

SPECIAL MEETING OF COUNCIL

Minutes of a
Special Meeting of Council held at
James Young Room, Lerderderg Library,
215 Main Street, Bacchus Marsh on
Wednesday 20 January 2016,
at 6:00 p.m.

Members:

Cr. Allan Comrie (Mayor)	East Moorabool Ward
Cr. Paul Tatchell	Central Ward
Cr. David Edwards	East Moorabool Ward
Cr. John Spain	East Moorabool Ward
Cr. Tonia Dudzik	East Moorabool Ward
Cr. Tom Sullivan	West Moorabool Ward
Cr. Pat Toohey	Woodlands Ward

Officers:

Mr. Rob Croxford	Chief Executive Officer
Mr. Phil Jeffrey	General Manager Infrastructure
Mr. Satwinder Sandhu	General Manager Growth and Development
Mr. Danny Colgan	General Manager Community Services

Rob Croxford
Chief Executive Officer

AGENDA

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1. OPENING OF MEETING

The Mayor, Cr. Allan Comrie, opened the meeting at 6.17pm.

2. ACKNOWLEDGEMENT TO COUNTRY

We respectfully acknowledge the traditional owners of this land, their spirits and ancestors.

3. PRESENT

<i>Cr. Allan Comrie</i>	<i>East Moorabool Ward</i>
<i>Cr. Paul Tatchell</i>	<i>Central Ward</i>
<i>Cr. John Spain</i>	<i>East Moorabool Ward</i>
<i>Cr. Tonia Dudzik</i>	<i>East Moorabool Ward</i>
<i>Cr. David Edwards</i>	<i>East Moorabool Ward</i>
<i>Cr. Tom Sullivan</i>	<i>West Moorabool Ward</i>
<i>Cr. Pat Toohey</i>	<i>Woodlands Ward</i>

Officers:

<i>Mr. Rob Croxford</i>	<i>Chief Executive Officer</i>
<i>Mr. Satwinder Sandhu</i>	<i>General Manager Growth and Development</i>
<i>Mr. Danny Colgan</i>	<i>General Manager Community Services</i>
<i>Ms. Sam Romaszko</i>	<i>Acting General Manager Infrastructure</i>
<i>Mr. John Whitfield</i>	<i>Minute Taker</i>

4. APOLOGIES

Nil.

5. DISCLOSURE OF CONFLICT OF INTEREST

Under the Local Government Act (1989), the classification of the type of interest giving rise to a conflict is; a direct interest; or an indirect interest (section 77A and 77B). The type of indirect interest specified under Section 78, 78A, 78B, 78C or 78D of the Local Government Act 1989 set out the requirements of a Councillor or member of a Special Committee to disclose any conflicts of interest that the Councillor or member of a Special Committee may have in a matter being or likely to be considered at a meeting of the Council or Committee.

Definitions of the class of the interest are:

- a direct interest
 - (section 77A, 77B)
- an indirect interest (see below)
 - indirect interest by close association (section 78)
 - indirect financial interest (section 78A)
 - indirect interest because of conflicting duty (section 78B)
 - indirect interest because of receipt of gift(s) (section 78C)
 - indirect interest through civil proceedings (section 78D)

Time for Disclosure of Conflicts of Interest

In addition to the Council protocol relating to disclosure at the beginning of the meeting, section 79 of the Local Government Act 1989 (the Act) requires a Councillor to disclose the details, classification and the nature of the conflict of interest immediately at the beginning of the meeting and/or before consideration or discussion of the Item.

Section 79(6) of the Act states:

While the matter is being considered or any vote is taken in relation to the matter, the Councillor or member of a special committee must:

- (a) leave the room and notify the Mayor or the Chairperson of the special committee that he or she is doing so; and
- (b) remain outside the room and any gallery or other area in view of hearing of the room.

The Councillor is to be notified by the Mayor or Chairperson of the special committee that he or she may return to the room after consideration of the matter and all votes on the matter.

There are important reasons for requiring this disclosure immediately before the relevant matter is considered.

- Firstly, members of the public might only be in attendance for part of a meeting and should be able to see that all matters are considered in an appropriately transparent manner.
- Secondly, if conflicts of interest are not disclosed immediately before an item there is a risk that a Councillor who arrives late to a meeting may fail to disclose their conflict of interest and be in breach of the Act.

6. PRESENTATIONS / DEPUTATIONS

The Council has made provision in the business of the Special Meeting of the Council for the making of presentations or deputations to Council in relation to matters presented on the agenda for Council consideration.

Presentations or deputations are required to be conducted in accordance with the requirements contained within the **Presentation/Deputations Protocols and Procedural Guidelines**.

Persons wishing to make a presentation or deputation to the Council on a matter included in the agenda shall inform Council by 1pm on the Friday prior to the meeting by contacting the Chief Executive Officer's Office and registering their name and agenda item being spoken to.

At the meeting the Mayor will invite the persons wishing to make a presentation or delegation to address the Council on the agenda item.

The person making the presentation or deputation is to stand and address the Council on the item. No debate on the item is permitted between the person making the presentation or delegation and the Council.

A maximum of three minutes per presentation or delegation will be allocated. An extension of time may be granted at the discretion of the Mayor.

Councillors, through the Mayor, may ask the person making the presentation or delegation for clarification of matters presented.

The Mayor may direct that a member of the gallery ceases speaking if the above procedure is not followed.

List of Persons making Presentations/Deputations other than in relation to a planning item listed on the agenda:

Nil.

