

# MINUTES

for the Special Meeting of Council held in the COUNCIL CHAMBER - 104 HOVELL STREET WODONGA, VIC on MONDAY, 27 JUNE 2011

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## Present

Cr M Byatt (Mayor)

Cr A Collins (Deputy Mayor)

Cr C Ferguson

Cr E Foulston

Cr L Mahood

Cr A Speedie

Cr R Wangman

## In Attendance

Mr G Cator

Chief Executive Officer

Mr T Ierino

Director Business Services

Ms P Harrington

Director Community Development

Mr J Louw

Director Sustainable Development



**LIVE  
WORK  
INVEST**

**1. Calling To Order**

The meeting was called to order at 6.00pm by the Mayor, Cr Mark Byatt..

**2. Statement Of Acknowledgement**

The Mayor read the following:

*We acknowledge the traditional owners of the land on which we are meeting. We pay our respects to their Elders and to Elders from other communities who may be here today.*

**3. Apologies And Requests For Leave Of Absence**

No apologies or requests for leave of absence were received.

**4. Declaration Under Acts, Regulations, Codes Or Local Laws**

**Audio recording**

The CEO noted that council had previously given consent to Brad Worrall and Sally Evans of the *Border Mail* newspaper, David Johnston of the *Xpress* newspaper, and Pat Koopman of the *Albury Wodonga News Weekly* newspaper, to use audio equipment for the purposes of ensuring accuracy with their reports.

Consent was granted on the understanding that:

- a. the audio tapes will not be made available to the public or disclosed to any third party;
- b. once their original purpose is served, the tapes will be destroyed; and
- c. in accordance with the local law this consent may be revoked at any time.

**5. Declaration By Councillors Of Any Conflict Of Interest**

There were no conflicts of interest disclosed.

However, Cr Angela Collins noted that at a briefing on Monday, June 20, 2011 she had declared a conflict of interest in relation to a section 223 submission from her brother Tony Collins. This item is now listed on this agenda at item 6.2. Cr Collins advised that she had subsequently sought legal advice on the matter and had determined that no conflict of interest exists and therefore will be remaining in the meeting room and voting on item 6.2.

**6. Officer Reports For Determination**

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**7. Confidential Business**

Nil.

**8. Close Of Meeting**

There being no further business the meeting closed at 6.31pm.

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**Chairperson**

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**Date**

**2009-2013 COUNCIL PLAN, ADJUSTED 2011**
**PURPOSE OF REPORT**

To provide council with a report on the section 223 public consultation process for the council plan and for council to adopt the 2009-2013 Council Plan, adjusted 2011.

**BACKGROUND**

Sections 125 (7) (8) and (9) of the *Local Government Act* 1989 (the Act) provide that council must:

- at least once in each financial year consider whether the Council Plan requires any adjustment;
- make such adjustment as it considers necessary; and
- allow for persons to make a submission under section 223 of the Act on the adjusted Council Plan.

At its meeting of Monday, May 16, 2011 council resolved that, in accordance with Section 125 (9) and Section 223 of the *Local Government Act, 1989*, the draft Council Plan, 2009-2013, adjusted 2011, be made available for the purposes of public notice.

At the end of the public notice period, being Wednesday, June 15, no submissions had been received in relation to the Council Plan.

**COUNCIL PLAN / KEY STRATEGIC ACTIVITY**

Pillar	Outcome	Strategic Action
Pillar Five A democratic and engaged community	Adherence to all legislative requirements and corporate compliance.	Continually review Wodonga City's governance protocols taking into account evolving governance best practice protocols.

**COUNCIL POLICY / STRATEGY IMPLICATIONS**

This entire report addresses strategic actions for council.

**RISK MANAGEMENT IMPLICATIONS**

Risks	Likelihood	Consequence	Rating	Mitigation Action
Council does not adjust the Plan.	C	3	Moderate	Adopt an adjusted Plan to reflect changing priorities.

**FINANCIAL IMPLICATIONS**

The financial implications for the Council Plan are addressed in the 2011-12 budget, which is listed at item 6.4 of this agenda.

**2009-2013 COUNCIL PLAN, ADJUSTED 2011 (cont'd)****ENVIRONMENTAL IMPLICATIONS**

As set out in the strategic actions within the Council Plan, 2009-2013, adjusted 2011.

**SOCIAL/CULTURAL IMPLICATIONS**

As set out in the strategic actions within the Council Plan, 2009-2013, adjusted 2011.

**LEGISLATIVE IMPLICATIONS**

The Act stipulates that council must prepare a Council Plan and must review it at least one each financial year. The Act also provides for the section 223 public submission process included in this report.

**CONSULTATION PROPOSED / UNDERTAKEN**

The current Council Plan was prepared following an extensive consultation process that commenced in April 2008 with the community leadership summit. Following this summit a series of leadership breakfasts were convened and the "Wodonga in 2033" vision was developed.

Councillors also attended a workshop to discuss their individual and collective visions for Wodonga.

Following the above, further community consultation activities engaged in excess of 4000 Wodonga citizens via questionnaires, community forums, and community noticeboards at various locations across the city.

Councillors then compiled and collated all information and developed the Council Plan. The Plan also includes the Strategic Resource Plan (SRP). The SRP includes details of Council's financial and non financial resources and closely examines Council's long term financial sustainability. The purpose of the SRP is to:

- Establish a financial framework over the next 10 years to ensure the council's strategic objectives, as expressed in the Wodonga Council Plan, are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Wodonga Council Plan (non-financial resources are assumed to include human resources and the council's asset base, which are all referred to in various parts of the SRP);
- Establish a basis to measure the council's adherence to its policies and strategies; and,
- Assist the council to comply with sound financial management principles, in accordance with the Local Government Act (1989) and plan for the long-term financial sustainability of the city.

While compliance with the legislation can be achieved with the development of long-term (four year) financial statements, the 10-year approach adopted by the council is more comprehensive. A 10-year timeframe more fully supports strategic asset management as many of the council's assets have long lives.

The SRP contains a series of key financial strategies that the Council will pursue over the next year.

**2009-2013 COUNCIL PLAN, ADJUSTED 2011 (cont'd)**

In terms of the 2011 adjusted Council Plan, this report addresses the section 223 public consultation process undertaken by council following the May council meeting.

