

SPECIAL MEETING OF COUNCIL

Minutes of the Special Meeting of Council
held in the Council Chamber,
15 Stead Street, Ballan on
Wednesday 27 June 2018, at 6.00 p.m.

Members:

Cr. Paul Tatchell (Mayor)	Central Moorabool Ward
Cr. John Keogh (Deputy Mayor)	East Moorabool Ward
Cr. David Edwards	East Moorabool Ward
Cr. Tonia Dudzik	East Moorabool Ward
Cr. Jarrod Bingham	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 Social and Organisational Development

Rob Croxford
Chief Executive Officer

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1. OPENING OF MEETING

The Mayor opened the meeting at 6.04pm.

2. ACKNOWLEDGEMENT TO COUNTRY

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

3. RECORDING OF MEETING

In accordance with Moorabool Shire Council's Meeting Procedure Local Law, Council will be recording this meeting. The following organisations have been granted permission to make an audio recording also:

- *The Moorabool News; and*
- *The Star Weekly*

4. PRESENT

<i>Cr. Paul Tatchell (Mayor)</i>	<i>Central Moorabool Ward</i>
<i>Cr. John Keogh (Deputy Mayor)</i>	<i>East Moorabool Ward</i>
<i>Cr. Jarrod Bingham</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>

In attendance

<i>Mr. Rob Croxford</i>	<i>Chief Executive Officer</i>
<i>Mr. Danny Colgan</i>	<i>General Manager Social and Organisational Development</i>
<i>Mr. Phil Jeffrey</i>	<i>General Manager Infrastructure</i>
<i>Mr. Satwinder Sandhu</i>	<i>General Manager Growth and Development</i>
<i>Ms. Vanessa O'Toole</i>	<i>Manager Governance and Organisational Development</i>
<i>Ms. Emma Szymanski</i>	<i>Minute Taker</i>

5. APOLOGIES

Nil

6. 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)
 - indirect interest because of impact on residential amenity (section 78E)

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.

7. PRESENTATIONS / DEPUTATIONS

The Council has made provision in the business of the Special Meetings 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 Council on a matter included in the agenda shall inform Council 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 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.

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

Nil.

8. BUSINESS

8.1 Adoption of the 2017-2021 Council Plan (2018 Revision) inclusive of Strategic Resource Plan

Introduction

File No.: 02/02/002
Author: Danny Colgan
Chief Executive Officer: Rob Croxford

The following report is presented to Council for consideration to adopt the 2017-2021 Council Plan (2018 Revision) inclusive of the Strategic Resource Plan.

Background

On Wednesday 2 May 2018, Council resolved to place the 2017-2021 Council Plan (2018 Revision) inclusive of the Strategic Resource Plan, on public exhibition, seeking submissions in accordance with Section 223 of the *Local Government Act 1989*.

A communications plan was developed to advise the community via Council's website, local and regional newspapers, Council's community consultation website: haveyoursay.com.au and with hard copies available at all Council offices. The public submission period commenced on Friday 4 May and closed on Tuesday 5 June 2018.

At a Special Meeting of Council held on Wednesday 20 June 2018, Council adopted the following resolution:

That Council:

1. ***Notes that at the conclusion of the public submission process conducted in accordance with section 223 of the Local Government Act 1989, no submissions to the draft 2017-2021 Council Plan (2018 Revision) had been received by Council.***
2. ***Pending any amendments to the 2018/19 Annual Budget being incorporated into the Strategic Resource Plan of the Council Plan, refers the adoption of the 2017-2021 Council Plan (2018 Revision) to the Special Meeting of Council to be held at 6.00pm in the Council Chamber, 15 Stead Street, Ballan on Wednesday 27 June 2018.***

Proposal

Submissions to the 2018/19 Annual Budget were also considered at the Special Meeting of Council held on Wednesday 20 June 2018.

Further, Council is to consider the adoption of the Annual Budget in Agenda Item 8.2 Any changes to the Budget as resolved by the Council at this meeting will be incorporated into the Strategic Resource Plan section of the adopted Council Plan.

With the incorporation of the adopted Strategic Resource Plan and having completed all statutory requirements, it is now recommended that Council adopts the 2017-2021 Council Plan (2018 Revision) and gives public notice as required under the Local Government Act 1989 that the Council Plan 2017-2021 has been adopted.

Policy Implications

The Council Plan 2017-2021 provides as follows:

Strategic Objective 1: Providing Good Governance and Leadership

Context 1C: Our Business & Systems

The proposal to adopt the 2017-2021 Council Plan (2018 Revision) is consistent with the Council Plan 2017-2021.

Financial Implications

In accordance with Section 126 of the *Local Government Act* 1989, Council has prepared the Strategic Resource Plan that details the resources required to achieve the objectives and strategies outlined in the 2017-2021 Council Plan (2018 Revision).

The Strategic Resource Plan includes the following information in respect of the next four year period that concludes 30 June 2021.

- the standard statements describing the required financial resources in the form and containing the information required by the regulations as amended by the adoption of the 2018/19 Annual Budget; and
- statements describing the required non-financial resources, including human resources, in the form and containing the information required by the regulations.

The figures will be amended to reflect any budget changes resolved by the Council in the adoption of the 2018/19 Annual Budget report presented immediately after this report in the Agenda.

Communications Strategy

In accordance with the *Local Government Act* 1989 the 2017-2021 Council Plan (2018 Revision) will progress through the final adoption process.

