.5%)	4,231,069
Economic Development	960,375	1,044,610	(84,235)	(8.1%)	1,434,155
Culture & Heritage	168,184	165,045	3,139	1.9%	168,707
Recreation & Leisure	355,207	230,223	124,984	54.3%	243,557
Transport	1,992,956	1,876,990	115,966	6.2%	3,468,413
Waste & Environment	3,188,077	3,252,615	(64,538)	(2.0%)	3,264,205
Administration	363,092	248,617	114,475	46.0%	341,786
Rates	11,615,667	11,619,988	(4,321)	(0.0%)	11,604,309
Financial Assistance Grants	1,517,772	1,517,769	3	0.0%	1,988,694
Profit/(Loss) on sale of Fixed Assets	55,801	30,920	24,881	80.5%	30,920
	<b>24,656,404</b>	<b>25,118,991</b>	<b>(462,587)</b>	<b>(1.8%)</b>	<b>28,848,766</b>
<b>Expenditures</b>					
Community	1,191,844	1,477,638	(285,794)	(19.3%)	1,819,544
Health & Human Services	3,157,591	3,151,343	6,248	0.2%	4,240,601
Economic Development	1,938,041	2,113,169	(175,128)	(8.3%)	2,644,104
Culture & Heritage	647,065	679,422	(32,357)	(4.8%)	885,447
Recreation & Leisure	2,144,960	2,493,706	(348,746)	(14.0%)	3,225,644
Transport	6,596,291	6,910,197	(313,906)	(4.5%)	9,190,373
Waste & Environment	1,769,549	2,482,403	(712,854)	(28.7%)	3,263,541
Administration	3,613,216	3,780,053	(166,837)	(4.4%)	4,981,759
	<b>21,058,557</b>	<b>23,087,932</b>	<b>(2,029,375)</b>	<b>(8.8%)</b>	<b>30,251,013</b>
Surplus/(Deficit) on operations	3,597,847	2,031,060	1,566,788	77.1%	(1,402,247)

# CENTRAL GOLDFIELDS SHIRE

## Balance Sheet as at

	30-Jun-18	31-Mar-19
	\$	\$
<b>Current Assets</b>		
Cash	8,718,243	11,277,374
Receivables	2,212,535	4,367,993
Other	381,081	170,395
Non-current assets held for resale	573,394	245,223
<b>Total Current Assets</b>	<b>11,885,253</b>	<b>16,060,984</b>
<b>Current Liabilities</b>		
Creditors	3,245,044	1,107,224
Borrowings	574,803	523,966
Provisions	2,432,694	2,432,694
<b>Total Current Liabilities</b>	<b>6,252,541</b>	<b>4,063,884</b>
<b>NET CURRENT ASSETS</b>	<b>5,632,713</b>	<b>11,997,100</b>
<b>Non-Current Assets</b>		
Land Under Roads	381,486	381,486
Land & Buildings	46,010,465	45,064,795
Plant & Machinery	3,919,461	3,603,373
Furniture & Equipment	207,917	49,536
Infrastructure	266,524,875	262,784,111
Mayoral Chains	0	0
Artwork Collection	210,990	210,990
Library Bookstock	349,277	349,277
Works in Progress	390,181	2,967,223
<b>Total Non-Current Assets</b>	<b>317,994,653</b>	<b>315,410,790</b>
<b>Non-Current Liabilities</b>		
Other Liabilities	69,115	69,115
Borrowings	3,885,313	3,885,313
Provisions	599,357	526,217
<b>Total Non-Current Liabilities</b>	<b>4,553,785</b>	<b>4,480,645</b>
<b>NET ASSETS</b>	<b>319,073,580</b>	<b>322,927,245</b>
<b>Equity</b>		
Accumulated Surplus	122,225,443	126,079,108
Reserves	196,848,137	196,848,137
<b>TOTAL EQUITY</b>	<b>319,073,580</b>	<b>322,927,245</b>

# CENTRAL GOLDFIELDS SHIRE

## Statement of Changes in Equity

For the period ended 31/03/19

	Accumulated Surplus	Reserves	Total
<b>Balance at beginning of period</b>	<b>122,225,443</b>	<b>196,848,137</b>	<b>319,073,580</b>
Adjustments due to changes in accounting policies	0	0	0
	<hr/>	<hr/>	<hr/>
	122,225,443	196,848,137	319,073,580
<b>Increase/(Decrease) in net assets resulting from operations</b>	<b>3,597,847</b>	<b>0</b>	<b>3,597,847</b>
<b>Transfers to reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transfers from Reserves</b>	<b>255,818</b>	<b>0</b>	<b>255,818</b>
	<hr/>	<hr/>	<hr/>
<b>Balance at end of period</b>	<b>126,079,108</b>	<b>196,848,137</b>	<b>322,927,245</b>

