

WANGARATTA RURAL CITY COUNCIL



BUSINESS PAPER FOR THE SPECIAL MEETING  
OF THE WANGARATTA RURAL CITY COUNCIL, TO BE HELD  
IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES,  
62-68 OVENS STREET, WANGARATTA  
ON **TUESDAY, 31 MAY 2011** COMMENCING AT 5.30PM

Doug Sharp  
**CHIEF EXECUTIVE OFFICER**

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1. **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**
  
2. **OPENING PRAYER**
  
3. **PRESENT**
  
4. **ABSENT**
  
5. **ACCEPTANCE OF APOLOGIES & GRANTING OF LEAVE OF ABSENCE**

#### **ORDER OF BUSINESS**

6. **CONFLICT OF INTEREST DISCLOSURE**
  
7. **BUSINESS**

##### 7.1.1.1 **DRAFT 2011/12 BUDGET**

Council Budget 2011/12

File No 51.060.019.

#### **Introduction**

The draft 2011/12 Budget for the Rural City of Wangaratta has been prepared in accordance with the provisions of the Local Government Act 1989 and relates to the financial year commencing on 1 July 2011 and concluding on 30 June 2012.

The draft budget includes spending on services and works of \$64 million financed by grants of \$19.9 million, rates of \$21.8 million, other income of \$21 million and borrowings of \$1.07 million.

## Overview

### 1. Budget 2011/12: Summary

	<b>\$'000</b> <b>Adopted</b> <b>Budget</b> <b>2010/11</b>	<b>\$'000</b> <b>Proposed</b> <b>Budget</b> <b>2011/12</b>
Balance b/f	2,791	1,770
Income from sources other than rates & charges	33,586	40,312
Expend	(56,385)	(64,120)
Amount required from rates & charges	(20,008)	(22,038)
Amount proposed to be raised by rates & charges	20,144	21,826
<b>Rates Surplus</b>	<b>136</b>	<b>212</b>

### 2. Budget 2011/12: Strategy

The Budget has been prepared on the following basis:

- 2.1 Incorporating all key actions of the Council Plan applicable to the 2011/12 financial year.
- 2.2 Addressing the Council Plan requirements for the Long Term Financial Plan of:
  - (i) prudent management of financial risks related to debt, assets and liabilities;
  - (ii) provision of reasonable stability in the level of rating;
  - (iii) consideration of the financial effects of Council decisions on future generations;
  - (iv) full, accurate and timely disclosure of financial information;
  - (v) maintaining service delivery at current standards;
  - (vi) rate income at rate growth plus a cost index factor;
  - (vii) meeting replacement and renewal of assets as programmed;
  - (viii) provision of new assets as identified;
  - (ix) maintaining the health and functional requirements of the organisation;
  - (x) taking a triple bottom line approach to new initiatives.
- 2.3 Ensuring that key strategies, such as footpath, transport and recreation, etc., are responded to.
- 2.4 Maintaining waste, cemetery, childcare, saleyards, Wangaratta Performing Arts Centre, Community Support North East and plant & fleet services as stand-alone operations with any general subsidy clearly identified.
- 2.5 Providing for property and plant purchases on a self-funding basis through asset sales and use of reserves.
- 2.5 Restricting operational increases to a price index relevant to local government.
- 2.6 Maintaining the structure and relativities of the differential rating system on the same basis as 2010/11.

## **Key Features**

- All current service levels maintained or enhanced.
- Recurrent expenditure increase of 2.84% which is less than the Local Government Cost Index of 3.6%.
- Rate rise at 5% and total borrowings being reduced, both in accordance with Council's long term financial plan.
- Asset renewal commitment being maintained meaning there is no gap in Councils requirements. Increased expenditure of \$593,000 has been provided to maintain this commitment which has been directed to: roads, bridges, drainage, kerbs and footpaths.
- Capital expenditure commitment maintained with \$16.3 million budget.
- Waste management obligations significantly increased as a result of Environmental Protection Agency (EPA) landfill requirements, State Government landfill levy increases and long term rehabilitation requirements. The implications to this are an increase of:
  - \$17 per annum (from \$170 to \$187) for a 140 litre mobile garbage container;
  - \$32 per annum (from \$316 to \$348) for a 240 litre mobile garbage container; and
  - \$2 per annum (from \$74 to \$76) for the recycling charge.

