



Byron Shire Council



Agenda

Extraordinary Meeting

Thursday, 30 July 2020

held at Council Chambers, Station Street, Mullumbimby
commencing at 4:00pm

Public Access relating to items on this Agenda can be made from 4pm on the day of the Meeting. Requests for public access should be made to the General Manager or Mayor no later than 12.00 midday on the day prior to the Meeting.

Mark Arnold
General Manager

CONFLICT OF INTERESTS

What is a “Conflict of Interests” - A conflict of interests can be of two types:

Pecuniary - an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

Non-pecuniary – a private or personal interest that a Council official has that does not amount to a pecuniary interest as defined in the Code of Conduct for Councillors (eg. A friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

Remoteness – a person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter or if the interest is of a kind specified in the Code of Conduct for Councillors.

Who has a Pecuniary Interest? - a person has a pecuniary interest in a matter if the pecuniary interest is the interest of the person, or another person with whom the person is associated (see below).

Relatives, Partners - a person is taken to have a pecuniary interest in a matter if:

- The person's spouse or de facto partner or a relative of the person has a pecuniary interest in the matter, or
- The person, or a nominee, partners or employer of the person, is a member of a company or other body that has a pecuniary interest in the matter.

N.B. “Relative”, in relation to a person means any of the following:

- (a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descends or adopted child of the person or of the person's spouse;
- (b) the spouse or de facto partners of the person or of a person referred to in paragraph (a)

No Interest in the Matter - however, a person is not taken to have a pecuniary interest in a matter:

- If the person is unaware of the relevant pecuniary interest of the spouse, de facto partner, relative or company or other body, or
- Just because the person is a member of, or is employed by, the Council.
- Just because the person is a member of, or a delegate of the Council to, a company or other body that has a pecuniary interest in the matter provided that the person has no beneficial interest in any shares of the company or body.

Disclosure and participation in meetings

- A Councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or Committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.
- The Councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
 - (a) at any time during which the matter is being considered or discussed by the Council or Committee, or
 - (b) at any time during which the Council or Committee is voting on any question in relation to the matter.

No Knowledge - a person does not breach this Clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

Non-pecuniary Interests - Must be disclosed in meetings.

There are a broad range of options available for managing conflicts & the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary conflicts of interests must be dealt with in at least one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as of the provisions in the Code of Conduct (particularly if you have a significant non-pecuniary interest)

RECORDING OF VOTING ON PLANNING MATTERS

Clause 375A of the Local Government Act 1993 – Recording of voting on planning matters

- (1) In this section, **planning decision** means a decision made in the exercise of a function of a council under the Environmental Planning and Assessment Act 1979:
 - (a) including a decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but
 - (b) not including the making of an order under that Act.
- (2) The general manager is required to keep a register containing, for each planning decision made at a meeting of the council or a council committee, the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.
- (3) For the purpose of maintaining the register, a division is required to be called whenever a motion for a planning decision is put at a meeting of the council or a council committee.
- (4) Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document, and is to include the information required by the regulations.
- (5) This section extends to a meeting that is closed to the public.

BYRON SHIRE COUNCIL

EXTRAORDINARY MEETING

BUSINESS OF EXTRAORDINARY MEETING

1. PUBLIC ACCESS
2. APOLOGIES
3. DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY
4. STAFF REPORTS

Corporate and Community Services

- | | | |
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| 4.1 | Mayor and Councillor Fees 2020/21 | 4 |
| 4.2 | Adoption of the 2020/21 Operational Plan, including Budget, Statement of Revenue Policy, and Fees and Charges | 8 |
| 4.3 | Making of the 2020/21 Ordinary Rates, Charges, Fees and Interest Rate | 20 |

Councillors are encouraged to ask questions regarding any item on the business paper to the appropriate Executive Manager prior to the meeting. Any suggested amendments to the recommendations should be provided to the Administration section prior to the meeting to allow the changes to be typed and presented on the overhead projector at the meeting.

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES**Report No. 4.1****Mayor and Councillor Fees 2020/21****Directorate:**

Corporate and Community Services

Report Author:

Esmeralda Davis, A/Manager Corporate Services

File No:

I2020/877

Theme:

Corporate Management

Governance Services


Summary:

The Local Government Remuneration Tribunal has handed down its report and determinations on Council's categorisation and fees for Councillors and Mayors for the 2020/21 Financial Year. This report outlines the Tribunal's determination and the fee range for Mayor and Councillor fees for financial year 2020/21.

RECOMMENDATION:**That Council:**

1. Notes that Council's categorisation remains unchanged as Regional Rural.
2. Fixes the fee payable to each Councillor under Section 248 of the Local Government Act 1993 for the period 1 July 2020 to 30 June 2021 at \$20,280.
3. Fixes the fee payable to the Mayor under section 249 of the Local Government Act 1993, for the period from 1 July 2020 to 30 June 2021 at \$44,250.
4. Not determine a fee payable to the Deputy Mayor, in accordance with its current practice.

Attachments:

- 1 Submission Local Government Remuneration Tribunal - Mayor and Councillor Remuneration and Categories, E2019/85065 

REPORT

Each year the Local Government Remuneration Tribunal must determine, in each of the categories determined under section 239, the maximum and minimum amounts of fees to be paid during the following year to councillors and mayors.

Review of categories

Section 239 of the LG Act requires the Tribunal to determine the categories of councils and mayoral offices at least once every 3 years. The Tribunal last reviewed the categories during the 2017 annual review.

The Tribunal wrote to all mayors in October 2019 advising of the commencement of the 2020 review and invited submissions from councils on the following matters:

1. Proposed classification model and criteria
2. Allocation in the proposed classification model
3. Range of fees payable in the proposed classification model
4. Other matters

In determining categories, the Tribunal is required to have regard to the following matters that are prescribed in section 240 of the LG Act:

“240 (1)

- the size of areas
- the physical terrain of areas
- the population of areas and the distribution of the population
- the nature and volume of business dealt with by each Council
- the nature and extent of the development of areas
- the diversity of communities served
- the regional, national and international significance of the Council
- such matters as the Remuneration Tribunal considers relevant to the provision of efficient and effective local government
- such other matters as may be prescribed by the regulations.”

Twenty (20) submissions received from councils by the Tribunal requested re-categorisation and were considered, having regard to the case put forward and the criteria for each category. Council’s submission sought re-categorisation to the new Regional Centre category, and is attached for your reference (E2019/85065). The Tribunal deemed that Byron’s population of 35,081 was significantly below the indicative population of Regional Centre councils and Council was considered not to have met the criteria to warrant inclusion in the Regional Centre group. Two other Councils (Bega and Eurobodalla) sought the same re-categorisation, with the same outcome. As a result, Council’s categorisation remains unchanged as Regional Rural.

Remuneration

With the assistance of two Assessors, the Tribunal has reviewed key economic indicators, and while it is required to give effect to the Government’s wages policy in the making of this determination, it is open to the Tribunal to determine an increase of up to 2.5 per cent or no increase at all.

Given the current economic and social circumstances, the Tribunal has determined that there be no increase in the minimum and maximum fees applicable to each existing category. A full copy of the Report and Determination of the Local Government Remuneration Tribunal is available at <https://www.remtribunals.nsw.gov.au/local-government/current-lgrt-determinations>.