# CENTRAL GOLDFIELDS SHIRE

## Cash Flow Statement

For the period ended 31/03/19

	Actual Year to Date Inflows/ (Outflows)	Budget Year to Date Inflows/ (Outflows)
<b>Cash flows from operating activities</b>		
<b>Payments</b>		
<i>Community</i>	(1,162,998)	(1,458,408)
<i>Health &amp; Human Services</i>	(3,134,668)	(3,136,061)
<i>Economic Development</i>	(1,867,999)	(2,066,474)
<i>Culture &amp; Heritage</i>	(558,253)	(620,214)
<i>Recreation</i>	(1,621,363)	(2,144,641)
<i>Transport</i>	(4,810,884)	(4,219,692)
<i>Waste &amp; Environ</i>	(1,668,871)	(2,415,284)
<i>Administration</i>	(3,409,388)	(3,637,034)
	<u>(18,234,422)</u>	<u>(19,697,809)</u>
<b>Receipts</b>		
<i>Community</i>	1,369,839	1,997,996
<i>Health &amp; Human Services</i>	3,087,549	3,134,218
<i>Economic Development</i>	960,375	1,044,610
<i>Culture &amp; Heritage</i>	168,184	165,045
<i>Recreation</i>	355,207	230,223
<i>Transport</i>	1,992,959	1,876,990
<i>Waste &amp; Environ</i>	2,752,877	2,974,074
<i>Administration</i>	607,186	248,617
<i>Debtors/Rates</i>	9,946,007	10,527,600
<i>FSPL collected/paid</i>	22,061	0
<i>Grants Commission</i>	1,517,772	1,517,769
	<u>22,780,016</u>	<u>23,717,142</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u>4,545,595</u>	<u>4,019,334</u>
<b>Cash flows from investing activities</b>		
<i>Proceeds from Sale Fixed Assets</i>	498,876	682,550
<i>Payments for Capital Works</i>	(2,577,050)	(3,772,488)
<i>Proceeds from Energy Breakthrough</i>	227,716	0
	<u>(1,850,458)</u>	<u>(3,089,938)</u>
<b>Net cash inflow/(outflow) from investing activities</b>	<u>(1,850,458)</u>	<u>(3,089,938)</u>
<b>Cash flows from financing activities</b>		
<i>Financing costs</i>	(85,170)	(112,720)
<i>Repayment of loan borrowings</i>	(50,837)	(55,498)
	<u>(136,007)</u>	<u>(168,218)</u>
<b>Net cash inflow/(outflow) from financing activities</b>	<u>(136,007)</u>	<u>(168,218)</u>
<b>Net increase (decrease) in cash</b>	2,559,131	761,178
<i>Cash at beginning of the financial period</i>	8,718,243	8,718,243
<b>Cash at the end of March</b>	<u>11,277,374</u>	<u>9,479,421</u>

# CENTRAL GOLDFIELDS SHIRE COUNCIL

## Statement of Capital Works

For the period ended 31/03/19

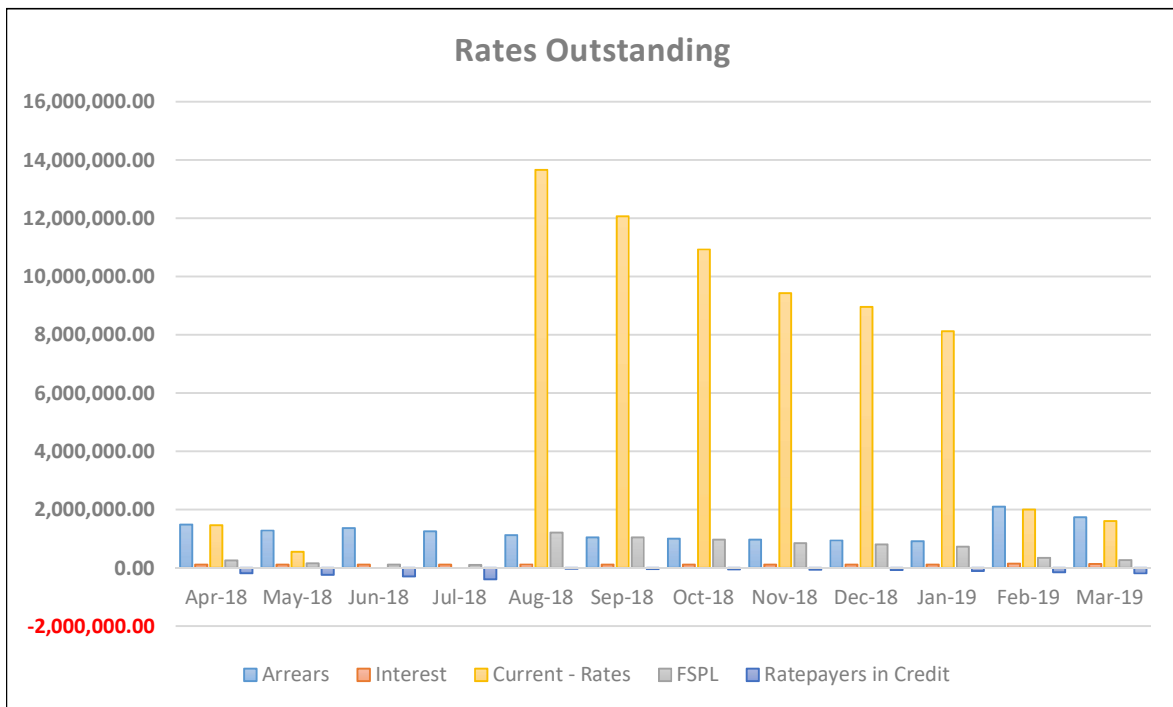
	Mid Year Forecast 2018-2019	Budget Year to Date	Actual Year to Date	Variance Act v Budget YTD
<b>Property</b>				
Land	104,665	43,665	34,244	(9,421)
Land Improvements	15,500	14,000	4,116	(9,884)
Buildings	442,500	121,185	99,375	(21,810)
<b>Total property</b>	<b>562,665</b>	<b>178,850</b>	<b>137,735</b>	<b>(41,115)</b>
<b>Plant and equipment</b>				
Plant, machinery and equipment	385,783	389,000	165,406	(223,594)
Fixtures, fittings and furniture	372,945	284,209	163,661	(120,548)
<b>Total plant and equipment</b>	<b>758,728</b>	<b>673,209</b>	<b>329,067</b>	<b>(344,142)</b>
<b>Infrastructure</b>				
Roads	3,380,288	1,802,326	1,418,160	(384,166)
Bridges and major culverts	1,254,837	191,128	239,791	48,663
Pathways	156,000	124,000	66,472	(57,528)
Drainage	280,236	268,371	130,626	(137,745)
Parks, Open Space & Streetscapes	203,000	78,000	9,472	(68,528)
Car Parks	35,000	35,000	-	(35,000)
Other Infrastructure	467,980	421,604	245,727	(175,877)
<b>Total infrastructure</b>	<b>5,777,341</b>	<b>2,920,429</b>	<b>2,110,248</b>	<b>(810,181)</b>
<b>Total capital works expenditure</b>	<b>7,098,734</b>	<b>3,772,488</b>	<b>2,577,050</b>	<b>(1,195,438)</b>
<b>Represented by:</b>				
New asset expenditure	738,268	757,047	420,230	(336,817)
Asset renewal expenditure	4,106,629	2,235,030	1,540,259	(694,771)
Asset expansion expenditure	-	-	-	-
Asset upgrade expenditure	2,253,837	780,411	616,561	(163,850)
<b>Total capital works expenditure</b>	<b>7,098,734</b>	<b>3,772,488</b>	<b>2,577,050</b>	<b>(1,195,438)</b>



