

SOUTH GIPPSLAND SHIRE COUNCIL

# Special Meeting of Council

Endorse Proposed Annual Budget 2018/19, Revised  
Council Plan 2017-2021 & Rating Strategy 2018/19  
for Public Exhibition

MINUTES

**21 March 2018**  
**Council Chambers, Leongatha**  
**Commenced at 12.30pm**



# minutes



*South Gippsland  
Shire Council*

*Come for the beauty, Stay for the lifestyle*



## MISSION

***South Gippsland Shire will be a place where our quality of life and sense of community are balanced by sustainable and sensitive development, population and economic growth.***

### Privacy

Council is required to keep minutes of each Council meeting. The minutes contain details of proceedings which may include personal information about community members disclosed as part of presentations, submissions and questions. The minutes of Council meetings are a public record and can be inspected by members of the public.

Council undertakes audio recordings of Council Meetings as a contribution to good governance and accuracy of minutes. An audio recording of this meeting is being made for the purpose of verifying the accuracy of minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, and subpoena or by any other law such as the Freedom of Information Act 1982. It should be noted that other people present at the meeting may be recording the meeting and Council has limited power to regulate this. Council has developed a policy to regulate recordings, "*Sound Recording of Council Meetings*".

A copy of this policy is located on Council's website [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au).

## PRESENT

COUNCILLORS:	Cr Lorraine Brunt, Mayor Cr Aaron Brown, Deputy Mayor Cr Ray Argento Cr Maxine Kiel Cr Meg Edwards Cr Don Hill Cr Andrew McEwen
COUNCILLORS NOT PRESENT:	Cr Jeremy Rich Cr Alyson Skinner
OFFICERS:	Tim Tamlin, Chief Executive Officer Faith Page, Director Corporate and Community Services Anthony Seabrook, Director Infrastructure Services Rick Rutjens, Executive Support and Community Information Manager June Ernst, Coordinator of Corporate Planning and Council Business Natasha Berry, Corporate and Council Business Officer Jodi Cumming, Corporate and Council Business Officer

## **SOUTH GIPPSLAND SHIRE COUNCIL**

Special Meeting of Council  
Wednesday 21 March 2018  
Council Chambers, Leongatha  
Commenced at 12.30pm

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**Tim Tamlin**  
**Chief Executive Officer**

## **1. PRELIMINARY MATTERS**

This Council Meeting is being streamed live, recorded and published in accordance with Council's *Live Streaming in Council Meetings Policy*.

To those present in the gallery today, by attending a public meeting of the Council you are consenting to your image, voice and comments being recorded and published.

Anyone who is invited to read out a question or a presentation will be recorded and their voice, image and comments will form part of the live stream and recording.

The Chair and/or the CEO have the discretion and authority at any time to direct the termination or interruption of live streaming. Such direction will only be given in exceptional circumstances where deemed relevant. Circumstances may include instances where the content of debate is considered misleading, defamatory or potentially inappropriate to be published.

Attendees are advised that they may be subject to legal action if their actions results in inappropriate and/or unacceptable behaviour and/or comments.

Today's Meeting is being streamed live as well as recorded and published on Council's website.

Thank you

### **1.2. WELCOME**

Please ensure Mobile phones remain 'off' during the Council Meeting.

### **1.3. OPENING PRAYER**

We pray to God to guide us so that the thoughts we have and the decisions made this day, are in the best interests of the people of the South Gippsland Shire.

Amen

### **1.4. ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS**

The South Gippsland Shire Council respectfully acknowledges the Traditional Custodians of this Land, Elders past and present, their Spirits and Ancestors.

**1.5. REQUESTS FOR LEAVE OF ABSENCE**

**Nil**

**1.6. APOLOGIES**

**Councillors Alyson Skinner and Jeremy Rich.**

## 1.7. DECLARATION OF CONFLICT OF INTEREST FOR COUNCILLORS

Any interest that a Councillor or staff member has deemed to be significant and has disclosed as either a direct or an indirect interest is now considered to be a conflict of interest. Conflict of interest legislation is in sections 77A, 77B, 78, 78A-D and 79 of the Local Government Act 1989 (the Act). This legislation can be obtained by contacting the Council's Corporate & Community Services Directorate (Council Business) or by accessing the Victorian Legislation and Parliamentary Documents website at [www.legislation.vic.gov.au](http://www.legislation.vic.gov.au).

An interest may be by close association, financial, conflicting duties or receipt of gifts. If a Councillor or staff member discloses any interest in an item discussed at any Council Meeting (whether they attend or not) they must:

- Complete a disclosure of interest form prior to the Meeting (forms are available from Council Business Department at South Gippsland Shire Council).
- Advise the Chair of the interest immediately before the particular item is considered (if attending the Meeting).
- Leave the Council Chamber or Meeting room while the item is being discussed and during any vote taken (if attending the Meeting).

The Councillor or staff member will be advised to return to the Council Chamber or Meeting room immediately after the item has been considered and the vote is complete.

Councillors should check the Minutes of the Council Meeting to ensure their disclosure is recorded accurately. Councillors are not required to disclose conflict of interest in relation to matters only considered at Meetings they do not attend. Detailed information is available in *Conflict of Interest – A Guide for Councillors – October 2012*.

**Nil**

## 1.8. DECLARATION OF CONFLICT OF INTEREST FOR STAFF

Sections 80B and 80C of the Local Government Act 1989 require members of Council staff who have delegated functions and/or provide advice to Council or a Special Committee to disclose conflicts of interest. If Council staff have written, provided information/advice or approved a Council Report and have a conflict of interest, it is the responsibility of that staff member to disclose the interest.

Guidance to identifying and disclosing a conflict of interest is contained in the Victorian State Government, Department of Transport, Planning and Local Infrastructure – *Conflict of Interest – A Guide for Council Staff – October 2011*.

**Nil**



## **2. COUNCIL REPORTS**

### **2.1. 2018/19 PROPOSED ANNUAL BUDGET**

Corporate and Community Services Directorate

#### **EXECUTIVE SUMMARY**

This report presents the South Gippsland Shire Council Proposed Annual Budget for the 2018/19 financial year (**Attachment [2.1.1]**).

The Minister for Local Government announced that Victorian council rate increases will be capped to the rate of inflation, 2.25 per cent for 2018/19. Council has elected to only increase rates by 2.00 per cent for 2018/19 and the forward years have also been modelled at 2.0 per cent.

Section 2 of the Proposed Annual Budget sets out the strategic initiatives Council aims to implement in 2018/19 which also contain the annual plan actions and indicators to be achieved in 2018/19.

The budgeted financial statements for the 2018/19 Budget and Long Term Financial Plan are financially sustainable. They are validated by a series of key financial performance indicators.

It is recommended that Council endorse the 2018/19 Proposed Annual Budget and commence a s.223 public consultation process inviting formal written submissions from the community on the Proposed Annual Budget, with a closing date of Thursday 26 April 2018.

Section 223 public submissions will be heard at a Council briefing session on Wednesday 23 May 2018 and then considered and determined at a Special Meeting of Council on Wednesday 30 May 2018.

#### **RECOMMENDATION**

That Council:

1. Endorses the Proposed Annual Budget 2018/19 (Attachment [2.1.1]), pursuant to s.125 of the Local Government Act 1989.
2. Approves commencement of the statutory procedures to invite public submissions on the Revised Council Plan 2017-2021, in conjunction with the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19, pursuant to ss.125, 129, 158 and 223 of the Local Government Act 1989.

3. Authorises the Chief Executive Officer to undertake the administrative procedures necessary to enable the Council to carry out its functions under s.223 of the Local Government Act 1989 in respect of the statutory procedures outlined in Item 2 above.
4. Gives public notice on Tuesday 27 March 2018 and on Council's website of the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 in accordance with ss.125, 127 and 129 of the Local Government Act 1989 and commences a s.223 public consultation process inviting written submissions from the community on the Revised Council Plan 2017-2021 and Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 by 5.00pm on Thursday 26 April 2018.
5. In the public notice on Tuesday 27 March 2018, states that:
  - a. The Revised Council Plan 2017-2021 including the four year Strategic Resource Plan, the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 , including the 15 year Long Term Financial Plan, have been prepared;
  - b. Copies of the Revised Council Plan 2017-2021, the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19, together with information prescribed by the Local Government (Planning and Reporting) Regulations 2014 are available for inspection on Council's website [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au) and Main Office, 9 Smith Street Leongatha from 8.30am to 5.00pm between 27 March and 26 April 2018;
  - c. A person proposing to make a submission under s.223 of the Local Government Act 1989 must do so by 5.00pm on Thursday 26 April 2018. Late submissions will not be considered by Council;
  - d. Submissions must be addressed to the Chief Executive Officer, South Gippsland Shire Council. Separate submissions are to be lodged that relate to either the Revised Council Plan 2017-2021, the Proposed Annual Budget 2018/19 or the Proposed Rating Strategy 2018/19;
  - e. Submissions are to be sent via email for the Revised Council Plan 2017-2021 and Proposed Annual Budget 2018/19 to [submission@southgippsland.vic.gov.au](mailto:submission@southgippsland.vic.gov.au) and for the Proposed Rating Strategy 2018/19 to [ratingstrategy@southgippsland.vic.gov.au](mailto:ratingstrategy@southgippsland.vic.gov.au).
  - f. All formal written submissions will be considered in accordance with s.223 of the Local Government Act 1989;