## **Disclosures**

The following aspects of the Budget are required to be disclosed:

- the estimated total amount to be raised by general rates is \$18,202,825.
- the estimated total amount to be raised by municipal charges is Nil.
- the estimated total amount to be raised by garbage collection charges is \$2,579,236.
- the estimated total amount to be raised by recycling charges is \$928,872.
- that an amount of \$1,070,862 be borrowed to meet the balance of the Showgrounds Redevelopment project and increased Superannuation liability.
- the cost of servicing the borrowings during the financial year will be \$628,872.
- the total amount of loans proposed to be redeemed during the financial year will be \$1,603,305.
- the total amount of borrowings at 30 June 2012 will be \$8,623,181.

- the proposed 2010/11 Fees and Charges are listed in Appendix D to the Budget Report.

Detailed information on all aspects of the draft 2011/2012 Budget are contained in the draft 2011/2012 Budget Report annexed to this report (**refer attachment**).

### **Consultation**

Submissions on the Draft Budget 2011/2012 will be invited via public notice and Council's website. Copies of the Draft Budget Report 2011/2012 will be available for inspection at the Municipal Offices and at the Wangaratta Library during office hours, and on Council's website from Wednesday 1 June 2011 until Friday 1 July 2011. Submissions on any proposal contained in the draft Budget may be lodged at the Municipal Offices, 62-68 Ovens Street, Wangaratta during that period.

### **Implications**

#### Council Plan Objectives

Council's 2009-2013 Council Plan has an objective to provide community leadership through the provision of accessible, open and consultative government. Council encourages appropriate community involvement in its governance processes and will aim to produce accurate, concise and easy to read reports and publications for members of our public. Further, Council's objectives include ensuring that Council's plans and budgets are both responsible and sustainable.

#### Local Community

The establishment of the draft 2011/12 Budget is a critical component in the financial management of Council's operations to ensure the delivery of appropriate services and programs to residents and ratepayers.

#### Council's financial position

The draft 2011/12 Budget establishes the financial framework of Council including income and expenditure, rating strategy, borrowings and asset management programs necessary for Council operations.

#### Local environment

The draft budget contains financial provision for Council to achieve significant environmental outcomes for the community.

#### Council's workplace

The draft 2011/12 Budget establishes the organisational arrangements necessary for Council's operations.

#### Other

It is proposed that Councillors will meet to consider any submissions made in regard to the draft 2011/12 Budget on Tuesday, 12 July 2011 and it is proposed that Council will formally adopt the 2011/12 Budget at its Ordinary Meeting to be held on Tuesday, 19 July 2011 at 7.00 pm.

**Recommendation:*****That:***

1. ***The draft 2011/12 Budget annexed to this resolution and initialled by the Chairperson for identification be the Budget prepared by Council for the purposes of section 127 of the Local Government Act 1989;***
2. ***That as part of the adoption of the 2011/12 Budget, Council levy the following rates and charges:***

**Amount Intended to be Raised:**

- a. ***An amount of \$21,710,933 be declared as the amount which Council intends to raise by general rates and the municipal charge and/or service rate and/or annual service charge later described in this Resolution, which amount is calculated as follows:***

	\$
<b>General Rates</b>	<b>18,202,825</b>
<b>Municipal Charge</b>	<b>Nil</b>
<b>Garbage Collection Charge</b>	<b>2,579,236</b>
<b>Recycling Charge</b>	<b><u>928,872</u></b>
<b>TOTAL</b>	<b><u>\$21,710,933</u></b>

- b. (i) ***A general rate be declared for the period commencing on 1 July 2011 and concluding on 30 June 2012.***
- (ii) ***A differential rate be declared for that rateable land having the characteristics specified below which characteristics will form the criteria for the differential rate so declared:***

<b>Type</b>	<b>Description</b>
<b>General:</b>	<b>All land except where otherwise classified</b>
<b>Commercial/ Industrial Land</b>	<b>Any land which:</b> <ol style="list-style-type: none"> <li>1. <b>has a Capital Improved Value of less than \$6 million; and</b></li> <li>2. <b>is used primarily for commercial or industrial purposes or is located at 18-20 Cusack Street, Wangaratta.</b></li> </ol>
<b>Vacant Commercial/ Industrial Land</b>	<b>Any land which:</b> <ol style="list-style-type: none"> <li>1. <b>is located within:</b> <ul style="list-style-type: none"> <li>▪ <b>a Mixed Use Zone;</b></li> <li>▪ <b>Industrial Zone 1;</b></li> <li>▪ <b>Business Zone 1;</b></li> <li>▪ <b>Business Zone 2;</b></li> <li>▪ <b>Business Zone 4;</b></li> <li>▪ <b>Special Use Zone 1;</b></li> <li>▪ <b>Special Use Zone 2;</b></li> </ul> </li> </ol>

