



Terms of Reference

2018 RATES STRATEGY REVIEW ADVISORY COMMITTEE

1 PURPOSE

To provide community input and opinion on the setting of key rating principles in the review of Council's Rates Strategy, and to make recommendations to Council on revisions to the Rates Strategy and an overarching Rates Policy. A key outcome of which is to achieve a fair and equitable distribution of the rate burden across all members of the community.

2 RESPONSIBILITIES

- To Identify and recommend principles for formulating council's rates strategy and policy.
- Advising on the factors for consideration of any differential rates
- Advising on the equitable sharing of the rate revenue and changes to current charges, rebates and exemptions.
- Proposing improvements to communication and engagement on the budget and rating strategy
- Consider feedback and submissions from members of the public that may be obtained during the review
- Producing a discussion paper with recommendations for Council

3 BACKGROUND

Council made a commitment during the adoption of its 2018-19 Budget and Rates Strategy that it would undertake a detailed independent review of its Rates Strategy in the period leading up to the 2019-20 Budget cycle.

Council reviews its Rates Strategy each year as a part of the normal budget cycle but has generally undertaken a more detailed review at least once during a council term. The last detailed review was undertaken in 2012-13 and led to some changes in the policy positions of Council and the level of the farm Differential.

One of the drivers behind a review at this point in time has been the impact of the relative movements in valuations between different sectors of the community which has led to changes in the level of rates across and within the various sectors.

Best Practise approaches to the review of a councils Rates Strategy require councils to consider a range of equity and fairness principles. These principles are explained in Council's Rates Strategy document for 2018-19 and in the guidance material provided by Local Government Victoria.

The Committee does not have the power to commit Council to any decision or action, or to direct Council staff in their duties. The Committee may make recommendations for consideration by Council, but Council reserves the right to accept or reject recommendations from the Committee.

4 CONDUCT AND METHODOLOGY OF THE REVIEW

The review will be led by an independent consultant appointed by council for the task. The role of the consultant will be to lead the process and the engagement with the Advisory Committee and the general community in order to produce an over-arching Rates Policy and a revised Rates Strategy.

The exact format for the review process will be determined by the appointed consultant but will include the following elements:

- An education process for Councillors and the Rates Strategy Advisory Committee as to how rates work and the relevant principles and issues that need to be considered.
- A series of workshops with the Advisory Committee to work through the rating principles to determine what, if any, changes are to be proposed.
- Community engagement activities that will allow the broader community to provide comment and submissions in to the process.
- The development of a draft Rates Policy and revised Rates Strategy for recommendation to Council.

Items that are out of scope and which the Rates Strategy Advisory Committee will not be asked to consider:

- The amount of rates collected by Council.
- The fees and charges for kerbside waste and recycling services.

- Council's other policies and strategies, except to the extent they relate to rating strategies.
- The cost effectiveness of providing Council services.
- The range of services and facilities provided by Council.
- Council's capital works program.
- Lease, licence and user agreements.

5 MEMBERSHIP

The Committee shall consist of a maximum of 9 people (excluding ex-officio), single representatives unless otherwise identified, all must be ratepayers within the municipality and selected from the following groups:

Community members with voting rights:

- 3 x Residential ratepayers from Horsham or other residential areas
- 1 x Residential ratepayer from Natimuk or another small rural township
- 1 x Commercial ratepayer
- 1 x Industrial ratepayer
- 1 x Farm ratepayers from lifestyle / small farms under 100 hectares
- 1 x Farm ratepayers from large farms greater than 100 hectares

Victorian Farmers Federation (VFF)

- 1 x Farm ratepayers nominated by the VFF

Ex-officio with no voting rights:

- 1 x Independent Chair with prior knowledge of municipal rating strategies
- 1 x Rates Consultant as engaged by Council
- 1 x relevant Council officers (as required)

5.1 Selection Process

The following process is proposed for selecting members for the committee:

- a) Independent Chair: A public expression of interest (EOI) will be advertised by Council for the role of the *Independent Chair*. Applicants must have extensive experience in Municipal Rating Strategies and each applicant will be asked to provide supporting information regarding this requirement. Council's Director Corporate Services will manage the selection process and Council will approve the appointment. This position will be a paid role and receive reimbursement for related expenses and any travel and accommodation requirements.

- b) All community members: A public expression of interest (EOI) will be advertised by Council. Applicants are not required to have an understanding of Municipal Rating Strategies, as this information will be provided via an initial education/induction process. Applicants will need to provide supporting information for the membership category that they wish to fill (i.e. Residential, Commercial, Industrial and Farm). Each member will need to be a ratepayer or resident of the municipality. The independent chair supported by the CEO and the Organisational Development Manager will manage the selection process. These positions will receive a small sitting fee and reimbursement of expenses and travel arising from the participation on the committee.
- c) Other Ex-officio members will be appointed by the CEO as required.