# CENTRAL GOLDFIELDS SHIRE

## Receivables - Rates

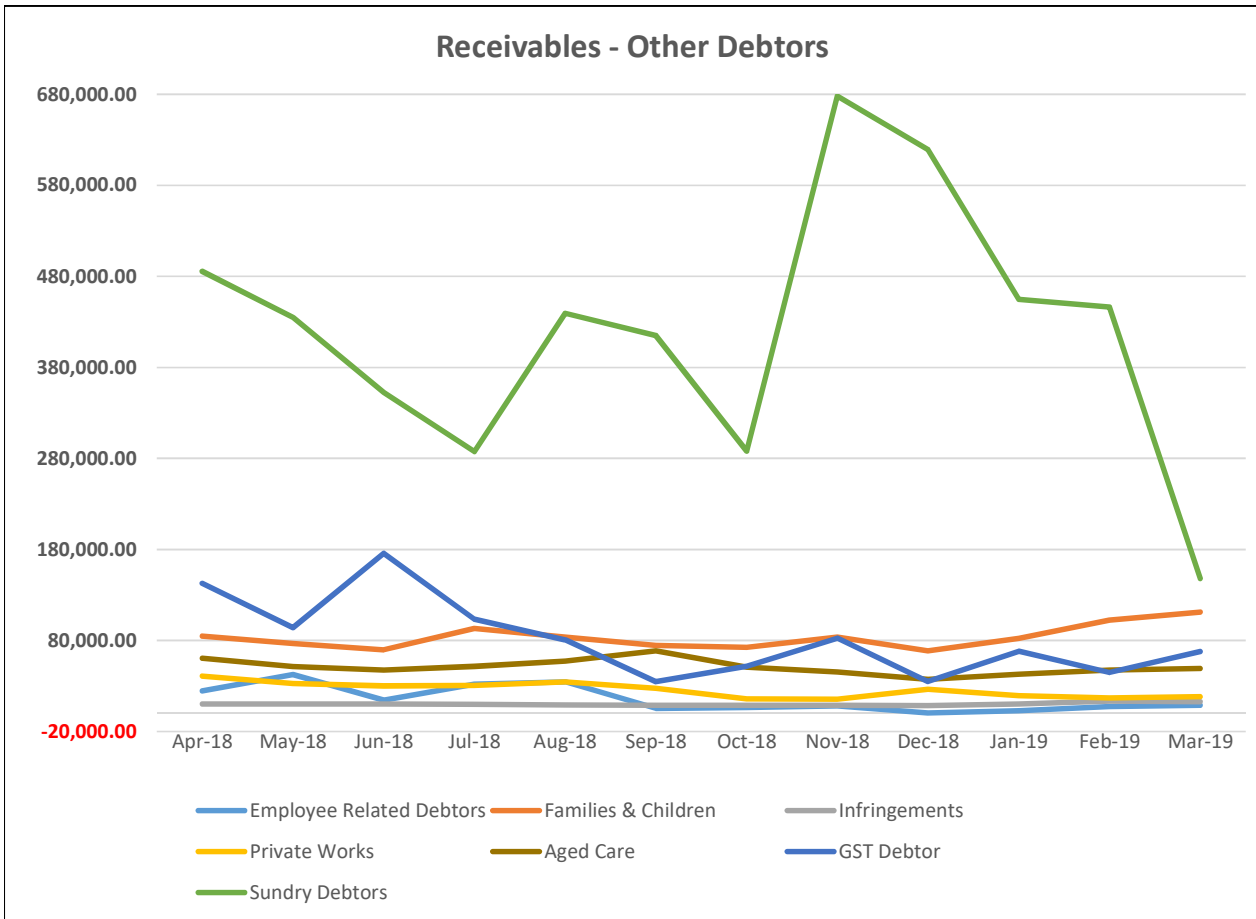
	31 March 2018		31 March 2019	
	Amount \$	% (Rate Income)	Amount \$	% (Rate Income)
Arrears	1,684,276.07	12.0%	1,734,619.05	11.9%
Interest	122,960.79	0.9%	132,534.01	0.9%
Current - Rates	1,338,334.33	9.5%	1,420,466.84	9.7%
<b>Total (excluding FSPL)</b>	<b>3,145,571.19</b>	<b>22.4%</b>	<b>3,287,619.90</b>	<b>22.5%</b>
Annual Rate Movement			142,048.71	5%
Fire Services Property Levy (FSPL)	276,409.01		265,772.82	
<b>Total Rates (including FSPL)</b>	<b>3,421,980.20</b>		<b>3,553,392.72</b>	



# CENTRAL GOLDFIELDS SHIRE

## Receivables - Other Debtors

	31 March 2018		31 March 2019	
	Amount \$	% (Budget Income)	Amount \$	% (Budget Income)
Employee Related Debtors	28,358.93	0.2%	9,043.19	0.1%
Families & Children	62,830.83	0.4%	111,297.48	0.9%
Infringements	10,313.37	0.1%	12,753.75	0.1%
Private Works	25,275.36	0.2%	18,158.92	0.1%
Aged Care	68,717.29	0.4%	49,469.73	0.4%
GST Debtor	82,926.95	0.5%	67,797.46	0.6%
Sundry Debtors	81,631.26	0.5%	148,070.35	1.2%
	<b>360,053.99</b>	<b>1.3%</b>	<b>416,590.88</b>	<b>1.6%</b>
Annual Movement			56,536.89	16%