- g.** Any person making a written submission is required to state in their submission if he or she wishes to appear in person, or be represented by a person specified in their submission, at an open meeting to be heard in support of their submission;
  - h.** Copies of submissions (including submitter's names and addresses) will be made available at the Open Hearing and Special Meeting of Council at which the submissions are considered and Council is required to make submissions available for public inspection for a period of twelve months;
  - i.** The time, date and place for hearing of submissions;
  - j.** Following consideration of the submissions, Council may or may not amend the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19; and
  - k.** Authorises the Chief Executive Officer to fix the time, date and place for the s.223 hearing for persons who have indicated in their written submissions that they wish to be heard in support of their submission, as Wednesday 23 May 2018 at 10.45am at the Council Chambers, Michael Place, Leongatha.
- 6.** Appoints all Councillors in attendance to hear the submissions.
- 7.** Advises those persons who have indicated in their written submission that they wish to be heard in support of their submission, of the date, time and place of the hearing of submissions, as soon as practicable.
- 8.** Authorises the Chief Executive Officer to fix the time, date and place to consider and determine the submissions for inclusion in the final Council Plan 2017-2021, Annual Budget 2018/19 and Rating Strategy 2018/19 at a Special Meeting of Council on Wednesday 30 May 2018 at 11.00am in the Council Chambers, Leongatha.
- 9.** Requires the final Proposed Annual Budget 2018/19 be presented to Council for adoption at an Ordinary Meeting of Council 27 June 2018.

**MOVED:** Cr Argento

**SECONDED:** Cr Edwards

**THAT COUNCIL:**

- 1. ENDORSES THE PROPOSED ANNUAL BUDGET 2018/19 (ATTACHMENT [2.1.1]), PURSUANT TO S.125 OF THE LOCAL GOVERNMENT ACT 1989.**
- 2. APPROVES COMMENCEMENT OF THE STATUTORY PROCEDURES TO INVITE PUBLIC SUBMISSIONS ON THE REVISED COUNCIL PLAN 2017-2021, IN CONJUNCTION WITH THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19, PURSUANT TO SS.125, 129, 158 AND 223 OF THE LOCAL GOVERNMENT ACT 1989.**
- 3. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO UNDERTAKE THE ADMINISTRATIVE PROCEDURES NECESSARY TO ENABLE THE COUNCIL TO CARRY OUT ITS FUNCTIONS UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 IN RESPECT OF THE STATUTORY PROCEDURES OUTLINED IN ITEM 2 ABOVE.**
- 4. GIVES PUBLIC NOTICE ON TUESDAY 27 MARCH 2018 AND ON COUNCIL'S WEBSITE OF THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19 IN ACCORDANCE WITH SS.125, 127 AND 129 OF THE LOCAL GOVERNMENT ACT 1989 AND COMMENCES A S.223 PUBLIC CONSULTATION PROCESS INVITING WRITTEN SUBMISSIONS FROM THE COMMUNITY ON THE REVISED COUNCIL PLAN 2017-2021 AND PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19 BY 5.00PM ON THURSDAY 26 APRIL 2018.**
- 5. IN THE PUBLIC NOTICE ON TUESDAY 27 MARCH 2018, STATES THAT:**
  - a. THE REVISED COUNCIL PLAN 2017-2021 INCLUDING THE FOUR YEAR STRATEGIC RESOURCE PLAN, THE PROPOSED ANNUAL BUDGET 2018/19, INCLUDING THE 15 YEAR LONG TERM FINANCIAL PLAN, AND PROPOSED RATING STRATEGY 2018/19, HAVE BEEN PREPARED;**
  - b. COPIES OF THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19, TOGETHER WITH INFORMATION PRESCRIBED BY THE LOCAL GOVERNMENT (PLANNING AND REPORTING) REGULATIONS 2014 ARE AVAILABLE FOR INSPECTION ON COUNCIL'S WEBSITE [WWW.SOUTHGIPPSLAND.VIC.GOV.AU](http://WWW.SOUTHGIPPSLAND.VIC.GOV.AU) AND MAIN OFFICE, 9 SMITH STREET LEONGATHA FROM 8.30AM TO 5.00PM BETWEEN 27 MARCH AND 26 APRIL 2018;**
  - c. A PERSON PROPOSING TO MAKE A SUBMISSION UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 MUST DO SO BY 5.00PM ON**

**THURSDAY 26 APRIL 2018. LATE SUBMISSIONS WILL NOT BE CONSIDERED BY COUNCIL;**

- d. SUBMISSIONS MUST BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL. SEPARATE SUBMISSIONS ARE TO BE LODGED THAT RELATE TO EITHER THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 OR THE PROPOSED RATING STRATEGY 2018/19;**
  - e. SUBMISSIONS ARE TO BE SENT VIA EMAIL FOR THE REVISED COUNCIL PLAN 2017-2021 AND PROPOSED ANNUAL BUDGET 2018/19 TO [SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU) AND FOR THE PROPOSED RATING STRATEGY 2018/19 TO [RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU).**
  - f. ALL FORMAL WRITTEN SUBMISSIONS WILL BE CONSIDERED IN ACCORDANCE WITH S.223 OF THE LOCAL GOVERNMENT ACT 1989;**
  - g. ANY PERSON MAKING A WRITTEN SUBMISSION IS REQUIRED TO STATE IN THEIR SUBMISSION IF HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THEIR SUBMISSION, AT AN OPEN MEETING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION;**
  - h. COPIES OF SUBMISSIONS (INCLUDING SUBMITTER'S NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE OPEN HEARING AND SPECIAL MEETING OF COUNCIL AT WHICH THE SUBMISSIONS ARE CONSIDERED AND COUNCIL IS REQUIRED TO MAKE SUBMISSIONS AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS;**
  - i. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS;**
  - j. FOLLOWING CONSIDERATION OF THE SUBMISSIONS, COUNCIL MAY OR MAY NOT AMEND THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19; AND**
  - k. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE FOR THE S.223 HEARING FOR PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSIONS THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, AS WEDNESDAY 23 MAY 2018 AT 10.45AM AT THE COUNCIL CHAMBERS, MICHAEL PLACE, LEONGATHA.**
- 6. APPOINTS ALL COUNCILLORS IN ATTENDANCE TO HEAR THE SUBMISSIONS.**

- 7. ADVISES THOSE PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSION THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, OF THE DATE, TIME AND PLACE OF THE HEARING OF SUBMISSIONS, AS SOON AS PRACTICABLE.**
- 8. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE TO CONSIDER AND DETERMINE THE SUBMISSIONS FOR INCLUSION IN THE FINAL COUNCIL PLAN 2017-2021, ANNUAL BUDGET 2018/19 AND RATING STRATEGY 2018/19 AT A SPECIAL MEETING OF COUNCIL ON WEDNESDAY 30 MAY 2018 AT 11.00AM IN THE COUNCIL CHAMBERS, LEONGATHA.**
- 9. REQUIRES THE FINAL PROPOSED ANNUAL BUDGET 2018/19 BE PRESENTED TO COUNCIL FOR ADOPTION AT AN ORDINARY MEETING OF COUNCIL 27 JUNE 2018.**

**CARRIED UNANIMOUSLY**

[Link to the next Agenda Item](#)

## REPORT

### Rate Capping

The Minister for Local Government, the Honourable Marlene Kairouz, announced on 21 December 2017 that the Victorian council rate increases will be capped to the rate of inflation, 2.25 per cent for 2018/19. Council has elected to only increase rates in 2018/19 by 2.00 per cent and has modelled this increase throughout the forward years of the Long Term Financial Plan (LTFP).

### Implementation

Council is legislatively required to prepare and then adopt an Annual Budget.

The tabled Proposed Budget document in **Attachment [2.1.1]** is the Budget for the purposes of preparing a budget under s.127 of the Local Government Act 1989.

The Proposed Budget follows the Best Practice Guidelines prepared by a working party consisting of Chartered Accountants Australia and New Zealand, LG Pro, LG Financial Professionals and the Municipal Association of Victoria (MAV).

Council is required to give 28 days notice of its intention to adopt the Proposed Budget **Attachment [2.1.1]**. During this public exhibition period the general public can consider the budget and make formal written submissions to the Chief Executive Officer pursuant to s.223 of the Local Government Act. An opportunity to speak to submissions will be provided to submitters upon request. Any written submission must be considered by Council before the adoption of the Budget.

It is proposed to hear submissions at a Council meeting to be held on 23 May 2018. Council will then consider and determine submissions at a Special Meeting of Council to be held on 30 May 2018 and adopt the Proposed Annual Budget 2018/19 at the Ordinary Council Meeting on 27 June 2018.

Council may endorse the Budget **Attachment [2.1.1]** as presented or consider any final amendments, prior to the commencement of the public consultation period.

## CONSULTATION

Council has considered community feedback and Councillors' ideas received through a range of media in the development of the Revised Council Plan 2017-2021. These include:

- **OurSay Forum** - 121 ideas generated by 65 submissions and involving 135 people through the OurSay online forum held in January and February 2018, along with ideas from previous OurSay budget forums.
- **Community Outreach days** - held in February 2018 by Council officers in Leongatha (59 active participants), Mirboo North (63 active participants) and

Foster (58 active participants), with a total of 180 participants. Participants were asked to place coloured dots against the various Strategic Objectives and Annual Initiatives (Year 2) to indicate their support, or disagreement.