The Remuneration Tribunal has determined the maximum and minimum amounts of fees to be paid during the 2020/21 financial year for Regional Rural councils as follows:

	Councillor/Member Annual Fee		Mayor/Chairperson Additional Fee*	
Category	Minimum	Maximum	Minimum	Maximum
Regional Rural	\$9,190	\$20,280	\$19,580	\$44,250

* This fee must be paid in addition to the fee paid to the Mayor/Chairperson as a Councillor/member (s249(2)).

STRATEGIC CONSIDERATIONS

Community Strategic Plan and Operational Plan

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
Community Objective 5: We have community led decision making which is open and inclusive	5.2	Create a culture of trust with the community by being open, genuine and transparent	5.2.4	Support Councillors to carry out their civic duties	5.2.4.3	Provide support to Councillors – including councillor requests, briefing sessions, provision of facilities and payment of expenses, and record keeping

Legal/Statutory/Policy Considerations

Section 248 of the Local Government Act 1993 states:

1. A council must pay each Councillor an annual fee.
2. A council may fix the annual fee and, if it does so, it must fix the annual fee in accordance with the appropriate determination of the Remuneration Tribunal.
3. The annual fee so fixed must be the same for each Councillor.
4. A council that does not fix the annual fee must pay the appropriate minimum fee determined by the Remuneration Tribunal.

Section 249 of the Local Government Act also states (in the case of the Mayor)

1. A council must pay the Mayor an annual fee.
2. The annual fee must be paid in addition to the fee paid to the Mayor as a Councillor.
3. A council may fix the annual fee and, if it does so, it must fix the annual fee in accordance with the appropriate determination of the Remuneration Tribunal.
4. A council that does not fix the annual fee must pay the appropriate minimum fee determined by the Remuneration Tribunal.
5. A council may pay the Deputy Mayor (if there is one) a fee determined by the council for such time as the deputy Mayor acts in the office of the Mayor. The amount of the fee so paid must be deducted from the Mayor's annual fee.

Section 250 of the Local Government Act states:

Fees payable under this Division by a council are payable monthly in arrears for each month (or part of a month) for which the councillor holds office.

Financial Considerations

The annual fees payable to Councillors and the Mayor for the 2019/20 financial year were the maximum fee fixed at \$20,280 per annum for a Councillor, with an additional fee of \$44,250 for the Mayor.

Councillors and Mayoral fees presently paid

\$20,280 each x 9	=	\$182,520
Plus Mayor additional fee	=	<u>\$ 44,250</u>
Total Paid		\$226,770

Councillors and Mayoral fees 2020/21 as per the maximum amount set by the Tribunal

\$20,280 each x 9	=	\$182,520
Plus Mayor additional fee	=	<u>\$ 44,250</u>
Total Paid		\$226,770

The draft 2020/21 Budget to be considered at this Extraordinary Meeting via a separate report includes a total allocation of \$232,600 for Councillor Fees and the Mayoral Allowance. The draft 2020/21 budget was prepared assuming the maximum fee with a 2.5% increase by the Local Government Remuneration Tribunal. Given the approved increase has been set at 0%, this will create a \$5,800 saving to the 2020/2021 draft Budget Estimates.

Allowance for Deputy Mayor

Section 249 (Clause 5) of the Local Government Act states that:

"A council may pay the deputy Mayor (if there is one) a fee determined by the council for such time as the deputy Mayor acts in the office of the Mayor. The amount of the fee so paid must be deducted from the Mayor's annual fee."

As stated in the above clause, Council is not bound to set a fee, but if it so chooses must deduct that sum from the amount available under the Mayoral allowance.

Current practice is that an acting period for Deputy Mayor would apply only in instances where the Mayor has leave of absence endorsed by Council and any pro rata fees would be deducted from the Mayoral allowance where agreed on a case by case basis in accordance with Section 249 of the Local Government Act 1993.

Consultation/Engagement

The Local Government Remuneration Tribunal consults with local governments to determine categorisations and arrive at its fee determination. Byron Shire Council made a submission to the Tribunal seeking a re-categorisation and the maximum allowable increase of 2.5%.

Report No. 4.2 **Adoption of the 2020/21 Operational Plan, including Budget, Statement of Revenue Policy, and Fees and Charges**

Directorate: Corporate and Community Services

Report Author: James Brickley, Manager Finance

Esmeralda Davis, A/Manager Corporate Services

Heather Sills, Corporate Planning and Improvement Coordinator

File No: I2020/1035

Summary:

At its 25 June 2020 Ordinary Meeting, Council endorsed the Draft 2020/21 Operational Plan (including the Budget, Statement of Revenue Policy, and Fees and Charges) for public exhibition (Resolution 20-343).

The preparation of these documents is regulated under the Integrated Planning and Reporting Framework requirements legislated by [s406](#) of the *Local Government Act 1993*.



The report includes the 12 submissions received during public exhibition for Council's consideration and recommends a number of proposed amendments. It also recommends that Council adopts the revised documents.

RECOMMENDATION:

That Council:

1. **Notes the submissions received during the public exhibition period for the 2020/21 Operational Plan (including the Budget, Statement of Revenue Policy, and Fees and Charges).**
2. **Adopts the following documents:**
 - a) **Delivery Program 2017-2021 and 2020/21 Operational Plan as exhibited, with the amendments (included in Attachment 1 #E2020/55619) discussed in this report under the heading 'Draft 2020/21 Operational Plan – amendments'.**
 - b) **2020/21 Statement of Revenue Policy including fees and charges as exhibited, with the amendments (included in Attachment 2 #E2020/42781) discussed in the report under the headings 'Draft General Land Rates and Charges (Statement of Revenue Policy)' and Draft Fees and Charges (Statement of Revenue Policy)'**
 - c) **2020/21 Budget Estimates as exhibited, with the amendments discussed in the report under the heading 'Draft 2020/21 Budget Estimates (Statement of Revenue Policy)'.**
3. **Adopts the proposed fees as outlined in the report under the heading Draft Fees and Charges (Statement of Revenue Policy) / Proposed Amendments, for the purposes of public exhibition and then adopts these fees should no submissions be received.**

Attachments:

- 1 Delivery Program 2017-2021 and 2020/21 Operational Plan, E2020/55619 
- 2 Draft 2020/21 Revenue Policy including fees and charges for adoption, E2020/42781 
- 3 Confidential - Review of Air Space Licence Fees - Byron Shire Council Final, E2020/43627

4 Community Engagement Results - Operational Plan and Budget 2020/21, E2020/51634 REPORT

5 The Community Strategic Plan, the Delivery Program and the Operational Plan form part of the Integrated Planning and Reporting Framework which is a requirement under the *Local Government Act 1993*.

10 The 4-year Delivery Program turns the strategic goals found in the 10-year Community Strategic Plan into actions. The annual Operational Plan spells out the detail of the Delivery Program, identifying the individual projects and activities that will be undertaken in a specific year to achieve the commitments made in the Delivery Program. The Operational Plan must include the Council's annual budget, along with Council's Statement of Revenue Policy, which includes the proposed rates, fees and charges for that financial year.

15 Council undertook a significant review of its Delivery Program in 2018 following the development of a new Community Strategic Plan and recommendations from the Infrastructure Community Solutions Panel. It has not been reviewed this year.

