

M(6) – 27 JUNE 2023

# Ordinary Council Meeting

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Minutes

The **Ordinary Meeting** of the **Alpine Shire Council** was held in the Council Chambers, Great Alpine Road, Bright on **27 June 2023** and commenced at **5:00pm**.

## **PRESENT**

### **COUNCILLORS**

Cr John Forsyth - Mayor

Cr Tony Keeble - Deputy Mayor (attendance via electronic means)

Cr Katarina Hughes

Cr Ron Janas

Cr Simon Kelley

Cr Sarah Nicholas

### **OFFICERS**

Will Jeremy - Chief Executive Officer

Alan Rees - Director Assets

Helen Havercroft - Director Customer and Community

### **APOLOGIES**

Cr Kelli Prime

## Agenda

1.	Recording and livestreaming of Council meetings.....	3
2.	Acknowledgement of traditional custodians, and recognition of all people.....	3
3.	Confirmation of minutes .....	3
3.1	Ordinary Council Meeting – M(5) – 30 May 2023 .....	3
4.	Apologies.....	3
5.	Obituaries / congratulations.....	3
6.	Declarations by Councillors of conflict of interest.....	4
7.	Public questions .....	4
8.	Mayors Report .....	5
8.1.1	Chief Executive Officer - Performance Plan.....	5
9.	Presentation of reports by officers.....	9
9.1	Director Assets – Alan Rees.....	9
9.1.1	Residual Greenhouse Gas Offsets .....	9
9.1.2	Bright Valley Development Project Management and Strategic Advisory Services .....	12
9.2	Director Customer and Community – Helen Havercroft.....	15
9.2.1	Submissions to the Draft 2023/24 Budget .....	15
9.2.2	Declaration of the Dinner Plain Special Rate (2023/24) .....	22
9.2.3	Adoption of 2023/24 Rates and Charges.....	27
9.2.4	Adoption of 2023/24 Budget.....	31
9.2.5	Reappointment of Independent Audit and Risk Committee Member .....	35
9.2.6	Audit and Risk Committee Meeting Minutes and Recommendations.....	37
9.2.7	Procurement Policy .....	40
9.2.8	Instruments of Delegation .....	44
9.2.9	Brights Iconic Rod Run - Designation of restriction .....	47
10.	Informal meetings of Councillors.....	51
11.	Presentation of reports by delegates .....	52
12.	General business .....	52
13.	Motions for which notice has previously been given .....	52
14.	Reception and reading of petitions .....	52
15.	Documents for sealing .....	53

## 1. Recording and livestreaming of Council meetings

*The CEO 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.

In common with all narrative during Council meetings, verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes. By submitting a question, you consent to your question being read aloud at the meeting.

The reasoning behind recording council meetings is 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

*All to stand, the Mayor read the following statement:*

Alpine Shire Council acknowledges the Taungurung peoples as the Traditional Owners of the lands on which we are meeting today. Council also acknowledges all of the Traditional Owners of the wider lands of the area known as the Alpine Shire.

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. Confirmation of minutes

### 3.1 ORDINARY COUNCIL MEETING – M(5) – 30 MAY 2023

***Cr Kelley***

***Cr Hughes***

***That the minutes of Ordinary Council Meeting M(5) held on 30 May 2023 as circulated be confirmed.***

***Carried***

## 4. Apologies

Cr Kelli Prime

## 5. Obituaries / congratulations

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.

## **6. Declarations by Councillors of conflict of interest**

Cr Kelley declared a conflict of interest with respect to item 9.1.1 Residual Greenhouse Gas Offsets.

## **7. Public questions**

Questions on Notice will be limited to two questions per person.

Written Questions on Notice will be tabled ahead of questions from the floor.

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.

## 8. Mayors Report

### 8.1.1 Chief Executive Officer - Performance Plan

#### INTRODUCTION

This report relates to the CEOs Annual Performance Plan.

***Cr Nicholas***

***Cr Kelley***

***That Council:***

- 1. Notes the assessment of the CEO's performance against the KPIs in the Annual Performance Plan 2022/23 carried out by the CEO Employment and Remuneration Committee;***
- 2. Adopts the Chief Executive Officer Annual Performance Plan 2023/24;***
- 3. Considers recommendations at the June 2024 Ordinary Council Meeting resulting from a review of the CEOs Annual Performance Plan, with this review commencing in May 2024 and being conducted by the CEO Employment and Remuneration Committee.***

***Carried***

#### BACKGROUND

Council's CEO Employment and Remuneration Policy was adopted at the December 2021 Council Meeting. This Policy states:

*That Council will adopt an Annual Performance Plan for the CEO, which will include KPIs. [Key Performance Indicators]. The Performance Plan must be developed collaboratively between the CEO and the Committee.*

At the November 2022 Council Meeting the following resolutions were carried:

***That Council:***

- 1. Notes that the Chief Executive Officer (CEO) Annual Performance Plan 2022/23 was developed collaboratively between the CEO and the CEO Employment and Remuneration Committee.***
- 2. Adopts the Chief Executive Officer Annual Performance Plan 2022/23; and***
- 3. Considers recommendations at the June Ordinary Council Meeting resulting from a review of the CEOs Annual Performance Plan, with this review commencing in May 2023 and being conducted by the CEO Employment and Remuneration Committee.***

The adopted CEOs Annual Performance Plan for the 2023 financial year was published on Council's website in November 2022, in the interests of providing transparency to the public.

The CEO Employment and Remuneration Committee conducted a review of the CEOs performance in May 2023, after the CEO had been working in the role for ten months.

The CEOs performance against each Key Performance Indicator (KPI) was rated on the following scale:

1. Not met
2. Working towards
3. Meeting
4. Exceeding

The average score in each of the four key performance areas (KPA) was then calculated as follows:

Key Performance Area	Focus	Average Score
<b>KPA 1</b>	<b>Leadership and Culture</b>	<b>2.45</b>
Lead a high-performing organisation with a strong focus on effectiveness, accountability, and continuous improvement.		
<b>KPA 2</b>	<b>Engagement and Communication</b>	<b>2.65</b>
Deliver consistently high-quality engagement and communication with Council, the community and other key stakeholders.		
<b>KPA 3</b>	<b>Governance</b>	<b>2.60</b>
Ensure good governance practices to fulfil legislative obligations, improve decision making and promote community confidence in Council.		
<b>KPA 4</b>	<b>Delivery Performance</b>	<b>2.60</b>
Execute Council resolutions, policies, and plans using resources and managing risks effectively and efficiently.		

## ISSUES

### ***Performance Monitoring***

Part 4.5 "Performance Monitoring" of Council's CEO Employment and Remuneration Policy states that:

*Council will adopt an annual Performance Plan for the CEO, which will include KPIs. The Performance Plan must be developed collaboratively between the CEO and the Committee [being the CEO Employment and Remuneration Committee].*

### ***Functions of the Chief Executive Officer***

In accordance with section 46 of the *Local Government Act 2020*, the CEO is responsible for ensuring the effective and efficient management of the day-to-day operations of the Council, ensuring that decisions of the Council are implemented without delay, and that Council receives timely and reliable advice, and is responsible for all staffing matters including appointing, directing, and managing members of Council staff.

### **Key Performance Indicators**

Key Performance Indicators in the CEO Annual Performance Plan are linked closely to the Council Plan 2021-2025.

### **POLICY IMPLICATIONS**

Employment of the Chief Executive Officer is governed by Part 3, Division 7 of the *Local Government Act 2020*, and further by Council's CEO Employment and Remuneration Policy.

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.3 Bold leadership, strong partnerships and effective advocacy

### **FINANCIAL AND RESOURCE IMPLICATIONS**

There are no financial implications associated with the recommendations contained within this report.

### **RISK MANAGEMENT**

Risk	Likelihood	Impact	Mitigation Action / Control
Poor performance by the CEO in delivering for Council in accordance with section 46 of the Local Government Act.	Unlikely	Major	<ul style="list-style-type: none"> <li>• Adoption of the CEO Employment and Remuneration Policy</li> <li>• Establishment of an Annual Performance Plan and periodic assessment and reporting against this Plan.</li> </ul>

### **CONSULTATION**

The CEO Employment and Remuneration Committee is responsible for ensuring that the CEO Annual Performance Plan and KPIs are in place in accordance with the CEO Employment and Remuneration Policy.

The CEO Employment and Remuneration Committee is required to submit an Annual Review Report to Council, following a meeting with the CEO to discuss the Committee's proposed recommendations.



## **CONCLUSION**

The CEOs performance through the period July 2022 to May 2023 has been reviewed in accordance with section 4.6 of the CEO Employment and Remuneration Policy, and the results of the review are summarised in this report for noting.

The CEO Annual Performance Plan 2023/24 sets out the Key Performance Indicators for the period 1 July 2023 to 30 June 2024. The Plan should be adopted, which will enable performance monitoring to occur in accordance with Council's CEO Employment and Remuneration Policy.

## **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.

- Mayor
- EA to CEO

## **ATTACHMENT(S)**

8.1.1. CEO Annual Performance Plan 2023/24

*Cr Kelley declared a conflict of interest with respect to item 9.1.1 and vacated Council Chambers at 6.21pm.*

## 9. Presentation of reports by officers

### 9.1 DIRECTOR ASSETS – ALAN REES

#### 9.1.1 Residual Greenhouse Gas Offsets

##### **INTRODUCTION**

This report relates to the approach for offsetting residual Greenhouse Gas (GHG) to meet the net zero target set in Council's Climate Action Plan 2021-2024.

***Cr Nicholas***

***Cr Janas***

***That Council:***

- 1. Commits to offsetting residual emissions from the 2022/23 Financial Year (22/23 FY);***
- 2. Notes that the final calculation of 22/23 FY offsets will likely be available from October 2023;***
- 3. Continues to investigate the opportunity to deliver offsets within the Alpine Shire in a cost-effective way; and***
- 4. Considers a recommendation on the approach to offsetting the 22/23 FY residual emissions at a future Council Meeting.***

***Carried***

##### **BACKGROUND**

Council's Climate Action Plan 2021-2024 was adopted by Council on 7 September 2021. In the Climate Action Plan it is stated:

*We are committed to the ambitious target of achieving net zero greenhouse gas emissions from Council operations by July 2023.*

*Residual emissions will be offset through purchasing of carbon credits to achieve net zero from July 2023.*

Emissions abatement activities conducted to date have reduced Council's corporate emissions from the baseline year by approximately 60%, leaving in the order of 900 t CO<sub>2</sub>-e residual emissions to be offset for the FY 22/23.

Council's carbon accounting assesses emissions each financial year and the exact total emissions for the first year from 1 July 2022 to 30 June 2023 will be confirmed once the data is collated for FY 22/23, likely by October 2023.

The emissions reduction hierarchy in the Climate Action Plan prioritises emissions abatement activities over offsetting residual emissions. The biggest residual emitters from Council operations are the closed landfill sites and heavy fleet operation. Abatement in these areas is constrained by available technology and prohibitive pricing. Residual emissions must therefore be offset to achieve the net zero target.

Recent media scrutiny of carbon credits and offsets have identified flaws in the industry, questioning the integrity of purchasing offsets. The projects must be measurable, permanent (for a minimum of 25 years) and additional or otherwise unclaimed for offset investment to be valid.

The recommended hierarchy for offsetting residual emissions from highest to lowest is:

- Insets - offsetting emissions through carbon reduction or removal projects within the shire boundary directly funded by Council e.g., planting indigenous vegetation locally to sequester carbon or funding community renewable energy projects.
- Directly funding projects that create offsets - offsetting emissions through participating in carbon reduction or removal projects within Australia.
- Australian Carbon Credit Units (ACCU) - offsetting emissions through investing in carbon reduction projects reviewed and approved by Climate Active Australia.

Investment in local planting projects generates numerous co-benefits including ecology enhancement, investment in the local economy, community involvement through volunteer planting opportunities and completed site enjoyment, reduced requirement for invasive weed removal. Investigations will continue into suitable opportunities for future residual emissions offsetting through development of a diverse plan of suitable planting sites.

Investment in local community power can benefit the community by enhancing local energy resilience and keeping money paid for electricity within the community, while also offering an ongoing return on investment for ratepayers' money. Opportunities to maximise the return on investment to ratepayers through investment in community power will be investigated further following the completion of other related projects currently in progress.

## **ISSUES**

The commitment made by Council through adoption of the Climate Action Plan can be interpreted in two different ways:

1. That carbon credits are purchased in order to offset the residual carbon emissions which are generated through the 2022/23 financial year; or
2. That carbon credits are purchased in order to offset the residual carbon emissions which are generated through the 2023/24 financial year.

Consultant advice has confirmed that, as Council is not targeting net zero certification, the year in which the planting is conducted is irrelevant as long as the commitment has been made during the year in which the emissions were offset. In line with this advice, the recommendations in this report are based on the first interpretation.

## **POLICY IMPLICATIONS**

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 3.1.1 Achieve net-zero greenhouse gas emissions from Council activities by 2023

## FINANCIAL AND RESOURCE IMPLICATIONS

The financial and resource implications are being investigated and will form part of a subsequent recommendation to Council.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Residual emissions for 22/23 are higher than expected	Unlikely	Moderate	Ongoing monitoring of emissions tracking suggests this is on track

## CONSULTATION

The Climate Action Plan net zero target is a corporate commitment and community consultation has not been conducted.

## CONCLUSION

It is recommended that Council commits to offsetting FY 22/23 residual emissions, notes that the final calculation of 22/23 FY offsets will likely be available from October 2023, continues to investigate the opportunity to deliver offsets within the Alpine Shire in a cost-effective way; and considers a recommendation on the approach to offsetting the 22/23 FY residual emissions at a future Council Meeting.

## 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 Assets
- Sustainability Coordinator

## ATTACHMENT(S)

Nil

*Cr Kelley re-entered Council Chambers at 6.38pm.*

## 9.1.2 Bright Valley Development Project Management and Strategic Advisory Services

File Number: CT23018

### INTRODUCTION

This report relates to the award of a Contract for project management and strategic advisory services for the Bright Valley Development.

*Cr Nicholas*

*Cr Hughes*

***That Council awards Contract number CT23018 for Bright Valley Development Project Management and Strategic Advisory Services to Mesh Planning for the upper limiting value of \$350,000 Ex GST.***

*Carried*

### BACKGROUND

The Bright Valley Development is a multi-stage residential development on a 41-hectare site on the western outskirts of Bright.

A Residential Land Review carried out by Council in 2005 identified that Bright had nine years of residential land supply available. The site, now known as the Bright Valley Development, was identified as the preferred area for urban growth for Bright.

The Residential Land Review was adopted by Council on 7 June 2005. The Alpine Planning Scheme was amended in 2011 to include the recommendations of the Residential Land Review.

In 2015 the Bright Valley Development site was rezoned from Farming Zone to General Residential Zone through Amendment C34 to the Alpine Planning Scheme.

The amendment also applied a Development Plan Overlay (DPO) on the site, to guide the overall development of the land. This overlay was put in place to ensure the coordinated use and development of the land.

Development plans outline the broad directions for future land use, development, subdivision and servicing of an area. A Development Plan for this site was approved by Council in July 2022.

In November 2022, a planning application for Stage 1 of the development was received by Council and is currently being assessed. The application is for a residential subdivision of 78 lots.

The Tender was advertised in the Herald Sun on 3 May 2023, as well as on Tenders.net and the Alpine Shire Council website.

More than 60 prospective tenderers viewed the advert on Tenders.net, 52 tenders downloaded the document and two submitted a tender.

## **EVALUATION**

The evaluation panel consisted of the Project Officer (Strategic Planning), Strategic Planning Coordinator, Manager Statutory Planning and the Director Assets.

The tenders were evaluated according to the key selection criteria listed in the Invitation to Tender:

- Price
- Qualifications and Previous Performance
- Delivery
- Social
- Environmental

Following the assessment of the tenders, it was determined that the tender from Mesh Planning best fulfilled the requirements of the selection criteria.

## **ISSUES**

The Bright Valley Development is strategically important to the community and Council.

A multi-disciplinary team of subject matter experts is required to manage Council's interests and oversee the strategic and statutory management of the Bright Valley Development and associated infrastructure projects and to ensure the best outcome for the community.

The team's skills will include project management, civil and design engineering, town planning (strategic and statutory), arborist, landscape architect and compliance.

## **POLICY IMPLICATIONS**

The tender was advertised and evaluated in accordance with Council's Procurement Policy

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.2 Planning and development that reflects the aspirations of the community

## **FINANCIAL AND RESOURCE IMPLICATIONS**

Council has adequate financial resources to award this contract.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Council and Community interests not managed	Possible	Moderate	<ul style="list-style-type: none"> <li>Engage the services of an experienced, multi-disciplinary team to manage Council and Community interests</li> </ul>

## CONSULTATION

Extensive consultation has been undertaken with relevant Council departments, including statutory planning, strategic planning, engineering, communications and engagement, open spaces, civil works and local laws.

## CONCLUSION

Following a comprehensive assessment, the Tender from Mesh Planning is considered to present the best value option for Council.

## 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 Assets
- Manager Statutory Planning
- Strategic Planning Coordinator
- Project Officer

## ATTACHMENT(S)

Nil

## 9.2 DIRECTOR CUSTOMER AND COMMUNITY – HELEN HAVERCROFT

### 9.2.1 Submissions to the Draft 2023/24 Budget

#### INTRODUCTION

The purpose of this report is to respond to the submissions received that relate to the draft 2023/24 Budget.

