

Commercial rate discount dismissed

East Gippsland Shire Council has adopted its 2013/14 budget, without any change to its draft form, but not without an attempt to reduce the commercial rate.

Cr Marianne Pelz, with support from Cr Ben Buckley, attempted unsuccessfully to modify the budget at the 11th hour by reducing the commercial industrial differential rate by five per cent from 145 per cent to 140 per cent of the general rate.

Cr Pelz said her move was in support of the businesses of the community who are doing it hard and are facing hard economic times. None of the 63 submissions to the draft budget released for public comment raised this as an issue.

Cr Buckley's decision to support Cr Pelz in her 2-7 unsuccessful amendment was based on the need for reforms of a differential rating system that is becoming more and more complicated.

"How can we be a tax collecting agency, it's high time we had reform on this and I'm supporting her (Cr Pelz) on this motion," Cr Buckley said.

Considerable discussion was based around the financial implication of such a decision being made.

Chief executive officer Steve Kozlowski said it would impact the bottom line of the budget by about \$150,000 to \$160,000.

"Mr Kozlowski said there would be 'no other consequential changes' to the budget or projects, however it could reduce the amount of money available to Business and Tourism East Gippsland and East Gippsland Marketing.

Cr Jane Rowe was against the commercial rate reduction, saying it would be mischievous of council to advertise one budget and adopt another.

Cr Mark Reeve echoed those com-



* Cr Marianne Pelz

ments, saying the small reduction to individual businesses would collectively be a much larger reduction.

Cr Peter Neal was disappointed this debate had come to the table at such a late time, particularly given he had much earlier raised, and was defeated in discussion, the need to look at the differential charge.

The adoption of the budget on Tuesday night at a special meeting confirmed a rate rise of four per cent, one of the lowest in the state.

Mayor, Cr Dick Ellis said in proposing a four per cent rate increase, council had taken into consideration Municipal Association of Victoria research into the rates levied by councils statewide.

"The increase is considerably lower than the average rate bill of similar Councils in Victoria and amounts to just over \$1 per week for an average household with three kerbside waste collection bins," Cr Ellis said.

In addition, the council will retain a 10 per cent discount on rates for farmers and a \$50 rate rebate for eligible pensioners over and above the State Government rebate that is available," Cr Ellis said.



* Cr Ben Buckley

"After several months of deliberation, council has produced a balanced budget that delivers on many of the strategic priorities identified in the four-year Council Plan.

"A strong focus is on retiring 'old debt', which will be eliminated by June 30, 2015. At the same time, the budget contains a large capital works program, while maintaining current service levels.

"Council's continuing financial sustainability is a key element of its long-term financial plan, which recognises that to maintain service levels, council rates need to be adjusted on an annual basis at a rate equivalent to the estimated movement of the Consumer Price Index (CPI), plus a minimum of one percent to take account of typical Local Government expenditures that increase at a rate greater than CPI," Cr Ellis said.

Two councillors opposed the budget - Crs Buckley and Pelz.

Cr Buckley highlighted an unfair municipal charge, which disadvantages landowners with property of lower value. All rateable properties pay the same municipal charge despite the value of the property. He said some



* Cr Dick Ellis

ratepayers were being "disadvantaged 12:1".

"Our neighbouring shire doesn't even have one (municipal charge). It's a major issue and it needs addressing," he said.

Cr Buckley said his fellow councillors had informed him during previous discussion that he had "said nothing to change their minds".

"Next year we might be able to deal with a better, non-discriminatory attitude."

In moving to adopt the budget, Cr Rowe said the budget was strong and one that translates growth and vibrancy.

Chief executive officer, Steve Kozlowski said the budget had been particularly difficult to prepare.

"The underlying result for the 2013/14 year is a surplus of \$6.4 million, \$5.6m of which relates to funding previous incurred expenditure for the repatriation of council assets as a result of damage caused by natural disasters last year."

Some of the key factors taken into consideration during the preparation of this document include:

- * Maintenance of service levels at

2012/13 levels with less resources (where achievable), with an emphasis on innovation and efficiency;

- * Capacity to deliver the Council Plan outcomes and fully meet asset renewal requirements;

- * A freeze on operating expenditure for recurrent activities at 2012/13 levels;

- * \$3.8 million payment for the unfunded Defined Benefit Superannuation Scheme shortfall;

- * A significant increase in power and utilities costs;

- * Capital works program to renew existing assets totalling around \$70 million over the next four years; and

- * Identification of new revenue sources, where possible.

"A number of external influences will also impact significantly on the services delivered by council in the 2013/14 financial year and as such, have been taken into account," Mr Kozlowski said.

Sixty-three submissions to the draft budget were received, 56 of those relating to Bastion Point ocean access. Among the various issues raised were a user pays policy, and a desire for rates not be used to fund the capital and additional maintenance costs associated with the new facility.

Outside Bastion Point, other issues raised included:

- * Safety audits.
- * Mallacoota Camp Park;
- * Fleet purchases;
- * Bicycle infrastructure projects;
- * Newlands Arm improvement;
- * East Gippsland Livestock Exchange fees and charges;
- * Council debt;
- * Swimming pools;
- * Waste collection fees;
- * Rating and land use classifications;
- * Rating and charges;
- * Forecast revenue and expenses.