

CONTENTS

1.	APOLOGIES.....	3
2.	DECLARATION OF INTERESTS	3
3.	ADOPTION OF THE PROPOSED 2018/19 BUDGET	4
4.	RATING STRATEGY 2018.....	7
5.	MEETING CLOSE	10

Attachments

4	RATING STRATEGY 2018.....	11
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AGENDA



For a Special meeting of the seventh Campaspe Shire Council to be held on Tuesday, 1 May 2018, commencing at 5:00pm at the Echuca Civic Centre.

OPENING PRAYER

We pray to Almighty God that our decisions as a Council be in the best interest of the people, culture and the environment of the Shire of Campaspe.

Amen

The Campaspe Shire Council acknowledges the traditional owners of the land upon which we meet and pay our respect to their elders both past and present.

MEETING PROCEDURES

Please ensure that all electronic devices are turned off or switched to silent.

Council meetings are broadcast live via the internet. During the meeting, members of the public may be recorded, particularly those speaking to an item. By attending this meeting, you are consenting to the possibility that your image may also be broadcast to the public. Any personal and health information voluntarily disclosed by any person at Council meetings may be broadcast live, held by Council and made available to the public for later viewing.

Those people who have requested to speak to an item will be allowed five minutes to address Council. Speakers will be notified with a bell when there is 60 seconds remaining. Speakers must only speak in relation to the subject stated on their application and shall not debate the issue with Councillors and officers. Councillors are able to ask questions of the speaker on points of clarification.

Speakers are advised that they do not enjoy any special protection from defamation arising from comments made during their presentation to Council and should refrain from voicing defamatory remarks or personal defamatory statements against any individual. Speakers will be treated with respect when addressing Council. I ask that the same respect is extended to Councillors and officers.

BUSINESS

1. APOLOGIES

2. DECLARATION OF INTERESTS

Disclosure of Conflict of Interests are to be made immediately prior to any relevant item being discussed.

Local Government Act 1989 Section 79

- (1) If a Councillor or member of a special committee has a conflict of interest in a matter which is to be considered or discussed at a meeting of the Council or the special committee, the Councillor or member must, if he or she is attending the meeting, disclose the conflict of interest in accordance with subsection (2).
- (2) A Councillor or member of a special committee who has a conflict of interest and is attending the meeting of the Council or special committee must make a full disclosure of that interest:
 - (a) by either
 - (i) advising the Council or special committee at the meeting of the details required under paragraphs (b) and (c) immediately before the matter is considered at the meeting; or
 - (ii) advising the Chief Executive Officer in writing of the details required under paragraphs (b) and (c) before the meeting; and
 - (b) classifying the type of interest that has given rise to the conflict as either:
 - (i) a direct interest; or
 - (ii) an indirect interest and specifying the particular kind of indirect interest under section 78, 78A, 78B, 78C, 78D or 78E; and
 - (c) describing the nature of the interest; and
 - (d) if the Councillor or member advised the Chief Executive Officer of the details under paragraph (a)(ii), the Councillor or member must make a disclosure of the class of interest only to the meeting immediately before the matter is considered at the meeting.

3. ADOPTION OF THE PROPOSED 2018/19 BUDGET

Author:

Ailsa Box, Finance Manager

1. Purpose

The purpose of this report is to present to Council the Proposed Budget for 2018/19. The report advises the resolutions required to initiate the statutory process and advertise the proposed budget for public comment.

2. Recommendation

1. That the proposed “Campaspe Shire Council Budget 2018/2019”, be the Budget prepared by Council for the purposes of Section 127(1) of the *Local Government Act (1989)*.
 2. That the Chief Executive Officer be authorised to:
 - a. Give notice of the preparation of the Budget and schedule of Fees and Charges in accordance with Section 129(1) and (3) of the *Local Government Act (1989)*;
 - b. Make available for public inspection the information required to be made available by Section 129 of the *Local Government Act (Finance and Report) Regulations 2004*, excepting information exempted by Order-In-Council; and
 3. That Council:
 - a. Consider any submission on a proposal (or proposals) contained within the proposed budget in accordance with Section 129(2) and Section 223 of the *Local Government Act (1989)*;
 - b. Hear any submissions on the proposed budget and schedule of fees and charges at a Budget Submission Hearing Meeting in the Echuca Civic Centre Function Room on Thursday, June 7 2018 at 5:00pm; and
 - c. Consider any motion to adopt the proposed budget and 2018/19 schedule of fees and charges at a Council Meeting to be held on Tuesday, 26 June, 2018.
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3. Conflict of Interest

In accordance with Section 80B of the *Local Government Act 1989*, the officer preparing this report declares no conflict of interest in regards to this matter.

4. Charter of Human Rights

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

5. Instrument of Delegation

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

6. Background

The *Local Government Act 1989* sections 127 require that Council prepares a budget for the year and the Local Government (Finance and Reporting) Regulations 2004 specify the information required for public display.