***Cr Nicholas moved an alternative motion.***

***Cr Nicholas***

***Cr Keeble***

***To reword item 2a(i) to read Pioneer Park Court Upgrade ahead of the recommendations as per the original recommendation being voted on.***

***That Council:***

- 1. Considers verbal and written submissions received pursuant to Council's Community Engagement Policy, in relation to the Alpine Shire Council Draft 2023/24 Budget;***
- 2. Makes the following amendments to the Draft 2023/24 Budget:***
  - a. Capital Expenditure***

<b><i>S#</i></b>	<b><i>Submission / amendment</i></b>	<b><i>Submission</i></b>	<b><i>Budget FY2023/24</i></b>
<b><i>a</i></b>	<b><i>Community Submission - Pebble Beach Public Toilet</i></b>	<b><i>\$80,000</i></b>	<b><i>\$80,000</i></b>
<b><i>b</i></b>	<b><i>Community Submission - Cobden Street Upgrade Planning</i></b>	<b><i>\$25,000</i></b>	<b><i>\$25,000</i></b>
<b><i>c</i></b>	<b><i>Community Submission - Big Hill Trailhead Power Upgrade</i></b>	<b><i>\$10,000</i></b>	<b><i>\$10,000</i></b>
<b><i>d</i></b>	<b><i>State Road Grading Program</i></b>	<b><i>\$290,000</i></b>	<b><i>\$290,000</i></b>
<b><i>e</i></b>	<b><i>Mountain View Childrens Centre (Concept Design)</i></b>	<b><i>\$95,000</i></b>	<b><i>\$95,000</i></b>
<b><i>f</i></b>	<b><i>Porepunkah Landfill Rehabilitation Stage 2</i></b>	<b><i>\$1,189,000</i></b>	<b><i>\$1,189,000</i></b>



<b>S#</b>	<b>Submission / amendment</b>	<b>Submission</b>	<b>Budget FY2023/24</b>
<b>g</b>	<b>Landfill Rehabilitation Planning and Scoping</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>h</b>	<b>Porepunkah Bridge Holiday Park</b>	<b>\$80,000</b>	<b>\$80,000</b>
<b>i</b>	<b>Pioneer Park Court Upgrade</b>	<b>\$65,000</b>	<b>\$65,000</b>
<b>j</b>	<b>Renewable Energy Upgrades</b>	<b>\$(50,000)</b>	<b>\$100,000</b>
<b>k</b>	<b>Mount Beauty Pump Track</b>	<b>\$30,000</b>	<b>\$30,000</b>

**b. Operational Expenditure**

<b>S#</b>	<b>Submission / amendment</b>	<b>Submission</b>	<b>Budget FY2023/24</b>
<b>a</b>	<b>Draft Budget Submission - Dinner Plain Mountain Bike Track Maintenance</b>	<b>\$5,000</b>	<b>\$5,000</b>
<b>b</b>	<b>Draft Budget Submission - Alpine Outreach Inc Mobile Health Facility</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>c</b>	<b>Senior Citizen Centres</b>	<b>\$12,000</b>	<b>\$12,000</b>
<b>d</b>	<b>NE Flood 2022</b>	<b>\$280,000</b>	<b>\$280,000</b>
<b>e</b>	<b>Prevention of Family Violence</b>	<b>\$15,000</b>	<b>\$15,000</b>
<b>f</b>	<b>Event Support and Facilitation</b>	<b>\$30,000</b>	<b>\$290,000</b>
<b>g</b>	<b>Community Engagement Platform</b>	<b>\$25,000</b>	<b>\$25,000</b>
<b>h</b>	<b>Offsetting GHG Emissions</b>	<b>\$35,000</b>	<b>\$35,000</b>
<b>i</b>	<b>Strategic Planning Advice</b>	<b>\$50,000</b>	<b>\$50,000</b>
<b>j</b>	<b>Replacement Liners and Caddies (FOGO)</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>k</b>	<b>Mount Beauty Airport Operations</b>	<b>\$75,000</b>	<b>\$75,000</b>

<b>S#</b>	<b>Submission / amendment</b>	<b>Submission</b>	<b>Budget FY2023/24</b>
<i>l</i>	<i>Enterprise Agreement</i>	<i>\$35,000</i>	<i>\$35,000</i>
<i>m</i>	<i>Structure Planning Studies</i>	<i>\$300,000</i>	<i>\$300,000</i>
<i>n</i>	<i>Harrietville Green Waste</i>	<i>\$2,000</i>	<i>\$7,682</i>
<i>o</i>	<i>Closed Landfill Risk Assessment Implementation</i>	<i>\$30,000</i>	<i>\$30,000</i>
<i>p</i>	<i>Engineering Solutions</i>	<i>\$100,000</i>	<i>\$100,000</i>
<i>q</i>	<i>Rate Debt Recovery Process</i>	<i>\$13,000</i>	<i>\$38,000</i>
<i>r</i>	<i>Data Engineer</i>	<i>\$(60,000)</i>	<i>\$-</i>
<i>s</i>	<i>Council Website</i>	<i>\$(5,000)</i>	<i>\$-</i>

**c. Income**

<b>S#</b>	<b>Submission / amendment</b>	<b>Submission</b>	<b>Budget FY2023/24</b>
<i>a</i>	<i>Rates Valuations</i>	<i>\$43,000</i>	<i>\$16,694,000</i>
<i>b</i>	<i>Rates Valuations (2)</i>	<i>\$(7,672)</i>	<i>\$2,168,710</i>
<i>c</i>	<i>Waste Charge Amendment</i>	<i>\$(324,568)</i>	<i>\$1,780,689</i>
<i>d</i>	<i>Dinner Plain Rates and Charges</i>	<i>\$(64,000)</i>	<i>\$882,000</i>
<i>e</i>	<i>Dinner Plain Waste Charge</i>	<i>\$(59,740)</i>	<i>\$255,178</i>

**d. Wages**

<b>S#</b>	<b>Submission / amendment</b>	<b>Submission</b>	<b>Budget FY2023/24</b>
<b>a</b>	<b>Growth and Future Wages (Strategic Planning)</b>	<b>\$250,000</b>	<b>\$1,021,389</b>

**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 2023/24 for the stated reasons:**

<b>Submission</b>	<b>Submission</b>	<b>Rationale and Approach</b>
<b>Questions in relation to Economic Development and Tourism staffing numbers</b>	<b>N/A</b>	<b>A written response will be provided.</b>
<b>Prioritisation and update on Capital projects in Tawonga:</b> <ul style="list-style-type: none"> <li>– Pioneer Car Park</li> <li>– Footpaths, and</li> <li>– Shared trail Tawonga to Mount Beauty</li> </ul>	<b>NA</b>	<b>A written response will be provided.</b>
<b>Dinner Plain TV and Mountain Bike Trail Upgrades</b>	<b>\$16,000 and \$5,000</b>	<b>Mountain Bike Trail Upgrades are included in the recommendation to this report.</b>
<b>Lighting Upgrade for Mount Beauty Tennis Courts</b>	<b>\$26,365</b>	<b>Further information is being sought relating to this submission.</b>
<b>Alpine Outreach Project- Mobile Medical Facility</b>	<b>\$20,000 plus \$5,000 annual contribution</b>	<b>Upfront cost has been included in the recommendation to this report.</b>

**4. Notifies in writing each person or persons who made a submission to the Draft 2023/24 Budget of the decision and the reasons for that decision, whilst noting that each person or persons who made a Community Budget Submission has already received written feedback.**

**Carried**

## **BACKGROUND**

Council has prepared a Budget for 2023/24 which is aligned to the vision in the Council Plan 2021-2025.

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 2023/24 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.

## **ISSUES**

### ***Previous Community Budget submissions***

Council undertook a Community Budget process in December 2022, with 41 submissions received by close of submissions on 12 February 2023. Submissions were presented to the Ordinary meeting of Council in April 2023. Four projects were nominated for inclusion in the draft Budget, and 14 were noted as being assessed or to be progressed without specific budget in 2023/24.

### ***Draft Budget submissions***

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.

Council elected to mirror the public submissions process for the Budget to that required for the Dinner Plain Special Rate, under s223 of the *Local Government Act 1989*. This included a minimum 28-day public submissions process, with the draft 2023/24 Budget available for inspection at the Council office and accessible through Council's website.

Council Officers have also made internal submissions. The purpose of an internal submission is to ensure that relevant information arising after the draft Budget has been placed on exhibition for public comment is considered by Council for inclusion in the final Budget.

Submissions from the public are marked as Community or Budget Submissions in the recommendations to this report. All submissions were treated in accordance with Section 223 requirements and Council's Community Engagement Policy.

## **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 Council's Community Engagement Policy, effectively mirroring the s223 *Local Government Act 1989* process.

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

### FINANCIAL AND RESOURCE IMPLICATIONS

The net impact of the submissions which are recommended for incorporation into the Budget 2023/24 is as follows:

- Capital Expenditure Increase \$1,914,000
- Operational Expenditure Increase \$1,127,000
- Income amendments Decrease \$ 412,980
- Wages amendments Increase \$ 250,000
- Overall, the projected budget surplus is reduced to \$2.67m.

### RISK MANAGEMENT

Detail the key risks of the matter being addressed by the report and mitigation action / control.

Risk	Likelihood	Impact	Mitigation Action / Control
Budget adopted without community engagement	Rare	Minor	<ul style="list-style-type: none"> <li>• Ensure participation through wide advertising campaign.</li> </ul>

### CONSULTATION

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

The draft 2023/24 Budget was released for public comment following the April Ordinary Council Meeting. Public submissions formally closed on Wednesday 31 May.

Those that requested to be heard in support of their written submission attended a committee of Council on Tuesday 13 June which was formed for the purpose of hearing 2023/24 Budget submissions.

### CONCLUSION

All submissions 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 2023/24 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 no interests to disclose in providing this report.

- Director Customer and Community
- Governance Officer
- Financial Accountant

## **ATTACHMENT(S)**

Nil

## 9.2.2 Declaration of the Dinner Plain Special Rate (2023/24)

File Number: 600.03

### INTRODUCTION

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 2023 to 30 June 2024.

***Cr Janas***

***Cr Keeble***

***That Council:***

- 1. Notes that one submission was received regarding the proposed declaration of the Dinner Plain Special Rate (2023/24), with no amendment made in response;***
- 2. Declares the Dinner Plain Special Rate (2023/24) for the period 1 July 2023 to 30 June 2024 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 Dinner Plain Special Rate will apply to Commercial / Industrial land within the Dinner Plain village as defined in attachment 9.2.3;***
  - c. the definition of Commercial / Industrial land is the definition provided in the Alpine Shire Council Revenue and Rating Plan;***
  - d. 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 for the financial year 2023/2024;***
  - e. the amount of the Dinner Plain Special Rate to be levied for the period 1 July 2023 to 30 June 2024 is estimated to be \$156,000, or such other amount as is lawfully raised as a consequence of this Resolution;***
  - f. 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;***
  - g. 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***

- h. the total cost of the performance of this function is estimated to be \$290,000 over one year, and based on inclusion of the following services:***
- i. The Dinner Plain to Hotham winter bus service \$140,000;***
  - ii. Marketing for Dinner Plain \$90,000; and***
  - iii. Events support to Dinner Plain \$60,000.***
  - iv.***
  - v. Carried***

## **BACKGROUND**

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 provision of the *Local Government Act 1989*, Section 163.

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 Commercial / Industrial ratepayers.

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 continues. In the Alpine Shire Council's 2023/24 Budget, income of an estimated \$156,000 will be received and this will be allocated to defray the following expenses:

- the Dinner Plain to Hotham winter bus service (\$140,000);
- marketing for Dinner Plain (\$90,000); and
- events support to Dinner Plain (\$60,000).

## **ISSUES**

### ***Proposed Rating Approach***

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'.

Therefore, the Dinner Plain Special Rate and the expenses it is raised to meet are all placed in 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; Council services relevant to Dinner Plain (including roadways snow clearing and cross-country



snow grooming); 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 in 2023/2024.

On 30 June 2024, the Dinner Plain Reserve is estimated to be \$574k.

**Submissions Received**

At the April 2023 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 2023 to 30 June 2024.

One submission was received throughout the public exhibition period, as follows:

Submission #	Submission details	Council response
1	1. Agreement with the Special Rate on commercial properties.	1. Noted.
	2. Concern that some properties used for staff and short term holiday accommodation are not paying the Special Rate.	2. Council Officers routinely review properties that are available for rent on various websites and carry out follow up investigations to gain compliance with the Revenue and Rating Plan.
	3. Suggest moving to a standardised 'commercial rate' across the Shire	3. It is anticipated that during the Financial Year 2023/24 Council will undertake a review of the Revenue and Ratings Plan. How rates are applied across the Shire will be considered and consulted on.

**POLICY IMPLICATIONS**

The preparation of the Dinner Plain Special Rate 2023/24 is in accordance with the:

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

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

## FINANCIAL AND RESOURCE IMPLICATIONS

Based on current property valuations across the Alpine Shire, the Dinner Plain Special Rate for 2023/2024 is estimated to raise \$156,000 over the 12-month period.

This is significantly less revenue than the cost of the Special Rate services which are estimated to cost \$290,000 over the same period.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
The Dinner Plain Special Rate declaration is not undertaken in accordance with the Act, invalidating the Rate charge.	Unlikely	Moderate	<ul style="list-style-type: none"> <li>Each stage of the declaration process is checked to ensure it meets the requirements of the Act, Revenue and Ratings plan and Ministerial Guidelines.</li> </ul>

## 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 and that notice must contain information detailed in the Act.

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 2023/2024 and any submission must be considered before adoption of the budget by Council.

The Dinner Plain Special Rate 2023/24 was released for public comment following the April Ordinary Council Meeting. A copy of the public notice was issued to each person liable to pay the special rate. Public submissions formally closed on Wednesday 31 May 2023. No submissions were received.

## CONCLUSION

Council can now declare the Dinner Plain Special Rate (2023/24) 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 Customer and Community
- Rates Coordinator

## **ATTACHMENT(S)**

9.2.2 Dinner Plain Village Rate Map

## 9.2.3 Adoption of 2023/24 Rates and Charges

### INTRODUCTION

The purpose of this report is to adopt the rates and charges of Alpine Shire Council for the 2023/24 financial year for the period 1 July 2023 to 30 June 2024.

**Cr Kelley**  
**Cr Nicholas**

**That Council:**

- 1. Declares rates and charges of \$22,000,577 be raised in the 2023/24 financial year and featuring a 3.5% 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 (0.002246)**
  - b. General (residential) rate Dinner Plain (0.002246)**
  - c. Commercial/Industrial differential rate (0.003213)**
  - d. Farm differential rate (0.001640)**
  - e. Dinner Plain Special rate (0.000996)**
  - f. Waste – 80 litre bin (weekly) \$83.09**
  - g. Waste – 240 litre bin (weekly) \$146.30**
  - h. Waste – 240 litre bin (fortnightly) \$146.30**
  - i. Recycling – 140 litre bin (fortnightly) \$60.08**
  - j. Recycling – 240 litre bin (fortnightly) \$69.75**
  - k. Recycling – 360 litre bin (fortnightly) \$81.35**
  - l. Recycling – 240 litre bin (weekly) \$139.50**
  - m. Recycling – 360 litre bin (weekly) \$162.70**
  - n. Food Organics Green Organics 240 litre bin (weekly) \$100.71**
  - o. Dinner Plain standard waste service \$603.00**
  - p. Dinner Plain commercial waste service \$1400.00**
  - q. Waste Management Charge \$274.00**
- 2. Declares that rates and charges must be paid by four instalments on or before 30 September 2023, 30 November 2023, 28 February 2024 and 31 May 2024 in accordance with Section 167 of the Local Government Act 1989.**

**Carried**

*Cr Kelley called for a division.*

*In favour: Cr Janas, Hughes, Forsyth, Keeble and Nicolas*  
*Against: Cr Kelley*

*The motion was carried.*

## **BACKGROUND**

Based on ongoing community consultation, Council has prepared a Budget for 2023/24 which is aligned to the Community Vision 2040 and the Council Plan 2021-2025.

Through continued strong cost management, the rates and charges to be levied and which form part of the 2023/24 Budget provides a prudent financial position which enables Council to continue to deliver critical services and projects as conditions evolve.

## **ISSUES**

The Budget 2023/24 projects a surplus of \$2.67m which is influenced by:

- a. A Rate increase of 3.5%, in line with the Fair Go Rates System which caps Victorian Council rate increases;
- b. Capital works expenditure totalling \$14.6m, a significant Capital Works Program reflecting a steady pipeline of asset renewal and increased development activity from successful grant applications totalling \$6.6m;
- c. An increased material and services budget reflecting inflationary impact on costs and the costs of the new Food Organics and Garden Organics (FOGO) kerbside waste service; and
- d. A modest increase in staff numbers resulting from an organisational restructure implemented in January 2023.

In accordance with Section 94(1) of the *Local Government Act 2020*, Council is required to declare rates and charges it intends to raise by 30 June for the following financial year.

The total quantum of rates and charges raised complies with the State Government rate cap which limits the total increase in the average rates assessment revenue to 3.5%.

Council will continue to raise, collect, and pass on the Fire Services Property Levy to the State Government in accordance with the *Fire Services Property Levy Act 2012*. This process is an outcome from the 2009 Bushfires Royal Commission recommendations.

The Annual Rate Notice will be issued to all rateable and non-rateable properties in early August 2023, together with the annual Council Rates and Valuations information (including registration for electronic notices).

The adoption of the 2023/24 Budget will be considered as a separate report at this Ordinary Council Meeting.

## **POLICY IMPLICATIONS**

The 2023/24 Budget is prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The Budget covers a four-year period, including the budget year 2023/24, and the subsequent three financial years.

Rating provisions remain in the *Local Government Act 1989*. 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 2023/24 Budget is aligned to the five Strategic Drivers and 22 Strategic Objectives identified in the Council Plan 2021-2025. Major Initiatives are identified that will contribute to the delivery of the Strategic Objectives.

Council's progress in the delivery of these major initiatives will be reported in the corresponding Annual Report.