Timetable for the Adoption of the 2017-2021 Council Plan (Revision 2018) inclusive of the Strategic Resource Plan	
Formally adopt the Council Plan 2017-2021(Revision 2018) and Strategic Resource Plan	Wednesday 27 June 2018
Submit 2017-2021 Council Plan (2018 Revision)and Strategic Resource Plan to the Minister for Local Government	Thursday 28 June
Public Notice of Adoption of Council Plan and Strategic Resource Plan	Saturday 30 June

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.

Chief Executive Officer – Rob Croxford

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

Author – Danny Colgan

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

Conclusion

Having completed all statutory requirements in accordance with Part 6 Section 125 and Section 223 of the *Local Government Act 1989*, the 2017-2021 Council Plan (2018 Revision) inclusive of the Strategic Resource Plan, as amended at this meeting as required, is now presented to Council for adoption and for its placement on public notice as required under the *Act*.

Resolution:**Crs. Dudzik/Keogh**

That Council, having advertised the proposed Council Plan 2017-2021 (2018 Revision) inclusive of the Strategic Resource Plan, resolves to:

- 1. adopt the 2017-2021 Council Plan (Revision 2018) inclusive of the Strategic Resource Plan ensuring it is in accordance with the adopted 2018/19 Annual Budget.***
- 2. place on public notice its decision to adopt the 2017-2021 Council Plan (Revision 2018) inclusive of the Strategic Resource Plan in accordance with Section 125 of the Act.***
- 3. submit a copy of the Council Plan 2017-2021 inclusive of the Strategic Resource Plan to the Minister for Local Government in accordance with Section 125 of the Act.***

CARRIED.

Report Authorisation**Authorised by:**

Name: Rob Croxford
Title: Chief Executive Officer
Date: Thursday 21 June 2018



8.2 Adoption of the Proposed 2018/19 Annual Budget

Introduction

File No.: 07/01/011
Author: Steven Ivelja
General Manager: Phil Jeffrey

In accordance with Section 130 of the Local Government Act 1989 (the Act) Council is required to formally adopt the 2018/19 Annual Budget by 30 June 2018.

As resolved by Council on 2 May 2018, the proposed Budget was placed on public exhibition from Tuesday 8 May 2018 to Tuesday 5 June 2018 inclusive, calling for submissions as required under Section 223 of the Act. This was advertised in The Moorabool News on 8 May 2018 and the Ballarat Courier on 5 May 2018.

Section 223 of the Act requires Council to follow a process of enabling submissions to be received. There were 23 written submissions received by 5 June 2018. Council considered submissions at the Special Meeting of Council on 20 June 2018 and resolved as follows:

1. *That the 23 submissions be received;*
2. *That Council takes into consideration the matters raised within the submissions in consideration of the 2018/19 Annual Budget at the Special Meeting of Council on 20 June 2018; and*
3. *That following the adoption of the 2018/19 Annual Budget, responses are provided to each Submitter.*

Having completed all statutory requirements, the 2018/19 Annual Budget can now be considered for adoption.

Background

The Proposed 2018/19 Annual Budget recognises the importance of setting a clear direction for the future, achieving measurable objectives, encouraging community input and consultation, and being financially responsible. It is part of a financial plan that aims to secure a viable and sustainable path to achieve the Shire's objectives.

The budget includes a rate increase of 2.11%. This is in line with the Fair Go Rates System (FGRS) which has capped rates increases by Victorian Councils at 2.25%. The average rate for Moorabool is less due to accounting for a prior period error in the 2017/18 rate calculation. Despite the cap on rates, Council has been able to minimise the rate burden on residents through the use of stringent budget and fiscal controls.

Policy Implications

The 2017 – 2021 Council Plan provides as follows:

Strategic Objective	Providing Good Governance and Leadership
Context	Our Business and Systems
Action	Financial Sustainability

The consideration of the Proposed 2018/19 Annual Budget is consistent with the 2017-2021 Council Plan.

Budget Amendments and related matters

Since the Proposed Budget was presented to Council there are some suggested amendments to the Operating budget. New or updated information has become available and these amendments are highlighted below.

Indicative Financial Assistance Grant Allocations for 2018/19

On 28 May 2018, Council was advised by the Victorian Grants Commission of its indicative Financial Assistance Grants for 2018/19. As a result of this preliminary advice, it is likely that Council will receive \$283,474 more than the level estimated in the 2018/19 Proposed Budget. The increase is made up of;

Table 1.1; Changes to Grants Commission Funding

	Proposed Budget	Indicative	
	2018/19	2018/19	Change
General Purpose Grant	4,330,781	4,491,871	161,090
Local Roads Grant	1,840,543	1,962,927	122,384
Total	6,171,324	6,454,798	283,474

Capital Improvement Program and Capital Grants

Since the Proposed Budget was released for public consultation, Council has been notified of two new capital grants. These are Ormond Road, Springbank (\$374,202) and Werribee Vale Road, Maddingley widening (\$325,000). Both of these grants are provided by the Victorian State Government under the Local Roads to Market program.

A Council contribution of \$162,500 for Werribee Vale Road widening project was originally included in the draft capital program for 2018/19 as Council's contribution toward the cost of the project. It is currently anticipated that Council will not be required to allocate further matching funding to secure the grant. As a result, the confirmation of the additional grant increases the capital allocation for this project to \$487,500 for 2018/19.

