



21 JULY 2020

**CORPORATE STRATEGY
COMMITTEE MEETING**

MINUTES

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1. OPENING

The President declared the meeting open at 10:03am

2. ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

2.1 Members Present

Cr DW Davis	President
Cr CJ Pepper	Deputy President
Cr DL Brown	
Cr P Gogol	
Cr CJ Lawlor	
Cr SW Martin	
Cr TF McLaughlin	
Cr TWT Seed	
Cr DC White	

2.2 Staff In Attendance

Mr SP Gollan	Chief Executive Officer
Mr SK Marshall	Deputy Chief Executive Officer
Mr SP Vincent	Manager of Works
Ms A Lewis	Executive Assistant

2.3 Observers And Visitors

Nil

2.4 Apologies and Approved Leave of Absence

Nil

3. DECLARATIONS OF INTEREST

Nil

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Corporate Strategy Committee Meeting 9 July 2019

OFFICER'S RECOMMENDATION

That the Minutes of the Corporate Strategy Committee Meeting held on Tuesday 9 July 2019 be confirmed.

(Provided under separate cover)

COMMITTEE'S RESOLUTION

MSC1/0720

Moved Cr Martin

Seconded Cr White

That the Minutes of the Corporate Strategy Committee Meeting held on Tuesday 9 July 2019 be confirmed.

CARRIED 9/0

5. OFFICER REPORTS

5.1 2020/21 Material Variances

SUBMISSION TO: Corporate Strategy Committee Meeting 21 July 2020
REPORT DATE: 1 July 2020
APPLICANT: N/A
FILE REFERENCE: ADM 0092
AUTHOR: S.K. Marshall, Deputy Chief Executive Officer
ATTACHMENTS: Nil

SUMMARY

That the Corporate Strategy Committee consider recommending to Council the material variance reporting parameters for 2020/21.

BACKGROUND

Council is required under the *Local Government (Financial Management) Regulations 1996* to set material variance (Budget versus Actual) reporting parameters for the forthcoming financial year.

Council adopted a budget variance reporting parameter of 10% on budgeted items of \$10,000 or greater for the 2019/20 financial year at the July 2019 Ordinary Meeting.

COMMENT

If the Committee is satisfied with the current level of reporting, there would be no reason to recommend that Council change the reporting parameters.

STATUTORY ENVIRONMENT

Regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996* provides that each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the Corporate Strategy Committee recommend to Council that a budget variance reporting parameter of 10% on budgeted items of \$10,000 or greater for the 2020/21 financial year be adopted.

COMMITTEE'S RESOLUTION

MCS2/0720

Moved Cr Pepper

Seconded Cr McLaughlin

That the Corporate Strategy Committee recommend to Council that a budget variance reporting parameter of 10% on budgeted items of \$10,000 or greater for the 2020/21 financial year be adopted.

CARRIED 9/0

5.2 2020/21 Budget – Fees and Charges

SUBMISSION TO: Corporate Strategy Meeting 21 July 2020
REPORT DATE: 1 July 2020
APPLICANT: N/A
FILE REFERENCE: N/A
AUTHOR: S.K. Marshall, Deputy Chief Executive Officer
ATTACHMENTS: 2020/21 Schedule of Fees and Charges
(Under Separate Cover)

SUMMARY

Council to review the Fees and Charges schedule for the 2020/21 financial year.

BACKGROUND

The Shire of Beverley's Schedule of Fees and Charges is reviewed annually and forms part of Council's Annual Budget.

COMMENT

At the April 2020 Ordinary Council Meeting, item 11.4, Council resolved to maintain Fees and Charges at 2019/20 levels for the 2020/21 financial year in response to the COVID-19 pandemic.

The proposed 2020/21 Fees and Charges schedule compliant with this direction is attached.

Two additional fees adopted during the 2019/20 financial year (February 2020) include:

- An increase in the Standpipe water charge to \$9.35/kL reflecting cost recovery of providing the standpipe service; and
- Standpipe access card fee of \$20 per card.

