

Finance and Operations Committee

Agenda

Date: Wednesday 16 June 2021

Time: Following the 6pm Council Meeting

Venue: Civic Centre (Council Meeting Room)
13 Mair Street, Benalla

Due to COVID-19 social distancing requirements, members of the community are encouraged to watch a live broadcast of the meeting at www.benalla.vic.gov.au

Any person wishing to make a submission under Section 7.3 of the *Governance Rules 2020* should contact the Council by emailing council@benalla.vic.gov.au or telephoning Governance Coordinator Jessica Beaton on 03 5760 2600.

In accordance with the *Governance Rules 2020* clause 6.4 an audio recording will be made of proceedings of the meeting.

PO Box 227
Benalla Victoria 3672
1 Bridge Street East
Tel: 03 5760 2600 Fax: 03 5762 5537
council@benalla.vic.gov.au

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Agenda

Chair	Councillor Justin King	
Councillors	Councillor Danny Claridge	
	Councillor Peter Davis	
	Councillor Don Firth	
	Councillor Bernie Hearn	
	Councillor Punarji Hewa Gunaratne	
	Councillor Gail O'Brien	
In attendance	Dom Testoni	Chief Executive Officer
	Robert Barber	General Manager Corporate
	Cathy Fitzpatrick	Manager Finance
	Jessica Beaton	Governance Coordinator

Acknowledgement of Country

We acknowledge the traditional custodians of this land and pay respect to their elders and the elders from other communities who may be here today.

We also acknowledge all other peoples who have contributed to the rich diversity of this Country.

Apologies

Recommendation:

That the apology/ies be accepted and a leave of absence granted.

Governance Matters

This Committee Meeting is conducted in accordance with the *Local Government Act 2020* and the Benalla Rural City Council *Governance Rules 2020*.

a) Recording of Council Meetings

In accordance with the *Governance Rules 2020* clause 6.4 meetings of Council will be audio recorded and made available for public access, with the exception of matters identified as confidential items in the agenda.

b) Behaviour at meetings

Members of the public present at a meeting must remain silent during the proceedings other than when specifically invited to address the Committee.

The Chair may remove a person from a meeting for interjecting or gesticulating offensively after being asked to desist, and the chair may cause the removal of any object or material that is deemed by the Chair to be objectionable or disrespectful.

The Chair may call a break in a meeting for either a short time, or to resume another day if the behaviour at the Council table or in the gallery is significantly disrupting the meeting.

c) Disclosures of Conflict of Interest

In accordance with the *Local Government Act 2020*, a Councillor must declare any Conflict of Interest pursuant to Section 130 of the Act in any items on this Agenda. At the time indicated in the agenda, a Councillor with a conflict of interest in an item on that agenda must indicate they have a conflict of interest by clearly stating:

- the item for which they have a conflict of interest;
- whether their conflict of interest is general or material; and
- the circumstances that give rise to the conflict of interest.

Immediately prior to the consideration of the item in which they have a conflict of interest, a Councillor must indicate to the meeting the existence of the conflict of interest and leave the meeting.

Business**1. Question Time and Public Submissions on any matter**

A person wishing to address the Committee on a matter not listed on the agenda must submit a 'Request to be heard' form by 10am on the day of the meeting. At the time of registering to speak persons must provide a summary of the matter on which they will be speaking. It must not be in contravention of the *Governance Rules 2020*.

Requests to speak will be registered strictly in the order of receipt of the request.

A total of 12 minutes will be allocated for public submissions with a maximum of three minutes to each speaker.

Recommendation:**That the submission(s) be received.**

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2. Draft *Rating and Revenue Plan 2021-2025* – Public Submissions

SF/4572

Cathy Fitzpatrick – Manager Finance
Robert Barber – General Manager Corporate

PURPOSE OF REPORT

The report presents results of the public exhibition of the draft *Rating and Revenue Plan 2021-2025*.

