



STRATHBOGRIE SHIRE COUNCIL

Notice is hereby given that a Special Meeting of the Strathbogrie Shire Council Audit and Risk Committee will be held on Thursday 7th April 2022 via Teams, commencing at 1.30 pm.

Committee Members:	Mr Paul Ayton (Chair)	-	Community Representative
	Mr Mark Freudenstein	-	Community Representative
	Mr Alister Purbrick	-	Community Representative
	Cr Laura Binks (Mayor)	-	Council Representative
Officers:	Mr David Roff	-	Director Corporate Operations
	Ms Dawn Bray	-	Director People and Performance
	Mr Upul Sathurusinghe	-	Manager Finance
Internal Auditors:	Mr Brad Ead	-	AFS & Associates

1. Welcome
2. Acknowledgement of Traditional Land Owners

We acknowledge the Traditional Custodians of the places we live, work and play.

We recognise and respect the enduring relationship they have with their lands and waters, and we pay respects to the Elders past, present and emerging.

Today we are meeting on the lands of the Taungurung peoples of the Eastern Kulin nation, whose sovereignty here has never been ceded.

3. Apologies
 - Alistair Thomson - Community Representative
 - Cr Paul Murray - Council Representative
 - Cr David Andrews - Council Representative
 - Ms Julie Salomon - Chief Executive Officer
 - Ms Amanda Tingay - Director Community and Planning
 - Danielle McKenzie - Crowe Audit (External Auditors)
4. Disclosure of Interests
 - Nil
5. Business
6. Items raised by Committee Members
7. Next Meeting

5.	Business	Attachments	Report Page No.
5.1	Budget 2022/23	 V4 Draft budget 22-23.pdf	1
5.2	Financial Plan 2022/23 – 2023/24	 V2. 22-23 Financial Plan.pdf	4
6.	Items Raised by Committee Members		4

UNCONFIRMED

5. **BUSINESS**

5.1 **Budget 2022/23**

The Draft Budget for 2022/23 has been completed and reviewed by Council and is **attached**.

This Budget will be subject to public input following advertising after the Council meeting of 19 April 2022.

The Budget produces the following indicators

INDICATOR	2022/23	2023/24	2024/25	2025/26
Operating Result	1.861 m	1.575 m	.610 m	1.025 m
Liquidity	1.19:1	1.11:1	1.15:1	1.17:1
Capital Works	24.930 m	8.097 m	6.978 m	7.780 m
Depreciation	6.076 m	6.227 m	6.389 m	6.548 m
Asset Renewal and Upgrade/Depreciation	383%	126%	105%	118%
Indebtedness (Non Current liabilities/Own Source Revenue	27%	24%	22%	20%

Budget inclusions

Within the Budget the following are of note:

- Increase in the average rate of 1.75%
- Increase in waste charges of 3% - service affected by increase in landfill levy and fuel prices
- Capital Works Program of \$24.93 m which includes carry over of \$9.82 m with further information provided below
- Operating Surplus of \$1.861 m
- In relation to the Cash Flow Statement , the 2022/23 Federal Budget includes the bringing forward of 75% of the year's Financial Assistance Grant allocation with it to be paid by 30 June 2022. Traditionally this amount has been 50%. The exact amount Council will receive is to be advised (in the order of \$ 4 million) but this will improve the position at 30 June 2022 and an adjustment will be made in 2022/23 to reflect a lower amount .What it will mean is that Council may not need to take up borrowings until well into the financial year.
- Assumptions about Capital grants going forward are considered conservative. They do not include the extension of the Local Roads and Community Infrastructure Program announced in the recent Federal Budget for 2023/24 and 2024/25. This program has provided between \$1.2 m and \$1.4 m a year of recent times but the method of distribution and amount are not known.
- Borrowings of \$4.287 m for rehabilitation of Violet Town Landfill and construction of the Euroa Saleyards truck wash are in the figures above. The exact amount required for the landfill will be known after tendering but the provision is considered sufficient.

5.1 Budget 2022/23 (cont.)

Capital works Delivery

At the Audit Committee meeting of 25 March discussion was held on the extent of the Capital Works program and whether some projects could be transferred into 2023/24.

