



**Colac Otway  
SHIRE**

**AGENDA**

**SPECIAL COUNCIL MEETING**

**OF THE**

**COLAC-OTWAY SHIRE**

**COUNCIL**

**15 JULY 2008**

**at 9.00 am**

**COPACC Meeting Room  
Rae Street, Colac**

**COLAC-OTWAY SHIRE COUNCIL MEETING**

**15 JULY 2008**

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NOTICE is hereby given that the next **SPECIAL COUNCIL MEETING OF THE COLAC-OTWAY SHIRE COUNCIL** will be held in the COPACC Meeting Room, Rae Street, Colac on 15 July 2008 at 9.00 am.

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## **AGENDA**

- 1. PRAYER**
- 2. PRESENT**
- 3. APOLOGIES**
- 4. MAYORAL STATEMENT**

Colac Otway Shire encourages active community input and participation in Council decisions. Council meetings provide one of these opportunities as members of the community may ask questions relating to matters being considered by Council at the current meeting. Questions not related to current agenda items can be made in writing and will be addressed if received within two days of the Council meeting. Council meetings also enable Councillors to debate matters prior to decisions being taken.

I ask that we all respect each other during this process by:

- being courteous and respectful in the way in which you speak;
- not speaking unless you have been permitted to by me as chairperson;
- respecting the local laws which govern meeting procedure (copies of these are here for your information); and
- understanding that I have a responsibility to ensure proper meeting procedure and the upholding of the local law.

I also would like to inform you that the meeting is being taped. The audio recording of the meeting is being made for the purpose of verifying the accuracy of the minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, subpoena or by any other law, such as the Freedom of Information Act 1982.

Thank you, now question time. 30 minutes is allowed for question time.

- 1) Questions received in writing prior to the meeting
- 2) Questions from the floor

**5. QUESTION TIME**

**6. DECLARATION OF INTEREST**

**7. VERBAL SUBMISSIONS**

**OFFICERS' REPORTS**

**Corporate and Community Services**

SC081507-1      CONSIDERATION OF SUBMISSIONS TO THE DRAFT 2008/09 BUDGET

Tracey Slatter  
Chief Executive Officer



Under Section 223(1)(b) of the Local Government Act 1989:

*(b) the Council or where the Council so determines a committee of the Council must consider any written submission which is received by the Council within 14 days after the publication of the public notice stating that submissions will be considered in accordance with this section;*

One of the submitters requested to be heard in support of their written submission. Under Section 223(1)(c) of The Local Government Act 1989:

*(c) any person who has made a written submission to the Council and requested that he or she be heard in support of the written submission is entitled to appear in person or by a person acting on his or her behalf before a meeting of the Council or the committee;*

Of the four (4) submissions received the following issues and queries were raised and an Officer Comment is included for each of the issues.

- **How will the three tier pet registration fee be introduced?**

Officer Comment

*This system will be introduced for the domestic animal registration period commencing 10th April 2009. The legislation in relation to this topic is quite specific in that the highest fee must be at least three times the lower fee - Pensioners are eligible for a further 50% reduction of this lower fee. The Act in relation to fees refers to Schedule One and Schedule Two. Schedule one relates to "Full Fee" animals as stated below, whilst Schedule two relates to "Middle Fee" animals as stated below.*

*Council must adhere to the structure of these Schedules and the scale of fees. Council is however able to create a special fee for a lower rate if it chooses to do so (See Special Rate Fee below)*

**Full Fee applies to:**

*Animals that are "entire" and not micro-chipped.*

**Middle Fee (previously lowest fee) applies to:**

*Animals that are sterilised or micro-chipped only, 10 years of age or older, Kept for working stock(rural), Kept for the purposes of breeding by a **registered** domestic animal business, Have undergone obedience training in accordance with the regulations or registered with the Victorian Canine Association.*

**Special Rate Fee:**

*Applies to that have been Micro-chipped and De-sexed.*

- **The same set of pet registration fees should apply to both cats and dogs.**

Officer Comment

*Benchmarking activities undertaken against other rural Victorian Councils indicate that there is a mixture of same fee or differing fees relating to dogs and cats. As registration rates for cats are low, the use of the reduced registration fee is being used to encourage Cat owners to register their animals.*

- **Suggested alteration to the fee structure for pet registration fees – to be linked to the ‘All Groups CPI’**

Officer Comment

*Council will monitor the effects of the new fee structure and make assessments, based on feedback and registration figures. As this will be the first registration period that this system will be applied to it would be premature to review this structure until suitable information is available.*

- **Municipal Charge should be abolished**

Officer Comment

*The Municipal Charge is designed to recoup some of the administrative costs of Council and the maximum charge cannot exceed 20% of revenue from total general rates and municipal charge. The 2008/09 Budget proposes to increase the Municipal Charge from \$140 to \$150. The Municipal Charge is an identical charge on all properties where applicable. The maximum allowable that Colac Otway could raise under the Local Government Act 1989 is \$231 per property. Three quarters of rural Victorian Councils raise a municipal charge and Colac Otway Shire's municipal charge is below average when compared to other Shires in our benchmark group that have a municipal charge.*

