



**Southern Grampians**  
SHIRE COUNCIL

# Council Meeting Agenda

Special Meeting

20 June 2019

To be held at 7:00pm 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 David Moloney – Director Shire Infrastructure  
Mr Andrew Goodsell – Director Planning and Development  
Ms Karly Saunders – 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 2019/20 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 2019/20 and Strategic Resource Plan 2019/20 to 2022/23 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 2019/20 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 structure
- Standard Income Statement, Balance Sheet, Cash Flow Statement, Capital Works Statement and a Summary of Rates and Charges

The Draft 2019/20 Budget presented in the report has been developed through a process of consultation and review with Council and Council officers.

The Draft 2019/20 Operating Budget forecasts an operating surplus of \$0.761 million and Council anticipates to hold \$4.966 million cash at 30 June 2020.

The Draft Budget provides for capital expenditure in 2019/20 of \$23.443 million.

The Draft Budget proposes an increase in general rate revenue of 2.46% for the year. This rate cap has been set at 2.5% by the Minister for Local Government.

The municipal charge will increase from \$195 to \$200 (this is a 2.56% increase bringing the total collected to 10% of rate revenue)

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

The service charge will increase from \$263 to \$295 for all improved residential properties in the Hamilton, Balmoral, Branhholme, Byaduk, Byaduk North, Cavendish, Coleraine, Dunkeld, Glenthompson, Penshurst and Tarrington urban areas and "refuse collection areas" for the collection and disposal of refuse and recycling.

An elective organic waste collection and disposal service is available for improved residential properties in the Hamilton and Tarrington urban areas. The service charge for this service will remain the same at \$95.

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 2019/20 year.

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.

The Pricing Register is also presented for adoption.

### **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 2019/20 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 2019/20 was advertised for public inspection and comment on 27 April 2019 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](http://www.sthgrampians.vic.gov.au). Copies were also distributed to the local Development

Associations. Submissions closed on 27 May 2019 and were heard at a Special Council Meeting on 12 June 2019.

Following adoption of the Draft Budget 2019/20, 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 2019/2020 Budget

- 2.1. That the Budget for the year ending 30 June 2020 as presented at the Council meeting held on 20 June 2019 be adopted;
- 2.2. 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 2019/2020

That the following rates and charges be declared for the financial period commencing on 1 July 2019 and ending on 30 June 2020 -

A. AMOUNT INTENDED TO BE RAISED

That the amount of \$19,946,990 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	\$16,821,782
Municipal Charge	\$ 1,877,400
Service Charges	\$ 2,011,365
Special Rate	<u>\$ 4,225</u>
	<b>\$20,714,772</b>

B. GENERAL RATE

1. A general rate be declared for the period commencing on 1 July 2019 and ending on 30 June 2020.

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 0.4631 per cent or 0.4631 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 0.3705 per cent or 0.3705 cents of each dollar of the Capital Improved Value.
  - iii. on all other rateable land in the Shire, a differential general rate of 0.3705 per cent or 0.3705 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 2019 and ending on 30 June 2020.
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 \$200.00 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 2019 and ending 30 June 2020.
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 \$295.00 be made on all improved properties within, Balmoral, Branxholme, Byaduk, Byaduk North, Cavendish, Coleraine, Dunkeld, Glenthompson, Hamilton, Penshurst and Tarrington urban areas and other areas as defined within the “refuse collection 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 an organic waste collection service charge of \$95 be made on improved properties within the Hamilton and Tarrington urban areas, (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 2019 and ending on 30 June 2020.
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 0.0335 per cent or 0.0335 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 2019 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 2019/20 – 2022/2023

That the Strategic Resource Plan 2019/20 - 2022/23 be adopted.

5. Pricing Register for 2019/20

5.1 That Council's Pricing Register for 2019/20 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