

SPM(7) – 15 JUNE 2021

Special Council Meeting

Agenda

Notice is hereby given that the **Special Meeting** of the **Alpine Shire Council** will be held on **15 June 2021** commencing at **5:00pm**.

Agenda

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1. Recording and livestreaming of Council meetings

The CEO will read the following statement:

All council meetings are filmed with both video and audio being recorded.

Video is focused on a specific area however audio from the entire room is captured.

The reasoning behind recording council meetings is of course to hold us more accountable and improve transparency of council's decision making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

2. Acknowledgement of traditional custodians, and recognition of all people

The Mayor will read the following statement:

The Alpine Shire Council acknowledges the Traditional Owners of the land we are now on, we pay our respect to Elders, past and present.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

3. Apologies and Leave of Absence

Cr Prime is on Leave of Absence until July 2021.

4. Declarations by Councillors and Staff of conflict of interest

Cr Charlie Vincent declared a conflict of interest with respect to item no 5.1.1 and the submission made by Into our Hands Foundation Community Foundation (submission number 6).

Ruth Kneebone declared a conflict of interest with respect to item no 5.1.1. and the submission made by Into our Hands Foundation Community Foundation (submission number 6).

William Jeremy declared a conflict of interest with respect to item no 5.1.11 and the submissions made by William Jeremy (submission 7), Alpine Cycling Club (submission 5) and Alpine Community Plantation (submissions 8 and 9).

5. Presentation of reports by officers

5.1 DIRECTOR COMMERCIAL - RUTH KNEEBONE

5.1.1 Submissions to the Draft 2021/22 Budget

File Number: 2021/22 Budget

INTRODUCTION

The purpose of this report is to respond to the submissions received under section 223 of the *Local Government Act 1989* relating to the draft Budget 2021/22 for the Alpine Shire Council.

RECOMMENDATION

That Council:

- considers written and verbal submissions received pursuant to Section 223 of the Local Government Act 1989 and section 96 of the Local Government Act 2020, in relation to the Alpine Shire Council Budget 2021/22.*
- makes the following amendments to the Alpine Shire Council Budget 2021/22:*

<i>Submission #</i>	<i>Budget section</i>	<i>Submission / Amendment</i>	<i>Value in Draft Budget</i>	<i>Amount to be Adopted</i>
<i>Carry forward expenditure for the following 2020/21 capital projects:</i>				
#10	5.4.3	<i>Porepunkah Drainage Strategy</i>	<i>\$0</i>	<i>\$33,000</i>
		<i>McCullough Road Drainage Design</i>	<i>\$0</i>	<i>\$50,000</i>
		<i>Bright Depot Fuel Tank Renewal</i>	<i>\$0</i>	<i>\$30,000</i>
		<i>Electronic Waste Infrastructure Upgrade</i>	<i>\$0</i>	<i>\$60,000</i>
		<i>Bright Railway Museum Renewal</i>	<i>\$0</i>	<i>\$43,000</i>
		<i>Myrtleford Memorial Hall Renewal</i>	<i>\$0</i>	<i>\$180,000</i>
		<i>Vehicle Renewal</i>	<i>\$0</i>	<i>\$42,000</i>

<i>Submission #</i>	<i>Budget section</i>	<i>Submission / Amendment</i>	<i>Value in Draft Budget</i>	<i>Amount to be Adopted</i>
		<i>Large Plant Renewal</i>	<i>\$0</i>	<i>\$91,000</i>
		<i>Alpine Better Places Harrietville and Tawonga</i>	<i>\$0</i>	<i>\$13,000</i>
<i>Allocate budget to the following capital projects:</i>				
<i>#10</i>	<i>5.4.2</i>	<i>Alpine Active Sport and Recreation Plan</i>	<i>\$0</i>	<i>\$20,000</i>
		<i>Harrietville Wastewater Treatment Cluster Design</i>	<i>\$0</i>	<i>\$20,000</i>
		<i>Kiewa River Trail Car Park</i>	<i>\$0</i>	<i>\$65,000</i>
		<i>Tronoh Dredge Reserve Car Park</i>	<i>\$0</i>	<i>\$70,000</i>
		<i>Bright Railway Museum Renewal</i>	<i>\$0</i>	<i>\$38,000</i>
		<i>Myrtleford Memorial Hall Renewal</i>	<i>\$0</i>	<i>\$85,000</i>
		<i>Alpine Better Places Harrietville and Tawonga</i>	<i>\$0</i>	<i>\$17,000</i>
		<i>Porepunkah Transfer Station Master Plan Design</i>	<i>\$0</i>	<i>\$25,000</i>
		<i>Mount Beauty Community Centre Audio Visual Upgrade</i>	<i>\$0</i>	<i>\$40,000</i>
		<i>Oaks Lawn Electrical Upgrade Design</i>	<i>\$0</i>	<i>\$18,000</i>
		<i>Big Hill Carpark Sealing</i>	<i>\$0</i>	<i>\$125,000</i>
		<i>Buckland Valley Road Upgrade</i>	<i>\$0</i>	<i>\$385,000</i>

