



# AGENDA

## SPECIAL MEETING OF COUNCIL

Tuesday, 29 July 2014

To be held  
Swan Hill Town Hall  
Council Chambers  
McCallum Street, Swan Hill  
Commencing at 1:00 PM

**COUNCIL:**

Cr LT McPhee – Mayor

Cr JN Katis

Cr GW Norton

Cr GI Cruickshank

Cr JA Kiley

Cr CM Adamson

Cr JB Crowe

SECTION A – PROCEDURAL MATTERS .....3  
SECTION B – REPORTS.....4  
B.14.43 ADOPTION OF 2014/15 BUDGET .....4

**SECTION A – PROCEDURAL MATTERS**

- **Open**
- **Acknowledgement to Country**
- **Prayer**
- **Apologies**
- **Declarations of Conflict of Interest**

## **SECTION B – REPORTS**

### **B.14.43 ADOPTION OF 2014/15 BUDGET**

**Responsible Officer:** Director Corporate Services  
**File Number:** 42-09-71  
**Attachments:** Nil

**Declarations of Interest:** Officer

David Lenton - as the responsible officer, I declare that I have no disclosable interests in this matter.

#### **Summary**

Following the statutory advertising period and consideration of submissions, the 2014/15 Budget is ready for adoption. The Budget is the primary source of financial control across Council operations, and expresses the nature and level of Council's service and infrastructure provision in financial terms for the 2014/15 financial year.

#### **Discussion**

Councillors have been involved in the preparation of the Budget and are well informed as to its content however; highlights and significant issues are as follows:

##### **1. Rating Strategy**

No changes to the differential rate types applied in 2013/14 is proposed. The 2014/15 budget proposes an average 3% increase on the 2013/14 Rates Revenue. This follows last year's 5% increase. A 1.5% early payment discount will apply if rates instalments are paid in full by 30 September 2014.

##### **2. Waste Management**

The budget reflects increased Waste Management charges at land fill sites in line with State Government Policy changes and general cost increases. The fee for a 120 litre garbage bin will be \$265 an increase of \$5 and a 240 litre bin \$405 an increase of \$10. The optional Green Waste charge of \$125 will continue.

##### **3. Capital Works**

The Budget proposes \$16.7 million Capital Works Program focussing on infrastructure replacement. This is dependent on receiving \$8.6 million in external funding. Some of the major works to be undertaken include over \$7 million for roadworks, \$0.5 million for the implementation of the Swan Hill Riverfront Master Plan, \$0.4 million for upgrading the drainage system in Nyah West, \$0.5 million to upgrade lighting at the Swan Hill Showgrounds, \$0.1 million for lighting at Robinvale Recreation Reserve and \$3.2 million for a new laser light show at the Pioneer Settlement.

#### **4. Asset Management**

The Budget is clearly focussed on Asset Management issues and the need to fund infrastructure replacement. \$12 million will be spent replacing Council assets, primarily roads, footpaths and drains.

#### **5. Other Operational Initiatives**

As a result of the Budget submission process the Budget includes funding for review and updating of the Youth Strategy and for a Youth Services Officer previously funded externally. These initiatives have been funded from savings achieved 2013/14 and by reducing the originally proposed surplus of \$81,000 to \$41,000. The budget recognises savings of \$0.5 million from the Organisational Restructure that was completed in June 2014.

Operational efficiency will be further improved through continued investment in technology and internal process improvements.

#### **6. Financial Management**

The Budget predicts an operating surplus of \$6.9 million and a small underlying surplus of 1.2%. Net debt will increase by \$3.6 million to help fund the large Capital Works Program and the refinancing of the superannuation liability that has been deferred from 2013/14. Net assets are budgeted to increase by nearly \$16 million due mainly to asset revaluations and capital expenditure. Cash and investments will be drawn down to fund works and services. These funds largely represent grant monies carried forward from the 2013/14 financial year. Despite this, Council still expects to hold over \$8 million in cash and investments at 30 June 2015.

#### **Consultation**

A formal advertising and submission process has taken place. Submissions were considered at the Special Council Meeting held on 22 July 2014. In addition, suggestions for projects and programs from the community are received throughout the year. These were considered as part of the Budget preparation process.

As noted above, the submission process lead to the inclusion of a Youth Services Officer and the Youth Strategy review for the 2014/15 year.

#### **Financial Implications**

Adoption of the 2014/15 Budget authorises Council officers to expend Council funds and raise revenue to implement the budgeted programs and projects.

#### **Social Implications**

Council's budget covers all aspects of Council operations and therefore impacts Economic, Social and Environmental outcomes.

### **Economic Implications**

As above

### **Environmental Implications**

As above

### **Risk Management Implications**

Setting a budget is a vital control that enables the organisation to track financial performance.

### **Council Plan Strategy Addressed**

***Responsible management of resources*** - We will continually improve the management of our finances, assets, systems and technology to achieve and maintain Best Value in our operations.

### **Options**

1. Adopt the 2014/15 Budget as suggested.
2. Adopt the 2014/15 Budget with further amendments.

### **Recommendations**

**That Council:**

1. **Amend the advertised Budget to include \$41,000(net of additional income) to fund a Youth Services Officer and \$20,000 to fund a review of the Youth Strategy.**
2. **Fund the \$41,000 required for the Youth Services Officer from the budget surplus and fund the \$20,000 for the Youth Strategy from savings achieved in 2013/14.**
3. **Adopt the budget as amended above.**
4. **Declare that \$21,111,640 be raised in rates for the 2014/15 financial year.**
5. **Declare a Differential Rate of 0.822168 cents in the dollar of Capital Improved Value for rateable Commercial properties within Residential 1, Business or Industrial zones of the Swan Hill Planning Scheme in the township's of Swan Hill and Robinvale.**

6. **Declare a Differential Rate of 0.657735 cents in the dollar of Capital Improved Value for rateable Residential and Industrial properties within the drainage districts Swan Hill and Robinvale townships.**
7. **Declare a Differential Rate of 1.315469 cents in the dollar of Capital Improved Value for rateable Vacant Residential land within the townships of Swan Hill and Robinvale that has remained as vacant land for a minimum of 5 years since it was last zoned as residential land or 3 years after its sale as a residential allotment, whichever is the latter.**
8. **Declare a Differential Rate of 0.569193 cents in the dollar of Capital Improved Value for rateable farming properties without access to irrigation water infrastructure and which are primarily used for broad acre grain/sheep production and are allocated an Australian Valuation Property Classification Code of 510, 520, 523, 524 or 530.**
9. **Declare a Differential Rate of 0.632437 cents in the dollar of Capital Improved Value for all other rateable land within the municipality.**
10. **Declare a Garbage Service Charge of \$265 for a 120 litre bin service and \$405 for a 240 litre bin service for residential properties within the declared garbage service areas of the Municipality, for the year commencing 1 July 2014.**
11. **Declare an optional Green Waste Garbage Service Charge of \$125 for a 240 litre bin service for Residential properties within the declared garbage service area of Swan Hill City (collection area number 20) for the year commencing 1 July 2014.**
12. **Authorise borrowing of up to \$4,795,000 comprising \$1,295,000 in borrowings for capital works in 2014/15 and \$3,500,000 carried over from 2013/14.**
13. **Provide a payment equivalent to 50% of the applicable rates for Not-For-Profit recreational properties which would have been previously entitled to the lower Recreational Differential Rate.**
14. **Provide a payment equivalent to 50% of the difference between the Commercial Rate and Urban Rate in Swan Hill and Robinvale for Commercial properties in Common Occupancy with a residence.**