Draft 2020/21 Operational Plan

20 The Operational Plan actions detail the activities and projects Council will undertake. It is grouped under our five Community Strategic Plan themes, which are:

1. We have infrastructure, transport and services which meet our expectations
2. We cultivate and celebrate our diverse cultures, lifestyle and sense of community
- 25 3. We protect and enhance our natural environment
4. We manage growth and change responsibly
5. We have community led decision making which is open and inclusive

30 Within each theme, reading across, the Operational Plan is structured by Community Strategic Plan objective and strategy, Delivery Plan action, Operational Plan activity, financial implications, responsibility, measure and due date. Links to Community Solutions Panel (infrastructure) recommendations and Disability Inclusion Action Plan requirements are also referenced.

35 The draft Operational Plan (Attachment 1) was placed on public exhibition from 25 June to 23 July 2020. 9 written submissions were received during this period (as outlined further in the Consultation and Engagement section of this report).

Draft 2020/21 Operational Plan – amendments

40 The Operational Plan presented to Council today includes amendments based on the feedback from public exhibition as well as administration changes.

Key amendments include:

- Administration changes
 - 45 ○ Inclusion of **resolution numbers** where relevant
 - Review of the section titled **Disability Inclusion Action Planning** (DIAP) to provide increased clarity about how the DIAP integrates with Integrated Planning and Reporting and how to identify DIAP activities in the Operational Plan
 - Amendment to OP activity **3.1.1.1 – Complete the review of** Implement the Biodiversity Strategy
 - 50 ○ Amended responsible officer for OP activity **3.2.1.12** to Manager Environmental and Economic Planning
 - Amended measure for OP activity **3.3.1.1** to Coastal Hazard Assessment 'progressed'
 - Amended measure for OP activity **3.3.1.4** to Stage 1 scoping study 'progressed'
 - 55 ○ Amended measure for OP activity **3.4.1.2** to 'Deliver' farm mentoring program

- Amended measure for OP activity **4.1.1.4** to 'Design developed. Construction commenced'
- Amended measure for OP activity **4.2.1.1** to include 'LEP amended to apply SEPP 70 to one **or more** of the sites identified in the Residential Strategy'
- Amended measure for OP activity **4.2.1.2** to 'Feasibility assessment for proposed Mullumbimby Hospital and Lot 12 development complete'
- Moved OP activities 4.2.1.4 and 4.2.1.5 to DP Action 4.3.1. These are now numbered **4.3.1.2 and 4.3.1.3** respectively
- Amended header for Community Objective **4.4** to 'Support tourism and events that reflect our culture and lifestyle'
- Amended OP activity **5.2.3.1** to include the word 'delegations: "Maintain, publish and report on relevant registers including delegations, Councillors and designated staff Disclosures of Interest, Councillor and staff Gifts and Benefits, and staff secondary employment"
- Amended OP activity **5.2.3.2** to "Review, update, and publish Council policies online and report on the status of Council's policy register"
- Amended OP activity **5.6.10.2** to include reporting focus: "Maintain and provide status reports on the corporate compliance reporting register and monitor for currency and non-compliance issues"
- Public submissions and proposed changes
 - New OP activity **1.6.1.7** – "Finalise audit of disability parking arrangements in Byron Town Centre and prepare list of proposed improvements"
 - New OP activity **5.6.1.3** – "Create collaborative leadership groups to develop organisational responses to key community issues"

Draft 2020/21 Budget Estimates (Statement of Revenue Policy)

The Draft 2020/21 Budget Estimates are based on the 2019/20 budget reviewed at 31 March 2020 Quarter Budget Review with various changes to reflect the updated cost of service delivery across all programs developed from the input received from each Council Directorate.

The Draft 2020/21 Budget Result on a Consolidated (All Funds) basis as placed on public exhibition forecasted a deficit budget result as outlined below at Table 1.

Table 1 – Forecast Budget Result 2020/21 Consolidated (All Funds)

Item	Amount \$
Operating Result	
Operating Revenue	85,982,600
Less: Operating Expenditure	(74,126,400)
Less: Depreciation	(15,029,000)
Operating Result – Surplus/(Deficit)	(3,172,800)
Funding Result	
Operating Result – Surplus/ (Deficit)	(3,172,800)
Add: Non cash expenses – Depreciation	15,029,000
Add: Capital Grants and Contributions	23,810,200
Add: Loan Funds Used	27,000,000
Add: Asset Sales	0
Less: Capital Works	(79,681,000)
Less: Loan Principal Repayments	(3,508,400)
Funding Result – Surplus/(Deficit) (Cash Movement)	(20,523,000)
Reserves Movement – Increase/(Decrease)	(20,146,800)
Overall Budget Result – Surplus/(Deficit) (Operating + Funding)	(376,200)

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.2

Table 1 indicated a forecasted budget deficit result of \$376,200 and this relates to the General Fund. The forecast General Fund Unrestricted Cash Balance position based on the draft budget included at Table 1 and placed on public exhibition is outlined in Table 2 below:

Table 2 – Forecast General Fund Unrestricted Cash Balance

Item	\$
Forecast unrestricted cash balance to 30 June 2020 at 31 March 2020 Budget Review (proposed)	23,700
Add: Estimated initial draft 2020/21 budget result	(376,200)
Forecast unrestricted cash balance at 30 June 2021	(352,500)

During the public exhibition period, the Draft 2020/21 Statement of Revenue Policy incorporating the Draft 2020/21 Budget Estimates has been further reviewed. The revised budget position is summarised in Table 3 below:

Table 3 – Forecast Budget Result 2020/21 Consolidated (All Funds) revised during public exhibition period

Item	Amount \$
Operating Result	
Operating Revenue	84,278,300
Less: Operating Expenditure	(73,843,000)
Less: Depreciation	(15,029,000)
Operating Result – Surplus/(Deficit)	(4,593,700)
Funding Result	
Operating Result – Surplus/ (Deficit)	(4,593,700)
Add: Non cash expenses – Depreciation	15,029,000
Add: Capital Grants and Contributions	25,139,300
Add: Loan Funds Used	27,000,000
Add: Asset Sales	0
Less: Capital Works	(85,342,700)
Less: Loan Principal Repayments	(3,513,500)
Funding Result – Surplus/(Deficit) (Cash Movement)	(26,281,600)
Reserves Movement – Increase/(Decrease)	(25,924,800)
Overall Budget Result – Surplus/(Deficit) (Operating + Funding)	(356,800)

Table 3 indicates a forecasted budget deficit result of \$356,800 and this relates to the General Fund. The forecast General Fund Unrestricted Cash Balance position based on the draft budget included at Table 3 is outlined in Table 4 below:

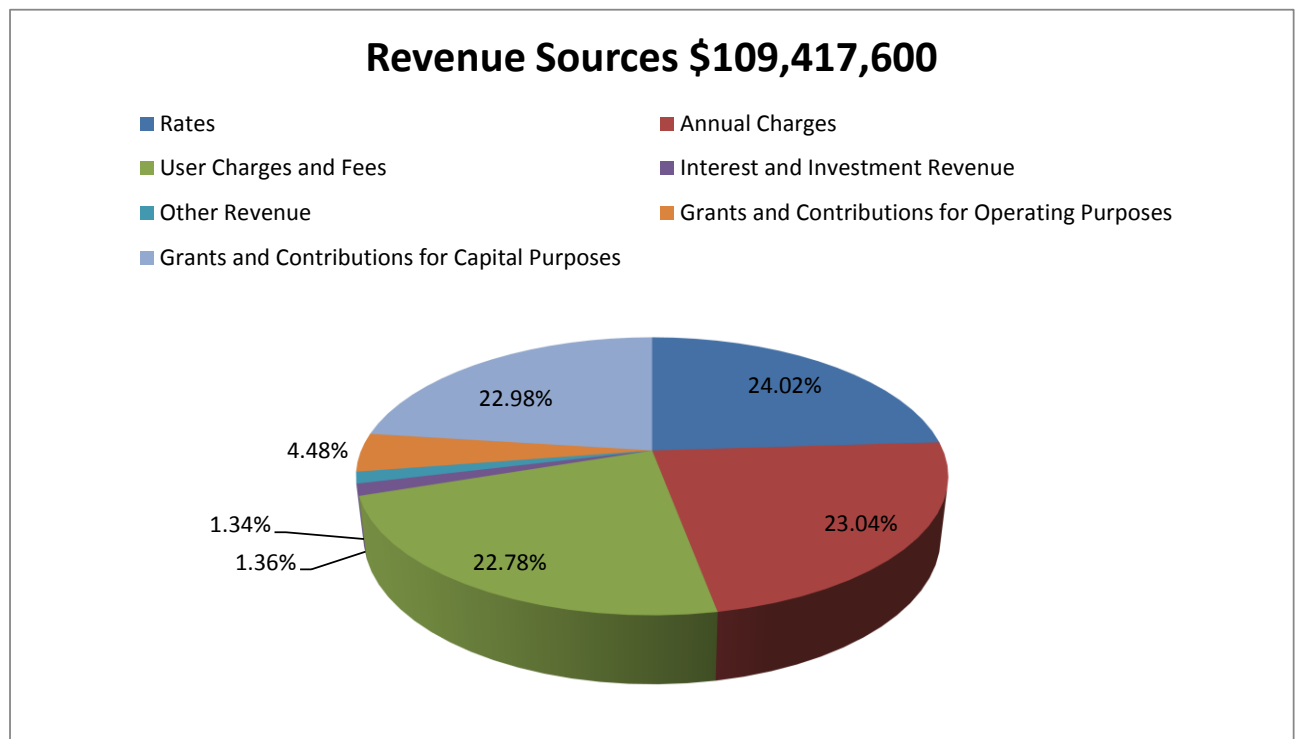
Table 4 – Forecast General Fund Unrestricted Cash Balance

Item	\$
Forecast unrestricted cash balance to 30 June 2020 at 31 March 2020 Budget Review (proposed)	23,700
Add: Estimated initial draft 2020/21 budget result	(356,800)
Forecast unrestricted cash balance at 30 June 2021	(333,100)

Note: Whilst Council's financial position and unrestricted cash balance has been impacted as a result of the COVID-19 pandemic as reported at the 31 March 2020 Quarterly Budget Review, a

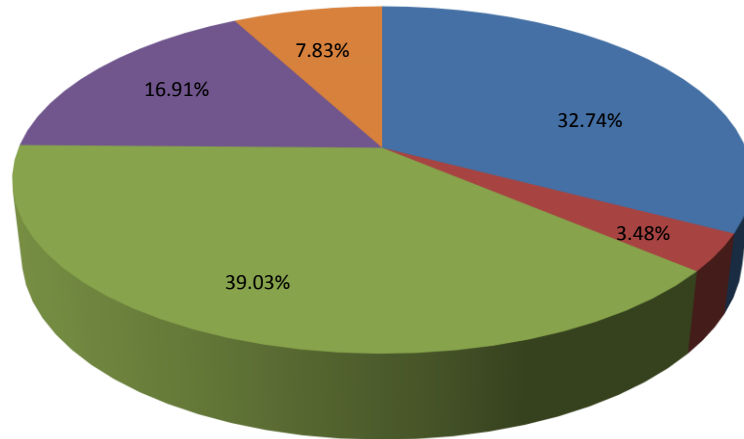
preliminary review of Council's budget position as at 30 June 2020 has been conducted. Whilst the financial results from 2019/2020 financial year are **not finalised** and are still being updated, it is likely the budget position at 30 June 2020 has improved.

- 5 At the 31 March 2020 Quarterly Budget Review, Council was projecting a \$976,300 General Fund budget deficit for 2019/2020. This result, pending further review **may** have improved by \$626,300 in unrestricted cash terms leaving Council with a revised estimated unrestricted cash balance of \$650,000 at 30 June 2020.
- 10 At this stage, this indicative outcome would provide Council the capacity to fund the projected budget deficit proposed for the 2020/2021 financial year as outlined in this report. The 30 June 2020 Quarter Budget Review outcome will be reported to the Finance Advisory Committee on 20 August 2020 and to Council on 27 August 2020.
- 15 The revised Draft 2020/21 Budget Estimates indicate that Council's overall revenue and operational expenses are expected to be derived from the following sources and allocated respectively as outlined in the graphs below:



Operating Expenditure \$88,872,000

■ Employee Benefits and Oncosts ■ Borrowing Costs ■ Materials and Contracts
■ Depreciation and Amortisation ■ Other Expenses



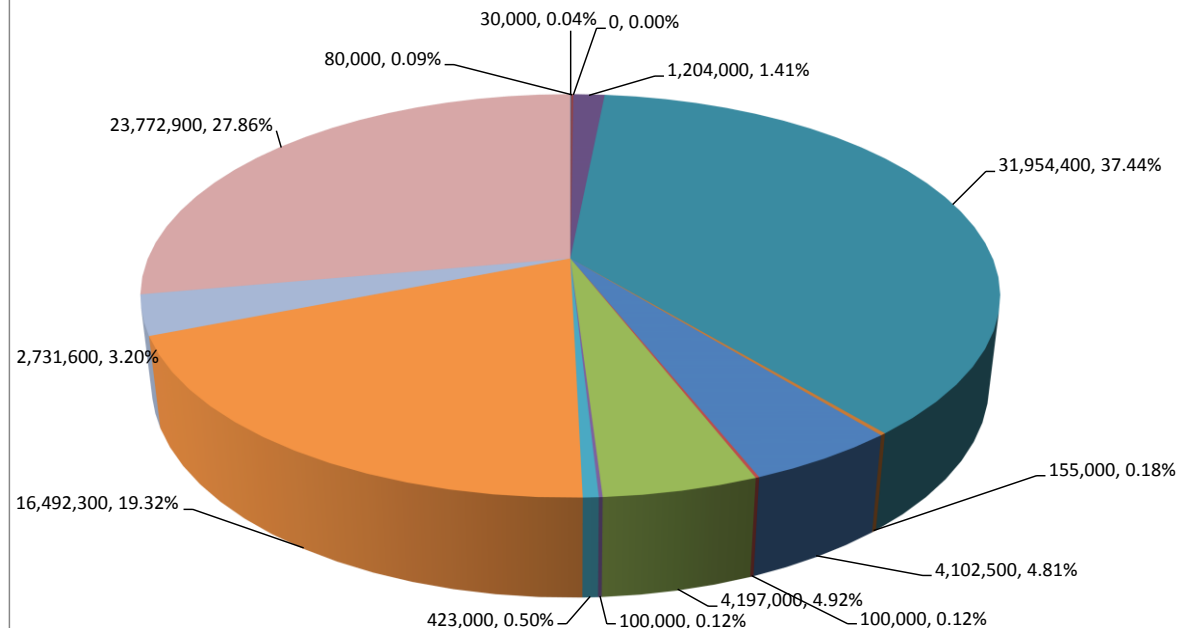
In addition to the operational aspects of the proposed Draft 2020/21 Budget Estimates as revised during the public exhibition period, Council is proposing a capital works program of \$85.343million.