BACKGROUND

At its meeting on 12 May 2021, acting under its delegated authority of the Council, the Finance and Operations Committee resolved:

1. That the draft *Rating and Revenue Plan 2021-2025* be endorsed for public exhibition.
2. That the Chief Executive Officer be authorised to give public notice that the Council has prepared the draft *Rating and Revenue Plan 2021-2025*.
3. That the draft *Rating and Revenue Plan 2021-2025* be placed on public exhibition in accordance with Section 7.3 of the Council's Governance Rules 2020 for a period of at least 28 days from Thursday 13 May 2021.
4. That submissions relating on the draft *Rating and Revenue Plan 2021-2025* be heard at an additional meeting of the Finance and Operations Committee on 16 June 2021.
5. That the adoption of the draft *Rating and Revenue Plan 2021-2025* be considered at the Council meeting on Wednesday 23 June 2021.

Public notice that the draft *Rating and Revenue Plan 2021-2025* was on public exhibition was given on the Council's website (13 May 2021) and in the Benalla Ensign (19 May 2021). Feedback was also sought via the Council's website and promoted on social media.

The submission period closed Wednesday 9 June 2021.

DISCUSSION

At the close of the submission period, four submissions had been received from:

- Michael Hedderman (refer **Appendix 1**)
- Jane Grimwade (**Appendix 2**)
- Sabine Smyth (**Appendix 3**)
- David Blore (**Appendix 4**).

In accordance with the Council's *Governance Rules 2020*, submitters have been invited address the Finance and Operations Committee in support of their submissions.

COUNCIL PLAN 2017-2021 (2020 REVIEW) IMPLICATIONS

High Performing Organisation

- *Provide good governance and responsible management and planning.*
- *We are compliant with our legislative and risk management responsibilities.*

FINANCIAL IMPLICATIONS

There are no material costs associated with the development and implementation of the *Rating and Revenue Plan 2021-2025*.

CONCLUSION

The Council will consider adoption of the *Rating and Revenue Plan 2021-2025* at its meeting on 23 June 2021.

Recommendation:

That submissions be received.

8 June 2021

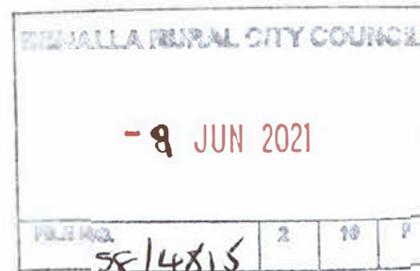
Mr Dom Testoni

Chief Executive Officer

Benalla Rural City Council

PO Box 227

Benalla 3671



Dear Sir

Re: Benalla Rural City Revenue and Rating Plan 2021 - 2025

Thank you for the opportunity to make a submission regarding the above. I wish to comment on a particular aspect of the plan.

P5 States - Some grants are tied to the delivery of council services, whilst many are tied directly to the delivery of new community assets, such as roads or sports pavilions. It is important for Council to be clear about what grants it intends to apply for as stated on P28 "Council will only apply for and accept external funding if it is consistent with the Community Vision and does not lead to the distortion of Council Plan priorities".

Is the grant of \$3 million tied directly to the Cinema proposal and Visitor Information Centre (VIC) upgrade? If so, what cost benefit analysis was undertaken? On 16/6/2020, Mayor Claridge was reported in the Ensign as saying that on average only 26 persons per activity attended the 320 seat BPACC in 2019/20. I would therefore question the commercial viability of the proposed lakeside venture.

Add to this the current building costs that have increased substantially due to lack of materials and mark ups of 25 percent on timber alone. Will Council need to borrow money to see the project completed?

May I suggest that the proposed Cinema and VIC be delayed until detailed Architectural drawings and cost estimates are made available for community input.

Yours in a better Benalla



Michael B Hedderman

[Redacted]

[Redacted]

9 June 2021

Mr Dom Testoni
Chief Executive Officer
Benalla Rural City Council
PO Box 227. BENALLA VIC. 3671

Dear Sir

Re: Draft Revenue and Rating Plan 2021- 2022.