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

## FINANCIAL AND RESOURCE IMPLICATIONS

Council prepares its Budget with the objective of balancing long term financial sustainability and prioritised delivery against community needs. The Alpine Shire Council 2023/2024 Budget forecasts an operating surplus of \$2.67 million and a working capital ratio of 3.49.

## RISK MANAGEMENT

Detail the key risks of the matter being addressed by the report and mitigation action / control.

Risk	Likelihood	Impact	Mitigation Action / Control
Breach of Rate Cap	Unlikely	Moderate	<ul style="list-style-type: none"> <li>• Accurate rates modelling.</li> </ul>

## 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.

Special Rates remain governed by the requirements of the *Local Government Act 1989* and must include a statutory public consultation process, including the ability for a submitter to request to be heard in person. It was considered prudent that Council mirror this process for public consultation and submissions regarding the draft 2023/24 Budget, as the draft 2023/24 Budget contains assumptions based on the inclusion of a Dinner Plain Special Rate.

Council officers undertake community engagement processes throughout the year to assist with the development of the budget. The final step is for Council to adopt the budget after receiving and considering all submissions from interested parties. The budget is required to be adopted by 30 June 2023.

## **CONCLUSION**

Council Officers recommend the adoption of the proposed rates and charges noting their alignment with Council's 2023/24 Budget and Council's Revenue and Rating Plan.

## **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 Customer and Community
- Financial Accountant

## **ATTACHMENT(S)**

Nil

## 9.2.4 Adoption of 2023/24 Budget

### INTRODUCTION

The purpose of this report is to adopt the 2023/24 Budget for the Alpine Shire Council, incorporating the rates and charges for the 2023/24 financial year.

***Cr Kelley***  
***Cr Nicholas***

***That Council:***

- 1. Adopts the Alpine Shire Council 2023/24 Budget incorporating the amendments adopted by Council in the budget submissions report (agenda item 9.2.1 of this Council Meeting);***
- 2. Authorises the Chief Executive Officer to give public notice of adoption of the Budget 2023/24; and***
- 3. Delegates authority to the Chief Executive Officer to reflect any changes made by Council at this meeting, which are not reflected in the Budget document as attachment 9.2.4 and to make minor typographical corrections.***

***Carried***

### BACKGROUND

Alpine Shire Council endorsed the draft budget for public exhibition at its April 2023 Ordinary Council Meeting. Following a period of public exhibition and internal submissions amendments and refinements have been made to produce the Alpine Shire Council Budget 2023/24.

### ISSUES

Council has prepared the Alpine Shire 2023/24 Budget. It is aligned to the Community Vision 2040 in the Alpine Shire Council Plan 2021-2025.

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

This Budget projects a surplus of \$2.67m which is influenced by:

- A Rate increase of 3.5%, in line with the Fair Go Rates System which caps Victorian Council rate increases;
- Capital works expenditure totalling \$14.6m, a significant Capital Works Program reflecting a steady pipeline of asset renewal and increased development activity from successful grant applications totalling \$6.6m;
- An increased material and services budget reflecting inflationary impact on costs and the costs of the new Food Organics and Garden Organics (FOGO) kerbside waste service totalling \$0.7m; and



- d. A modest increase in staff numbers resulting from an organisational restructure implemented in January 2023.

Council is introducing a new kerbside collection service from July 2023. Council has entered long-term contracts following a collaborative procurement process to provide waste services for the community. All kerbside services are being charged to ratepayers on a cost recovery basis in conjunction with a Waste Management Charge covering investment in, amongst other waste expenditure, waste infrastructure and remediation of the closed landfill sites.

In addition, a review of Council fees and charges has been conducted. Fees have been increased in line with movements in the actual costs to provide various services and to reflect a general increase in cost of materials and services.

Further detail on the operating result, strategic objectives, services, cash position and investments, capital works, financial sustainability, and rates, charges and fees can be viewed in attachment 9.2.4 Alpine Shire Council Budget 2023/24.

## **BUDGET HIGHLIGHTS**

As part of the 2023/24 Budget, Council will deliver another significant capital expenditure program totalling \$14.6 million, supported by Government grant funding of \$6.6 million.

### ***Major projects include:***

- Annual Road Renewal Program (\$2m)
- Dinner Plain Activation (\$1.1m)
- Dinner Plain Snowmaking (\$1m)
- Myrtleford Splashpark (\$0.86m)
- Myrtleford Savoy Soccer Club Upgrade (\$0.76m)
- Nimmo Pedestrian Bridge (\$0.75m)
- Ablett Pavilion Upgrade (\$0.72m)
- Myrtleford Memorial Hall (\$0.51m)
- Tawonga Memorial Hall Upgrade (\$0.2m)
- Tronoh Dredge Hole Precinct design (\$0.17m)
- East Ovens Pedestrian Bridge (\$0.18m)

Many of the projects listed above are being delivered across multiple financial years, and the figures listed above are for the budgeted expenditure in the 2023/24 financial year only, and not the total project budget.

Further supporting Council's commitment to climate change mitigation and reduction of greenhouse gas emissions, a number of key projects will be delivered to improve the efficiency and environmental impacts of Council infrastructure.

These projects include:

- Energy efficient projects (\$0.2m)
- Vehicle renewal including \$0.13m of EV upgrades (\$0.28m)
- Mount Beauty Landfill Rehabilitation Design (\$0.15m); and

- The roll out of the kerbside collection service for FOGO.

## POLICY IMPLICATIONS

The Alpine Shire Council 2023/24 Budget is prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The Budget covers a four-year period, including the budget year 2023/24, and the subsequent three financial years.

Rating provisions remain in the *Local Government Act 1989*.

The Budget is aligned to the Strategic Objectives identified in the Alpine Shire Council Plan 2021-2025. Major Initiatives are identified that will contribute to the delivery of the Strategic Objective. Council's progress in the delivery of these major initiatives will be reported in the corresponding Annual Report.

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

## FINANCIAL AND RESOURCE IMPLICATIONS

Council prepares its Budget with the objective of balancing long term financial sustainability and prioritised delivery against community needs. The Alpine Shire Council 2023/24 Budget forecasts an operating surplus of \$2.67 million and a working capital ratio of 3.49.

Materials and services expenditure has increased reflecting inflationary impact on costs and the costs of the new FOGO kerbside waste service. Departmental budgets reflect the range of service deliverables in 2023/24.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Financial Instability	Unlikely	Major	<ul style="list-style-type: none"> <li>• Scrutiny of each account.</li> <li>• Quarterly reporting.</li> <li>• Maintenance of Long-Term Financial Plan.</li> </ul>
Inability to fund services in rising cost environment	Unlikely	Major	<ul style="list-style-type: none"> <li>• Adaptability to refine project scope to maintain budgetary constraint.</li> </ul>

## **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.

Special Rates remain governed by the requirements of the *Local Government Act 1989* and must include a statutory public consultation process, including the ability for a submitter to request to be heard in person. It was considered prudent that Council mirrors this process for public consultation and submissions.

Council commenced a Community Budget consultation process on the budget for 2023/24 in December 2022. A further period of public consultation commenced for the draft Budget 2023/24, resulting in the submissions received in agenda item 9.2.1 of this meeting.

## **CONCLUSION**

All submissions received have been considered by Council.

The Alpine Shire Council Budget 2023/24 reflects the Officers' recommendations to Council following a review of the cost and scope of each submission.

The budget sets out the projects and services to be delivered presenting a surplus of \$2.67m with capital expenditure totalling over \$14m, partly funded by Grants of over \$6.6m.

## **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 Customer and Community
- Financial Accountant

## **ATTACHMENT(S)**

9.2.4 Alpine Shire Council Budget 2023/24

## 9.2.5 Reappointment of Independent Audit and Risk Committee Member

### INTRODUCTION

The Alpine Shire Council Audit and Risk Committee established under section 53(1) of the *Local Government Act 2020* (the Act) comprises Councillor and independent members. This report recommends the reappointment of an independent member to Council's Audit and Risk Committee for a further three-year term.

*Cr Janas*  
*Cr Nicholas*

***That Council reappoints Julie Guest to the Audit and Risk Committee for a three-year term expiring 27 June 2026.***

***Carried***

### BACKGROUND

The Audit and Risk Committee Charter (the Charter) requires that the Committee comprises a minimum of five members:

- no more than two Councillors nominated and appointed by Council, and
- at least three or more independent persons.

The Audit and Risk Committee currently consists of six members: two Councillors and four independent members.

The Charter provides for independent members to be appointed for an initial term of up to three-years.

Independent member Julie Guest was appointed in July 2021 for an initial two-year term.

### REPORT

#### ***Reappointment of independent members***

At the completion of an appointed term, section 3.4 of the Charter provides for independent members to apply for reappointment to the Committee with a maximum of three consecutive terms.

Julie Guest has made application to be reappointed to the Committee for a second term.

#### ***Expertise and experience***

Section 53(b) of the Act specifies that independent Committee members have, collectively, expertise in financial management and risk, and experience in public sector management. The Charter further specifies collective knowledge and strategic skills in the areas of audit, governance, control, and compliance and preference for at least one

independent member to be a member of CPA Australia (CPA status), the Institute of Chartered Accountants Australia (CA status) and/or the Institute of Internal Auditors.

As the focus and responsibilities of the Committee respond to emerging needs and regulatory, economic, and reporting developments, members' competencies, and the overall balance of skills on the Committee is re-evaluated in the appointment of new and returning members.

Julie Guest has been a valuable member of the Committee over the past two years and brings direct finance, accounting and local government audit and risk committee experience to the Committee.

### ***Terms of appointment***

The terms of appointment for each member are, where possible, arranged to provide an orderly rotation of membership. Current independent member terms expire in 2024 and 2025 so a three-year term expiring in 2026 provides for stability and continuity on the Committee going forward.

### **POLICY IMPLICATIONS**

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

### **FINANCIAL AND RESOURCE IMPLICATIONS**

Independent Audit and Risk Committee members receive a set fee for each meeting attended in accordance with the Audit and Risk Committee Charter and as set by Council in its annual budget. The fee is indexed annually by CPI All Groups Melbourne June Quarter to June Quarter.

### **CONCLUSION**

It is recommended that Council reappoints Julie Guest to the Audit and Risk Committee for a further three-year term.

### **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 Customer and Community
- Health, Safety and Risk Officer

### **ATTACHMENT(S)**

Nil

## 9.2.6 Audit and Risk Committee Meeting Minutes and Recommendations

### INTRODUCTION

The purpose of the report is to present the minutes of the Audit and Risk Committee meeting No.2022/23-05 held on 26 May 2023.

The key items presented to and considered by the Audit and Risk Committee (Committee) at this meeting related to:

- Review of the Procurement Policy and associated financial delegations and the Financial Investments Policy.
- Key risks associated with Council's capital works program
- Nomination of Committee Chair for 2023/24.

Council's regular quarterly reports were also presented to the Committee as well as an overview of governance matters being overseen by monitors appointed by the Minister for Local Government.

***Cr Nicholas***

***Cr Hughes***

***That Council:***

- 1. Receives and notes the unconfirmed minutes of the Audit and Risk Committee meeting No.2022/23-05 held on Friday 26 May 2023; and***
- 2. If it reappoints independent member Julie Guest to the Audit and Risk Committee, accept the Committee's nomination and recommendation for Committee Chair and appoints independent member Julie Guest to the role for the 2023/24 financial year.***

***Carried***

### REPORT

#### ***Policy and financial delegations' reviews***

The Committee received reports on the scheduled review of two policies, Procurement Policy, and Financial Investments Policy, as well as the financial delegations from Council to the Chief Executive Officer to support the implementation of the Procurement Policy. The Committee provided suggestions to Council around regular conflict of interest training for staff and requested quarterly reporting on investments.

#### ***Capital works program - key risks***

The Committee received a report on the key risks associated with the effective delivery of Council's Capital Works Program and the current and future actions Council is taking to mitigate these risks.

The Committee acknowledged the risks identified by Council and discussed the current environment in which construction contractors are going into liquidation and the measures that Council has in place to be aware of and monitor this.

The issue of increasing expectation and cost shifting of capital improvements on Department of Energy, Environment, and Climate Action (DEECA) land and reserves where Council is not the DEECA appointed committee of management was also discussed.

***Nomination and Recommendation of Committee Chair***

The Alpine Shire Council Audit and Risk Committee Charter, V4.0 August 2020, sets out the requirements for the appointment of the Chair of the Audit and Risk Committee.

Section 3.8 of the Charter stipulates that:

*“The Chair of the Committee must be an independent member (section 53(4)).*

*The Committee will nominate and recommend a Chair to Council each year.*

*Council will formally appoint the Committee Chair”.*

On the assumption that Council reappoints independent member Julie Guest to the Committee for a further term, the Committee nominated, and recommends to Council for appointment, independent member Julie Guest as Chair of the Committee for 2023/24.

**POLICY IMPLICATIONS**

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

**FINANCIAL AND RESOURCE IMPLICATIONS**

Independent Audit and Risk Committee members receive a set fee for each meeting attended in accordance with the Audit and Risk Committee Charter and as set by Council in its annual budget. The fee is indexed annually by CPI All Groups Melbourne June Quarter to June Quarter.

**RISK MANAGEMENT**

Risk	Likelihood	Impact	Mitigation Action / Control
Failure to meet reporting requirements of <i>Local Government Act 2020</i> and Audit and Risk Committee Charter	Unlikely	Minor	<ul style="list-style-type: none"> <li>• Standing items on ARC agenda</li> <li>• Documented annual ARC meeting program</li> </ul>

## **CONCLUSION**

The Audit and Risk Committee, being satisfied with the detail provided in its agenda and the officer reports, submits the unconfirmed minutes of its meeting No.2022/23-04 held on 26 May 2023 to Council for noting and recommends to Council that independent member Julie Guest be appointed Committee Chair for 2023/24.

## **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 Customer and Community
- Health, Safety and Risk Officer

## **ATTACHMENT(S)**

- 9.2.6 Minutes (unconfirmed) of Audit and Risk Committee Meeting No.2022/23-05,  
26 May 2023



## 9.2.7 Procurement Policy

### INTRODUCTION

The Procurement Policy is a key instrument that outlines the principles and standards for the purchase of all goods, services and works by Council.

The purpose of this report is to propose amendments to Council's Procurement Policy and adopt the revised Policy in accordance with the *Local Government Act 2020* and *relevant legislation*.

***Cr Kelley***  
***Cr Nicholas***

***That Council:***

- 1. Notes that the Procurement Policy (No.089) has been reviewed in accordance with the Local Government Act 2020 (LGA 2020), with the following amendments proposed in Version 10:***
  - a. Inclusion of Modern Slavery Act 2018, Gender Equality Act 2020 and Council's commitment to maintaining a child safe organisation;***
  - b. Inclusion of other supporting documents and guidelines referenced to be read in conjunction with this policy;***
  - c. Amendments to all thresholds to improve best value outcomes based on spend and resources.***
- 2. Revokes Procurement Policy No. 089, Version 9;***
- 3. Adopts Procurement Policy No. 089, Version 10; and***
- 4. Signs and Seals Procurement Policy No. 089, Version 10 at the appropriate stage of the meeting.***

***Carried***

### BACKGROUND

The Procurement Policy (the Policy) is a key instrument in supporting Council to achieve best value outcomes. The Policy supports Council's purchasing objectives and must comply with the requirements of the *LGA 2020*, while being clear and easy to understand and be fit-for-purpose given the obligations it sets out for people undertaking procurement on behalf of Council.

The legislation governing Council procurement transitioned to sections 108 and 109 of the *LGA 2020* on 1 July 2021. Council continues to review its policy regularly to ensure it meets legislative requirements.

In accordance with s108 of the *LGA 2020*, Council's Procurement Policy must include:

- a. the contract value above which the Council must invite a tender or seek an expression of interest;

- b. a description of the criteria to be used by the Council to evaluate whether a proposed contract provides value for money;
- c. a description of how the Council will seek collaboration with other Councils and public bodies in the procurement of goods or services;
- d. the conditions under which the Council may purchase goods or services without inviting a public tender or expression of interest;
- e. a description of the process to be undertaken in inviting a public tender or expression of interest;
- f. any other matters prescribed by the regulations.

## ISSUES

### ***Assessment criteria***

The policy sets out the following procurement principles: value for money; open, fair, and unbiased; social value; probity, transparency, and accountability; risk management; environmental sustainability; continuous improvement; and collaboration.

Value for money is set as the primary evaluation driver allowing for cost and non-cost elements. Factors such as quality, quantity, risk, and experience will be assessed alongside social impact, environmental sustainability, timeliness, and cost on a whole of contract and whole of asset life basis.

### ***Procurement thresholds and contract values***

The *LGA 2020* requires Councils to set their own threshold limits, that are reflective of the needs of each Council. As Alpine Shire Council is a Small Rural Council, it is proposed to set the threshold for formal Invitations to Tender (ITTs) for public tendering of goods, services, and works at \$200,000 Ex GST.

Procurement of goods, services, and works valued less than \$200,000 Ex GST are not required to be procured through public tenders but have requirements for procurement processes such as written quotations, and formal Requests for Quotation (RFQs) (Table 1).

**Table 1: Procurement thresholds and purchasing conditions outlined in the Procurement Policy**

Procurement Threshold (GST exclusive)	Purchasing Conditions
Up to \$3K	Seek and receive at least one quote OR purchase using approved collaborative procurement. No purchase order required.
>\$3K-\$20K	Seek and receive at least one quote OR purchase using approved collaborative procurement. Purchase order required.

Procurement Threshold (GST exclusive)	Purchasing Conditions
>\$20K- \$50K	Seek and receive at least two quotes OR purchase using approved collaborative procurement. Purchase order required.
>50K - \$80K	Seek and receive at least three quotes OR request for Quotation (RFQ) published on Council's tender website and open to response from any supplier OR purchase using approved collaborative procurement. Purchase order required.
>\$80K - \$200K	RFQ published on Council's tender website and open to response from any supplier OR purchase using approved collaborative procurement. Written contract required.
>\$200K	Invitation to Tender (ITT) published on Council's tender website and open to response from any supplier OR purchase using approved collaborative procurement. Written contract required.