Submission #	Budget section	Submission / Amendment	Value in Draft Budget	Amount to be Adopted
		Project Pinnacle	\$180,000	\$226,000
		Workforce - Capitalised wages	\$1,082,000	\$1,130,471
Carry forward expenditure for the following operational items:				
#10	4.1	Local Government Act Implementation	\$40,000	\$44,800
Amend expenditure related to the following operational items:				
#10	4.1	Community Events	\$25,000	\$90,000
		High Country Library Network Freight	\$37,095	\$43,595
		Workforce - Operating (Non-Road Maintenance)	\$8,701,753	\$8,902,144
		Tourism North East - Annual Campaign	\$115,270	\$16,000
		Community Connector	\$0	\$50,000
		Destination Marketing - Media Famils	\$16,000	\$5,000
		Other Buildings	\$28,500	\$33,500
		Myrtleford Transfer Station	\$710,000	\$740,000
		Mount Beauty Transfer station	\$210,125	\$225,125
		Porepunkah Transfer station	\$311,984	\$361,984
		Business Systems (licences)	\$300,000	\$355,000
Allocate budget to the following operational items:				
#10	4.1	Telecommunications Strategy - Bushfire Recovery	\$0	\$50,000

<i>Submission #</i>	<i>Budget section</i>	<i>Submission / Amendment</i>	<i>Value in Draft Budget</i>	<i>Amount to be Adopted</i>
		<i>Gender Equality Act 2020</i>	<i>\$0</i>	<i>\$20,000</i>
		<i>Tawonga Holiday Park</i>	<i>\$0</i>	<i>\$75,000</i>
		<i>Housing Strategy</i>	<i>\$0</i>	<i>\$100,000</i>
<i>#2</i>	<i>4.1</i>	<i>Wandiligong Preservation Society Inc. funding (annually for three years)</i>	<i>\$0</i>	<i>\$5,000</i>
<i>#6</i>	<i>4.1</i>	<i>Into Our Hands Community Foundation funding (annually for three years)</i>	<i>\$0</i>	<i>\$10,000</i>
<i>#9</i>	<i>4.1</i>	<i>Mystic Park Turnaround Point</i>	<i>\$0</i>	<i>\$30,000</i>
<i>Amend the following Grant Income:</i>				
<i>#10</i>	<i>5.1</i>	<i>Fire Services Levy</i>	<i>\$0</i>	<i>\$53,032</i>
<i>Amend the following Rates and Charges Income:</i>				
<i>#10</i>	<i>5.1</i>	<i>Dinner Plain Special Rate Income</i>	<i>\$925,000</i>	<i>\$923,000</i>
		<i>General Rates Income</i>	<i>\$15,288,000</i>	<i>\$15,283,000</i>
		<i>Kerbside Collection Income</i>	<i>\$2,471,836</i>	<i>\$2,491,025</i>
		<i>General Waste Management Income</i>	<i>\$620,000</i>	<i>\$621,440</i>

3. *The following submissions may be further assessed or managed by the Alpine Shire Council as per comment detail, however, do not result in Changes to the Alpine Shire Council Budget 2021/22 for the stated reasons:*