In addition to the Werribee Vale Road widening grant, Council has also been successful in receiving an allocation for the widening of Ormond Road Springbank amounting to \$374,202. In the draft 2018/19 capital program, Council originally proposed a nominal allocation of \$30,000 for the preplanning and design of Ormond Road. With the resulting confirmation of grant funding for this project, it is anticipated that the total budget for this project will increase to \$591,303. This is made up of Council funded preplanning and design of \$30,000, a grant funding offer of \$374,202, and an additional Council contribution as required by the funding agreement of \$187,101. It is recommended that the additional Council contribution be funded by the increase in grants commission funding as shown in Table 1.1.

Overall, the proposed changes will increase the Capital Improvement Program by \$886,303. The table below shows these amendments and the impact on the overall Capital improvement program;

Table 1.2; Changes to Statement of Capital Works

Statement of Capital Works

	Proposed Budget	Adjusted Budget	Variance
	2018/19 \$'000	2018/19 \$'000	2018/19 \$'000
Property			
Land	0	0	0
Buildings	657	657	0
Building improvements	0	0	0
Total property	657	657	0
Plant and equipment			
Plant, machinery and equipment	1,960	1,960	0
Computers and telecommunications	529	529	0
Library books	105	105	0
Total plant and equipment	2,594	2,594	0
Infrastructure			
Roads	8,133	9,019	886
Bridges	326	326	0
Footpaths	638	638	0
Drainage	0	0	0
Recreational, leisure and community facilities	5,779	5,779	0
Parks, open space and streetscapes	18	18	0
Other infrastructure	20	20	0
Total infrastructure	14,914	15,800	886
Total capital works expenditure	18,165	19,051	886
Represented by:			
Asset renewal expenditure	9,716	9,716	0
New asset expenditure	7,369	7,369	0
Asset upgrade expenditure	1,081	1,967	886
Asset expansion expenditure	0	0	0
Total capital works expenditure	18,165	19,051	886

Other Financial Adjustments

Other minor adjustments include the following;

- Rural Access Initiative – Council will receive \$137,254 in funding for this program. The associated costs will be split between salaries and materials. Overall the net cost to Council is zero.
- Roads to Recovery – Council has recently received \$352,687 in funding that was previously expected in the 2018/19 financial year. This will have no impact on the total capital spend for 2018/19.
- Revised EBA – the impact of the revised proposal will increase salaries in year two of the EBA by \$23,267.
- Cleaning Contract – The contract for the cleaning of Council buildings is likely to be \$26,000 less than what was in the Proposed Budget.
- Interest expense will be decrease by \$46,590 due to the deferral of borrowings in the 2017/18 financial year.

- Electricity Costs – It has recently been advised that the tender for electricity costs will be less than what was originally proposed in the budget. This will see a saving overall of \$34,123.

Summary of Adjustments

Overall the changes will impact the Comprehensive Income Statement by \$726,000. The table below shows these amendments and the impact on the overall surplus for the 2018/19 Budget.

Table 1.3; Changes to Comprehensive Income Statement

Comprehensive Income Statement			
	Proposed Budget	Adjusted Budget	Variance
	2018/19 \$'000	2018/19 \$'000	2018/19 \$'000
Income			
Rates and charges	33,889	33,889	0
Statutory fees and fines	885	885	0
User fees	2,895	2,895	0
Grants - Operating (recurrent)	9,157	9,441	283
Grants - Operating (non-recurrent)	213	350	137
Grants - Capital (recurrent)	879	526	(353)
Grants - Capital (non-recurrent)	1,085	1,784	699
Contributions - monetary	3,990	3,990	0
Contributions - non-monetary assets	4,739	4,739	0
Other income	990	990	0
Interest received	565	565	0
Total income	59,286	60,053	767
Expenses			
Employee costs	20,022	20,092	(70)
Materials and services	15,287	15,318	(31)
Depreciation and amortisation	9,842	9,842	0
Finance costs	844	785	59
Other expenses	541	541	0
Loss on disposal of property, infrastructure, plant and equipment	1,573	1,573	0
Total expenses	48,110	48,151	(42)
Surplus (deficit) for the year	11,176	11,902	726

Rates and Charges

To ensure compliance with the Fair Go Rates legislation, there are minor adjustments to the rate in the dollar to be levied as general rates under section 158 of the Act. The changes as shown in the table below compares the rate in the dollar in the Draft 2018/19 Budget with the revised amounts as proposed in the Adopted 2018/19 Budget. The changes to the rate in the dollar are immaterial and are required to ensure compliance with the Ministers rate cap.

Table 1.4 - The proposed changes to the rate in the dollar to be levied as general rates as compared to the Draft Budget 2018/19

Type or class of land	Draft 2018/19 Cents/\$CIV	Adopted 2018/19 Cents/\$CIV	Change
Commercial & Industrial Rate	0.60959	0.60924	-0.1%
Commercial & Industrial Vacant Land	0.96454	0.96399	-0.1%
Extractive Industry Rate	1.20375	1.20306	-0.1%
Farm Rate	0.30094	0.30076	-0.1%
General Rate	0.38582	0.38560	-0.1%
Vacant Land General	0.81021	0.80975	-0.1%
Vacant Land FZ and RCZ	0.38582	0.38560	-0.1%
Vacant Land GRZ	0.96454	0.96399	-0.1%
Residential Retirement Villages	0.34723	0.34704	-0.1%

The proposed changes to the rate in the dollar have no impact on total rate revenue as compared to the draft 2018/19 budget.

