

Special Meeting of Council

to be held virtually
on Tuesday 9 June 2020 commencing at 6:00pm.

Agenda

Carl Cowie
Chief Executive Officer

Friday 5 June 2020

Distribution: Public

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Special Council Meeting

Councillors

Cr Karen Egan (Mayor) – Bunjil Ward

Cr Jane Ashton – Sugarloaf Ward

Cr Grant Brooker – Blue Lake Ward

Cr Peter Clarke – Wingrove Ward

Cr John Dumaresq – Edendale Ward

Cr Peter Perkins – Ellis Ward

Cr Bruce Ranken – Swipers Gully Ward

Officers

Carl Cowie – Chief Executive Officer

Blaga Naumoski – Executive Manager Governance, Communications and Engagement

Nillumbik Shire Council

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Nillumbik Shire Council

**Agenda of the Special Meeting of Nillumbik Shire Council to be held
Tuesday 9 June 2020 commencing at 6:00pm.**

1. Welcome by the Mayor

Members of the public are advised the meeting will be livestreamed and recorded and the live stream and video recording will be made publicly available on YouTube and Council's website.

2. Reconciliation statement

The reconciliation statement to be read by the Mayor

Nillumbik Shire Council acknowledges the Wurundjeri people who are the Traditional Custodians of this Land. We would also like to pay respect to the Elders both past and present and extend that respect to other Indigenous Australians present.

3. Apologies

Recommendation

That the apologies be noted.

4. Disclosure of conflicts of interest

Councillors should note that any conflicts of interest should also be disclosed immediately before the relevant item.

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5. Officers' reports

OCM.090/20 Adoption of Budget 2020-2021, declaration of Rates and Charges

Distribution: Public

Manager: Vince Lombardi, Chief Financial Officer

Author: Melika Sukunda, Finance Manager

Summary

This report recommends that Council formally adopts the Budget and declare the rates and charges for the 2020-2021 Financial Year.

Council commenced preparation of the 2020-2021 Budget in late 2019 in order that it could then be exhibited for public consultation, and adopted prior to 30 June 2020.

The draft Budget was exhibited and the community invited to comment on it. Written submissions were received and considered by a meeting of the Future Nillumbik Committee on 12 May 2020. A separate report from the Committee to Council regarding the submissions is included in this agenda.

Rates and charges for 2020-2021

The Budget has been prepared in compliance with the rate capping legislation introduced by the Victorian Government.

The draft Budget proposes a zero increase in rates per property which is 2.00 per cent below the rate cap.

Capital Works

The Budget proposes a number of significant capital works projects that have been identified through planning and community consultation.

A full list of capital works projects is included in the draft Budget document (**Attachment 2**).

Policy, planning and services initiatives

In addition to capital works, the Budget also includes resources for a range of initiatives regarding policy, planning and services.

Strategic Resource Plan

As part of the budget process, the Strategic Resource Plan has also been reviewed and updated. Council is required to adopt the Strategic Resource Plan by 30 June each year.

The Strategic Resource Plan shows that Council can maintain a balanced Budget within the rate cap, provided that the assumptions in the Plan are met.

Recommendation

That:

1. Council, having considered the submissions received, adopts the proposed Budget 2020-2021 (**Attachment 2**).
2. The Chief Executive Officer be authorised to give public notice of the decision to adopt the Budget, and to submit a copy of the adopted Budget to the Minister for Local Government.

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3. The amount of rates and charges intended to be raised are:
- a) an amount of \$66.968 million (or such greater amount as is lawfully levied as a consequence of this recommendation being adopted) be declared as the amount which Council intends to raise by general rates and annual service charge (described later in this recommendation). The amount declared is calculated as follows:
- | | |
|-----------------------|--------------|
| General Rates | \$57,648,111 |
| Annual Service Charge | \$9,319,519 |
4. General Rates
- a) That general rates be declared in respect of the 2020-2021 Financial Year.
- b) It be further declared that the general rates be raised by the application of differential rates.
- c) A differential rate be respectively declared for rateable land having the respective characteristics specified below, which characteristics will form the criteria for each differential rate so declared.
- I. Farm Land
Any land which is 'farm land' within the meaning of section 2(1) of the *Valuation of Land Act 1960*.
- II. Commercial/Industrial Land
Any land which is used or adapted to be used primarily for commercial or industrial purposes.
- III. Vacant Land – General Residential / Activity Centre Zone / Neighbourhood Residential Zone and Specified Low Density Residential Zones.
Any land located in a General Residential / Activity Centre Zone / Neighbourhood Residential Zone, or in the Low Density Residential Zone (LDRZ) to which DPO4 applies, on which no habitable dwelling is erected.
- IV. Other Land
Any land which is not:
- Farm Land
 - Commercial/Industrial Land or
 - Vacant Land – General Residential / Activity Centre Zone / Neighbourhood Residential Zone and Specified Low Density Residential Zones.
- d) The quantum of rates payable in respect of each rateable land will be determined by multiplying the Capital Improved Value of such land (categorised by the characteristics described in paragraph 4(c) above) by the relevant rates indicated in the following table:

