

SPECIAL COUNCIL MEETING

AGENDA

15 JUNE 2016

at 1:00 PM

COPACC - COLAC



Our Vision

A sustainable community with a vibrant future.

Our Mission

Council will work with our community and partners to provide:

- Innovative leadership, good governance and financial accountability
- Value for money, accessible and appropriately targeted services
- A strong advocacy and engagement approach to achieve a truly liveable community

Our Values

Council will achieve its Vision and Mission by acting with:

- Respect
- Integrity
- Goodwill
- Honesty
- Trust

Our Strategic Direction

The four pillars of our Council Plan indicate our key strategic direction for 2013-2017.

An underlying principle in the development of the Council Plan was to more effectively integrate service delivery.

Pillar 1: Good Governance

Pillar 2: A Planned Future

Pillar 3: A Place to Live and Grow

Pillar 4: A Healthy Community and Environment

Our Councillors

Cr Frank Buchanan (Mayor), Cr Brian Crook, Cr Michael Delahunty, Cr Stephen Hart, Cr Lyn Russell, Cr Chris Smith, Cr Terry Woodcroft (Deputy Mayor).



COLAC-OTWAY SHIRE SPECIAL COUNCIL MEETING

15 JUNE 2016

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NOTICE is hereby given that the next **SPECIAL COUNCIL MEETING OF THE COLAC OTWAY SHIRE COUNCIL** will be held at COPACC - COLAC on 15 June 2016 at 1:00PM.

AGENDA

1. OPENING PRAYER

Almighty God, we seek your blessing and guidance in our deliberations on behalf of the people of the Colac Otway Shire. Enable this Council's decisions to be those that contribute to the true welfare and betterment of our community.

AMEN

2. PRESENT

3. APOLOGIES

4. MAYORAL STATEMENT

Colac Otway Shire acknowledges the original custodians and law makers of this land, their elders past and present and welcomes any descendents here today.

I ask that we all show respect to each other and respect for the office of an elected representative.

All Council and Committee meetings are audio recorded, with the exception of matters identified as confidential items in the Agenda. This includes the public participation sections of the meetings.

Audio recordings of meetings are taken to facilitate the preparation of the minutes of open Council and Committee meetings and to ensure their accuracy.

In some circumstances a recording will be disclosed to a third party. Those circumstances include, but are not limited to, circumstances, such as where Council is compelled to disclose an audio recording because it is required by law, such as the Freedom of Information Act 1982, or by court order, warrant, or subpoena or to assist in an investigation undertaken by the Ombudsman or the Independent Broad-based Anti-corruption Commission.

Council will not use or disclose the recordings for any other purpose. It is an offence to make an unauthorised recording of the meeting.

The sole purpose of the Special Meeting is to hear submissions on the 2016/17 Budget.

Thank you. Now 30 minutes is allowed for question time. Please remember, you must ask a question. If you do not ask a question you will be asked to sit down and the next person will be invited to ask a question. This is not a forum for public debate or statements.

1. Questions received in writing prior to the meeting (subject to attendance and time),
2. Questions from the floor.

5. QUESTION TIME

6. DECLARATION OF INTEREST

SC161506-1 CONSIDERATION OF BUDGET 2016-2017 SUBMISSIONS

AUTHOR:	Daniel Fogarty	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	CLF11/42

Purpose

The purpose of this report is to consider submissions received under section 223 of the *Local Government Act 1989* in relation to the draft proposed budget for 2016/17.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

On 27 April 2016, Council resolved to give notice of preparation of the proposed 2016/17 budget, including proposed rates and charges for the year, and invited submissions on the budget in accordance with section 129 of the *Local Government Act 1989*.

At the Ordinary Council Meeting held on 27 April 2016 it was resolved:

“That Council:

- 1. Pursuant to Section 223 (1)(b) of the Local Government Act 1989 determines that Council will consider, and if requested, hear any submissions received in relation to the proposed budget 2016/17, on Wednesday, 15 June 2016 at 1.00 pm at COPACC.***
- 2. Notes that written submissions will be accepted for a five week period closing 5:00pm Friday, 3 June 2016.”***

As part of the statutory process to adopt the 2016/17 Budget, Council is required to consider all submissions received on the Budget.

The closing date for submissions was 5.00 pm on Friday, 3 June 2016. Comments /Requests were received from 7 different submitters relating to the Draft 2016/17 Budget.

