



Southern Grampians
SHIRE COUNCIL

Council Meeting Agenda

Special Meeting
24 April 2019

Held at 5.30pm in the
Council Chambers at
5 Market Place, Hamilton.

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1 Present

Councillors

Cr Mary-Ann Brown – Mayor
Cr Chris Sharples – Deputy Mayor
Cr Cathy Armstrong
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 Andrew Goodsell – Director Planning and Development
Mr David Moloney – Director Shire Infrastructure
Ms Karly Saunders – Governance Coordinator

2 Acknowledgement of Country

The Mayor, Cr Brown, read the acknowledgement of country –

“Our meeting is being held on the traditional lands of the Gunditjmarra, Tjap Wurrung and Bunganditj people.

I would like to pay my respects to their Elders, past and present, and the Elders from other communities who may be here today.”

3 Prayer

Cr Dunkley led the meeting in a prayer.

4 Apologies

Cr Albert Calvano

5 Declaration of Interest

None declared.

6 Management Reports

6.1 General Revaluation of Rateable Properties

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Belinda Johnson, Manager Finance
Attachments: None

Executive Summary

A general valuation of all properties in the Southern Grampians Shire is currently being undertaken by the Valuer General Victoria for use in the 2019/20 rating year.

Whilst these figures are not finalised, preliminary figures have been provided to enable Council to prepare a Draft Budget and set “preliminary” rate estimates.

Discussion

In the past a general valuation of all properties within Southern Grampians Shire has been required to be undertaken every two years. Legislation recently changed which has transitioned the process to be undertaken every year by the Valuer General Victoria.

This means all properties across Victoria are revalued at the same date: 1 January, 2019.

Opteon Property Group has been appointed by the Valuer General to provide valuation services for the 2019 general valuation.

The Valuer General Victoria has provided preliminary valuations for all rateable and leviable properties within the Shire as at 1 January, 2019.

Aggregate valuations are as follows:-

| Site Value | Capital Improved Value | Net Annual Value |
|-----------------|------------------------|------------------|
| \$2,999 million | \$4,660 million | \$242 million |

The preliminary Total CIV has increased by approximately 21.19%.

Movements in valuations are not uniform for all localities within the Shire or for all categories of land.

The new capital improved values have been used as the basis of estimating rating for the financial year commencing 1 July, 2019.

Once the final “Certified” valuations have been received from the Valuer General, and prior to the adoption of the 2019/20 Budget, the valuations and rating calculations will be reviewed and reported back to Council for formal amendment/adoption.

It is proposed that valuation and rate notices for 2019/20 will be issued in late August. Any person aggrieved by the valuation on their property is entitled to lodge an objection during the two months following the issue of the notices.

The movements in valuations shall result in a redistribution of the rate burden over the 10,977 rateable properties within the Shire.

Financial and Resource Implications

The valuation data provides the basis for the calculation of the rate in the dollar which is to be levied on all rateable properties. The determination of the values, coupled with Council Rating Policy, allocates the rate burden to the different property types within the Local Government Area.

The valuation process contributes to the generation of over 40% of Council revenue to fund services and capital works annually and ensure that a wide range of quality services are available to our community that will contribute to the liveability of the Shire.

Legislation, Council Plan and Policy Impacts

The functions of the Valuer General Victoria are set out in Section 5 of the Valuation of Land Act 1960.

The 2019 Valuation Best Practice Specifications Guidelines (2019 VBPSG) is a document made under Section 5AA of the Valuation of Land Act 1960, which sets out the following requirements in respect to the preparation of the guidelines.

- The Valuer-General must prepare the VBPSG at the commencement of every annual general valuation.
- The VBPSG must be published on the Valuer-General's website.
- The Valuer-General may amend the VBPSG during the revaluation period.
- The Valuer-General must publish any amendment to the guidelines on the website, specifying the nature of the amendment, the reason for it and the date the amendment is effective.

VBPSG provides a framework of processes, tasks and outputs required for the return of a general valuation that meets all qualitative and legislative standards approved by the Valuer-General.

The 2019 VBPSG Incorporates all changes made to the Act up to 20 December 2017.

Important changes in the 2019 VBPSG include:

- How Valuer-General's responsibilities for causing general valuations and supplementary valuations are to be met
- The process for returning general valuations annually
- The process for requesting and returning supplementary valuations.