- Sixty-one additional participants provided written comments on specific priorities for Council to consider.
- **Letters** - from community members with suggestions for the Plan.
- **Presentations** - given at public presentation sessions by community members and interested groups.
- **'Know Your Council' website** - comparative Local Government Performance Reporting Framework data.
- **Ideas and reflections** - raised by Councillors from community interactions throughout their term of office and in other networks or places where they engage with the community.
- **Government and Legislation** - Regional, State and Federal directions and legislation requirements.

Once the Proposed Annual Budget is endorsed by Council, the community engagement process will commence with written public submissions being called for. This process will be undertaken in accordance with s.223 – Right to Make a Submission – of the Act.

Submitters who have indicated in their submission they wish to be heard, will be invited to speak to their submission at an open Hearing on Wednesday 23 May 2018 at 10.45am in Council Chambers, Leongatha.

All submissions will be considered and determined at a Special Meeting of Council on Wednesday 30 May 2018.

Council is scheduled to formally consider and adopt the 2018/19 Annual Budget at its meeting to be held on 27 June 2018.

## **RESOURCES**

Council has a legislative requirement to comply with the following principles of sound financial management:

- Prudently manage financial risks relating to debt, assets and liabilities;
- Provide reasonable stability in the level of rate burden;



- Consider the financial effects of Council decisions on future generations; and
- Provide full, accurate and timely disclosure of financial information.

A key component of sound financial management is the preparation of an Annual Budget within a longer-term business framework. For the 2018/19 financial year, the Proposed Annual Budget includes the following features:

- Operating expenditure (excluding depreciation) will be \$49.27 million;
- Depreciation will be \$10.29 million;
- Capital expenditure will be \$21.39 million\*;
- Total debt redemption will be \$nil;
- Total cash outflows will be \$70.56 million;
- Total cash inflows will be \$68.47 million;
- Cash at end of financial year will be \$11.44 million;
- Increase in rates and waste charges will be 2.00 per cent;
- Rate and charges income will be \$42.15 million.

\* Council's contribution to the overall Capital expenditure is budgeted to be \$16.92 million. Council has budgeted for \$2.15 million in non-recurrent grant funding to support: the Great Southern Rail Trail (seeking grant); Ruby Arawata Road Bridge (seeking grant); Bena Kongwak Bridge (committed); Korumburra Skate Park (committed); Fish Creek Netball Courts (committed) and the Fish Creek Kindergarten (seeking grant).

When comparing capital expenditure outlays for the first four years of this current Long Term Financial Plan to the previous 2017/18 plan, Council has increased the capital expenditure budget by \$6.1m. Council will have a somewhat restricted financial capacity to accommodate unforeseen strategic opportunities or unavoidable cost events that may arise.

In the later years of the plan the projected operating result that showed a gradual downward trend in the 2017/18 plan has been addressed via a thorough review of asset valuation and depreciation methodology.

The financial statements for the 2018/19 Annual Budget and Long Term Financial Plan are financially sustainable. They are validated by a series of key financial performance indicators contained in Section 5 of **Attachment [2.1.1]**.

## **RISKS**

Council has legislated time constraints and specific responsibilities set out in the Local Government Act 1989 (Act) for preparing an Annual Budget. Endorsing the Proposed Annual Budget and commencing the formal public consultation process will work towards ensuring the required legislative timelines can be met.

Further, under s.136 of the Act, Council is required to manage financial risks prudently, having regard to economic circumstances and ensuring that decisions made and actions taken consider their financial effects on future generations. Council's Annual Budget and Long Term Financial Plan are developed with reference to a number of Long Term Financial Strategies, which include a number of key financial performance indicators. These are further discussed in ss.4.7.2 and 4.7.4 of **Attachment [2.1.1]**.

Due to the decision by China to no longer accept contaminated recyclable materials, there is a risk that Council's cost for recycling collection and processing may increase. Cost impacts (if any) are not known at this stage.

## **STAFF DISCLOSURE**

Nil

## **ATTACHMENTS**

*Attachments are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

1. Proposed Annual Budget 2018-19 **[2.1.1]**

## **REFERENCE DOCUMENTS**

### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

Council Plan 2017-2021

### **Legislative Provisions**

Local Government Act 1989

## **2.2. 2017-2021 REVISED COUNCIL PLAN**

Corporate and Community Services Directorate

### **EXECUTIVE SUMMARY**

The Revised Council Plan 2017-2021, including the four year Strategic Resource Plan, (Revised Plan) (**Attachment [2.2.1]**) outlines the strategic objectives, strategies and indicators Council wishes to achieve in its four year term. The Revised Plan is presented to Council for endorsement.

Once endorsed, formal public submissions will be sought on the Revised Plan from 27 March 2018 to 5.00pm on Thursday 26 April 2018.

A public hearing of submitters who wish to speak will be held on Wednesday 23 May 2018 at 10.45am at the Council Chambers, Leongatha.

Council will consider and determine submissions to the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 at a Special Meeting of Council in the Council Chambers, at 11.00am on Wednesday 30 May 2018. Copies of submissions (including submitters' names and addresses) will be made public in the Agenda and Minutes at the Open Hearing on 23 May 2018 and the Special Council Meeting on 30 May 2018.

### **RECOMMENDATION**

That Council:

- 1.** Endorses the Revised Council Plan 2017-2021, including the Strategic Resource Plan, contained in Attachment [2.2.1], pursuant to s.125 of the Local Government Act 1989.
- 2.** Approves commencement of the statutory procedures to invite public submissions on the Revised Council Plan 2017-2021, in conjunction with the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19, pursuant to ss.125, 129, 158 and 223 of the Local Government Act 1989.
- 3.** Authorises the Chief Executive Officer to undertake the administrative procedures necessary to enable the Council to carry out its functions under s.223 of the Local Government Act 1989 in respect of the statutory procedures outlined in Item 2 above.
- 4.** Gives public notice on Tuesday 27 March 2018 and on Council's website of the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 in accordance with ss.125, 127 and 129

of the Local Government Act 1989 and commences a s.223 public consultation process inviting written submissions from the community on the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 by 5.00pm on Thursday 26 April 2018.

5. In the public notice on Tuesday 27 March 2018, states that:
- a. The Revised Council Plan 2017-2021 including the four year Strategic Resource Plan, the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 , including the 15 year Long Term Financial Plan, have been prepared;
  - b. Copies of the Revised Council Plan 2017-2021, the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19, together with information prescribed by the Local Government (Planning and Reporting) Regulations 2014 are available for inspection on Council's website [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au) and Main Office, 9 Smith Street Leongatha from 8.30am to 5.00pm between 27 March and 26 April 2018;
  - c. A person proposing to make a submission under s.223 of the Local Government Act 1989 must do so by 5.00pm on Thursday 26 April 2018. Late submissions will not be considered by Council;
  - d. Submissions must be addressed to the Chief Executive Officer, South Gippsland Shire Council. Separate submissions are to be lodged that relate to either the Revised Council Plan 2017-2021, the Proposed Annual Budget 2018/19 or the Proposed Rating Strategy 2018/19;
  - e. Submissions are to be sent via email for the Revised Council Plan 2017-2021 and Proposed Annual Budget 2018/19 to [submission@southgippsland.vic.gov.au](mailto:submission@southgippsland.vic.gov.au) and for the Proposed Rating Strategy 2018/19 to [ratingstrategy@southgippsland.vic.gov.au](mailto:ratingstrategy@southgippsland.vic.gov.au);
  - f. All formal written submissions will be considered in accordance with s.223 of the Local Government Act 1989;
  - g. Any person making a written submission is required to state in their submission if he or she wishes to appear in person, or be represented by a person specified in their submission, at an open meeting to be heard in support of their submission;
  - h. Copies of submissions (including submitter's names and addresses) will be made available at the Open Hearing and Special Meeting of Council at which the submissions are considered and Council is required to make submissions available for public inspection for a period of twelve months;

- i. The time, date and place for hearing of submissions;
  - j. Following consideration of the submissions, Council may or may not amend the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19; and
  - k. Authorises the Chief Executive Officer to fix the time, date and place for the s.223 hearing for persons who have indicated in their written submissions that they wish to be heard in support of their submission, on Wednesday 23 May 2018 at 10.45am at the Council Chambers, Michael Place, Leongatha.
6. Appoints all Councillors in attendance to hear the submissions;
  7. Advises those persons who have indicated in their written submission that they wish to be heard in support of their submission, of the date, time and place of the hearing of submissions, as soon as practicable.
  8. Authorises the Chief Executive Officer to fix the time, date and place to consider and determine the submissions for inclusion in the final Council Plan 2017-2021, Annual Budget 2018/19 and Rating Strategy 2018/19 at a Special Meeting of Council on Wednesday 30 May 2018 at 11.00am in the Council Chambers, Michael Place, Leongatha.
  9. Requires the final Revised Council Plan 2017-2021 be presented to Council for adoption at an Ordinary Meeting of Council 27 June 2018.