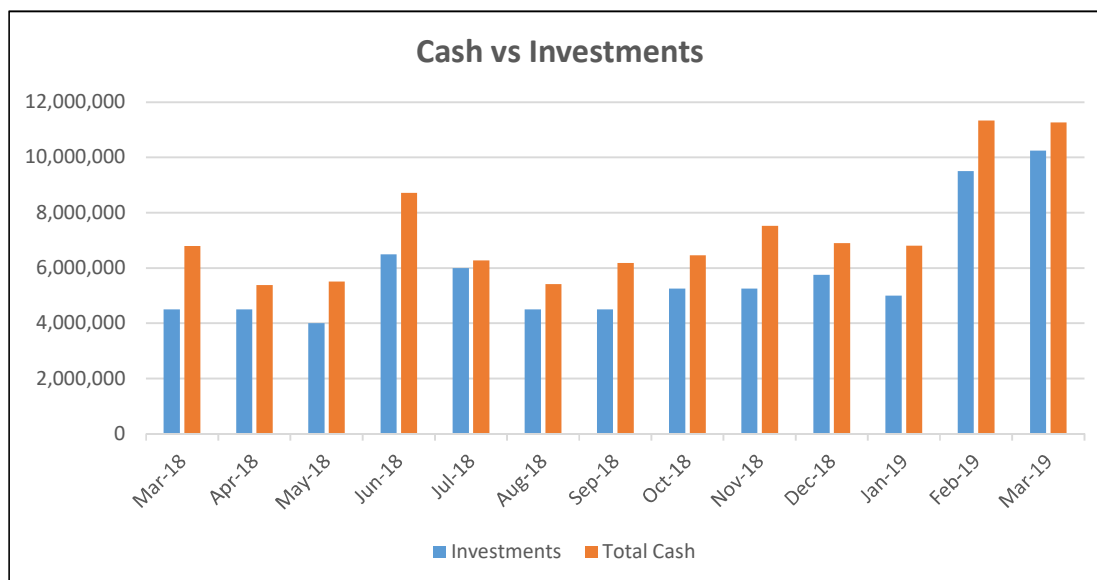


# CENTRAL GOLDFIELDS SHIRE

## Investment Register as at 31 March 2019

Financial Institution	Term	Maturity Date	Rating	Amount \$	Interest Rate
ME Bank	120 d	04-Apr-19	A2	500,000.00	2.75%
NAB	97 d	16-Apr-19	A1+	500,000.00	2.68%
ME Bank	120 d	16-Apr-19	A2	500,000.00	2.75%
AMP	183 d	23-Apr-19	A1	500,000.00	2.75%
ME Bank	90 d	01-May-19	A2	500,000.00	2.75%
Bankwest	60d	20-May-19	A1+	500,000.00	2.35%
AMP	95d	21-May-19	A2	1,000,000.00	2.65%
Bank West	120d	18-Jun-19	A1+	1,000,000.00	2.65%
Bendigo Bank	120d	18-Jun-19	A2	1,000,000.00	2.60%
Bendigo Bank	134d	24-Jun-19	A2	500,000.00	2.70%
Bendigo Bank	120d	02-Jul-19	A2	500,000.00	2.60%
ME Bank	139d	08-Jul-19	A2	500,000.00	2.75%
MyState Bank	146d	22-Jul-19	P2	500,000.00	2.65%
ME Bank	160 d	05-Aug-19	A2	500,000.00	2.70%
AMP	180d	12-Aug-19	A2	500,000.00	2.75%
Auswide	190d	19-Sep-19	P2	500,000.00	2.86%
Bank Vic	209d	30-Sep-19	P2	750,000.00	2.70%
<b>Total</b>				<b>\$ 10,250,000</b>	

NB: The balance of cash is held within Cheque Accounts and At Call Accounts.



## 8.7 RURAL COUNCILS TRANSFORMATION PROGRAM FINAL BUSINESS CASES

**Author:** Chief Executive Officer

**Responsible General Manager:** Chief Executive Officer

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### **SUMMARY/PURPOSE:**

The purpose of this report is to inform Council on the two submissions to the Rural Councils Transformation Program that Central Goldfields Shire Council is a party to, being the Central Highlands Councils Victoria (CHCV) Business Case and the Rural Councils Corporate Collaboration (RCCC) Business Case.

### **POLICY CONTEXT:**

Central Goldfields Shire Council's Council Plan 2017-2021 (2018 Refresh) – Our Organisation

Outcome: Central Goldfields Shire is a proactive, well governed, professional and financially sustainable organisation

4.1 Objective: Ensure the financial sustainability of Council through efficient and effective delivery of services

### **BACKGROUND INFORMATION:**

The Victorian Government through its Rural Councils Transformation Program has committed \$20 million of funding in the 2018-19 financial year for the implementation of large-scale transformation projects at a regional level. The program aims to improve the sustainability of rural and regional councils who would otherwise not be able to invest in large-scale transformative projects.

The City of Ballarat lead the submission of a shared services business case (CHCV Business Case) supported by consultants Ernst and Young including seven of the eight Central Highlands Councils Victoria members (Ballarat City Council, Ararat Rural City, Central Goldfields Shire, Golden Plains Shire, Hepburn Shire, Moorabool Shire and Pyrenees Shire).

Horsham lead the submission of a shared corporate services business case (RCCC Business Case) supported by KPMG including nine small rural councils in the North West and North Central regions (Horsham, West Wimmera, Hindmarsh, Yarriambiack, Buloke, Loddon, Pyrenees, Central Goldfields, and Golden Plains).

Final business cases were submitted by the due date of 31 March 2019. Local Government Victoria extended the deadline for councils to make a formal decision on endorsing business cases to the end of April to allow more time to consider the final submissions.