Under section 223(1)(d) of the *Local Government Act 1989*:

- (d) the Council or special committee responsible for making the decision must—*
- (i) consider all the submissions made under this section and any report made under paragraph (c);*

A hard copy of all submissions received has been provided to Councillors for their information. One submitter has requested an opportunity to be heard in support of their submission at the Special Council meeting.

Council Plan / Other Strategies / Policy

Good Governance

Means we care about and are responsive to the community, encourage democratic participation and involve people in decisions that affect them. We strive for excellence in financial management and council services, and always look for better ways to do things.

Our Goal:

Ensure transparency of governance practices, the capability of our organisation and effective resource management.

The 2016/17 Draft Budget has been prepared in line with the Council Plan and is guided by priorities outlined in key strategic documents - the Council Plan and Strategic Resource Plan.

The 2016/17 Draft Budget reflects Council's commitment to achieving progress against Council's Key Themes (Pillars):

- Good Governance
- A Planned Future
- A Place to Live and Grow
- A Healthy Community and Environment

The 2016/17 Draft Budget was prepared in accordance with the requirements of the *Local Government Act 1989* and the *Local Government (Financial and Planning) Regulations 2014*. The 2016/17 draft budget was drafted using the standard model budget format as dictated by the regulations. This model has been designed to aid comparability between all 79 municipalities across Victoria.

The Budget is a critical planning and resource tool of Council and is vital to the ongoing operational and financial viability of Council. It sets out the expected income and expenditure both operational and capital for the coming year and also incorporates Council's rating strategy and outlines Council's Strategic Resource Plan goals.

Key highlights of the draft budget include:

- An increase in the average rate of 2.5% (including waste collection charges) equating to an 88 cents per week increase on 2015/16 levels
- The delivery of a significant capital works program.
- Approximately 2/3 of the capital works budget will be renewing our community's existing assets, and approximately 25% spent on upgrading our assets to improve community services
- The completion of the Colac Central Reserve redevelopment project worth \$2.81 million
- A significant roads program, including \$2.30 million of recovery works in bushfire affected areas
- The trial of additional Green waste collections to coincide with the start of the fire season
- Trial of additional operating hours and day for the Apollo Bay Library from 1 August 2016 in order to ensure users will never have to wait more than one day for the library to open.
- Recreational facility improvements, including redevelopment works at the Birregurra tennis and netball courts
- Approximately \$300,000 for sustainability outcomes and \$216,000 for energy efficiency programs including street lighting upgrades which will generate future cost savings
- No new borrowings in the 2016/17 budget or forward projections
- Repayment of one loan in full three (3) years earlier than scheduled which will generate future cost savings.

Issues / Options

Submissions

Council received questions/comments from 7 submitters on the 2016/17 Draft Budget with one request to be heard in support of their submission. The following table summarises the submissions received and proposed responses:

Theme	Submission Details	Officer Comments
<u>Theme 1</u> Support for inclusion of a project.	<p><u>Submitter 1:</u> Expression of support for extension of the Costin street footpath</p> <p><u>Submitter 2:</u> Expression of support for extension of the Costin street footpath</p> <p><u>Submitter 3:</u> Expression of support for extension of the Costin street footpath</p>	All submissions noted.
<u>Theme 2</u> Use of external resourcing	<p><u>Submitter 4:</u> (1) Question if Council limits the labour portion of any works contracted out; and (2) Has any allowance been made in the budget for use of outside advisors.</p>	<p>Council delivers a range of services to the community and this is through both direct service by employees of Council and through the establishment of contract arrangements. This includes the use of specialised knowledge from time to time including the use of advisors/consultants and where this is required an appropriate budget has been allowed for (eg valuation services for land valuations).</p> <p>In relation to contract arrangements a scope of works/specification is developed prior to obtaining a quote and the proportion of labour required to deliver the contract will vary depending on the service being provided.</p>
<u>Theme 3</u> Bluewater Leisure Centre	<p><u>Submitter 4:</u> Does the budget include an allowance for the full cost of Bluewater including construction and fit out and repayment of any loans (external or internal loans).</p> <p><u>Submitter 7:</u> Asserting the view the current budget document does not provide adequate information relating to any further costs for the Bluewater redevelopment works.</p>	Council has budgeted for the anticipated operating and capital costs of operating Bluewater Leisure Centre for the 16/17 financial year. There are no additional borrowings proposed for Bluewater and there were no internal borrowings used in the past or currently proposed for the future.