**OPTIONS FOR CONSIDERATION**

1. Do nothing. Retain the existing council plan without any adjustment.
2. Adopt the draft 2009-2013 Council Plan, adjusted 2011, as advertised following the May 2011 council meeting.
3. Amend the draft 2009-2013 Council Plan, adjusted 2011, and adopt it with such amendments.

**CONCLUSION**

The 2009-2013 Council Plan, adjusted 2011, provides council with an opportunity to update its approach to achieving its strategic objectives.

**ATTACHMENTS**

The draft Council Plan, 2009-2013, adjusted 2011 is tabled.

**RECOMMENDATION**

That the 2009-2013 Council Plan, adjusted 2011 (including Strategic Resource Plan), as tabled, be adopted and a copy forwarded to the Minister in accordance with Section 125 (10) of the *Local Government Act*, 1989.

**MOTION**

CRS. RODNEY WANGMAN / EDWARD FOULSTON

That the recommendation be adopted.

(CARRIED)

## SECTION 223 PROCESS FOR 2011/12 BUDGET

### PURPOSE OF REPORT

Pursuant to Section 129 (2) and 223 of the *Local Government Act* (the Act), to consider any submissions received in relation to the 2011/12 Budget.

### BACKGROUND

At its meeting of May 16, 2011 Council resolved to place the 2011/12 Budget on public exhibition for a 28 day period as provided for by section 223 of the Act.

The Budget was advertised in the *Border Mail* of Wednesday, May 18 and was available for inspection at the Council offices, Wodonga library, community centres, and on the Council web site.

A public forum on the Council Plan and Budget was held at the Council Chambers, with one person attending. Also a Meet and Greet opportunity was held at the Wodonga Centro Plaza.

In addition council made use of social media, such as Youtube, to further engage with the community on the council plan and budget.

Submissions closed on Wednesday, June 15, 2011.

At the time of closure for submissions, 16 submissions had been received in relation to the Budget. There were also nine letters received after the closure date. All of these late items of correspondence were objecting to the road works at the proposed saleyards at Nth. Barnawartha. While this latter group did not comprise official section 223 submissions, the comments of these persons have been included in this report for the consideration of council.

Five submitters did not supply their address, and out of the other 20 submitters that did supply their address, four were outside the Wodonga municipality. A copy of submissions has been provided to councillors, and they are summarised in below.

No submitters requested to be heard by Council.

The following table summarises the submissions received, as well as the proposed treatment by officers in regards to the Budget.

#### *Summary of Submissions*

Number.	Submission Summary	Officer Recommendations
Submitter #1	<ul style="list-style-type: none"> <li>• Believes the purposed rate rises are unjust and a burden on rate payers</li> <li>• Level of debt a major worry</li> <li>• A 7% rise for each of the next three years is above what most Municipal Councils are implementing</li> <li>• Council needs to cut spending and debt.</li> <li>• The Civic Centre rebuilding is over the top and gone ahead without ratepayer consultation.</li> <li>• The Mann Centre should not come out of ratepayers money but come out of the developer.</li> <li>• Were promised before the last election</li> </ul>	<p>Councillors have already taken account of the impact of rate rises on the community as such these decisions are never taken lightly.</p> <p>Council proposed level of debt has been extensively benchmarked with other Council's and assessed under the borrowing assessment policy adopted by the State Local Government Division and found to be within reasonable limits.</p> <p>The net cost of services delivered to the Wodonga community for the 2011/12</p>

## SECTION 223 PROCESS FOR 2011/12 BUDGET (cont'd)

Number.	Submission Summary	Officer Recommendations
	<p>there would be no more borrowings for projects and new spending would come out of proceeds from sales of existing assets.</p> <ul style="list-style-type: none"> <li>The budget must not go ahead as Council breached its promise from when it was elected.</li> </ul>	<p>year is expected to be \$56.87 million which compares with \$55.82 million in 2010/11. This is an increase of 1.9%. Council has made a concerted effort to retain operating costs at current levels.</p> <p>The Mann's Centre developer is contributing its share of the costs towards the development. The total cost of the works - which includes roadworks, drainage, footpaths, landscaping and street lighting - is \$4 million which the developer is contributing \$1.8 million and the council \$2.2 million.</p> <p>The developer will be responsible for its share (generally a percentage of the costs) of the new road works in Jack Hore Place, Hovell St and South St as well as a contribution towards the new traffic lights that will need to be installed when the Elgin Boulevard realignment occurs.</p> <p>With these works, it makes sense to complete all works at the one time so that these streets are not half constructed as would be the case if the council didn't contribute to these improvements.</p> <p>Propose no change to the 2011/12 Budget for this item.</p>
Submitter #2	<ul style="list-style-type: none"> <li>The increase in loans is a backward step</li> <li>The continual increase in City rates is becoming an onerous burden on many ratepayers. The 7% proposed rise for this year on top of the 7.5% last year is too much.</li> <li>Concerned with the new and revitalised CBD development.</li> <li>The Mann's redevelopment should be paid by the developer.</li> <li>Continue to use the existing pool until more grants are available, and grass over the previous convention centre.</li> </ul>	<p>Refer to officer recommendations to submitter #1 for responses.</p> <p>The existing pool requires constant ongoing maintenance to allow it to operate. The new pool offers a greater level of service.</p> <p>Propose no change to the 2011/12 Budget for this item.</p>
Submitter #3	<ul style="list-style-type: none"> <li>Objects to the budget on the following grounds: <ol style="list-style-type: none"> <li>The 7% increase in rates and charges.</li> <li>The increase in new borrowings</li> <li>Ratepayer having to pay for "upgrade works to facilitate the Mann's development"</li> <li>The large amount of capital expenditure. The council is living beyond its means and cannot afford to do all the projects. It would</li> </ol> </li> </ul>	<p>Refer to officer recommendations to submitter #1 for responses.</p> <p>Propose no change to the 2011/12 Budget for this item.</p>



