

3.3 REVENUE AND RATING PLAN 2021-2025

(Author DW: File No. F20-2890)

Responsible Senior Officer: Danny Wain, Chief Financial Officer

RECOMMENDATION

That Council:

1. *Adopts the Revenue and Rating Plan 2021-2025 (the Plan), and*
2. *Having considered submissions received on the Plan at the hearing held by the appointed Committee, on 8 June 2021, determines to have no changes made to the Plan.*

INTRODUCTION

A Council must prepare and adopt a Revenue and Rating Plan by the next 30 June after a general election for a period of at least the next 4 financial years as required under Section 93 of the *Local Government Act 2020*.

Monash Council is responsible for adopting the Revenue and Rating Plan (the Plan) as part of its Local Government Act responsibilities. The Revenue and Rating Plan is a new requirement. It is for a four-year 'block' period starting on 30 June 2021, in the year after each general election.

BACKGROUND

The Plan provides a medium-term outlook for how Council will generate income to deliver on the Council Plan, programs and services and capital works commitments. It defines the revenue and rating 'envelope' within which Council propose to operate.

Although the Plan is a new requirement, the document prepared reflects the implementation of strategies that have evolved over the past few years and ones which we intend, subject to consultation and adoption, to keep applying over the coming four years.

As we have not yet seen the rating provisions of the new *Local Government Act 2020* or had any of the Rating Review Panel recommendations implemented, the Plan may need a revision in year two of the four-year timeframe.

This Plan incorporates consideration of:

- the role of rates as a form of taxation and consideration of common taxation principles
- how revenue will be generated through rates on properties (including differential rates on different property classes) and the objectives and purpose of those differential rates
- information on the application of rebates and waivers

- fixed service charges and how they are applied for part recovery of recycling and the EPA landfill levies
- fees and charges for services and programs – including pricing policies
- grants and developer contributions and other revenue
- rate cap exemptions - where there is demonstrated community support for major projects and capital renewal programs
- that Borrowings may be sought and considered in the future where there is a demonstrated cost benefit in moving forward the construction of major projects

Below is a summary of the recommendations included in the Plan for the next four years (please refer to the Plan for detailed narrative on the background and reasons for these recommendations).

Recommendations

That Monash;

1. continue to apply differential rating as its rating system
2. continue to apply the CIV method as its valuation base
3. reviews the impact of Council valuations and assesses differential rates applied to achieve an outcome that is considered equitable
4. continue to not charge a waste service charge (for full waste cost recovery) without further community consultation. Council will continue to annually assess the necessity of declaring a recycling & waste levy as part of the annual budget cycle
5. continue to not raise a municipal charge
6. that Monash uses special rates and charges in the following instances:
 - Raising funds for dedicated purposes such as trader associations marketing and promotion schemes.
 - For Environmental Upgrade Agreements (EUA's) for businesses to improve their buildings environmental performance e.g. finance water and energy efficiency projects and install renewable energy systems such as solar. (Section 181A LGA1989)
7. continues to review options to provide assistance, in addition to the provisions in the Hardship Financial Assistance Policy, to ratepayers in hardship and make provision in the Budget process when assistance is required. Further, that the Covid related payment deferral option be extended up to 30 June 2022
8. continues to provide, for overdue non-instalment payers, an additional 21 days from the 15 February to pay any overdue rates, before the application of the interest is applied
9. continue to offer the three different payment options (Quarterly, in full and 10 instalments)
10. continue to seek grant opportunities from State and Federal Governments for project funding (operating and capital) when funding opportunities arise
11. continue to budget for developer contributions for drainage, parking and public open space and utilise these funds for capital projects as specified for each of these reserves
12. continue to maintain a debt free status, however, commits to include in a Budget or Revised Budget, and subject to public consultation, any plans to borrow where

there is a demonstrated cost benefit in moving forward the construction of major projects

13. that Council continue to apply a range of principles to determine the level of fees and charges to for each service and will apply a gender impact analysis when reviewing those charges, and
14. that Monash continues to advocate for rate reform to assist the more vulnerable members of the community

DISCUSSION

The purpose of the Plan is to determine the most appropriate and affordable revenue and rating approach for Monash City Council which, together with other income sources, will adequately finance the objectives proposed in the Council Plan.

POLICY IMPLICATIONS

Included in the four strategic objectives of the Council Plan is the challenge to provide “Responsive and Efficient Services”. Under this theme Council committed that:

People can have a say in, and are at the centre of, our decisions. We will deliver affordable, respectful, responsive, reliable and high quality services.

One of the Priority Projects identified was to plan for Council’s financial sustainability through a Revenue & Rating Plan.

SOCIAL IMPLICATIONS

Under the *Local Government Act* (the Act), Council has to give effect to overarching governance principles and supporting principles, including that; the community is to be engaged in strategic planning and strategic decision making; and that the ongoing financial viability of the Council is to be ensured.

Keeping these statutory provisions in mind, the purpose of the Plan is therefore to consider what rating options are available to Council under the Act and how Council’s choices in applying these options contribute towards meeting an equitable rating Plan.

HUMAN RIGHTS & GENDER EQUITY CONSIDERATIONS

Officers have conducted a review of the proposed Plan and determined that there are no implications arising from the *Charter of Human Rights and Responsibilities Act 2006*.

A Gender Equity Impact Analysis has been undertaken, in line with *Gender Equity Act 2020* and this identified that further information and data be collated to assist with decision making when using the price setting mechanisms for fees and charges.

CONSULTATION

The draft Plan was available for public feedback from 29 April through to 28 May 2021. Council received 5 submissions on the Plan which was considered at the submissions hearing held by the Committee on the 8 June 2021. The Committee determined that no other changes were required to be made to the Plan resulting from the submissions. A separate Submissions Report has been prepared for Council to consider and adopt in June 2021.

FINANCIAL IMPLICATIONS

There are no direct financial implications to Council by adopting this Plan. Any decisions emanating from the application of the Plan will be incorporated as part of Council's annual budget process.

CONCLUSION

This report is presenting the Revenue and Rating Plan and seeking Councillors approval to adopt the Plan.