5 By Fund, the projected capital works are:

- General Fund \$58.838million
- Water Fund \$2.732million
- Sewerage Fund \$23.773million

Capital Expenditure \$85,342,700

■ Public Libraries ■ Childrens Services
■ Emergency Services ■ Depot Services and Fleet Management
■ Local Roads and Drainage ■ Roads and Maritime Services
■ Open Space and Recreation ■ Projects & Commercial Development
■ Waste Management ■ Cavanbah Centre
■ Holiday Parks ■ Facilities Management
■ Water ■ Sewerage



The Draft 2020/21 Budget Estimates also propose new external loan borrowings of \$27million to fund the Dingo Lane Solar Farm (\$12million) and Bio-Energy Facility (\$15million) on the assumption that Council approves these projects for construction following final determination of their financial viability.

5

Proposed Draft 2020/21 Budget adjustments following public exhibition

The major changes proposed to the Draft 2020/21 Budget Estimates following public exhibition are:

- 10 • Council has received 50% of its estimated entitlement to the 2020/2021 Financial Assistance Grant from the Commonwealth Government prior to 30 June 2020. This grant revenue will be restricted as at 30 June 2020 in reserve to be carried forward to the 2020/2021 financial year. As a result of this pre-payment, operating revenue needs to be reduced by \$1,704,700 given the advance grant funding already received.
- 15 • There was an item in the draft 2020/2021 budget to increase the Mayor and Councillors' allowances by 2.5% but the Local Government Remuneration Tribunal has not approved any increase for 2020/2021. This will create a saving of \$5,800. Mayor and Councillor fees are subject to another report to this Extraordinary Meeting. The budget for Councillor catering at
- 20 meetings is also proposed to be reduced by \$10,100 as the estimate included in the draft budget for exhibition was overstated.
- Council has completed its insurance renewal process for the 2020/2021 financial year. Estimates included in the budget for insurances overall were \$65,700 more than required.
- 25 This saving is being transferred to the Risk Management Reserve to provide a further funding source for insurance excess on any future potential insurance claims.
- The budget for the interest only repayment of the loan borrowed for the remediation of the former Mullumbimby Hospital has been reduced by \$88,000 to reflect actual payment
- 30 amounts. The budget amount provided is in excess of requirement given the favourable borrowing outcome achieved on that loan. This saving has been transferred back to the Holiday Park Reserve which is currently funding the loan repayments.
- Removal of \$5,000 expenditure for NE Hinterland Koala Conservation Project and
- 35 corresponding unexpended grant funding as this project was completed in the 2019/2020 financial year.
- Provision of \$150,000 funded from the Bridge Replacement Reserve for bridge capital works
- 40 following outcomes from future bridge inspections.

40

- **Former Byron Bay Hospital Redevelopment**

In November 2018, the NSW Government accepted a proposal from Council, on behalf of the community, to retain the former Byron Hospital site as a community asset – the site was sold to Council for this purpose.

45

On 27 June 2019, Council resolved (19-286) to:

1. *Note the range of governance models investigated for the development and operation of the former Byron Bay Hospital site*
- 50 2. *Note the intention of the Community Steering Committee to form a not-for-profit incorporated association to manage the project*

3. *Nominate the incorporated association formed by the Community Steering Committee as a direct lessee for the site with a view to formalising the terms and conditions of this lease at the next stage of the project*

4. *Be provided with draft documentation for consideration prior to a lease being negotiated, including but not limited to:*

- *Constitution of incorporated association and processes around Board election;*
- *Draft terms and conditions of head lease*
- *Draft terms and conditions of sub-leases*
- *Tenancy selection requirements*
- *Rental subsidy methodologies*

5. *Request the General Manager, or his delegate, to liaise with the Office of Local Government on the proposed mechanism to ensure that Council meets its statutory requirements*

In December 2019, Council provided the Community Steering Committee with a draft head lease for consideration. In March 2020, the Community Steering Committee provided Council with a draft constitution for the incorporated association formed for the purposes of the project – Old Byron Hospital Ltd.

During this period, staff and the committee have worked together with architects DWP (<http://dwp.com/>) to develop concept plans for the site, which will be reported to Council for endorsement in August 2020. These concept plans have enabled staff and the committee to undertake more detailed financial modelling on the project's income and expenditure during both the development and operational stages.

For Council to progress this project, there will need to be a budget allocation in the 2020/2021 budget to provide for the project management and construction of the required redevelopment works for the former Byron Bay Hospital to facilitate the intended outcomes. This cost is estimated at \$3.5million and this amount is included as a budget adjustment. To fund these works subject to appropriate approvals, it is recommended to borrow internally from the Council's Water Fund Capital Works Reserve. This borrowing has the potential to be realised as an investment for the Water Fund given the modelled interest payable on the loan, to be repaid to Council from eventual rental income, is greater than Council can invest. If more funds are required in the Water Fund than currently envisaged, it has the capacity to borrow at most favourable interest rates and it is currently debt free. It is suggested this could be a strategic use of Water Fund reserves subject to approval.

In addition to Table 3 above, budgeted financial statements incorporating an Operating Statement and Cash Flow Statement have been produced. These financial statements, replicating the format of Council's Annual Financial Statements, are included in Attachment 1 as part of the Operational Plan, along with a one page summary of all Council budget programs as at 30 June 2021.

The immediate financial forecast of the General Fund for 2020/2021 has been discussed in detail in this report, however it is suggested Council needs to look at its longer term financial position. The budget projections still demonstrate the difficulty Council has absorbing additional costs without corresponding revenue. It can only be emphasised that Council must consider carefully the long term implications on its finances in any consideration to add a new asset or service. The immediate issue to redress during the course of the 2020/2021 financial year is the projected budget deficit of \$356,800 proposed should Council adopt the Draft 2020/2021 Budget outlined in this report. This will be a challenge for Council as it continues navigating the COVID-19 pandemic.

Draft General Land Rates and Charges (Statement of Revenue Policy)

The Draft 2020/21 Revenue Policy includes the proposed rating structure, consistent with the structure revised by Council for the 2017-2018 financial year. This is outlined in Attachment 2. The rating structure incorporates the final year of the approved 2017/2018 Special Rate Variation (SRV) with the overall rate yield for 2020/21 increasing by 7.50% (including rate pegging of 2.60% set by the Independent Pricing and Regulatory Tribunal (IPART) for the 2020/21 financial year).

Given Council has an SRV approval for the financial years, 2017-2018 to 2020-2021, the Independent Pricing and Regulatory Tribunal (IPART) has set the rating structure for the next two financial years, as the minimum rates to apply have been determined by Order.

The 2020/21 financial year will also see the introduction of new land valuations for the purposes of levying general land rates. The land valuations are not determined by Council but by the NSW Valuer General. There will be fluctuations in the general land rates payable by ratepayers and this will solely be influenced by land value. Council has maintained the same rating structure and revenue differentials applied to each rating category. Overall land values have increased by 37.5% across the Shire but there have been some significant and some smaller increases plus some decreases. This means that while some ratepayers will see decreases, others will potentially see significant increases. Increased land values do not increase Council's overall general land rating income, merely shift the balance of payment.