## SECTION 223 PROCESS FOR 2011/12 BUDGET (cont'd)

Number.	Submission Summary	Officer Recommendations
	<p>be better to reduce debt and when in a better financial position, carrying out the projects then.</p> <p>5. The proposed rate increases for 2012/13 and 2013/14. Concerned the Council maybe contemplating something like a new art sporting complex at Baranduda.</p>	
Submitter #4	<ul style="list-style-type: none"> <li>Requests the removal of the road works at the proposed saleyards at Nth. Barnawartha from the budget due to a previous mayor in a letter to rural ratepayers making the following statement: "there will be no cost to Wodonga ratepayers, if the business is sold and relocated to Barnawartha North"</li> </ul>	<p>Refer to officer recommendations to submitter #5 for responses.</p> <p>Propose no change to the 2011/12 Budget for this item.</p>
Submitters #5, 6, 9, 10, 11, 12, 14, 15, 16 and 9 persons with late letters.	<ul style="list-style-type: none"> <li>Requests the removal of the road works at the proposed saleyards at Nth. Barnawartha from the budget due to a previous mayor in a letter to rural ratepayers making the following statement: "there will be no cost to Wodonga ratepayers, if the business is sold and relocated to Barnawartha North" Also previous Council minutes stated "the current proposal from Regional Infrastructure would not use Rate Payers money to fund a new multi-million dollar facility"</li> </ul>	<p>At the time of negotiations with Palisade Regional Infrastructure for the sale of the saleyards business, the works to enable the establishment at the new Nth. Barnawartha site were estimated and included into the sale price.</p> <p>Therefore the ratepayers will not be contributing towards these works. The expenditure needs to be shown in the council's capital works budget, as the council will be the constructing authority.</p> <p>Propose no change to the 2011/12 Budget for this item.</p>
Submitter #7	<ul style="list-style-type: none"> <li>Objects to the Council budget due to the following:           <ol style="list-style-type: none"> <li>The size of the debt.</li> <li>The increase in rates effect on reducing disposal income.</li> <li>The "inconsistency" or "duplicity" of saying we cannot keep the saleyards because essential works will increase our debt while at the same time increasing debt to fund the Arts and Community Entertainment Centre.</li> <li>Spending such a large amount of ratepayer money to support a private development at Mann's. This is a private development.</li> <li>A breach of promise that we were informed that no ratepayer money would be required to relocate the saleyards. While the money is not to be spent on the saleyards per se it is still a hidden cost that was not mentioned and was not evident to anyone looking at the proposal. Surely the cost of the turning lanes and service connections to the new</li> </ol> </li> </ul>	<p>Refer to officer recommendations to submitter #1 and #5 for responses.</p> <p>Propose no change to the 2011/12 Budget for this item.</p>

## SECTION 223 PROCESS FOR 2011/12 BUDGET (cont'd)

Number.	Submission Summary	Officer Recommendations
	saleyards could be avoided if we retain the saleyards at their current location?	
Submitter #8	<ul style="list-style-type: none"> <li>• Surely it is bad business practice to seek loans to establish facilities which will create losses rather than a surplus, when huge debt is already being repaid.</li> <li>• Public meetings convened by Council are becoming poorly attended because there is a lot of talk, some listening, but very little follow up action.</li> <li>• Attended a meeting in July 2010 of representatives of sporting groups and suggested that the Mann's development would be taking funds which would be better spent in upgrading facilities such as Martin Park. Council advised that it would not be responsible for that development, however there is an amount for the development in this year's Council budget.</li> <li>• Local Government, where users pay, must be more democratic.</li> <li>• Find out what the citizens of Wodonga really want and spend their money wisely.</li> </ul>	<p>Refer to officer recommendations to submitter #1 for responses.</p> <p>The 2011/12 council budget was developed following extensive community consultation and examination by the council.</p> <p>Propose no change to the 2011/12 Budget for this item.</p>
Wodonga Chamber of Commerce	<ul style="list-style-type: none"> <li>• The Chamber formally submits for funding to the level of \$120,000 for the 2011/12 financial year to deliver the following outcomes through it activities:               <ol style="list-style-type: none"> <li>1. A successful 2011 Business Awards and Women in Chamber</li> <li>2. Monthly Better Business Series workshops for the business community</li> <li>3. Meetings and resources that support and promote our members</li> <li>4. Networking activities that encourage business connections within Wodonga and beyond</li> <li>5. Provide opportunities and education to grow and develop member's business</li> <li>6. Improve connectivity between the business community and the Wodonga council through the mechanisms of the Chamber.</li> </ol> </li> </ul>	<p>It is recommended that Council provides the Chamber with 12 months funding of \$80,000, to be derived from existing budget within the 2011/12 Economic Development budget (currently earmarked for other unspecified economic development initiatives).</p> <p>This funding is subject to the Chamber and Council agreeing on details of relevant project initiatives and KPI's for the 12 months.</p>

## SECTION 223 PROCESS FOR 2011/12 BUDGET (cont'd)

## COUNCIL PLAN / KEY STRATEGIC ACTIVITY

Pillar	Strategic Objective	Strategy or Priority and Action
Pillar Five A democratic and engaged community	Adherence to all legislative requirements and corporate compliance.	Continually review Wodonga City's governance protocols taking into account evolving governance best practice protocols.

## RISK MANAGEMENT IMPLICATIONS

Risks	Likelihood	Consequence	Rating	Mitigation Action
That council fails to comply with the Act by considering any section 223 submissions prior to a decision on the budget.	D	4	Significant	Council to fully consider each section 223 submission prior to a determination on the matter.

## FINANCIAL IMPLICATIONS

If the officer's recommendations are followed there will be no net financial implications as a result of the section 223 process. However there will be a re-ordering of priorities within the economic development component of the budget in order to accommodate the recommendation with respect to the submission from the Wodonga Chamber of Commerce.

## ENVIRONMENTAL IMPLICATIONS

Not applicable.

## SOCIAL/CULTURAL IMPLICATIONS

Not applicable.

## LEGISLATIVE IMPLICATIONS

This report is about the legislative requirements of sections 127-130 and section 223 of the *Local Government Act 1989*.