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Category	Rate in Dollar
Farm Land	0.002270 (or 0.2270 cents in the dollar of Capital Improved Value)
Commercial / Industrial Land	0.003091 (or 0.3091 cents in the dollar of Capital Improved Value)
Vacant land – General Residential / Activity Centre Zone / Neighbourhood Residential Zone and Specified Low Density Residential Zones	0.005339 (or 0.5339 cents in the dollar of Capital Improved Value)
General Rate / Other Land	0.002670 (or 0.2670 cents in the dollar of Capital Improved Value)

- e) It be recorded that Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions, and that the:
- I. respective objectives, uses and levels of each differential rate be those specified in Schedule A (**Attachment 1**).
 - II. respective types or classes of land which are subject to each differential rate be those defined in part 4(d) above.
- f) It be confirmed that no amount is fixed as the minimum amount payable by way of general rate in respect of each rateable land within the municipal district.
- g) In accordance with section 4(4) of the *Cultural and Recreational Lands Act 1963*, the amount of rates payable in respect of each of the rateable lands to which that Act applies be determined by multiplying the Capital Improved Value of that rateable land by 0.001030 (or 0.1030 cents in the dollar of Capital Improved Value).

5. Annual Service Charge

- a) An annual service charge be declared in respect of the 2020-2021 Financial Year.
- b) The annual service charge be declared for the collection and disposal of residential refuse and other waste.
- c) Except in the case of elderly persons units, the amount of the annual service charge so declared is dependent upon the option chosen by the owner of the land. The options are:

Option 1: \$419.56 per service in respect of the following three bins:

- 120 litre green waste bin
- 240 litre recycling bin
- 120 litre landfill bin

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Option 2: \$335.65 per service in respect of the following three bins:

- 120 litre green waste bin
- 240 litre recycling bin
- 80 litre landfill bin

Option 3: \$587.38 per service in respect of the following four bins:

- 120 litre green waste bin
- 240 litre recycling bin
- 2 x 120 litre landfill bins

Option 4: \$461.52 per service in respect of the following four bins:

- 120 litre green waste bin
- 240 litre recycling bin
- 140 litre landfill bin

Option 5: \$755.21 per service in respect of the following four bins:

- 120 litre green waste bin
- 240 litre recycling bin
- 120 litre landfill bin – weekly collection

- d) The amount of the annual service charge so declared in respect of elderly persons units, being units occupied by elderly persons or persons with a disability where the applicable form of declaration has been received by Council, is \$104.89.
- e) For each rateable land or non-rateable land in respect of which an annual service charge may be levied, the annual service charge will apply irrespective of whether the owner or occupier of the land avails himself, herself or itself of the service.
- f) The annual service charge is not declared in respect of, and is not be levied on, any land on which no habitable dwelling is erected.

6. Rebates – Sustainable Agricultural Land

- a) It be recorded that subject to paragraph 4(c) of this recommendation, Council may grant a rebate to each owner (or, where applicable, occupier) of land which:
 - i) is not less than 30 hectares in area.
 - ii) is otherwise 'farm land' under section 2(1) of the *Valuation of Land Act 1960*.
- b) The rebate be granted to:
 - i) assist the proper development of the municipal district.