Section 136 of the Act requires that Council implement the principles of sound financial management. The principles are identified in the Act as:

- (1) *A Council must implement the principles of sound financial management.*
 - (2) *The principles of sound financial management are that Council must:*
 - (a) *manage financial risks faced by the Council prudently, having regard to economic circumstances;*
 - (b) *pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;*
 - (c) *ensure that decisions are made and actions are taken having regard to their financial effects on future generations;*
 - (d) *ensure full, accurate and timely disclosure of financial information relating to the Council.*
 - (3) *The risks referred to in sub-section (2)(a) include risks relating to:*
 - (a) *the level of Council debt;*
 - (b) *the commercial or entrepreneurial activities of the Council;*
 - (c) *the management and maintenance of assets;*
 - (d) *the management of current and future liabilities;*
 - (e) *changes in the structure of the rates and charges base.*
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7. Issues and Risk Management

Issues:

During the budget process a number of issues were considered, these included:

- Increasing cost of utilities and other materials greater than the consumer price index
- Rate capping

Maintaining services levels within in these budget constraints mean that a greater effort is needed to find efficiencies within council.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

8. Strategic Planning Environments

- Strong and Engaged Communities: The proposed budget provides services to improve the health, wellbeing and safety of our community.
- Resilient Economy: Programs and initiatives within this budget will support economic growth, investment opportunities and community development.
- Healthy Environment: The budget will assist in the delivery of initiatives to support the health of our communities' environment and promotes environmentally sustainable practices.
- Balanced Services and Infrastructure: The budget continues to finance maintenance and renewal of existing assets, as well as providing some funding to support creation of new infrastructure.
- Responsible Management: The budget has been built based on the principles of sound financial management.
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9. Consultation

Public comment on the budget and fees and charges will be sought by advertising for submissions from members of the public in accordance with section 223 of the Act. Section 223 of the Act provides for people to make written submissions and allows for anyone making a submission to address the Council in support of that submission at a time and venue fixed by the Council prior to the Council finally considering the budget for adoption.

The proposed budget will be advertised in the Riverine Herald, Campaspe News and Kyabram Free Press in the week following the Council's resolution to adopt this budget as the budget to be presented to the public for the purposes of section 127 of the Act.

Submissions received from public and other groups prior to the preparation of this proposed budget have been considered in the development of the document.

Consultation has included discussions with EMG, Leadership Group, Finance, and Councillors during workshops and briefing sessions.

10. Officer Comment

Council needs to adopt the proposed budget and give public notice by advertisement in the local papers that the proposed budget is available for inspection and public are invited to make submissions on the proposed budget until 5:00pm Tuesday, 5 June 2018.

The proposed budget will then be presented to Council with any submissions received from the public that will need to be considered by Council at a meeting to be held at 5 pm, Thursday, 7 June 2018 at Echuca.

Council will then need to consider any submissions, amend the budget if required and finally adopt the budget and declare the rates and charges for the 2018/19 year.

4. RATING STRATEGY 2018

Author:

Fleur Cousins, General Manager Corporate Services

Attachments:

4. Rating Strategy 2018
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1. Purpose

To endorse the release of the draft Rating Strategy 2018 for comment from the community prior to Council receiving a report for the adoption of the Rating Strategy.

2. Recommendation

That Council:

1. Release the draft Rating Strategy 2018 for public comment for not less than 28 days; and
 2. Receive a further report for Council to consider any feedback received and adopt the Rating Strategy 2018 having regard to the feedback received.
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3. Conflict of Interest

In accordance with Section 80B of the *Local Government Act 1989*, the officer preparing this report declares no conflict of interest in regards to this matter.

4. Charter of Human Rights

This report has considered and complies with the Human Rights and Responsibilities contained in the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

5. Instrument of Delegation

This report has considered and complies with the Instrument of Sub-Delegation by the Chief Executive Officer in so far as this report is not contrary to the existing policy or strategy previously adopted by Council.

6. Background

The current Rating Strategy was adopted in 2012. As a result a number of changes to the way Council collected rate revenue were made. Some of these changes included:

- The introduction of a municipal charge.
 - The removal of the Waste Infrastructure Levy.
 - The introduction of consolidated rate notices for adjoining properties who make application.
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Council as part of good governance should undertake a regular review of its practices with respect of rates and rate revenue collection. A Rating Strategy allows Council to communicate the key issues and the rationale for applying rates in the way it does.

It is important to note that the Rating Strategy is not about increasing the amount of Council's rate revenue but about how the rate revenue is raised and the proportion paid by each ratepayer.

One of the objectives for Council under the Local Government Act 1989 (the Act) is to ensure the equitable imposition of rates and charges. Council needs to have regard to the two main equity concepts used to guide the development of rating strategies:

- Horizontal equity – ratepayers in similar situations should pay similar amounts; and
- Vertical equity – those who are better off should pay more than those worse off.