**MOVED:** Cr Argento

**SECONDED:** Cr McEwen

**THAT COUNCIL:**

1. **ENDORSES THE REVISED COUNCIL PLAN 2017-2021, INCLUDING THE STRATEGIC RESOURCE PLAN, CONTAINED IN ATTACHMENT [2.2.1], PURSUANT TO S.125 OF THE LOCAL GOVERNMENT ACT 1989.**
2. **APPROVES COMMENCEMENT OF THE STATUTORY PROCEDURES TO INVITE PUBLIC SUBMISSIONS ON THE REVISED COUNCIL PLAN 2017-2021, IN CONJUNCTION WITH THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19, PURSUANT TO SS.125, 129, 158 AND 223 OF THE LOCAL GOVERNMENT ACT 1989.**
3. **AUTHORISES THE CHIEF EXECUTIVE OFFICER TO UNDERTAKE THE ADMINISTRATIVE PROCEDURES NECESSARY TO ENABLE THE COUNCIL TO CARRY OUT ITS FUNCTIONS UNDER S.223 OF THE LOCAL GOVERNMENT**

**ACT1989 IN RESPECT OF THE STATUTORY PROCEDURES OUTLINED IN ITEM 2 ABOVE.**

- 4. GIVES PUBLIC NOTICE ON TUESDAY 27 MARCH 2018 AND ON COUNCIL'S WEBSITE OF THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19 IN ACCORDANCE WITH SS.125, 127 AND 129 OF THE LOCAL GOVERNMENT ACT 1989 AND COMMENCES A S.223 PUBLIC CONSULTATION PROCESS INVITING WRITTEN SUBMISSIONS FROM THE COMMUNITY ON THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19 BY 5.00PM ON THURSDAY 26 APRIL 2018.**
  
- 5. IN THE PUBLIC NOTICE ON TUESDAY 27 MARCH 2018, STATES THAT:**
  - a. THE REVISED COUNCIL PLAN 2017-2021 INCLUDING THE FOUR YEAR STRATEGIC RESOURCE PLAN, THE PROPOSED ANNUAL BUDGET 2018/19, INCLUDING THE 15 YEAR LONG TERM FINANCIAL PLAN, AND PROPOSED RATING STRATEGY 2018/19, HAVE BEEN PREPARED;**
  
  - b. COPIES OF THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19, TOGETHER WITH INFORMATION PRESCRIBED BY THE LOCAL GOVERNMENT (PLANNING AND REPORTING) REGULATIONS 2014 ARE AVAILABLE FOR INSPECTION ON COUNCIL'S WEBSITE [WWW.SOUTHGIPPSLAND.VIC.GOV.AU](http://WWW.SOUTHGIPPSLAND.VIC.GOV.AU) AND MAIN OFFICE, 9 SMITH STREET LEONGATHA FROM 8.30AM TO 5.00PM BETWEEN 27 MARCH AND 26 APRIL 2018;**
  
  - c. A PERSON PROPOSING TO MAKE A SUBMISSION UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 MUST DO SO BY 5.00PM ON THURSDAY 26 APRIL 2018. LATE SUBMISSIONS WILL NOT BE CONSIDERED BY COUNCIL;**
  
  - d. SUBMISSIONS MUST BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL. SEPARATE SUBMISSIONS ARE TO BE LODGED THAT RELATE TO EITHER THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 OR THE PROPOSED RATING STRATEGY 2018/19;**
  
  - e. SUBMISSIONS ARE TO BE SENT VIA EMAIL FOR THE REVISED COUNCIL PLAN 2017-2021 AND PROPOSED ANNUAL BUDGET 2018/19 TO [SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU) AND FOR THE PROPOSED RATING STRATEGY 2018/19 TO [RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU);**

- f. ALL FORMAL WRITTEN SUBMISSIONS WILL BE CONSIDERED IN ACCORDANCE WITH S.223 OF THE LOCAL GOVERNMENT ACT 1989;
  - g. ANY PERSON MAKING A WRITTEN SUBMISSION IS REQUIRED TO STATE IN THEIR SUBMISSION IF HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THEIR SUBMISSION, AT AN OPEN MEETING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION;
  - h. COPIES OF SUBMISSIONS (INCLUDING SUBMITTER'S NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE OPEN HEARING AND SPECIAL MEETING OF COUNCIL AT WHICH THE SUBMISSIONS ARE CONSIDERED AND COUNCIL IS REQUIRED TO MAKE SUBMISSIONS AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS;
  - i. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS;
  - j. FOLLOWING CONSIDERATION OF THE SUBMISSIONS, COUNCIL MAY OR MAY NOT AMEND THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19; AND
  - k. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE FOR THE S.223 HEARING FOR PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSIONS THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, ON WEDNESDAY 23 MAY 2018 AT 10.45AM AT THE COUNCIL CHAMBERS, MICHAEL PLACE, LEONGATHA.
6. APPOINTS ALL COUNCILLORS IN ATTENDANCE TO HEAR THE SUBMISSIONS;
7. ADVISES THOSE PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSION THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, OF THE DATE, TIME AND PLACE OF THE HEARING OF SUBMISSIONS, AS SOON AS PRACTICABLE.
8. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE TO CONSIDER AND DETERMINE THE SUBMISSIONS FOR INCLUSION IN THE FINAL COUNCIL PLAN 2017-2021, ANNUAL BUDGET 2018/19 AND RATING STRATEGY 2018/19 AT A SPECIAL MEETING OF COUNCIL ON WEDNESDAY 30 MAY 2018 AT 11.00AM IN THE COUNCIL CHAMBERS, MICHAEL PLACE, LEONGATHA.
9. REQUIRES THE FINAL REVISED COUNCIL PLAN 2017-2021 BE PRESENTED TO COUNCIL FOR ADOPTION AT AN ORDINARY MEETING OF COUNCIL 27 JUNE 2018.

**CARRIED UNANIMOUSLY**

[Link to the next Agenda Item](#)

**REPORT**

The role of Council is to provide leadership for the good governance of the Shire. This is achieved, in part, by establishing strategic directions articulated in a four year Council Plan and supported by a four year Strategic Resource Plan. These requirements are legislated under s.125 of the Local Government Act 1989 (Act).

Council has worked together to develop the Strategic Objectives, Strategies and Strategic Indicators contained in the Revised Plan in **Attachment [2.2.1]**.

Several strategies have been added or amended slightly in the Revised Plan along with the structure of the strategies, which has been adjusted to reflect 'overarching' and 'sub-strategies'. These changes have been incorporated following several workshops held with Councillors in late 2017 and a range of community engagement activities held in February 2018.

The Revised Plan contains the four year Strategic Resource Plan (SRP), taken from Council's Annual Budget 2018/19 and Long Term Financial Plan. The SRP outlines the resources required to achieve the Revised Plan.

This Revised Plan, including the SRP, is presented to Council for endorsement, prior to the commencement of a 28 day public consultation activity in accordance with s.223 of the Local Government Act 1989 (Act).

Submissions must be addressed as per the notice outlined above and may, or may not, result in amendments to the final Revised Council Plan 2017-2021 that will be presented to the 27 June 2018 Ordinary Meeting of Council.

**Summary of the Revised Council Plan 2017-2021 (Attachment [2.2.1])**

The Revised Plan contains the following amendments:

- Inclusion of the five Priority Projects adopted by Council under Strategy 1.2 - Identify Priority Projects and advocate to the State and Federal governments for funding and support.
  - Korumburra Revitalisation
  - Leongatha Revitalisation
  - Great Southern Rail Trail Extensions
  - Mirboo North Pool Refurbishment
  - East/West South Gippsland Public Transport Study



- A slight amendment to Sub Strategy 1.3.7 - Progress the development of a business case to assess the establishment of a multipurpose undercover 'Equestrian / Expo Centre' at Stony Creek.
- A new strategy has been incorporated to address concerns that Youth issues are inadequately represented. This is Strategy 2.7 - Develop and implement a Youth Strategy to determine the needs of young people and assist them to have a voice regarding matters that affect them.
- A slight amendment has been made to the 2018/19 Annual Initiative 4, under Objective 3, as follows: Investigate Library and Community Hub location options in Leongatha to assist in the revitalisation of the town centre.
- The Strategic Resource Plan has been updated to reflect the next four years of the Long term Financial Plan. This includes the financial and non-financial resources required to achieve the Revised Plan.

## CONSULTATION

Council has considered community feedback and Councillors' ideas received through a range of media in the development of the Revised Plan. These include:

- **OurSay Forum** - 121 ideas generated by 65 submissions and involving 135 people through the OurSay online forum held in January and February 2018, along with ideas from previous OurSay budget forums;
- **Community Outreach days** - held in February 2018 by Council officers in Leongatha (59 active participants), Mirboo North (63 active participants) and Foster (58 active participants), with a total of 180 participants. Participants were asked to place coloured dots against the various Strategic Objectives and Annual Initiatives (Year 2) to indicate their support, or disagreement.
  - Sixty-one additional participants provided written comments on specific priorities for Council to consider.
  - The information collected on these days has been used to inform the changes prior to the formal s.223 public consultation process.
- **Letters** - from community members with suggestions for the Plan;
- **Presentations** - given at public presentation sessions by community members and interested groups;
- **'Know Your Council' website** - comparative Local Government Performance Reporting Framework data;

- **Ideas and reflections** - raised by Councillors from community interactions throughout their term of office and in other networks or places where they engage with the community; and
- **Government and Legislation** - Regional, State and Federal directions and legislation requirements.

The community engagement activities undertaken in February 2018, identified reasonably strong support for the majority of the Council Plan strategies and annual Initiatives. The areas of greatest support included the focus on revitalising the towns, developing a vision for future growth, extending the rail trails, refurbishment of swimming pools, advocacy to protect the natural environment and improve roads, and to reduce the rate burden.

