

MINUTES of the Ordinary Meeting of the Horsham Rural City Council held in the Municipal Chambers, Civic Centre, Roberts Avenue Horsham on 16 July 2018, at 5.30pm.

PRESENT: Cr Pam Clarke, Mayor; Cr Alethea Gulvin, Cr Josh Koenig, Cr Les Power, Cr David Grimble, Cr Mark Radford, Cr John Robinson

ALSO IN

ATTENDANCE: Sunil Bhalla, Chief Executive; Graeme Harrison, Director Corporate Services; Angela Murphy, Director Planning & Economic; Kevin O'Brien, Director Community Services; Martin Duke, Acting Director Technical Services; Fiona Kelly, Executive Assistant.

1. Reading of prayer and the acknowledgement of country statement

The Prayer and Acknowledge of Country Statement were read by the Chairman, Cr P Clarke.

2. Welcome to distinguished guests or persons in the public gallery

Chairman, Cr Clarke welcomed those in attendance to the Council Meeting.

The Mayor advised the gallery that the Council meeting will be recorded to maintain an audio archive.

Peter McGennicken	Lance Netherway	Buffy Harrison
Cheryl Linke	Andrew McDonald	Jane Edwards
Fletcher Mills	Andrew Barber	P Lucain
E Gulline	Mark Plowright	Dave Huddleston
Des Brauer	Chris Guest	Gay Fischer
Scott Johns	Pauline Margetts	Roslyn Hill
Daryl Hill	Steven Price	Mike Clarke
Jenny Grimble	Leanne Schilling	Sherin Hobbs
Heather Phillips	Robert Wynne	J White
Bruce Crafter	Phil Pietsch	Kevin Pymer
Greg Eagle	Glenn Margetts	Brian Klowss
A Uebergang	Carl Sudholz	Robyn Gulline
L J Mouleanaux	Jacqueline Brand	Mandy Kirsopp
Tracey Knox	Tony Knox	AJ Mills
D Mills	David Sudholz	Marie Knight
Jack Knight	Christine Jackman	Nick Jackman
Neville McIntyre	Jill Taylor	Chris Bartlett
Sam Eagle	Joe Jacey	Peter Jackman
Russell & Libby Peucker	James Heard	Gavin Puls
Andrew Saunders	James Murphy	Greg Ruwoldt
David Puls	Daniel Mibus	Josh Grimble

Leigh McGennicken	Robert Armstrong	Matt McGennicken
Sam McGennicken	Gerard Matthews	John Ladlow
Geoffrey Rethus	Brian Uebergang	Colin Webb
Matthew Klowss	Richard Young	Shannon McLellan
Tom Blair	Bronwen Brown	Robert Byrne
Wendy Byrne	Nathan Klowss	Ian Klowss
Dale Hateley	Stuart Webb	John Uebergang
Allan Lear	J White	David Bowe
Don Schultz	Trish Schultz	Kath Dumesny
Lynette Bouchier	Beth McGennicken	Allan Mills
Trish Mills	Maurie Dumesny	Jenny Dumesny
Bill Gardner	Adrian Butler	

3. Apologies and request for Leave of Absence

NIL

4. Confirmation of minutes and signing thereof

Moved Cr Radford, seconded Cr Koenig that the Minutes emanating from the Ordinary Meeting of the Horsham Rural City Council held in the Municipal Chambers, Civic Centre, Horsham at 5.30pm on 2 July 2018, be adopted.

CARRIED

5. Disclosure of Conflict of Interest Sec 79, Local Government Act, 1989 (As Amended)

NIL

6. PUBLIC QUESTION TIME

Suspend Standing Orders

Moved Cr Koenig, Seconded Cr Robinson that Standing Orders be suspended for Public Question Time.

CARRIED

The time being 5.33pm the Council Meeting was suspended.

Public Question received from William Keith Gardner

What steps will council take to bring to an end the confrontational attitudes of council factions and work towards a more harmonious approach to reach compromise solutions to issues. Recent examples are the Horsham city bypass options and the current rating issue. Will council takes steps to stop this going forward.

Response from Cr Pam Clarke, Mayor

Bill, thank you for your question.

We are very fortunate to live in a democracy and for a good democracy to work; we need to respect the fact that we all have the right to our opinions without fear or favour.

Our code of conduct states; when council has adopted a position, councillors retain the right to make public comment. However, this right should be balanced against the virtue of Councillors uniting behind majority decisions of Council.

For generations of this council there has always been a “gentleman’s agreement”, that following a decision of council, all councillors will support and respect that decision, regardless of how they voted.

We should respect the democratic process and final outcome.

When councillors continue to debate issues in the media, before or after the decision, the whole democratic process is jeopardised. The reputation of councillors and the council is damaged.

We are 7 individuals, who have been elected to best represent our community and its diverse constituents. We are all here because we are passionate about our community and believe in the democratic process. We make decisions that are not always simple, easy or popular, but we make them with the information at hand and bringing our own values and principles to the debate. If we are here to please everyone, we will not be doing our job, because that is an impossible task.

We are here to ensure principled, ethical and informed decisions, with the needs of our community and good governance always at the forefront.