In respect of other charges, the Draft 2020/21 Revenue Policy includes the following:

- Waste Charges – increases in accordance with the Consumer Price Index (CPI) – 1.80%
- Water access charges increasing around 1.6% and water usage charges increasing by 7.7% from \$2.60 to \$2.80 per kilolitre. Water will now be the same price for usage irrespective of whether a consumer is residential or non-residential, providing equity for all consumers and continuation of the single tariff introduced in the 2019/2020 financial year.
- Increasing the sewerage access charge for residential consumers from \$857 per annum to \$1,257 per annum. Whilst representing an increase of \$400 per annum, the increase will be offset by the removal of the sewerage usage charge for residential consumers charged quarterly via the water/sewerage usage account. These accounts will be issued in relation to 2020/2021 water consumption only. The rationale for making this change for residential sewerage charges is as follows:
 - Council will be consistent with every other Council in NSW.
 - WaterNSW only supports volumetric sewerage charges for non-residential ratepayers in accordance with best practice pricing guidelines.
 - The current charging is unfair because Council cannot accurately measure each property's discharge to the sewerage system. It is currently assumed that 75% of water consumed is returned to the sewer.
 - Residential ratepayers lack the ability to control discharge which therefore creates a weak pricing signal which is the main intention of volumetric charging.
 - The sewerage charge will be come a fixed amount and a known quantity. It will no longer vary based on water consumption.
 - Provides more certainty to Council in respect of sewerage revenue as the variability of water consumption is removed.
- The stormwater charge has not increased. It is a regulated charge that has not changed over the last fourteen years.

Draft Fees and Charges (Statement of Revenue Policy)

The Draft 2020/21 Fees and Charges have been reviewed by the respective program managers and included at Attachment 2. Where possible, fees have been altered/increased to reflect the following specific changes:

- Increases in the Consumer Price Index (CPI)/Indexation - assumed at 1.80%.
- Review of fees and charges including benchmarking/cost of service provision and where possible, introduction of new fees to assist Council to generate additional/enhanced revenue.

5 During the exhibition period the Office of Local Government released Circular 20-27 concerning revised fees for companion animals in line with CPI. These changes will be made to the Adopted 2020/2021 Fees and Charges as these fees are set by the NSW government, so are not required to be exhibited and Council must implement them.

10 **Proposed Amendments**

It is proposed to further amend the 2020/2021 Fees and charges with the following changes:

Air Space Usage Charges

15 Council's Air Space Policy was adopted in 2012. The policy was reviewed in 2017, where the amendments involved the requirement for new constructions to seek approval under the Roads Act and existing buildings be required to enter into a lease. Fees for licences were set at the same price per m² as footpath dining licences. This was later reviewed and reduced by 50% in 2019. The
20 current fees are:

Bangalow	\$127.50 per m ² annually
Brunswick Heads <i>Brunswick Terrace, Fingal, Park and Mullumbimbi Streets</i>	\$108.00 per m ² annually
Byron Bay – Precinct 1 and 2	\$240 .00 per m ² annually
Byron Bay – Remaining properties	\$181.50 per m ² annually
Mullumbimby	\$87 per m ² annually
Remainder of Shire	\$87 per m ² annually

25 Council engaged a valuer to undertake a review of the current airspace fee structure. During this time the real estate markets have been considerably impacted by COVID-19. There is uncertainty around the implications of this on commercial rents and real estate values. This valuation is based on pre-COVID-19 rentals. It provides varying licence fee methodologies as used by other Councils to charge for airspace usage.

30 On investigation of the varying methodologies used, the valuer noted that methodologies adopted for determination of airspace rents vary, with no one-single valuation methodology adopted. These include:

1. Direct comparison to other airspace rents.
2. Percentage of the rental value of the adjoining commercial premises.
- 35 3. Market rent for developed veranda less the cost to construct and an amount return on cost.
4. Percentage return on the value of the underlying land.
5. Percentage of value of the underlying land discounted based on Maximum Floor Space Ratio.
6. Per chair basis, based on footpath dining rate.'

40 These methodologies are discussed in the valuation report at Confidential Attachment 3.

The final recommendation in the report is 'that Council adopts a policy whereby licence fees are determined at market by valuation, this represents the fairest and most equitable approach to individual licensees, for different licence purposes.'

45 Given the recommendation and acknowledging the current real estate market, it is recommended that the 2020/21 fees and charges be amended whereby licence fees are determined on an individual basis by market valuation.

Hall Fees and Charges

Council has received requests from Hall Committees to amend the proposed draft fees and charges as follows:

- Bangalow Showground – hire of the Old Scout Hall for half day should be \$75.00 representing half of the daily fee of \$150. It is currently listed at \$50. Additionally clarification is requested for evening fees for the Old Scout Hall and Moller with the clarification being evening fees apply from 6pm.
- Bangalow A&I Hall – amend fees for the use of air-conditioning at \$100 and use of the upgraded kitchen at \$220 per day.
- Brunswick Valley Community Centre – add a new fee for meals on wheels storage at \$50 per day.

The fees under the heading 'Proposed Amendments' are yet to be advertised in accordance with Section 610F of the Local Government Act 1993 and it is recommended that Council resolves to publicly exhibit the proposed fees and adopt them at the conclusion of the public exhibition period if there are no submissions.

STRATEGIC CONSIDERATIONS***Community Strategic Plan and Operational Plan***

CSP Objective	CSP Strategy	DP Action	OP Activity
Community Objective 5: We have community led decision making which is open and inclusive	5.2 Create a culture of trust with the community by being open, genuine and transparent	5.2.1 Provide timely, accessible and accurate information to the community	5.2.1.1 Review Operational Plan annually
	5.5 Manage Council's finances sustainably	5.5.2 Ensure the financial integrity and sustainability of Council through effective planning and reporting systems (SP)	5.5.2.2 Complete annual statutory financial reports

Legal/Statutory/Policy Considerations

[Section 405 of the Local Government Act](#) outlines the Operational Plan requirements, including public exhibition and timeframes.

The specific statements that Council is required to disclose as part of its Revenue Policy are determined by [Clause 201 of the Local Government \(General\) Regulation 2005](#).

Financial Considerations

The Operational Plan includes the annual budget required to fund the projects and services delivered as part of the Plan. The financial implications are outlined in the body of this report.

Consultation and Engagement

The Draft 2020/21 Operational Plan and Budget have been prepared based on the strategic priorities in the Community Strategic Plan and insights from the 2018 Community Solutions Panel (infrastructure) and the 2018 Community Satisfaction Survey.

Initial community feedback was obtained through community conversations held in February. The presentation included discussion on:

- how the budget and operational plan are developed
- outcomes and progress on investment of SRV and pay-parking funds
- projects being considered
- input on priorities from attendees.

The Draft 2020/21 Operational Plan and Budget was subject to 28 days' public exhibition, from 25 June to 23 July 2020.

Community feedback was sought online via www.yoursaybyronshire.com.au and an information booth in the Mullumbimby Office front foyer. Emails, public notices, and media releases were distributed to reach the widest population possible and provide the community with information and links to engage with Council.