### ***Financial delegations***

Changes to financial delegations for Managers, Directors and Chief Executive Officer are proposed to align with the new procurement thresholds. These changes are reflected in the report presented at this Council meeting for S5 Instrument of Delegation to the CEO.

### **POLICY IMPLICATIONS**

The Policy has been reviewed in accordance with Sections 108 and Section 109 of the *LGA 2020* to reflect these amended provisions which came into effective on 1 July 2021, with the Procurement Policy due for adoption by 31 December 2021.

These recommendations are in accordance with the following Strategic Objective of the 2021-25 Council Plan:

- 5.2 A responsible, transparent and responsive organisation

### **FINANCIAL AND RESOURCE IMPLICATIONS**

The Procurement Policy is a key instrument in ensuring that Council obtains best value outcomes for ratepayers.

It is noted that the proposed amendments will improve efficiency and best value outcomes for Council.

Council will increase the frequency of procurement process audit including a comprehensive internal audit program every two years.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Non-compliance with Procurement Policy requirements	Possible	Minor	<ul style="list-style-type: none"> <li>• Council will increase audit activities on Procurement processes including a comprehensive internal audit program every two years.</li> <li>• Staff training on procurement practices and expectations</li> <li>• Auditing and monitoring of procurement activities and reporting to Audit and Risk Committee</li> </ul>

## CONSULTATION

The proposed Policy amendments have been based on consultation with senior Council officers and feedback from staff.

## CONCLUSION

The Procurement Policy (Version 10) ensures compliance with legislative requirements and maximises efficiencies in Council's purchasing practises to ensure best value is obtained for ratepayers.

## 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 Customer and Community
- Commercial Officer

## ATTACHMENT(S)

9.2.7 Alpine Shire Council Procurement Policy No.089 version 10

## 9.2.8 Instruments of Delegation

File Number: Delegations Register

### INTRODUCTION

Instruments of Delegation are an important means of Council ensuring its officers hold the appropriate legislative powers for the various Acts and Regulations that Council administers. This report refreshes delegations to the Chief Executive Officer, and to members of Council staff.

***Cr Janas***

***Cr Hughes***

***That Council:***

***1. Exercises the powers conferred by section 11(1)(b) of the Local Government Act 2020, so that:***

- a. There be delegated to the person holding the position, acting in or performing the duties of Chief Executive Officer the powers, duties and functions set out in attachment 9.2.7 "S5 - Instrument of Delegation from Council to the Chief Executive Officer" (instrument S5), subject to the conditions and limitations specified in that instrument;***
- b. Instrument S5 be signed and sealed at the appropriate stage of this meeting;***
- c. Instrument S5 comes into force immediately the common seal of Council is affixed to the instrument;***
- d. On the coming into force of instrument S5, all previous delegations to the Chief Executive Officer are revoked; and***
- e. The duties and functions set out in instrument S5 must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.***

***Carried***

### BACKGROUND

Many legislative Acts and Regulations provide Council with specific powers, duties or functions. To enable Council as an organisation to run smoothly, many of these powers, duties and functions are delegated to the Chief Executive Officer (CEO), who can then further sub-delegate these duties to Staff. This ensures that decisions are made on a timely basis, without the need for every legislative decision being presented to a Council meeting.

Council's S5 Instrument of Delegation to the CEO passes on Council's powers directly to the CEO. For instances where decisions are required that are not within the CEO's delegation, these must be presented directly to Council - for example, where a purchase exceeds the CEO's financial delegation.

Where legislation allows it, the CEO then sub-delegates specific legislative duties to staff, via a separate Instrument. Some legislation does not allow sub-delegation via the CEO, so Council must delegate these powers directly to staff using the S6 Instrument of Delegation to Council Staff.

The S5 Instrument of Delegation to the CEO was most recently updated in April 2022.

## **ISSUES**

### ***Changes to CEO financial delegation***

In line with changes to the template for the S5 Instrument of Delegation to the CEO, the financial delegation to the CEO has been split into the power to award contracts, and the power to approve expenditure.

Proposed changes to Council's Procurement Policy increase the value above which officers must issue an Invitation to Tender from \$150,000 (excluding GST) to \$200,000 (excluding GST). To mirror this change, the CEO's power to award contracts has also been increased from \$150,000 (excluding GST) to \$200,000 (excluding GST).

The S5 Instrument of Delegation now stipulates the ability for the CEO to approve expenditure associated with contracts already entered into (approved by Council). It also includes the ability to make larger expenditure payments / transactions for items required under legislation (which are non-discretionary) such as Insurance, WorkCover, and transferring the Fire Property Services Levy to the State Revenue Office. This formalises processes associated with larger expenditure payments, reducing the need for these non-discretionary items to be presented to Council.

No other changes have been made to the CEO delegation.

## **POLICY IMPLICATIONS**

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

## **FINANCIAL AND RESOURCE IMPLICATIONS**

Council has an annual subscription for Maddocks delegations and authorisations service that is allowed for in Council's annual budget. Appropriate delegations and authorisations allow Council and Council staff to operate effectively within legislative frameworks.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Delegations are not in place or are out of date	Possible	Moderate	Ensure that all Council approved delegations are up-to-date to ensure that staff can undertake their statutory duties.
Financial delegations do not reflect Procurement Policy	Possible	Moderate	Ensure that CEO financial delegations reflect the current Procurement Policy, and ensure necessary administrative steps are in place to support these.

## CONSULTATION

No external consultation is required. Council to CEO delegations have been discussed with the relevant Manager, Director and CEO.

## CONCLUSION

A review and update of the S5 Instrument of Delegation to the CEO, will ensure that the CEO can undertake the powers, duties and functions relating to their role, and the CEO's financial delegations are matched to the updated Procurement Policy.

## 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 Customer and Community
- Governance Officer

## ATTACHMENT(S)

9.2.8 S5 - Instrument of Delegation from Council to the Chief Executive Officer - June 2023

## 9.2.9 Brights Iconic Rod Run - Designation of restriction

### INTRODUCTION

This report details the proposed alcohol restrictions designated under Alpine Shire Community Local Law 2019 Clause 2.2.1 from 10pm Thursday 9 November to 7am Monday 13 November 2023.

***Cr Nicholas***

***Cr Hughes***

***That Council:***

- 1. Approves an alcohol restriction during the period 10pm Thursday 9 November 2023 to 7am Monday 13 November 2023 under Clause 2.2.1 of the Community Local Law 2019 as per attachment 9.2.9 Alcohol Restrictions Map***
- 2. Notes that:***
  - a. Bright Iconic Rod and Custom Club Inc hold a ticketed event in Pioneer Park which is yet to be permitted by Council.***
  - b. The Alpine Hotel must apply for a separate event permit to extend their redline to the front of the Hotel.***
  - c. Council officers will work with licensed operators in the restricted area to support them to operate within their red line area in line with event permit requirements.***

***Carried***

### BACKGROUND

Council first introduced restrictions on the consumption of liquor on Council land for the duration of the 2019 Rod Run event, under Clause 2.2.1 of the Community Local Law 2019. These restrictions were based on the recommendation of the Events Risk Assessment Panel consisting of Council officers, Victoria Police, Ambulance Victoria, Alpine Health and other emergency service agencies.

In planning for the 2021 event, the Bright Rod and Kustom Club made a request for the footprint of the consumption of alcohol restricted area to be reduced to a smaller area which was endorsed by Council. This same restricted area was also endorsed by Council for the 2022 event.

### ISSUES

***Alcohol restriction area:***

In pre-planning for the 2023 event, the Bright Rod and Kustom Club has not requested any further change to the alcohol consumption restricted area as endorsed in 2022.

***Changes to Bright town centre event management:***

In preparing for the 2023 event, Council staff will take a different approach to the management of road closures and traffic detours within the Bright town centre.



For past events the Bright Rod and Kustom Club has been considered responsible for traffic management in Bright town centre, which has been facilitated and funded by Council as in-kind event support through the annual Events Funding Program.

This year Council will apply for funding through the Events Funding Program to coordinate the town centre-based aspects of the weekend, recognising that the unofficial attendees for the weekend are often not connected to the Bright Rod and Kustom Club event in Pioneer Park.

This approach will separate the formal Bright's Iconic Rod Run event organised by the Bright Rod and Kustom Club from the informal attendance of car enthusiasts who do not pay to be involved in the formal event but cause significant changes to how the town centre operates.

***Remembrance Day:***

Remembrance Day will be held at Mafeking Square in the centre of Bright on Saturday, 11 November.

Traffic management will close Ireland Street from 10pm Friday through to 12pm Saturday to support the safe operation of the Remembrance Day Service. There will be no movement of vehicles or parking up for the Show n' Shine during this time.

**POLICY IMPLICATIONS**

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 1.2 Services and resources that enhance health and wellbeing

**FINANCIAL AND RESOURCE IMPLICATIONS**

Prominent temporary signage and advertising will be used to ensure that the alcohol restrictions designation is well communicated to event attendees.

Additional Local Law officers, sourced from an external contractor, will be utilised to monitor the Bright town centre during the restriction period and take necessary enforcement action.

Traffic management costs are anticipated to be approximately \$35,000.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Increased incidence of public misdemeanours	Possible	Minor	<ul style="list-style-type: none"> <li>Designated alcohol restrictions for Bright town centre</li> <li>Victoria Police in attendance</li> <li>Local Laws Officers on duty</li> </ul>
Vehicle/ Pedestrian accidents	Possible	Minor	<ul style="list-style-type: none"> <li>Encourage use of designated road crossings.</li> </ul>
Interruptions to Bright Remembrance Day Service.	Unlikely	Minor	<ul style="list-style-type: none"> <li>Complete road closure to support the safe operation of Remembrance Day service.</li> </ul>

## CONSULTATION

Pre-planning for the 2023 event between Council officers and members of the Bright Rod and Kustom Club has commenced to discuss early plans for the event that organically occurs in the Bright town centre and the official event hosted at Pioneer Park. This includes the delineation of the event, who is managing each section of the event funding and the declaration of consumption of alcohol restrictions for 2023.

The Events Risk Assessment Panel consisting of Council officers, Victoria Police, Ambulance Victoria, Country Fire Authority, State Emergency Services and Alpine Health have also been consulted on the plans for the 2023 event, including the designation of the restricted area for alcohol consumption being implemented as per the 2022 event.

As in previous years, Council will offer exemptions to the restrictions to licensed premises that hold the appropriate licence to sell alcohol outside their premises (i.e. within a current red line area) with the understanding that the premises must manage patrons within their venue and red line area.

The Alpine Hotel is anticipated to apply for an event permit and occupation of Council Land to utilise Council land in front of the Alpine Hotel over the duration of the event restrictions. The permit application will be reviewed by the Event Risk Assessment Panel.

Council officers responsible for organising the town centre event will apply for funding from Council under the 'signature event' requirement of the Events Strategy.

This funding will support traffic and waste management, extra Local laws service provision, permitting requirements and any further costs for event operation.

## **CONCLUSION**

The proposed designation of restrictions will support safe management for patrons, the public and emergency services. The Bright Rod and Kustom Club will continue to plan their event, including activities to be held at Pioneer Park.

Council's events team will apply for funding to support the delivery of traffic and waste management within the Bright town centre over the course of the weekend and coordinate the delivery of the 'informal' rod run in and around the town centre.

This will allow the Bright Rod and Kustom Club to focus on the delivery of their event within Pioneer Park and beyond for their registered event attendees.

## **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 Customer and Community
- Manager Customer Experience
- Development Officer (Events)

## **ATTACHMENT(S)**

9.2.9 Alcohol Restrictions Map (9-13 November 2023)

## 10. Informal meetings of Councillors

### Introduction

In accordance with Chapter 8, section A1 of Council's Governance Rules, if there is a meeting of Councillors that:

- is scheduled or planned for the purpose of discussing the business of Council or briefing Councillors;
- is attended by at least one member of Council staff; and
- is not a Council meeting, Delegated Committee meeting, or Community Asset Committee meeting.

The Chief Executive Officer must ensure that a summary of the matters discussed at the meeting are tabled at the next convenient Council meeting and are recorded in the minutes of that Council meeting.

***Cr Nicholas***

***Cr Hughes***

***That the summary of informal meetings of Councillors for May / June 2023 be received.***

***Carried***

### Background

The written records of the informal meetings of Councillors held during the previous month are summarised below. Detailed records can be found in Attachment 9.0 to this report.

Date	Meeting
30 May	Briefing Session
13 June	Briefing Session
20 June	Briefing Session

### Attachment(s)

- 9.0 Informal meetings of Councillors – May / June 2023

## **11. Presentation of reports by delegates**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to presentations of reports by delegates.

## **12. General business**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to General Business.

## **13. Motions for which notice has previously been given**

Nil

## **14. Reception and reading of petitions**

Nil

## 15. Documents for sealing

*Cr Nicholas*

*Cr Hughes*

*That the following documents be signed and sealed.*

- 1. Procurement Policy No. 089 (version 10)*
- 2. Instrument S5 be signed and sealed.*

*Carried*

There being no further business the Chairperson declared the meeting closed at 8.19p.m.

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Chairperson

COUNCIL POLICY

# Financial Hardship Policy

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## Contents

1. Purpose.....	4
2. Scope.....	4
3. Policy details.....	4
3.1 Application & Assessment.....	4
3.2 Types of Support Available .....	4
3.2.1 Payment Plans.....	4
3.2.2 Deferral of Rates & Charges.....	5
3.2.3 Waiver of Interest and Legal Charges .....	6
3.2.4 Waiver of Rates and Charges.....	6
3.2.5 Financial Counselling Services .....	7
3.3 Feedback, Compliments and Complaints .....	7
3.3.1 The behaviour you can expect from us.....	7
3.3.2 The behaviour Council expects from you .....	8
3.4 Communication .....	8
3.5 Monitoring & Reporting .....	8
4. Roles and responsibilities .....	8
4.1 DELEGATION OF DUTIES.....	9
5. Breaches .....	9
6. Human Rights Charter compatibility .....	9
7. Gender Equality Act compatibility .....	9
8. Supporting documents.....	9
9. Definitions and abbreviations .....	10
10. Approval.....	11



**DOCUMENT UNCONTROLLED WHEN PRINTED**

Document Control		
Policy number No. 127	Status Draft	Approved by Council
Date approved 25 July 2023	Next review date July 2026	
Directorate Customer and Community	Department Corporate	External

**REVISION RECORD**

MANDATORY – Use 1.0, 2.0 for adopted / approved versions and 1.1, 1.2 for drafts or revisions without change.

Date	Version	Revision description
25 July 2023	1.0	Draft for adoption

## 1. Purpose

The purpose of this Policy is to ensure a fair, clear and consistent approach to assessing and providing support in the payment of rates and associated charges to pensioners and ratepayers experiencing financial hardship.

## 2. Scope

This policy applies to owner/occupiers of residential land within the Alpine Shire, where the property is the Principle Place of Residence (PPR).

It does not apply to commercial/industrial properties or residential investment properties.

## 3. Policy details

Financial hardship is the inability of a person to pay their rates when they fall due. Importantly, financial hardship is the inability of the person to meet their financial obligations, rather than an unwillingness to do so.

Council provides several options to support pensioners and those ratepayers who experience financial hardship to help them meet their financial obligations. These options include:

- Agreeing to a Payment Plan
- Deferrals of Rates and Charges
- Waiver of Interest and Legal Charges
- Referral to a Financial Counselling Service.

### 3.1 APPLICATION & ASSESSMENT

A person or business can confidentially apply to access the financial hardship provisions of this Policy through the:

- online form on Council's website Rates Financial Hardship Assistance Application
- contacting the Council's Customer Service Team on 03 5755 0555.

The application for financial hardship will be assessed confidentially and objectively based on the information provided in the application and Council will advise of its decision in writing within 14 days of receiving the application and all supporting information.

### 3.2 TYPES OF SUPPORT AVAILABLE

#### 3.2.1 Payment Plans

If an eligible ratepayer is experiencing financial difficulties and unable to pay outstanding rates and associated charges in accordance with Council's due dates, a payment arrangement can be entered into subject to the following conditions:

- The payment arrangement will have a limited life of not greater than twelve (12) months following the end of the financial year the arrangement was entered.
- The payment arrangement will continue to accrue interest on overdue amounts at the statutory rate set in accordance with *Penalty Interest Rates Act 1983*.
- Any default in the payment arrangement may end the arrangement and may result in the commencement of collection activities which may incur costs associated with the collection of the debt.

### 3.2.2 Deferral of Rates & Charges

An eligible rate payer who owns a property in the Alpine Shire Council will be able to request a deferral of rates and charges as follows:

Category	Deferral period	Interest
<b>Eligible Pensioners / Self-funded retirees - Owner Occupiers</b>		
Aged Pension recipients	Deferred Indefinitely - until property is sold / estate settled	Interest will accrue on the deferred rates, at the rate set by the Penalty Interest Rates Act 1983 - Section 2, until the account is paid in full.
<b>Eligible Concession Card Holders - Owner Occupiers</b>		
Pensioner Concession Card - issued by Centrelink	Deferral until 30 June of each financial year	Interest will accrue on the deferred rates, at the rate set by the Penalty Interest Rates Act 1983 - Section 2, until the account is paid in full.
Department of Veterans' Affairs Gold Card - War Widow (WW)		
Department of Veterans' Affairs Gold Card -Totally and Permanently Incapacitated (TPI)		

#### Eligibility conditions

The application must be for the applicant's sole or principal place of residence (owner occupier).

Deferment will only be recommended where the financial hardship is expected to exceed one year.

Successful applicants are not obliged to but may make payments at any time to reduce the deferred debt.