Under our Code of Conduct and our Local Law there is very little we can do to enforce these principles of ethical values and good governance behaviours.

In the end, the responsibility for good governance and good behaviour falls on us as individual and we can only be responsible for our own actions and decisions.

Public Question received from Bruce Crafter

1. **What benefit will the rate payers get out of spending \$400,000 on the council building foyer**

Response from Graeme Harrison, Director Corporate Services

Council has a detailed document on its website that explains the major capital projects in the 2018-19 Budget. This document summarises all of the works and explains the project and the reasons for them being undertaken.

With respect to the works at the Civic Centre, Council has not spent any significant funds on any aspects of the Civic Centre for many years. A master plan undertaken in 2010 identified \$5.5m of works – none of that has yet to occur. The alterations to the customer service area is just a small component of the master plan and is addressing the issues of:

- Improved customer interactions by creating a single point of entry that is universal access compliant (A lift to the current basement customer service area would cost significantly more)
- the current foyer (corridor) is under-utilised as a space and this change will result in more efficient use of space
- it will address OH&S issues with regard to security within the building
- it will address issues of privacy that exist for current customer interactions
- importantly it should allow the civic functions undertaken within the building to continue without the need for any further more significant spend

2. **How does the council intend to increase rural roads funding when they are expected to carry the extra \$600,000 rate burden**

With respect to the second part of the question: Council has increased rural roads funding for many years now. The infrastructure gap funding from the rates now totals \$2.4m of which in 18/19 budget \$1.84m has been allocated to roads. This source of funding did not exist 10 years ago prior to 2008/09 and council has been increasing it by between 1% and 2% of rates each year (including during the last 3 years under a rate capping environment). In 2018/19 funding from rates for rural roads in the budget has been increased by 20.7%. Also rehabilitation works has

increased by 8.3% with the majority of that funding going to rural roads. These two categories have increased funding to rural roads of \$377,000 in 2018-19 well in excess of the 2.25% rate cap. Overall council spends \$8.2m on roads and related infrastructure from its \$15.05m budget which is 54.5% of the total capital works program. Overall of every hundred dollars that council spends \$15.62 is spent on roads.

3. At the Kalkee Community Consultation meeting held in March Mr David Jochinke VFF President proposed a 2.25% increase over all categories. Do you acknowledge that this was said.

Yes

4. If you do acknowledge that this was said why wasn't it taken into consideration when forming the budget.

All submissions to the budget process were considered. Neither Mr David Jochinke nor the VFF made a submission.

5. I would like to know what legal advice the HRCC has that goes against one of the States cornerstone rate considerations that it must be fair and equitable

The matter of fairness and equity is for discussion in tonight's Council Agenda.

Public Question received from Christine & Nick Jackman

As we now pay \$23,550 in rates could you please explain why our rates will go up by \$9,108 so that the residential rate reduces? We feel that the Council is just using us a cash cow!

- Rates are a tax based on Capital Improved Values – when the value of your property increases more than the average increase then you will pay more rates than the average.
- The level of an individual's personal rate bill will be dependent upon the extent of their property holdings and their Capital Improved Valued.
- An increase in rates of this magnitude is reflective of the change in capital improved value for that property.
- Council provides a 20% discount to the farm sector by way of a rate differential.
- Council does not receive more rate revenue just because property prices are increasing.
- Individuals may object to their valuations if they believe that they are too high.
- Council has a rates hardship policy that ratepayers can utilise if they are having difficulty in paying their rates.

A rate bill of around \$23k would indicate a capital improved value of around \$9.3m and an \$8,000 increase in rates would reflect around a \$3.2m increase in capital improved value or a 34% growth in capital value over the 2 year period.

Supplementary question from Christine Jackman

Why can't we all take part in the rates sharing so it is not just a rate burden for some.

Response from Graeme Harrison

This has already been responded to but the rates are based on the capital improved value for everyone.

Resume Standing Orders

Moved Cr Robinson, Seconded Cr Power that Standing Orders resume.

CARRIED

The time being 5.48pm the Council Meeting resumed.

Cr Robinson asked to read a statutory statement.

Moved Cr Grimble, seconded Cr Radford that standing orders be suspended.

CARRIED

The time being 5.49pm the Council meeting was suspended.

Standing Orders were suspended to address Cr Robinson's statement.

Moved Cr Grimble, seconded Cr Power that Standing Orders resume.

The time being 5.53pm the Council Meeting resumed.

CARRIED

Cr Robinson's statement was not allowed to be read out.

7. OTHER BUSINESS

7.1 RESUMPTION OF DEBATE ON THE MOTIONS FROM PREVIOUS MEETING

NIL

7.2 RECEPTION AND READING OF PETITIONS, MEMORIALS, JOINT LETTERS AND DEPUTATIONS

NIL

7.3 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

NIL

7.4 COUNCILLORS QUESTIONS WITH NOTICE

NIL

7.5 ORDERS OF THE DAY

NIL

8. OTHER REPORTS

8.1 ASSEMBLY OF COUNCILLORS – RECORD OF MEETINGS

Council briefing meeting held on Monday 9 July 2018 at 5.00pm in the Council Reception Room.

Refer to **Appendix “8.1A”**.