<i>Submission #</i>	<i>Submission proposal</i>	<i>Value</i>	<i>Rationale and Approach</i>
#1	<i>Kiewa Valley Historical Society storage room</i>	<i>Not specified</i>	<i>Concept needs further development and scoping.</i>
#3	<i>Rental Accommodation – request to Council to consider</i>	<i>Not specified</i>	<i>Council has allocated \$100,000 towards a Housing strategy. Will continue to review based on community needs.</i>
#4	<i>Myrtleford Mosaic Trail and Mural funding</i>	<i>\$8,000</i>	<i>Council recommends this submitter fund ongoing operational expenses</i> <i>Council encourages this submitter to resubmit \$5,000 to the Community Grants process</i>
#5	<i>Maintenance Officer for Mystic Mountain Bike Park</i>	<i>Not specified</i>	<i>Council recommends this submitter fund ongoing operational expenses</i>
#7	<i>Footpath extension in Martley and Francis Streets, Porepunkah</i>	<i>Not specified</i>	<i>Project requires further development and scoping. Council recommends consideration in 2022/23 budget.</i>
#8	<i>Engineering Assessment for an alternative route for commercial and private shuttles to Mystic Park</i>	<i>\$25,000</i>	<i>Project requires further development and scoping.</i> <i>Council recommends consideration for 2022/23 budget (no capacity in current Capital Works Program).</i>

4. notifies in writing each person or persons who made a submission of the decision and the reasons for that decision, in accordance with Section 223 (1)(d) of the Local Government Act 1989.

BACKGROUND

Budget Overview

Based on ongoing community consultation, Council has prepared a Budget for 2021/22 which is aligned to the vision in the Council Plan 2017-21.

Through continued strong cost management, the Budget provides a prudent financial position which enables Council to continue to deliver critical services and projects as conditions evolve.

Key budget information is provided in the Budget 2021/22 including details of the rate increase, the strategic objectives of the Council, the operating result, ongoing service provision, capital works projects and the Council's financial position.

Submission Process

Section 96(1) of the *Local Government Act 2020* provides for Council to develop the budget in accordance with financial management principles and Council's Community Engagement Policy. Section 96(2) provides for Council to run a consultation process in accordance with the previous *Local Government Act* for the draft 2021/22 Budget if a community engagement policy is not in place.

Under Section 223 of the *Local Government Act 1989*, Council is required to give public notice that it intends to adopt the draft 2021/22 Report. It must allow a minimum 28 days after the public notice to receive submissions and make the Draft 2021/22 Budget Report available for inspection at its offices and on its website. Council elected to use the s223 process and apply this to Budget submissions.

Council Officers have also made internal submissions. The purpose of an internal submission is to ensure that relevant information arising after the Budget has been placed on exhibition for public comment is considered by Council for inclusion in the final Budget. Internal submissions must be endorsed by Council under the same process as external submissions.

Submissions 1-9 are submissions from the public. Submission 10 is Council's internal submission. All submissions were treated in accordance with Section 223 requirements.

POLICY IMPLICATIONS

The Budget is prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*. Submissions have been governed by the *Local Government Act 1989*. The following requirements are set out:

Local Government Act 1989

- Section 223 – Right to make a submission

Local Government Act 2020

- Section 94 – The budget
- Section 96 – Preparation of budget or revised budget

Local Government (Planning and Reporting) Regulations 2020

- Regulation 7 - The financial statements
- Regulation 8 - Other information to be included

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- A responsible and sustainable organisation

FINANCIAL AND RESOURCE IMPLICATIONS

The net impact of the submissions which are recommended for incorporation into the Budget 2021/22 is as follows:

- Carried forward capital works - \$542k
- New capital works - \$1,002k
- Carried forward operational expenditure - \$5k
- Additional operating expenditure - \$657k
- Additional rates, charges and other income - \$67k
- Overall, the projected surplus is \$6.6m compared to the draft Budget surplus of \$7.2m.

CONSULTATION

Council is required to provide an opportunity for the public to make submissions regarding any proposal contained within the draft Budget. This is conducted through a formal process in accordance with s223 of the *Local Government Act 1989*, which includes a 28-day period where the public can provide Budget submissions and can request to be heard by a committee of Councillors in support of their submission.

The draft Budget 2021/22 was released for public comment following the April Ordinary Council Meeting. Public submissions formally closed on Thursday 13 May.

Those that formally requested to be heard in support of their written submission attended a committee of Council on Tuesday 25 May which was formed according to Section 223(1)(b) of the *Local Government Act 1989*.

CONCLUSION

All submissions received have been considered by Council. This report reflects the Officers' recommendations to Council following a review of the cost and scope of each submission, and overall deliverability of the full scope of 2021/22 work.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have a conflict of interest in the budget submissions as detailed below:

- Director Commercial – Submission 6
- Director Assets – Submission 7, Submission 8, and Submission 9
- Cr. Vincent - Submission 6

Councillors and officers and that declared a conflict of interest removed themselves from Briefing Sessions where submissions were discussed.