### **Withdrawal of rate deferralment**

An approved deferral will be withdrawn in any of the following circumstances:

- The ratepayers circumstances have changed and payment of the debt would no longer cause hardship.
- The ratepayer no longer owns or occupies the property.
- The ratepayer has defaulted in any agreement associated with the deferral.

### **3.2.3 Waiver of Interest and Legal Charges**

Council may waive interest and or costs (whole or part) where the ratepayer has demonstrated compassionate grounds for a payment being late. Acceptable compassionate grounds would generally relate to financial hardship, family breakdown, domestic violence, serious illness or family tragedy.

If approval has been provided for penalty interest and or costs to be waived (whole or part thereof), the applicant must attend to the immediate settlement of the outstanding rates and charges and or by the date specified by the Rates Officer.

The waiver of penalty interest and costs will generally apply on a once only basis unless resulting from an administrative error.

### **3.2.4 Waiver of Rates and Charges**

To support equity between all ratepayers, people who are in arrears with their rates and charges are encouraged to enter into payment or deferral arrangements (refer sections 3.2.1 and 3.2.2).

However, in the event that a ratepayer is unable to pay their rates due to extreme financial hardship they may apply for a one-off waiver.

The waiver is up to 50% of the general rate, capped at a maximum of \$500 for the principal place of residence.

Council will have discretion to determine the amount of the waiver depending on your total rates and the reasons outlined in the application for support.

The cap of 50% of the general rate up to \$500 is inclusive of any pensioner rebate.

#### **Eligibility conditions**

Automatic eligibility are residential ratepayers who are current recipients of the Victorian Government Utilities Relief Hardship Scheme (subject to proof of support).

Very low-income earners that do not meet automatic eligibility requirements may still be eligible for support. You must show that you have no way of paying the account without assistance, and you must provide proof of meeting one of the following criteria:

1. You or someone in your house has experienced family violence.
2. You have had a recent decrease in income, for example, loss of employment.
3. You have had high unexpected costs for essential items.
4. The cost of shelter is more than 30% of your household income.

The Director Customer and Community has discretion to consider eligibility outside of the above for instance due to technicalities. This will be used sparingly to ensure equity and consistency in treatment.

### **Supporting Information Required for Applications**

An applicant will be required to submit evidence in support of their application as required by Council preferably using the electronic application form on Council's website.

Unless an applicant is automatically eligible, Council may request that they provide the following information on a confidential basis:

1. Confirmation that the ratepayer is currently unemployed, stood down, working significantly reduced hours.
2. Evidence of personal circumstances unrelated to employment (family tragedy, serious illness, domestic violence, or other serious and difficult unplanned circumstances) that has impacted the applicant's ability to pay their rates and charges.
3. A current statement of your assets and liabilities, including cash resources (or similar) available to meet your ongoing living or operating expenses.
4. Details of any dependents.
5. Details of unforeseen reductions in income or non-discretionary expenditure increases and any Government support provided (council, state and Commonwealth)

## **3.2.5 Financial Counselling Services**

Financial counselling is a free and confidential service offered by community organisations, community legal centres and some government agencies.

**National Debt Helpline** is a not-for-profit Government Service providing confidential financial counselling for Victorians experiencing hardship. You can contact the National Debt helpline to request a referral to see a financial councillor at your local financial counselling service.

Ph: 1800 007 007

National Debt Helpline <https://ndh.org.au>

## **3.3 FEEDBACK, COMPLIMENTS AND COMPLAINTS**

### **3.3.1 The behaviour you can expect from us**

In implementing this Policy, we will strive to:

- Make it as easy as we can
- Listen and understand
- Respond and follow through
- Be open and honest
- Always look to improve

You can provide us with feedback, a compliment or complaint:

- Via our website ([www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au))
- By calling Customer Services on (03) 5755 0555
- In person at Alpine Shire Council, 2 Churchill Avenue, Bright or any of our branch offices or libraries located in Bright, Myrtleford or Mount Beauty (check our website for opening times)
- Mailing Alpine Shire Council, PO Box 132, Bright 3741

All complaints will be managed in accordance with our Customer Complaints Policy.

### 3.3.2 The behaviour Council expects from you

While we strive to deliver a great service to our customers, we aren't perfect and understand that at times we get things wrong and this can be frustrating. Like you, our staff also want to be listened to, and treated with respect. Some types of behaviour are never acceptable. They include verbal abuse, threats and violence.

## 3.4 COMMUNICATION

Council will ensure that its Financial Hardship Policy will be publicly available, easily understood and accessible to members of our community. We will achieve this by:

- Ensuring this policy is easily accessible on our website
- Hard copies available at our Customer Service Centres
- Providing easy to understand information on the annual rates notices regarding payment options, payment assistance, and the deferment and waiver of rates and charges
- Provide the contact details of Financial Counselling Services on our website.

## 3.5 MONITORING & REPORTING

The Manager Corporate will report on an annual basis the number of ratepayers supported under this Policy for the prior financial year categorised into;

- Financial arrangements approved during the year and the balance outstanding at year-end
- Deferrals approved during the year and the balance outstanding at year-end
- Waivers approved during the year and the total value of waivers provided.

## 4. Roles and responsibilities

The following positions are responsible for

Responsibility	Role / Position
Chief Executive Officer	For ensuring the Policy and procedures are in place.
Director Customer and Community	For ensuring the Policy and procedures are implemented. For approving all applications as set out in Financial Delegations related to this policy.

Responsibility	Role / Position
Manager Corporate	For monitoring and reporting on implementation of this Policy For approving all applications as set out in Financial Delegations related to this policy. Investigation Officer for any Complaints received in respect of this Policies Application.
Rates Officer	For ensuring appropriate administration of this Policy For approving all applications as set out in Financial Delegations related to this policy.

## 4.1 DELEGATION OF DUTIES

As set out in the *Financial Delegations for the purposes of Financial Hardship Policy No. 127* associated with this policy.

## 5. Breaches

Failure to comply with this policy will be subject to investigation which may lead to disciplinary action.

## 6. Human Rights Charter compatibility

This policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 [Vic]*.

## 7. Gender Equality Act compatibility

This policy has been assessed as being compatible with the *Gender Equality Act 2020 [Vic]*.

## 8. Supporting documents

This policy should be read in conjunction with all other relevant, Council policies and procedures, as well as relevant legislative requirements.

### Related Legislation

- *Local Government Act 1989 [Vic]*
  - Section 170 Deferred Payment
  - Section 171 Waiver
  - Section 171A Waiver by application - financial hardship
- *Local Government Act 2020 [Vic]*
- *Charter of Human Rights and Responsibilities Act 2006 [Vic]*
- *Gender Equality Act 2020 [Vic]*

- *Fire Services Property Levy Act 2012 [Vic]*
- *Penalty Interest Rates Act 1983 [Vic]*
- *Privacy and Data Protection Act 2014 [Vic]*
- *State Concessions Act 2004 [Vic]*
- *Valuation of Land Act 1960 [Vic]*

### Related Guidelines, Operational Directives or Policies

- Rating and Revenue Plan
- Debtor Management Policy
- Annual Budget

## 9. Definitions and abbreviations

Term	Meaning
Compassionate Grounds	Means circumstances of a compassionate nature including Financial Hardship, illness or death.
Deferment	A 'deferment' of payment can be provided in whole or in part and be for a specific period and subject to any conditions determined by Council. Where deferment has been granted, Rate Notices must be sent as required under the provisions of the <i>Local Government Act 1989</i> . A deferral only suspends the payment for a specified period of time, but the full amount will eventually be recovered.
Financial Hardship	<p>Financial hardship is the inability of a person to pay their rates when they fall due. Financial hardship is the inability of the person to meet their financial obligations, rather than an unwillingness to do so.</p> <p>Financial hardship can arise from:</p> <ul style="list-style-type: none"> <li>• Loss of employment</li> <li>• Family breakdown or tragedy</li> <li>• A death in the family or serious illness</li> <li>• Economic abuse through family violence</li> <li>• Other unforeseen factors such as a major reduction in income or major increase in non-discretionary expenditure that results in a person not being able to meet their financial obligations.</li> </ul> <p>A ratepayer is considered to be in extreme financial hardship when they would be left unable to provide for themselves, their family or other dependents the following:</p> <ul style="list-style-type: none"> <li>• food or clothing</li> <li>• accommodation</li> <li>• medical treatment</li> </ul>



Term	Meaning
	<ul style="list-style-type: none"><li>• education</li><li>• other basic necessities</li></ul>
Pensioner	Refers to a ratepayer who is currently eligible to receive the municipal rates concession under the provisions of the <i>State Concessions Act 2004</i> .
Waiver	A waiver is a one-off abandonment, which removes the liability to pay, and may be offered to include the whole or part of any interest and costs. In extreme circumstances rates may be waived at the capped amount of \$1000.

## 10. Approval

THE COMMON SEAL OF THE  
ALPINE SHIRE COUNCIL was  
hereunto affixed this 25 day of July 2023  
in the presence of:

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COUNCILLOR

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SIGNATURE

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COUNCILLOR

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SIGNATURE

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CHIEF EXECUTIVE OFFICER

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SIGNATURE

COUNCIL POLICY

# Debtor Management

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## Contents

1. Purpose.....	4
2. Scope.....	4
3. Policy details.....	4
3.1 Invoicing.....	4
3.2 General Management of Outstanding Debt.....	5
3.2.1 Aging Debtor Management .....	5
3.2.2 Payment Arrangements.....	5
3.2.3 Provision for Doubtful Debts .....	5
3.2.4 Write-Off of Bad Debts.....	6
4. Roles and responsibilities .....	6
5. Breaches .....	6
6. Human Rights Charter compatibility .....	6
7. Gender Equality .....	7
8. Supporting documents.....	7
9. Definitions and abbreviations .....	7
10. Approval.....	8

## DOCUMENT UNCONTROLLED WHEN PRINTED

Document Control		
Policy number 102	Status Draft	Approved by Council
Date approved 25 July 2023	Next review date July 2026	
Directorate Corporate Performance	Department Corporate	External

## REVISION RECORD

Date	Version	Revision description
07/06/2016	1.0	Endorsed by Finance Committee
05/02/2019	2.0	Updated to incorporate the Application for Financial Hardship Policy, the Debt Write Off Policy and the Sale of Occupied Land for Unpaid Rates and Charges Policy
30/07/2022	3.0	Standard Review re Legislation changes etc
16/05/2023	4.0	Updated to remove rates and charges to be included in new Rates Financial Hardship Policy.

## 1. Purpose

Alpine Shire Council (Council) relies on income from rates, grants, leases, fees, and charges to fund its operations. Good revenue and debtor management practises are essential in enabling Council's income to be collected effectively.

Policy objectives include ensuring that the collection of debts is undertaken equitably (that is, fairly and impartially), consistently, efficiently, effectively and in accordance with good governance.

## 2. Scope

This policy applies to Council employees and contractors who have responsibility to collect payments due to Council.

Council may engage a debt collection agency to assist with collection of outstanding debts. Council staff responsible for overseeing the activities of debt collection agencies ensure that practises are applied in line with this policy.

This policy does not apply to transactions where the payment is received prior to the receipt of works, services, or permits by the customer. Receipt of these payments is governed by the Cash Handling Policy.

## 3. Policy details

### 3.1 INVOICING

Invoices are to be raised whenever goods or services are provided by Council prior to payment being made by the recipient of those goods or services. For example, invoices may be raised for grant income, lease and license income, and provision of services such as waste collection or use of sporting facilities.

It is the responsibility of the officer that provides the good or service to ensure that the invoice is raised, and to raise any credit notes where required. Invoice and credit note requests are to be lodged with Finance who will record the associated revenue in the general ledger.

Debtor accounts may be established for credit approved debtors where there is a genuine business need that has been approved by the relevant Manager. Where there is any doubt, Finance should be contacted to assist with obtaining a credit check.

All invoices are to be charged as per the fees and charges schedule in the current Council budget or as per the relevant legislation.

## 3.2 GENERAL MANAGEMENT OF OUTSTANDING DEBT

### 3.2.1 Aging Debtor Management

The following actions are to be undertaken for debts that are outstanding beyond Council's standard terms of 30 days:

- 31 - 60 days: finance will contact the debtor to remind them of payment being overdue and issue a debtor statement.
- 61 - 90 days: finance will contact the debtor to remind them of payment being overdue (second contact) and issue a further debtor statement.
- 91 - 120 days: finance will contact the debtor to remind them of payment being overdue and to organise a payment arrangement if necessary. Debtor may also be advised that legal action may be commenced if payments are not received within the stipulated timeframe.
- 120+ days overdue: amounts 120 days and over require direction from the relevant manager (or the responsible officer in their team) in relation to:
  - Whether debt collection proceedings are to commence for pursuit of legal recovery of the debt at the expense of the relevant area
  - Whether there are any special circumstances relating to the debt that justify the recovery action to be held for any reason or
  - Whether the debt is recoverable and if the debt should be recommended to be written off. This may have budgetary implications.

### 3.2.2 Payment Arrangements

Any person, organisation or company who is having difficulty in paying their debt is encouraged to contact Council. The responsible officer may raise a request with to establish a personal payment arrangement with the debtor to pay off the debt in a reasonable and manageable timeframe. This can occur before the debt becomes overdue. For example, the plan may involve making a weekly payment of an agreed amount until the debt is paid in full. The responsible officer must ensure arrangements are adhered to.

### 3.2.3 Provision for Doubtful Debts

An annual review shall be undertaken of long outstanding debts for the purposes of maintaining a provision for doubtful debts based on the following factors:

- All debts known to be doubtful shall be included in the provision, for example if a debtor is known to have gone into liquidation; and
- Debts aged over 90 days will be reviewed and a proportion of these debts maybe included in the provision, as deemed appropriate.

### 3.2.4 Write-Off of Bad Debts

All cost-effective actions to recover debt should be taken by Council officers in accordance with sector practices including Ombudsman recommendations in relevant reports. Debts may be written-off either when Council is unable to collect the debt or when Council chooses not to collect a debt for compassionate reasons.

The reason for proposing the debt write-off must be clearly documented and authorised by either the Manager Corporate (up to \$10,000), the Director Corporate Performance (up to \$30,000) and the Chief Executive Officer (between \$30,000 and \$50,000). Write-offs over \$50,000 must be authorised by Council.

## 4. Roles and responsibilities

The following positions are responsible for

Role/Position	Responsibility
Council	Approving Debt write-offs over \$50,000.
Chief Executive Officer	For ensuring the Policy and procedures are in place. For approving all applications for Debt write offs between \$30,000 and \$50,000.
Director Corporate Performance	For ensuring the Policy and procedures are implemented and for reviewing any complaints received with respect to the application of the Policy by the Manager Corporate. For approving all applications for Debt Write offs up to \$30,000.
Manager Corporate	For monitoring and reporting on implementation of this Policy. For approving all applications for Debt write offs up to \$10,000. For reviewing any complaints received with respect to the application of the Policy by the responsible officer.

## 5. Breaches

Failure to comply with Council policy, supporting procedures or guidelines, will be subject to investigation which may lead to disciplinary action.

## 6. Human Rights Charter compatibility

This policy has been assessed as being compatible with the *Charter of Human Rights and Responsibilities Act 2006 [Vic]*.

## 7. Gender Equality

No Gender Impact Assessment has been carried out in accordance with the Gender Equality Act 2020.

## 8. Supporting documents

This policy should be read in conjunction with all other relevant, Council policies and procedures, as well as relevant legislative requirements.

### Related Legislation

- *Local Government Act 2020 [Vic]*
- *Local Government Legislation Amendment (Rating and Other Matters) Bill 2022 [Vic]*.

### Related Guidelines, Operational Directives or Policies

- Cash Handling Policy, No.94
- Annual Budget: Rating Policy and Fee Schedule

### Related Procedures

- Nil

## 9. Definitions and abbreviations

Term	Meaning
Bad Debts	A bad debt expense is incurred when Council abandons its claim to the amount owing where there is no reasonable prospect of collection, or the costs of collection are expected to be greater than the amount owed.
Compassionate Grounds	Means circumstances of a compassionate nature including financial hardship, illness, or death.
Credit	Credit refers to the purchase and provision of goods and/or services from Council by debtors based on a promise to pay at a future time.
Debt (Goods and/or Services)	Debt is the amount (of money) owed by a debtor as a result of a credit transaction with Council.
Deferment	A 'deferment' of payment can be provided in whole or in part and be for a specific period and subject to any conditions determined by Council. A deferral only suspends the payment for a specified period of time, but the full amount will eventually be recovered.



Term	Meaning
Financial Hardship	Financial hardship applies where a person demonstrates a severely diminished ability to fulfil their financial obligations to Council and where hardship assistance through alternative payment plans and/or deferral of payments may be of assistance.
Waiver	A "waiver" is a one-off abandonment, which removes the liability to pay, and may be offered to include the whole or part of any interest and costs.