<b>Type</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>▪ <b>Special Use Zone 3; or</b></li> <li>▪ <b>Special Use Zone 4,</b></li> </ul> <p><b>under the Wangaratta Planning Scheme; and</b></p> <p><b>2. has developed infrastructure and utilities available to it but in respect of which no commercial or industrial use is occurring.</b></p>
<b>Large Commercial/Industrial Land</b>	<p><b>Any land which:</b></p> <p><b>1. is used primarily for commercial or industrial purposes or which is located within:</b></p> <ul style="list-style-type: none"> <li>▪ <b>a Mixed use Zone;</b></li> <li>▪ <b>Industrial Zone 1;</b></li> <li>▪ <b>Business Zone 1;</b></li> <li>▪ <b>Business Zone 2;</b></li> <li>▪ <b>Business Zone 4;</b></li> <li>▪ <b>Special Use Zone 1;</b></li> <li>▪ <b>Special Use Zone 2;</b></li> <li>▪ <b>Special use Zone 3; or</b></li> <li>▪ <b>Special Use Zone 4,</b></li> </ul> <p><b>under the Wangaratta Planning Scheme; and</b></p> <p><b>2. has a Capital Improved Value of \$6 million or more.</b></p>
<b>Vacant General Land</b>	<p><b>Any land which:</b></p> <p><b>1. is located within a Residential 1 zone under the Wangaratta Planning Scheme; and</b></p> <p><b>2. on which no building designed or adapted for occupation is erected.</b></p>
<b>Rural Residential Land:</b>	<p><b>Any land which is located within:</b></p> <p><b>1.1 Rural Living 1 zone;</b></p> <ul style="list-style-type: none"> <li>▪ <b>Rural Living 2 zone,</b></li> <li>▪ <b>Low Density Residential zone; or</b></li> <li>▪ <b>Township zone</b></li> </ul> <p><b>under the Wangaratta Planning Scheme; or</b></p> <p><b>1.2 a Farming zone or Rural Conservation zone under the Wangaratta Planning Scheme and is less than 8ha in area, except where the land is a farmed as a single enterprise occupied by the same person or persons whether or not the properties are contiguous; and</b></p> <p><b>2. on which there is erected a building designed or adapted for occupation; and</b></p> <p><b>3. does not have the characteristics of Commercial/Industrial Land.</b></p>
<b>Vacant Rural</b>	<b>Any land which :</b>



<b>Type</b>	<b>Description</b>
<b>Residential Land:</b>	<p>1. <i>is located within:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Rural Living 1 zone;</i></li> <li>▪ <i>Rural Living 2 zone;</i></li> <li>▪ <i>Low Density Residential zone;</i></li> <li>▪ <i>Township zone</i></li> </ul> <p><i>under the Wangaratta Planning Scheme except where the land is a farmed as a single enterprise occupied by the same person or persons whether or not the properties are contiguous; and</i></p> <p>2. <i>does not have the characteristics of Commercial/Industrial Land.</i></p>
<b>Rural Land:</b>	<p><b>Any land:</b></p> <p>1. <i>which is:</i></p> <ul style="list-style-type: none"> <li>▪ <i>located within a Farming zone or Rural Conservation zone under the Wangaratta Planning Scheme and is equal to or greater than 8 ha in area; or</i></li> <li>▪ <i>farmed as a single enterprise occupied by the same person or persons whether or not the properties are contiguous; and</i></li> </ul> <p>2. <i>does not have the characteristics of Commercial/Industrial Land.</i></p>

**(iii) The differential rate be determined by multiplying the Capital Improved Value of the rateable land categorised in paragraph 2(b)(ii) by the percentage indicated as follows:**

<b>General</b>	<b>0.4485 Cents in \$ on CIV</b>
<b>Vacant General</b>	<b>0.8969 Cents in \$ on CIV</b>
<b>Rural/Residential</b>	<b>0.4485 Cents in \$ on CIV</b>
<b>Vacant Rural/Residential</b>	<b>0.8969 Cents in \$ on CIV</b>
<b>Commercial/Industrial</b>	<b>0.5830 Cents in \$ on CIV</b>
<b>Vacant Commercial/ Industrial</b>	<b>0.8969 Cents in \$ on CIV</b>
<b>Large Commercial / Industrial</b>	<b>0.5516 Cents in \$ on CIV</b>
<b>Rural</b>	<b>0.3274 Cents in \$ on CIV</b>
<b>Recreational &amp; Cultural</b>	<b>0.2691 Cents in \$ on CIV</b>