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- ii) preserve places within the municipal district which are of environmental interest.
 - iii) restore or maintain places of environmental importance within the municipal district.
 - iv) more generally achieve the objectives outlined in the Sustainable Agricultural Rebate (SAR) Guidelines.
- c) The grant of the rebate be:
- i) subject to the criteria detailed in the SAR Guidelines.
 - ii) set at a level based on the following two components:
 - Component A - a single fixed amount of \$100 per eligible property (or per single aggregate of 'continuous' properties, as defined in section 13 DC (6) of the *Valuation of Land Act 1960*).
 - Component B - \$15 per hectare of 'productive agricultural land' across each eligible property. The area of productive agricultural land is calculated for each property by subtracting the apparent area of bushland and domestic use from the total property area. Landowners will be given a single opportunity to challenge this area calculation, after which that figure will be set and documented within the relevant Property Management Plan. Any future change in bushland area will not change the set figure for productive agricultural land.
 - iii) subject to development of an approved Property Management Plan (PMP) for each eligible property. The development of a PMP will replace the need for an annual SAR application form, yet each Plan must satisfy the following conditions:
 - PMP Condition A - The PMP must be submitted for approval to the Environment Department of Council. The approval date for each ratified PMP will be noted and a copy of the document will be retained for Council records.
 - PMP Condition B - A separate PMP will be required for each property or aggregate of properties where the owner receives the \$100 fixed payment component of the SAR.
 - PMP Condition C - Landowners who have previously received the SAR must return their PMP by the date indicated in correspondence that has been sent to the recipient (further detail regarding this point can be obtained from the Sustainability and Environment Unit of Council).
 - PMP Condition D - All SAR applicants who have not previously received the SAR will require an approved PMP prior to being eligible for the rebate.
 - PMP Condition E - All PMPs will need to be revised by the owner and submitted for re-approval every four years (approximately).

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Council's Environment Team will notify landholders when PMP revision is required and will allow ample time and assistance to facilitate this process.

7. Rebates – House construction on Vacant Residential Land
 - a) It be recorded that Council may also grant a rebate to each owner (or, where applicable, occupier) of land on which a habitable dwelling is erected during the course of the 2020-2021 Financial Year.
 - b) The rebate be granted to assist the proper development of the municipal district.
 - c) The rebate be granted:
 - i) if a dwelling is created on what has been Vacant Land – Residential and Specified Low Density Residential Zones.
 - ii) upon an occupancy permit being issued in respect of the dwelling.
 - d) The rebate be in an amount of 50 per cent of the general rates payable during the 12 months immediately preceding the date of the supplementary valuation made after the occupancy permit was issued.
8. Payment
 - a) In accordance with section 167 of the *Local Government Act 1989*, Council determines that rates and charges may be paid by four equal quarterly instalments due on:
30 September 2020
30 November 2020
28 February 2021
31 May 2021
9. Consequential further actions:
 - a) The Manager Finance be authorised to levy and recover the general rates and annual service charge in accordance with the *Local Government Act 1989*.
 - b) Pursuant to section 172(1) of the *Local Government Act 1989*, Council records that it will require the payment of interest on any amounts of rates and charges which have not been paid by the date specified under section 167 of the said Act for their payment.
10. Council writes to all those who have made a submission on the 2020-2021 Budget under section 223 of the *Local Government Act 1989* thanking them for their input and advising them of Council's decision and reasons for the decision.

Attachments

1. Schedule A
2. Budget 2020-2021

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Background

1. Council is required by the *Local Government Act 1989* to prepare a Budget for each financial year.
2. Adoption of the Budget is an important policy decision by Council in terms of resource allocation for services and projects in the coming year.
3. The Budget has been prepared for the purposes of public exhibition in accordance with statutory requirements.

Policy context

4. This Budget has been developed in the context of the Council Plan 2017-2021. It is also developed in the context of the Strategic Resource Plan which demonstrates how the outcomes of the Council Plan can be resourced in a way which ensures Nillumbik's ongoing sustainability.
5. In developing the Budget, Council has also considered the key priorities emerging from the master-plans for Council's major recreation facilities and reserves, the structure plans for Nillumbik's activity centres, and other Council policies and strategies.

Budget implications

6. The costs of preparing the Budget, such as public notices, mail outs and community consultation sessions are funded from operating budget allocations.