## CONSULTATION PROPOSED / UNDERTAKEN

Level of public participation	Promises to the public/stakeholders	Example of techniques to use
Inform	Keep informed	<ul style="list-style-type: none"> <li>Ad appeared in Border Mail, Wednesday, May 18, and Saturday, May 21 advertising forum and meet and greet at Centro Plaza;</li> <li>Two articles in May and April CityLife editions</li> </ul>

## SECTION 223 PROCESS FOR 2011/12 BUDGET (cont'd)

		advertising forums; <ul style="list-style-type: none"> <li>• Media articles mentioning forums appeared in The Border Mail, The Midweek Express, News Weekly and on Prime TV, WIN TV, 2AY, The River, Star FM and ABC Radio. Did not mention dates but said more information on council website and by phoning customer service;</li> <li>• Council website with information on forums appeared under What's On and Latest News sections;</li> <li>• Posters placed on community noticeboards at five sites around Wodonga;</li> <li>• Filmed budget forum held at Council Offices and put on You Tube and linked to the Border Mail website so comments could be left;</li> <li>• You tube message about forums and budget message from Mayor;</li> <li>• Sent Twitter messages regarding forums.</li> </ul>
<b>Consult</b>	Informed, listen, acknowledge	<ul style="list-style-type: none"> <li>• Forum held at Council offices</li> <li>• Meet and Greet opportunity at Wodonga Centro Plaza</li> </ul>
<b>Involve</b>	Work together. Feedback is an input into decision-making	<ul style="list-style-type: none"> <li>• Forum held at Council offices</li> <li>• Meet and Greet opportunity at Wodonga Centro Plaza</li> <li>• People advised about how they can have feedback into the budget and council plan process.</li> </ul>
<b>Collaborate</b>	Feedback will be incorporated into decisions to the maximum level possible	<ul style="list-style-type: none"> <li>• All media messages relating to budget and council plan encouraged people to give feedback and collaborate with us about their concerns.</li> </ul>
<b>Empower</b>	We will implement what the public decide	Not applicable

## OPTIONS FOR CONSIDERATION

Option 1: Other than the change proposed with respect to funding for the Wodonga Chamber of Commerce, further amend the 2011-12 budget as a result of the section 223 process.

Option 2: Adopt the recommended actions with respect to the budget resulting from the section 223 process, and advise the submitters of the reasons for council's decision.

## CONCLUSION

Council sought community input and feedback on the proposed budget for 2011/12. 16 submissions were received, and a further nine persons wrote to council after the submission period had closed. This process has been valuable in highlighting community concerns and provides council with an opportunity to further assess the development of its budget for 2011/12.

**SECTION 223 PROCESS FOR 2011/12 BUDGET (cont'd)**

**ATTACHMENTS**

Nil. Separately councillors have received a copy of all submissions.

**DECLARATION OF CONFLICT OF INTERESTS**

Under section 80C of the *Local Government Act 1989* officers providing advice to Council must disclose any interests, including the type of interest.

Director Business Services - Trevor Ierino

In providing this advice as Director, I have no interests to disclose in this report.

Governance Officer - Kevin Scully

In providing this advice as the report author, I have no interests to disclose in this report.

**RECOMMENDATION**

That council, having considered all submissions received under section 223 of the *Local Government Act 1989*:

1. provide funding of \$80,000 for the Wodonga Chamber of Commerce with the funding to be from the 2011/12 economic development budget (currently earmarked for other unspecified economic development initiatives), and to be subject to the Chamber and Council agreeing on details of relevant project initiatives and KPI's for the 12 months;
2. make no other adjustments to the budget as a result of the section 223 process; and
3. advise the submitters of the reasons for council's decisions, as detailed in this report.

**MOTION**

CRS. ANNA SPEEDIE / RODNEY WANGMAN

That the recommendation be adopted.

(CARRIED)

## BUDGET ITEMS WHERE COUNCILLORS HAVE A CONFLICT OF INTEREST

### PURPOSE OF REPORT

The aim of this report is to provide council with the opportunity to resolve on any items proposed to be funded in the 2011-12 budget where councillors have declared a conflict of interest and the matter has not previously been dealt with.

### BACKGROUND

The *Local Government Act 1989* (the Act) exempts a councillor from a Conflict of Interest in certain circumstances relating to the consideration of budgets or revised budgets. The provision, section 79C(2), provides that a councillor does not have a conflict if the matter was previously dealt with by council and the conflict disclosed at that time.

Section 79C(2) of the Act reads:

*If a budget or revised budget to be approved by a Council includes funding for a matter in respect of which a Councillor has a conflict of interest the Councillor is taken to not have a conflict of interest for the purposes of approving the budget or revised budget if -*

- (a) *the Council approved the matter and the proposed funding previously; and*
- (b) *the Councillor disclosed the nature of the conflict of interest under this Division when the decision in respect of the funding was originally considered and made.*

Therefore, any items proposed for inclusion in the budget in which a councillor may have a conflict of interest are proposed to be dealt with by separate resolution.

Once all declarations have been made and the items which are the subject of any declaration are determined upon by council, all councillors are able to vote on agenda item 6.4 being the "2011/12 Budget and Declaration of Rates and Charges".

Should councillors have any conflicts of interests in matters pertaining to the budget they can be dealt with at this item.

### COUNCIL PLAN / KEY STRATEGIC ACTIVITY

Pillar	Strategic Objective	Strategy or Priority and Action
Pillar Five A democratic and engaged community	Adherence to all legislative requirements and corporate compliance.	Continually review Wodonga City's governance protocols taking into account evolving governance best practice protocols.

### COUNCIL POLICY / STRATEGY IMPLICATIONS

The action outlined in this report supports good governance and transparency in the budget consideration process, with the declaration of conflicts of interests in minor components of the budget then providing for participation in the full 2011/2012 budget process.

**BUDGET ITEMS WHERE COUNCILLORS HAVE A CONFLICT OF INTEREST (cont'd)**
**RISK MANAGEMENT IMPLICATIONS**

Risks	Likelihood	Consequence	Rating	Mitigation Action
If separate resolutions are not made one or more councillors could be absent from voting on the budget.	C	4	Medium	Separate items out where councillors have a conflict of interest.

**FINANCIAL IMPLICATIONS**

There are no financial implications with this report as it chiefly involves a procedural process. Should any budget matters need to be resolved on at this item, the financial implications are dealt with at item 6.4 in the context of the adoption of the budget.

