

SPECIAL MEETING OF COUNCIL

Minutes of a Special Meeting of Council
held in the Council Chamber,
15 Stead Street, Ballan on
Wednesday 19 February 2014,
commencing at 5:00 p.m.

Members:

Cr. Paul Tatchell (Mayor)	Central Ward
Cr. Allan Comrie	East Moorabool 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. Shane Marr	General Manager Corporate Services
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

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1. OPENING OF MEETING

The Mayor, Cr. Tatchell, opened the meeting with the Council Prayer at 5.00 pm.

2. PRESENT

*Cr. Paul Tatchell
Cr. David Edwards
Cr. John Spain
Cr. Tonia Dudzik
Cr. Pat Toohey*

*Central Ward
East Moorabool Ward
East Moorabool Ward
East Moorabool Ward
Woodlands Ward*

Officers:

*Mr. Rob Croxford
Mr. Shane Marr
Mr. Satwinder Sandhu
Mr. Danny Colgan
Mr. Steve Ivelja*

*Chief Executive Officer
General Manager Corporate Services
General Manager Growth and Development
General Manager Community Services
Manager Finance*

3. APOLOGIES

*Cr. Allan Comrie
Cr. Tom Sullivan*

*East Moorabool Ward
West Moorabool Ward*

4. DISCLOSURE OF INTERESTS OR CONFLICTS 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.

Nil.

5. 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.

6. BUSINESS

6.1 Draft Rate Strategy and Proposed Consultation Plan

Introduction

Council last formally adopted a Rate Strategy on 6 April 2011. Although this strategy was not formally due to expire until 5 April 2015 it was agreed that as a result of the Ministerial Differential Rate Guidelines being introduced, in addition to the need to ensure fairness and equity across the municipality in the application of rate allocation decisions, Council decided to bring the review of the strategy forward and ensure that it was completed for incorporation into the 2014/15 annual budget.

Background

The proposed review of the strategy has resulted in a number of workshops with Councillors, covering a broad spectrum of rate issues encompassing legislative requirements through to the specifics of the Moorabool rate structure.

Through the workshops with Council, the established rating categories have undergone a thorough review. Additionally, a range of models with varying charges and changes in level of rates has been considered, an analysis on utilizing a valuation base other than the CIV was considered in addition to the potential for the introduction of a municipal charge.

As a result of these deliberations at a Council level, the Council has prepared a number of rating strategy proposals. Following on from this, the community will now be provided with the opportunity to provide input into the future structure and level of rates levied by Council.

Proposal

As part of the Rating Strategy review conducted thus far, Council have discussed the option of implementing a Municipal Charge. As part of the comprehensive benchmarking exercise conducted to support the Rating Strategy, it has been identified that most benchmarked councils (11 out of the 15 or 73%) have employed a municipal charge to assist with the distribution of the rates burden. (in Victoria, 45 out of 79 councils i.e. 57% of councils have a municipal charge). The average municipal charge for the benchmarked councils was \$204.

In addition to the proposal of implementing a municipal charge, Council have also carefully considered the various rating categories and the current rating differentials as they are currently applied and have considered whether the imposition of the current rating differentials are equitable and justified in light of current circumstances. As part of the review of Councils Rating structure, Council have considered a number of rate model proposal as part of the Rating Strategy. A high level summary of the 5 rate model proposals are presented in the following table;

Rate Model proposals	Current Rates Strategy	Proposal 2	Proposal 3	Proposal 4	Proposal 5
Is a Municipal Charge proposed?	No	Yes	Yes	Yes	No
Municipal Charge Amount	\$0.00	\$77.00	\$153.97	\$307.94	\$0.00
Are rate differentials proposed to be altered?	No	No	No	No	Yes
Rating differentials proposed to be altered					
- Farm Rate					from 0.8 to 0.6
- Extractive Industry Rate					from 3.2 to 2.4
- Vacant land Commercial / Industrial					from 2.6 to 2.4
- Vacant land RZ1 / RZ2					from 2.5 to 2.4

Financial Impact of the Rate Model Proposals

The following table shows the average rates and charges by rate category that will be incurred under each of the rate model proposals as compared to the current level of rates. The table demonstrates the financial trade off that occurs either by way of progressively implementing a municipal charge (proposals 2, 3 and 4) or by lowering the rating differentials for certain categories (proposal 5). **The information as presented does not include any provision for rate increases that will occur as part of the 2014/15 budget. These are yet to be decided by Council.**