Waste Service Charges

Since the draft 2018/19 budget was released for public consultation, the Kerbside waste collection charge is proposed to be slightly reduced by \$3 per tenement to more closely reflect the budgeted cost of providing the service. At the time of calculating the charge for the draft 2018/19 budget, a processing backlog resulted in the number of kerbside tenement services being understated. As a result, it is proposed the annual kerbside collection fee for service properties will reduce from \$179.00 to \$176.00 as per the table below.

Table 1.5 – Proposed changes to Waste Service Charges as compared to the Draft Budget 2018/19

Type of Charge	Draft Per Rateable	Adopted Per	Change	
	Property 2018/19	Rateable Property 2018/19	\$	%
	\$	\$		
Waste Management	87	87	0	0.0%
Domestic Waste Collection	179	176	(3)	-1.7%
Kerbside Greenwaste	71	71	0	0.0%
State Landfill Levy Charge	36	36	0	0.0%
Total	373	370	(3)	-0.8%

The proposed changes to Waste Service Charges have no impact on total waste services revenue as compared to the draft 2018/19 budget. All other waste service charges are proposed to remain unaltered as compared to the draft 2018/19 budget.

Loan Borrowings

The proposed budget document that was presented to Council on 2 May 2018 included borrowings of \$3,534,000 for 2018/19. It also included borrowings in the 2017/18 forecast of \$3,148,400.

Since the draft 2018/19 Budget was released for public consultation, Council was advised by the MAV of the deferral of the 2017/18 borrowings (due to the non-issuance of the Local Government Funding Vehicle).

This is the second year in succession that the LGFV has been deferred. Advice from the MAV indicates that many larger metro councils decided to not proceed with loan borrowings in the 2017/18 year (with the forward payment of the 2018/19 Grants Commission being a likely contributor to Councils' decision to not proceed with the LGFV in the current year). As a result, the LGFV bond issuance was not considered commercially viable and will most likely result in the Local Government Financing vehicle being disbanded. At this stage, Moorabool Shire will more than likely undertake its own debt procurement tender in the 2018/19 financial year.

As a result of the deferral of the LGFV and changes that have occurred since the release of the Draft 2018/19 Budget, total proposed borrowings will change. Table 1.6 below shows the statement of proposed borrowings in the Draft 2018/19 Budget and the resulting changes to loan borrowings as proposed as part of the Adopted Budget are shown in Table 1.7 below.

Table 1.6 – Statement of borrowings from the proposed budget document.

	2017/18	2018/19
	\$	\$
Amount borrowed as at 30 June of the prior year	13,611,366	15,395,782
Amount proposed to be borrowed	3,148,400	3,534,000
Amount projected to be redeemed	(1,363,984)	(1,120,544)
Amount of borrowings as at 30 June	15,395,782	17,809,238

As per the schedule of proposed loan borrowings in the Draft 2018/19 Budget, the balance plus new loans and debt redemption would have seen the total amount borrowed increase to \$17,809,238 at the end of 2018/19.

The following table that is proposed to be adopted as part of the 2018/19 budget includes borrowings in 2018/19 of \$5,965,600, with the amount of borrowings proposed as at the 30th June 2019 budgeted to be \$17.092m or \$716,800 lower than predicted in the proposed budget.

Table 1.7 – Statement of borrowings proposed for the Adopted Budget.

	2017/18	2018/19
	\$	\$
Amount borrowed as at 30 June of the prior year	13,611,366	12,247,382
Amount proposed to be borrowed	0	5,965,600
Amount projected to be redeemed	(1,363,984)	(1,120,544)
Amount of borrowings as at 30 June	12,247,382	17,092,438

The reason for the reduction in the overall level of loan borrowing requirements is primarily attributed to the delay in the \$3.148m LGFV bond issuance till 2018/19. Under the current LGFV model, Council is required to set aside or "self-fund" principle repayments to pay back the bond when the debt matures in the future (under the current LGFV arrangements all bonds are an 'interest only' facility and Council need to be set aside sufficient funds in the annual budget to fund the repayment of the debt on maturity). In this case, due to the delay in the LGFV in 2017/18, Council will not be required set aside or "self-fund" principle payments in 2018/19 which will reduce by \$525k its reliance on loan borrowings to complete the 2018/19 Capital Improvement program. In addition to this, after accounting for changes to the

Operating Budget and Capital Budget since the Draft Budget was released for public consultation, a further net favourable variance of \$192k reduces proposed loan borrowings for the 2018/19 Budget.

It is recommended that Council seek to reduce its reliance on loan borrowings to improve its underlying Operating result and to free up debt borrowing capacity for future years.

Financial Implications

The 2018/19 Annual Budget has been prepared within the adopted five year Strategic Financial Plan. This will allow Council to improve its financial sustainability and balance the building of new infrastructure with maintaining our existing infrastructure.

Communications Strategy

In accordance with Section 223 of the Act, Council considered submissions on 20 June 2018. Council received 23 written submissions, with the following people requesting to speak to their submission:

- Scott Graham - on behalf of Gordon Main Street Reference Group
- Raymond Newton - Proposal Leader for Darley Park Sporting Groups

The following outlines the timetable for the communication and adoption of the 2018/19 Annual Budget:

Timetable for the Proposal and Adoption of the 2018/19 Annual Budget	
Proposed 2018/19 Annual Budget presented for Council adoption and Public Notification	2 May 2018
Advertise Proposed 2018/19 Annual Budget, inviting public inspection and submissions according to Section 223 of the Local Government Act 1989, in Council's nominated newspapers	8 May to 5 June 2018
Consider public submissions per Section 223(1)(b) of the Local Government Act 1989 for the Proposed 2018/19 Annual Budget	20 June 2018
Formally adopt 2018/19 Annual Budget	27 June 2018
Submit 2018/19 Budget to the Minister for Local Government	29 June 2018
Public Notice – Adoption of 2018/19 Annual Budget	03 July 2018

Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council the briefing 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 subje

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.