As stated in my budget submission there is also inconsistency visible in this document between the Council Plan priorities and the Community Vision Plan which was crafted by the community. In your Draft Revenue and Ratings Plan you state that Council supports the Community Vision strategic direction and the Community Plan needs to be driven **by the community for the community**.

The Community Vision although a plethora of mother hood statements attributed to council bureaucracy makes that point very clear that the community wants engagement and participation in those visionary statements for the community to grow and prosper.

I wish to address the rate revenue and grants for the Information Centre and the Art Gallery.

- **Rates.**

53% of council income is from rate revenue and of that 60% is made up of rate concessions (you may question this figure but relatively correct) the balance of 35% in grants the rest in fees and charges, therefore council must find as much outside income as possible from both state and commonwealth grants to operate a financially viable council with the challenge of our socioeconomic demographic.

There appears to be support from council to allocate as much land as possible for housing development with the sole aim of increasing rate revenue. Currently 900 housing blocks on the books and with that follows approximately an estimated 10million plus dollars in service providing. Council nominates waste as their highest priority, not to mention water and must meet the costs of servicing these projects. Logically rates will go up to provide these services although currently capped and will possibly not provide sufficient additional Council income.

The decision for this rapid development appears to have been done in haste without setting out guidelines for the developers which would follow a strategy for long term development. I sight Coster Street as an example with 72 small blocks and no green space, traffic & parking problems and have been described by the community as a disaster in planning.

All with the aim of relying on collecting rate revenue without consideration of the aesthetics and ambiance of the town. Development is fine and desirable but not done without a strategy.

DRAFT REVENUE AND RATING PLAN 2021 – 2025 CONT.

- **Recommendation.**

That council has and applies a clearly defined strategy for housing development and guidelines publically available for developers that provide Benalla with a state of the art housing development plan addressing population growth, community needs, open space, climate change and aesthetics. Consult with a Landscape Architect for planning open space. The absence of a strategy already visible that has been thrown open to developers without considering the impact of rate revenue on both individuals and council finance will diminish the town's attraction over time.

- **Grants Applications**

“Council will only apply for and accept external funding where it is consistent with the Community Vision”

Therefor every grant applied for and received must be allocated strategically in line with the Council Plan/ Community Vision to reap the most benefit for our community, this is not apparent.

I am well aware that grants come in all combinations from both State and Federal Governments, some with conditions attached some not. As Council is so dependent on these grants to function it would be apparent that a very detailed strategy and long term financial plan should be in place to apply funding to maximise the benefits for the community.

In the statement that *‘Council must be clear about what grants it intends to apply for’* there is no indication of this and no consultation on large infrastructure projects. There has been a total lack of transparency applied to the Art Gallery and Information Centre project until now.

- **Information Centre Grant Application.**

I stated in my budget submission the statistics for Visitor information use across Victoria which was 2.7% for day visitors and ours doesn't warrant the expenditure of rebuilding, but some internal refurbishing is required. The local community does not use an information centre, it is for visitor information and the statistics are low, mobile technology now is to the forefront.

I refer to The Information Centre where in the strategic Plan 2.3.3. 2019 it states *“Investigate the development of an visitor precinct featuring a visitor information kiosk, caravan parking shade and seating”*.

The word 'investigates' is just that and should be put to the community for discussion and engagement. Yet Council has received grant funding which can be applied to completely re develop the Information centre, build a cinema, kiosk etc. with the possibility of leasing it out. What is disturbing is that the council have leased out the swimming pool which is running at hundreds of thousands of dollars per annum at a loss and should be run by council for community benefit. (Health & Wellbeing). Other local towns manages their own with a degree of success.

One of the reasons for the Pool loss is it is too expensive for the majority of the families in the community to attend at \$7.00 per person.

DRAFT REVENUE AND RATING PLAN 2021- 2025 CONT

BPACC. To suggest the same leasing arrangement for the proposed cinema & kiosk is illogical when we have a perfectly good cinema & kiosk in BPACC also running at a loss. It was well patronised for 7 years while we had a Professional Director, and still would be if we had one, and we just wore warmer clothing and still do on account of poor heating system.

