

### **1.1.1 Dinner Plain Special Rate (2020/21) Public Notice of Proposed Declaration**

#### **INTRODUCTION**

A Council may declare a special rate for the purpose of defraying the expenses of performing a function that is of special benefit to the persons required to pay the special rate. The declaration of a special rate is a requirement of the *Local Government Act 1989*, Section 163.

The purpose of this report is to recommend that public notice is given of a proposed declaration of a Special Rate for the Dinner Plain village applicable to Commercial / Industrial land only in 2020/21.

#### **RECOMMENDATION**

##### ***That Council:***

- 1. Give public notice in accordance with s163 of the Local Government Act 1989 of the intention to declare a special rate for the period 1 July 2020 to 30 June 2021 as follows:**
  - a. A special rate (the Dinner Plain Special Rate) be declared for the purpose of defraying any expenses in relation to the provision of services of special benefit to the owners of Commercial / Industrial land within the Dinner Plain village;**
  - b. The total cost of the performance of this function is estimated to be \$607,000 over one year, based on inclusion of the following services:**
    - i. The Dinner Plain to Hotham winter bus service**
    - ii. Roadways snow clearing**
    - iii. Cross country snow grooming**
    - iv. Marketing and events support specific to Dinner Plain**
    - v. Cable Television Maintenance;**
  - c. The Dinner Plain Special Rate will apply to Commercial / Industrial land within the Dinner Plain village as defined in the attached map;**
  - d. The definition of Commercial / Industrial land is the definition provided in the Alpine Shire Council draft Budget Report 2019/20;**
  - e. The amount of the Dinner Plain Special Rate to be levied is determined as 43% of the general rate as provided in the Alpine Shire Council draft Budget Report 2019/20;**
  - f. The amount of the Dinner Plain Special Rate to be levied is estimated to be \$182,580 over one year, or such other amount as is lawfully raised as a consequence of this Resolution;**
  - g. The amount of the Special Rate will be the amount shown as due and payable in any notice sent to a person required to pay the Dinner Plain Special Rate; and**

- h. Each person liable to pay the Dinner Plain Special Rate is to pay by instalments in line with Council's general rate payment requirements each year.*
- 2. Invite public submissions in relation to the proposed declaration of the Dinner Plain Special Rate in accordance with s163A and s223 of the Local Government Act 1989.*
  - 3. Form a committee according to Section 223 (1)(b) of the Local Government Act 1989, if required, consisting of Councillors for the purpose of hearing submissions in relation to the proposed declaration of the Dinner Plain Special Rate.*
  - 4. Consider the Dinner Plain Special Rate for 2020/21 declaration at a Special Council Meeting on 16 June 2020.*

## **BACKGROUND**

The Dinner Plain village has for some time been subject to a Special Rate to defray the expenses associated with services of special benefit to Dinner Plain ratepayers. Within the Alpine Shire Council's draft Council Budget Report 2020/21, this includes the Dinner Plain to Hotham winter bus service (\$175,000, an increase of \$13,000 due to anticipated CPI increase in the service contract and a moderation of income from ticket sales); roadways snow clearing (\$160,000); cross country snow grooming (\$66,000); marketing and events support specific to Dinner Plain (\$191,000); and Cable Television Maintenance (\$15,000, an increase of \$13,000 to enable extensive component replacement).

## **ISSUES**

A declared Special Rate for Dinner Plain reduced from 80.7% in 2015/16, to 65% in 2016/17, to 43% in 2017/18. In 2018/19, the Special Rate was aligned to the differential rate for Commercial / Industrial Land in the rest of the shire and was only paid by ratepayers who own Commercial / Industrial land in the Dinner Plain village (including holiday lets).

This approach was continued in 2019/20, and it is proposed that it be maintained for the declaration of a Special Rate in 2020/21.

It is noted that the Dinner Plain village operates on a total cost recovery basis. If there is a deficit or surplus based on the difference between

- a) all general and Special income attributable to Dinner Plain and
- b) all general and Special costs attributable to Dinner Plain,

this is allocated to a reserve, namely the 'Dinner Plain Reserve'. This is inclusive of all relevant income and costs, including, for example, the general rates paid by Dinner Plain ratepayers; an apportionment of general Council grants; an apportionment of Council services relevant to Dinner Plain; an apportionment of Council overheads; all Special Rate costs; and all capital works expenditure in Dinner Plain. Based on current forecasts, Dinner Plain expenditure will continue to exceed income as it has in 2019/20.

