



SPECIAL COMMITTEE MEETING

AGENDA

WEDNESDAY 3 APRIL 2019

AT 4:00 PM

COPACC



COLAC OTWAY SHIRE SPECIAL COMMITTEE MEETING

3 APRIL 2019

TABLE OF CONTENTS

OPENING PRAYER.....	3
PRESENT.....	3
APOLOGIES AND LEAVE OF ABSENCE	3
WELCOME AND ACKNOWLEDGEMENT OF COUNTRY	3
DECLARATIONS OF INTEREST	4
CONFIRMATION OF MINUTES.....	4
VERBAL SUBMISSIONS	4

OFFICER REPORTS

SC190304-1	2019-2021 RATING STRATEGY - CONSIDERATION OF SUBMISSIONS	5
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COLAC OTWAY SHIRE SPECIAL COMMITTEE MEETING

NOTICE is hereby given that the next **SPECIAL COMMITTEE MEETING OF THE COLAC OTWAY SHIRE COUNCIL** will be held in COPACC on 3 April 2019 at 4:00pm.

AGENDA

1. I DECLARE THIS MEETING OPEN

OPENING PRAYER

*Almighty God, we seek your
blessing and guidance in our
deliberations on behalf of the
people of the Colac Otway Shire.
Enable this Council's decisions to be
those that contribute to the true
welfare and betterment of our community.*

AMEN

2. PRESENT

3. APOLOGIES AND LEAVE OF ABSENCE

4. WELCOME AND ACKNOWLEDGEMENT OF COUNTRY

Colac Otway Shire acknowledges the original custodians and law makers of this land, their elders past and present and welcomes any descendants here today.

I ask that we all show respect to each other and respect for the office of an elected representative.

All Council and Committee meetings are audio recorded, with the exception of matters identified as confidential items in the Agenda. This includes the public participation sections of the meetings.

Audio recordings of meetings are taken to facilitate the preparation of the minutes of open Council and Committee meetings and to ensure their accuracy.

In some circumstances a recording will be disclosed to a third party. Those circumstances include, but are not limited to, circumstances, such as where Council is compelled to disclose an audio recording because it is required by law, such as the Freedom of Information Act 1982, or by court order, warrant, or subpoena or to assist in an investigation undertaken by the Ombudsman or the Independent Broad-based Anti-corruption Commission.

Council will not use or disclose the recordings for any other purpose. It is an offence to make an unauthorised recording of the meeting.

The sole purpose of the Special Committee Meeting is to consider submissions regarding Council's 2019 - 2021 Draft Rating Strategy.

5. DECLARATIONS OF INTEREST

6. CONFIRMATION OF MINUTES

- Special Committee held 13 June 2018.

Recommendation

That the Special Committee confirm the above minutes.

7. VERBAL SUBMISSIONS

The Mayor is to read out the names of the people who have confirmed they wish to make a verbal submission. These verbal submissions will be made in relation to the agenda item and must be directly relevant. A time limit of 5 minutes will apply.