Risk Management

The quality and timeliness of the delivery of the valuation and related services is vitally important, as Council and other rating and taxing authorities are dependent on the valuation to apportion the amount of rates to be paid by each property owner.

The Valuer-General, as Victoria's valuation authority has jurisdiction over municipal valuations and must certify the valuation.

The Contract Valuer must maintain complete confidentiality of Councils information both during and after the valuation task and demonstrate that no conflicts of interest will be created during the valuation process.

Environmental and Sustainability Considerations

Nil

Community Consultation and Communication

There is a significant customer service focus associated with the valuation service.

The number of properties inspected by the contract valuer is not to be less than 33 percent of the total number of residential and rural assessments.

Further community engagement will occur with the valuer should there be any enquiries or objections to valuations.

The preparation and printing of rate notices will occur following the decision. Valuation and rate notices will be issued in August.

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 the preliminary figures provided by Valuer General Victoria, as at 1 January, 2019 be received and used for the purpose of estimating rates in the Draft 2019/20 Budget, and

That the “Certified” valuations be provided to Council when received.

COUNCIL RESOLUTION

MOVED: Cr Rainsford
SECONDED: Cr McAdam

That the preliminary figures provided by Valuer General Victoria, as at 1 January, 2019 be received and used for the purpose of estimating rates in the Draft 2019/20 Budget, and

That the “Certified” valuations be provided to Council when received.

CARRIED

6.2 Review of Rating Policy

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Belinda Johnson, Manager Finance
Attachments: 1. Rating Policy

Executive Summary

The Councils Rating Strategy Policy was last updated on 2 May 2018. The Policy is generally reviewed every two years in the same year as the return of the general valuation of all rateable properties. The valuation cycle has now become an annual process, however there is no need for the Policy to be reviewed annually.

It is recommended that the Rating Strategy Policy be reviewed at the commencement of each new Council term i.e. the next review be prior to the 2021/22 financial year.

It is also recommended that the Rating Strategy Policy be amended to take into consideration waste management expenses when considering the method and area of collection of Annual Services Charges and Organic Waste Service Charges to move to the provision of cost neutral services.

Discussion

On 2 May 2018 Council adopted the Rating Strategy Policy to provide a basis for the levying of rates and charges from 1 July 2018. The strategy has previously been reviewed on the return of each general valuation.

General valuations are now undertaken on a yearly cycle, with the current valuation to be returned by 30 April 2019 for use in the 2019/20 rating year. It is proposed that the Rating Strategy Policy be reviewed at the commencement of each new Council term with the next review prior to the 2021/22 financial year.

The policy provides that differential general rates will be levied on the capital improved value of all rateable land to reflect the different standard, range and access to municipal services available to residents and ratepayers of the Shire. The policy also provides for a municipal charge, annual service charge (garbage), organic waste service charges and a special drainage rate.

The Policy provides that a differential general rate levied on all rateable land in the parishes of North Hamilton and South Hamilton (excluding farm land with an area of 40 hectares or more) was fixed at a higher rate to reflect the different standard, range and accessibility to services.

The lower differential general rate was fixed at 80% of the higher differential rate.

The policy has required to be reviewed upon receipt of the general valuation for the purpose of making any adjustments considered necessary to lessen the impact of any sudden or adverse re-distribution of the rate burden between sectors or categories of rateable land caused by such general valuation.

The 2019 general valuation for use in the 2019/20 rating year has been practically completed at the time of this report. Uncertified valuation figures have been received.

The Local Government Act enables a Council using the capital improved value system to set differential rates to raise rate revenue subject to the difference between the lowest and highest differential rates being no greater than four times.

A copy of the proposed Rating Strategy Policy is attached.

Financial and Resource Implications

Rates and charges comprise approximately 50% of annual Council revenue (excluding capital grants & contributions) and therefore amounts raised impact of the level on services and capital works available for implementation.

Legislation, Council Plan and Policy Impacts

The Local Government Act 1989 provides the legislative basis for the levying of rates and charges (sections 154 to 158c).

The Council adopted Rating Strategy Policy to provide an equitable and consistent basis for the levying of rates and charges.