Mixed reactions were received for some strategic directions including the Equestrian Centre, Branding Strategy, Coastal Study, investigation of caravan parks and camping grounds at Sandy Point, the Leongatha Library and Community Hub and report on Design Panels.

Council reflected on these responses at a briefing held on 21 February 2018. These discussions were used to formulate the Revised Plan in **Attachment [2.2.1]**.

Council will have the opportunity to give further consideration to the ideas and priorities mentioned by the community in the development of the 2019/20 Annual Initiatives later this calendar year.

Once the Revised Plan is endorsed by Council, a further formal public consultation process will commence with written public submissions being called for. Submitters who indicate a wish to be heard will be invited to speak at an Open Hearing on Wednesday 23 May 2018.

All submissions will be considered and determined at a Special Meeting of Council on Wednesday 30 May 2018. The outcomes will be incorporated into the final Council Plan 2017-2021 to be presented to Council for adoption by 30 June 2018.

## **RESOURCES**

Financial implications arise as a result of the directions and priorities Council sets for the four year term. Council has considered these implications through the development of the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Long Term Financial Plan (LTFFP). These plans are all interlinked and dependent on each other, providing both opportunities and constraints.

The final 2018/19 Council Plan, 2018/19 Budget and Long Term Financial Plan may all require amendment prior to final adoption at the 27 June 2018 Council

Meeting, following consideration and determination of submissions received from the community members through the s.223 process.

## **RISKS**

Considering the financial implications required to implement the new priorities of Council will mitigate the risk of overcommitting Council to achieve outputs and outcomes it does not have the resources to support. The Financial Strategies, outlined in the Proposed Annual Budget 2018/19 and in the SRP, provide guidance for Council in determining how to responsibly plan for future service provision. Adherence to these strategies will mitigate this risk.

Council is required to adopt a Council Plan for its four year term in accordance with s.125 of the Act. The Council Plan must contain Strategic Objectives, Strategies to achieve these Objectives for at least four years, Strategic Indicators to monitor the achievement of the Objectives and a rolling four year SRP to deliver the Council Plan. Without these sections, Council risks breaching the legislative requirements set out in the Act.

## **STAFF DISCLOSURE**

Nil

## **ATTACHMENTS**

*Attachments are available on Council's website:* [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)

1. Revised Council Plan 2017-2021 **[2.2.1]**

## **REFERENCE DOCUMENTS**

### **Council Policy**

*Documents are available on Council's website:* [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)

Council Plan 2017-2021 incorporating the Strategic Resource Plan

### **Legislative Provisions**

Local Government Act 1989

### **2.3. 2018/19 RATING STRATEGY**

Corporate and Community Services Directorate

#### **EXECUTIVE SUMMARY**

In August 2017, Council approved a process to review its Rating Strategy through the establishment of a steering committee representing a cross-section of rate-paying stakeholders, three Councillors and an independent non-voting chair-person to oversee the review. Over eight meetings, the Committee made eleven recommendations to the existing 2014-2018 Rating Strategy.

On 21 February 2018, the Rating Strategy and Review Committee presented their report "Draft Recommendations of Rating Strategy Committee 2018-2022 Rating System" to Council.

The Rating Strategy Steering Committee report made recommendations in relation to changing certain elements of the existing strategy as well as confirming some of the existing elements as appropriate for the new strategy. The Committee members were not unanimous in their support of the Draft recommendations and a couple of Committee members provided an alternative report to Council at the briefing on the 21 February 2018.

A summary of the Committee report recommendations are that South Gippsland Shire Council:

1. Continues to apply Capital Improved Value as the valuation methodology to levy Council rates.
2. Continues to apply differential rating as its rating system.
3. Applies a differential of 120 per cent of the general rate for properties that meet the Industrial definition. Existing differential is 105 per cent.
4. Applies a differential of 110 per cent of the general rate for properties that meet the Commercial definition. Existing differential is 105 per cent.
5. Applies a differential of 65 per cent of the general rate for properties that meet the Farm definition. Existing differential is 70 per cent.
6. Removes the Rate type Rural residential and transfers those properties transfer to the General category.
7. Continues to apply a differential of 200 per cent of the general rate for properties that meet the Vacant Land definition.
8. Introduces a new category for Rural Vacant land.

9. Applies a differential of 140 per cent of the general rate for properties that meet the Rural Vacant land definition.
10. Continues to apply a differential of 50 per cent of the general rate for properties that meet the Cultural and recreational land definition.
11. Reintroduces a Municipal Charge at the rate of 5.0 per cent of the combined sum total of Council's total revenue for the Municipal Charge and the revenue from General rates.
12. That the definition of farm land be expanded to incorporate properties between 2 and 20ha that have a dwelling or a permit for a dwelling and is used predominantly for farming purposes and which has applied to it an AVPCC code with the range 500-583. Previously, the AVPCC code range only included 540-583.

Following the presentation by the Committee to Council on 21 February 2018, it was determined based on the differing views of both individual members of the Committee and the various Councillors that there was insufficient support to make the changes recommended by the Committee for the current 2018/19 Budget and that Council would look to perform its own review over the following 12 months in time for the 2019/20 Budget. Therefore there are no changes from the previously adopted Rating Strategy 2014 – 2018.

The Proposed Rating Strategy 2018/19 (**Attachment [2.3.1]**) is presented to Council for endorsement. Once endorsed, formal public submissions will be sought on the Proposed Rating Strategy 2018/19 from 27 March 2018 to the closing date of Thursday 26 April 2018 at 5.00pm.

A public hearing of submitters who wish to speak will be held on 23 May 2018 at 2.15pm at the Council Chambers, Leongatha.

Council will consider and determine submissions to the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 at a Special Meeting of Council in the Council Chambers, at 11.00am on Wednesday 30 May 2018. Copies of submissions (including submitters' names and addresses) will be made public in the Agenda and Minutes at the Open Hearing on 23 May 2018 and the Special Meeting of Council on 30 May 2018.

#### **RECOMMENDATION**

That Council:

1. Endorses the Proposed Rating Strategy 2018/19 (**Attachment [2.3.1]**), pursuant to s.125 of the Local Government Act 1989.

2. Extend appreciation to the Rating Strategy Review Steering Committee for its deliberations and report, Draft Recommendations of Rating Strategy Committee 2018-2022 Rating System.
3. Formally disbands the Rating Strategy Review Steering Committee.
4. Commits to reviewing the Rating Strategy internally in time for the 2019/20 Budget taking into consideration the recommendations from the Rating Review Committee and other ideas put forward.
5. Approves commencement of the statutory procedures to invite public submissions on the Revised Council Plan 2017-2021, in conjunction with the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19, pursuant to ss.125, 129, 158 and 223 of the Local Government Act 1989.
6. Authorises the Chief Executive Officer to undertake the administrative procedures necessary to enable the Council to carry out its functions under s.223 of the Local Government Act 1989 in respect of the statutory procedures outlined in item 5 above.
7. Gives public notice on Tuesday 27 March 2018 and on Council's website of the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 in accordance with ss.125, 127 and 129 of the Local Government Act 1989 and commences a s.223 Public Consultation process inviting written submissions from the community on the Revised Council Plan 2017-2021 and Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 by close of business (5.00pm) on Thursday 26 April 2018.
8. In the public notice on Tuesday 27 March 2018, states that:
  - a. The Revised Council Plan 2017-2021 including the four year Strategic Resource Plan, the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19 , including the 15 year Long Term Financial Plan, have been prepared;
  - b. Copies of the Revised Council Plan 2017-2021, the Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19, together with information prescribed by the Local Government (Planning and Reporting) Regulations 2014 are available for inspection on Council's website [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au) and Main Office, 9 Smith Street Leongatha from 8.30am to 5.00pm between 27 March and 26 April 2018;

- c. A person proposing to make a submission under s.223 of the Local Government Act 1989 must do so by 5.00pm on Thursday 26 April 2018. Late submissions will not be considered by Council;
  - d. Submissions must be addressed to the Chief Executive Officer, South Gippsland Shire Council. Separate submissions are to be lodged that relate to either the Revised Council Plan 2017-2021, the Proposed Annual Budget 2018/19 or the Proposed Rating Strategy 2018/19;
  - e. Submissions are to be sent via email for the Revised Council Plan 2017-2021 and Proposed Annual Budget 2018/19 to [submission@southgippsland.vic.gov.au](mailto:submission@southgippsland.vic.gov.au) and for the Proposed Rating Strategy 2018/19 to [ratingstrategy@southgippsland.vic.gov.au](mailto:ratingstrategy@southgippsland.vic.gov.au);
  - f. All formal written submissions will be considered in accordance with s.223 of the Local Government Act 1989;
  - g. Any person making a written submission is required to state in their submission if he or she wishes to appear in person, or be represented by a person specified in their submission, at an open meeting to be heard in support of their submission;
  - h. Copies of submissions (including submitter's names and addresses) will be made available at the Open Hearing and Special Meeting of Council at which the submissions are considered and Council is required to make submissions available for public inspection for a period of twelve months;
  - i. The time, date and place for hearing of submissions;
  - j. Following consideration of the submissions, Council may or may not amend the Revised Council Plan 2017-2021, Proposed Annual Budget 2018/19 and Proposed Rating Strategy 2018/19; and
  - k. Authorises the Chief Executive Officer to fix the time, date and place for the s.223 hearing for persons who have indicated in their written submissions that they wish to be heard in support of their submission, as Wednesday 23 May 2018 at 2.15pm at the Council Chambers, Michael Place, Leongatha.
9. Appoints all Councillors in attendance to hear the submissions.
  10. Advises those people who have indicated in their written submission that they wish to be heard in support of their submission, of the date, time and place of the hearing of submissions, as soon as practicable.