5.2 Diversity

Diversity of membership (age, gender, background and experience) is encouraged and will become a selection criteria if the number of applicants exceeds vacancies.

5.3 Alternative Representatives

Due to the nature of the discussions and the need to be educated and informed on rating processes, no alternative representatives may attend meetings on behalf of a member.

5.4 Term of Office

Membership shall be for the period of the review commencing approximately 1 October 2018 for approximately 3 months, but no later than 30 April 2019

5.5 Resignations

Members who resign prior to the end of the review period will be replaced by the CEO if considered appropriate.

6 ROLES AND RESPONSIBILITIES

6.1 Council

Will provide the Rating Strategy Advisory Committee with the necessary expert advice to enable it to reach its recommendations. This may include:

- Council's current Rating Strategy 2018-19 and any previous strategies.
- Financial modelling generated by Council staff.
- Rating model and information from other Councils as requested.
- Information to assist the group to understand the principles of the Revenue & Rating system and associated data relevant to our community
 - References to relevant parts of the Local Government Act 1989
 - Ministerial guidelines and reports

- Local Government Victoria Revenue & Rating Strategy Best Practice Guide
- VAGO Report on Ratings Practises in Local Government.
- Council will support participation of officers as requested to inform the meeting, supporting meeting processes and other meeting requirements.

Council will use information that has been obtained from the committee and the wider community to inform its decision making process.

Council will provide to the committee, feedback and reasons for any changes, should they not accept the committee's recommendations. This will occur prior to the adoption of the draft rates strategy by Council, and will also be communicated to the community.

The final draft rates Strategy will be provided to the community for further comment through a Section 223 process under the Local Government Act. This process may lead to further changes, and if so the committee will be kept informed.

Councillors may be invited to attend the Advisory Group's meetings to observe proceedings.

6.2 Committee

The Committee will:

- Act with integrity in all that they do.
- Commit to providing a balanced viewpoint that reflects all sectors within the community even though they are appointed as a representative of just one sector.
- Actively participate in activities that support the achievement of the Purpose of the Committee.
- Take on board and consider information provided to the committee from any sources including public submissions and engagement processes.
- Explore other avenues as necessary in relation to providing well informed advice to council

6.3 Attendance at meetings

It is expected that members will attend all meetings. In the event of a Committee member missing a meeting they should contact the Chairperson with notice of their absence and this will be recorded in the minutes.

6.4 Meetings

Meetings of the Committee may be held over a range of times that will best suit the members, however it is expected that all meetings will be face to face meetings given the complexity of the subject matter at hand.

6.5 Confidentiality

Information discussed, received, used or created by the Committee will be confidential unless stated otherwise. A Committee member must not disclose, discuss or otherwise make public confidential information, unless authorised by the Officer supporting the Committee.

Council may terminate a Committee member's appointment if they have been found to breach confidentiality requirements.

6.6 Conflicts of Interest

Conflicts of interest declarations will not be required for these meetings as rates are a matter that impact all residents and ratepayers in common and as such do not present any conflicts of interest.

6.7 Code of Conduct

Members of the committee shall refrain from any form of conduct which may cause any reasonable person unwarranted offence or embarrassment.

Members are expected to work considerately and respectfully of diversity of opinions and experience. If there is a requirement for a procedural ruling then Councils Meeting Procedure will provide the relevant guidance.

6.8 Media

The Chairperson is empowered to be spokesperson for the activities of the Committee.

Media releases, communications, information sheets or other sources of information distributed by the Committee must be first approved by the CEO.

7 OPERATING PROCEDURES

7.1 Meetings

Meetings will be held at agreed times as determined by the consultant in discussion with the members of the committee.

7.2 Minutes

The chairperson will be responsible for ensuring an accurate record is kept of each of the committee's meetings, and that they are submitted to the next meeting for confirmation

7.3 Quorum and Decision Making

The quorum is a minimum of five voting members.

No formal business shall be conducted by the Committee unless a quorum exists. If a quorum is not present, the Chairperson may decide that the committee meet for discussion only.

Consensus decision making is preferred. However, all members are entitled to vote and a matter may be voted upon at the discretion of the Chairperson. Committee members shall have one vote.

If there is an equal division of votes, the motion will be lost. .

Voting will be by a show of hands.

8 RESPONSIBILITY

Delegated Officer: Director Corporate Services

Responsible Officer: Director Corporate Services

9 DOCUMENT CONTROL

Version Number	Approval Date	Approval By	Amendment
01	27 Aug 18	Council	• New Terms of Reference