<p><u>Theme 4</u> Rating Arrangements</p>	<p><u>Submitter 4:</u> Complaint that Council didn't include a reference to the Municipal charge in its meeting report for the meeting on 27 April, 2016 and instead it was in the draft budget document.</p> <p><u>Submitter 4:</u> Why has there been a reduction in commercial rate income and what has caused this. Why has this decreased when compared to the Colac Residential rate in the dollar?</p>	<p>The Municipal charge was included in the draft budget document tabled at Council's meeting on 27 April, 2016. The agenda including the budget document attached was available for inspection from 22 April, 2016. The draft budget was placed on full public display following resolution of Council on 27 April, 2016 and the Municipal charges are clearly listed in multiple locations in the document, particularly Section 7 Rates and Charges.</p> <p>The reduction in rates income derived from the Commercial rating categories (being 3.2% and 3.8%) is due to the reduction in the total valuation of properties within the rating categories reducing by 0.1% and 0.7% and a reduction in the rate in the dollar implemented consistent with Councils Rating Strategy.</p> <p>The change in the rate in the dollar applicable to the Colac Residential rate" (ie: that rate in the dollar for the "Residential-Colac/Elliminyt" rating category) and all categories reflects changes to land valuation and implementation of the new rate capping arrangements. The relativity of the rate in the dollar for all "Commercial" properties has not changed from the 2015/16 budget.</p>
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<p>Theme 4 (cont) Rating Arrangements</p>	<p><u>Submitter 4:</u> What was the valuation of areas of the shire that were transferred to another zone for rating purposes including vacant land and/or a different rating category in 2016/17 compared to their 2015/16 category or made non-rateable.</p> <p><u>Submitter 4:</u> How are land revaluations calculated?</p> <p><u>Submitter 7:</u> Asserting the levels of Rural Rates are too high and not an equitable distribution of the rating burden.</p>	<p>The level of all rates and charges are set consistent with Councils Rating Strategy. Not all movements of properties between rating categories generate a valuation change. Our records indicate that land values for fire affected properties at Wye river and separation creek totaling \$26,453,000 will be transferred to vacant land in 2016/17. Outside of the above bushfire related category changes, no further information is currently available relating to category changes.</p> <p>Valuations are determined by analysing market sales history and are arrived at following a rigorous review process by qualified Valuers.</p> <p>The valuation process is described in the “2016 Valuation Best Practice Guidelines” prescribed by the Victorian “Valuer General” – a copy of which is available on:- www.delwp.vic.gov.au</p> <p>The level of all Rates and Charges are in accordance with Councils current rating strategy which is prepared in line with the principles set out in section 3C subsection 2 of the Local Government Act. The rating strategy is set on analysis of needs, costs and capacities to pay of all sectors of the community and is fully legally compliant.</p> <p>When comparing the Rural Farm Category differential of 79% to the Commercial/Industrial category differentials of 140% (Balance of Shire) & 165% (Colac) the Rural Farm sector does not bear an inequitable share of the rating burden.</p>
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<p><u>Theme 4</u> <u>(Cont)</u> Rating Arrangements</p>		<p>Rates are calculated on an assessment of the value of land as this is a basis that can be applied consistently across all categories and is in accordance with the Local Government Act.</p> <p>Rural Farms make up 30% of the Shire's valuation and this category accounts for approximately 25% of the total rates. Whereas Commercial/Industrial in aggregate accounts for 7.8% of the valuation and contributes 13% of Council's total rates.</p>
<p><u>Theme 5</u> Funding / Funding Requests</p>	<p><u>Submitter 4:</u> No provision for a hard waste collection in the Colac urban region.</p> <p><u>Submitter 5:</u> Funding request for renewal of facilities at Colac Indoor Sports Centre.</p> <p><u>Submitter 6:</u> Funding request for a pedestrian crossing on the Great Ocean Road at Skene's creek.</p>	<p>There are no plans for a hard waste collection to be introduced in Colac during 2016/17. There are options available for residents through private service providers.</p> <p>The Colac Indoor Tennis and Sports Centre provide an important community/recreation service that Council does not currently provide. It is however a privately operated facility and Council historically hasn't provided funding support for such facilities. The request for funds is asset renewal to enable courts to be suitable for participation. There is nothing currently budgeted to provide for this.</p> <p>Council in principle supports the project, however as the Great Ocean Road is the state Government's (VicRoads) responsibility, Council will support the community's need for a safe crossing at Skene's Creek/Great Ocean Road but the decision will reside with the State Government. We will be active in our advocacy of this initiative.</p>