Moved Cr Robinson, Seconded Cr Radford that Item No 8.1 be received.

CARRIED

8.2 SEALING OF DOCUMENTS

Transfer of lease 13 Mason Drive, Horsham Aviation Services to Brownlee and Woods Flying Services.

Recommendation

That Council note the Assembly of Councillors’ – Record of Meetings and Sealing of Documents.

Moved Cr Radford, Seconded Cr Gulvin that Sealing of Documents be noted.

CARRIED

8.3 INWARD CORRESPONDENCE

NIL

8.4 COUNCIL COMMITTEE MINUTES

8.4.1 Horsham Regional Art Gallery Advisory Committee meeting held on Thursday 5 July 2018 at 5.15pm in the Handbury Education Centre, Horsham Town Hall, Wilson Street, Horsham.

Refer to **Appendix "8.4A"** for copy of minutes.

Moved Cr Radford, Seconded Cr Koenig that Item No. 8.4.1 be received.

CARRIED

Item No. 10.1 Petition on Rating Differentials was brought forward in the Council agenda to this point.

9. COUNCILLORS' REPORTS

Cr Power

- 6 July – Urban tour of Councillors. It was good that we got around to see the surrounding community. It opened my eyes to how important small businesses are to Horsham and to the community. It was good to get out and see people.
- NAIDOC week. This is a special week for the Koori community. There were events for everyone to attend.
- Football on the weekend in Stawell for the spirit of football and netball award presentations.

Cr Gulvin

No report

Cr Grimble

- The last 3 weeks have been busy discussing farm rates. The resolution of Council does not surprise me and I will continue to try for an independent review when that happens.
- Cr Grimble attended the Emergency Management conference in Melbourne on 10 and 11 July. Refer to **Attachment 1** for copy of meeting notes.

Cr Koenig

- Great ideas are coming through on the Youth Strategy. Cr Koenig encouraged people to make submissions. There is a lot of unrest about services and what that means. It's not about taking away services but about shaking them around and what their current use is in this day and age.
- 10 July - WDA Board Meeting. Discussed progress around the weather station. The leading mindful Leadership Wimmera breakfast and the Wimmera River Park run which will be held on Saturday 25 August at 7.30am. Council helped out with a community grant.

Cr Robinson

- The Mockinya dam come tanks has bubbled up and I understand VicRoads are quite happy with the idea of tanks where they are proposed. Mr Bhalla might be able to tell us when an application for funding might come through. The farming community are becoming nervous with the upcoming fire season.
- Cr Robinson talked about the community satisfaction survey. A highlight of the survey is our customer service team who rated very highly and congratulations to them, but that is where the congratulations stops. We've taken a big dive in overall council direction and decisions we make in the

interests of the community and our communicating. On the agenda tonight there will be discussion about the Local Law No 1 Governance Meeting Procedures and we are potentially going to reduce that. I may be standing here for the last time because this part of the meeting will potentially be taken out of the meeting process. The frequency of council meetings will go to one a month. Not sure whether the community will be happy about that. Are we hiding behind legal advice and less meetings. How are we going to achieve better satisfaction from our community if we're not visible and standing up here representing their issues.

Cr Radford

- Cr Radford acknowledged Cr Grimble being invited to speak at the emergency management conference, which is a privilege.
- Cr Radford talked about a recent Horsham community and police consultative committee meeting where discussions were held about the upskilling of some of our CFA volunteers at Natimuk so they will be able to perform rescues. This was an idea some time ago but is now going to happen which will speed up the rescues and allow locals to receive training. Another thing mentioned at the police meeting was the continual roll out of defibrillator machines that are going out across Horsham and surrounds and this is a good thing. Funding was received from Ambulance Victoria, Council and other teams represented on the police group.
- 13 July - Rural tour. It was eye opening to visit the freight terminal, the land fill, Natimuk Men's Shed, the amazing work done by Lynette at the Gymnastics Club and the very exciting work of the Historical Society with the establishment of the museum. It is very encouraging to see what is happening at Natimuk. We went to Grampians Olives to see a local business growing quality local produce and sending it overseas as well as the domestic market. One of the issues for the business was the importance of reliable internet. If this is something Council could continue to advocate for then we should. We visited the Laharum football ground and hall and it was good to hear words of encouragement. A highlight of the tour was the visit to the turkey farm at Dadswells Bridge which is a great business. Well done to those who put the itinerary together.

Cr Clarke, Mayor

- 4 July – Along with the CEO travelled to Ararat and met with Jacinta Allan and discussed passenger rail back to Horsham which is a really important thing for the community. We also discussed the change to the timetable for buses, which have been reduced. Cr Clarke received a letter from a woman in Warracknabeal whose husband has cancer. She used to be able to get the bus from Warracknabeal to Ballarat, visit her husband in hospital for about 4 or 5 hours and then get back on the bus to Warracknabeal. With the change to the service she now has less than an hour in Ballarat which is very disappointing. Minster Allan has assured us that there will be a discussion on the timetables to make sure they are appropriate for the community. We

then met with Liberal Party Member Louise Staley and talked about the importance of proper public transport for this region.