STATUTORY ENVIRONMENT

Section 6.16 of the *Local Government Act* provides that:

- (1) a local government may impose (by absolute majority) and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.
- (2) A fee or charge may be imposed for the following
 - a. Providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government
 - b. Supplying a service or carrying out work at the request of a person
 - c. Subject to section 5.94, providing information from local government records;
 - d. Receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorization or certificate;
 - e. Supplying goods;
 - f. Such other service as may be prescribed.
- (3) Fees and charges are to be imposed when adopting the annual budget but may be –
 - a. Imposed (by absolute majority) during a financial year; and

b. Amended (by absolute majority) from time to time during a financial year.

Section 6.17 further provides:

- (1) In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors –
 - a. The cost to the local government of providing the service or goods;
 - b. The importance of the service or goods to the community; and
 - c. The price at which the service or goods could be provided by an alternative provider.
- (2) A high fee or charge or additional fee or charge may be imposed for an expedited service or supply of goods if it is requested that the service or goods be provided urgently.
- (3) The basis for determining a fee or charge is not to be limited to the cost of providing the service or goods other than a service –
 - a. Under section 5.96;
 - b. Under section 6.16 (2) (d); or
 - c. Prescribed under section 6.16 (2) (f), where the regulation prescribing the service also specifies that such a limit is to apply to the fee or charge for the service
- (4) Regulations may –
 - a. Prohibit the imposition of a fee or charge in prescribed circumstances; or
 - b. Limit the amount of a fee or charge in prescribed circumstances.

Regulation 2 of the *Local Government (Financial Management) Regulations* (2) provides that the CEO is to —

- (a) ensure that the resources of the local government are effectively and efficiently managed;
- (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and

Section 6.19 of the *Local Government Act* provides that if a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —

- (a) its intention to do so; and
- (b) the date from which it is proposed the fees or charges will be imposed.

Section 41 of the *Health Act* provides that every local government may from time to time, as occasion may require, make and levy as aforesaid and cause to be collected an annual rate for the purpose of providing for the proper performance of all or any of the services mentioned in section 112, and the maintenance of any sewerage works constructed by the local government under Part IV. Such annual rate shall not exceed —

- (a) 12 cents in the dollar on the gross rental value; or
- (b) where the system of valuation on the basis of the unimproved value is adopted, 3 cents in the dollar on the unimproved value of the land in fee simple, provided that the local government may direct that the minimum annual amount payable in respect of any one separate tenement shall not be less than \$1.

Provided also, that where any land in the district is not connected with any sewer, and a septic tank or other sewerage system approved by the local government is

installed and used upon such land by the owner or occupier thereof for the collection, removal, and disposal of nightsoil, urine, and liquid wastes upon such land, the local government may by an entry in the rate record exempt such land from assessment of the annual rate made and levied under this section, and, in lieu of such annual rate, may, in respect of such land, make an annual charge under and in accordance with section 106 for the removal of refuse from such land.

Section 112 of the *Health Act* provides that:

- (1) A local government may, and when the Executive Director, Public Health so requires, shall undertake or contract for the efficient execution of the following works within its district, or any specified part of its district:
 - (a) The removal of house and trade refuse and other rubbish from premises.
 - (b) The supply of disinfectants for the prevention or control of disease, and pesticides for the destruction of pests.
 - (c) The cleansing of sanitary conveniences and drains.
 - (d) The collection and disposal of sewage.
 - (e) The cleaning and watering of streets.
 - (f) The providing, in proper and suitable places, of receptacles for the temporary deposit of refuse and rubbish collected under this section.
 - (g) The providing of suitable places, buildings, and appliances for the disposal of refuse, rubbish and sewage.
 - (ga) The construction and installation of plant for the disposal of refuse, rubbish and sewage.
 - (h) The collection and disposal of the carcasses of dead animals, provided that it shall not be lawful to deposit nightsoil in any place where it will be a nuisance or injurious or dangerous to health.
- (2) Any local government which has undertaken or contracted for the efficient execution of any such work as aforesaid within its district or any part thereof may by local law prohibit any person executing or undertaking the execution of any of the work undertaken or contracted for within the district or within such part thereof as aforesaid, as the case may be, so long as the local government or its contractor executes or continues the execution of the work or is prepared and willing to execute or continue the execution of the work.
- (3) After the end of the year 1934 no nightsoil collected in one district shall be deposited in any other district, except with the consent of the local government of such other district, or of the Executive Director, Public Health.