**REPORT:****Overview of the CHCV transformation program**

This business case is seeking \$5.0 million in funding over 5 years to implement the Central Highlands Regional Councils Transformation Program. To address the Central Highlands Region's identified problems and improve financial performance and sustainable capacity of councils, the following strategic responses have been identified:

- Align business/back of office systems, workflows and processes across councils, and remove manual processes where possible
- Enable resourcing sharing and flexible working to attract and retain highly skilled staff and provide wide exposure to learning opportunities and career development
- Coordinate service delivery across appropriate functions
- Prioritise community needs when designing and delivering services.

Fifteen service functions have been considered as 'high-potential' to realise shared service efficiencies and were selected for shared serviced delivery, to transform councils' ways of working in the region.

**Overview of the RCCC transformation program**

The RCCC is seeking seed funding of \$5.63m under the RCTP program to establish an IT platform to enable the sharing of corporate services across the participating councils. The IT platform would consist of a cloud-based Enterprise Resource Planner (ERP) with corporate function modules being transitioned across over the entirety of the transformation program.

The funding being sought under the RCTP would cover the necessary capital funding for implementing the finance and payroll modules, transitioning each of the nine councils finance and payroll functions across (i.e. harmonised chart of accounts and processes) and the necessary Transformation Management Office (TMO) to successfully support the RCCC transformation.

**Preference when a member of more than one initiative**

Under the grant guidelines, where a council is involved in more than one submission, they must note which submission is a higher priority.

It is recommended that Central Goldfields Shire Council preference the CHCV submission, as it will deliver greater integration of core software systems and service, enable shared services across more services than the RCCC business case, and enable sharing of resources and services with the majority of our neighbouring Councils and the Central Highlands Region.

**CONSULTATION/COMMUNICATION:**

The business cases have been developed in consultation with Ballarat City, Ararat Rural City, Golden Plains Shire, Hepburn Shire, Moorabool Shire, Pyrenees Shire, Horsham Rural City, West Wimmera Shire, Hindmarsh Shire, Yarriambiack Shire, Buloke Shire and Loddon Shire demonstrating unprecedented collaboration with 12 other councils.

**FINANCIAL & RESOURCE IMPLICATIONS:**

Funding has been requested through the Rural Councils Transformation Program which will deliver a program over five years. There is no requirement for Council to co-contribute to either project.

**CONCLUSION:**

Central Goldfields Shire Council has been involved in two Rural Council Transformation Projects which have been submitted for consideration by Local Government Victoria. It is recommended that the CHCV Transformation Project be preferenced over the RCCC Transformation Project due to the greater range of shared services and resources funded and benefits estimated for Central Goldfields Shire Council.

**ATTACHMENTS:**

Nil.

**RECOMMENDATION:**

*That Council:*

1. *Notes that Central Goldfields Shire Council is a participant in a grouping of councils that have made an application for funding under the Victorian Government Rural Councils Transformation Program (RCTP) for the following initiatives:*
  - a) *Central Highlands Delivery of Regional Shared Services Project in conjunction with Ararat Rural City, Golden Plains Shire, Hepburn Shire, Moorabool Shire, Pyrenees Shire with the City of Ballarat as the lead council; and*
  - b) *Rural Council Corporate Collaboration in conjunction with Buloke Shire, Hindmarsh Shire, Golden Plains Shire, Loddon Shire, Pyrenees Shire, Yarriambiack Shire, West Wimmera Shire with Horsham Rural City Council as the lead council.*
2. *Notes that for an RCTP application to be eligible for consideration, the following criteria must be met:*
  - a) *Submission of a joint business case by 31 March 2019.*
  - b) *Each council must pass an accompanying resolution committing to implement the business case, if approved for funding. The resolution must be lodged with Local Government Victoria by 30 April 2019.*
3. *Approves the submission of the business cases by the lead councils on behalf of Central Goldfields Shire Council.*
4. *Approves implementation of the projects within the submitted business cases, subject to the applications being approved for RCTP funding.*
5. *Approves prioritisation of participation in the Central Highlands Delivery of Regional Shared Services Project should both initiatives be approved.*

## 8.8 AUDIT AND RISK COMMITTEE CHARTER UPDATE

**Author:** Manager Governance Property and Risk

**Responsible General Manager:** General Manager Corporate Performance

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### SUMMARY/PURPOSE:

The purpose of this report is to present the updated Audit and Risk Committee Charter (“the Charter”) to the Council for adoption.

### POLICY CONTEXT:

Central Goldfields Shire Council’s Council Plan 2017-2021 (2018 Refresh) – Our Organisation

Outcome: Central Goldfields Shire is proactive, well governed, professional and financially sustainable organisation.

4.3 Objective: Provide leadership in governance and Council decision making

### BACKGROUND INFORMATION:

Section 139 of the Local Government Act 1989 requires all Council’s to establish an Audit Committee which is an advisory committee. To meet this requirement, Council has established an Audit and Risk Committee.

The Audit and Risk Committee Charter was previously adopted by Council on 26 September 2017. That Charter stated that the Committee will annually review and assess the adequacy of the Charter, requesting Council approval for proposed enhancements or updates required by legislation or regulation.

The review of the Charter commenced in December 2018 and is now complete.

### REPORT:

The review of the Charter commenced at the Audit and Risk Committee Meeting in December 2018. Following that Meeting the current Charter was circulated to all members and feedback sought on any changes required. The Manager Governance Property and Risk coordinated the update of the Charter, presenting a draft updated Charter to the Audit and Risk Committee Meeting in March 2019 for discussion. Following discussions, it was recommended by the Audit and Risk Committee that the updated Charter be presented to Council for adoption. There were some amendments suggested at the Meeting which have been incorporated in the attached updated Charter and are outlined below.