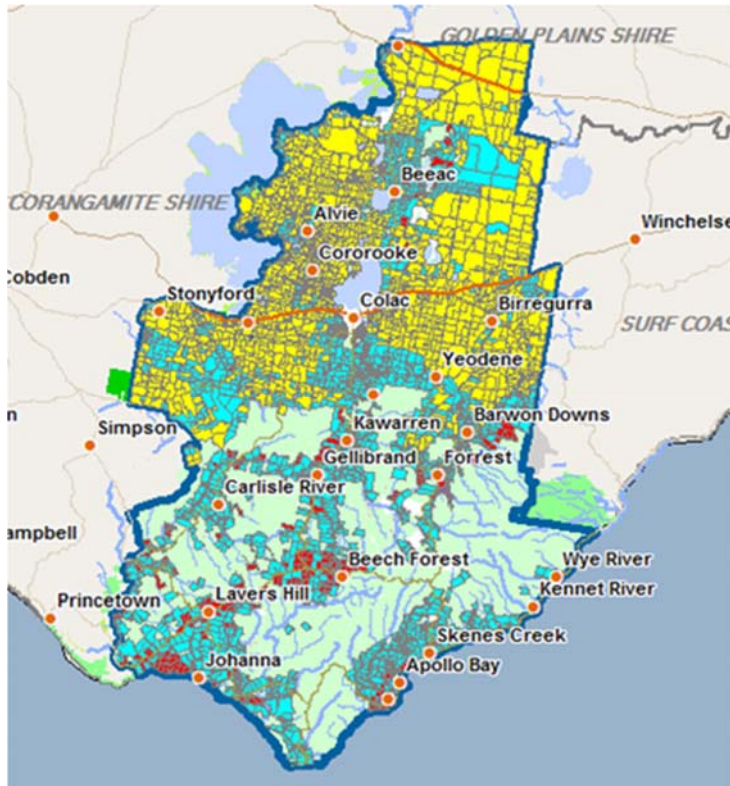
SPECIAL COMMITTEE MEETING

2019-2021 RATING STRATEGY - CONSIDERATION OF SUBMISSIONS

SC190304-1

LOCATION / ADDRESS	Whole of municipality	GENERAL MANAGER	Errol Lawrence
OFFICER	Paul Carmichael	DIVISION	Corporate Services
TRIM FILE	F18/6763	CONFIDENTIAL	No
ATTACHMENTS	Nil		
PURPOSE	To allow Council to consider submissions received in relation to the draft 2019-2021 Rating Strategy and provide an opportunity for submitters to appear before Council in support of their submission.		

1. LOCATION PLAN / AERIAL PHOTO



2. EXECUTIVE SUMMARY

The draft 2019-2021 Rating Strategy was put on public exhibition in early February 2019, with submissions able to be lodged up to 18 March 2019.

Three submissions have been received.

These are listed below.

3. RECOMMENDATION

That Council:

- 1. Receives and notes the written and verbal submissions to the draft 2019-2021 Rating Strategy.*
- 2. Refers all submissions for further consideration to the Ordinary Council meeting to be held on Wednesday 24 April 2019, as part of Council's deliberations in the adoption of the 2019-2021 Rating Strategy.*

4. BACKGROUND / KEY INFORMATION

BACKGROUND

Council, on 30 January 2019, approved the draft 2019-2021 Rating Strategy for public exhibition. The draft Strategy was then put on exhibition in early February 2019 with submissions able to be lodged up to 18 March 2019.

In summary, the draft Strategy provided for:

- the existing rating categories to be retained
- retention of a Municipal Charge
- retention of the Waste Management Charge
- retention of the current differentials between rating categories.

The differentials between rating categories were as follows:

Rating category	Differential (from base rate)
Residential – Colac /Elliminyt	100% (base rate)
Residential – Balance of Shire	85%
Holiday rental	100%
Rural - Farm	75%
Commercial/Industrial – Colac/Elliminyt	165%
Commercial/Industrial – Balance of Shire	140%

KEY INFORMATION

As a result of the exhibition of the draft Strategy, the following three submissions were received:

#	Submitter /Locality	Date received	Theme
1	A R Billing, Larpent	14/03/19	<ul style="list-style-type: none"> • Taxation should be fair and equitable. • Strategy does not reduce rates burden on farmers. • Shire’s rating system places unfair and disproportionate burden on farm businesses compared to other businesses caused by farmers needing large area of unserviced land. This reality is ignored by the draft strategy. • Draft strategy also ignores “data” previously submitted by VFF/UDV. • Data used by Council was out of date and therefore irrelevant. • Strategy should provide for a 2% reduction of the Farm rate differential per year until the 2021 budget (i.e. for the 2021-22 financial year).
2	Victorian Farmers Federation/United Dairy Farmers of Victoria – (Colac & Districts Branch)	18/03/19	<ul style="list-style-type: none"> • Taxation should be fair and equitable. • Process has been “convoluted and unprofessional”. • Shire’s rating system places unfair and disproportionate burden on farm businesses compared to other businesses caused by farmers needing large area of unserviced land. This reality is ignored by the draft strategy. • Draft strategy also ignores “data” previously submitted by VFF/UDV. • Data used by Council was out of date and therefore irrelevant. • Strategy should provide for a 2% reduction of the Farm rate differential per year until the 2021 budget (i.e. for the 2021-22 financial year).
3	Submitter 3	18/03/19	<ul style="list-style-type: none"> • Council needs a “user pays strategy”. • Adjoining shires don’t have facilities such as indoor pool, cinema, performing arts centre & have limited hospital facilities. Suggest Council should outsource management of facilities such as saleyards. • Questions how contribution of dairy industry to shire is measured?