Section 30 of the *Residential Tenancies Act* provides that:

- (1) Subject to this section, the rent payable under a residential tenancy agreement may be increased by the owner by notice in writing to the tenant specifying the amount of the increased rent and the day as from which the increased rent becomes payable, being a day —
 - (a) not less than 60 days after the day on which the notice is given; and
 - (b) not less than 6 months after the day on which the tenancy commenced, or, if the rent has been increased under this section, the day on which it was last so increased, but otherwise the rent shall not increase or be increased.
- (2) The right of the owner to increase rent in accordance with subsection (1) —
 - (a) is not exercisable in relation to an agreement that creates a tenancy for a fixed term during the currency of that term unless the agreement provides that the rent may increase or be increased; and

- (b) in any case, may be excluded or limited by agreement between the owner and the tenant.
- (3) A notice of increase of rent that has been given in accordance with this section and that has not been withdrawn by the owner varies the residential tenancy agreement to the effect that the increased rent specified in the notice is payable under the agreement as from the day specified in the notice.

Section 66 of the *Waste Avoidance and Resource Recovery Act 2007* (Local government may impose waste collection rate) provides:

- (1) A local government may impose on rateable land within its district, and cause to be collected, an annual rate for the purpose of providing for the proper performance of all or any of the waste services it provides.
- (2) The annual rate must not exceed —
 - (a) 12 cents in the dollar on the gross rental value; or
 - (b) where the system of valuation on the basis of the unimproved value is adopted, 3 cents in the dollar on the unimproved value of the land in fee simple.
- (3) The provisions of the *Local Government Act 1995* relating to the making, payment and recovery of general rates apply with respect to rates referred to in subsection (1).

FINANCIAL IMPLICATIONS

2020/21 Budget

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the 2020/21 Fees and Charges Schedule applicable from 1 July 2020 be adopted and included in the 2020/21 Budget.

COMMITTEE'S RESOLUTION

MCS3/0720

Moved Cr Martin

Seconded Cr Brown

That the 2020/21 Fees and Charges Schedule applicable from 1 July 2020 be adopted and included in the 2020/21 Budget.

CARRIED 9/0

5.3 2020/21 Budget – Rates

SUBMISSION TO: Corporate Strategy Committee Meeting 21 July 2020
REPORT DATE: 1 July 2020
APPLICANT: N/A
FILE REFERENCE: ADM 0092
AUTHOR: S.K. Marshall, Deputy Chief Executive Officer
ATTACHMENTS: Rate Models (included in draft 2020/21 Budget Document)

SUMMARY

That the Corporate Strategy Committee consider recommending to Council that rate revenue be maintained at the 2019/20 financial year level.

BACKGROUND

At the Ordinary Council Meeting 28 April 2020 Council resolved to draft the 2020/21 Budget at 2019/20 rating levels in response to the COVID-19 pandemic and the associated economic impact of State and Federal measures to contain the virus in Australia.

Further, in response to the COVID-19 pandemic the Minister for Local Government has legislated that the penalty interest rates cap be reduced from 11% to 8% for Councils who have developed a Hardship Policy. It is intended to set penalty interest for 2020/21 at the maximum rate of 8%.

COMMENT

As proposed, Rate Revenue will be closely maintained at \$3,039,508 in the 2020/21 financial year.

Additionally, it is proposed that the 10% discount, applicable to Rates payments received by the due date, be continued, at a cost of \$243,161.

UV land valuations as set by the Valuer General (State Government) has increased by 4% across the district. This has meant that a true “rates freeze” across individual rate assessments is impossible to achieve. GRV valuations have also changed slightly due to land being developed throughout the 2019/20 year. Consequently, the Rate in the Dollar, which is set by Council, needs to be adjusted accordingly.

