

AGENDA

SPECIAL MEETING OF COUNCIL

Tuesday, 30 July 2013

To be held Council Meeting
Swan Hill Town Hall
McCallum Street, Swan Hill
Meeting Room 1
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

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SECTION A – PROCEDURAL MATTERS

- **Open**

- **Acknowledgement to Country**

- **Prayer**

- **Apologies**

- **Declarations of Conflict of Interest**

SECTION B – REPORTS

B.13.87 ADOPTION OF 2013/14 BUDGET

Source: Procedural
Department: Corporate Services
File Number: 42-09-70

Summary

Following the statutory advertising period and consideration of submissions, the 2013/14 Budget is presented 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 2013/14 financial year.

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.

Recommendations

That Council:

- 1. Consider budget submissions (if any) and adopt the 2013/14 Budget as presented.**
- 2. Declare that \$20,350,000 be raised in rates for the 2013/14 financial year.**
- 3. Declare a Differential Rate of 0.820352 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.**
- 4. Declare a Differential Rate of 0.656282 cents in the dollar of Capital Improved Value for rateable Residential and Industrial properties within the drainage districts Swan Hill and Robinvale townships.**
- 5. Declare a Differential Rate of 1.312564 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.

6. **Declare a Differential Rate of 0.567936 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.**
7. **Declare a Differential Rate of 0.631040 cents in the dollar of Capital Improved Value for all other rateable land within the municipality.**
8. **Declare a Garbage Service Charge of \$260 for a 120 litre bin service and \$395 for a 240 litre bin service for residential properties within the declared garbage service areas of the municipality, for the year commencing 1 July 2013.**
9. **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 2013.**
10. **Authorise borrowing of up to \$4,655,000.**
11. **Provide a 2.5% discount where 2013/14 Rates and Charges are paid in full by 30 September 2013.**
12. **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.**
13. **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.**

Policy Implications

Nil

Financial and Resource Implications

Adoption of the 2013/14 Budget authorises Council Officers to expend Council funds and raise revenue to implement the Budgeted Programs and Projects.

Triple Bottom Line Impact

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

Background

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

The separate Differential Rate for Commercial properties in Common Occupancy with a residence has been replaced with a rate waiver of the same value. The Budget continues the discounted Differential Rate on farming properties without irrigation infrastructure used as grain/sheep producing land at 10%.

The 2013/14 budget proposes a 5% increase on the 2012/13 Rates Revenue. This follows last year's 4.9% increase. A 2.5% early payment discount will apply if rates are paid in full by 30 September 2013.

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. Kerbside collection fees will increase for the first time in three years. The fee for a 120 litre garbage bin is \$260 an increase of \$10 and a 240 litre bin \$395 an increase of \$15. The optional Green Waste charge of \$125 will continue.

3. Capital Works

The Budget proposes an ambitious \$24 million Capital Works Program focussing on infrastructure replacement. This is dependent on receiving \$14 million in external funding. Some of the major works to be undertaken include over \$7 million for road works, \$7 million for upgrades to Swan Hill Aerodrome, \$788K to begin implementation of the Swan Hill Riverfront Master Plan, \$200K for upgrading the ground lighting at Nyah Recreation Reserve and \$1.9 million for a new laser light show at the Pioneer Settlement.

4. Asset Management

The Budget is clearly focused on Asset Management issues and the need to fund Infrastructure replacement. \$19 million will be spent replacing Council assets, primarily roads, footpaths and the Swan Hill Aerodrome.

5. Other Operational Initiatives

The Budget has not allocated funding for any new staff positions. Instead any operational initiatives arising from the Council Plan will be funded externally or through operational savings.

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 \$8.8million, a Rates Determination Surplus of \$3.3 million (due to the refinancing of the early payment of unfunded

superannuation liability) and a small underlying surplus. Net Debt will increase by \$3.0 million to help fund the large Capital Works Program and the refinancing of the superannuation liability. Net Assets are budgeted to increase by nearly \$76 million due mainly to asset revaluations and capital expenditure. As a percentage of Rate and Charges, Debt Servicing costs will be 7.0%, the lowest for at least 19 years.

Cash and Investments will be drawn down to fund works and services. These funds largely represent grant monies carried forward from the 2012/13 financial year. Despite this, Council still expects to hold over \$10 million in Cash and Investments at 30 June 2014.

Expenditure on Asset maintenance and replacement is significantly higher than the estimated long-term required level. This is consistent with Council's intention to fully fund replacement of assets within the next 5 years.

Issues

Nil.

Consultation

A formal advertising and submission process has taken place.

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.

Options

1. Adopt the 2013/14 Budget as presented.
2. Adopt the 2013/14 Budget with amendments.

Attachments

Nil.