**ENVIRONMENTAL IMPLICATIONS**

Not applicable.

**SOCIAL/CULTURAL IMPLICATIONS**

Not applicable.

**LEGISLATIVE IMPLICATIONS**

This report proposes are process centred upon section 79C(2) of the Act.

**CONSULTATION PROPOSED / UNDERTAKEN**

With a view to having all councillors vote on the 2011/12 budget legal advice was sought from council's solicitor, Maddocks, on the best way to achieve this. The numbering of the agenda and the separation of business items has been framed on the basis of that advice.

**OPTIONS FOR CONSIDERATION**

1. Do nothing. Not recommended for the reasons outlined in this report.
2. Where councillors have a conflict of interest in a budget item, deal with those items through separate resolutions prior to the consideration of the full budget. Recommended for the reasons outlined in this report.

**CONCLUSION**

The process outlined in this report allows councillors with conflicts of interest in budget items to declare those prior to the consideration of the full budget, and then in accordance with section 79C(2) of the act, to participate in the consideration of the budget.

**BUDGET ITEMS WHERE COUNCILLORS HAVE A CONFLICT OF INTEREST (cont'd)**

**ATTACHMENTS**

Nil.

**DECLARATION OF CONFLICT OF INTERESTS**

Under section 80C of the *Local Government Act 1989* officers providing advice to Council must disclose any interests, including the type of interest.

Director Business Services - Trevor Ierino

In providing this advice as Director, I have no interests to disclose in this report.

Governance Officer - Kevin Scully

In providing this advice as the report author, I have no interests to disclose in this report.

**For discussion:**

Council to determine if any budget items need to be dealt with separately prior to consideration of the budget.



**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES**
**PURPOSE OF REPORT**

Pursuant to Section 130 (1) of the Local Government Act, to consider the 2011/12 Budget and if appropriate adopt the budget including changes proposed since the draft 2011/12 Budget was considered at Council's 16 May 2011 meeting; and, to declare rates and charges pursuant to Section 158 of the Act 1989.

**BACKGROUND**

A separate report has been included in this agenda on the section 223 process for the budget.

Since the Council meeting of May 16, 2011 Council has become aware of the following three items that need to be incorporated into the proposed budget. These are summarised below.

*Proposed adjustments to Draft 2011/12 Budget*

Project Name	Comments	Category	Amount (net cost to Council)
Sandy Creek Rail Trial Bridge	Council has previously committed \$100,000 to this project over a 2 year period; \$50,000 which was paid in 2010/11 and \$50,000 to be paid in 2011/12. At the time of preparing the 2011/12 budget the second \$50,000 instalment was overlooked in error.	Capital project – increased expenditure	\$50,000
Strategic Planning	<ul style="list-style-type: none"> <li>To integrate the principles and requirements of the MSS into Wodonga's planning scheme</li> <li>Complete the strategic requirements for CBD master planning</li> <li>Review the Leneva structure plan and implement the Council resolution relating to amendment C88.</li> </ul> <p>The total budget for the project is \$100,000 of which Council will apply for \$50,000 from the State Government.</p>	Operating project – increased revenue and expenditure	\$50,000
Park Signage	This is for the third stage of a project to provide signage in the city's parks to recognize the contribution made by residents of Wodonga.	Capital project – increased expenditure	\$20,000

**COUNCIL PLAN / KEY STRATEGIC ACTIVITY**

Pillar	Strategic Objective	Strategy or Priority and Action
Pillar Five A democratic and engaged community	Adherence to all legislative requirements and corporate compliance.	Continually review Wodonga City's governance protocols taking into account evolving governance best practice protocols.

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**
**RISK MANAGEMENT IMPLICATIONS**

Risks	Likelihood	Consequence	Rating	Mitigation Action
Estimates for supplementary rates (growth from new assessments) not achieved	C	3	Significant	Closely monitor and if necessary adjust budgets.
Rate increases cause financial difficulties for some	C	3	Significant	Flexible payment options. Provide assistance through agreed payment plans. Hardship Policy available.
External financial factors impacting Council's ability to deliver its budget (eg Global Financial Crisis continuing)	C	3	Significant	No reliance on unrealised industrial land sales. Council borrowings at fixed interest rates.

**FINANCIAL IMPLICATIONS**

Council's rates revenue for 2011/12 is \$30.9 million based on a 7% increase over the 2010/11 rate revenue.

The expected operating result for 2011-2012 is a surplus of \$9.467 million. The underlying result when non-cash items are excluded is an \$80k surplus.

Council is working towards an operating surplus into the near future.

The capital works program for the 2011-2012 year is expected to be \$26.6 million. Some projects may require re-budgeting from 2010-2011, however these amounts are yet to be estimated. However all projects which are re-budgeted will be able to be funded from surpluses experienced in the 2010-2011 year.

A high level Strategic Resource Plan has been developed for the years 2011/12 to 2020/21. This will assist council in adopting budgets which provide for prudent expenditure and income raising to assist in council's goals relating to financial sustainability.

The annual budget is designed to enable council to achieve its key strategic activities as contained in its 2009/10 to 2013/14 Council Plan.

**ENVIRONMENTAL IMPLICATIONS**

Not Applicable

**SOCIAL/CULTURAL IMPLICATIONS**

Many outcomes of the budget will have wide ranging social and cultural implications. These have been carefully considered by both staff and Councillors in the development of this budget.

**LEGISLATIVE IMPLICATIONS**

Council is required to comply with the Local Government (Finance and Reporting) Regulations 2004 which lists a number of requirements (these and other requirements are included in the budget document):

- A description of the activities and initiatives to be funded in the Budget.

## 2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)

- A statement as to how the initiatives and initiatives described above will contribute to achieving the strategic objectives in the Council Plan.

Separately identified Key Strategic Activities to be undertaken during the financial year and performance targets and measures in relation to each Key Strategic Activity.

### CONSULTATION PROPOSED / UNDERTAKEN

The consultation on the budget was a section 223 process and is the subject of a separate report in this agenda.

### OPTIONS FOR CONSIDERATION

Option 1 – Do nothing – **not recommended** – Council has a statutory obligation to develop an annual budget.

Option 2 - Accept the 2011/12 Budget as proposed in this report – **recommended**.