The proposed Rate in the Dollar values and minimums (with a comparison to 2019/20 rates) are as follows:

	<u>2019/20</u>	<u>2020/21</u>
Gross Rental Value	\$0.110570	\$0.110717
Gross Rental Value Minimum	\$853.00	\$853.00
Unimproved Value	\$0.009014	\$0.008644
Unimproved Value Minimum	\$853.00	\$853.00

STATUTORY ENVIRONMENT

Section 6.32 of the *Local Government Act 1995*, in reference to Rates and service charges, provides that:

- (1) When adopting the annual budget, a local government —
 - (a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or
 - (ii) differentially; and
 - (b) may impose* on rateable land within its district —
 - (i) a specified area rate; or
 - (ii) a minimum payment; and
 - (c) may impose* a service charge on land within its district.

* *Absolute majority required.*

- (2) Where a local government resolves to impose a rate it is required to —
 - (a) set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and
 - (b) set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.

Section 6.34 of the Act provides that unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

Section 6.35 of the Act provides:

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
 - (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
 - (a) to land rated on gross rental value;

- (b) to land rated on unimproved value; and
- (c) to each differential rating category where a differential general rate is imposed.

Section 6.45 of the Act provides options for payment of rates or service charges (instalments) as follows:

- (1) A rate or service charge is ordinarily payable to a local government by a single payment but the person liable for the payment of a rate or service charge may elect to make that payment to a local government, subject to subsection (3), by —
 - (a) 4 equal or nearly equal instalments; or
 - (b) such other method of payment by instalments as is set forth in the local government's annual budget.
- (2) Where, during a financial year, a rate notice is given after a reassessment of rates under section 6.40 the person to whom the notice is given may pay the rate or service charge —
 - (a) by a single payment; or
 - (b) by such instalments as are remaining under subsection (1)(a) or (b) for the remainder of that financial year.
- (3) A local government may impose an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments and that additional charge is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.
- (4) Regulations may —
 - (a) provide for the manner of making an election to pay by instalments under subsection (1) or (2); and
 - (b) prescribe circumstances in which payments may or may not be made by instalments; and
 - (c) prohibit or regulate any matters relating to payments by instalments; and
 - (d) provide for the time when, and manner in which, instalments are to be paid; and
 - (e) prescribe the maximum amount (including the maximum interest component) which may be imposed under subsection (3) by way of an additional charge; and
 - (f) provide for any other matter relating to the payment of rates or service charges.

Section 6.46 of the Act allows for the discounting of rates providing, subject to the *Rates and Charges (Rebates and Deferrals) Act 1992*, a local government may, when imposing a rate or service charge, resolve* to grant a discount or other incentive for the early payment of any rate or service charge.

* *Absolute majority required.*

Section 6.47 of the Act provides that subject to the *Rates and Charges (Rebates and Deferrals) Act*, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

Section 6.51 of the Act provides that interest on overdue rates or service charges may be applied to rates as follows;

- (1) A local government may at the time of imposing a rate or service charge resolve* to impose interest (at the rate set in its annual budget) on —
 - (a) a rate or service charge (or any instalment of a rate or service charge); and
 - (b) any costs of proceedings to recover any such charge, that remains unpaid after becoming due and payable.

* *Absolute majority required.*

Regulation 19A of the Local Government (Financial Management) Regulations 1996 prescribes that the maximum rate of interest to be imposed under section 6.13(1) is 11%.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER'S RECOMMENDATION

That the Corporate Strategy Committee recommends to Council:

1. In accordance with s6.32 of the *Local Government Act 1995* the rates and minimums to be levied on all rateable property within the Shire of Beverley for the financial year ending 30 June 2020 be as follows:

Gross Rental Value	\$0.110717
Gross Rental Value Minimum	\$853.00
Unimproved Value	\$0.008644
Unimproved Value Minimum	\$853.00
2. The service of rates notice date be 3 August 2020.
3. In accordance with s6.46 of the *Local Government Act 1995*, a 10% rate discount be allowed for rates paid in full within **twenty one (21) days of the service of rates notice being applicable up to close of business 24 August 2020.**
4. In accordance with s6.51 of the *Local Government Act 1995*, an 8% interest charge be levied on all overdue rate instalments and on rates outstanding whether subject to either a formal or informal instalment program or not, excluding deferred pensioner rates.
5. In accordance with s6.45 of the *Local Government Act 1995*, an administration charge of \$10 and an interest component of 5.50% per annum calculated daily, for the second and each of the subsequent rates instalments be levied in connection with each formal rate instalment program.
6. That in accordance with s6.50 of the *Local Government Act 1995*, the due dates of instalments under the formal rate instalment program be;