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Manager Corporate
- Accountant

ATTACHMENT(S)

Nil

5.1.2 Declaration of the Dinner Plain Special Rate (2021/22)

File Number: 600.03

INTRODUCTION

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 declare a Special Rate for the Dinner Plain village (the "Dinner Plain Special Rate") applicable to Commercial / Industrial land only for the period 1 July 2021 to 30 June 2022.

RECOMMENDATION

That Council:

1. *notes that one submission was received regarding the proposed declaration of the Dinner Plain Special Rate (2021/22)*
2. *declares the Dinner Plain Special Rate (2021/22) for the period 1 July 2021 to 30 June 2022 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 \$648,000 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.*
3. *notes that the Dinner Plain Special Rate will apply to Commercial / Industrial land within the Dinner Plain village as defined in the attached map*
4. *notes that the definition of Commercial / Industrial land is the definition provided in the Budget 2021/22, supported by the Alpine Shire Council Revenue and Rating Plan*
5. *notes that the basis of the calculation of the Dinner Plain Special Rate for the 2021/22 financial year be 43% of the rate in the dollar levied as general rates for rateable residential properties, as specified in the Alpine Shire Council Budget 2021/22, multiplied by the Capital Improved Value of each parcel of Commercial / Industrial land*
6. *notes that the amount of the Dinner Plain Special Rate to be levied is estimated to be \$178,000 over one year, or such other amount as is lawfully raised as a consequence of this Resolution*

7. *notes that 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*
8. *notes that 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 and*
9. *notifies in writing, each person or persons who made a submission of the decision and the reason for that decision, in accordance with the Local Government Act 1989.*

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 2021/22, this includes:

- the Dinner Plain to Hotham winter bus service (\$270,000)
- roadways snow clearance (\$160,000)
- cross country snow grooming (\$66,000)
- marketing and events support specific to Dinner Plain (\$150,000), an increase of \$10,000 to expand events
- Cable Television Maintenance (\$2,000), a reduction of \$13,000 due to extensive component replacement now completed.

ISSUES

Proposed Rating Approach

A declared Special Rate for Dinner Plain reduced from 180.7% in 2015/16, to 165% in 2016/17, to 143% 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 2020/21, and it is proposed that it be maintained for the declaration of a Special Rate in 2021/22.

Submissions Received

At the April 2021 Ordinary Council Meeting, Council resolved to give notice of its intention to declare a special rate for the provision of services of special benefit to the Dinner Plain village for the period 1 July 2021 to 30 June 2022. One submission was received throughout the public exhibition period as summarised below:

Submission	Summary Description	Council response
Submitter 1	Dinner Plain Special Rate (DPSR) should be borne by all ratepayers	<ul style="list-style-type: none"> • Change from all residents & businesses paying the DPSR to businesses only paying, occurred in 2018, bringing it into line with the Commercial/Industrial Differential Rate applicable to the rest of the Shire. • It is acknowledged that residential ratepayers also gain benefit from these services, however it is estimated that Commercial / Industrial property owners gain further benefit due to their ability to generate income being enhanced by these services. It is noted that a Special Rate does not need to be applied to all ratepayers that benefit from the Special services.

It is noted that the estimated cost of the Special Rate services is \$648,000 for 2021/22 which is considerably more than the Special Rate raises (estimated at \$178,000 for 2021/22). At the same time the Special Rate is aligned to the rate paid by Commercial / Industrial ratepayers in the rest of the Shire. The Special Rate does not penalise Dinner Plain ratepayers compared to other ratepayers in the Shire.

Feedback regarding the utility of Special Rate services is appreciated and Council continues to consult regularly with the Dinner Plain community regarding the best application of Council funds.

Council will provide a formal individual response to the submitter.

Dinner Plain Financial Commitments

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 2020/21.