## 10. Approval

THE COMMON SEAL OF THE  
ALPINE SHIRE COUNCIL was  
hereunto affixed this 25 July 2023  
in the presence of:

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COUNCILLOR

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SIGNATURE

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COUNCILLOR

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SIGNATURE

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CHIEF EXECUTIVE OFFICER

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SIGNATURE

COUNCIL DOCUMENT

# Revenue and Rating Plan 2021

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2023 (Updated)

## Contents

1. Purpose.....	5
2. Introduction .....	6
3. Community Engagement.....	7
4. Rates and charges.....	8
4.1 Rating Legislation .....	9
4.2 Taxation Principles.....	10
4.3 Determining Which Valuation Base To Use .....	12
4.3.1 Capital Improved Value (CIV).....	12
4.3.2 Site value (SV) .....	13
4.3.3 Net annual value (NAV).....	14
4.3.4 Recommended valuation base .....	14
4.3.5 Property Valuations .....	15
4.3.6 Supplementary Valuations .....	15
4.3.7 Objections to property valuations .....	16
4.4 Rating Differentials.....	16
4.4.1 General Rate .....	16
4.4.2 Farm Rate .....	17
4.4.3 Commercial / Industrial Rate .....	18
4.4.4 Advantages of a differential rating system.....	19
4.4.5 Disadvantages of a differential rating system.....	19
4.5 Cultural and Recreational Lands .....	20
4.6 Rates in Lieu.....	20
4.7 Municipal Charge.....	20
4.8 Special Rate and Charge Schemes .....	21
4.9 Service Rates and Charges .....	21
4.10 Collection and Administration of Rates and Charges .....	22
4.10.1 Payment options.....	22
4.10.2 Interest on arrears and overdue rates .....	22
4.10.3 Pensioner rebates .....	23
4.10.4 Deferred payments .....	23
4.10.5 Financial Hardship Policy.....	23
4.10.6 Debt recovery.....	23
4.10.7 Fire Services Property Levy .....	24
5. Other revenue items .....	24
5.1 User Fees and Charges .....	24
5.2 Statutory Fees and Charges.....	25
5.3 Grants.....	26
5.4 Contributions.....	27
5.5 Interest on Investments.....	27

5.6 Borrowings ..... 27

6. Approval..... 28

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## REVISION RECORD

Date	Version	Revision description
6 April 2021	0.1	Draft released for public submissions
15 June 2021	1.0	Final adopted by Council
25 July 2023	2.0	Desktop review to update and reflect references to Financial Hardship Policy No. 127

# 1. Purpose

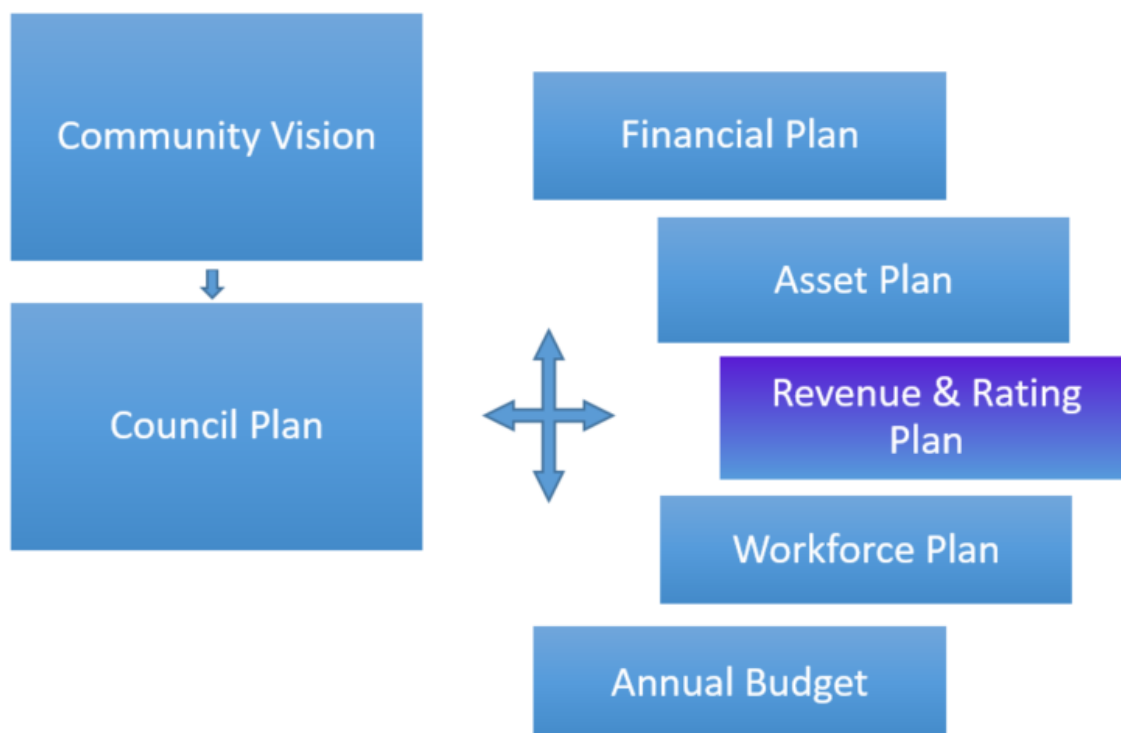
The Local Government Act 2020 requires each Council to prepare a Revenue and Rating Plan to cover a minimum period of four years following each Council election. The Revenue and Rating Plan establishes the revenue raising framework within which the Council proposes to work.

The purpose of the Revenue and Rating 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.

This 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 this plan align with the objectives contained in the Council Plan, in particular “A responsible and sustainable organisation” and will feed into our budgeting and long-term financial planning documents, as well as other strategic planning documents under our Council’s strategic planning framework.



This plan will explain how Council calculates the revenue needed to fund its activities, and how that funding will be split between ratepayers and other users of Council services.

This plan will set out decisions that Council has made in relation to rating options available to it under the *Local Government Act 1989* to ensure the fair and equitable

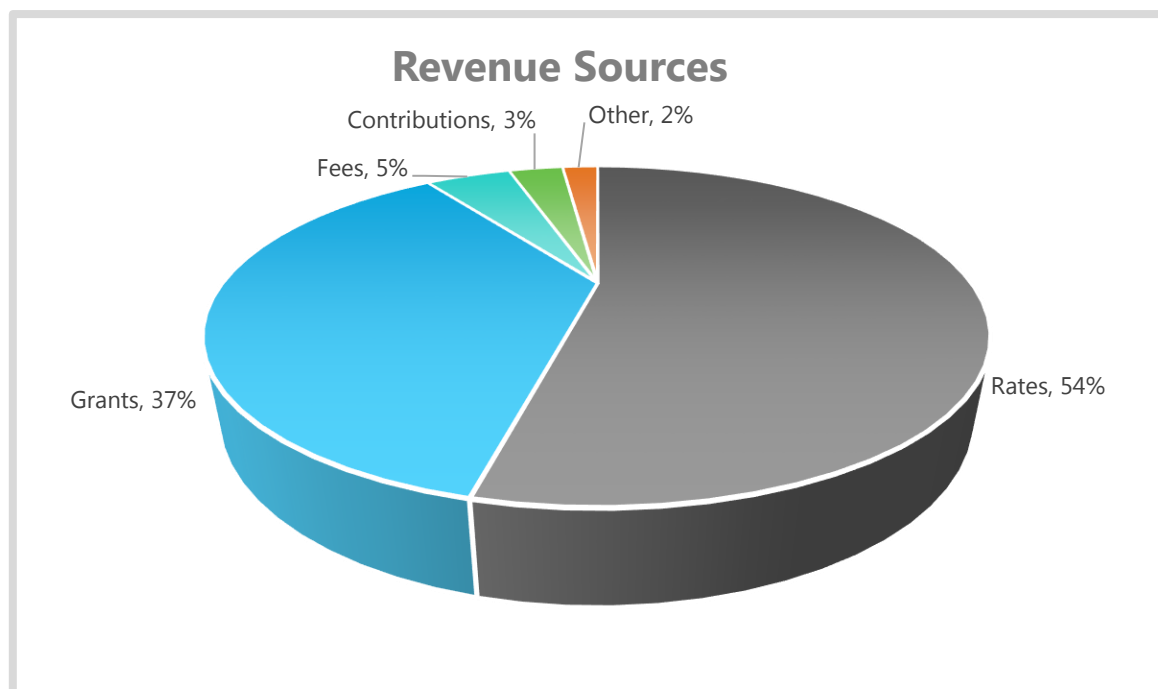
distribution of rates across property owners. It will also set out principles that are used in decision making for other revenue sources such as fees and charges.

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.

This plan provides a control measure towards Council's Strategic Risk as described in Council's Risk Register – "Financial Sustainability – the organisation has inadequate planning in place to assure sustainable funding and expenditure into the future."

## 2. Introduction

Council provides several services and facilities to our local community, and in doing so, must collect revenue to cover the cost of providing these services and facilities.



Council's revenue sources include:

- Rates and Charges
- Waste charges (if applicable)
- Grants from other levels of Government
- Statutory Fees and Fines
- User Fees
- Cash and non-cash contributions from other parties (i.e., developers, community groups)
- Other Income

Rates are the most significant revenue source for Council, accounting for 54% of operating revenue received by Council. The collection of rates is an important factor in funding Council services.

The introduction of rate capping under the Victorian Government's Fair Go Rates System (FGRS) has brought a renewed focus to Council's long-term financial sustainability. The FGRS continues to limit Council's ability to raise revenue above the rate cap unless application is made to the Essential Services Commission for a variation. Maintaining service delivery levels and investing in community assets remain key priorities for Council. This strategy will address Council's reliance on rate income and provide options to actively reduce that reliance.

Council provides a wide range of services to the community, often for a fee or charge. The nature of these fees and charges generally depends on whether they relate to statutory or discretionary services. Some of these, such as statutory planning fees are set by State Government statute and are commonly known as regulatory fees. In these cases, councils usually have no control over service pricing. However, in relation to other services, Council can set a fee or charge and will set that fee based on the principles outlined in this Revenue and Rating Plan.

Council revenue can also be adversely affected by changes to funding from other levels of government. Some grants are tied to the delivery of council services, whilst many are tied directly to the delivery of new community assets, such as roads or sports pavilions. It is important for Council to be clear about what grants it intends to apply for, and the obligations that grants create in the delivery of services or infrastructure.

### **3. Community Engagement**

The Revenue and Rating Plan outlines Council's decision-making process on how revenues are calculated and collected. The following public consultation process will be followed to ensure due consideration and feedback is received from relevant stakeholders.

Revenue and Rating Plan community engagement process:

- Draft Revenue and Rating Plan prepared by officers;
- Draft Revenue and Rating Plan placed on public exhibition at April Council meeting for a period of 28 days and calling for public submissions;
- Community engagement through public notice in local newspaper;
- Hearing of public submissions (May); and
- Final Revenue and Rating Plan (including any revisions) presented to (June) Special Council meeting for adoption.



## 4. Rates and charges

Rates are property taxes that allow Council to raise revenue to fund essential public services to cater to their municipal population. Importantly, it is a taxation system that includes flexibility for councils to utilise different tools in its rating structure to accommodate issues of equity and to ensure fairness in rating for all ratepayers.

Council has established a rating structure comprised of three key elements. These are:

- General Rates – Based on property values (using the Capital Improved Valuation methodology), which are indicative of capacity to pay and form the central basis of rating under the *Local Government Act 1989*,
- Special Rate – Based on property values (using the Capital Improved Valuation methodology) and charged in addition to the general rates for commercial/industrial properties located with the Dinner Plain Village, which will defray the expense of an initiative of special benefit.
- Service Charges - A 'user pays' component for council services to reflect benefits provided by Council to ratepayers who benefit from a service, such as waste and recycling charges

Striking a proper balance between these elements will help to improve equity in the distribution of the rate burden across residents.

Council makes a further distinction when applying general rates by applying rating differentials based on the purpose for which the property is used. That is, whether the property is used for residential, commercial/industrial, or farming purposes. This distinction is based on the concept that different property categories should pay a fair and equitable contribution.

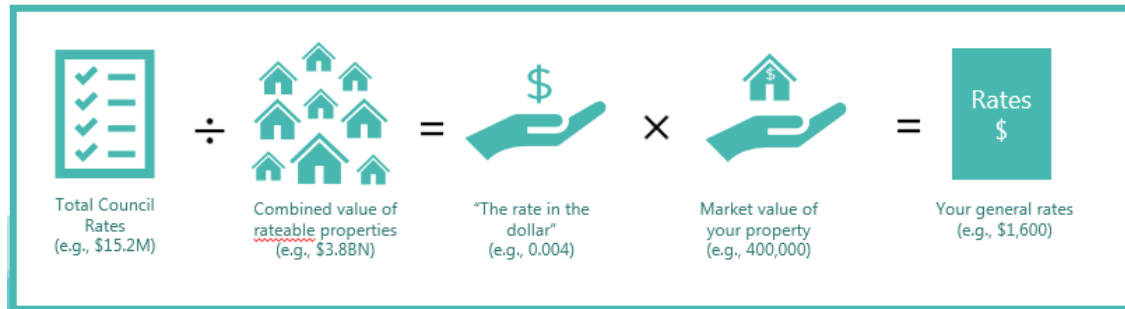
The Alpine Shire Council rating structure comprises three differential rates (residential or general, commercial/industrial, and farm). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the *Local Government Act 1989*, and the Ministerial Guidelines for Differential Rating 2013.

The differential rates are currently set as follows:

- Residential 100%
- Commercial / Industrial 143%
- Farm land 73%

The formula for calculating General Rates, excluding any additional charges, arrears or additional supplementary rates is:

- Valuation (Capital Improved Value) x Rate in the Dollar (Differential Rate Type)



The rate in the dollar for each rating differential category is included in Council's annual budget.

Planning for future rate increases is therefore an essential component of the long-term financial planning process and plays a significant role in funding both additional service delivery and the increasing costs related to providing Council services.

Council is aware of the balance between rate revenue (as an important income source) and community sensitivity to rate increases. With the introduction of the State Government's Fair Go Rates System, all rate increases are capped to a rate declared by the Minister for Local Government, which is announced in December for the following financial year.

Council currently utilises a service charge to fully recover the cost of Council's waste services and provide for future landfill rehabilitation costs. The waste service charge is not capped under the Fair Go Rates System, and Council will continue to allocate funds from this charge towards the provision of waste services.

## 4.1 RATING LEGISLATION

The legislative framework set out in the *Local Government Act 1989* determines council's ability to develop a rating system. The framework provides significant flexibility for Council to tailor a system that suits its needs.

Section 155 of the *Local Government Act 1989* provides that a Council may declare the following rates and charges on rateable land:

- General rates under Section 158
- Municipal charges under Section 159
- Service rates and charges under Section 162
- Special rates and charges under Section 163

The recommended strategy in relation to municipal charges, service rates and charges and special rates and charges are discussed later in this document.

In raising Council rates, Council is required to primarily use the valuation of the rateable property to levy rates. Section 157 (1) of the *Local Government Act 1989* provides Council with three choices in terms of which valuation base to utilise.

They are: Site Value, Capital Improved Value (CIV) and Net Annual Value (NAV).

The advantages and disadvantages of the respective valuation basis are discussed further in this document. Whilst this document outlines Council's strategy regarding rates revenue, rates data will be contained in the Council's Annual Budget as required by the *Local Government Act 2020*.

Section 94(2) of the *Local Government Act 2020* states that Council must adopt a budget by 30 June each year (or at another time fixed by the Minister) to include:

- a. the total amount that the Council intends to raise by rates and charges;
- b. a statement as to whether the rates will be raised by the application of a uniform rate or a differential rate;
- c. a description of any fixed component of the rates, if applicable;
- d. if the Council proposes to declare a uniform rate, the matters specified in section 160 of the *Local Government Act 1989*,
- e. if the Council proposes to declare a differential rate for any land, the matters specified in section 161(2) of the *Local Government Act 1989*.

Section 94(3) of the *Local Government Act 2020* also states that Council must ensure that, if applicable, the budget also contains a statement –

- a. that the Council intends to apply for a special order to increase the Council's average rate cap for the financial year or any other financial year; or
- b. that the Council has made an application to the ESC for a special order and is waiting for the outcome of the application; or
- c. that a special Order has been made in respect of the Council and specifying the average rate cap that applies for the financial year or any other financial year.

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

## 4.2 TAXATION PRINCIPLES

When developing a rating strategy including, in particular with reference to differential rates, a Council should consider the following good practice taxation principles:

- Wealth Tax
- Equity
- Efficiency
- Simplicity
- Benefit
- Capacity to Pay

- Diversity.

### ***Wealth Tax***

The “wealth tax” principle implies that the rates paid are dependent upon the value of a ratepayer’s real property and have no correlation to the individual ratepayer’s consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.

### ***Equity***

Horizontal equity – ratepayers in similar situations should pay similar amounts of rates (ensured mainly by accurate property valuations, undertaken in a consistent manner, their classification into homogenous property classes and the right of appeal against valuation).

Vertical equity – those who are better off should pay more rates than those worse off (the rationale applies for the use of progressive and proportional income taxation. It implies a “relativity” dimension to the fairness of the tax burden).

### ***Efficiency***

Economic efficiency is measured by the extent to which production and consumption decisions by people are affected by rates.

### ***Simplicity***

How easily a rates system can be understood by ratepayers and the practicality and ease of administration.

### ***Benefit***

The extent to which there is a link between consumption/benefit and the rate burden.

### ***Capacity to Pay***

The capacity of ratepayers or groups of ratepayers to pay rates.

The rating challenge for Council therefore is to determine the appropriate balancing of competing considerations.

### **Rates and Charges Revenue Principles:**

Property rates will:

- be reviewed annually;
- not change dramatically from one year to next; and
- be sufficient to fund current expenditure commitments and deliverables outlined in the Council Plan, Financial Plan and Asset Plan.

Differential rating should be applied as equitably as is practical and will comply with the [Ministerial Guidelines for Differential Rating 2013](#).

## 4.3 DETERMINING WHICH VALUATION BASE TO USE

Under the *Local Government Act 1989*, Council has three options as to the valuation base it elects to use. They are:

- Capital Improved Value (CIV) – Value of land and improvements upon the land.
- Site Value (SV) – Value of land only.
- Net Annual Value (NAV) – Rental valuation based on CIV.

For residential and farm properties, NAV is calculated at 5 per cent of the Capital Improved Value. For commercial and industrial properties, NAV is calculated as the greater of the estimated annual rental value or 5 per cent of the CIV.

### 4.3.1 Capital Improved Value (CIV)

Capital Improved Value is the most used valuation base by local government with over 90% of Victorian councils applying this methodology. Based on the value of both land and all improvements on the land, it is generally easily understood by ratepayers as it equates to the market value of the property.