General Manager – Phil Jeffrey

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

Author – Steven Ivelja

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

Conclusion

The budget presents Council's immediate and longer-term financial strategy and links the actions set out in the Council Plan. It also identifies the capital works and services the community can expect from Council during the 2018/19 financial year and beyond.

Resolution:**Crs. Toohey/Edwards**

- 1.1 That Council adopts the amendments to the budget related to Financial Assistance Grants based on preliminary advice received from the Victorian Grants Commission as appended in Table 1.1**
- 1.2 That Council adopts the proposed amendments discussed that comprise the movement in Council's Statement of Capital Works in Table 1.2.**
- 1.3 That Council adopts all other proposed amendments discussed that comprise the net movement in Council's surplus as appended in Table 1.3.**
- 1.4 That Council adopts the proposed amendments to the rate in the dollar calculation in Table 1.4, and the proposed amendments to the waste service charges in Table 1.5.**
- 1.5 That Council adopts the proposed amendments to loan borrowings in table 1.7.**
- 1.6 That having considered the details of the 2018/19 recurrent and capital budget appended to this report, which includes:
1.6.1 – Link to the Council Plan
1.6.2 – Services and Service Performance Indicators
1.6.3 – Financial Statements
1.6.4 – Notes to the Financial Statements
1.6.5 – Financial Performance Indicators
1.6.6 – Appendix A – Fees and Charges Schedule**

the proposed operating and capital budget 2018/19 be the budget prepared for the purposes of section 127 of Act.

- 1.7 That in accordance Regulation 8 of the Regulations, Council declares its intention to borrow \$5.966m (\$3.148m deferred from 2017/18). Loan redemption for 2018/19 will be \$1.121m.**
- 1.8 General Rates**
 - 1.8.1 That in accordance with Section 158 of the Local Government Act 1989, Council declares a General Rate for the rating period commencing 1 July 2018 and ending 30 June 2019.**
 - 1.8.2 It be further declared that the general rate be raised by the application of differential rates.**
 - 1.8.3 A differential rate be declared for rateable land having the respective characteristics specified in the Schedule to this resolution, which characteristics will form the criteria for each differential rate so declared:**

Category	Cents/\$CIV
Commercial & Industrial Rate	0.60924
Commercial & Industrial Vacant Land	0.96399
Extractive Industry Rate	1.20306
Farm Rate	0.30076
General Rate	0.38560
Vacant Land General	0.80975
Vacant Land FZ and RCZ	0.38560
Vacant Land GRZ	0.96399
Residential Retirement Villages	0.34704

1.8.4 Each differential rate will be determined by multiplying the Capital Improved Value (CIV) of each rateable land (categorised by the characteristics described in the Schedule to this Resolution) by the relevant percentages.

1.8.5 It be recorded that Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions, and that:

1.8.5.1 the respective objectives of each differential rate be those specified in the Schedule to this Resolution; and

1.8.5.2 the respective types or classes of land which are subject to each differential rate be those defined in the Schedule to this Resolution; and

1.8.5.3 the respective uses and levels of each differential rate in relation to those respective types or classes of land be those described in the Schedule to this Resolution; and

1.8.5.4 the relevant

- (a) uses of;**
- (b) geographical locations of; and**
- (c) Planning Scheme zonings of; and**
- (d) types of buildings on the respective types or classes of land be those identified in the Schedule to this Resolution.**

1.9 Municipal Charge

1.9.1 It be confirmed that no municipal charge is declared in respect of the 2018/19 Financial Year.

1.10 Annual Service Charge

1.10.1 An annual service charge be declared in respect of the 2018/19 Financial Year.

1.10.1.1 The annual service charge be declared in respect of the period 1 July 2018 to 30 June 2019.

1.10.1.2 The annual service charge be declared for the collection and disposal and management of refuse from land.

1.10.1.3 The annual service charge be in the sum of, and be based on the criteria, set out below:

- (i) \$176 per annum for each property that is within the defined urban service area to which a domestic waste collection service is available;**
- (ii) \$176 per annum for each property that is within the defined rural service area to which a domestic waste collection service is available;**
- (iii) \$176 per annum for each property that is not within a defined service area, to which a domestic waste collection service is provided;**
- (iv) \$87 per annum for all rateable properties in all Wards including:**
 - (a) each rateable land that is "farm land" within the meaning of section 2(1) of the Valuation of Land Act 1960 and is a 'single farm enterprise' within the meaning of Section 159(8) of the Local Government Act 1989; and**
 - (b) each other rateable land, from which there is capable of being generated waste which can be deposited by a ratepayer or resident at a landfill or waste transfer station or any other litter facility.**
- (v) \$36 per annum for all rateable properties in all Wards including:**
 - (a) each rateable land that is "farm land" within the meaning of section 2(1) of the Valuation of Land Act 1960 and is a 'single farm enterprise' within the meaning of Section 159(8) of the Local Government Act 1989; and**
 - (b) each other rateable land, from which there is capable of being generated waste which can be deposited by a ratepayer or resident at a landfill or waste transfer station or any other litter facility.**
- (vi) \$71 per annum non-compulsory and optional charge within the urban (residential and low density residential) areas of Bacchus Marsh and Ballan for kerbside greenwaste collection service.**

The defined service areas outlined above and the designated routes are defined on a plan, which can be viewed at the Council offices.