It is noted that in line with the 2019/20 Dinner Plain Special Rate declaration, Council is committed to delivery of a pipeline of \$1.5m new and upgrade capital works within Dinner Plain by 2027. It is anticipated that by the end of 2020/21, \$1,120,000 of this pipeline will have been delivered, including:

#### 2017/18 Works

- Toboggan Run Access Improvements - \$19,000
- Dinner Plain Mountain Bike Trails - \$187,000
- Dinner Plain Village Green - \$32,000

#### 2018/19 Works

- Toboggan and Ski Run Safety Improvements - \$24,000
- Dinner Plain Mountain Bike Trails Stage 2 - \$70,000 (\$187,000 total cost, \$117,000 grant funded)
- Dinner Plain Tracks and Trails Signage - \$43,000
- Dinner Plain Village Detailed Designs - \$48,000
- Dinner Plain Tube Slide - \$4,000

#### 2019/20 Works (Forecast)

- Toboggan and Ski Run Safety Improvements - \$83,000
- Dinner Plain Snowmaking Options Analysis - \$10,000 (\$50,000 total cost, \$40,000 grant funded)
- Dinner Plain Mountain Bike Trails Stage 2 - \$3,000 (\$16,000 total cost, \$13,000 grant funded)
- Dinner Plain Village Detailed Designs - \$12,000
- Dinner Plain Tube Slide - \$1,000

#### 2020/21 Works (Proposed)

- Dinner Plain Activation - \$580,000 (\$900,000 total cost, \$320,000 grant funded)

### **POLICY IMPLICATIONS**

The preparation of the Dinner Plain Village Rate 2019/20 strategy is in accordance with the:

- Special Rates and Charges, Ministerial Guidelines, September 2004
- *Local Government Act 1989*
- Alpine Shire Rating Strategy
- Strategic Resource Plan
- Council Plan 2017-2021 objective to provide a Responsible and Sustainable Organisation.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

Based on current property valuations across the Alpine Shire, the Dinner Plain Special Rate for 2019/20 is proposing to raise an estimated \$182,580 over the 12 month period. This is significantly less revenue than the cost of the Special Rate services which are estimated to cost \$607,000 over the same period.

Analysis indicates that Dinner Plain expenditure will exceed income into the foreseeable future. This deficit will be covered by the Dinner Plain Reserve in as much as it has a positive balance.

The Dinner Plain reserve is forecast to be \$656,000 as at 30 June 2020.

## **CONSULTATION**

Under Section 163 of the *Local Government Act 1989*, a Council must give public notice of its intention to make a special rate declaration at least 28 days before making the declaration. The public notice must contain an outline of the proposed declaration, the date on which it is proposed to be made, and it must advise that copies of the proposed declaration are available for inspection at the Council office for at least 28 days after the publication of the notice.

In addition, the Council must send a copy of the public notice to each person who will be liable to pay the special rate within 3 working days of the day on which the public notice is published.

Under Section 223 of the *Local Government Act 1989* a person has a right to make a submission on the proposed Dinner Plain Special Rate for 2019/20 and any submission must be considered before adoption of the budget by Council. Council must allow a minimum 28 days after the public notice to receive submissions. A person has the right to have their submission heard at a committee be formed according to Section 223 (1)(b) of the *Local Government Act 1989*, if required, consisting of Councillors for the purpose of hearing submissions.

## **CONCLUSION**

Public notice of the intention to declare a special rate is a requirement of the *Local Government Act 1989*.

Council is giving public notice of the intent to declare a Dinner Plain Special Rate of 43% of the general rate for rateable residential properties for the period 1 July 2020 to 30 June 2021 in accordance with Section 163 of the *Local Government Act 1989*. It is proposed to declare the Dinner Plain Special Rate at a Special Council Meeting on 16 June 2020.

## **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the Local Government Act 1989, the following officers declare that they have no interests to disclose in providing this report.

- Chief Executive Officer
- Director Corporate
- Director Assets

- Manager Corporate
- Rates Coordinator

**ATTACHMENT(S)**

- Dinner Plain Village Rate Map