BPACC The performing arts along with swimming pools provide a major contribution to mental health, wellbeing, hope and entertainment in times of uncertainty as we are currently experiencing worldwide. The cost of leasing BPACC compared to a new development that does not provide for the performing arts could be considered negligent in providing for a healthy community. I doubt that any serious applications for funding have been addressed and should be as the government with this pandemic has placed considerable emphasis on mental health and community growth. The building already exists and cooperation with TAFE could be re visited.

When facilities like BPACC are well supported, enjoyed and sponsored by the community, is lost, there is grief and subsequently apathy for something they valued no longer there to nurture the soul. That's what you have today. Note the huge increase in theatre attendances as the lockdowns have come out especially in Sydney and Melbourne.

- **External Funding**

In your Draft Revenue plan it states "Council will only apply for external funding if is consistent with the Community vision and does not lead to the destruction of Council Plan priorities."

The development of the information centre has been a development thrust upon the community without consultation, engagement and inconsistent with your policy for external funding. When projects are thrust upon the community supposedly for community benefit by councils, and they are not wanted they will not be supported and this project falls into that category.

- **Recommendation.** That the funding project for the Visitor Information Centre external development is suspended until a concept plan, architectural plan, costing and community consultation has taken place and a balanced decision is arrived at. Internal refurbishing defiantly a consideration and please use expert advice.

- **Art Gallery Development Plan.**

This comment also applies to the Benalla Art Gallery. There is no mention of major development for the Art Gallery anywhere in the council plan and as I see it to accept a grant for the Art Gallery is in direct contravention to that statement especially as no community consultation or advice had taken place. This project does not appear to have community support.

In your budget meeting vague comments were made by councillors that the Art Gallery Master plan had been on the books for 10 -15 years and it will remain there as its cost prohibitive.

I have been made aware that funding for the Gallery is for internal refurbishing, this is acceptable in my view, however it has not been made public what that involves and there should be a public

DRAFT REVENUE AND RATING PLAN 2021- 2025 CONT

meeting at the Gallery to explain what is happening. Many people in the community have given generously to the Gallery since its inception and are interested in its continual development.

In my experience living in Benalla for nearly 60 years, being involved in many of our major infrastructure projects it has been the vision of individuals within the community, supported by the community and subsequently by the council of the day to achieve them. These projects brought the community with them, engaged them and have their continued support and the community continue to enjoy the all benefits of those projects today. If the community is on board philanthropy follows as has been demonstrated in many projects supporting grants and council contributions. Mr Ledger and his family's generous philanthropic contribution to the town has benefited the town for decades but he would be seriously upset to see his gift of unencumbered land left for community benefit as a priority parkland turned into a car park. These actions do not encourage community support.

- **Recommendation.** That the funding project for the Visitor Information Centre external development is suspended until a concept plan, architectural plan, costing and community consultation has taken place and a balanced decision is arrived at.
- During a worldwide pandemic that will affect us all economically for years, to go ahead with this decision for external development can be considered frivolous in its execution.

As the world has changed for all of us, Rural Councils need to become more innovative, proactive, and creative and utilise the wealth of experience in the town to shape our future and survive. Council needs to interact more with other councils learn from their mistakes and successes and we need to take risks ourselves.

We are doing OK but more can be done.

Jane Grimwade.

Appendix 3

Benalla Migrant Camp Inc.
Incorporation No. A0059103R
ABN 80 468 957 671

9th June 2021

Mr Dom Testoni, Chief Executive Officer &
The Mayor, Cr Danny Claridge &
Councillors
Benalla Rural City Council
P.O. Box 227
Benalla VIC 3671

Dear Mr Testoni,

Submission for the Proposed 2021-2025 Council Revenue and Rates Plan

My submission relates to **1.5.3 of the plan – Grants**.

The council-owned and State Heritage Listed former Benalla Migrant Camp needs Council attention for various grants to realise its Conservation Management Plan.