**(iv) It be further recorded that the objectives of the differential rate are those objectives specified in the Differential Rating Statement for the 2011/2012 rating year as presented in the Draft Budget Report 2011/12, including the following objectives:**

- **The equitable and efficient distribution of the rating burden.**
- **To make due allowance for the availability of and access to services offered by Council to its ratepayers.**

- *To make due allowance for the demand for services created by the various classes of properties.*
- *To provide a discount for rural properties.*
- *To encourage appropriate development.*
- *To support recreational and cultural pursuits.*

### **Service Charges**

- c. (i) *A garbage collection charge be declared for the period commencing on 1 July 2011 and concluding on 30 June 2012. The garbage collection charge be in the sum of \$187 for a 140 litre mobile garbage container and \$348 for a 240 litre mobile garbage container. The garbage collection charge so declared will be applied to all tenements along existing garbage collection routes within the Defined Service Area adopted by Council at its meeting of 22 January 2002.*
- (ii) *A recycling charge be declared for the period commencing on 1 July 2011 and concluding on 30 June 2012. The recycling charge be in the sum of \$76. The recycling charge so declared will be applied to all tenements along existing garbage collection routes within the Defined Service Area adopted by Council at its meeting of 22 January 2002.*
- (iii) *Fees to be paid for registration or renewal of registration, under the Domestic Animals Act 2009 for the 2010/2011 year shall be the fees set out on pages 38 and 39 of the Fees and Charges Register 2011/2012 appended to the draft 2011/2012 Budget.*
- (iv) *That the Fees and Charges for the 2011/2012 year, as set out in the Fees & Charges Register 2011/2012 appended to the draft 2011/2012 Budget be adopted and applied effective from 1 July 2011, (unless otherwise proposed in the Register).*

### **Waivers and Concessions**

- d. *It be confirmed that Council grants each of the owners of the rateable lands described below a waiver:*

<i>Department of Human Services</i>	<i>\$3,908.60</i>
<i>Units 1 - 4/70 Burke Street, Wangaratta</i>	
<i>Units 1 - 9/98 Burke Street, Wangaratta</i>	
<i>Units 1 - 9/42 Manley Crescent, Wangaratta</i>	

*Council grants a rebate to the Department in relation to the Municipal General Recurrent Rate of 50% for the 2011/2012 year.*

**Payment of Rates and Charges by Instalments**

- e. ***In accordance with Section 158 (4)(b) and Section 167 of the Local Government Act 1989, the dates for the payment of rates and charges for the 2011/2012 year by four (4) instalments are as follows:***

<b><i>1st instalment</i></b>	<b><i>30 September 2011</i></b>
<b><i>2nd instalment</i></b>	<b><i>30 November 2011</i></b>
<b><i>3rd instalment</i></b>	<b><i>29 February 2012</i></b>
<b><i>4th instalment</i></b>	<b><i>31 May 2012</i></b>

**Consequential**

- f. ***The Manager – Finance and Rates Administrator of Council be authorised to levy and recover the general rates and/or service rate and/or annual service charge described earlier in this Resolution in accordance with the Local Government Act 1989.***
3. ***The Chief Executive Officer be authorised to:***
- a) ***give public notice of the preparation of such Budget in accordance with section 129(1) of the Local Government Act 1989; and***
- b) ***make available for public inspection the information required to be made available by the Local Government (Finance and Reporting) Regulations 2004.***
4. ***Councillors consider submissions on any proposal or proposals contained in such Budget, made in accordance with section 129(2) of the Local Government Act 1989 at a meeting to be held on Tuesday 12 July 2011.***
5. ***Council consider the adoption of such Budget at a Meeting of Council to be held on Tuesday, 19 July 2010 at 7pm.***

**Communication**

Submissions on the draft 2011/12 Budget will be invited in the local media. Copies of the draft Budget will be available for inspection at the Municipal Offices and at the Wangaratta Library during office hours, and on Council's website from Wednesday 1 June 2011 until Friday 1 July 2011.

**8. CLOSURE OF MEETING**