In addition the imposition of rates and charges should be:

- Simple so that it is easily understood by ratepayers
- Easy to administer
- Consistent with the major policy objectives of Council
- Designed to minimise any detrimental effect on the economy of the region.

Council rates are a property tax that is based on the valuation of each property to determine the amount that ratepayers will be charged. The rates imposed on each property are calculated by multiplying the property's valuation by the rate in the dollar declared by council in its adopted budget.

Local Councils are also able to apply:

- a municipal charge that cannot exceed more than 20% of the total rate revenue inclusive of a municipal charge;
- service charges such as waste charges; and
- other special rates and charges as allowed under the Act.

A municipal charge may be used by a Council to increase the consistency of the level of rates as it is paid equally by all ratepayers. A municipal charge may be levied on each rateable property with the exception of farms where a single municipal charge is payable on multiple assessments operated as a single farm enterprise.

The Act exempts the application of rates to the following:

- crown land (where used exclusively for public or municipal purposes);
- land used exclusively for charitable purposes;
- land used for religious purposes; and
- land used exclusively for mining and forestry.

Council rates do not represent a direct user pays system and there is no connection between the amount of rates paid and the level of Council services received by ratepayers.

Council currently uses the Capital Improved Value (CIV) as a basis for levying rates. The CIV is determined by a licensed valuer and is the total market value of the land plus the value of improvements made to the property including buildings and landscaping. Most Victorian Councils use CIV as the basis of valuing property for rating purposes.

Properties are currently revalued every two years to maintain a fair distribution of the rates burden between property owners within a municipality.

Council's existing strategy is to apply differential rates to try to realise a fair contribution from each type of property.

The differentials are as follows:

- General Land (100% of the general rate in the dollar);
- Farm Land (90% of the general rate in the dollar);
- Commercial Land (116% of the general rate in the dollar);
- Industrial Land (116% of the general rate in the dollar); and
- Cultural and Recreation (50% of the general rate in the dollar).

In addition Council has additional charges for waste, organics and recycling collection.

7. Content

Since the adoption of Council's Rating Strategy, a number of legislative changes have been made to the rating system, the most significant being the introduction of the Victorian Government's Fair Go Rates System (FGRS) that was implemented in 2015. This system now 'caps' the average rate increase to a percentage declared by the Minister for Local Government on an annual basis. Council's must adhere to the 'cap' unless they make application to the Essential Services Commission for a variation to the rate cap and receive approval to do so by the Minister.

Campaspe Shire Council has applied the capped rate since the FGRS was introduced and has not applied for any variations.

In 2017, legislative amendments were also made to the Valuation of Land Act 1960, which will see biennial valuations move to annual valuations and the Valuer General Victoria becoming the only valuation authority in Victoria. This change will be introduced from 1 July 2018.

Due to the legislative changes that have occurred, Council has conducted an administrative review of the Rating Strategy and has proposed a number of updates to the Rating Strategy to reflect the current approach to the collection of rates and charges.

The updated Rating Strategy does not propose any changes to the current approach to the collection of rates and charges, however recognises that there is further legislative reform proposed that may impact further on the collection of rates and that these legislative reforms are to be monitored and evaluated to understand any impacts on the Rating Strategy and the ratepayers of Campaspe Shire Council.

8. Issues and Risk Management

Issues:

There are no issues identified relating to this report. The draft Rating Strategy 2018 has been updated to reflect the current approach to the collection of rates and charges and aligned to the current legislative environment including the introduction of the Fair Go Rates System. No changes to the current approach to collection of rates and charges are proposed.

Risk:

Risk management has been considered in the preparation of this report and no risks with a high or extreme rating have been identified in this process.

9. Strategic Planning Environments

Strong and Engaged Communities:	The Rating Strategy outlines how Council will collect rates and charges in an equitable manner. The seeking of feedback on the draft Rating Strategy provides an opportunity for the community to engage with Council in the finalising of the Rating Strategy prior to Council considering its adoption
Resilient Economy:	The Rating Strategy provides a framework for the raising and collection of rates that appropriately levies businesses.
Healthy Environment:	The Rating Strategy outlines that Council can collect a fee for the collection of waste, organics and recyclables. The fees are based on supporting the minimisation of waste.
Balanced Services and Infrastructure:	The Rating Strategy outlines how Council will collect rates and charges and highlights that rates revenue is a large revenue stream for Council that contributes to the funding of services and infrastructure for the Shire of Campaspe.
Responsible Management:	The review of the Rating Strategy recognises a good governance approach and responsible management taking into consideration the changed legislative environment.

10. Consultation

This report seeks Council's endorsement to release the draft Rating Strategy 2018 for community feedback for a minimum of 28 days.

The review of the Rating Strategy 2018 has been undertaken in consultation with key Council officers and Councillors.

5. MEETING CLOSE

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JASON RUSSELL

CHIEF EXECUTIVE OFFICER