Consultation/communication

7. Council adopted the draft Budget 2020-2021 at the Ordinary Council Meeting on 24 March 2020 for the purpose of community consultation. The draft Budget was made available to the public for a period of 28 days.
8. An advertisement was placed in *The Age* on the 26 March 2020 and on Council's website. Submissions in relation to the draft Budget have been sought from the public. Submissions were received and considered at the meeting of the Future Nillumbik Committee on 12 May 2020.
9. The draft Budget was made available on Council's website, at the Civic Centre and at the Eltham and Diamond Valley libraries.
10. At the meeting of the Future Nillumbik Committee on 12 May 2020, the Committee, acting under delegation from Council, received and considered the submissions on the draft Budget. The Committee has presented a report to Council on the submissions about the draft Budget 2020-2021 in accordance with sections 129 and 223 of the *Local Government Act 1989*.

Budget 2020-2021

11. This report is presented to enable Council to formally adopt the Budget and declare the rates and charges for the 2020-2021 Financial Year.
12. This report outlines the key elements of the Budget. Details are provided in the full Budget document (**Attachment 2**).

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Capital works

13. The draft Budget includes \$32.87 million of capital works projects, of which \$16.46 million will be externally funded by grants and contributions and \$1.153 million from borrowings. The balance will be funded by Council from rates and reserve funds.
14. A full list of capital works projects is included in the draft Budget document (**Attachment 2**).

Strategic projects and service improvements

15. The Budget provides resources for policy development, as well as policy implementation and service improvements. A full list is provided in the Budget document (**Attachment 2**).

Services (Operating Budget)

16. Recurrent operating budgets for Council services have been adjusted to reflect changes in unit costs, including inflationary impacts and contracted prices.

Rates, charges and other revenue

17. The Budget proposes a zero increase per property in rates and a 7.88 per cent increase to the standard Waste Management Charge.
18. The Waste Management Charge has accounted for the deferment of the increase to the landfill levy announced by the Victorian Premier and Treasurer.
19. Other fees and charges increases are reflective of cost increases, regulatory requirements and market considerations.

Differential rating

20. At present, Council levies a General Rate, a Farm Rate (15 per cent below the General Rate), a Commercial/Industrial Rate (16 per cent above the General Rate), a Vacant Land Rate (100 per cent above the General Rate) and a Cultural and Recreational Land Rate (61 per cent below the General Rate). The relativity of each differential rate is proposed to be maintained for 2020-2021.

Borrowings

21. The Budget proposes borrowings of \$1.153 million, the borrowings will be used to partly fund capital works projects.
22. The portion of capital works projects being funded include the Diamond Creek trail extension \$303,000, Hurstbridge Outdoor Netball \$350,000 and Greensborough Hockey Club pavilion redevelopment \$500,000.
23. Council is forecast to remain within the Auditor-General's low-risk (green light) range on the Indebtedness measure of financial sustainability.

Strategic Resource Plan

24. Council must adopt the Strategic Resource Plan not later than 30 June each year pursuant to section 126 of the *Local Government Act 1989*.
25. The Strategic Resource Plan is the financial plan which is required to enable Council to achieve its Council Plan goals over the coming years.

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26. The updated version of the Strategic Resource Plan is included in the Budget (**Attachment 2**). It incorporates the financial projections in expenditure and revenue which are based on a series of assumptions about the community's needs and how Council plans to continue to address these needs for services and infrastructure.
27. The Strategic Resource Plan incorporates the 2020-2021 Budget and projections for the next 10 years based on the assumptions.

Financial Sustainability Measures

28. These measures include all those used by the Auditor-General to assess financial sustainability for local government across Victoria.
29. The 2020-2021 Budget includes details of Council's projected performance over the next ten years, based on the Strategic Resource Plan.

Conclusion

30. Council has undertaken public consultation in accordance with its statutory obligations in the *Local Government Act 1989* in relation to the proposed Budget 2020-2021.
31. Having considered the Budget submissions, Council is now able to formally adopt the Budget 2020-2021 and resolve to declare the rates and charges. It can also adopt the differential rates applied to the classes of land which are listed in the recommendation.
32. Preparation of the annual Budget is a major decision for Council in allocating resources to services and projects for the coming year.
33. The Budget has been prepared with regard to the strategic context provided through the Council Plan and various individual policies, strategies and plans.
34. The Budget and the Strategic Resource Plan are recommended for Council approval.

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6. Confidential reports