The following updates have been made:

- The focus was removed from financial audit and risk to more general audit and risk of the organisation. Although finance will remain a key focus of the Committee more

inclusive wording in relation to audit and risk will demonstrate to the organisation and the community that the Committee has a broad focus on all areas of Council.

- A new primary objective has been included in the Charter:

“Advise Council on the establishment, effectiveness and maintenance of controls and systems to safeguard its governance obligations and promote a culture of accountability and transparency.”

- The Authority of the Committee was reworded to make it clear that the Committee will endorse proposals and documents, recommending such things to Council for adoption. The Committee itself, as an Advisory Committee, has no delegated powers to make decisions.
- The composition of the Committee was updated:
  - The Committee must now have two Councillors as members, neither of whom can be the Mayor;
  - The Independent Members must have:
    - Expertise in financial management and risk; and
    - Experience in public sector management.

(The additional skill requirements of the Independent Members has been added in anticipation of the changes to the Local Government Act.)

- The Conflict of Interest and Returns of Interest section was updated to ensure all the information in relation to these topics was clear, concise and in the one section of the Charter.
- There were small grammar and formatting changes made throughout the whole Charter to ensure the whole document is consistent, clear and concise.

#### **CONSULTATION/COMMUNICATION:**

The updated Charter was developed with input from all the members of the Audit and Risk Committee, and senior staff who regularly attend the Committee. All members and staff were invited to provide feedback on the Charter which was then incorporated into the final draft which will be presented to Council for adoption at the April Council Meeting.

The updated Charter will be placed on Council's website once adopted by Council.

#### **FINANCIAL & RESOURCE IMPLICATIONS:**

There are no financial or resource implications relating to the updating of the Audit and Risk Committee Charter.



**CONCLUSION:**

The updated Charter ensures that the Committee has a clear and contemporary Charter which reflects the current best practice guidelines and the priorities of the Committee. A report will be presented at Council's April Meeting recommending that Council adopt the updated Charter.

**ATTACHMENTS:**

1. Updated Audit and Risk Committee Charter

**RECOMMENDATION:**

*That Council adopt the updated Audit and Risk Committee Charter.*

# Central Goldfields Shire Council Audit and Risk Committee Charter



## Background

Section 139 of the *Local Government Act 1989* (Vic) (“the Act”) requires all councils to establish an audit committee which is an advisory committee of council. Central Goldfields Shire Council (“Council”) has constituted an Audit and Risk Committee (“the Committee”) to meet this requirement.

This Charter has been developed to facilitate the operation of the Committee and sets out its purpose, authority, composition, remuneration, meetings, responsibilities, publically available information and review.

## Purpose and Authority

The Committee’s primary objectives are to:

- Enhance the credibility and the objectivity of the financial reporting of Council;
- Support the identification and management of enterprise wide material risks of Council;
- Advise Council on systems and processes designed to ensure compliance with relevant laws and regulations and consideration of best practice guidelines;
- Advise Council on the establishment, effectiveness and maintenance of controls and systems to safeguard financial and physical resources, and mitigate risks that may adversely affect achievement of Council objectives;
- Advise Council on the establishment, effectiveness and maintenance of controls and systems to safeguard its governance obligations and promote a culture of accountability and transparency;
- Advise Council on the systems and processes which protect against fraud and irregularities.

The Committee has no executive role. It is independent of management and reports to the Council providing advice to facilitate Council decision making.

The Committee has the authority to:

- Endorse the external auditor’s proposed audit scope and approach, including coordination of audit effort with internal audit activity;
- Review and endorse the strategic audit plan and annual internal audit plan and recommend any changes to the plans;
- Conduct enquiries or authorise investigations into any matters within its scope of responsibility or as otherwise referred by Council;
- Subject to consultation with, and approval of, the Chief Executive Officer (CEO), retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
- Seek any information it requires from Council, Council staff and external parties;
- Meet with the CEO, council staff, internal and external auditors, or other parties, as necessary.

## Composition

- The Committee will consist of three Independent Members and two Councillors;
- The Mayor cannot be a member of the Committee;
- The membership of the Committee must consist of a majority of Independent Members;
- The Council will appoint Committee members and the Committee Chair. The Chair of the Committee must be an Independent Member;
- Independent Members will be appointed for a term of not less than one (1) year and not more than three (3) years by negotiation and agreement;
- The maximum number of terms for each Independent Member will be two (2) terms;
- Councillor member/s of the Committee will be appointed annually;
- Each Committee member must be financially literate, at least one member must have financial expertise, and at least one member must have specialist skill in strategic risk management;
- The Independent Members must have:
  - Expertise in financial management and risk; and
  - Experience in public sector management;
- Council staff cannot be members of the Committee.

### Quorum

A quorum shall comprise two Independent Members and one Councillor.

### Recruitment and Selection

- On the retirement or resignation of an Independent Member, a skills matrix will be used to identify the skills and/or experience to be sought in a new Independent Member;
- An advertisement seeking a new Independent Member will be published in a newspaper generally circulating in Victoria identifying any specific skills and experience sought by the Committee;
- Applications for the vacancy will be reviewed and shortlisted by the CEO or delegate, in consultation with the Chair, or if the Chair is not available, an Independent Member of the Committee;
- A panel will be convened to interview and recommend to Council a candidate's appointment. The panel will comprise of the following:
  - The Chair, or an Independent member if the Chair is unavailable;
  - One Councillor member of the Committee; and
  - The CEO or delegate(s).

### Induction

All Independent Members are to be provided with an induction to Council and the Committee. The induction material must include, but is not limited to:

- Relevant financial reports;
- Audit reports;
- Minutes of the last four Committee meetings;
- The internal auditors reports from the previous 12 months;
- Reports on any relevant investigations;
- Council's risk registers;
- Relevant Council policies and procedures; and
- The Committee Charter.

If the Independent Member/s require a one on one induction, Council officers, as directed by the CEO, will undertake the induction for the new Independent Member/s.

All Councillors are provided with the Committee Charter, Minutes of the last four Committee Meetings and details of the qualifications and experience of the Independent Members of the Committee as part of the Councillor induction program.