- 6 July – Urban tour of Horsham and looked at things that council are involved in.
- 9 July - Flag raising for NAIDOC week in Roberts Place.
- Launch of artwork by the Koori people at the Art Gallery.
- 10 July – Victorian Local Government and Integrity Training.
- 13 July - Regional tour. Cr Radford has articulated the tour, all the wonderful places we visited. It was good to see our community and speak with people.

Moved Cr Power, Seconded Cr Koenig that the Councillors' Reports be adopted.

CARRIED

10. OFFICERS REPORTS

Moved Cr Power, seconded Cr Radford that Item No. 10.1 be brought forward in the Council Agenda (before Councillors' Reports).

CARRIED

Moved Cr Grimble, Seconded Cr Radford that Item No. 10.1 be "lifted from the table".

CARRIED

10.1 PETITION ON RATING DIFFERENTIALS

G Harrison File Ref: F27/A01/000001

Purpose

To discuss the petition received at Council's Special Meeting on 25 June 2018, regarding rating differentials.

Background

A. Current Situation

At the Special Council meeting on 25 June 2018 a petition containing 76 signatures was presented to Council with the following demand: "That Councillors of Horsham Rural City Council adjust the rating differential to ensure each rateable category shares the increased rate burden for the 2018-19 budget". **Appendix "10.1A"**

At the special meeting, Council resolved to adopt the 2018-19 Budget and Rating Strategy as presented and to not make any changes to the farm differential or introduce any further differentials.

Throughout the 28-day statutory submission period, Council received eight submissions with respect to the budget of which two were in relation to the issue of the farm differential.

The petition raises the issue of the distribution of the rates burden across the community and particularly the increase in rates for the farm sector 11.8% in 2018-19, relative to that of the residential sector -0.6%. The petition called upon Council to consider the equity and fairness of the situation.

B. Fairness and Equity

The matter of fairness and equity within a rating system that is based on property values is a complex matter. A rating strategy should be modified and amended on the basis of the consideration of all principles within the strategy and not just a response to a single item.

Current Victorian legislation originates from the *English Ratings Act*, including the *Poor Relief Act 1601*, the *Poor Rate Act 1801* and the *Rating and Valuation Act 1925*. It is the accepted philosophy that “property” benefits in a particular way from the services provided by local government, and therefore “property” should contribute to the cost of local government.

Council Objectives in the Local Government Act 1989 (The Act):

- Section 3C (2) (f) require the “equitable imposition of rates and charges”.
- Section 136 (2) (b) requires Council to pursue spending and rating policies that are consistent with a “reasonable degree of stability in the level of rates burden”.
- Section 3C (1) requires Council to have regard to the “long term and cumulative effects of decisions”

As rates are based on property values it is essentially a wealth based tax. There is a direct relationship between property holdings and disadvantage – less wealthy people tend to own lower valued properties. Property owners with higher valued assets generally have a greater capacity to pay.

The stability of the rates allocations are impacted currently every two years when property values are adjusted to reflect the movement in values within the municipality (this will move to yearly from 2018-19).

Issues of fairness and equity are judgemental in nature, complex and subjective.

There are a number of key aspects of equity that need to be considered:

Horizontal equity - ratepayers in similar situations should pay similar amounts.

Vertical equity – the view that those better off should pay more than those worse off.

Benefit principle points to the fact that some groups may have more access to Council services.

Capacity to pay principle is that some will have a greater or lesser capacity to pay the assessed rates, particularly as property value is unrealized wealth and a ratepayer may be asset rich and cash poor.

Council through its Rating Strategy must strike a balance between the various competing objectives particularly of horizontal and vertical equity. How that balance is achieved between these competing and conflicting objectives is largely a political

decision (there is no clear right or wrong) and needs to take into account the views and opinions of the community.

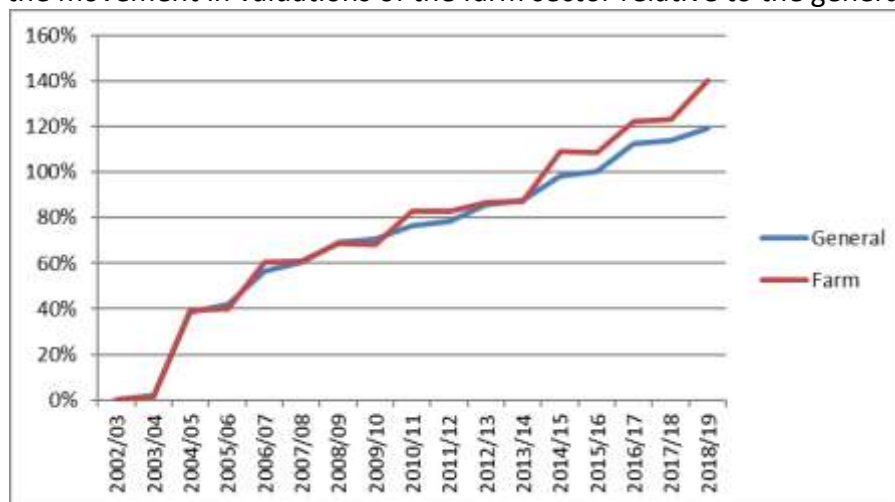
Council's Rating Strategy lists the following 21 policy positions that Council considers in determination of its Rating Strategy, each of these in one way or another impact on the issue of fairness in the distribution of the rate burden:

1. Horizontal Equity – to ensure that people in similar economic circumstances are treated similarly
2. Vertical Equity – the amount of tax to be paid varies in accordance with an individual's economic circumstances
3. User pays Principle – (benefit principle) Some groups may have more access to Council services
4. Capacity to Pay – some groups may have a greater or lesser capacity to pay ie asset rich but income poor
5. Charitable Rate Exemptions – certain category of properties may be exempt from rates under Section 154 of the Local Government Act
6. Flat Municipal Charge – recognition of the fact that that all properties have an obligation to contribute to the basic operations of Council
7. Cultural & Recreational Exemptions – Cultural & Recreational Lands Act 1993 provides capacity for rate exemptions
8. Valuation Method – Council has the option to consider rating on the basis of Capital Improved Value, Site Value or Net Annual Value
9. Classification of farming assessments – how do properties qualify as farming properties
10. Supplementary Valuations – how and when supplementary valuations are undertaken during the year
11. Deferments, Discounts and/or Waivers – Council has a separate policy to address these matters from Section 169, 170 & 171 of the Local Government Act.
12. Rebates & Concessions – may be offered under Section 169 of the Local Government Act.
13. Differential Farm Rates – A differential must be considered for farm land under Ministerial Guidelines but must be carefully considered for dryland farming
14. Differential for Retirement Villages - A differential must be considered for retirement villages.
15. Differential for other classes of land use – other differentials may be offered within the Ministerial Guidelines
16. Differential for Geographic Reasons – may be considered within the Ministerial Guidelines
17. Garbage & Recycling Services – the service is charged on a user pays basis as it can clearly be tagged to those that use it
18. Special Rates & Charges – can be used wherever appropriate
19. Payment Options and Interest Charges – Council must offer quarterly payments, but lump sum payments are optional, interest may be charged on overdue payments.
20. Early Payment Discounts – Council may offer early payment benefits
21. Rating of Charitable Retail Premises – Section 154 of the Local Government Act requires these to be rated.

Issues

Historical valuations

During the 2018 Revaluation farm values increased overall by \$229.4 million (17.2%) or \$106,232 on average for each farm assessment, indicating a substantial increase in asset wealth. By contrast over the same period residential values rose \$96.1 million (4.2%) or \$10,459 on average per residential assessment. The following graph depicts the movement in valuations of the farm sector relative to the general sector:



In 2014-15 the farm sector rose above the general sector but unlike previous years the general sector has not caught up with this rise. In 2014-15 Council increased the differential by 10% to 80% following an extensive review of the rates strategy and undertaking extensive modelling.

Comparative Analysis

Some analysis has been undertaken following the adoption of Council budgets in order to demonstrate where Horsham Rural City Council (HRCC) sits within the western portion of the state. 13 other councils have been looked at: Moyne, Pyrenees, Colac, Northern Grampians, Corangamite, Ararat, Southern Grampians, Yarriambiack, Glenelg, Hindmarsh, Swan Hill, Mildura and Buloke. (West Wimmera is excluded as they only have a single general rate and do not provide separate Farm Sector information in their budget document and Warrnambool is excluded as it is largely non-farming).

- Farm Valuations - Increases in farm values for the 2 year period ranged from 3.9% up to 49.4% with an average of 18.55% (HRCC was 17.2%)
- Farm Differentials - There are differentials for the farm sector that range between 47% and 100% (ie no differential). Only five councils chose to change differentials following their budget consultation periods in 2018-19, and the

average change was 7.6%. With one council decreasing the differential by 18% and others 2%, 4.8% 5% & 8%. The average differential is 81.12% (HRCC is 80%)

- Farm Rates in the dollar – These vary considerably across councils as they depend upon the levels of services delivered and relative land values. They do however directly impact on the amount of rates paid by an individual assessment. Farm rates in the dollar range from 0.2176 cents in the dollar to 0.6789. The average is 0.4272 and HRCC is 0.4109.
- The Municipal Charge (MC) – the higher the charge the more the rate burden is passed to lower valued properties. A high municipal charge also greatly benefits the farm sector who can claim an exemption from this where they have a single farm enterprise which is comprised of multiple assessments. HRCC's MC is the highest of all 14 councils at \$287 the average is \$137 with 3 Councils having no MC. The next highest charge to HRCC is \$199. (A \$287 MC roughly equates to a further 10% differential for the farm sector).
- Farm Rates on a \$1 million assessment (variable + MC excluding garbage charges and fire services levy) – in HRCC the rate bill would be \$4,213 the average for all 14 councils is \$4,409 with the highest being \$6,959 and the lowest \$2,437.
- % of Overall Rates – another matter that has been raised is the overall share of the rate burden that each sector pays, but this is greatly influenced by the make-up of each council – the number of towns versus farms, levels and standards of service and relative values. On average though the farm sector pays 44.8% of the total rates burden across the 14 councils. The lowest is 22.9% and the highest is 72.5%. For HRCC it is 30.4% and this has varied within a narrow band over the years being as low as 28.1% and as high as 31.0%.