Average Rates analysis for different rates proposals						
Rate Category	Number of Properties	Current Level of Rates	Proposal 2	Proposal 3	Proposal 4	Proposal 5
General	11,187	1,333.59	1,343.88	1,354.20	1,374.81	1,387.75
Residential Retirement Village	106	723.78	764.66	805.46	887.04	753.28
Commercial/Industrial	512	3,039.53	2,964.50	2,889.55	2,739.57	3,162.99
Vacant Land Commercial/Industrial	71	2,493.79	2,446.06	2,398.38	2,302.98	2,395.46
Extractive Industry	14	20,313.93	19,374.97	18,436.51	16,559.09	15,854.26
Farm	1,507	1,990.28	1,936.21	1,882.19	1,774.09	1,553.35
Vacant Land General	587	1,391.63	1,399.09	1,406.51	1,421.31	1,448.24
Vacant Land FZ or RCZ	647	892.23	924.59	956.98	1,021.73	928.46
Vacant Land R1Z or R2Z	641	1,806.39	1,793.12	1,779.81	1,753.13	1,804.66

As an example, residential properties in Moorabool currently pay on average \$1,333.59 in rates. Under each of the alternative proposals presented for consultation, the following outcomes will occur under each of the alternative rate model proposals;

Proposal 1 - Average residential rates will not change from their current levels (i.e. \$1,333.59)

Proposal 2 - Average residential rates will increase to \$1,343.88 on average per property

Proposal 3 - Average residential rates will increase to \$1,354.20 on average per property

Proposal 4 - Average residential rates will increase to \$1,374.81 on average per property

Proposal 5 - Average residential rates will increase to \$1,387.75 on average per property

When presented in percentage terms, the relevant percentage increase proposed for each category is show below;

Rate Category	Number of Properties	Current Rates Strategy	Proposal 2	Proposal 3	Proposal 4	Proposal 5
General	11,187	0.00%	0.77%	1.55%	3.09%	4.06%
Residential Retirement	106	0.00%	5.65%	11.29%	22.56%	4.08%
Commercial/Industrial	512	0.00%	-2.47%	-4.93%	-9.87%	4.06%
Vacant Land Commercial/Industrial	71	0.00%	-1.91%	-3.83%	-7.65%	-3.94%
Extractive Industry	14	0.00%	-4.62%	-9.24%	-18.48%	-21.95%
Farm	1,507	0.00%	-2.72%	-5.43%	-10.86%	-21.95%
Vacant Land General	587	0.00%	0.54%	1.07%	2.13%	4.07%
Vacant Land FZ or RCZ	647	0.00%	3.63%	7.26%	14.51%	4.06%
Vacant Land R1Z or R2Z	641	0.00%	-0.73%	-1.47%	-2.95%	-0.10%

The following table provides a summary of the rating differential assumptions for each of the prepared rating proposals;

Rate Category	Number of Properties	Current Rates Strategy	Proposal 2	Proposal 3	Proposal 4	Proposal 5
General	11,187	100%	100%	100%	100%	100%
Residential Retirement	106	90%	90%	90%	90%	90%
Commercial/Industrial	512	160%	160%	160%	160%	160%
Vacant Land Commercial/Industrial	71	260%	260%	260%	260%	240%
Extractive Industry	14	320%	320%	320%	320%	240%
Farm	1,507	80%	80%	80%	80%	60%
Vacant Land General	587	210%	210%	210%	210%	210%
Vacant Land FZ or RCZ	647	100%	100%	100%	100%	100%
Vacant Land R1Z or R2Z	641	250%	250%	250%	250%	240%

It is proposed that Council will undertake community consultation based on rate model proposals as presented above.

Further justification of the differential rate categories is as follows:

Summarised Rate Category	Purpose of level
General	Base rate . the majority of property owners across the municipality
Residential Retirement Rate	Recognising that ratepayers living within these designated residential facilities are generally living with very restricted income and capacity to pay their rates

Commercial/Industrial	Recognising a higher capacity to pay
Extractive Industry	Recognising significant environmental impact and damage that may be caused to surrounding roads and infrastructure
Farm	Recognising the benefit, culture and environment that genuine farm properties bring to the municipality
Vacant Land Categories	Higher level than equivalent developed property rate in order to encourage development. Although not currently developed, Council still needs to prepare for service levels to cover these properties. Various levels based on development opportunities.

Policy Implications

The 2013. 2017 Council Plan provides as follows:

Key Result Area	Continuous improvement in Council Services
Objective	Effective strategic and business planning for a growing community
Strategy	Develop, implement and maintain relevant strategic and business plans.

The proposal to undertake Community Consultation on Council's Rate Structure is consistent with the 2013-2017 Council Plan.

Financial Implications

To effectively undertake the recommended consultation there will be the following costs involved:

- Officer time to prepare required consultation documents;
- Officer time to collate returned consultation documents;
- Printing of postcards for issue with the 3rd Instalment Notice; and
- Advertising of opportunity for public consultation within Moorabool Matters, Moorabool News and the Ballarat Courier.

The above costs are able to be covered within current budget allocation.

Risk & Occupational Health & Safety Issues

There are no identified risks or occupational health and safety issues identified with this initiative.

Community Engagement Strategy

As part of the Rating strategy review, the following consultation has either already taken place or is scheduled to take place pending the adoption of the recommendations to this report.