A detailed report of the outcomes of this consultation and engagement is provided at Attachment 4 and the recommended amendments as per the public exhibition are outlined in section "Draft 20/21 Operational Plan – amendments" of this report.

Submissions received:

Council received 12 written submissions. Council is required to consider any submissions received during the exhibition period prior to the Council's endorsement and/or adoption of these documents.

The submissions have been considered and the proposed changes to the Operational Plan are outlined in this report. A summary and responses are provided in the comprehensive feedback document at Attachment 4.

The key issues raised are noted below:

- Footpath maintenance and upgrades
- Pest animals
- Bush regeneration
- Bangalow Village Plan
- Financial management
- Accessibility

Report No. 4.3 **Making of the 2020/21 Ordinary Rates, Charges, Fees and Interest Rate**

Directorate: Corporate and Community Services
Report Author: Stephen Ansoul, Revenue Coordinator
File No: I2020/1066

Summary:

Council placed the Draft 2020/21 Statement of Revenue Policy comprising the Budget Estimates, Rates and Charges, Borrowings and Fees and Charges on public exhibition for twenty eight days following consideration of *Report No. 13.4 Draft 2020/21 Operational Plan and Budget for public exhibition* in its Meeting held on 25 June 2020 (Council resolution 20-343).

The Statement of Revenue Policy provides a detailed description of the rating structure for ordinary land rates, charges and fees that Council will levy on the 2020/21 Rates and Charges Notice, and describes the circumstances of a property to which a specific ordinary rate, charge, interest or fee will apply. It also lists relevant sections of legislation that allows for the levy of each rate, charge or fee to be made.

Some statutory requirements have been modified due to the COVID-19 pandemic.

The public exhibition period seeking submissions on the draft documents closed on 23 July 2020, with the details of those submissions being the subject of another report to this meeting.

Each year Council is required to make the ordinary rates and charges pursuant to sections 533, 534 and 535 of the Local Government Act 1993 (LGA), with section 543 of the LGA requiring Council to make a short separate name for each rate and charge it makes. Council is also required to set the rate of interest charged on overdue rates and charges in accordance with section 566 (3) of the LGA.

This report satisfies these legislative requirements for the 2020/2021 financial year.

RECOMMENDATION:

That in accordance with Sections 533, 534, 535, 543 and 566 of the Local Government Act 1993 (LGA), Council makes the ordinary rates, makes the charges, makes the fees and sets the interest rate to be charged on overdue rates and charges for 2020/21 listed in the following tables.

1. Ordinary Rates

Name of Ordinary Rate (Rate Notice short name)	*Rate in the Dollar or Ad-Valorem amount (\$)	Minimum Rate (\$)
Ordinary Rate Residential	0.1967	928.00
Ordinary Rate Residential Flood	0.1967	464.00
Ordinary Rate Business	0.3275	928.00
Ordinary Rate Business Byron CBD	0.4616	928.00
Ordinary Rate Mining	0.3275	928.00
Ordinary Rate Farmland	0.1752	928.00
Ordinary Rate Farmland Flood	0.1752	464.00

**Applied to 2019 base date land valuation*

2. Domestic Waste Management Charges

Name of Domestic Waste Collection Charge (Rate Notice short name)	Annual Charge (\$)
Domestic Waste 80L 3 Bin Collection	150.00
Domestic Waste 140L 3 Bin Collection	316.00
Domestic Waste 240L 3 Bin Collection	468.00
Domestic Waste 140L Week Collect 3 Bins	827.00
Domestic Waste 240L Week Collect 3 Bins	1054.00
Domestic Waste 140L 2 Bin Rural Service	226.00
Domestic Waste 240L 2 Bin Rural Service	336.00
Domestic Waste Vacant Land Charge Urban	31.00
Domestic Waste Vacant Land Charge Rural	31.00
Domestic Waste Exempt Collection Charge	61.00
Domestic Recycling Additional Bin	105.00
Domestic Organics Additional Bin	121.00
Domestic Waste 80L 3Bin Multi Unit Serv	150.00
Domestic Waste 140L 3Bin Multi Unit Serv	316.00
Domestic Waste 240L 3Bin Multi Unit Serv	468.00
Domestic Waste 80L 2Bin Multi Unit Serv	150.00
Domestic Waste 140L 2Bin Multi Unit Serv	316.00
Domestic Waste 240L 2Bin Multi Unit Serv	468.00
Domestic Waste Strata 2Bin Share Service	250.00
Domestic Waste Strata 3Bin Share Service (fortnightly)	250.00
Domestic Waste Strata 3Bin Share Service (weekly)	501.00

3. Waste Management Charges (Non-Domestic)

Name of Waste Management Charge (Rate Notice short name)	Annual Charges (\$)
Commercial 140L Waste & Recycle Service	510.00
Commercial 240L Waste & Recycle Service	584.00
Commercial Waste 140L Bin Collection	510.00
Commercial Waste 240L Bin Collection	584.00
Commercial Rural Waste & Recycle Service	525.00
Commercial Recycling 240L Bin Collection	131.00
Commercial Organics 240L Bin Collection	121.00
Waste Operations Charge Residential	86.00
Waste Operations Charge Non-Residential	86.00

4. Mixed Waste Bin Changeover Fee

Fee	Charges (\$)
Mixed waste bin – size/capacity changeover fee (first changeover free of charge then all subsequent changes per property per annum per owner/s attracts fee)	57.00

5. Stormwater Management Service Charges

Name of Stormwater Management Service Charge (Rate Notice short name)	Annual Charges (\$)
Stormwater Charge Residential	25.00
Stormwater Charge Residential Strata	12.50
Stormwater Charge Business Strata	\$25.00 per 350m ² of the land area occupied by the strata scheme (or part thereof), proportioned by the unit entitlement of each lot in the strata scheme, minimum charge \$5.00
Stormwater Charge Bus/Mixed Strata Min	12.50
Stormwater Charge Business	\$25.00, plus an additional \$25.00 for each 350m ² or part thereof by which the area of the parcel of land exceeds 350m ²

6. Water Charges

Name of Water Charge (Rate Notice short name)	Annual Charges (\$)
Water Access Charge 20mm Residential	190.00
Water Access Charge 20mm Non-Residential	190.00
Water Access Charge 25mm Residential	298.00
Water Access Charge 25mm Non-Residential	298.00
Water Access Charge 32mm Residential	489.00
Water Access Charge 32mm Non-Residential	489.00
Water Access Charge 40mm Residential	762.00
Water Access Charge 40mm Non-Residential	762.00
Water Access Charge 50mm Residential	1,191.00
Water Access Charge 50mm Non-Residential	1,191.00
Water Access Charge 65mm Residential	2,013.00
Water Access Charge 65mm Non-Residential	2,013.00
Water Access Charge 80mm Residential	3,049.00
Water Access Charge 80mm Non-Residential	3,049.00
Water Access Charge 100mm Residential	4,763.00
Water Access Charge 100mm Non-Residential	4,763.00
Water Access Charge Vacant Residential	96.00
Water Access Charge Vacant Non-Residential	96.00
	Usage Charges (\$)
Water Usage Charge Residential	2.80 per KL
Water Usage Charge Residential – Non-Compliant	5.60 per KL
Water Usage Charge Non-Residential	2.80 per KL
Water Usage Charge Non-Residential - Non-Compliant	5.60 per KL