Conclusion

The matter is not simple or black and white. Consideration and thought needs to be given to the relative questions of what is fair and what is not. Fairness is subjective and will differ depending upon an individual's view on matters. The question is essentially, whether it is "fair" to tax capital improved land values.

Adjusting the differential to maintain the status quo of the current percentage shares of the rates pie undermines the foundational principle that rates are based on property values which change over time.

Differentials may be adjusted or created but only after proper consideration and thoughtful consultation. A hastily made decision to amend and introduce new differentials based upon feedback from one sector outside the budget submission processes is not good governance, nor would it be "fair" for those that have not had the opportunity to comment on such a significant change.

Consultation/Communication

Council first introduced a farm differential in 1999-2000 of 95% of the General Rate. It then reduced the differential further in 2010-11 to 90%. The subsequent reduction

to 80% was only made following an extensive review of the Rating Strategy in 2014-15 which involved detailed engagement with the community.

Council has not in the past made decisions to change or introduce differentials without due consultation with the community. Council considers that a change to a differential or the introduction of new differentials would be a material change to its Budget and would therefore require further consultation with the broader community under Section 223 of the Local Government Act, to ensure principles of natural justice are followed. Refer to **Confidential Briefing Paper** for legal advice on this matter.

Council plans to undertake a detailed review of the Rates Strategy in 2018 in time for consideration in the 2019-20 budget cycle. A draft Rates Strategy Project Brief is being prepared. The review will engage an independent consultant to undertake the task and will also involve input from a proportionate number of ratepayers from all sectors within the municipality.

Financial

A significant change to budgeted expenditure or rate differentials would constitute a material change in the budget and trigger the requirement for Council to produce a revised budget in accordance with Section 128 of the Local Government Act.

Recommendation

That Council:

1. Note the impact of the significant increase in farm valuations relative to residential values and the impact that has on rates.
2. Note the legal advice that any amendment to Council's rating structure be deferred until next year's budget to ensure that good strategic and financial planning practices can be implemented.
3. Reaffirm its commitment to undertake a detailed review of its Rates Strategy (including the level of the farm differential) prior to the preparation of the 2019-20 Budget.

Moved Cr Grimble, Seconded Cr Radford that the report be received.

CARRIED

Moved Cr Grimble, Seconded Cr Robinson that speaking times be extended to ten minutes for the mover and 5 minutes for other speakers.

MOTION LOST

Cr Grimble called for a Division of Council

In favour

Cr Robinson
Cr Koenig
Cr Grimble

Against

Cr Clarke
Cr Power
Cr Gulvin
Cr Radford

Moved Cr Grimble that Council acknowledge to achieve a fair equitable rate distribution sustainable with a reasonable degree of stability it will commit to –

- 1. The production of revised reduced budget 2018/19 budget,**
- 2. Public exhibition period 28 days and submission process.**
- 3. Adoption of a revised budget prior to rate notices delivered.**
- 4. No land class will rise more than the State Government rate cap 2.25% from 2017/18 rate revenue received.**

Moved Radford, Seconded Cr Koenig that Standing Orders be suspended.

CARRIED

The time being 6.20pm the Council Meeting was suspended.

Standing Orders were suspended to work out whether the motion from Cr Grimble can be allowed and to allow time to provide copies of the motion to all Councillors.

Moved Cr Radford, Seconded Cr Robinson that Standing Orders resume.

CARRIED

The time being 6.30pm the Council Meeting resumed.

Mr Bhalla read a statement. Council's Meeting Procedure E11.8 "Unless the Council or Committee resolves to relist at a future meeting a Notice of Motion which has been lost, a similar motion must not be put before the Council or Committee for at least three months from the date it was lost".

The last part of Cr Grimble's motion, "that no land class will rise more than the State Government rate cap 2.25% from 2017/18 rate revenue received" is similar to what was put forward at the previous council meeting.

Moved Cr Grimble, Seconded Cr Robinson a motion of dissent.

MOTION LOST

Cr Grimble called for a Division of Council

For the motion

Cr Grimble
Cr Robinson

Against the motion

Cr Koenig
Cr Power
Cr Radford
Cr Gulvin
Cr Clarke

Moved Cr Robinson that Council amend the 2018/19 rating policy by removing the 2.25% increase as applied in the general rate in the 2017/18 budget and apply the 12 month consumer price index (1.9%) to each assessment of general rates, that council retain the current rate differential structure unchanged and retain the municipal and other charges, discounts and exemptions as already published.

Moved Cr Radford, seconded Cr Gulvin that Standing Orders be suspended.

CARRIED

The time being 6.38pm the Council Meeting was suspended.

Standing Orders were suspended to decide whether the motion from Cr Robinson can be allowed and to allow time to provide copies of the motion to all Councillors.

Moved Cr Power seconded Cr Radford that Standing Orders resume.

The time being 6.45pm the Council Meeting resumed.

Mr Graeme Harrison made a statement. To try to achieve what Cr Robinson is looking to achieve would require us to have a differential for every assessment we have, which is not something we are able to do under the Ministerial Guidelines or the Act around the differentials.

Moved Cr Radford, Seconded Cr Power that the recommendation be adopted.