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 2021/22, \$1,532,000 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

- Toboggan and Ski Run Safety Improvements - \$60,000
- Dinner Plain Snowmaking Options Analysis - \$37,000 (\$56,000 total cost, \$19,000 grant funded)
- Dinner Plain Mountain Bike Trails Stage 2 - \$3,000 (\$16,000 total cost, \$13,000 grant funded)
- Dinner Plain Village Detailed Designs - \$17,000
- Dinner Plain Tube Slide - \$1,000

2020/21 Works (Forecast)

- Dinner Plain Activation - \$81,000 (\$321,000 total cost, \$240,000 grant funded)
- Toboggan and Ski Run Safety Improvements - \$6,000

2021/22 Works (Proposed)

- Dinner Plain Activation - \$900,000 (\$1,200,000 total cost, \$300,000 grant funded)
- Dinner Plain Bus Shelter and Bus Bay (\$140,000 total cost, fully grant funded)
- Dinner Plain Pump Track Design (\$80,000 total cost, fully grant funded)

POLICY IMPLICATIONS

The preparation of the Dinner Plain Village Special Rate 2021/22 is in accordance with the:

- Special Rates and Charges, Ministerial Guidelines, September 2004
- *Local Government Act 1989*
- Council's Draft Revenue and Rating Plan.

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- A responsible and sustainable organisation

FINANCIAL AND RESOURCE IMPLICATIONS

Based on current property valuations across the Alpine Shire, the Dinner Plain Special Rate for 2021/22 is proposing to raise an estimated \$178,000 over the 12-month period. This is significantly less revenue than the cost of the Special Rate services which are estimated to cost \$648,000 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 whilst it has a positive balance.

The Dinner Plain reserve is forecast to be \$297,000 as at 30 June 2022.

CONSULTATION

Under Section 163 of the *Local Government Act 1989*, Council must give public notice of its intention to make a special rate declaration. This is conducted through a formal process in accordance with s223 of the *Local Government Act 1989*, which includes a 28-day period where the public can provide submissions regarding the proposed declaration and can request to be heard by a committee of Councillors in support of their submission.

The Dinner Plain Special Rate 2021/22 was released for public comment following the April Ordinary Council Meeting. Public submissions formally closed on Thursday 13 May. One submission was received. No submitters requested to be heard by a committee of Councillors.

CONCLUSION

Council can now declare the Dinner Plain Special Rate (2021/22) in line with the requirements of the *Local Government Act 1989*.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Commercial
- Director Assets
- Manager Corporate
- Rates Coordinator

ATTACHMENT(S)

5.1.2 Dinner Plain Village Rate Map

5.1.3 Adoption of 2021/22 Budget

File Number: Budget 2021/22

INTRODUCTION

The purpose of this report is to adopt the Budget 2021/22 for the Alpine Shire Council, incorporating the rates and charges for the 2021/22 financial year.

RECOMMENDATION

That Council:

1. *adopts Alpine Shire Council Budget 2021/22 incorporating the amendments adopted by Council in the submissions report (agenda item 5.1.3 of this Special Council Meeting)*
2. *declares rates and charges of \$19,203,340 be raised in the 2021/22 financial year and featuring a 1.5% rate increase, for the purpose of section 94(1) of the Local Government Act 2020, based on setting the 'rate in the dollar' and 'charges' as follows:*
 - a. *General (residential) rate (0.003649)*
 - b. *General (residential) rate Dinner Plain (0.003649)*
 - c. *Commercial/Industrial differential rate (0.005218)*
 - d. *Farm differential rate (0.002664)*
 - e. *Special rate for rateable Dinner Plain properties (0.001569)*
 - f. *Waste – 80 litre bin (weekly) \$226.50*
 - g. *Waste – 240 litre bin (weekly) \$502.20*
 - h. *Waste – 240 litre bin (fortnightly) \$226.50*
 - i. *Recycling – 140 litre bin (fortnightly) \$99.55*
 - j. *Recycling – 240 litre bin (fortnightly) \$104.90*
 - k. *Recycling – 360 litre bin (fortnightly) \$110.85*
 - l. *Recycling – 240 litre bin (weekly) \$209.93*
 - m. *Recycling – 360 litre bin (weekly) \$221.83*
 - n. *Dinner Plain standard waste service \$695.88*
 - o. *Dinner Plain commercial waste service \$1581.49*
 - p. *General waste charge \$80.00.*
3. *declares that Rates and charges must be paid by four instalments on or before 30 September 2021, 30 November 2021, 28 February 2022 and 31 May 2022 in accordance with Section 167 of the Local Government Act 1989*
4. *authorises the Chief Executive Officer to give public notice of adoption of the Budget 2021/22.*

BACKGROUND

Based on ongoing community consultation, Council has prepared a Budget for 2021/22 which is aligned to the vision in the Council Plan 2017-21.

Through continued strong cost management, the Budget provides a prudent financial position which enables Council to continue to deliver critical services and projects as conditions evolve.