Risk Management

Nil

Environmental and Sustainability Considerations

Rates and charges provide a significant component of Council revenue to fund services and capital works annually and ensure that a wide range of quality services are available to our community.

The quality of services in Southern Grampians Shire is important to the liveability of the Shire.

The Policy provides for consideration of the basis of waste management charges.

Community Consultation and Communication

Rates and charges provide a significant component of Council revenue to fund services and capital works annually and ensure that a wide range of quality services are available to our community.

The quality of services in Southern Grampians Shire is important to the liveability of the Shire.

Council's Draft Budget for 2019/20 has been prepared based on the policy. This Budget is currently available for comment by the public until Monday 27 May 2019.

The communication of this decision will be incorporated in the adopted Budget for 2019/20 and results in the issuing of rate notices in August 2019.

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 the Rating Strategy Policy be adopted as attached.

COUNCIL RESOLUTION

MOVED: Cr Sharples
SECONDED: Cr Dunkley

That the Rating Strategy Policy be adopted as attached.

CARRIED

6.3 Preparation of 2019/20 Budget

| | |
|---------------------|---|
| Directorate: | Evelyn Arnold, Director Community and Corporate Services |
| Author: | Belinda Johnson, Manager Finance |
| Attachments: | 2. Draft Strategic Resource Plan |
| | 3. Draft Annual Budget & Draft |
| | 4. 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 the general rate of 2.5% for the year. This rate cap has been set at 2.5% by the Minister for Local Government.

The municipal charge will increase from \$194 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, Branxholme, Byaduk, Byaduk North, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst 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 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.

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 2018/19 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 identifies that we will:

- Support our Community
- Develop our Regional Economy and Businesses
- Plan for our Built Environment
- Promote our Natural Environment
- 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 will be advertised for public inspection and comment on 27 April 2019 in the Hamilton Spectator Newspaper. The Draft Budget will be 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 will also be distributed to the local Development Associations. Submissions close on 27 May 2019 and will be considered at a Special Council Meeting on 12 June 2019. It is proposed that a Special Meeting will be held on 26 June 2019

to adopt the Budget for 2019/20, Strategic Resource Plan 2018-2022 and Pricing Register for 2019/20.

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

1. That the budget annexed to this resolution and initialed by the Mayor for identification, be the budget prepared by Council for the purposes of Section 127 of the Local Government Act 1989.
2. That the amounts proposed to be raised by rates and charges be as follows:

| | |
|--------------------|-----------------|
| General Rates | \$16,830,760 |
| Municipal Charge | \$ 1,878,000 |
| Service Charges | \$ 2,003,215 |
| Special Rate (YDA) | <u>\$ 4,217</u> |
| | \$20,716,192 |
3. That as provided in Council's Rating Policy, it is considered that application of differential rates will contribute to the equitable and efficient carrying out of Council's functions and 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.
4. That the general rates be raised by application of the following differential rates:
 - a differential general rate of 0.4469 per cent or 0.4469 cents of each dollar of the Capital Improved Value 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 in Section 159 (4) of the Local Government Act 1989) with an area of 40 hectares or more
 - a differential general rate of 0.3575 per cent or 0.3575 cents of each dollar of the Capital Improved Value 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 all or part of a single farm enterprise (as defined in Section 159 (4) of the Local Government Act 1989) with an area of 40 hectares or more
 - a differential general rate of 0.3575 per cent or 0.3575 cents of each dollar of the Capital Improved Value on all other rateable land in the Shire.