State Heritage Listing (the application and associated costs being paid by the community – not Council) placed the site in line for unique funding via Heritage Victoria's Living Heritage Grants (<https://www.vic.gov.au/living-heritage-grants-program>).

Although the grants are competitive, having a Conservation Management Plan (CMP) in place, puts applicants in a good position.

Benalla Migrant Camp Inc. lobbied Council in 2017 to lodge an application for a Heritage Victoria grant to develop a Conservation Management Plan. The subsequent plan (with the grant covering all costs), was endorsed by Council in December 2018.

Applying for grants to realise the CMP would deliver on 1.5.3 of your plan:
It would "deliver important infrastructure and service outcomes for the community" for a place of significance that is "consistent with the Community Plan and Vision".

Finally, I would also like to endorse Michael Hedderman's and David Blore's submissions made separately, to the same plan.

Thank you for the opportunity to provide input.

Regards,

Sabine Smyth, Chair. Benalla Migrant Camp Inc.

From: David Blore Benalla
To: Council Email
Subject: Submission Regarding the Draft Rating and Revenue Plan 2021-2025
Date: Wednesday, 9 June 2021 5:00:53 PM

Attention CEO and Mayor.

Dear Danny and Dom:

As indicated in my brief response on the on-line form, I believe the draft Plan is a reasonable framework for Council subject to some specific comments below.

- Late timing: it should have been available for scrutiny concurrently with the Budget as there are direct implications between the two;
- I also would have liked to see a draft of the 10-year Financial Plan, as these documents all interlink and having all the information at one time would assist in better understanding the overall impacts and implications.
- To suggest that "community engagement" obligations are being met by advertising the document through local news outlets and social media for comment in a short two-week timeframe is far-fetched;
- It mentions options to reduce reliance on rates for Council's income - the only thing I can see which addresses this issue is the comment about applying for grants;
- I agree fully with the statement (p5) that "It is important for Council to be clear about what grants it intends to apply for" - especially in the context of the contentious grant for funding the Art Gallery for unspecified works;
- I agree with using CIV but also support the comment (p11) that the total property value may not necessarily reflect income level, especially in an ageing population such as Benalla, where financial circumstances can change significantly from employment to retiree status;
- User Fees and Charges (pp 26 & 27): agree with the statements so wonder how this impacts the proposed cafe at the VIC? I also would like to see some analysis of cost recovery for community assets such as the Town Hall, and how these costs reflect appropriate cost recovery whilst also ensuring equitable community utilisation. The community should also have access to full information on all the relevant data for Council-owned facilities such as the pool, Gallery and BPACC;
- Grant applications (p28): I agree wholeheartedly with this statement re "Council will only apply for and accept external funding where it is consistent with the Community Vision (which one are you referring to here? Is it the yet-to-be-confirmed rebadged Community Plan?) and does not lead to distortion of Council Plan priorities."
- I would make this statement stronger by saying " consistent with the Community Vision ***and strategic projects identified in the Council Plan.....***". I suggest that the grant for the Art Gallery is in direct contravention to that statement.
- Borrowings (p29) should include the additional statement (in bold and italics) that "Borrowings are appropriate for funding large capital works (***identified in the Community Visions and Council Plan after appropriate community consultation***) where the benefits are provided to future generations". The current Council Plan includes the comment from the community that "borrowings should be reduced", so appropriate justification is important.
- I would like to know what document will bring together all the strands of the separate Plans (Financial, Asset, Revenue and Rating, Workforce and Annual

Budget)? How will this be assessed over time, and importantly reported to the Council and community on an ongoing basis?

- What options are available to Council to address commercial properties which are subject to significant (excessive!) rental increases especially in the current circumstances, leading (among other factors) to the slow death of strip shopping on Bridge and Nunn Streets and elsewhere? Is a vacant property rates surcharge or differential possible, similar to the vacant land differential? Has any such issue been discussed by Council?

I wish to make a verbal submission on these points at the Council meeting to discuss this Draft.

Regards

David Blore

Closure of Meeting