ISSUES

The budget projects a surplus of \$6.6m which is influenced by:

1. A Rate increase of 1.5%, in line with the Fair Go Rates System which caps Victorian Council rate increases in line with inflation.
2. A capital works program totalling \$15.5m in FY2021/22, delivering the largest Capital Works Program that Council has embarked on to date, reflecting a steady pipeline of asset renewal and increased development activity as a result of many successful grant applications.
3. An increased material and services budget arising from the additional Capital Works projects, various Strategic Planning projects, additional landfill levy costs and triennial Elm Leaf Beetle treatment.
4. A temporary increase in staffing levels in response to changing service requirements, including continued support for Bushfire Recovery initiatives, circular economy, climate action initiatives, increased demand for statutory planning services and an increase in capacity required to deliver the Capital Works program.

Council has also updated its pipeline of initiatives to align budgeted activities to the strategic objectives outlined in the Council Plan 2017-21.

In addition, a full review of Council fees and charges has been conducted. Fees have been increased or decreased in line with movements in the actual costs to provide various services.

Further detail on the operating result, strategic objectives, initiatives, services, cash and investments, capital works, financial sustainability, and rates, charges and fees can be found within the annexed report.

It is noted that in accordance with sections 170 and 171 of the *Local Government Act 1989*, there are financial hardship options for ratepayers who are having difficulty paying their rates. In this instance, ratepayers are encouraged to contact Council to have a confidential discussion regarding their situation and putting in place an appropriate hardship plan.

POLICY IMPLICATIONS

The draft 2021/22 Budget is prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

There is a transition period between the previous *Local Government Act 1989*, and the new *Local Government Act 2020*, with the draft 2021/22 Budget being the first prepared under 2020 legislation.

Where previously the Budget was for a single year, the new requirement is for the Budget to cover a four-year period, including the budget year 2021/22, and the subsequent three financial years.

Rating provisions remain in the *Local Government Act 1989*, with no set timeframe for a transition to the *Local Government Act 2020*. The Victorian government has released the final report and government response on the Local Government Rating System Review, however this has not yet translated to legislative change.

The 2021-2025 Council Plan is currently in development and will be completed by 31 October 2021, as required in the new *Local Government Act 2020*. In future years, the Council Plan will be already in place during Budget development and will inform the themes and deliverables in the Budget document.

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- A responsible and sustainable organisation

FINANCIAL AND RESOURCE IMPLICATIONS

Council prepares its Budgets with the objective of balancing long-term financial sustainability and prioritised delivery against community needs.

The Budget 2021/22 proposes to raise \$19,203,240 in rates and charges based on proposed rates in the dollar and waste charges, or \$19,687,287 inclusive of estimates for rates in lieu, rates interest and additional income due to forecast supplementary development in the Shire. The draft 2021/22 Budget forecasts an operating surplus of \$6.6 million and a working capital ratio of 4.2.

Materials and services expenditure has increased due to the additional capital works projects. Departmental budgets have largely been managed to remain flat or have increased with the Consumer Price Index.

CONSULTATION

Section 96(1) of the *Local Government Act 2020* provides for Council to develop the budget in accordance with the financial management principles, and Council's community engagement policy. Section 96(2) provides for Council to run a consultation process in accordance with the previous *Local Government Act* for the draft 2021/22 Budget if a Community Engagement Policy is not in place. Council elected to mirror the

Section 223 process required for the Dinner Plain Special Rate and apply this to Budget submissions.

Under Section 223 of the *Local Government Act 1989*, Council is required to give public notice that it intends to adopt the draft 2021/22 Report. It must allow a minimum 28 days after the public notice to receive submissions and make the Draft 2021/22 Budget Report available for inspection at its offices and on its website.

The draft Budget 2021/22 was released for public comment following the April Ordinary Council Meeting. Public submissions formally closed on Thursday 13 May.

Those that formally requested to be heard in support of their written submission attended a committee of Council on Tuesday 25 May which was formed according to Section 223(1)(b) of the *Local Government Act 1989*.

CONCLUSION

All submissions received have been considered by Council. This report reflects the Officers' recommendations to Council following a review of the cost and scope of each submission, and overall deliverability of the full scope of 2021/22 work.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declared conflicts of interest in matters relating to specific Budget submissions, with the record of conflicts of interest in report 5.1.3, but do not have a conflict of interest in the preparation of the overall Budget.

- Director Commercial
- Director Assets

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Manager Corporate
- Accountant

ATTACHMENT(S)

5.1.3 Alpine Shire Council Budget 2021/22

5.1.4 Revenue and Rating Plan

File Number: 951.01

INTRODUCTION

The Local Government Act 2020 requires each Council to prepare and adopt a Revenue and Rating Plan to cover a minimum period of four years following each Council election. The Revenue and Rating Plan establishes the revenue raising framework within which the Council proposes to work.

The purpose of this report is to adopt the Revenue and Rating Plan.

RECOMMENDATION

That Council:

- 1. notes that no submissions were received regarding the draft Revenue and Rating Plan;*
- 2. notes that minor amendments to update legislative references were made to the draft Revenue and Rating Plan;*
- 3. adopts the Alpine Shire Council Revenue and Rating Plan; and*
- 4. signs and seals the Revenue and Rating Plan at the appropriate stage of the meeting.*

BACKGROUND

In 2019, the Victorian State Government conducted a Local Government Rating System Review. The Local Government Rating System Review Panel presented their final report and list of recommendations to the Victorian Government in March 2020.

The Victorian Government subsequently published a response to the recommendations of the Panel's report. However, the recommended changes have not yet been implemented and timelines to make these changes have not been announced.

The Revenue and Rating plan (the Plan) is a new legislative requirement. It is for a four year 'block' period starting in June in the year after each general council election.

ISSUES

The purpose of the Plan is to determine the most appropriate and affordable revenue and rating approach for Alpine Shire Council which, in conjunction with other income sources will adequately finance the objectives in the council plan.

It will identify financial and revenue related risks and ensure these are mitigated and effectively managed.

The plan outlines the principles and strategic framework that Council will utilise in calculating and distributing rates to property owners. However, the quantum of rate revenue and rating differential amounts will be determined in the annual Alpine Shire Council budget.

Submissions Received

The draft Plan was released for public comment following the April Ordinary Council Meeting. Public submissions formally closed on Thursday 13 May.

No submissions were received throughout the public exhibition period.

After the close of submissions, Council was made aware that there were four legislative references that required updating. Minor administrative amendments have been made, ensuring that the relevant legislative references are current. These minor changes do not change the context of the Plan. These amendments are as follows:

Page 4, reference to *Local Government Act 2020* (LGA 2020), amended to *Local Government Act 1989* (LGA 1989)

Page 25, reference to LGA 1989 amended to LGA 2020

Page 25, Fire Property Services Levy was introduced in 2012, rather than 2016

Page 25, reference to Metropolitan Fire Brigade replaced with Fire Rescue Victoria

POLICY IMPLICATIONS

The Plan is an important part of Council's integrated planning framework, all of which is created to help Council achieve its Vision "The Alpine Shire provides outstanding opportunities for its residents and visitors through sustainable growth in balance with the natural environment."

Strategies outlined in the Plan align with the objectives contained in the Council Plan, in particular, "A responsible and Sustainable Organisation" and will feed into Council's budgeting and long-term financial planning documents, as well as other strategic planning documents under Council's strategic planning framework.

The Plan is underpinned by policies that provide stability and predictability.

Council's strategic risk register refers to the Plan as a control for the risk of Financial Sustainability.

FINANCIAL AND RESOURCE IMPLICATIONS

The Plan will explain how Council calculates the revenue needed to fund its activities, and how Council revenue will be apportioned between ratepayers and other users of Council facilities and services.

The Plan will set out decisions that Council has made in relation to rating options available to it under the *Local Government Act 2020* to ensure the fair and equitable distribution of rates across property owners. It will also set out principles that are used in decision making for other revenue sources such as fees and charges.

It is also important to note that this plan does not set revenue targets for Council, it outlines the strategic framework and decisions that inform how Council will go about calculating and collecting its revenue.

CONCLUSION

Council can now adopt its Revenue and Rating Plan for a period of at least four years, in line with the requirements of section 93 of the *Local Government Act 2020*.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Commercial
- Manager Corporate
- Rates Coordinator

ATTACHMENT(S)

5.1.4 Alpine Shire Revenue and Rating Plan

6. Documents for sealing

RECOMMENDATION

That the following document be signed and sealed.

- 1. Alpine Shire Council Revenue and Rating Plan.*

There being no further business the Chairperson declared the meeting closed at _____p.m.

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Chairperson