1 st Instalment	7 September 2020
2 nd Instalment	9 November 2020
3 rd Instalment	11 January 2021
4 th Instalment	11 March 2021

COMMITTEE'S RESOLUTION

MCS4/0720

Moved Cr Seed

Seconded Cr Brown

That the Corporate Strategy Committee recommends to Council:

- 1. In accordance with s6.32 of the *Local Government Act 1995* the rates and minimums to be levied on all rateable property within the Shire of Beverley for the financial year ending 30 June 2020 be as follows:**

Gross Rental Value \$0.110717

Gross Rental Value Minimum \$853.00

Unimproved Value \$0.008644

Unimproved Value Minimum \$853.00

- 2. The service of rates notice date be 3 August 2020.**
- 3. In accordance with s6.46 of the *Local Government Act 1995*, a 10% rate discount be allowed for rates paid in full within twenty one (21) days of the service of rates notice being applicable up to close of business 24 August 2020.**
- 4. In accordance with s6.51 of the *Local Government Act 1995*, an 8% interest charge be levied on all overdue rate instalments and on rates outstanding whether subject to either a formal or informal instalment program or not, excluding deferred pensioner rates.**
- 5. In accordance with s6.45 of the *Local Government Act 1995*, an administration charge of \$10 and an interest component of 5.50% per annum calculated daily, for the second and each of the subsequent rates instalments be levied in connection with each formal rate instalment program.**
- 6. That in accordance with s6.50 of the *Local Government Act 1995*, the due dates of instalments under the formal rate instalment program be;**
 - 1st Instalment 7 September 2020**
 - 2nd Instalment 9 November 2020**
 - 3rd Instalment 11 January 2021**
 - 4th Instalment 11 March 2021**

CARRIED 9/0

5.4 Draft 2020/21 Budget

SUBMISSION TO: Corporate Strategy Meeting 21 July 2020
REPORT DATE: 1 July 2020
APPLICANT: N/A
FILE REFERENCE: ADM 0092
AUTHOR: S.K. Marshall, Deputy Chief Executive Officer
ATTACHMENTS: Draft 2020/21 Budget Documentation

SUMMARY

The Corporate Strategy Committee to consider recommending to Council that the draft 2020/21 Budget be adopted.

BACKGROUND

The *Local Government Act 1995*, provides that a local government must, not later than 31 August in each financial year, or such extended time as the Minister allows, prepare and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

2020/21 Budget preparation has been underway since February 2020, with periodical Capital Purchase Program items presented to Council for 2020/21.

Council has also considered maintaining rates and discretionary fees and charges (set by Council) at 2019/20 levels in response to the COVID-19 pandemic.

COMMENT

The draft 2020/21 Budget presented shows the detailed workings of Council's Operational and Capital programmes incorporating a rate increase of 0%.

The documents presented include:

- Budget Detailed Line Item Breakdown;
- Capital Projects;
- Property Maintenance Schedule;
- Insurance Premium Summary;
- Loan Maintenance Summary;
- Rate Models (0% increase);
- Reserve Fund Summary; and
- Budget Balancing Cut List.

As presented the draft 2020/21 Budget is in deficit by ~\$(TBC at Meeting).

Please note that 2019/20 Carried Forward balances may change as a result of End of Financial Year processing and Final Audit which will impact on the Budget closing balance.

Consequently, to balance the bottom line an increase in revenue (through a further Reserve fund transfer), a decrease in expenditure (cut to discretionary spending) or a mixture of both is required.

A “*Cut List*” outlining cash items that can be carried over to subsequent years is provided to simplify this process.