Option 3 - Accept the draft 2011/12 Budget, with further amendments.

### CONCLUSION

Council has sought community input and feedback on the proposed budget for 2011/12. Twenty Five (25) submissions were received (including 9 late submissions) and no submitter requested to be heard.

It is recommended that Council, following consideration of the submissions received, adopt the 2011/12 Budget.

### ATTACHMENTS

Nil.

### DECLARATION OF CONFLICT OF INTERESTS

Under section 80C of the *Local Government Act 1989* officers providing advice to Council must disclose any interests, including the type of interest.

Director Business Services - Trevor Ierino

In providing this advice as Director, I have no interests to disclose in this report.

Manager Financial Services - Peter Morris

In providing this advice as the report author, I have no interests to disclose in this report.

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**
**RECOMMENDATION**

That:

- 1 The 2011/12 Budget be adopted in accordance with Section 130(1) of the Local Government Act, after having been advertised in accordance with Section 129 of the Act and considering the submissions received, with the following amendments:-

- |   |                             |
|---|-----------------------------|
| a. Sandy Creek Rail Trail Bridge        | Increase budget by \$50,000 |
| b. Strategic Planning (planning scheme) | Increase budget by \$50,000 |
| c. Park Signage                         | Increase budget by \$20,000 |

- 2 The Chief Executive Officer be authorised to give public notice of this decision to adopt the Budget in accordance with Section 130(2) of the Local Government Act 1989.

- 3 Amount Intended to be Raised

An amount of \$31,172,867 be declared as the amount which the Council intends to raise for the year 1 July 2011 - 30 June 2012 by general rates, annual service (garbage) charge and annual service (waste management) charge, annual service (green waste) optional charge (all later advised in the resolution), and environmental levy (wastewater) which amount is calculated as follows:

General Rate	\$25,111,811
Annual Service (garbage) charge	\$5,218,789
Annual Service (waste management charge)	\$278,938
Annual Service (green waste charge – optional)	\$537,029
Environmental Levy (Wastewater)	\$26,300

- 4 General Rates

A general rate be declared for the period commencing on 1 July 2011 and concluding on 30 June 2012;

It further be declared that the general rate be raised by the application of differential rates;

It be recorded that Council considers that a differential rate will contribute to the equitable and efficient carrying out of Council functions; and

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:

**Residential Occupied Land**

Any land that is used primarily for residential purposes; or on which there exists a building obviously adapted for use for residential purposes as defined under the provisions of the Wodonga Planning Scheme.

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**
**Commercial Occupied Land**

Any land that is used primarily for commercial purposes; or on which there exists a building obviously adapted for use for commercial purposes as defined under the provisions of the Wodonga Planning Scheme.

**Industrial Occupied Land**

Any land that is used primarily for industrial purposes; or on which there exists a building obviously adapted for use for industrial purposes as defined under the provisions of the Wodonga Planning Scheme.

(including but not limited to a factory or workshop).

**Rural – Farming**

Land that is “Farm Land” within the meaning of Section 2(1) of the Valuation of Land Act 1960 paragraphs (a) and (b) and other criteria as defined by Council (c) hereunder:

(a) not less than 2 hectares in area; and

(b) that is used primarily for grazing, dairying, pig-farming, poultry farming, fish farming, tree framing, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities, and(c)

(b) being a Primary Producer as evidenced by a current ATO assessment;

**Rural – Non Farming**

Land which is:-

(a) not less than 2 hectares in area; and

(b) that is not used primarily for grazing, dairying, pig-farming, poultry farming, fish farming, tree framing, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities

- not *Rural – Farming* land, nor *Development Use Land*.

***Development Use Land***

Development Use Land - The Valuer responsible for the returning of the general revaluation or any supplementary valuation may classify any land (or a portion of that land) that is in the process of being developed into the category of Development Use Land (DUL).

Classification to Development Use Land will be at the Valuer’s discretion and based principally on the basis of applications and/or approvals for rezoning and/or development.

## 2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)

**Vacant Land**

Any land on which there does not exist any building obviously adapted for human habitation, and which does not have the characteristics of Development Use Land.

**Society/Social Club Land**

Any land which is not subject to the *Cultural and Recreational Lands Act 1963*; and used primarily for the activities of a club or society which are carried on for the benefit of its members or their guests.

- 5 The differential rate be determined by multiplying the Capital Improved Value of the rateable land categorised in paragraph 5 by the percentages indicated on the following table;

<i>Category</i>	<i>Percentage</i>
1. Residential Occupied Land	0.47290% (or 0.4729 cents in the dollar of CIV)
2. Commercial Occupied Land	0.63610% (or 0.6361 cents in the dollar of CIV)
3. Industrial Occupied Land	0.63610% (or 0.6361 cents in the dollar of CIV)
4. Rural Farming Land	0.33340% (or 0.3334 cents in the dollar of CIV)
5. Rural Non-Farming Land	0.47290% (or 0.4729 cents in the dollar of CIV)
6. Development Use Land	0.54850% (or 0.5485 cents in the dollar of CIV)
7. Vacant Land	1.09950% (or 1.0995 cents in the dollar of CIV)
8. Society/Social Club Land	0.43980% (or 0.4398 cents in the dollar of CIV)

- 6 It be recorded that Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions, and that
- a. the respective objectives of each differential rate be those specified in the Schedule to the Resolution; and
  - b. the respective types of classes of land which are subject to each differential rate be those defined in the Schedule to the Resolution; and
  - c. the respective uses and levels of each differential rate in relation to those respective types of classes of land be those described in the Schedule to this Resolution; and
  - d. the relevant
    - i. uses of;

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**

- ii. geographical locations of; and
- iii. planning scheme zonings of; and
- iv. types of buildings on the respective types or classes of land be those identified in the Schedule to this Resolution.

#### 7 Municipal Charge

It be confirmed that no municipal charge be declared for the period commencing on 1 July 2011 and concluding on 30 June 2012.

#### 8 Service Charge (Garbage)

An annual Service Charge be declared for the period commencing 1 July 2011 and concluding on 30 June 2012.

The annual Service Charge be declared for the collection, removal and disposal of refuse and rubbish.