#	Submitter /Locality	Date received	Theme
			<ul style="list-style-type: none"> • Critical of comments on page 18 of draft strategy re dairy industry - they are a “broad brush approach by officers”. • Critical of comments on page 19 of draft strategy re capacity to pay - these are also a broad brush approach by officers. • Suggests Council is ignoring increase in land prices. • Questions why we are supporting absentee landowners/ hobby farmers who “agist” their property for purpose of maintaining primary producer tax status. • Critical of (minimal) number of references used to formulate strategy and requests work provided by Alan Billing be included and discussed.

All submitters have indicated they wish to appear at this meeting to speak in support of their submission.

Copies of the submissions have been circulated to Councillors.

FURTHER SUPPORTING INFORMATION

5. COMMUNITY CONSULTATION & ENGAGEMENT

Consideration of submissions is undertaken as part of the community consultative process. As mentioned above, the draft strategy was on public exhibition for six weeks. It is also pointed out this issue has been ongoing for almost two years during which extensive public consultation was undertaken.

6. ANALYSIS

ALIGNMENT TO COUNCIL PLAN OR COUNCIL POLICY

The preparation of a rating strategy to fairly and equitably apportion the rates burden across the community to provide revenue to meet annual expenditure demands aligns with Goal 1 of Theme 4 of the 2017-2021 Council Plan, being to effectively manage financial resources.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

SOCIAL & CULTURAL IMPLICATIONS

How the rates burden is apportioned across the community can have significant social and cultural implications.

ECONOMIC IMPLICATIONS

As apportioning the rates responsibility affects how much individuals are required to pay in rates and charges, it has a direct impact on ratepayers. The apportioning of the rates responsibility can also have an economic effect on a sector wide basis.

LEGAL AND RISK IMPLICATIONS

Council is restricted in what measures it can implement in its rating strategy by the legislative requirements of the:

- Local Government Act 1989
- Valuation of Land Act 1960
- Ministerial Guidelines for Differential Rating (April 2013)
- Revenue and Rating Strategy Guidelines – DELWP 2014

RESOURCE IMPLICATIONS (FINANCIAL ETC)

The Rating Strategy is developed to determine the apportionment of rates across the different sectors of the municipality (rates differentials). The Strategy does not seek to increase or decrease the total amount of rates revenue raised. Hence there will be no financial implications as a result of the Strategy.

7. IMPLEMENTATION STRATEGY

DETAILS

A report seeking adoption of the 2019-21 Rating Strategy will be prepared for Council's consideration at the Ordinary Council Meeting on 24 April 2019.

This report will contain a response to the issues raised by the submitters for Council's consideration.

In addition, a presentation from the Valuer General's office regarding the 2019 revaluation will be provided at the briefing session to be held on 10 April 2019. This will give Councillors an indication of valuation levels and movements across the Shire. As these valuations will be used for rating purposes for the 2019-20 financial year, an understanding of where valuation movements have occurred may help inform Councillors' views in relation to the rating strategy.

The rating structure and differentials that are ultimately adopted by Council will be used to apportion the rates and charges for the 2019-20 and 2020-21 financial years.

COMMUNICATION

The effect of the adopted structure and differentials will be communicated as part of information provided regarding the adoption of Council's 2019-20 budget.

TIMELINE

The draft 2019-2021 Rating Strategy will be presented for adoption at the Ordinary Council Meeting on 24 April 2019.

8. OFFICER DIRECT OR INDIRECT INTEREST

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.