STATUTORY ENVIRONMENT

Section 6.2 of the *Local Government Act* provides that:

- (1) Not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.
- (2) In the preparation of the annual budget the local government is to have regard to the contents of the plan for principal activities accepted by a local government under section 5.58 and to prepare a detailed estimate for the current year of –
 - a. the expenditure by the local government;
 - b. the revenue and income, independent of general rates, of the local government; and
 - c. the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.
- (3) For the purposes of subsections (2) (a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.
- (4) The annual budget is to incorporate –
 - a. Particulars of the estimated expenditure proposed to be incurred by the local government
 - b. Detailed information relating to the rates and service charges which will apply to land within the district including –
 - i. the amount it is estimated will be yielded by the general rate; and
 - ii. the rate of interest (if any) to be charged by the local government on unpaid rates and service charges;
 - c. the fees and charges proposed to be imposed by the local government;
 - d. the particulars of borrowings and other financial accommodation proposed to be entered into by the local government;
 - e. details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used;
 - f. particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and
 - g. such other matters as are prescribed.
- (5) Regulations may provide for –
 - a. The form of the annual budget;
 - b. The contents of the annual budget; and
 - c. The information to be contained in or to accompany the annual budget.

Section 6.11 of the Act provides:

- (1) Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.
- (2) Subject to subsection (3), before a local government —
 - (a) changes the purpose of a reserve account; or
 - (b) uses the money in a reserve account for another purpose, it must give one month's local public notice of the proposed change of purpose or proposed use.
- (3) A local government is not required to give local public notice under subsection (2) —
 - (a) where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or
 - (b) in such other circumstances as are prescribed.
- (4) A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.
- (5) Regulations may prescribe the circumstances and the manner in which a local government may set aside money for use for a purpose in a future financial year without the requirement to establish and maintain a reserve account.

Section 6.32. of the Act in reference to Rates and service charges, provides that:

- (1) When adopting the annual budget, a local government —
 - (a) in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or
 - (ii) differentially; and
 - (b) may impose* on rateable land within its district —
 - (i) a specified area rate; or
 - (ii) a minimum payment; and
 - (c) may impose* a service charge on land within its district.

** Absolute majority required.*
- (2) Where a local government resolves to impose a rate it is required to —
 - (a) set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and
 - (b) set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.

Section 6.34 of the Act provides that unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

Regulation 32 of the *Local Government (Financial Management) Regulations* provides that a local government may exclude from the calculation of the budget deficiency (6.2(3)) —

- (a) money borrowed or to be borrowed, to the extent that it is proposed in the annual budget to remain unspent at the end of the financial year;

- (b) reserves, to the extent that they are proposed in the annual budget to remain unspent at the end of the financial year;
- (c) in relation to a land transaction or trading undertaking, assets and liabilities, to the extent to which they are proposed in the annual budget to remain restricted to the purposes of the land transaction or trading undertaking at the end of the financial year;
- (d) any proposed amounts of depreciation of non-current assets;
- (e) assets from grants or gifts or non-cash revenue or expenditure;
- (f) current liabilities which, by their nature, are restricted, to the extent that they are proposed in the annual budget to remain uncleared at the end of the financial year; and
- (g) any other current assets which, by their nature, are restricted, to the extent that they are proposed in the annual budget to remain unused at the end of the financial year.

Section 6.35 of the Act provides:

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.
- (2) A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —
 - (a) 50% of the total number of separately rated properties in the district; or
 - (b) 50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.
- (4) A minimum payment is not to be imposed on more than the prescribed percentage of —
 - (a) the number of separately rated properties in the district; or
 - (b) the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.
- (5) If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.
- (6) For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —
 - (a) to land rated on gross rental value;
 - (b) to land rated on unimproved value; and
 - (c) to each differential rating category where a differential general rate is imposed.

FINANCIAL IMPLICATIONS

2020/21 Budget

STRATEGIC IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the Corporate Strategy Committee recommend to Council that the balanced draft 2020/21 Budget be adopted.

COMMITTEE'S RESOLUTION

MCS5/0720

Moved Cr Pepper

Seconded Cr White

That the Corporate Strategy Committee recommend to Council that the balanced draft 2020/21 Budget be adopted.

CARRIED 9/0

6. NEW BUSINESS ARISING BY ORDER OF THE MEETING

Nil

7. CLOSURE

The Chairman declared the meeting closed at 11:18am.

I hereby certify these Minutes as being confirmed in accordance with Section 5.22 of the Local Government Act 1995.

PRESIDING MEMBER:

DATE: