



Southern Grampians
SHIRE COUNCIL

Council Meeting Agenda

Special Meeting

12 July 2017

To be held at 5.30pm in the Council
Chambers at 5 Market Place, Hamilton

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1. Membership

Councillors

Cr Mary-Ann Brown – Mayor
Cr Chris Sharples – Deputy Mayor
Cr Cathy Armstrong
Cr Albert Calvano
Cr Colin Dunkley
Cr Greg McAdam
Cr Katrina Rainsford

Officers

Mr Michael Tudball – Chief Executive Officer
Ms Evelyn Arnold – Director Community and Corporate Services
Mr Michael McCarthy - Director Shire Futures
Mr David Moloney – Director Shire Infrastructure
Ms Megan Kruger – Governance Coordinator
Ms Belinda Johnson – Manager Finance

2. Acknowledgement of Country

3. Prayer

4. Apologies

5. Declaration of Interest

6. Management Reports

6.1 Adoption of 2017/2018 Budget

Directorate: Michael Tudball, Chief Executive Officer
Author: Belinda Johnson, Manager Finance
Attachments: 1. Strategic Resource Plan, 2. Annual Budget & 3. Council Services Pricing Register

Executive Summary

The Draft Budget for 2017/18 and Strategic Resource Plan 2017/18 to 2021/22 have generally been prepared in the form of the model budget template recommended as the best practice for reporting local government budgets in Victoria. The reports contain the statutory information required under the Local Government Act 1989 and the associated Regulations. The draft Annual Budget has been developed within the overall planning framework, which guides the Council in identifying community needs and aspirations over the medium to long term (Council Plan) and short term (Annual Budget) objectives, strategies, initiatives, activities and resource requirements.

Discussion

The Draft Budget for 2017/18 has been prepared under the provisions of the Local Government Act 1989 and in accordance with the associated Regulations and the relevant International and Australian Accounting Standards. The budget document contains:

- Overview and Budget Highlights
- Analysis of operating and capital budgets, cash position, budget financial position and rating strategy
- Standard Income Statement, Balance Sheet, Cash Flow Statement, Capital Works Statement and a Summary of Rates and Charges

The Draft 2017/18 Budget presented in the report has been developed through a process of consultation and review with Council and Council officers.

The Draft 2017/18 Operating Budget forecasts an operating surplus of \$22.214 million and Council anticipates to hold \$11.339 million cash at 30 June 2018.

The Draft Budget provides for capital expenditure in 2017/18 of \$42.394 million which includes flood restoration works of \$20.547 million.

The Draft Budget proposes an increase in the general rate of 2.01% for the year. The rate cap has been set at 2% by the Minister for Local Government with the remaining 0.01% being the net impact of supplementary valuations.

The municipal charge will increase from \$189 to \$192.

General rates and municipal charges are levied in accordance with Council's Rating Strategy Policy.

The service charge will increase from \$230 to \$257 for all improved residential properties in the Hamilton, Balmoral, Byaduk, Byaduk North, Cavendish, Coleraine, Dunkeld, Glenthompson and Penshurst urban areas for the collection and disposal of refuse.

The previously elective refuse collection and disposal service in the areas immediately north and east of Hamilton as defined within the “refuse collection area” and for residential properties within Tarrington and its immediate surrounds as defined within the “refuse collection area” will become compulsory. The service charge for these areas will be \$427 where the service has not previously been provided. Where the service was previously provided, the charge will be \$257.

A refuse collection and disposal service for Branxholme as defined within the “refuse collection area” will become compulsory. The service charge for this areas will be \$427 where the service has not previously been provided.

An elective organic waste collection and disposal service is available for improved residential properties in the Hamilton urban area. The service charge for this service will increase from \$83 to \$93.

The garbage collection and disposal service will again only be provided to commercial and industrial properties within the Shire on request.

It is proposed to borrow \$2 million in funds in 2017/18 to undertake capital works.

It is proposed to continue to offer as an incentive for prompt payment, a discount of two per cent in accordance with Section 168 of the Local Government Act 1989 where all four instalments of rates and charges declared for the current year (less the discount) are paid on or before 30 September, excluding any arrears of rates and charges outstanding from previous years.

Financial and Resource Implications

Council is required to implement the principles of sound financial management detailed in Section 136 of the Local Government Act 1989.

Legislation, Council Plan and Policy Impacts

The 2017/18 Annual Budget includes the key activities and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan 2017-2021. The Strategic Resource Plan looks at financial assumptions over the medium to longer term required to implement the Council Plan.

The Council Plan establishes that we will:

- Support our Community
- Develop our Regional Economy and Businesses
- Plan for our Built Environment
- Promote our Natural Environment, and
- Provide Governance and Leadership

Risk Management

In developing the Draft Budget and Draft Strategic Resource Plan, Council considers relevant financial risks to ensure it can achieve its Council Plan objectives within a longer term prudent financial framework.

Environmental and Sustainability Considerations

The Annual Budget provides the funding for the Council to undertake its social, economic and environmental initiatives outlined in the Council Plan 2017-2021.

Community Consultation and Communication

The Draft Budget 2017/18 was advertised for public inspection and comment on 27 May 2017 in the Hamilton Spectator Newspaper. The Draft Budget was available for public inspection at Councils Customer Service Centre, 111 Brown Street Hamilton and at licensed Post Offices (excluding Hamilton) within the Shire and Council's website www.sthgrampians.vic.gov.au. Copies were also distributed to the local Development Associations. Submissions closed on 26 June 2017 and were heard at a Special Council Meeting on 3 July 2017.

Following adoption of the Draft Budget 2017/18, public notice will be given of the adoption and the Minister for Local Government will be advised.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That having considered all submissions received, Council resolve as follows:

1. Budget submissions acknowledgement:

- 1.1. That Council acknowledges and thanks all submitters to the budget process for their input; and
- 1.2. That Council Formally writes to all submitters with responses and outcomes of their submissions.

2. Adoption of 2017/2018 Budget

- 2.1. That the Budget for the year ending 30 June 2018 as presented at the Council meeting held on 24 May 2017 be adopted; and
- 2.2. That based upon the submissions Council wishes to prioritise the following projects into the 2017/18 works plan:
 - a) Pedrina Park Hockey Clubrooms;
 - b) Balmoral Community Centre Complex;
 - c) Ansett Museum; and
 - d) An increase in the Emerging Priorities Fund,

With officers providing a report of how this can be achieved provided to the Ordinary July Meeting of Council.

- 2.3. That public notice of the adoption of the Budget be given in accordance with Section 130 of the Local Government Act 1989.

3. Declaration of Rates and Charges for 2017/2018

That the following rates and charges be declared for the financial period commencing on 1 July 2017 and ending on 30 June 2018 -

A. AMOUNT INTENDED TO BE RAISED

That the amount of \$19,431,905 be declared as the amount which Council intends to raise by general rates, special rates, municipal charges and service charges which amount is calculated as follows –

General Rates	\$15,923,334
Municipal Charge	\$ 1,787,520
Service Charge	\$ 1,716,773
Special Rate	<u>\$ 4,278</u>
	\$19,431,905

B. GENERAL RATE

1. A general rate be declared for the period commencing on 1 July 2017 and ending on 30 June 2018.
2. It be further declared that, subject to paragraph 4 of this Part, the general rate be raised by the application of differential rates.
3. It is confirmed that the general rate for all rateable land within the municipal district be determined by multiplying the Capital Improved Value of each rateable land by the relevant differential rate as specified in paragraph 5 of this Part.
4. It be recorded that Council considers that the application of the differential rates will contribute to the equitable and efficient carrying out of Council's function and that the purpose of levying differential general rates is to recognise the following factors:
 - The different standard of municipal services provided to the residents and ratepayers in different areas of the Shire;
 - The different range of municipal services available to the residents and ratepayers in different areas of the Shire;
 - Differences in the accessibility to municipal services for the residents and ratepayers in different areas of the Shire.
5. That differential rates be declared as specified below:
 - i. on all rateable land in the parishes of North Hamilton and South Hamilton, excluding farm land (as defined by Section 2 (1) of the Valuation of Land Act 1960) comprising all or part of a single farm enterprise (as defined by Section 159 (4) of the Local Government Act 1989) with an area of 40 hectares or more, a differential general rate of 0.5385 per cent or 0.5385 cents of each dollar of the Capital Improved Value;
 - ii. on all rateable farm land (as defined by Section 2 (1) of the Valuation of Land Act 1960) in the parishes of North Hamilton and South Hamilton comprising a single farm enterprise (as defined by Section 159 (4) of the Local Government Act 1989) with an area of 40 hectares or more, a differential general rate of 0.4308 per cent or 0.4308 cents of each dollar of the Capital Improved Value.
 - iii. on all other rateable land in the Shire, a differential general rate of 0.4308 per cent or 0.4308 cents of each dollar of Capital Improved Value.

6. It be confirmed that no amount is fixed as a minimum amount payable by way of general rate in respect of each rateable land within the municipal district.

C. MUNICIPAL CHARGE

1. A municipal charge be declared for the period commencing on 1 July 2017 and ending on 30 June 2018.
2. The municipal charge be declared for the purpose of covering some of the administrative costs of Council.
3. The municipal charge be in the sum of \$192.00 for each rateable land (or part) in respect of which a municipal charge may be levied; and
4. It be confirmed that the municipal charge is declared in respect of all rateable land within the municipal district in respect of which a municipal charge may be levied.

D. SERVICE CHARGES

1. Service charges be declared for the period commencing on 1 July 2017 and ending 30 June 2018.
2. The service charges be declared for each rateable land (or part) in respect of which service charges may be levied.
3. A service charge of \$257.00 be made on all improved properties within, Balmoral, Byaduk, Byaduk North, Coleraine, Dunkeld, Glenthompson, Hamilton, and Peshurst urban areas for the collection and disposal of refuse, excluding all commercial and industrial properties where such service is provided only upon request and for payment of the said charge.
4. That a service charge of \$257 be made on improved properties in the areas immediately north and east of Hamilton and within the Tarrington Urban area as defined within the "refuse collection area" for the collection and disposal of refuse, (where the ratepayers for individual properties **have previously elected** to receive the service) excluding all commercial and industrial properties where such service is provided only upon request and for payment of the said charge.
5. That a service charge of \$427 be made on improved properties in the areas immediately north and east of Hamilton and within the Tarrington Urban area as defined within the "refuse collection area" for the collection and disposal of refuse, (where the ratepayers for individual properties **have not previously elected** to receive the service) excluding all commercial and industrial properties where such service is provided only upon request and for payment of the said charge.
6. That a service charge of \$427 be made on improved properties within Braxholme as defined within the "refuse collection area" for the collection and disposal of refuse, excluding all commercial and industrial properties where such service is provided only upon request and for payment of the said charge.
7. That an organic waste collection service charge of \$93 be made on improved properties within the Hamilton urban area, (if the ratepayers for individual properties elect to receive the service).

E. SPECIAL RATE (YATCHAW DRAINAGE AREA):

1. A special rate be declared for the period commencing on 1 July 2017 and ending on 30 June 2018.
2. The special rate be declared on all rateable land within the Yatchaw Drainage Area for the purpose of defraying the costs of drainage in that area.

3. The Council is of the opinion that the purpose for which the special rate is being declared will be of special benefit to the persons required to pay the special rate.
4. The special rate of 0.0425 per cent or 0.0425 cents of each dollar be declared and levied on each dollar of the Capital Improved Value of all rateable land in the Yatchaw Drainage Area.

F. EXEMPTION FROM MUNICIPAL CHARGE:

That Council accept applications for exemptions from the requirements to pay the Municipal Charge under the provisions of Section 159 of the Local Government Act 1989 throughout the year.

G. INCENTIVE FOR PROMPT PAYMENT:

That as an incentive for prompt payment a discount of two per cent be allowed in accordance with Section 168 of the Local Government Act 1989 where all four instalments of rates and charges declared for the current year (less the discount) are paid on or before 30 September 2017 excluding any arrears of rates and charges outstanding from previous years.

H. INTEREST ON UNPAID RATES AND CHARGES:

That interest at the rate prescribed by Section 172(2)(a) of the Local Government Act 1989 be payable in respect of any of the aforesaid rates and charges which are not paid by the dates fixed pursuant to Section 167(2) of the Local Government Act 1989.

I. AUTHORISATION TO LEVY AND RECOVER:

That the Chief Executive Officer of the Council be authorised to levy and recover the aforesaid rates and charges in accordance with the Local Government Act 1989.

4. Adoption of the Strategic Resource Plan 2017/18 – 2021/2022

That the Strategic Resource Plan 2017/18 - 2021/22 be adopted.

5. Pricing Register for 2017/18

5.1 That Council's Pricing Register for 2017/18 be adopted, and

5.2 That the Chief Executive Officer be authorised to approve minor amendments and inclusions to the Pricing Register throughout the year.

7. Close of Meeting

This concludes the business of the meeting.