11. Authorises the Chief Executive Officer to fix the time, date and place to consider and determine the submissions for inclusion in the final Council Plan 2017-2021, Annual Budget 2018/19 and Rating Strategy 2018/19 at a Special Meeting of Council on Wednesday 30 May 2018 at 11.00am in the Council Chambers, Leongatha.
12. Requires the final Proposed Rating Strategy 2018/19 be presented to Council for adoption at the Ordinary Meeting of Council 27 June 2018.



**Cr Hill moved an Alternate Motion.**

**MOVED:** Cr Hill

**SECONDED:** Cr McEwen

**THAT COUNCIL:**

- 1. AMENDS THE PROPOSED RATING STRATEGY 2018-2022 TO INCLUDE THE RECOMMENDATIONS LISTED BELOW FROM THE RATING STRATEGY COMMITTEE PRIOR TO THE COMMENCEMENT OF THE S.223 CONSULTATION PROCESS:**
  - a. CONTINUES TO APPLY CAPITAL IMPROVED VALUE AS THE VALUATION METHODOLOGY TO LEVY COUNCIL RATES.**
  - b. CONTINUES TO APPLY DIFFERENTIAL RATING AS ITS RATING SYSTEM.**
  - c. APPLIES A DIFFERENTIAL OF 120 PER CENT OF THE GENERAL RATE FOR PROPERTIES THAT MEET THE INDUSTRIAL DEFINITION. EXISTING DIFFERENTIAL IS 105 PER CENT.**
  - d. APPLIES A DIFFERENTIAL OF 110 PER CENT OF THE GENERAL RATE FOR PROPERTIES THAT MEET THE COMMERCIAL DEFINITION. EXISTING DIFFERENTIAL IS 105 PER CENT.**
  - e. APPLIES A DIFFERENTIAL OF 65 PER CENT OF THE GENERAL RATE FOR PROPERTIES THAT MEET THE FARM DEFINITION. EXISTING DIFFERENTIAL IS 70 PER CENT.**
  - f. REMOVES THE RATE TYPE RURAL RESIDENTIAL AND TRANSFERS THOSE PROPERTIES TO THE GENERAL CATEGORY.**
  - g. CONTINUES TO APPLY A DIFFERENTIAL OF 200 PER CENT OF THE GENERAL RATE FOR PROPERTIES THAT MEET THE VACANT LAND DEFINITION.**
  - h. INTRODUCES A NEW CATEGORY FOR RURAL VACANT LAND.**
  - i. APPLIES A DIFFERENTIAL OF 140 PER CENT OF THE GENERAL RATE FOR PROPERTIES THAT MEET THE RURAL VACANT LAND DEFINITION.**
  - j. CONTINUES TO APPLY A DIFFERENTIAL OF 50 PER CENT OF THE GENERAL RATE FOR PROPERTIES THAT MEET THE CULTURAL AND RECREATIONAL LAND DEFINITION.**

- k. REINTRODUCES A MUNICIPAL CHARGE AT THE RATE OF 5.0 PER CENT OF THE COMBINED SUM TOTAL OF COUNCIL'S TOTAL REVENUE FOR THE MUNICIPAL CHARGE AND THE REVENUE FROM GENERAL RATES.**
- l. THAT THE DEFINITION OF FARM LAND BE EXPANDED TO INCORPORATE PROPERTIES BETWEEN 2 AND 20HA THAT HAVE A DWELLING OR A PERMIT FOR A DWELLING AND IS USED PREDOMINANTLY FOR FARMING PURPOSES AND WHICH HAS APPLIED TO IT AN AVPCC CODE WITH THE RANGE 500-583. PREVIOUSLY, THE AVPCC CODE RANGE ONLY INCLUDED 540-583. IN ORDER TO RECEIVE THE FARM DIFFERENTIAL, PROPERTIES MUST PASS THE FOLLOWING TEST:**
- i. HAS A TOTAL AREA EXCEEDING 2 HA AND LESS THAN 20HA;**
  - ii. HAS A DWELLING OR A PERMIT FOR A DWELLING;**
  - iii. IS USED FOR THE BUSINESS OF FARMING**
  - iv. PROOF OF ATO PRIMARY PRODUCER STATUS**
  - v. PROOF OF ABN**
  - vi. COMPLETION OF SHIRE FORM – INFORMATION FOR FARM RATE APPLICATION**
  - vii. TO AVOID DOUBT IN EVALUATING A FARM BUSINESS FOR THE PURPOSES OF IDENTIFYING FARM LAND, SECTION 2(1) OF THE VALUATION OF LAND ACT WILL BE APPLIED:**
    - HAS A SIGNIFICANT AND SUBSTANTIAL COMMERCIAL PURPOSE OR CHARACTER; AND**
    - SEEKS TO MAKE A PROFIT ON A CONTINUOUS OR REPETITIVE BASIS FROM ITS ACTIVITIES ON THE LAND; AND**
    - IS MAKING A PROFIT FROM ITS ACTIVITIES ON THE LAND, OR THAT HAS A REASONABLE PROSPECT OF MAKING A PROFIT FROM ACTIVITIES ON THE LAND IF IT CONTINUES TO OPERATE IN THE WAY IT IS OPERATING**
- 2. ENDORSES THE AMENDED PROPOSED RATING STRATEGY 2018-2022, PURSUANT TO S.125 OF THE LOCAL GOVERNMENT ACT 1989.**
- 3. AMENDS THE PROPOSED ANNUAL BUDGET 2018/19 TO ALIGN TO THE AMENDED PROPOSED RATING STRATEGY 2018-2022 PRIOR TO THE COMMENCEMENT OF THE S.223 CONSULTATION PROCESS.**

4. **EXTEND APPRECIATION TO THE RATING STRATEGY REVIEW STEERING COMMITTEE FOR ITS DELIBERATIONS AND REPORT, DRAFT RECOMMENDATIONS OF RATING STRATEGY COMMITTEE 2018-2022 RATING SYSTEM.**
5. **FORMALLY DISBANDS THE RATING STRATEGY REVIEW STEERING COMMITTEE.**
6. **APPROVES COMMENCEMENT OF THE STATUTORY PROCEDURES TO INVITE PUBLIC SUBMISSIONS ON THE REVISED COUNCIL PLAN 2017-2021, IN CONJUNCTION WITH THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018-2022, PURSUANT TO SS.125, 129, 158 AND 223 OF THE LOCAL GOVERNMENT ACT 1989.**
7. **AUTHORISES THE CHIEF EXECUTIVE OFFICER TO UNDERTAKE THE ADMINISTRATIVE PROCEDURES NECESSARY TO ENABLE THE COUNCIL TO CARRY OUT ITS FUNCTIONS UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 IN RESPECT OF THE STATUTORY PROCEDURES OUTLINED IN ITEM 5 ABOVE.**
8. **GIVES PUBLIC NOTICE ON TUESDAY 27 MARCH 2018 AND ON COUNCIL'S WEBSITE OF THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018-2022 IN ACCORDANCE WITH SS.125, 127 AND 129 OF THE LOCAL GOVERNMENT ACT 1989 AND COMMENCES A S.223 PUBLIC CONSULTATION PROCESS INVITING WRITTEN SUBMISSIONS FROM THE COMMUNITY ON THE REVISED COUNCIL PLAN 2017-2021 AND PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018-2022 BY CLOSE OF BUSINESS (5.00PM) ON THURSDAY 26 APRIL 2018.**
9. **IN THE PUBLIC NOTICE ON TUESDAY 27 MARCH 2018, STATES THAT:**
  - a. **THE REVISED COUNCIL PLAN 2017-2021 INCLUDING THE FOUR YEAR STRATEGIC RESOURCE PLAN, THE PROPOSED ANNUAL BUDGET 2018/19 INCLUDING THE 15 YEAR LONG TERM FINANCIAL PLAN AND PROPOSED RATING STRATEGY 2018-2022, HAVE BEEN PREPARED;**
  - b. **COPIES OF THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018-2022, TOGETHER WITH INFORMATION PRESCRIBED BY THE LOCAL GOVERNMENT (PLANNING AND REPORTING) REGULATIONS 2014 ARE AVAILABLE FOR INSPECTION ON COUNCIL'S WEBSITE [WWW.SOUTHGIPPSLAND.VIC.GOV.AU](http://WWW.SOUTHGIPPSLAND.VIC.GOV.AU) AND MAIN OFFICE, 9 SMITH STREET LEONGATHA FROM 8.30AM TO 5.00PM BETWEEN 27 MARCH AND 26 APRIL 2018;**