### **Role of the Chair**

The role of the Chair is to:

- In consultation with the CEO, or delegate, set the matters to be included on the agenda for each meeting of the Committee;
- Chair all meetings of the Committee and oversee how the meetings are conducted;
- Determine the actions to be taken in relation to items discussed at the meeting;
- Participate in the appointment of the internal auditor;
- Lead the annual assessment of the performance of the Committee and approve its Annual Report to Council.

### **Decision making out of session**

The Chair of the Committee has authority to refer any matter for a discussion and decision making out of session, e.g. via email. Any decisions made out of session will need to be ratified at the next Committee Meeting.

### **Remuneration**

Section 139 (7) of the Act allows for the payment of a fee to Independent Members of the Committee.

Council will pay a sitting fee to the Chair and Independent Members of the Committee. This fee will be reviewed as part of Council's annual budget process, and will be subject to annual CPI indexation.

In addition, each Independent Member will be entitled to claim up to \$500.00 per annum in travel expense based on the per kilometre rate set by the Commissioner of Taxation.

### **Insurance**

Council's insurance policies shall cover members of the Committee while engaged in the business of the Committee.

## **Meetings**

- The Committee will meet at least four times a year, with the ability to convene additional meetings, as circumstances require;
- All Committee members are expected to attend each meeting, in person or via teleconference;
- The Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary;
- The Committee may hold private meetings with the auditors if required;
- Meeting agendas and related papers will be prepared and provided to members, five (5) days in advance of meetings (wherever possible);
- Minutes of meetings will be kept and action items recorded and monitored;

- The CEO, General Manager Corporate Performance, General Manager Infrastructure Assets and Planning, General Manager Community Wellbeing and Manager Governance Property and Risk will attend the meetings in an “ex officio” capacity. On the direction of the CEO, other Council officers may attend the Committee in an “ex officio” capacity, or at the request of the Committee;
- Any Councillors may attend meetings in an “ex officio” capacity.

## Confidentiality

Upon appointment, Independent Members are required to sign a confidentiality agreement (Appendix 1).

Committee Members must comply with Council’s Confidentiality Policy. Committee members shall not directly or indirectly release or make available to any person any information relating to the work or discussions of the Committee, except in accordance with any direction of the Council.

## Conflict of Interest and Returns of Interest

In accordance with Section 79 of the Act, Committee Members will be required to disclose all conflicts of interest.

Committee Members must be fully aware of their responsibilities with regard to the management of interests in relation to the discharge of their duties as a member of the Committee. Management of interests includes the proper disclosure of any conflicts of interest as and when they arise. Members must declare any conflicts of interest that apply to any matter to be considered at each meeting at the commencement of that meeting.

Committee Members must also be fully aware of the statutory definitions of direct and indirect interests which may give rise to a conflict of interest. These are set out in Sections 77A, 77B, 78, 78A, 78C and 78D of the Act.

Failure to comply with the provisions of the Act with regard to conflicts of interest may result in the Member’s appointment being terminated.

In accordance with Section 81 of the Act the Committee members are required by the Act to complete Primary Returns of Interest within 30 days of becoming a Member of the Committee and Ordinary Returns of Interest every six months.

In addition to any declarations made in a Return of Interest, members of the Committee must declare any past or current relationships that may or may be perceived to, impair their independence. This is required even if these relationships would not be considered a conflict of interest under the relevant sections of the Act. Such relationships include (but are not limited to) employment, consulting, advisory, supplier or contractual roles or relationships.

# Responsibilities of the Committee

## External reporting

- Review the draft annual financial statements, and consider whether they are complete and transparent, consistent with information known to the Committee, and reflect appropriate accounting principles;
- Review significant accounting and reporting issues, complex or unusual transactions, high risk areas, significant accounting estimates, and changes to accounting, professional, regulatory or legislative requirements and understand their effect on the financial statements;
- Review with management and the external auditors the results of the audit including significant adjustments, any difficulties encountered and matters required to be communicated to the Committee under the Australian Auditing Standards;
- Review the draft annual performance statement and consider whether it is complete, open and transparent, consistent with information known to the Committee and reflects appropriate reporting principles;
- Review the report of operations in the annual report, including the governance and management checklist, and any related regulatory requirements before release, and consider the accuracy and completeness of the information;
- Recommend that Council approve 'in principle' the financial statements and performance statement, or provide other advice as considered appropriate;
- Recommend that Council approve the governance and management checklist for inclusion in the report of operations.

## External audit

- Review the external auditor's proposed audit strategy prior to the commencement of the audit including the scope, approach, and any reliance on internal audit activity;
- Review recommendations arising out of the external audit and discuss management's response;
- Monitor management's implementation of the external auditor's recommendations;
- Meet with the external auditor to discuss any matters the Committee or the external auditor believes should be discussed privately;
- Monitor the performance of the external auditor.

## Internal audit

- Recommend to Council the most appropriate method for the provision of the internal audit function including scope, level of resources and activities;
- Review the specification for the provision of internal audit services and participate in the tender evaluation process;
- Review and approve the strategic internal audit plan and annual internal audit plan ensuring they cover over a 3 year period; the internal controls over significant areas of risk identified through the risk management framework; internal controls over revenue, expenditure, assets and liabilities processes; efficiency and effectiveness of Council operations; and compliance with relevant policies, procedures and regulations;
- Monitor the progress of the strategic audit plan and annual internal audit plan;
- Review recommendations arising out of internal audit reports and discuss management's response;
- Monitor management's implementation of the internal auditor's recommendations.
- Monitor processes and practices to ensure the independence of the internal audit function is maintained;

- Meet with the internal auditor to discuss any matters the Committee or the internal auditor believes needs to be discussed privately;
- Review on an annual basis the performance of the internal auditor including compliance with relevant auditing standards.