Section 161 of the *Local Government Act 1989* provides that a Council may raise any general rates by the application of a differential rate if –

- a. It uses the capital improved value system of valuing land; and
- b. It considers that a differential rate will contribute to the equitable and efficient carrying out of its functions.

Where a council does not utilise CIV, it may only apply limited differential rates in relation to farm land, urban farm land or residential use land.

Advantages of using Capital Improved Value (CIV)

- CIV includes all property improvements, and hence is often supported on the basis that it more closely reflects “capacity to pay”. The CIV rating method takes into account the full development value of the property, and hence better meets the equity criteria than Site Value and NAV.
- With the increased frequency of valuations (previously two year intervals, now annual intervals) the market values are more predictable and has reduced the level of objections resulting from valuations.
- The concept of the market value of property is more easily understood with CIV rather than NAV or SV.
- Most councils in Victoria have now adopted CIV which makes it easier to compare relative movements in rates and valuations across councils.
- The use of CIV allows council to apply differential rates which greatly adds to council’s ability to equitably distribute the rating burden based on ability to afford council rates. CIV allows council to apply higher rating differentials to the commercial and industrial sector that offset residential rates.

### **Disadvantages of using CIV**

- The main disadvantage with CIV is the fact that rates are based on the total property value which may not necessarily reflect the income level of the property owner as with pensioners and low-income earners.

### **4.3.2 Site value (SV)**

With valuations based simply on the valuation of land and with only very limited ability to apply differential rates, the implementation of Site Value in an Alpine Shire Council context would cause a shift in rate burden from the industrial/commercial sectors onto the residential sector and would hinder council's objective of a fair and equitable rating system.

There would be further rating movements away from modern townhouse style developments on relatively small land parcels to older established homes on quarter acre residential blocks. In many ways, it is difficult to see an equity argument being served by the implementation of site valuation in the Alpine Shire Council.

#### Advantages of Site Value

- There is a perception that under site value, a uniform rate would promote development of land, particularly commercial and industrial developments. There is, however, little evidence to prove that this is the case.
- Scope for possible concessions for urban farm-land and residential use land.

### **Disadvantages of using Site Value**

- Under SV, there will be a significant shift from the industrial/commercial sector onto the residential sector of council. The percentage increases in many cases would be in the extreme range.
- SV is a major burden on property owners that have large areas of land. Some of these owners may have much smaller/older dwellings compared to those who have smaller land areas but well developed dwellings - but will pay more in rates. A typical example is flats, units, or townhouses which will all pay low rates compared to traditional housing styles.
- The use of SV can place pressure on council to give concessions to categories of landowners on whom the rating burden is seen to fall disproportionately (e.g. Farm land and residential use properties). Large landowners, such as farmers for example, are disadvantaged using site value.
- SV will reduce Council's rating flexibility and options to deal with any rating inequities due to the removal of the ability to levy differential rates.
- The community may have greater difficulty in understanding the SV valuation on their rate notices, as indicated by many inquiries from ratepayers on this issue handled by council's customer service and property revenue staff each year.

### 4.3.3 Net annual value (NAV)

NAV, in concept, represents the annual rental value of a property. However, in practice, NAV is linked to capital improved value for residential and farm properties. Valuers derive the NAV directly as 5 per cent of CIV for residential and farm properties.

In contrast to the treatment of residential and farm properties, NAV for commercial and industrial properties are assessed with regard to actual market rental. This differing treatment of commercial versus residential and farm properties has led to some suggestions that all properties should be valued on a rental basis.

Overall, the use of NAV is not largely supported. For residential and farm ratepayers, actual rental values pose some problems. The artificial rental estimate used may not represent actual market value, and means the base is the same as CIV but is harder to understand.

### 4.3.4 Recommended valuation base

In choosing a valuation base, councils must decide on whether they wish to adopt a differential rating system (different rates in the dollar for different property categories) or a uniform rating system (same rate in the dollar). If a council was to choose the former, under the *Local Government Act 1989* it must adopt either of the CIV or NAV methods of rating.

Alpine Shire Council applies Capital Improved Value (CIV) to all properties within the municipality to consider the fully developed value of the property. This basis of valuation considers the total market value of the land plus buildings and other improvements.

Differential rating allows (under the CIV method) council to shift part of the rate burden from some groups of ratepayers to others, through different "rates in the dollar" for each class of property.

Section 161(1) of the *Local Government Act 1989* outlines the requirements relating to differential rates, which include:

- a. A Council may raise any general rates by the application of a differential rate, if Council considers that the differential rate will contribute to the equitable and efficient carrying out of its functions.
- b. If a Council declares a differential rate for any land, the Council must specify the objectives of the differential rate, which must be consistent with the equitable and efficient carrying out of the Council's functions and must include the following:
  - i. A definition of the types or classes of land which are subject to the rate and a statement of the reasons for the use and level of that rate.
  - ii. An identification of the type or classes of land which are subject to the rate in respect of the uses, geographic location (other than location on the basis of whether or not the land is within a specific ward in Council's district).

- iii. Specify the characteristics of the land, which are the criteria for declaring the differential rate.

Once the Council has declared a differential rate for any land, the Council must:

- a. Specify the objectives of the differential rates
- b. Specify the characteristics of the land which are the criteria for declaring the differential rate.

The purpose is to ensure that Council has a sound basis on which to develop the various charging features when determining its revenue strategies and ensure that these are consistent with the provisions of the *Local Government Act 1989*.

The general objectives of each of the differential rates are to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council. There is no limit on the number or types of differential rates that can be levied, but the highest differential rate can be no more than four times the lowest differential rate.

#### **4.3.5 Property Valuations**

The Valuation of Land Act 1960 is the principle legislation in determining property valuations. Under this Act, the Valuer General Victoria conducts property valuations on an annual basis.

The value of land is always derived by the principal of valuing land for its highest and best use at the relevant time of valuation.

Council must be mindful of the impacts of revaluations on the various property types in implementing the differential rating strategy outlined in the previous section to ensure that rises and falls in council rates remain affordable and that rating 'shocks' are mitigated to some degree.

#### **4.3.6 Supplementary Valuations**

Supplementary valuations are carried out for a variety of reasons including rezoning, subdivisions, amalgamations, renovations, new constructions, extensions, demolitions, occupancy changes and corrections. The Victorian Valuer-General is tasked with undertaking supplementary valuations and advises council on a monthly basis of valuation and Australian Valuation Property Classification Code (AVPCC) changes.

Supplementary valuations bring the value of the affected property into line with the general valuation of other properties within the municipality. Objections to supplementary valuations can be lodged in accordance with Part 3 of the *Valuation of Land Act 1960*.

Any objections must be lodged with Council within two months of the issue of the supplementary rate notice.



### 4.3.7 Objections to property valuations

Part 3 of the *Valuation of Land Act 1960* provides that a property owner may lodge an objection against the valuation of a property or the Australian Valuation Property Classification Code (AVPCC) within two months of the issue of the original or amended (supplementary) Rates and Valuation Charges Notice (Rates Notice), or within four months if the notice was not originally issued to the occupier of the land.

A property owner must lodge their objection to the valuation or the AVPCC either in writing to the Alpine Shire Council or lodge electronically via the Valuer General Victoria Portal. Property owners can also object to the site valuations on receipt of their Land Tax Assessment. Property owners can appeal their land valuation within two months of receipt of their Council Rate Notice (via Council) or within two months of receipt of their Land Tax Assessment (via the State Revenue Office).

## 4.4 RATING DIFFERENTIALS

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

### 4.4.1 General Rate

The general rate is applied to every property unless the property falls into a specific differential rate category.

**Definition:**

General land is any rateable land which does not have the characteristics of Farm Rate land and Commercial/ Industrial Rate Land.

**Objectives:**

To ensure that Council has adequate funding to undertake its strategic, statutory, service provision and community services obligations and to ensure that the differential rate in the dollar declared for defined general rate land properties is fair and equitable, having regard to the cost and the level of benefits derived from provision of Council services.

**Use of Rate:**

The differential rate will be used to fund 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.

**Level of Rate:**

100% of General Rate

## 4.4.2 Farm Rate

A differential rate is applied to farm land at 73% of the general rate. An application must be made in writing to change the classification of a property to the differential farm rate.

### **Definition:**

"Farm Land" means any rateable land which satisfies the following criteria:

- The land area must be of 8Ha or over; or
  - be used primarily for grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities; and
  - show that the primary source of income is derived from the land; and
- The land must be used by a business:
  - that has a significant and substantial commercial purpose or character; and
  - that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and - that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way it is operating.

Any variations outside this policy require Council approval.

### **Objectives:**

The objective of the farm rate policy is to "to allow for a reduced rate on all land declared as farm land which will more equitably spread the general rate burden over the rate base of the municipality given the broad nature of services provided by Council and their availability to the farming community."

It is important to ensure that highly productive farming land is not rated at levels that force farmers to seek to subdivide and sell off parcels to remain viable.

Scope: The policy applies to Council when considering and determining the annual budget of rates and charges. It does not apply to land located in Bogong Village or the Dinner Plain Village.

### **Use of Rate:**

The differential rate will be used to fund 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

### **Level of Rate:**

73% of the General Rate.

### 4.4.3 Commercial / Industrial Rate

A commercial / industrial differential rate of 143% of the general rate is applied to commercial / industrial land.

**Definition:**

Commercial or industrial land is any land, which is:

- is used primarily for commercial or industrial purposes (including but not limited to any accommodation premises, motel or hotel used primarily to accommodate travellers, tourists or other persons engaged in recreational pursuits); or
- is adapted or designed to be used primarily for commercial or industrial purposes (including but not limited to any accommodation premises adapted or designed to be used primarily for accommodating travellers, tourists or other persons engaged in recreational pursuits); or
- is located in a Commercial 1 Zone, Industrial 1 Zone or Industrial 2 Zone under the Alpine Planning Scheme; or
- has a dwelling constructed on it, which is not the principal place of residence of the owner and which is made available for commercial hire, lease or licence to tourists, persons engaged in recreational pursuits or other like persons (on either a casual or permanent basis). This is defined as a 'holiday house'.

Any variations outside this policy require Council approval.

**Objectives:**

The objective of the Commercial / Industrial Rate Policy is "to ensure equity in the application of the rating burden across the Shire. It provides for the higher costs of servicing commercial and industrial properties, specialist properties and undertaking economic development and tourism strategies. This is reflected in the application of a rate in the dollar which is higher than the rate in the dollar for other land."

The tourism industry is the largest industry within the Shire. Festivals and events are a critical driver for the Alpine Shire economy and Council delivers a coordinated program to facilitate a strong calendar of events.

A significant portion of the money raised is invested to undertake economic development and tourism strategies, to support the growth and future wellbeing of both tourism and economic development within the Shire.

Investment in tourism and economic development, along with the physical location and general nature of commercial/industrial properties, results in a higher servicing cost to Council. Therefore, a differential rate is applied to ensure equity.

**Scope:**

The policy applies to Council when considering and determining the annual budget of rates and charges. It does not apply to land located in Bogong Village or the Dinner Plain Village.

### **Use of Rate:**

The differential rate will be used to fund 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.

### **Level of Rate:**

143% of the General Rate.

## **4.4.4 Advantages of a differential rating system**

The advantages of utilising a differential rating system summarised below are:

- There is greater flexibility to distribute the rate burden between all classes of property, and therefore link rates with the ability to pay and reflecting the tax deductibility of rates for commercial and industrial premises.
- Differential rating allows Council to better reflect the investment required by Council to establish infrastructure to meet the needs of the commercial and industrial sector.
- Allows Council to reflect the unique circumstances of some rating categories where the application of a uniform rate may create an inequitable outcome (eg. Farming enterprises).
- Allows Council discretion in the imposition of rates to facilitate and encourage appropriate development of its municipal district in the best interest of the community. (ie. Vacant Commercial properties still attract the commercial differential rate)

## **4.4.5 Disadvantages of a differential rating system**

The disadvantages in applying differential rating are:

- The justification of the differential rate can at times be difficult for the various groups to accept giving rise to queries and complaints where the differentials may seem to be excessive.
- Differential rates can be confusing to ratepayers, as they may have difficulty understanding the system. Some rating categories may feel they are unfavourably treated because they are paying a higher level of rates than other ratepayer groups.
- Differential rating involves a degree of administrative complexity as properties continually shift from one type to another (e.g., residential to commercial), requiring Council to update its records. Ensuring the accuracy/integrity of Council's data base is critical to ensure that properties are correctly classified into their right category.
- Council may not achieve the objectives it aims for through differential rating. For example, Council may set its differential rate objectives to levy a higher rate on land not developed, however it may be difficult to prove whether the rate achieves those objectives.

## 4.5 CULTURAL AND RECREATIONAL LANDS

Under the *Cultural Recreational Land Act 1963*, Council can charge a reduced amount of rates, or not charge rates, to lands that fall under this category. These may include, for example, tennis clubs, bowls clubs or golf clubs. In making this decision, Council needs to have regards to the services provided by the Council and the benefit to the community derived from the recreational lands.

Council individually considers community recreational lands that provide a community benefit as to whether they warrant a reduced or nil rate charge. These lands may still be required to pay service charges such as a waste and recycling collection on a user pays basis.

## 4.6 RATES IN LIEU

In line with the *Electricity Industry Act 2000*, the Council has a 'Rates In Lieu' arrangement with the AGL Hydro Partnership for its properties within the Alpine Shire. The amount paid is determined by a Victorian Government Gazette and is based on the power generating capacity of the operation, indexed annually in line with CPI. Discounts may be provided where the station operates at low capacity.

## 4.7 MUNICIPAL CHARGE

Another principle rating option available to Councils is the application of a municipal charge. Under Section 159 of the *Local Government Act 1989*, Council may declare a municipal charge to cover some of the administrative costs of the Council. The legislation is not definitive on what comprises administrative costs and does not require Council to specify what is covered by the charge.

The application of a municipal charge represents a choice to raise a portion of the rates by a flat fee for all properties, rather than sole use of the CIV valuation method.

Under the *Local Government Act 1989*, a council's total revenue from a municipal charge in a financial year must not exceed 20 per cent of the combined sum of total rates.

The municipal charge applies equally to all properties and is based upon the recovery of a fixed cost of providing administrative services irrespective of valuation. The same contribution amount per assessment to cover a portion of council's administrative costs can be seen as an equitable method of recovering these costs.

Municipal Charges have the effect of flattening the rate burden making people in lower valued properties pay more. The Alpine Shire does not have many low value properties and to place a charge on the rate notice to cover the 'administrative costs' of Council, is unpopular and hard for the ratepayer to understand. Accordingly, this mechanism has been deemed to be unsuitable and is not applied to the Alpine Shire.

## 4.8 SPECIAL RATE AND CHARGE SCHEMES

The *Local Government Act 1989* recognises that councils need help to provide improved infrastructure for their local communities. Legislation allows councils to pass on the cost of capital infrastructure to the owner of a property that generally receives a unique benefit from the construction works. The technical explanation of a Special Charge comes from legislation (under the Local Government Act 1989) that allows councils to recover the cost of works from property owners who will gain special benefit from that work.

The purposes for which special rates and special charges may be used include road construction, kerb and channelling, footpath provision, drainage, and other capital improvement projects.

The special rates and charges provisions are flexible and can be used to achieve a wide range of community objectives. The fundamental principle of special rates and charges is proof "special benefit" applies to those being levied. For example, they could be used to fund co-operative fire prevention schemes. This would ensure that there were no 'free-riders' reaping the benefits but not contributing to fire prevention.

Landscaping and environmental improvement programs that benefit small or localised areas could also be funded using special rates or charges.

The *Local Government Act 1989* also enables the Council to apply special rates and charges for funding initiatives which directly benefit specific segments of the community. Council can require a person to pay a special rate or charge, if it will defray the expense of an initiative of special benefit to the person required to pay it.

### **DINNER PLAIN**

Council proposes one special rate to fund special services at Dinner Plain Village, deemed the Dinner Plain Special Rate.

Dinner Plain receives a number of services of special benefit to Dinner Plain's Commercial and Industrial ratepayers.

In 2021/22 this includes the Dinner Plain to Hotham winter bus service, roadways snow clearing, cross country trail grooming, marketing and event support undertaken specifically for Dinner Plain, and cable television maintenance. The Dinner Plain Special Rate is applied to defray the expenses associated with these special services.

The Special Rate is applied to Commercial and Industrial ratepayers in the Dinner Plain village in addition to the General Rate. The Special Rate has reduced over time to align with the rate applied to the Commercial/Industrial land across the rest of the Shire.

## 4.9 SERVICE RATES AND CHARGES

Section 162 of the *Local Government Act 1989* provides council with the opportunity to raise service rates and charges for any of the following services:

- a. The provision of a water supply

- b. The collection and disposal of refuse
- c. The provision of sewage services
- d. Any other prescribed service.

Alpine Shire Council levies the following annual waste service charges:

- Waste & Recycling Collection Service
- Dinner Plain Waste Collection Service
- Waste Management Charge
- FOGO Service

Waste charges will continue to be charged according to

- a. the bins or waste services that each ratepayer receives and
- b. the overall cost of managing waste, for example developing, monitoring, managing and rehabilitating landfills; operating our transfer stations; and managing public place waste.

## 4.10 COLLECTION AND ADMINISTRATION OF RATES AND CHARGES

The purpose of this section is to outline the rate payment options, processes and the support provided to ratepayers facing financial hardship.

### 4.10.1 Payment options

In accordance with section 167(1) of the *Local Government Act 1989* ratepayers have the option of paying rates and charges by way of four instalments.

Payments are due on the prescribed dates below:

- 1st Instalment: 30 September
- 2nd Instalment: 30 November
- 3rd Instalment: 28 February
- 4th Instalment: 31 May

Council offers a range of payment options including:

- in person at Council offices (cheques, EFTPOS, credit/debit cards and cash)
- online via Council's ratepayer portal
- BPAY
- BPAY View
- Australia Post (over the counter, over the phone via credit card and on the internet),
- by mail (cheques and money orders only).