Level of Engagement	Stakeholder	Activities	Date	Outcome
Collaborate	Councillors	Attending workshops and providing feedback and suggestions from the community and their own experiences	Various	Councillors provided feedback and direct guidance in formulating proposal
	Revenue Services	Maintaining project plan, preparing workshop presentations, providing input from ratepayer feedback and knowledge of legislative constraints	Throughout project	A draft rate strategy that is in accordance with legislative and guideline constraints that can be administered within rating system
Consult	Councillors	Via Workshops	Various	A draft rate strategy that is understood and explainable to the community
	Community	Postcard with 3 rd instalment notice advising of Rate Strategy and encouraging feedback from community	Between mid-February 2014 to mid-March 2014	A rate strategy which has sought as much community feedback as possible
		Online Budget Allocator . to provide the community with the opportunity to provide input into the Rating Strategy and recommend preferred rating proposals		
		Media . public notice within Ballarat Courier, Moorabool News and information within Moorabool Matters		
		Have your say and Moorabool website		

		Direct communications via correspondence with Ballan Chamber of Commerce and Rural Advisory Committee		
Involve	Community	Have your say website	Between February 25 th 2014 to 25 th March 2014	A rate strategy which has reviewed and considered feedback from stakeholders
		Online Budget allocator survey / feedback tool		
	Rural Advisory Committee	Direct communication encouraging feedback via Budget allocator		
	Ballan Chamber of Commerce	Direct communication encouraging feedback via Budget allocator		
Involve	All ratepayers	Budget submissions concerning the Draft Budget and Rating Strategy	13 th May . 10 th June	A rate strategy which provides the community with an opportunity to make a formal written submission and the opportunity to present before a special meeting of the council in support of that submission.

As part of the community consultation, Council will also be seeking feedback from the community at the following community events;

- Bacchus Marsh Harvest Festival - March 16th
- Myrniong Music in the Park - March 22nd
- Ballan Autumn Festival - March 23rd

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.

Manager – Steve Ivelja – Finance Manager

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

Author – Jacinta Erdody – Revenue Services and Procurement Co-ordinator

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

Conclusion

After reviewing the detail within this report and the proposed draft rate strategy and consultation plan, officers recommend that Council adopt the recommendations so that appropriate community consultation can commence the week commencing the 24th February.

Recommendation:

That Council resolve to proceed with Community Consultation based on the following rate model proposals (inclusive of all related information) as shown below;

Rate Model proposals	Current Rates Strategy	Proposal 2	Proposal 3	Proposal 4	Proposal 5
Is a Municipal Charge proposed?	No	Yes	Yes	Yes	No
Municipal Charge Amount	\$0.00	\$77.00	\$153.97	\$307.94	\$0.00
Are rate differentials proposed to be altered?	No	No	No	No	Yes
Rating differentials proposed to be altered					
- Farm Rate					from 0.8 to 0.6
- Extractive Industry Rate					from 3.2 to 2.4
- Vacant land Commercial / Industrial					from 2.6 to 2.4
- Vacant land RZ1 / RZ2					from 2.5 to 2.4

That Council endorse the proposed Community Consultation plan as described within this report.

Resolution:**Crs. Spain/Edwards**

That Council resolve to proceed with Community Consultation including a mail out to all ratepayers based on the following rate model proposals (inclusive of all related information) as shown below;

Rate Model Proposals	Current Rates Strategy	Proposal 2	Proposal 3	Proposal 4	Proposal 5
Is a Municipal Charge Proposed?	No	Yes	Yes	Yes	No
Municipal Charge Amount	\$0.00	\$77.00	\$153.97	\$307.94	\$0.00
Are rate differentials proposed to be altered?	No	No	No	No	Yes
Rating differentials proposed to be altered					
- Farm Rate	No Change	No Change	No Change	No Change	from 0.8 to 0.6
- Extractive Industry Rate	No Change	No Change	No Change	No Change	from 3.2 to 2.4
- Vacant land Commercial / Industrial	No Change	No Change	No Change	No Change	from 2.6 to 2.4
- Vacant land RZ1 / RZ2	No Change	No Change	No Change	No Change	from 2.5 to 2.4
- General Rate	No Change	No Change	No Change	No Change	No Change
- Vacant Land . General	No Change	No Change	No Change	No Change	No Change
- Vacant land FZ or RCZ	No Change	No Change	No Change	No Change	No Change
- Commercial / Industrial	No Change	No Change	No Change	No Change	No Change
- Residential Retirement	No Change	No Change	No Change	No Change	No Change

That Council endorse the proposed Community Consultation plan as described within this report.

CARRIED.**Report Authorisation****Authorised by:**


Name: Shane Marr
Title: General Manager Corporate Services
Date: Friday 14 February 2014

7. FURTHER BUSINESS AS ADMITTED BY UNANIMOUS RESOLUTION OF COUNCIL

Nil.

8. CLOSED SESSION OF THE MEETING TO THE PUBLIC

Nil.

9. MEETING CLOSURE

The meeting closed at 5.10pm.

Confirmed.....Mayor.