7. Wastewater (sewer) Charges and On Site Sewage Management System Fee

Name of Wastewater (sewer) Charge or Fee (Rate Notice short name)	Annual Charges or Fee (\$)
Wastewater (sewer) Access 20mm Res	1,257.00
Wastewater (sewer) Access 20mm Non-Res	849.00
Wastewater (sewer) Access 25mm Res	1,964.00
Wastewater (sewer) Access 25mm Non-Res	1,327.00
Wastewater (sewer) Access 32mm Res	3,218.00
Wastewater (sewer) Access 32mm Non-Res	2,173.00
Wastewater (sewer) Access 40mm Res	5,028.00
Wastewater (sewer) Access 40mm Non-Res	3,396.00
Wastewater (sewer) Access 50mm Res	7,856.00
Wastewater (sewer) Access 50mm Non-Res	5,306.00
Wastewater (sewer) Access 65mm Res	13,277.00
Wastewater (sewer) Access 65mm Non-Res	8,968.00
Wastewater (sewer) Access 80mm Res	20,112.00
Wastewater (sewer) Access 80mm Non-Res	13,584.00
Wastewater (sewer) Access 100mm Res	31,425.00
Wastewater (sewer) Access 100mm Non-Res	21,225.00
Wastewater (sewer) Access Vacant Res	629.00
Wastewater (sewer) Access Vacant Non-Res	629.00
Wastewater (sewer) Access – Pump Res	1,232.00
Wastewater (sewer) Access – Pump Non-Res	824.00
On-Site Sewage Management System Fee (OSMS)	50.00
	Usage Charges (\$)
Wastewater (sewer) Usage Charge Non-Residential	*SDF x 2.80 per KL

*SDF = Individual Property Sewer Discharge Factor (%)

8. Liquid Trade Waste Charges

Name of Liquid Trade Waste Charge (Rate Notice short name)	Annual Charges (\$)
Liquid Trade Waste – Category 1	160.00
Liquid Trade Waste – Category 2	267.00
Liquid Trade Waste – Category 2S	267.00
Liquid Trade Waste – Category 3	757.00
	Usage Charges (\$)
Liquid Trade Waste Usage Charge	**TWDF x 2.34 per KL
Liquid Trade Waste Usage Charge – Non-Compliant Cat 1	**TWDF x 3.87 per KL
Liquid Trade Waste Usage Charge – Non-Compliant Cat 2/2S	**TWDF x 17.10 per KL
Liquid Trade Waste Usage Charge – Non-Compliant Pump Stn	**TWDF x 3.87per KL

*TWDF = Individual Property Trade Waste Discharge Factor (%)

9. Interest Rate on Overdue Rates and Charges

Name of Interest Rate (Rate Notice short name)	Rate (%)
Interest (01/07/2020 to 31/12/2020)	0.0%
Interest (01/01/2021 to 30/06/2021)	7.0%

REPORT

Council will be continuing to apply the Special Rate Variation (SRV) approval from the Independent Pricing and Regulatory Tribunal (IPART) received on 9 May 2017 to increase its permissible general income by 7.5% per annum for four rating years from 2017/18 (section 508A LGA). The 2020/21 financial year is the fourth and final year of the increase. This SRV incorporates the rate pegging limit (which was announced as 2.6% for 2020/21).

The amounts outlined in the first table in the recommendation to this report headed Ordinary Rates incorporate the 7.5% SRV as it applies for the 2020/21 financial year. The permissible notional income has not been re-calculated since Council publicly exhibited the Draft 2020/21 Statement of Revenue Policy. The ordinary land rates for ratepayers individually for the 2020/2021 financial year will also be influenced by new land valuations provided by the Valuer General, although any increase in land value does not increase Council's overall revenue yield from ordinary rates due to the overall limit via rate pegging on Council's ordinary rate revenue.

The Office of Local Government advised via Circular 20-21 on 26 May 2020 that the maximum interest rate on overdue rates and charges is to be 0.0% for the first half of the 2020/21 Financial Year (due to the COVID-19 pandemic) and then 7.0% thereafter. Council has traditionally adopted the maximum permissible interest rate for overdue rates and charges.

This report and subsequent resolution satisfies the legislative requirement for Council to make a rate or charge for the 2020/2021 financial year.

The levying of 2020/21 ordinary rates and annual charges pursuant to section 546 of the LGA via the issuing of a rates and charges notice will be undertaken prior to 31 August 2020. This is one month later than is normally the case but is in keeping with COVID amendments.

STRATEGIC CONSIDERATIONS***Community Strategic Plan and Operational Plan***

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
Community Objective 5: We have community led decision making which is open and inclusive	5.5	Manage Council's finances sustainably	5.5.2	Ensure the financial integrity and sustainability of Council through effective planning and reporting systems (SP)	5.5.2.5	Manage treasury functions of Council to maintain cash flow and maximise return on invested funds

Legal/Statutory/Policy Considerations

The Office of Local Government issued Circular 20-12 on 17 April 2020 advising that Regulations have been made under section 747B of the Local Government Act 1993 to temporarily modify the application of the Act in response to the COVID-19 pandemic. The regulations made under section 747B modify the Act by:

- Providing councils with a one-month extension to adopt their 2020/21 Operational Plan (including Revenue Policy, Statement of Fees and Charges and annual budget) before 31 July 2020.
- Providing Councils with the option to delay issuing rates notices to ratepayers until 1 September 2020, and the collection of the first quarter rates instalment until 30 September 2020.

As a result of these changes, a number of statutory deadlines have been modified. These are set out in the table below:

Section of LG Act	Prior deadline	New deadline
Adoption of Operational Plan - 405(1)	By 1 July 2020	By 1 August 2020
Making of a rate or charge - 533	By 1 August 2020	By 1 September 2020
Date by which quarterly rates are payable - 562(3)(a)	31 August 2020	30 September 2020

- 5 Council is still required to make the rates and charges and set the interest rate for 2020/21 pursuant to sections 533, 534, 535, 543 and 566 of the Local Government Act 1993 (LGA). The relevant sections or sub-sections of the LGA are summarised below:

533 Date by which a rate or charge must be made

- 10 *A rate or charge must be made before 1 August (1 September for 2020/21) in the year for which the rate or charge is made or before such later date in that year as the Minister may, if the Minister is of the opinion that there are special circumstances, allow.*

15 **534 Rate or charge to be made for a specified year**

Each rate or charge is to be made for a specified year, being the year in which the rate or charge is made or the next year.

20 **535 Rate or charge to be made by resolution**

A rate or charge is made by resolution of the council.

543 Each form of a rate and each charge to have its own name

- 25 Council must, when making an ordinary rate or charge, give a short separate name for each amount of the ordinary rate or charge.

566 Accrual of interest on overdue rates and charges

- 30 *The rate of interest is that set by the council but must not exceed the rate specified for the time being by the Minister by notice published in the Gazette.*

Financial Considerations

- 35 The 2020/2021 budget, including proposed works and services to be adopted by Council at this Extraordinary Meeting, is the subject of another report.

- 40 The Draft 2020/21 Budget Estimates have been based on the special rate variation increase of 7.5% as approved by the Independent Pricing and Regulatory Tribunal (IPART) for the general rate income in its fourth and final year.

- 45 Charges proposed for water, wastewater (sewer), stormwater and waste services have been based on the works and maintenance requirements of those areas and in conjunction with legislative requirements of the LGA to establish such charges.