- c. A PERSON PROPOSING TO MAKE A SUBMISSION UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 MUST DO SO BY 5.00PM ON THURSDAY 26 APRIL 2018. LATE SUBMISSIONS WILL NOT BE CONSIDERED BY COUNCIL;**
- d. SUBMISSIONS MUST BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL. SEPARATE SUBMISSIONS ARE TO BE LODGED THAT RELATE TO EITHER THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 OR THE PROPOSED RATING STRATEGY 2018-2022;**
- e. SUBMISSIONS ARE TO BE SENT VIA EMAIL FOR THE REVISED COUNCIL PLAN 2017-2021 AND PROPOSED ANNUAL BUDGET 2018/19 TO [SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU) AND FOR THE PROPOSED RATING STRATEGY 2018/19 TO [RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU);**
- f. ALL FORMAL WRITTEN SUBMISSIONS WILL BE CONSIDERED IN ACCORDANCE WITH S.223 OF THE LOCAL GOVERNMENT ACT 1989;**
- g. ANY PERSON MAKING A WRITTEN SUBMISSION IS REQUIRED TO STATE IN THEIR SUBMISSION IF HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THEIR SUBMISSION, AT AN OPEN MEETING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION;**
- h. COPIES OF SUBMISSIONS (INCLUDING SUBMITTER'S NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE OPEN HEARING AND SPECIAL MEETING OF COUNCIL AT WHICH THE SUBMISSIONS ARE CONSIDERED AND COUNCIL IS REQUIRED TO MAKE SUBMISSIONS AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS;**
- i. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS;**
- j. FOLLOWING CONSIDERATION OF THE SUBMISSIONS, COUNCIL MAY OR MAY NOT AMEND THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018-2022; AND**
- k. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE FOR THE S.223 HEARING FOR PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSIONS THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, AS WEDNESDAY 23 MAY**

**2018 AT 2.15PM AT THE COUNCIL CHAMBERS, MICHAEL PLACE,  
LEONGATHA.**

- 10. APPOINTS ALL COUNCILLORS IN ATTENDANCE TO HEAR THE SUBMISSIONS.**
- 11. ADVISES THOSE PEOPLE WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSION THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, OF THE DATE, TIME AND PLACE OF THE HEARING OF SUBMISSIONS, AS SOON AS PRACTICABLE.**
- 12. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE TO CONSIDER AND DETERMINE THE SUBMISSIONS FOR INCLUSION IN THE FINAL COUNCIL PLAN 2017-2021, ANNUAL BUDGET 2018/19 AND RATING STRATEGY 2018-2022 AT A SPECIAL MEETING OF COUNCIL ON WEDNESDAY 30 MAY 2018 AT 11.00AM IN THE COUNCIL CHAMBERS, LEONGATHA.**
- 13. REQUIRES THE FINAL PROPOSED RATING STRATEGY 2018-2022 BE PRESENTED TO COUNCIL FOR ADOPTION AT THE ORDINARY MEETING OF COUNCIL 27 JUNE 2018.**

**LOST**

**FOR:** Councillors McEwen and Hill.

**AGAINST:** Councillors Edwards, Brown, Brunt, Argento and Kiel.

**Cr Argento foreshadowed the original Motion.**

**MOVED:** Cr Argento

**SECONDED:** Cr Kiel

**THAT COUNCIL:**

- 1. ENDORSES THE PROPOSED RATING STRATEGY 2018/19 (ATTACHMENT [2.3.1]), PURSUANT TO S.125 OF THE LOCAL GOVERNMENT ACT 1989.**
- 2. EXTEND APPRECIATION TO THE RATING STRATEGY REVIEW STEERING COMMITTEE FOR ITS DELIBERATIONS AND REPORT, DRAFT RECOMMENDATIONS OF RATING STRATEGY COMMITTEE 2018-2022 RATING SYSTEM.**
- 3. FORMALLY DISBANDS THE RATING STRATEGY REVIEW STEERING COMMITTEE.**
- 4. COMMITS TO REVIEWING THE RATING STRATEGY INTERNALLY IN TIME FOR THE 2019/20 BUDGET TAKING INTO CONSIDERATION THE RECOMMENDATIONS FROM THE RATING REVIEW COMMITTEE AND OTHER IDEAS PUT FORWARD.**
- 5. APPROVES COMMENCEMENT OF THE STATUTORY PROCEDURES TO INVITE PUBLIC SUBMISSIONS ON THE REVISED COUNCIL PLAN 2017-2021, IN CONJUNCTION WITH THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19, PURSUANT TO SS.125, 129, 158 AND 223 OF THE LOCAL GOVERNMENT ACT 1989.**
- 6. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO UNDERTAKE THE ADMINISTRATIVE PROCEDURES NECESSARY TO ENABLE THE COUNCIL TO CARRY OUT ITS FUNCTIONS UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 IN RESPECT OF THE STATUTORY PROCEDURES OUTLINED IN ITEM 5 ABOVE.**
- 7. GIVES PUBLIC NOTICE ON TUESDAY 27 MARCH 2018 AND ON COUNCIL'S WEBSITE OF THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19 IN ACCORDANCE WITH SS.125, 127 AND 129 OF THE LOCAL GOVERNMENT ACT 1989 AND COMMENCES A S.223 PUBLIC CONSULTATION PROCESS INVITING WRITTEN SUBMISSIONS FROM THE COMMUNITY ON THE REVISED COUNCIL PLAN 2017-2021 AND PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19 BY CLOSE OF BUSINESS (5.00PM) ON THURSDAY 26 APRIL 2018.**
- 8. IN THE PUBLIC NOTICE ON TUESDAY 27 MARCH 2018, STATES THAT:**

- a. **THE REVISED COUNCIL PLAN 2017-2021 INCLUDING THE FOUR YEAR STRATEGIC RESOURCE PLAN, THE PROPOSED ANNUAL BUDGET 2018/19, INCLUDING THE 15 YEAR LONG TERM FINANCIAL PLAN AND PROPOSED RATING STRATEGY 2018/19 HAVE BEEN PREPARED;**
- b. **COPIES OF THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19, TOGETHER WITH INFORMATION PRESCRIBED BY THE LOCAL GOVERNMENT (PLANNING AND REPORTING) REGULATIONS 2014 ARE AVAILABLE FOR INSPECTION ON COUNCIL'S WEBSITE [WWW.SOUTHGIPPSLAND.VIC.GOV.AU](http://WWW.SOUTHGIPPSLAND.VIC.GOV.AU) AND MAIN OFFICE, 9 SMITH STREET LEONGATHA FROM 8.30AM TO 5.00PM BETWEEN 27 MARCH AND 26 APRIL 2018;**
- c. **A PERSON PROPOSING TO MAKE A SUBMISSION UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 MUST DO SO BY 5.00PM ON THURSDAY 26 APRIL 2018. LATE SUBMISSIONS WILL NOT BE CONSIDERED BY COUNCIL;**
- d. **SUBMISSIONS MUST BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL. SEPARATE SUBMISSIONS ARE TO BE LODGED THAT RELATE TO EITHER THE REVISED COUNCIL PLAN 2017-2021, THE PROPOSED ANNUAL BUDGET 2018/19 OR THE PROPOSED RATING STRATEGY 2018/19;**
- e. **SUBMISSIONS ARE TO BE SENT VIA EMAIL FOR THE REVISED COUNCIL PLAN 2017-2021 AND PROPOSED ANNUAL BUDGET 2018/19 TO [SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:SUBMISSION@SOUTHGIPPSLAND.VIC.GOV.AU) AND FOR THE PROPOSED RATING STRATEGY 2018/19 TO [RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU](mailto:RATINGSTRATEGY@SOUTHGIPPSLAND.VIC.GOV.AU);**
- f. **ALL FORMAL WRITTEN SUBMISSIONS WILL BE CONSIDERED IN ACCORDANCE WITH S.223 OF THE LOCAL GOVERNMENT ACT 1989;**
- g. **ANY PERSON MAKING A WRITTEN SUBMISSION IS REQUIRED TO STATE IN THEIR SUBMISSION IF HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THEIR SUBMISSION, AT AN OPEN MEETING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION;**
- h. **COPIES OF SUBMISSIONS (INCLUDING SUBMITTER'S NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE OPEN HEARING AND SPECIAL MEETING OF COUNCIL AT WHICH THE SUBMISSIONS ARE CONSIDERED AND COUNCIL IS REQUIRED TO MAKE**

**SUBMISSIONS AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS;**

- i. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS;**
  - j. FOLLOWING CONSIDERATION OF THE SUBMISSIONS, COUNCIL MAY OR MAY NOT AMEND THE REVISED COUNCIL PLAN 2017-2021, PROPOSED ANNUAL BUDGET 2018/19 AND PROPOSED RATING STRATEGY 2018/19; AND**
  - k. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE FOR THE S.223 HEARING FOR PERSONS WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSIONS THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, AS WEDNESDAY 23 MAY 2018 AT 2.15PM AT THE COUNCIL CHAMBERS, MICHAEL PLACE, LEONGATHA.**
- 9. APPOINTS ALL COUNCILLORS IN ATTENDANCE TO HEAR THE SUBMISSIONS.**
- 10. ADVISES THOSE PEOPLE WHO HAVE INDICATED IN THEIR WRITTEN SUBMISSION THAT THEY WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION, OF THE DATE, TIME AND PLACE OF THE HEARING OF SUBMISSIONS, AS SOON AS PRACTICABLE.**
- 11. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO FIX THE TIME, DATE AND PLACE TO CONSIDER AND DETERMINE THE SUBMISSIONS FOR INCLUSION IN THE FINAL COUNCIL PLAN 2017-2021, ANNUAL BUDGET 2018/19 AND RATING STRATEGY 2018/19 AT A SPECIAL MEETING OF COUNCIL ON WEDNESDAY 30 MAY 2018 AT 11.00AM IN THE COUNCIL CHAMBERS, LEONGATHA.**
- 12. REQUIRES THE FINAL PROPOSED RATING STRATEGY 2018/19 BE PRESENTED TO COUNCIL FOR ADOPTION AT THE ORDINARY MEETING OF COUNCIL 27 JUNE 2018.**

**CARRIED**

**FOR:** Councillors Brunt, Edwards, Argento, Brown and Kiel.

**AGAINST:** Councillors Hill and McEwen.

[Link to the next Agenda Item](#)



## REPORT

On 25 June 2014, Council adopted a Rating Strategy 2014-2018 that included a key element:

*"That Council with the assistance of a Rating Strategy Steering Committee review the Rating Strategy on a four year cycle that aligns with the 2<sup>nd</sup> year term of a newly elected Council".*

On 23 August 2017, a report to Council recommended that Council again considers implementing this better practice approach to developing a rating strategy similar to that which was undertaken four years ago.