That Council:

- 1. Note the impact of the significant increase in farm valuations relative to residential values and the impact that has on rates.**
- 2. Note the legal advice that any amendment to Council's rating structure be deferred until next year's budget to ensure that good strategic and financial planning practices can be implemented.**

3. Reaffirm its commitment to undertake a detailed review of its Rates Strategy (including the level of the farm differential) prior to the preparation of the 2019-20 Budget.

CARRIED

Council then dealt with Item No. 9 Councillors' Reports.

10.2 REVIEW OF LOCAL LAW NO 1 GOVERNANCE – MEETING PROCEDURE

S Bhalla

File Ref: F25/A03/000001

Purpose

To propose amendments to the Horsham Rural City Council Local Law No 1 Governance – Meeting Procedure.

Background

Local Law No 1 Governance – Meeting Procedure prescribes the manner in which Council and Special Committee proceedings are conducted to ensure orderly and efficient activities.

The meeting procedure was originally adopted by Council on 1 February 2016. A revised procedure to incorporate a number of changes including the commencement of audio recordings of meetings was subsequently adopted on 6 November 2017.

Issues

On 13 June 2018, Councillors and Directors participated in a workshop facilitated by Terry Bramham from Macquarie Local Government Lawyers, to further review the meeting procedure.

A number of issues were discussed in the workshop and a copy of the meeting procedure with the proposed changes highlighted in track changes is attached to this report as **Appendix "10.2A"**. A clean copy of the meeting procedure is attached as **Appendix "10.2B"**. The majority of changes relate to Part C.3 – Councillor Reports and Acknowledgments and Part E – Motions and Debate.

The process by which Council may amend this procedure is much simpler than that required to change the local law but before it comes in to force the following must occur:

1. a notice of motion be given to Council to amend the procedure.
2. a formal notice published in the Government Gazette once amendments have been adopted, as per Section 112 (2) of the Local Government Act 1989.

Council at its ordinary meeting on 2 July 2018 received a Notice of Motion from Cr Mark Radford and resolved "That Council having conducted a review of its

Meeting Procedure (incorporated by reference in to Local Law No.1 – Governance), intends to amend the revised procedure at its meeting on Monday, 16 July, 2018.”

Consultation/Communication

Terry Bramham facilitated the workshop with Councillors and Directors to review the Local Law No 1 Governance – Meeting Procedure. Terry is a lawyer with considerable expertise in this area. He has worked exclusively in Local Government Law for over 25 years.

Financial

There are no financial implications for Council as a result of the proposed amendments to Local Law No 1 Governance – Meeting Procedure.

Links To Council Plans, Strategies, Policies

2017-2021 Council Plan –
Goal 4 – Governance and Business Excellence
4.4 Achieve high standards of organisational performance

Human Rights

The Victorian Charter of Human Rights and Responsibilities requires Councils to act consistently with the human rights in the charter when developing policies, making laws, delivering services and making decisions. The proposed changes to Local Law No 1 Governance – Meeting Procedure are consistent with the charter.

Recommendation

That Council:

1. Adopt the revised Local Law No 1 Governance – Meeting Procedure as outlined in **Appendix “10.2B”**.
2. Publish a notice advising of the amendments to Local Law No 1 Governance – Meeting Procedure in the next Victorian Government Gazette in accordance with Section 112(2) of the *Local Government Act 1989*.
3. Note that the revised Local Law No 1 Governance – Meeting Procedure will come into effect immediately following publication in the Victorian Government Gazette.

Moved Cr Grimble seconded Cr Robinson that Item 10.2 be deferred until appropriate public community consultation and feedback is received.

CARRIED

Cr Grimble called for a Division of Council

For the motion

Cr Robinson
Cr Koenig
Cr Grimble
Cr Radford
Cr Gulvin

Against the motion

Cr Power
Cr Clarke

10.3 FREQUENCY OF COUNCIL MEETINGS

S Bhalla

File Ref: F19/A06/000001

Purpose

To change the frequency of Horsham Rural City Council meetings.

Background

Ordinary meetings of the Horsham Rural City Council are currently held on the first and third Monday of each month (excluding January) commencing at 5.30pm. The formal decision making process of Council occurs through these meetings.

In addition, Councillor briefing meetings are held on the second and fourth Monday of every month (excluding January). These meetings provide an opportunity for Councillors and Officers to share information and engage in discussions around current issues and concerns. Draft Council reports are also presented at these meetings for discussion, feedback and review, prior to going up to a formal Council meeting. No decisions are made at the briefing meetings.

Issues

It is suggested that Councillors consider moving from two to one ordinary Council meeting per month. Monthly Council meetings could be held on the fourth Monday, with briefing meetings on the first and second Monday of each month. This would allow time for Officers to address issues, questions and concerns raised in briefing meetings and finalise reports prior to the Council meeting.

Preparation for Council meetings is labour intensive and sometimes there are minimal agenda items, largely due to the frequency of meetings. In the current rate capping environment, it is important that Council continues to find cost savings and

ways in which it can work more efficiently, effectively and strategically across the organisation.

Fewer Council meetings with a more extensive agenda will mean significant savings and more efficient use of resources across the organisation. It will also improve the work/life balance for Councillors and staff.