5. That a municipal charge of \$200 be made on all rateable land for the purpose of covering some of the administrative costs of Council.
6. That a service charge of \$295 be made on all improved properties within the Hamilton, Balmoral, Branxholme, Byaduk, Byaduk North, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst and Tarrington urban areas and "refuse collection areas" for the collection and disposal of refuse and recycling, 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 \$95 be made on improved properties within the Hamilton and Tarrington urban areas, (if the ratepayers for individual properties elect to receive the service).
8. That a special rate of 0.0323 per cent or 0.0323 cents of each dollar of the Capital Improved Value be made on all rateable land within the Yatchaw Drainage Area.
9. That the Chief Executive Officer be authorised to:
 - a) give public notice of the preparation of the budget in accordance with Section 129 (1) of the Local Government Act 1989
 - b) invite submissions in accordance with Section 129 (2) and Section 223 of the Local Government Act 1989 on any proposal contained in the budget
 - c) make available for public inspection copies of the budget and other information at Council's Business Centre, 111 Brown Street, Hamilton and at all licensed post offices within the Shire.
10. That Council consider any submissions on any proposal contained in the budget which have been made in accordance with Section 223 of the Local Government Act 1989 at the Council Meeting to be held in the Council Chamber, 3 Market Place, Hamilton on Wednesday 12 June 2019 commencing at 5.30pm.
11. That Council consider:
 - a) adoption of the 2019/20 budget;
 - b) declaration of rates and charges for 2019/20;
 - c) adoption of the Strategic Resource Plan 2019/20-2022/23; and
 - d) adoption of the Council Services Pricing Register for 2019/20at a Special Meeting of Council to be held on Wednesday 26 June 2019 commencing at 5.30pm.
12. That the Minister for Local Government be advised of Council's proposed rates and charges for 2019/20.

COUNCIL RESOLUTION

MOVED: Cr Dunkley
SECONDED: Cr Sharples

1. That the budget annexed to this resolution and initialed by the Mayor for identification, be the budget prepared by Council for the purposes of Section 127 of the Local Government Act 1989.

2. That the amounts proposed to be raised by rates and charges be as follows:

| | |
|--------------------|-----------------|
| General Rates | \$16,830,760 |
| Municipal Charge | \$ 1,878,000 |
| Service Charges | \$ 2,003,215 |
| Special Rate (YDA) | <u>\$ 4,217</u> |
| | \$20,716,192 |

3. That as provided in Council's Rating Policy, it is considered that application of differential rates will contribute to the equitable and efficient carrying out of Council's functions and 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.

4. That the general rates be raised by application of the following differential rates:

- a differential general rate of 0.4469 per cent or 0.4469 cents of each dollar of the Capital Improved Value 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 in Section 159 (4) of the Local Government Act 1989) with an area of 40 hectares or more
- a differential general rate of 0.3575 per cent or 0.3575 cents of each dollar of the Capital Improved Value 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 all or part of a single farm enterprise (as defined in Section 159 (4) of the Local Government Act 1989) with an area of 40 hectares or more
- a differential general rate of 0.3575 per cent or 0.3575 cents of each dollar of the Capital Improved Value on all other rateable land in the Shire.

5. That a municipal charge of \$200 be made on all rateable land for the purpose of covering some of the administrative costs of Council.
6. That a service charge of \$295 be made on all improved properties within the Hamilton, Balmoral, Branxholme, 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, 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 \$95 be made on improved properties within the Hamilton and Tarrington urban areas, (if the ratepayers for individual properties elect to receive the service).
8. That a special rate of 0.0323 per cent or 0.0323 cents of each dollar of the Capital Improved Value be made on all rateable land within the Yatchaw Drainage Area.
9. That the Chief Executive Officer be authorised to:
 - a) give public notice of the preparation of the budget in accordance with Section 129 (1) of the Local Government Act 1989
 - b) invite submissions in accordance with Section 129 (2) and Section 223 of the Local Government Act 1989 on any proposal contained in the budget
 - c) make available for public inspection copies of the budget and other information at Council's Business Centre, 111 Brown Street, Hamilton and at all licensed post offices within the Shire.
10. That Council consider any submissions on any proposal contained in the budget which have been made in accordance with Section 223 of the Local Government Act 1989 at the Council Meeting to be held in the Council Chamber, 3 Market Place, Hamilton on Wednesday 12 June 2019 commencing at 5.30pm.
11. That Council consider:
 - a) adoption of the 2019/20 budget;
 - b) declaration of rates and charges for 2019/20;
 - c) adoption of the Strategic Resource Plan 2019/20-2022/23; and
 - d) adoption of the Council Services Pricing Register for 2019/20 at a Special Meeting of Council to be held on Wednesday 26 June 2019 commencing at 5.30pm.
12. That the Minister for Local Government be advised of Council's proposed rates and charges for 2019/20.

CARRIED

7 Close of Meeting

This concludes the business of the meeting.

Meeting closed at 5:39pm.

Confirmed by resolution at 8 May 2019.

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