The annual Service Charge be in the sum of \$364.40 for each rateable and non-rateable land (or part) in respect of which an annual Service Charge may be levied;

- a) Notwithstanding the above sub paragraph the charge for each additional service and/or collection over one per week will be \$125.95. This charge of \$125.95 is GST exempt.
- b) The charge for an additional half service, either garbage or recycling will be \$62.95. This charge of \$62.95 is GST exempt.

The criteria specified below be the criteria, which form the basis of the annual Service Charge, so declared:

- a) All residential land (whether rateable or non-rateable) on which a building is erected is entitled to the refuse collection service and will be liable for the annual Service Charge whether or not the service is utilised; and
- b) Where during the year a building is erected on residential vacant land the service charge will be such sum as will proportionally represent the period between occupation of the building and the end of the year.

#### 9 Service Charge (Waste Management)

An annual Service Charge be declared for the period commencing 1 July 2011 and concluding on 30 June 2012;

The annual Service Charge be declared for Waste Management Contribution.

- a) The annual Service Charge be in the sum of \$262.25 for each rateable and non-rateable land (or part) in respect of which an annual Service Charge may be levied. This charge of \$262.25 is GST inclusive.

Notwithstanding sub paragraph (a) the annual Service Charge for Commercial/Industrial properties who request a refuse collection service will be an additional \$138.50 for each additional service and/or collection per week; this charge of \$138.50 is GST inclusive. The criteria specified below be the criteria, which form

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**

the basis of the annual Service Charge, so declared;

- (b) All commercial and industrial land (whether rateable or non-rateable) on which a building is erected is entitled to a waste management service and will be liable for the annual service charge whether or not the service is utilised; and
- (c) Where during the year a building is erected on vacant land the Service Charge will be such sum as will proportionally represent the period between occupation of the building and the end of the year.

#### 10 Service Charge (Greenwaste - optional)

An annual Service Charge be declared for the period commencing 1 July 2011 and concluding on 30 June 2012.

The annual Service Charge be declared for Greenwaste (Optional Service).

The annual Service Charge be in the sum of \$92.40 for each property requesting this service, this charge of \$92.40 is GST exempt.

#### 11 Environmental Levy (Wastewater)

An annual levy be declared for the period commencing 1 July 2011 and concluding on 30 June 2012.

The levy be declared for Environmental Waste Water.

The annual levy be set at the sum of \$40.40 for each premises serviced by a Septic Tank System. This charge is GST exempt.

#### 12 Rebates and Concessions

It be confirmed that Council grants each of the owners of the rateable lands described below a concession.

In relation to the rate and/or charge set out opposite the description of each rateable land; and

In an amount set out opposite the description of each rateable land and the rate and/or charge in relation to which the concession is granted.

#### 13 Rateable Property - Rate/Charge Concession

Ministry of Housing Services Units P/L

General Rate 50% in respect to 66 Units as per existing agreement.

#### 14 Consequential Matters

Payment dates for Rates and Charges for 2011/12 shall be as follows:-

- By instalments payable on or before 30 September 2011, 30 November 2011, 29 February 2012 and 31 May 2012.

The Revenue Administrator of the Council be authorised to levy and recover the general



**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**

rates (and the annual Service Charges described earlier in this resolution) in accordance with the Local Government Act 1989.

The Revenue Administrator be authorised to institute legal proceedings for the recovery of any amounts not paid by the due date in accordance with the Local Government Act 1989.

That the 2011/12 Fees and Charges as proposed in Appendix 5 be adopted by Council.

**SCHEDULE**
**RESIDENTIAL OCCUPIED LAND**
**Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including -

1. To recognise the rating impact upon developed land used for residential purposes.
2. To ensure an equitable share of the rate assessment for residential properties the values of which have been affected by their development.
3. To encourage the development of appropriately zoned land for residential purposes.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2011/12 financial year.

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)****SCHEDULE****COMMERCIAL OCCUPIED LAND****Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including –

1. To recognise the rating impact upon developed land used for commercial purposes.
2. To ensure an equitable share of the rate assessment for commercial properties the values of which have been affected by their development.
3. To encourage the development of appropriately zoned land for commercial purposes.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2011/12 Financial Year.

**SCHEDULE**

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)*****INDUSTRIAL OCCUPIED LAND*****Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including –

1. To recognise the rating impact upon developed land used for industrial purposes.
2. To ensure an equitable share of the rate assessment for industrial properties the values of which have been affected by their development.
3. To encourage the development of appropriately zoned land for industrial purposes.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2011/12 Financial Year.

**SCHEDULE*****RURAL FARMING LAND***

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**
**Objective:**

To encourage the development of land for farming purposes and ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including -

1. To ensure an equitable share of the rate assessment for properties, the value of which has been effected by reason of its abnormally large area, and the use to which it is put in comparison to the general land size of the majority of rateable properties within the municipal district.
2. To encourage the use of appropriately zoned land for farming purposes.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Where applicable, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2011/12 Financial Year.

**SCHEDULE**
***RURAL NON FARMING LAND***
**Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including -

1. To recognise the rating impact upon rural land that is not recognised as farming land.

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**

2. To ensure an equitable share of the rate assessment for rural non farming properties.

3. To encourage the development of appropriately zoned land in the rural area.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Where applicable, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2011/12 Financial Year.

**SCHEDULE**
***DEVELOPMENT USE LAND***
**Objective:**

To encourage the development of land and ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including –

1. To ensure an equitable share of the rate assessment for development use land commensurate with land identified for urban development within the Municipal Strategic Statement for Wodonga.
2. To encourage the use of appropriately zoned land for development purposes.

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**
**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Nil

**SCHEDULE**
**VACANT LAND**
**Objective:**

To encourage the development of land and ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including –

1. To recognise the rating impact on vacant land.
2. To ensure an equitable share of the rate assessment for vacant and other land.
3. To encourage the development of land.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Nil.

**SCHEDULE**
***SOCIAL CLUBS/SOCIETY LAND***
**Objective:**

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including –

1. To ensure an equitable share of the rate assessment for properties the value of which have been affected by the development of land for the use by members and guests of a society or club.
2. To recognize the rating impact on properties used by a society or club.

**Types and Classes:**

Rateable land having the relevant characteristics described in the Resolution of Council.