1.11. Rebates & Concessions

1.11.1 It be recorded that Council grants to each owner of rateable land who is an "eligible recipient" within the meaning of the State Concessions Act 1986, a rebate of an amount determined by the Department of Human Services in respect of their principal place of residence. The criterion for "eligible recipient" is also determined by the Department of Human Services.

1.12. Payment

1.12.1 All rates and charges to be paid in four instalments, in accordance with Section 167 (1) and (2) of the Local Government Act 1989.

1.12.2 Unless Council resolves otherwise, a person may only pay rates and charges as a lump sum if payment is made on or before 15 February 2019.

1.13. Consequential

1.13.1 It be confirmed that, subject to sections 171 and 172 of the Local Government Act 1989, Council will require a person to pay interest on any rates and charges which:

1.13.1.1 that person is liable to pay;

1.13.1.2 have not been paid by the date specified for their payment.

1.14 That it is proposed that an amount of \$33,889,000 be declared as the amount Council intends to raise from the general rates and charges (including Supplementary and Special Rates) for the period from 1 July 2018 to 30 June 2019.

1.15 That in accordance with Section 158 of the Act and Regulation 8 of the Regulations, detailed information concerning General Rates and Special Rates and charges is appended to this report.

1.16 That as part of the public presentation process for the proposed budget, the following actions were undertaken in accordance with:

1.16.1 Sections 127 and 129 of the Act and Regulation 9 of the Regulations – that the proposed 2018/19 budget was made available for public inspection.

- 1.16.2 Section 129 of the Act and Regulation 9 of the Regulations – that the Chief Executive Officer be authorised to give public notice that the Proposed 2018/19 Annual Budget has been prepared and was available for public inspection.**
- 1.16.3 Sections 158 to 162 of the Act and Regulation 9 of Regulations - that Council gave public notice and provided for public inspection all prescribed information to be available from 8 May 2018 until 5 June 2018.**
- 1.17 That Council resolved to allow 28 days for submissions to be made by members of the public and that all submissions are to be made in the prescribed manner. Council heard submissions on Wednesday 20 June 2018 at the Ballan Council Chamber, 15 Stead Street, Ballan.**
- 1.18 That in accordance with Section 130 of the Act, Council resolved to notify and place on public notice its intention to adopt the 2018/19 Annual Budget on 27 June 2018 at a Special Meeting of Council to be held at the Ballan Council Chamber, 15 Stead Street, Ballan.**

SCHEDULE

Differential Rating Categories

General Land

Definition:

General Land is any land:

- ***on which a dwelling is lawfully erected and occupied for the principal purpose of physically accommodating persons; and***
- ***which does not have the characteristics of:***
 - ***Commercial/Industrial Land;***
 - ***Vacant Commercial/Industrial Land;***
 - ***Extractive Industry Land;***
 - ***Farm Land;***
 - ***Residential Retirement Villages Land;***
 - ***Vacant General Land;***
 - ***Vacant Farming Zone or Rural Conservation Zone; and***
 - ***General Residential Zone Land within the Moorabool Planning Scheme.***

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

- 1. Construction and maintenance of public infrastructure; and***
- 2. Development and provision of health and community services; and***
- 3. Provision of general support services.***

Use and Level of Differential Rate:

The differential rate will be used to fund those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings:

All buildings which are lawfully erected on the land.

Residential Retirement Land

Definition:

Residential Retirement Land is any land within the meaning of 'retirement village land' under section 3 of the Retirement Villages Act 1986.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

- 1. Construction and maintenance of public infrastructure; and***
- 2. Development and provision of health and community services; and***
- 3. Provision of general support services.***

To ensure that the Residential Retirement Land rate is lower than the General Land rate in recognition of the services and infrastructure undertaken by the retirement village sector.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the end of the Financial Year.

Commercial/Industrial Land**Definition:**

Commercial/Industrial Land is any land which is lawfully used:

- **for the principal purpose of carrying out the manufacturing or productions of goods; or**
- **for the principal purpose of carrying out trade in goods or services.**

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

1. **Construction and maintenance of public infrastructure; and**
2. **Development and provision of health and community services; and**
3. **Provision of general support services.**

To ensure that such rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, having regard to the capacity of such land to be used to yield income and the demands such land make on Council's infrastructure. The differential rate also recognises that Council rates and charges may be claimed as a tax deduction.

Types and Classes:

Rateable land having the relevant characteristics described in the above definition.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings:

All buildings which are lawfully erected on the land.

Vacant Commercial/Industrial Land**Definition:**

Vacant Commercial/Industrial land is any land:

- **located within an Industrial or Business zone under the Moorabool Planning scheme; and**
- **which is vacant; or**
- **not lawfully developed for the principal purpose of carrying out the manufacturing or production of goods or trade in goods or services; and**
- **which does not have the characteristics of Vacant General Land, Vacant Farming Zone or Rural Conservation Zone Land or General Residential Zone Land.**

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

1. **Construction and maintenance of public infrastructure; and**
2. **Development and provision of health and community services; and**
3. **Provision of general support services.**

To encourage the development of land for commercial and industrial purposes.

To discourage land banking and ensure an adequate supply of Commercial and Industrial zoned land to meet market demand.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings

Any buildings that are not lawfully erected on the land.