The Budget provides for Capital Works totalling \$24.93 million, including carry over of \$9.82 m.

In relation to delivery of projects comment on major items is made below

CARRY OVER ITEMS	VALUE	COMMENT
Euroa Civic Centre Roof cladding Stage 2	480	At tender stage
Saleyards relocate truck wash*	154	Process in place to expend
Strathbogie Recreation Reserve pavilion	250	At tender stage
Information Technology	211	Number of items programmed
Plant and Equipment	655	Includes Flocon \$300 k on order for some time, other plant being tendered – could rephase
Longwood Ruffy Road@ Tarcombe	369	Contract awarded .Awaiting final CHMP
Euroa Strath Creek Junction	402	Job completed
Mullers Road	571	Contract awarded. Awaiting final CHMP
Seal Weir Road/Lake Road Kirwans Bridge	251	Design being finalised
Habel Road	1,560	In discussion with State re funding and key dates
Nagambie Locksley Rd bridge	1,100	Funding agreement requires expenditure
Nagambie Foreshore Walk	755	Under construction
Euroa Rockies Pedestrian Footbridge	53	Under construction
Violet Town Landfill restoration*	400	Contract likely to be let June 2022
RLCIP 3 Projects	1,440	Projects to be advised to Federal Government but to be completed June 2023
Nagambie Rec Reserve lighting	300	Net figure – awaiting SRV grant application opening – could rephase
Play & Recreation spaces - various	200	Projects being identified
Streetscapes	676	Deadline 30 June 2022 – seeking extension

5.1 Budget 2022/23 (cont.)

NEW ITEMS	VALUE	COMMENT
Plant and Equipment	1,416	Given delays in supply may be opportunity for phasing
Information Technology	337	Annual provision will be spent
Information Technology NERCC Project	200	Awaiting funding announcement
Roads renewal including Zero class roads	2,802	Annual program – will happen
Other Road projects	1,349	To be designed and delivered 2022/23
Footpaths	503	To be packaged and put to market
Nagambie Industrial Estate drainage	375	Depends on success of grant application
Other drainage	949	To be packaged and put to market
Swimming pool works	559	Being identified for delivery
Violet Town landfill	3,787	Should let contract June 2022
Transfer station works	227	Awaiting grant outcomes
Streetscapes	817	Out to market at present

MOVED: ALISTER PURBRICK
SECONDED: MARK FREUDENSTEIN

That the Committee note the 2022/23 Draft Budget.

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5.2 **Financial Plan 2022/23 – 2031/32**

The Local Government Act 2020 requires that Council must develop, adopt and keep in force a Financial Plan for a period of at least 10 years and it needs to include:

(a) statements describing the financial resources required to give effect to the Council Plan and other strategic plans of the Council;

(b) information about the decisions and assumptions that underpin the forecasts in the statements specified in paragraph (a);

(c) statements describing any other resource requirements that the Council considers appropriate to include in the Financial Plan;

(d) any other matters prescribed by the regulations.

The Financial Plan has been reviewed following completion of the Draft Budget and is attached for information.

It picks up outputs from the Budget document and extends that for ten years with assumptions identified

**MOVED: MARK FREUDENSTEIN
SECONDED: ALISTER PURBRICK**

That the Committee note the Financial Plan, and note that an additional table showing sensitivities will be included in regard to different assumptions in regard to revenue and expenses.

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6. **ITEMS RAISED BY COMMITTEE MEMBERS**

The Service Performance Outcome Indicators in the 2022/23 Draft Budget were noted and it was agreed that the Committee required some comparative data of the same Indicators from other Small Rural Shires.

It was agreed that this data would be supplied to the Committee out of session.

It was agreed that a paper should be created which clearly states what services the Shire and other Authorities are responsible for delivering. These services include, but are not limited to, water supply, sewerage, electricity, NBN, gas, garbage collection and storage, aged care, libraries, child care, kindergarten, tourism and visitor centres and animal registration.

It was agreed that this paper will be listed as an agenda item for discussion at the next meeting of the Committee.

THERE BEING NO FURTHER BUSINESS, THE MEETING CLOSED AT 2.30 PM

Confirmed as being a true and accurate record of the Meeting

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Chair

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Date