**Use and Level of Differential Rate:**

The differential rate will be used to fund some of those 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.

**Geographic Location:**

Wherever located within the municipal district.

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**
**Use of Land:**

Any use permitted under the relevant Planning Scheme.

**Planning Scheme Zoning:**

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

**Types of Buildings:**

Where applicable, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2011/12 Financial Year.

**MOTION**

CRS. EDWARD FOULSTON / RODNEY WANGMAN

That the recommendation be adopted.

(CARRIED)

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*During discussion of this item Cr Byatt requested that his comments be recorded in the minutes. His comments were:*

*This is the third budget of this council. It is fair to say that no budget process is without its challenges and pressures. For local government this is particularly so because it is local government that provides a diverse range of community services and community assets for its community.*

*For Wodonga the challenges and pressures are magnified by the significant growth and development we are experiencing, and are about to experience, as a growing regional centre - in fact currently the second fastest growing regional city in Victoria.*

*To meet these pressures and continue in the provision of services, council continues its focus on a longer term outlook through the Strategic Resource Plan and the Council Plan.*

*For this budget council has had to adjust some of its strategies and approaches, for example the borrowing strategy, asset management plan, capital works program, and the range and level of services.*

*All have been under more intense scrutiny for this budget. Why you might well ask?*

*This council has a number of unique and exciting opportunities as we manage this growth, including replacing key community infrastructure / assets, such as the civic centre and pool. And importantly, the development of the city's CBD as a consequence of the \$612 rail revitalization project, as well as upgrading key infrastructure to ensure it can cater for the expected growth and development around the city.*



**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**

*And of course attempting to maintain a level of satisfactory services for the community, which by the way it is pleasing to note in a recent report by the Wallis Group, titled Local Government Community Satisfaction Survey for 2011, Wodonga has "performed significantly better than other councils in its comparable group across a number of service measures".*

*I acknowledge there will be areas for improvement. None the less this is a good result and I take the opportunity to congratulate the CEO and his staff.*

*Whilst this council has taken a longer term planning approach via the SRP and council plan, I emphasise again, for the short term there are pressures and challenges for us as a council, as a growing regional city.*

*Can I say, as councillors, all understand the feelings of the community regarding the pressures on increased costs of living. As individuals we feel the same pressures; as the business of council we feel these pressures.*

*Again I remind our community the decisions of council in forming this budget for 2011/12 have been extensive and comprehensive in their makeup.*

*To this end whilst our city embarks on what can only be described as historical growth and development in the next few years in particular, it is important we don't take our eyes off the important issues of debt management, asset management and servicers to our community.*

*And importantly also, investing in critical community assets, future development opportunities as they arise, and key infrastructure.*

*This budget, the 2011-12 budget, is arguably the most multi-faceted budget of this council, and I believe as Mayor, is a realistic approach to the challenges and pressures that confront us.*

*Let us as a community not underestimate the historical and exciting opportunities before our city in the immediate future, for they are without precedent.*

---

*During discussion of this item Cr Foulston requested that his comments be recorded in the minutes. His comments were:*

*There are several matters contained within this budget that cause me some discomfort and I feel that I need to put into context not only some of the positive outcomes achieved through this years budget process but some of the difficulties that the organisation and we as councillors have had to overcome.*

*Am I comfortable with some aspects of the rating strategy, no I am not, but I voted for the rating strategy and therefore support its implementation.*

*Am I comfortable with the programmed 7% rate increase, not overly, but I understand and accept that we as a council must at a minimum keep up with CPI. I also know that the income from all rate rises flow onto following councils making their funding streams more sustainable thereby increasing their abilities to continue delivering high service levels in all areas. Sustainable funding also means the next councils will be able to carry out increased levels of asset maintenance and renewals whilst building up notional reserves.*

*I stood for election on a platform of fiscal responsibility, reducing debt and no new borrowings. When this council was elected the debt was not 32 million dollars as was commonly understood but 36. This large debt comprised of 32 million in the loans portfolio and a further 4 million dollar*

**2011/12 BUDGET AND DECLARATION OF RATES AND CHARGES (cont'd)**

*operational loan owed to the developers of Whitebox Rise for the duplication of Victoria Cross Parade.*

*The responsibility for repaying the 4 million dollar debt and the interest on that debt was left to this council. This council was also left with the responsibility of finding the funds for accelerated loan repayments of 5.4 million dollars over the same period of time, a total amount of 9.8 million dollars. These accelerated repayments combined with councils' standard loan repayment program would have brought our total debt down to approximately 25 million dollars something I am sure we would all have been happy with.*

*As has been shown in earlier budgets, this council has planned for two major projects, the pool at Whitebox rise and the new entertainment center. The budgets also show how these projects were to be funded. Fortunately for our community the Federal Government provided a further 3 million dollars for the entertainment center, the total funding for the center is now up to 8 million dollars, approximately 70% of the anticipated cost. We, as a council can not fail to complete these projects. Our council is already the third lowest recipient of grant funding in the state and to not complete these projects would cause this council much reputational damage and put our ability to obtain further grants at great risk.*

*This increased funding has also meant that the entertainment center had to be re programmed to start earlier, this combined with the 9.8 million dollars of extra loan repayments and starting the aquatic center has put a strain on our own funding stream. To ensure the completion of both projects it may be necessary and I repeat may be necessary to borrow.*

*As we have stated and continue to state, these proposed borrowings will be reduced by any asset sales we may make. Am I comfortable with borrowing more? No I am not, but I understand the reasons why it may be necessary. Do I feel it is in the community's interest? yes I do. The community will have new assets in the form of a new entertainment center and a new aquatics facility to the value of almost 25 million dollars.*

*In finishing, although this council has faced and continuous to face serious financial restrictions the organisation has increased service levels in many areas, we have also taken over the running of the Library, the Bonegilla Migrant Experience and the Visitor Information Center, whilst at the same time continuing to achieve significant operational savings. I believe this council is acting in the best interest of the community not only now but into the future by ensuring that future councils have an adequate income stream to not only reduce debt but one that will not restrict their ability to provide services.*

*I know that other councilors tonight will emphasise the positive outcomes achieved through the budget process and by the organisation and I look forward to their comments.*