Extractive Industry Land**Definition:**

Extractive Industry Land is any land:

- **which is used primarily for the purpose of extraction, removal or treatment of minerals, earth or stone; or**
- **on which activities of the extraction, removal or treatment of minerals, earth or stone has been discontinued but which has not yet been rehabilitated to environmental standards as required by law.**

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

1. **Construction and maintenance of public infrastructure; and**
2. **Development and provision of health and community services; and**
3. **Provision of general support services.**

To ensure that such rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, having regard to the capacity of such land to be used to yield income and the demands such land make on Council's infrastructure. The differential rate also recognises that Council rates and charges may be claimed as a tax deduction.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the end of the Financial Year.

Farm Land**Definition:**

Farm Land is any rateable land within the meaning of 'farm land' as defined by section 2(1) of the Valuation of Land Act 1960.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

- 1. Construction and maintenance of public infrastructure; and*
- 2. Development and provision of health and community services; and*
- 3. Provision of general support services.*

To provide economic support and relief to farmers.

To encourage further development and appropriate use of Farm Land, as defined under the Valuation of Land Act 1960.

To encourage persons in the community engaged farming activities (as referred to in the definition of 'farm land' in the Act) further develop farm land and value-add to their products in the local community to create more employment opportunities in the industry.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the end of the Financial Year.

Vacant General Land

Definition:

Vacant General Land is any land;

- on which no building is lawfully erected; and***
- which does not have the characteristics of:***
 - Vacant Commercial/Industrial Land; or***
 - Vacant Farming Zone, Rural Conservation Zone; or***
 - Vacant General Residential Zone Land in the Moorabool Planning Scheme.***

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

- 1. Construction and maintenance of public infrastructure; and***
- 2. Development and provision of health and community services; and***
- 3. Provision of general support services.***

To encourage development of Vacant General Land.

To discourage land banking and ensure an adequate supply of appropriately zoned land to meet market demand.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings

Any buildings that are not lawfully erected on the land.

Vacant Farming Zone or Rural Conservation Zone Land

Definition:

Vacant Farming Zone or Rural Conservation Zone land within the Moorabool Planning Scheme is any land;

- on which no building is lawfully erected; and***
- which is located within the Farm Zone or Rural Conservation Zone under the Moorabool Planning Scheme; and***
- which does not have the characteristics of Farm Land.***

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

- 1. Construction and maintenance of public infrastructure; and***
- 2. Development and provision of health and community services; and***
- 3. Provision of general support services.***

Specifically, the objective of the vacant Farming Zone or Rural Conservation Zone rate category is to recognize the lower likelihood of development on this type of land as a result of planning and development restrictions or other encumbrances which limit the development opportunities and use of the land.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is set at 1.00 and is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings

Any buildings that are not lawfully erected on the land.

Vacant General Residential Zone Land

Definition:

Vacant General Residential Zone Land is any land:

- on which no dwelling is lawfully erected; and***
- which is located within the General Residential Zone under the Moorabool Planning Scheme.***

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the –

- 1. Construction and maintenance of public infrastructure; and***
- 2. Development and provision of health and community services; and***
- 3. Provision of general support services.***

To encourage the development of land for residential purposes.

To discourage land banking, and ensure an adequate supply of residential zoned land to meet the market demand.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the Moorabool Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the Moorabool Planning Scheme.

Types of Buildings

Any buildings that are not lawfully erected on the land.

AMENDMENT

Crs. Keogh/Dudzik proposed the following Amendment to the Motion before Council:


That the budget allocation for the Ballan Depot Relocation of \$179,000 be deferred to the 2019/2020 Budget review and that the allocation of \$179,000 be put to the Darley Park Project.

The Amendment was voted upon and was LOST.

The original Motion was voted upon and was CARRIED.

Crs. Keogh /Dudzik abstained from voting

Report Authorisation**Authorised by:**

Name: Phil Jeffrey 
Title: General Manager Infrastructure
Date: Thursday, 5 July 2018

9. FURTHER BUSINESS AS ADMITTED BY UNANIMOUS RESOLUTION OF COUNCIL

Nil.

ADJOURNMENT OF MEETING – 6.20 pm

Crs. Sullivan/Bingham

That the meeting now stand adjourned for a period of 5 minutes.

CARRIED.

RESUMPTION OF MEETING – 6.28 pm

Crs. Sullivan / Edwards

That the meeting now be resumed.

CARRIED.

10. CLOSED SESSION OF THE MEETING TO THE PUBLIC

Resolution:

Crs. Sullivan/Toohey

That pursuant to the provisions of the Local Government Act 1989, the meeting now be closed to members of the public to enable the meeting to discuss matters, which the Council may, pursuant to the provisions of Section 89(2) of the Local Government Act 1989 (the Act) resolve to be considered in Closed Session, being a matter contemplated by Section 89(2) of the Act, as follows:

- (a) personnel matters;***
- (b) the personal hardship of any resident or ratepayer;***
- (c) industrial matters;***
- (d) contractual matters;***
- (e) proposed developments;***
- (f) legal advice;***
- (g) matters affecting the security of Council property;***
- (h) any other matter which the Council or special committee considers would prejudice the Council or any person;***
- (i) a resolution to close the meeting to members of the public***

CARRIED.

In accordance with section 77(2) of the Local Government Act 1989, I designate the following information as confidential information. I do so on the basis that the information relates to Contractual Matters; within the meaning of section 89(2) of the Local Government Act.
Rob Croxford – Chief Executive Officer – Wednesday 27 June 2018.