- **Limit rate increases to CPI**

Officer Comment

*Although the National CPI is running at approximately 4.2%, Local Government CPI is running at about 5%. Council's costs do not generally include the purchase of common household items that are used to generate the national CPI figure. As a result Council's costs change at a different rate to the national CPI. Material costs like bituminous products have been increasing at a far higher level. To limit Council to the national CPI would effectively restrain Council to an income reduction, in real terms, each year. The proposed rate increase is at a similar level to Council's CPI.*

- **Reduce the differential rate for farmers**

Officers Comment

*Colac Otway Shire currently provides a 21% 'discount' rate in the dollar to farming assessments as compared to a Colac residential assessment. The change in the average rate increase for farmers is as a result of the underlying capital gain in the value of rural properties. The valuation changes are driven by market forces and are not directly influenced by the decisions of Council. Council has adopted a policy as a result of a Rating Strategy review in 2006, which fairly distributes the rate burden based upon the setting of base rate.*

*There are many arguments for increasing the differentials in rating categories for the shire as there are equally compelling arguments for removing differentials all together, so making the rates paid entirely dependent on the capital value of property, realised or otherwise.*

*It should also be noted that Council spending is directed by community needs of the Shire as a whole rather than distinct community groups. Consequently there has been significant expenditure on infrastructure renewal with the majority being spent on rural roads.*

- **Cease funding to Otways Tourism**

Officer Comment

*It is proposed in 2008/09 that Otways Tourism will receive \$155,000 in direct funding from Colac Otway Shire which will be funded fully by a portion of the rates derived from the Commercial and Industrial sector of the shire. The Shire has a service agreement with Otways Tourism to deliver all internal marketing programs, industry professional development and product development.*

*The Tourism and Economic Development component of the current rating regime introduced by Council has raised approximately \$340,000 per annum to support this area of Council's expenditure.*

- **Joint Use Library to include photovoltaic solar cells**

Officers Comment

*Various energy efficiency equipment, designs, operations and practices are being considered into the development of the Joint Use Library Precinct, together with appropriate funding opportunities to support such initiatives.*

- **Allowance for Council's contribution to the Joint use Library in the 2008-2009 budget**

Officers Comment

*Council's 2008-09 budget accurately reflects the current funding requirements for the financial year.*

*The funding for the Joint Use Library will need to be considered as part of future budgets from the 2009-10 financial year.*

- **Beechy Centre/Joint use library funding to be spent on upgrading the existing library**

Officers Comment

*Council resolved at the March 2008 Council Meeting to commit to the implementation of the Global Connector in partnership with the Department of Education & Early Childhood Development.*

- **Council to fix the footpath between Lavers Hill "boardwalk" and Lavers hill Post Office car park**

Officers Comment

*This issue has previously been raised by the Lavers Hill and District Progress Association. Council have advised this group that we are currently assessing what options are available to carry out these works as part of the 2008/09 works program and will provide further advice once we have established if this work can be accommodated.*



- **Investigation and implementation of a traffic management or traffic “calming” arrangement for Gellibrand Street near existing Library**

Officers Comment

*Traffic calming options on Gellibrand Street near the existing public library have not been previously been investigated in detail by Council. Officers believe that as proposals are in place for the relocation of the current library facility it would be premature to carry out investigations in this area as the traffic and pedestrian environment is likely to change significantly if the library relocates.*

- **Sell 6 Murray Street**

Officer Comment

*There is an existing long term lease with Colac ACE for 6 Murray Street. Council is aware of the possible options available. At this stage Council has no immediate plans to sell 6 Murray Street. If Council did decide to change the present arrangements, community consultation would be required.*

*It should also be noted that selling an asset for a once off reduction in rate increases is fiscally irresponsible as it achieves a ‘one off’ benefit with no ongoing improvement to recurrent/ongoing revenue.*

- **Terminate the Fisheries Department lease at Shire Offices at Apollo Bay and permanently house planning staff**

Officers Comment

*There are significant professional, service and efficiency benefits from having all council staff co-located in Colac which is relatively central to the shire as a whole. This is an important consideration given the high level of interaction that occurs between staff within business units, departments, Council and the community as a whole. Planning staff, as an example, frequently meet with planning applicants and objectors near the site of the development, including Apollo Bay, so that they are accessible to the community.*

- **Council needs to implement proper cost controls so that the capital works budget is at least maintained**

Officer Comment

*Council has continued to support the elimination of the infrastructure renewal gap and has provided significant additional funds from “own sources” for capital expenditure over the last four (4) years.*

	2005/2006	2006/2007	2007/2008	2008/2009
<b>Internal sources of funding for Capital expenditure</b>	\$4.77m	\$4.76m	\$6.33m	\$6.45m