7. BUSINESS

7.1 Request for Variation to Rate Cap for 2016/17

Introduction

File No.: 07/01/011
Author: Rob Croxford
Chief Executive: Rob Croxford

Background

State Government legislation has now been passed and the Minister for Local Government has announced a cap on general rates for Victorian Local Government of 2.5% (CPI) for the 2016/17 financial year.

Discussions during the consultation phase of the Fair Go Rates+proposal by the State Government indicated that the cap may have been set at 3.05% and further that categories of Councils such as peri-urban+ could also see favourable exemptions.

This has not transpired and the lower cap will result in a further loss of rate revenue of \$4.84 mil over 10 years and a total loss of \$18.27 mil against the Council's Strategic Financial Plan as at 2015/16.

Proposal

With the very significant loss of rate revenue the Council now needs to consider what action is to be taken following community consultation to reduce the certain impact on service levels, capital investment and organisational operations.

For the past four years Officers have been working towards a decreased reliance on rate income as the effects of compounding general rate rises become more difficult for household budgets. This needs to be balanced with the need for Council to provide enhanced service levels and facilities for a growing population across the Shire and to plug the gap as State and Federal Governments continue to tighten the purse strings.

The actions taken or proposed to date include:

- Reduction in operating costs;
- Reduction in management costs;
- Reduction in overhead costs;
- A program of ongoing Service Reviews;
- A review of full cost recovery for fees and charges;
- Sharing services with other organisations;
- A policy on special charge schemes for some capital works;
- Future consideration of the commercialisation of some aspects of operations;
- Continued use of Business Excellence as a model to drive continuous improvement and review; and
- The introduction of an integrated planning tool and model for Officers.

It is important that as far as possible we:

- Do not reduce our level of new, upgrade and renewal capital works;
- Do not continue to take on more debt above prudential limits; and
- Do not place in jeopardy the improving underlying operating results and financial position of the Shire.
- Continue to consult with the community on service levels and priorities.

The Essential Services Commission (ESC) has provided guidelines on the community consultation process and the process of seeking a rate cap variation. Officers have prepared a draft timetable to accommodate ESC requirements, new legislation and provide the Council with the final decision on future budgetary levels.

Officers have developed several scenarios for Councillors to review in the consideration of a draft budget for community consultation over the coming months.

What is evident, however, is that the imposition of a rate cap at 2.5% / CPI and the loss of \$18.27 mil over 10 years for the Moorabool Shire Council, regardless of the actions taken to date and set out above, is that the financial sustainability of the Council is in jeopardy if current service levels and capital programs are to be retained or enhanced.

There is a clear need to apply for a rate cap variation.

The guidelines released as part of a Fair Go Rates System+require Council to indicate to the Essential Services Commission by 31 January, 2016 as to whether it intends to apply for a rate cap variation. There is no requirement at this early stage to advise of the quantum to be applied for.

Policy Implications

The 2013 . 2017 Council Plan provides as follows:

Key Result Area	Continuous Improvement in Council Services
Objective	Sound, long term financial management
Strategy	Develop and maintain a long term financial planning, management and reporting system, which ensures resources to deliver services and manage Council's assets.

The proposal to seek a rate variation through the ESC is consistent with the 2013 . 2017 Council Plan.

Financial Implications

\$18.270 mil over 10 years.

Risk & Occupational Health & Safety Issues

Based on Council rates being capped at 2.5% in 2016/17 and projected CPI for future years, Council will likely experience some form of financial distress in the medium to long term. If a rate cap variation is not approved, Council will need to re-assess its options following community consultation in achieving a balanced budget in to the future.

Risk Identifier	Detail of Risk	Risk Rating	Control/s
Financial . Rates Capped at CPI.	Increase risk of Council experiencing some form of financial distress in the medium to long term.	High	Seek a rate cap variation. Cost control. Service reviews. Fees & Charges increases. Shared services. Planning tools.

Communications and Consultation Strategy

A significant community engagement program is being prepared for consideration by the Council to explain to the community the implications of a rate cap at 2.50 % / CPI and the proposed changes to be made to ensure the Council remains financially sustainable. It is currently planned that a draft Community Consultation Plan will be presented to Council in February, with detailed community consultation occurring in February and March, 2016.

Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council, the Officer considered whether the subject matter raised any human rights issues. In particular, whether the scope of any human right established by the Victorian Charter of Human Rights and Responsibilities is in any way limited, restricted or interfered with by the recommendations contained in the report. It is considered that the subject matter does not raise any human rights issues.

Officer's Declaration of Conflict of Interests

Under section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

Author –Rob Croxford

In providing this advice to Council as the Author, I have no interests to disclose in this report.

Conclusion

The imposition of a rate cap at 2.5% / CPI and the accumulated loss of \$18.27 million over 10 years for the Moorabool Shire Council and ongoing consultation with the community, regardless of the actions taken to date and as set out in the above report, is that the financial sustainability of the Council is in jeopardy.

There is a clear need to apply for a rate cap variation.

Resolution:

Crs. Tatchell/Sullivan


1. *That the CEO be authorised to advise the Essential Services Commission that Moorabool Shire Council intends to apply for a rate cap variation for the 2016/17 financial year.*
2. *That Officers present the draft Community Consultation Plan and Draft Budget Timetable for the forthcoming 2016/17 budget to a Special Meeting of Council on 10th February, 2016.*

CARRIED.

Report Authorisation

Authorised by:

Name: Rob Croxford
Title: Chief Executive Officer
Date: Friday 15 January 2016



8. FURTHER BUSINESS AS ADMITTED BY UNANIMOUS RESOLUTION OF COUNCIL

Nil.

9. CLOSED SESSION OF THE MEETING TO THE PUBLIC

Nil.

10. MEETING CLOSURE

The meeting closed at 6.38 PM.

Confirmed.....Mayor.