10.1 Confidential Report

10.2 Confidential Report

Items 10.1 and 10.2 are confidential items pursuant to the provisions of Section 89(2) of the Local Government Act 1989 and therefore not included as part of these minutes

In accordance with section 77(2) of the Local Government Act 1989, I designate the following information as confidential information. I do so on the basis that the information relates to Contractual Matters; within the meaning of section 89(2) of the Local Government Act.
Rob Croxford – Chief Executive Officer – Wednesday 27 June 2018.

RETURN TO OPEN SESSION – 7.17 PM

Resolution:

Crs. Sullivan/Keogh

That the Meeting now return to Open Session.

CARRIED.

MOTION IN OPEN SESSION

Council resolved to release the Report from Confidential Item 10.2 to the public section of the agenda as follows:

10.1 Report to Open Session - Variation to Contract C18B – 2011/2012 Collection, Removal and Disposal of Recyclables with Visy Recycling

Introduction

Author: Daniel Smith
General Manager: Phil Jeffrey

Background

It has been widely publicised that changes to China's Recycling Policy have negatively impacted the worldwide recycling market. These changes include banning the import of mixed paper and unprocessed plastics and reducing the allowable level of contamination in recovered paper to 0.05%.

Victoria has had a strong reliance on the Chinese market and the impact on Victorian recyclers has been significant. Many Victorian Councils receive a rebate for material collected which reflects the value in the recycling product at the time of tendering, however, the market disruption caused by the new Chinese Policy renders these rebates unsustainable.

The State Government has accepted the premise that the Chinese policies have impacted the market and have encouraged Councils to consider renegotiation of their contracts to set a more realistic pricing mechanism. The State government has made available a \$13 million support package and facilitated exemptions to tender requirements to facilitate this market adjustment.

Visy Contract C18B – 2011/2012 Collection, Removal and Disposal of Recyclables

On 7 June 2012 Council commenced a seven year contract with Visy for the collection, receipt and processing of recyclable materials collected from Moorabool Shire households. The contract was awarded based on a fixed rate rebate to be paid to Council for each tonne of recyclable product collected.

The fixed rate model has been applied in Moorabool Shire for many years which protected residents from the uncertainty of market fluctuations over the contract term and has resulted in a decrease in waste service charges. The result has been an annual income which is easily budgeted and has been used to moderate the level of increases in the residential Waste Services Charge.

While normal market fluctuations occurred during previous contracts, nothing of the scale of the present market disruption occurred. It is understood that all three service providers in Victoria are seeking variations from their respective Councils.

VISY Proposal

Visy has written to Council with a proposed variation which would ensure continued service provision to the Moorabool Shire community. The details of the Visy proposal are provided in the confidential section of the agenda. In summary the Visy proposal would initially take advantage of the State Government Funding available from March 2018 to the end of June 2018 to assist the transition to a new pricing mechanism.

It is proposed that a new cost model would also take effect from 1 July 2018. The intent of this model would eliminate the current rebate and introduce a gate fee for recycling material.

Visy propose that collection and compaction charges, contamination charges and other fees under the contract will remain the same and a provision will be included in the contract that will set out an appropriate price review mechanism to allow either party to request a price adjustment in the event of changed market conditions.

Visy have justified their pricing proposal by determining that following the change in Chinese law, there is now a global oversupply of recyclable materials and insufficient demand for these materials. Historically, Visy offset the costs of providing recycling services to Councils by selling recyclable materials. The ban is having the effect of reducing the value of recyclable materials and exposing Visy to significant financial losses in performing these services.

Proposal

The proposed variation to contract C18B – 2011/2012 Collection, Removal and Disposal of Recyclables with Visy Recycling is indicative of a wider market correction which has been recognised by Victorian State Government, Municipal Association of Victoria and the recycling industry. The proposal is considered reasonable under the current market environment and is required to ensure continued service. It is recommended that Council accept the proposed variation to the current contract for the remainder of the contract term.

Policy Implications

The Council Plan 2017 – 2021 provides as follows:

Strategic Objective 2: Minimising Environmental Impact

Context 2B: Natural Environment

The proposal to accept the variation to contract C18B – 2011/2012 Collection, Removal and Disposal of Recyclables with Visy Recycling is consistent with the Council Plan 2017 – 2021.

Financial Implications

Approval of this variation will result in Council no longer receiving a rebate for recyclable materials and paying a per tonne gate fee. The overall impact to the waste budget is in the order of \$350,000. The 2018/2019 draft budget has

been based on receiving zero rebate from Visy and incurring costs disposal. This is based on the assumption that 3,500 tonnes will be disposed of and equates to an overall increase of \$33 for the recycling charge per tenement.

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.

General Manager – Phil Jeffrey

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

Author – Daniel Smith

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

Conclusion

In response to changes in China's recycling policy there is now a global oversupply of recyclable materials and insufficient demand for these materials. The ban is having the effect of reducing the value of recyclable materials and exposing our recycling provider to significant financial losses in performing their services. It is recommended that the variation proposal from Visy be accepted to ensure continued service

Resolution:

Crs. Keogh/Edwards

That Council:

- 1. Approves the price variation for Contract C18B – 2011/2012 Collection, Removal and Disposal of Recyclables with Visy Recycling being removal of the \$40/tonne rebate in the existing contract and replace with a \$60/tonne gate fee.***
- 2. Requests officers to prepare a media release outlining the changes to China's Policy, the impact to Council's waste service charge and the benefits for the community to continue recycling.***

CARRIED.

11. MEETING CLOSURE

The meeting closed at 7.19PM.

Confirmed.....Mayor.