### **Internal Controls, Compliance and Fraud**

- Review management's approach to maintaining a sound and effective-internal control framework, including advice received on security and controls;
- Review the effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance;
- Review the findings of any examinations by regulatory agencies, and any associated auditor (internal or external) observations;
- Obtain regular updates from management on legal and regulatory compliance matters including investigation of any suspected cases of fraud;
- Consider the findings and recommendations of any relevant Performance Audits undertaken by the Victorian Auditor-General or other regulatory body and-monitor Council's implementation of relevant recommendations.

### **Risk Management**

- Ensure Council's Risk Management Framework addresses Council's exposure to both strategic and operational risks;
- Monitor the effectiveness of the Risk Management Framework through regular reviews and reporting;
- Regularly review the strategic risk register to check that risks are being managed in accordance with the Risk Management Framework.

### **Reporting**

- Report regularly to Council providing a summary of the Committee's work and results, as soon as possible following each Committee meeting;
- Provide Council with any recommendations of the Committee for consideration;
- Report annually to stakeholders via Council's report of operations in the annual report, describing the Committee's composition, discharge of responsibilities, and any other information required by legislation or regulation;
- Report to Council on any specific issues, as requested by Council.

## **Information Available to the Public**

Information regarding the Committee will be made publicly available via:

### **Annual Report**

The Annual Report will include information on the Committee's roles and responsibilities, and membership, and its principal activities during the year.

The following material will be included in the corporate governance section of the Report of Operations in the Annual Report:

- Details of the names and qualifications of those appointed to the Committee;
- The number of meetings held by the Committee and the attendance record of members;

- Information about the audit processes and the results of work completed by the internal and external auditor;
- The annual review of the Committee's Charter and its achievement of the Charter;
- Other matters the Committee believes need to be reported.

### Website

The following information will be made publicly available on the Central Goldfields Shire Council website in a clearly marked Governance section:

- The Committee Charter;
- Description of the roles and responsibilities of the Committee;
- Names of Committee members, professional background and qualifications.

## Annual Review

The Committee will:

- Annually review and assess the adequacy of the Committee Charter, requesting Council approval for proposed enhancement or updates required by legislation or regulation;
- Confirm annually that all responsibilities outlined in this Charter have been carried out;
- Evaluate the Committee's performance annually.

## Control Information

<b>Author</b>	Manager Governance, Property and Risk
<b>Responsible Officer</b>	General Manager Corporate Performance
<b>Date adopted by Council:</b>	27 June 2007
<b>Revision History</b>	March 2011 November 2013 June 2015 March 2017 (Version 2) March 2019
<b>Next Review</b>	March 2020



# Appendix 1



## AUDIT AND RISK COMMITTEE CONFIDENTIALITY AGREEMENT

**THIS AGREEMENT** is made the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**BETWEEN** .....

**AND** CENTRAL GOLDFIELDS SHIRE COUNCIL

I herewith agree that I must not, whether during or after my membership of the Central Goldfields Shire Council Audit and Risk Committee, unless expressly authorised by the Chief Executive Officer or in accordance with the law, make any disclosure or use of:

- a. Any information or trade secrets of the Council;
- b. The position of the Council or any Councillor or Council Officer on any confidential matter;
- c. Any other information whatsoever, the disclosure of which may be detrimental to the interest of the Council or of any other person who has provided it to the Council on a confidential basis; unless I am required to disclose the information by law.

The termination or expiry of my membership of the Committee, for whatever reason, does not affect or derogate from my obligations of confidentiality set out above.

Signed by:

.....

Name: .....

AUDIT AND RISK COMMITTEE MEMBER

Signed for and on behalf of Central Goldfields Shire Council

.....

Lucy Roffey

CHIEF EXECUTIVE OFFICER

## 8.9 APPOINTMENT OF SUBSTITUTE REPRESENTATIVE TO MAV STATE COUNCIL

**Author:** Manager Governance Property and Risk

**Responsible General Manager:** Chief Executive Officer

*The Officer presenting this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.*

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### SUMMARY/PURPOSE:

The purpose of this report is to recommend that Karen Douglas, Administrator, be appointed as the substitute representative for the Municipal Association Victoria (“MAV”) so that she can attend meetings when the nominated MAV representative, Noel Harvey, Chief Administrator, cannot attend.

### POLICY CONTEXT:

Central Goldfields Shire Council’s Council Plan 2017-2021 (2018 Refresh) – Our Organisation

Outcome: Central Goldfields Shire is proactive, well governed, professional and financially sustainable organisation.

4.3 Objective: Provide leadership in governance and Council decision making

### BACKGROUND INFORMATION:

At its Meeting on 30 January 2018 Noel Harvey, Chief Administrator, was appointed as the nominated Council Representative for the Municipal Association of Victoria. At that time no substitute representative was appointed.

### REPORT:

The next MAV State Council Meeting is on 17 May 2019. Noel Harvey, the nominated MAV Representative is unable to attend. Council is able to send along a substitute representative, however they must be nominated by Council, and the Nomination of a Substitute Representative Form completed and returned to the CEO of the MAV.

This report recommends that Karen Douglas, Administrator, be appointed as Council’s substitute representative for the MAV so that she may attend the MAV State Council on 17 May 2019.

### CONSULTATION/COMMUNICATION:

No consultation is required to appoint a substitute representative to the Municipal Association of Victoria.

### FINANCIAL & RESOURCE IMPLICATIONS:

There are no financial implications outside of the standard allowance for travel and expenses.

**CONCLUSION:**

MAV requires any Council representatives which attend the MAV State Council are appointed by Council at one of its Meetings. Karen Douglas, Administrator, is to be appointed as Council's substitute representative for the MAV, so that she can attend meetings when the nominated MAV representative, Noel Harvey, Chief Administrator, cannot attend.

**ATTACHMENTS:**

Nil.

**RECOMMENDATION:**

*That Council appoint Karen Douglas as Council's substitute representative for the Municipal Association of Victoria.*