It is proposed to implement the new meeting frequency in August 2018.

Meeting dates for the remainder of 2018 would be 27 August, 24 September, 22 October, 26 November and 17 December (due to Christmas day).

Consultation/Communication

Horsham Rural City Council is one of 31 Category 2 Councils across the State. A benchmarking activity (Refer **Appendix "10.3C"**) shows that only three Councils (including Horsham Rural City Council) hold two ordinary council meetings per month. The remaining 28 Category 2 Councils have one monthly meeting.

The 4 Wimmera regional Councils hold their ordinary meetings on the following days:

Northern Grampians Shire Council	First Monday of the month (no January meeting)
West Wimmera Shire Council	Third Wednesday of the month (no January meeting)
Yarriambiack Shire Council	Fourth Wednesday of every month
Hindmarsh Shire Council	First and third Wednesday of the month (no January meeting)

Financial

Significant cost savings and efficiencies will be achieved in moving from two to one ordinary Council meeting per month.

Links To Council Plans, Strategies, Policies

2017-2021 Council Plan:

Goal 4 – Governance and Business Excellence

4.2 Manage risk to the organisation

4.4 Achieve high standards of organisational performance

Recommendation

That Council:

1. Hold one ordinary Council meeting per month, commencing in August 2018.

2. Note that ordinary meetings of the Horsham Rural City Council will be held on the fourth Monday of every month at the Civic Centre commencing at 5.30pm.
3. Note that meeting dates for the remainder of 2018 will be 27 August, 24 September, 22 October, 26 November and 17 December (due to Christmas day), the Statutory Meeting will be held on Thursday 8 November 2018 at 7pm as previously resolved.
4. Note that notice of the change to one ordinary Council meeting on the fourth Monday of every month will be provided to the public in accordance with *Local Law No 1 Governance (2017) Meeting Procedure*.

Moved Cr Grimble, Seconded Cr Robinson that Item No. 10.3 be deferred until appropriate community feedback is received.

MOTION LOST

Cr Grimble called for a Division of Council

In favour of the motion

Cr Grimble
Cr Robinson
Cr Gulvin

Against the motion

Cr Power
Cr Radford
Cr Koenig
Cr Clarke

Moved Cr Koenig, Seconded Cr Power that the recommendation be adopted.

CARRIED

10.4 TENDER 18/019 – PROVISION OF STRATEGIC PLANNING SERVICES

A Murphy File Ref: 18/019

Recommendation

That Council refer this item to the confidential briefing part of the meeting to consider the report from the Director Community Services in accordance with Section 89(2) (d) contractual matters of the Local Government Act, 1989.

Moved Cr Radford, Seconded Cr Koenig that the recommendation be adopted.

CARRIED

10.5 CONTRACT 18/027– PROVISION OF CONCRETE CRUSHING AND STOCKPILING, DOOEN LANDFILL

J W Hammond File Ref: 18/027

Recommendation

That Council refer this item to the confidential briefing part of the meeting to consider the report from the Director Community Services in accordance with Section 89(2) (d) contractual matters of the Local Government Act, 1989.

Moved Cr Gulvin, Seconded Cr Robinson that the recommendation be adopted.

CARRIED

11. URGENT BUSINESS

NIL

Cr Grimble left the Council Meeting at 8.04pm

Moved Cr Koenig, Seconded Cr Power that the Council Meeting close to consider item number 10.4 and 10.5 deemed to be of a confidential nature in accordance with Section 89(2) of the Local Government Act, 1989.

CARRIED

The time being 8.05pm the Council meeting closed.

Moved Cr Radford, Seconded Cr Robinson that the Council meeting open.

CARRIED

The Council Chamber doors were opened at 8.20pm.

Moved Cr Gulvin, Seconded Cr Radford that the recommendations in the closed Council meeting be adopted and that the adopted motions of Item 10.1 & 10.2 in closed Council be brought into the open Council meeting.

CARRIED

10.1 TENDER 18/019 – PROVISION OF STRATEGIC PLANNING SERVICES

A Murphy File Ref: 18/019

Moved Cr Koenig, Seconded Cr Radford that the tender by Planning and Environmental Design be accepted based on a fee of \$87,360 incl GST for 2018/19, for 2 days per week with a 2 further terms of 1 year options exercisable by Council. A further day per week from July 1 to December 31, 2018 at a price of \$840 per day including GST be accepted at \$21,000 (inc GST).

CARRIED

10.2 CONTRACT 18/027– PROVISION OF CONCRETE CRUSHING AND STOCKPILING, DOOEN LANDFILL

J W Hammond File Ref: 18/027

Moved Cr Radford, Seconded Cr Power -

- 1. That Council award Contract No: 18/027 - Provision of concrete crushing and stockpiling, Dooen landfill to Local-Mix Quarries Pty Ltd, of Moolap Victoria, for the tendered price of \$13.60 per tonne (excluding GST).**
- 2. That Council award this contract for an initial period commencing July 2018 to 30 June 2020 and that Council at its sole discretion may offer to enter into an additional two year term of contract to 30 June 2022.**

CARRIED

The meeting closed at 8.21pm.

The Mayor, Cr P Clarke
Chairperson