### 4.10.2 Interest on arrears and overdue rates

Interest is charged on all overdue rates in accordance with Section 172 of the *Local Government Act 1989*. The interest rate applied is fixed under Section 2 of the *Penalty Interest Rates Act 1983*, which is determined by the Minister and published by notice in the Government Gazette.

### 4.10.3 Pensioner rebates

Holders of a Centrelink or Veteran Affairs Pension Concession card or a Veteran Affairs Gold card which stipulates TPI (Totally or Permanently Incapacitated) or War Widow may claim a rebate on their sole or principal place of residence. Upon initial application, ongoing eligibility is maintained, unless rejected by Centrelink or the Department of Veteran Affairs during the annual verification procedure. Upon confirmation of an eligible pensioner concession status, the pensioner rebate is deducted from the rate account before payment is required by the ratepayer.

With regards to new applicants, after being granted a Pensioner Concession Card (PCC), pensioners can then apply for the rebate at any time throughout the rating year. Retrospective claims up to a maximum of one previous financial year can be approved by Council on verification of eligibility criteria, for periods prior to this, claims may be approved by the relevant government department.

### 4.10.4 Deferred payments

Under Section 170 of the *Local Government Act 1989*, Council may defer the payment of any rate or charge for an eligible ratepayer whose property is their sole place of residency, allowing ratepayers an extended period to make payments or alternatively to forestall payments on an indefinite basis until the ratepayer ceases to own or occupy the land in respect of which rates and charges are to be levied.

Deferral of rates and charges are available to all ratepayers who have proven financial difficulties. Where Council approves an application for deferral of rates or charges, interest will continue to be levied on the outstanding balance of rates and charges.

### 4.10.5 Financial Hardship Policy

It is acknowledged at the outset that various ratepayers may experience financial hardship for a whole range of issues and that meeting rate obligations constitutes just one element of several difficulties that may be faced. The purpose of the Financial Hardship Policy is to provide options for ratepayers facing such situations to deal with the situation positively and reduce the strain imposed by financial hardship.

Ratepayers may elect to either negotiate a rate payment plan or apply for a rate deferral.

### 4.10.6 Debt recovery

Council makes every effort to contact ratepayers at their correct address but it is the ratepayers' responsibility to properly advise Council of their contact details. The *Local Government Act 2020* Section 122 requires the buyer of property, or their agents (e.g., solicitors and or conveyancers), to notify Council by way of notice of acquisition of an interest in land.

If an account becomes overdue, Council will issue an overdue reminder notice which will include accrued penalty interest. If the account remains unpaid, Council may take legal action without further notice to recover the overdue amount. All fees and court costs incurred will be recoverable from the ratepayer.



If an amount payable by way of rates in respect to land has been in arrears for three years or more, Council may take action to sell the property in accordance with the *Local Government Act 1989* Section 181.

#### **4.10.7 Fire Services Property Levy**

In 2012 the Victorian State Government passed legislation requiring the Fire Services Property Levy (FSPL) to be collected from ratepayers. Previously this was collected through building and property insurance premiums. The FSPL helps fund the services provided by the Fire Rescue Victoria (FRV) and Country Fire Authority (CFA), and all levies collected by Council are passed through to the State Government.

The FSPL is based on two components, a fixed charge, and a variable charge which is linked to the Capital Improved Value of the property. This levy is not included in the rate cap and increases in the levy are at the discretion of the State Government.

### **5. Other revenue items**

#### **5.1 USER FEES AND CHARGES**

User fees and charges are those that Council will charge for the delivery of services and use of community infrastructure.

Examples of user fees and charges include:

- Kindergarten and Childcare fees
- Leisure Centre, Gym, and Pool visitation and membership fees
- Waste Management fees
- Aged and Health Care service fees
- Leases and facility hire fees

The provision of infrastructure and services form a key part of council's role in supporting the local community. In providing these, council must consider a range of 'Best Value' principles including service cost and quality standards, value-for-money, and community expectations and values. Council must also balance the affordability and accessibility of infrastructure and services with its financial capacity and in the interests of long-term financial sustainability.

Councils must also comply with the government's Competitive Neutrality Policy for significant business activities they provide and adjust their service prices to neutralise any competitive advantages when competing with the private sector.

In providing services to the community, council must determine the extent of cost recovery for services consistent with the level of both individual and collective benefit that the services provide and in line with the community's expectations.

Services are provided based on one of the following pricing methods:

- a. Market Price
- b. Full Cost Recovery Price
- c. Subsidised Price

Market pricing is where council sets prices based on the benchmarked competitive prices of alternate suppliers. In general market price represents full cost recovery plus an allowance for profit. Market prices will be used when other providers exist in the given market, and council needs to meet its obligations under the government's Competitive Neutrality Policy.

*It should be noted that if a market price is lower than council's full cost price, then the market price would represent council subsidising that service. If this situation exists, and there are other suppliers existing in the market at the same price, this may mean that council is not the most efficient supplier in the marketplace. In this situation, council will consider whether there is a community service obligation and whether council should be providing this service at all.*

Full cost recovery price aims to recover all direct and indirect costs incurred by council. This pricing should be used where a service provided by council benefits individual customers specifically, rather than the community as a whole. In principle, fees and charges should be set at a level that recovers the full cost of providing the services unless there is an overriding policy or imperative in favour of subsidisation.

Subsidised pricing is where council subsidises a service by not passing the full cost of that service onto the customer. Subsidies may range from full subsidies (ie council provides the service free of charge) to partial subsidies, where council provides the service to the user with a discount. The subsidy can be funded from council's rate revenue or other sources such as Commonwealth and state funding programs. Full council subsidy pricing and partial cost pricing should always be based on knowledge of the full cost of providing a service.

As per the Victorian Auditor General's Office report "Fees and charges – cost recovery by local government" recommendations, council has developed a user fee pricing approach to help guide the fair and equitable setting of prices. This outlines the process for setting fee prices and includes such principles as:

- Both direct and indirect costs to be taken into account when setting prices;
- Accessibility, affordability and efficient delivery of services must be taken into account; and
- Competitive neutrality with commercial providers.

Council will develop a table of fees and charges as part of its annual budget each year. Proposed pricing changes will be included in this table and will be communicated to stakeholders before the budget is adopted, giving them the chance to review and provide valuable feedback before the fees are locked in.

## 5.2 STATUTORY FEES AND CHARGES

Statutory fees and fines are those which council collects under the direction of legislation or other government directives. The rates used for statutory fees and fines are generally advised by the state government department responsible for the corresponding services or legislation, and generally councils will have limited discretion in applying these fees.

Examples of statutory fees and fines include:

- Planning and subdivision fees
- Building and Inspection fees
- Infringements and fines
- Land Information Certificate fees

Penalty and fee units are used in Victoria's Acts and Regulations to describe the amount of a fine or a fee.

### ***Penalty units***

Penalty units are used to define the amount payable for fines for many offences. For example, the fine for selling a tobacco product to a person aged under 18 is four penalty units.

One penalty unit is currently \$165.22, from 1 July 2020 to 30 June 2021.

The rate for penalty units is indexed each financial year so that it is raised in line with inflation. Any change to the value of a penalty unit will happen on 1 July each year.

### ***Fee units***

Fee units are used to calculate the cost of a certificate, registration or licence that is set out in an Act or Regulation. For example, the cost of depositing a Will with the supreme court registrar of probates is 1.6 fee units.

The value of one fee unit is currently \$14.81. This value may increase at the beginning of a financial year, at the same time as penalty units.

The cost of fees and penalties is calculated by multiplying the number of units by the current value of the fee or unit. The exact cost may be rounded up or down.

## 5.3 GRANTS

Grant revenue represents income usually received from other levels of government. Some grants are singular and attached to the delivery of specific projects, whilst others can be of a recurrent nature and may or may not be linked to the delivery of projects.

Council will pro-actively advocate to other levels of government for grant funding support to deliver important infrastructure and service outcomes for the community. Council may use its own funds to leverage higher grant funding and maximise external funding opportunities.

When preparing its financial plan, council considers its project proposal pipeline, advocacy priorities, upcoming grant program opportunities, and co-funding options to determine what grants to apply for. Council will only apply for and accept external funding if it is consistent with the Community Vision and does not lead to the distortion of Council Plan priorities.

Grant assumptions are then clearly detailed in council's budget document. No project that is reliant on grant funding will proceed until a signed funding agreement is in place.

## 5.4 CONTRIBUTIONS

Contributions represent funds received by council, other than the State or Commonwealth Governments and are usually linked to projects or specific activities.

Contributions can be made to council in the form of either cash payments or asset handovers.

Examples of contributions include:

- Monies collected from developers under planning and development agreements
- Monies collected under developer contribution plans and infrastructure contribution plans
- Contributions from user groups towards upgrade of facilities
- Assets handed over to council from developers at the completion of a subdivision, such as roads, drainage, and footpaths.

Contributions should always be linked to a planning or funding agreement. Council will not undertake any work on a contribution-funded project until a signed agreement outlining the contribution details is in place.

Contributions linked to developments can be received well before any council expenditure occurs. In this situation, the funds will be identified and held separately for the specific works identified in the agreements.

## 5.5 INTEREST ON INVESTMENTS

Council receives interest on funds managed as part of its investment portfolio, where funds are held in advance of expenditure, or for special purposes. The investment portfolio is managed per council's investment policy, which seeks to earn the best return on funds, whilst minimising risk.

## 5.6 BORROWINGS

Whilst not a source of income, borrowings can be an important cash management tool in appropriate circumstances. Loans can only be approved by council resolution.

The following financial sustainability principles must be adhered to with new borrowings:

- Borrowings must only be applied for where it can be proven that repayments can be met in the Long Term Financial Plan
- Borrowings must not be used to fund ongoing operations
- Borrowings are appropriate for funding large capital works where the benefits are provided to future generations
- Council will maintain its debt at levels which are sustainable.

## 6. Approval

THE COMMON SEAL OF THE  
ALPINE SHIRE COUNCIL was  
hereunto affixed this 25 day of July 2023  
in the presence of:

.....  
COUNCILLOR

.....  
SIGNATURE

.....  
COUNCILLOR

.....  
SIGNATURE

.....  
CHIEF EXECUTIVE OFFICER

.....  
SIGNATURE

## Informal Meeting of Councillors

*In accordance with Chapter 8, section A1 of Council's [Governance Rules](#), the Chief Executive Officer must ensure that a summary of the matters discussed at an Informal meeting of Councillors is tabled at the next convenient Council meeting, and recorded in the minutes of that Council meeting.*

**Meeting Title:** Briefing Session  
**Date:** Tuesday 11 July 2023  
**Location:** Briefing Session – Bright Committee Room  
**Start Time:** 2.00pm  
**Finish Time:** 5.00pm  
**Chairperson:** Will Jeremy, Chief Executive Officer

### Councillor and staff attendees:

Name	Position	Name	Position
Cr Tony Keeble	Deputy Mayor	Will Jeremy	Chief Executive Officer
Cr Katarina Hughes	Councillor	Helen Havercroft	Director Customer & Community
Cr Simon Kelley	Councillor	Alan Rees	Director Assets
Cr Sarah Nicholas	Councillor		
Cr Kelli Prime	Councillor		

### Councillor and staff apologies:

Name	Position
Cr John Forsyth	Mayor
Cr Ron Janas	Councillor

**1. Conflict of interest disclosures**

Disclosures of Conflicts of Interests must be made in accordance with Chapter 7, sections A3-A5 of Council’s [Governance Rules](#), and recorded here.

N/A

**2. Record of Councillors that have disclosed a conflict of interest leaving the meeting**

N/A

**3. Items**

Item
Acknowledgement of Traditional Owners
Bright Rod Run Discussion
Events Grant Funding
External Presentation: Mystic Park Update

## Informal Meeting of Councillors

*In accordance with Chapter 8, section A1 of Council's [Governance Rules](#), the Chief Executive Officer must ensure that a summary of the matters discussed at an Informal meeting of Councillors is tabled at the next convenient Council meeting, and recorded in the minutes of that Council meeting.*

**Meeting Title:** Briefing Session  
**Date:** Tuesday 27 June 2023  
**Location:** Briefing Session – Bright Committee Room  
**Start Time:** 1.00pm  
**Finish Time:** 5.00pm  
**Chairperson:** Will Jeremy, Chief Executive Officer

### Councillor and staff attendees:

Name	Position	Name	Position
Cr John Forsyth	Mayor	Will Jeremy	Chief Executive Officer
Cr Katarina Hughes	Councillor	Helen Havercroft	Director Customer & Community
Cr Ron Janas	Councillor	Alan Rees	Director Assets
Cr Simon Kelley	Councillor		
Cr Sarah Nicholas	Councillor		

### Councillor and staff apologies:

Name	Position
Cr Tony Keeble	Deputy Mayor
Cr Kelli Prime	Councillor



### 1. Conflict of interest disclosures

Disclosures of Conflicts of Interests must be made in accordance with Chapter 7, sections A3-A5 of Council's [Governance Rules](#), and recorded here.

N/A

### 2. Record of Councillors that have disclosed a conflict of interest leaving the meeting

N/A

### 3. Items

Item
Acknowledgement of Traditional Owners
Bright Valley Development discussion
2023/24 Budget
Assets Directorate Updates <ul style="list-style-type: none"><li>• Dinner Plain Snowmaking</li><li>• Mystic Park</li><li>• Cabins in Caravan Parks Business Case</li><li>• Strategic Planning</li></ul>
Ordinary Council Meeting Agenda review



## Informal Meeting of Councillors

*In accordance with Chapter 8, section A1 of Council's [Governance Rules](#), the Chief Executive Officer must ensure that a summary of the matters discussed at an Informal meeting of Councillors is tabled at the next convenient Council meeting, and recorded in the minutes of that Council meeting..*

**Meeting Title:** Event Funding 2023-24 panel assessment

**Date:** 04/07/2023

**Location:** Alpine Shire Council offices

**Start Time:** 1.30pm

**Finish Time:**

**Chairperson:** Melanie Atkins and Sara Matthews

### Councillor and staff attendees:

Name	Position	Name	Position
Katarina Hughes	Councillor	Ebony Buckley	Manager Customer Experience
Tony Keeble	Councillor		
Helen Havercroft	Director Customer and Community		
Melanie Atkins	Events Coordinator		
Sara Matthews	Event Operations		

### Councillor and staff apologies:

Name	Position

## **1. Conflict of interest disclosures**

Disclosures of Conflicts of Interests must be made in accordance with Chapter 7, sections A3-A5 of Council's [Governance Rules](#), and recorded here.

## **2. Record of Councillors that have disclosed a conflict of interest leaving the meeting**

Katarina Hughes: Declared conflict of interest for Porepukah Community Christmas Party, left the meeting during discussions related to that application. No other discussions were held relating to other declarations made.

### 3. Items discussed

A list of items discussed at the meeting must be included here.

Item
Panel discussion to decide on final recommendations for event funding in 2023-24.
These recommendations will be presented to Council.

## Informal Meeting of Councillors

*In accordance with Chapter 8, section A1 of Council's [Governance Rules](#), the Chief Executive Officer must ensure that a summary of the matters discussed at an Informal meeting of Councillors is tabled at the next convenient Council meeting, and recorded in the minutes of that Council meeting..*

**Meeting Title:** 2023-24 Community Grant Assessment Panel

**Date:** Tuesday 4 July 2023

**Location:** Committee Room, Alpine Shire Council Offices, Bright

**Start Time:** 3.30pm

**Finish Time:** 5.15pm

**Chairperson:** Jenny Corser, Manager Community Development

### Councillor and staff attendees:

Name	Position	Name	Position
Cr Katerina Hughes	Councillor	Cr Tony Keeble	Councillor
Helen Havercroft	Director Customer and Community	Jenny Corser	Manager Community Development
Daisy Day	Community Development Coordinator		

### Councillor and staff apologies:

Name	Position

### 1. Conflict of interest disclosures

- Cr. Tony Keeble – Mount Beauty Tennis Club
- Kerry Murphy – Myrtleford Chamber of Commerce and Industry
- Mary Pike – Kiewa Valley Community Radio Inc



## Informal Meeting of Councillors

*In accordance with Chapter 8, section A1 of Council's [Governance Rules](#), the Chief Executive Officer must ensure that a summary of the matters discussed at an Informal meeting of Councillors is tabled at the next convenient Council meeting, and recorded in the minutes of that Council meeting.*

**Meeting Title:** Briefing Session  
**Date:** Tuesday 18 July 2023  
**Location:** Briefing Session – Bright Committee Room  
**Start Time:** 2.00pm  
**Finish Time:** 5.00pm  
**Chairperson:** Will Jeremy, Chief Executive Officer

### Councillor and staff attendees:

Name	Position	Name	Position
Cr John Forsyth	Mayor	Will Jeremy	Chief Executive Officer
Cr Tony Keeble	Deputy Mayor	Helen Havercroft	Director Customer & Community
Cr Katarina Hughes	Councillor	Alan Rees	Director Assets
Cr Kelli Prime	Councillor		

### Councillor and staff apologies:

Name	Position
Cr Ron Janas	Councillor
Cr Sarah Nicholas	Councillor
Cr Simon Kelley	Councillor

### 1. Conflict of interest disclosures

Disclosures of Conflicts of Interests must be made in accordance with Chapter 7, sections A3-A5 of Council's [Governance Rules](#), and recorded here.

N/A

### 2. Record of Councillors that have disclosed a conflict of interest leaving the meeting

N/A

### 3. Items

Item
Acknowledgement of Traditional Owners
Mystic Park
Better Planning Approvals
Community Grants
Myrtleford Splash Park Update
Ordinary Council Meeting Agenda Review
Councillor Service Request Workflow