<p><u>Theme 5</u> (Cont) Funding / Funding Requests</p>	<p><u>Submitter 6:</u> Funding request for Apollo Bay Harbour to provide an all-weather surface to the northern end of the boat ramp car park.</p> <p><u>Submitter 4:</u> Query regarding the methodology employed by council in determining available funding.</p>	<p>Colac Otway Shire Council manages the Port on behalf of Victoria's Department of Transport. As such, all operational and capital works expenditure requires the approval of the Department before this can occur.</p> <p>The Colac Otway Shire had already earmarked the northern carpark at the Port for an upgrade including pavement upgrade and sealing works. A business case has been submitted to the Department requesting permission to make application for funding for this project.</p> <p>Council identifies and establishes the cost of service provision and the correlating service levels and determines the income based on those service levels.</p>
<p><u>Theme 6</u> Fees & Charges</p>	<p><u>Submitter 4:</u> Why is there a reduction in A4 photocopy charges?</p>	<p>To ensure access to reasonably priced photocopy services Council has matched the charges in place at the Colac Regional Library.</p>
<p><u>Theme 7</u> Service Levels</p>	<p><u>Submitter 7:</u> Asserting the view that the provision of the product development and marketing at the Visitor information Centers should be the responsibility of the industry not ratepayers.</p> <p><u>Submitter 7:</u> Asserting the view the sports and aquatic services provided by Council at the Bluewater facility should not form part of Council's suite of services.</p> <p><u>Submitter 7:</u> Asserting the view that the areas of Home and Community Care and Family Services are not Council's core business and savings can be achieved by outsourcing these services</p>	<p>The submitters view on the listed services provided is noted. Appropriate funding has been proposed in the 2016/17 Budget.</p> <p>The submitters view on the provision of sports and aquatics facilities are noted. Appropriate funding has been proposed in the 2016/17 Budget.</p> <p>The submitters view on the provision of Home and Community Care are noted. Appropriate funding has been proposed in the 2016/17 Budget.</p>

<p>Theme 7 (Cont) Service Levels</p>	<p>Submitter 7: Asserting the view that the budget allocation for economic development is excessive.</p>	<p>The submitters view on the allocation of funding for economic development is noted. Appropriate funding has been proposed in the 2016/17 Budget.</p>
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Proposal

That Council notes the written and verbal submissions received and refers all submissions for further consideration to the Council meeting to be held on Wednesday 22 June 2016, as part of Council's deliberations in adopting the 2016/17 Budget.

Financial and Other Resource Implications

All financial and resource implications concerning the 2016/17 Draft Budget are contained and detailed within the 2016/17 Draft Budget document. This report raises no additional implications.

Risk Management & Compliance Issues

Local Government Act 1989:

- Section 127 - "Council must prepare a budget"
- Section 129 - "Public notice"
- Section 130 - "Adoption of budget or revised budget"
- Section 223 - "Right to make submission".

Local Government (Planning and Reporting) Regulations 2014

Environmental and Climate Change Considerations

There are no environmental and climate change considerations arising from this report, other than those outlined within the 2016/17 Draft Budget document itself.

Community Engagement

The community engagement strategy follows the recommendations of the Colac Otway Shire Council Community Engagement Policy of July 2013, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected was to consult. Advertisements were placed in the local papers advising the community that documents were available from Friday 29 April 2016 for viewing on Council's website, and were also available from Council's Service Centres and Libraries from Monday 2 May 2016.

Section 223 of *the Act* requires that the Budget be available for comment for a period of at least four (4) weeks. A consultation period of five (5) weeks was provided to enable the community the opportunity to comment on the Budget.

There were two public information sessions held concerning the 2016/17 Draft Budget. These sessions took the form of an informal 'drop-in' session where residents and ratepayers were encouraged to speak with Council Officers about the draft budget. The sessions were held from 5.30pm – 7.30pm in Colac on Wednesday 11 May 2016 and one in Apollo Bay on Thursday 12 May 2016 5.00pm – 7:00pm. A total of two interested parties attended the Colac session, whilst no persons attended the session held in Apollo Bay.

The timelines proposed for approval of the draft 2016/17 Annual Budget, public consultation, consideration of submissions and adoption of the 2016/17 Annual Budget are consistent with most councils.

Implementation

The submissions lodged will be considered as part of Council deliberations on the 2016/17 Budget.

Conclusion

Following the submission process on the Draft Budget a number of submissions have been received.

Officer's comments have been provided on each of the issues raised in the above table.

Attachments

Nil

Recommendation

That Council:

Having received and noted the written and verbal submissions, refers all submissions for further consideration to the Council meeting to be held on Wednesday 22 June 2016, as part of Council's deliberations in adopting the 2016/17 Budget.

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