*For transparency purposes the 2008/09 budget has separated ‘working capital’ expenditure from ‘operations’ expenditure, and this change accounts for the difference highlighted by CORRA.*

*In reality the 2008/09 budget actually provides an increase in internal funding of \$124,000 from the 2007/08 forecast.*

*The 2008/09 budget includes \$4.3m in 'operations', \$1.55m in 'working capital' and \$0.6m in 'transfers' compared to the 2007/08 forecast which shows \$5.8m in 'operations', a working capital deficit of \$0.38m and \$0.9m in transfers.*

- **When are Council works to be carried out on the Wye Track**

Officer Comment

*Whilst individual fire prevention sites do not appear in the draft budget, provision is made for fire prevention activities. Through our fire prevention program, priorities for fire prevention works are considered on a municipal wide basis each year by our Municipal Fire Prevention Officer under the guidance of the Municipal Fire Prevention Committee. This process ensures that fire prevention activities are targeted at the highest risk environments each year.*

*Accordingly, individual tracks such as The Wye Track are not listed in the budget because decisions relating to fire prevention priorities have not been determined at the time the budget is developed.*

*Although Council has previously carried out works on The Wye Track as part of a grant obtained under the Fire Access Road Subsidy Scheme it is not an asset for which Council has ongoing management and maintenance responsibilities. These responsibilities actually rest with Parks Victoria who is the relevant asset manager.*

- **Need to look at dollars paid per entity**

Officer Comment

*"If the Council levies a rate or charge on any land, the Council must separately levy that rate or charge in respect of each portion of that land for which the Council has a separate valuation" in accordance with Section 158A of the Local Government Act 1989. This does not preclude looking at the amount of rates paid by each entity; however it does make for a far more complex and administratively burdensome rating regime as we are adding another layer to determining the charge.*

*Utilising a 'per entity' method is just another mechanism for distributing the rates burden to a different set of ratepayers and may achieve no difference. If this method was used it would then be equitable to say that a ratepayer that owns a residence, several businesses and an investment property is one entity for rating purposes as it is essentially the same basic methodology. How do we determine what an entity is? A farm is an agricultural enterprise, regardless of the assessments involved. For a resident owning several businesses or commercial investments, how are they any different?*

*Rating per assessment is the most equitable and simplest methodology that Council has available to it as a tool to raise rates and charges revenue to provide the whole community with the services and infrastructure that it demands.*

- **Need to gain a greater percentage of revenue from State and Federal Government**

Officer Comment

*Colac Otway Shire has been very successful in obtaining both Federal and State government one-off funding to support the activities of Council and the community. Some of the more recent positive outcomes have been the announcement by the State Government of \$4.4 million to support the Global Connector Project, \$250,000 to provide drought tolerant turf for the Central Recreation Reserve and \$635,000 in support from the Federal Government for the Global Connector project. In addition to those mentioned above, Colac Otway has seen approximately \$2 million in one-off grants from both spheres of government in the 2007/2008 financial year.*

*Aside from the Shire's successes, it is plainly evident that there is a vertical fiscal imbalance in the distribution of revenue derived by governments in the Australian Federation. Council's have but one major tool to raise revenue, that being property taxes or rates.*

*The Federal government has the greatest range of taxation methods from which to obtain revenue to fund the services and infrastructure that we as a nation demand. Council provides approximately 11% of the services and infrastructure requirements of the community whilst only raising approximately 3% of the taxation raised by all levels of government.*

*Council continues to lobby various levels of government for a more equitable distribution, whether that be via direct lobbying or by supporting the Municipal Association of Victoria initiatives, such as support for constitutional recognition of local government. Regardless of Council's voice, it is the voice of the people that governments across Australia listen to most closely, and it is through the support of the community that Council's are likely to effect most change in the distribution of government revenues.*

- **Unjust Increase in farm rate**

Officer Comment

*The change in the overall value of rates collected from Rural-Farm category is as a result of an increase in the value of farms across the shire. The value of farms has increased disproportionately to other sectors of the shire as a result of direct market pressures and the value of rates per assessment have increased not through any manipulation of the rating categories but by the increase in the value of farming properties. The differential between a farming property and a Colac residential property has remained at 79% of the Colac residential rate. The differential between a Colac industrial or commercial property and a Colac residential property has remained the same at 165% of the Colac residential rate.*

**Conclusion**

The submissions received in relation to the 2008-09 budget have been on many varied topics, with many meritorious suggestions and comments. It was felt that the budget in its current form required no alterations to reflect submissions made by the public.

**Attachments**

Nil

**Recommendation(s)**

***That Council having considered the written submissions and having heard those in support of their written submission refer all submissions for further consideration to the Ordinary meeting of Council to be held on Tuesday 22 July 2008, as part of Council's deliberations in adopting the 2008/09 annual budget.***

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