At this meeting, the following items were adopted:

1. Council adopted the Rating Strategy Steering Committee Terms of Reference
2. Council called for nominations for the steering Committee
3. Council nominated three Councillors to the Committee
4. Council provided a sitting fee of \$300 per meeting for the independent non-voting Chair person, to chair the committee meetings and attend Council briefings as required.

Council provided a sitting fee of \$50 per meeting to the community committee members.

At the 25 October 2017 Ordinary Meeting of Council, Council appointed six nominees and an Independent non-voting Chairperson along with three Councillors to join a Rating Strategy Steering Committee to review the existing strategy and make recommendations to Council for a new strategy.

The Committee was established with a Terms of Reference outlining the objectives as follows:

1. Identify and recommend to the Council the principles that the Council should consider when striking general rates, particularly with regard to the creation and maintenance of any differential rates.
2. Make recommendations to the Council regarding the equitable sharing of the rates burden between various categories of ratepayers, including residential, rural, commercial and industrial, and both rural and urban vacant land.
3. Recommend to the Council any changes to the structure of current charges and their relationship to general rates, e.g. Municipal Charges.

The Rating Strategy Review Committee met on eight occasions between November 2017 and February 2018 and has had approximately 25 submission papers presented to it from various members of the committee putting forward ideas on how to get the most equitable outcome for ratepayers through an equitable distribution of the rate burden.

The committee was supported by Council officers at each meeting through the taking of minutes, providing professional advice and modelling scenarios as requested by the Committee.

A summary of discussions around the Committee recommendations is provided:

- 1. That South Gippsland Shire Council continues to apply Capital Improved Value as the valuation methodology to levy Council rates.**

There was unanimous agreement on this point.

- 2. That South Gippsland Shire Council continues to apply differential rating as its rating system.**

There was unanimous agreement on this point.

- 3. That South Gippsland Shire Council applies a differential of 120 per cent of the general rate for properties that meet the Industrial definition. Existing differential 105 per cent.**

Discussion around Industrial differential varied from reducing to 95 per cent to increasing to 145 per cent. Those who favoured leaving the current differential or reducing to 95 percent argued in favour of supporting the Council strategic direction, "to support existing business, diversify employment opportunities and attract new business, investment and tourism ventures." Those supporting an increase to the differential put forward arguments about comparability with neighbouring Shire differentials and also through giving additional relief to farmers which would benefit Industrial properties as the farmers would then be able to increase their spend with Industrial businesses.

- 4. That South Gippsland Shire Council applies a differential of 110 per cent of the general rate for properties that meet the Commercial definition. Existing differential 105 per cent.**

Discussion around Commercial differential varied from reducing to 95 per cent to increasing to 135 per cent. Those who favoured leaving the current differential or reducing to 95 per cent argued in favour of supporting the Council strategic direction, "to support existing business, diversify employment opportunities and attract new business,

investment and tourism ventures with a desired outcome being vibrant commercial centres in our towns both large and small.” It was noted that there are significant numbers of vacant commercial properties throughout the Shire. Those supporting an increase to the differential put forward arguments about comparability with neighbouring Shire differentials and also through giving additional relief to farmers which would benefit Commercial properties as the farmers would then spend extra money in the Commercial precincts.

- 5. That South Gippsland Shire Council applies a differential of 65 per cent of the general rate for properties that meet the Farm definition. Existing differential 70 per cent.**

Probably the most discussed and contentious item by the Committee over the duration of the 8 meetings. Much of the discussion was around the capacity of farmers to pay higher rates due the nature of the rating system which is a wealth tax and taxes properties based on the valuation of land and improvements. It was accepted that farmers require a greater amount of land as a means of production for them to make their living and therefore should have a differential rate to reflect that. Some argued that the existing differential of 70 per cent already sufficiently reflected the argument to offset the wealth tax system whereas others argued that the differential rate should be reduced, as low as 57 per cent in some models put forward.

- 6. That South Gippsland Shire Council removes the Rate type Rural residential and transfers those properties transfer to the General category.**

The Rural residential category was incorporated 12 months after the existing rating strategy was initially adopted through the submission of an individual to Council about their property. Council legal advice at the time advised that a residential property could not be classified as a farm and that to satisfy the request by the individual to achieve a discounted rate burden, a new category would need to be created with a land size exceeding 18.3ha. The newly created category included 36 properties that received the benefit of the reduced rate burden. The removal of this category would put the 36 properties back into the general rate group.

- 7. That South Gippsland Shire Council continues to apply a differential of 200 per cent of the general rate for properties that meet the Vacant land definition.**

The discussion around this group was the perceived unfairness of properties that existed in the rural areas to have to pay the rate considering the additional costs that can be attributed to developing land

in a rural area. For example, cost of electricity, sewerage etc. when compared to a residential township vacant property where services are already provided. It was felt that this rate did not meet the objective to encourage development. Consequently, a new category Rural Vacant Land was recommended to provide relief to these properties.

**8. That South Gippsland Shire Council introduces a new category for Rural Vacant land.**

As mentioned, one part of this new category is to provide relief to owners of vacant properties in rural areas to encourage development of those blocks. Another side of this category is to remove farm properties under 20ha that are not considered to be genuine farm properties and therefore shouldn't receive the benefit of the farm rate differential.

**9. That South Gippsland Shire Council applies a differential of 140 per cent of the general rate for properties that meet the Rural Vacant land definition.**

The original intention of the differential rate was that it would be twice the rate of the Farm rate so as to have parity between the vacant land rate being twice the rate of the Residential (General) rate. However, at the last meeting of the Committee, it was agreed that the rate for Rural Vacant land should be 140 per cent of the general rate. There was unanimous agreement for this new Rural Vacant category recommendation.

**10. That South Gippsland Shire Council continues to apply a differential of 50 per cent of the general rate for properties that meet the Cultural and recreational land definition.**

There is no change to category and there was very little discussion around this group.

**11. That Council re-introduces a Municipal Charge at the rate of 5.0 per cent of the combined sum total of Council's total revenue for the municipal charge and the revenue from general rates.**

The municipal charge was the topic of much debate. Those against the reintroduction of the charge argued the merits of the previous Committee to remove it completely recognising that it is a regressive tax that hits the lowest valued properties in the shire the hardest. Those in favour of bringing back the charge argued that there are costs that all properties should bear equally as the benefit received to all would be the same.

**12. That the definition of farm land be expanded to incorporate properties between 2 and 20ha that have a dwelling or a permit for a dwelling and is**

**used predominantly for farming purposes and which has applied to it an AVPCC code with the range 500-583. Previously, the AVPCC code range only included 540-583.**

The discussion centred around the perceived unfairness by some on the committee of the existing definition that excludes mainly properties that are classified with an AVPCC code of 117 “Residential Rural / Rural Lifestyle” being classified as a farming enterprise and therefore not being able to obtain the benefit of the farming differential. The existing definition makes allowance for these type of properties with intensive farming codes to receive the farming rate but not for properties coded with a mixed farming or grazing code.

#### **STAFF DISCLOSURE**

Nil

#### **ATTACHMENTS**

*Attachments are available on Council's website:* [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)

1. 2018/19 - Rating Strategy - Draft **[2.3.1]**

#### **REFERENCE DOCUMENTS**

##### **Council Policy**

*Documents are available on Council's website:* [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)

Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

##### **Legislative Provisions**

Council's Existing Rating Strategy 2014-2018

Local Government Better Practice Guide – Revenue and Rating Strategy (2014)

Fair Rates and Sustainable and Efficient Councils - Act for the Future -

Directions for a New Local Government Act

Ministerial Guidelines on differential rating (2013)

Local Government Act 1989

Valuation of Land Act 1960

Cultural and recreational Lands Act 1963

Commission of Inquiry in to Ararat Rural City Council

Developing a Rating Strategy – A guide for Councils (MAV 2014)

### **3. MEETING CLOSED**

#### **NEXT MEETING**

The next Ordinary Meeting of Council open to the public will be held on Wednesday, 28 March 2018 commencing at 2pm in the Council Chambers, Leongatha.

**The Meeting closed at 1.36pm.**

**Confirmed this            26<sup>th</sup> day of April 2018.**

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**Mayor, Councillor Lorraine Brunt**