

SPECIAL  
MEETING OF  
COUNCIL  
27 JUNE 2019



The Flinders  
Ranges Council

Members of The Flinders Ranges Council

His Worship the Mayor  
PJ Slattery

Councillors:  
KP Anderson  
GD Flint  
JIL Hipwell  
AM Reubenicht  
PM Reynolds  
AJ Smith  
SW Taylor  
KJ Woolford

## Notice of Meeting

A Special Meeting of The Flinders Ranges Council  
will be held in the Council Chambers,  
1 Seventh Street, Quorn on  
Thursday 27 June 2019  
commencing at 5:30pm

The business to be considered at the above-mentioned workshop  
is set out on the attached Agenda

Darryl Whicker  
Acting Chief Executive Officer  
26 June 2019



**Special Meeting of Council**  
27 June 2019

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# **A G E N D A**

**1. PRESENT:**

**IN ATTENDANCE:**

**2. APOLOGIES:**

**ABSENT:**

**3. CONFLICT OF INTEREST:**

**4. 2019-2020 PLANS FOR ADOPTION:**

**4.1. Public Consultation Submissions**

**4.2. 2019-2020 Annual Business Plan**

**4.3. 2019-2020 Budget & 2019-2038 Long Term Financial Plan**

**4.4. 2019-2020 Fees & Charges**

**5. CLOSE:**



**MEETING:** Special Meeting of Council  
**DATE:** 27 June 2019

**DEPARTMENT:** Finance & Administration Manager  
**OFFICER:** Sean Cheriton (Acting Finance & Administration Manager)

<b>REPORT ITEM</b>	<b>4.1 – 4.4</b>
<b>REPORT TITLE</b>	<b>Annual Business Plan 2019-2020 Budget 2019-2020 Long Term Financial Plan 2019-2039 Fees &amp; Charges 2019-2020</b>
<b>Implementation</b>	2019-2020 Financial Year
<b>Budget Impact</b>	As detailed in the documents
<b>Risk Assessment</b>	Tolerable / Moderate
<b>File References</b>	7.73.3
<b>Statutory Requirement</b>	<i>Local Government Act 1999 Local Government (Financial Management) Regulations 2011</i>
<b>STRATEGIC REFERENCE</b>	
<b>Goal Objective</b>	Governance Sound governance meeting contemporary standards and legislation; 'Continuous improvement' underlies our core values and practices
<b>Strategy</b>	Ensure transparency, honesty and accountability in all Council decision making and implementation processes; Develop a culture of 'continuous improvement' across the organisation

**RECOMMENDATION:**

**1 ADOPTION OF 2019-2020 ANNUAL BUSINESS PLAN**

That pursuant to and in accordance with Section 123(6) of the *Local Government Act 1999* (the *Act*), and Regulation 6 of the *Local Government (Financial Management) Regulations 2011* (the *Regulations*), that The Flinders Ranges Council, after considering all submissions made, adopt the 2019-2020 Annual Business Plan dated 27 June 2019, contained in Attachment "A", for the financial year 2019-2020.

**2 ADOPTION OF 2019-2020 BUDGET & 2019-2039 LONG TERM FINANCIAL PLAN**

That pursuant to Section 123(7) and 122(1a)(a) of the *Act* and Regulation 7 of the *Regulations*, that The Flinders Ranges Council adopts the 2019-2020 Budget and the 2019-2039 Long Term Financial Plan dated 27 June 2019, as contained in Attachment "B", comprising:

- Budgeted Statement of Comprehensive Income
- Budgeted Statement of Financial Position
- Budgeted Statement of Changes in Equity
- Budgeted Statement of Cash Flows
- Uniform Presentation of Finances
- Statement Financial Indicators,

having considered the Budget in conjunction with, and having determined it to be consistent with, the Annual Business Plan 2019-2020.

**3 DECLARATION OF FEES AND CHARGES:**

That pursuant to Section 188(1) of the *Act*, that The Flinders Ranges Council adopts the Fees and Charges schedule dated 27 June 2019 contained in Attachment "C" for the financial year 2019-2020.



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**PREVIOUS CONSIDERATION:**

Council undertakes the Annual Business Planning process each year.

Council adopted the 2018-2019 Annual Business Plan and 2018-2038 Long Term Financial Plan (including the 2018-2019 Budget) at its Ordinary Meeting held on 12 June 2018.

At the January 2019 Ordinary Meeting it was resolved:

*14.3.2 FRC Rating Discussion Paper 2019-2020*

*Moved Councillor Reynolds, Seconded Councillor Taylor*

*That The Flinders Ranges Council Rating Discussion Paper 2019-2020 be received and the contents noted.*

**CARRIED (009/2019)**

Council held a series of Workshops on 30 April 2019 and 14 and 21 May 2019 in preparing its Draft Documents for 2019-2020.

At a Special Meeting held on 28 May 2019, Council resolved:

*Moved Councillor Reynolds, Seconded Councillor Flint*

*That pursuant to Section 123(3) of the Local Government Act 1999, the Council approve in principle, the Draft Annual Business Plan 2019-2020, Draft Long Term Financial Plan 2019-2039, Draft Fees & Charges 2019-2020 and Draft Rating Policy 2019-2020 for public consultation; and*

*That pursuant to Section 123(4)(a)(ii) of the Local Government Act 1999, that Council advertise in the Flinders News that Council is seeking submissions by Friday 21 June 2019; and*

*That pursuant to Section 123(4)(a)(i)(B) and Section 123(4)(b) of the Local Government Act 1999, that Council set aside one hour at the beginning of the Ordinary Meeting of Council on Tuesday 18 June 2019 to hear from any person wishing to make a submission on the draft documents; and*

*That pursuant to Section 123(4)(a)(i)(A) and Section 123(4)(b) of the Local Government Act 1999, that Council hold and publicise two community information sessions to be held on Tuesday 11 June 2019 at Hawker from 6:30pm and on Wednesday 12 June 2019 at Quorn from 6:30pm, to hear from any person wishing to make a submission on the draft documents.*

**CARRIED (120/2019)**

**EXECUTIVE SUMMARY:**

The Long Term Financial Plan forms part of Council's suite of Strategic Management Plans pursuant to Section 122(1a) & (1b) of the *Local Government Act 1999*:

- (1a) *A council must, in conjunction with the plans required under subsection (1), develop and adopt—*
- (a) *a long-term financial plan for a period of at least 10 years; and*
  - (b) *an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years,*

*(and these plans will also be taken to form part of the council's strategic management plans).*

- (1b) *The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.*

The Regulations relevant to Section 122(1a)(a) above the *Local Government (Financial Management) Regulations 2011*, namely:

### **5—Long-term financial plans**

*A long-term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—*

- (a) estimated financial statements with respect to the period of the long-term financial plan, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements; and*
- (b) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and*
- (c) estimates with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.*

The Annual Business Plan can incorporate the former requirement for a separate Rating Policy and Rate Rebate Policy however Council has previously chosen to keep separate documents and this has been continued this year.

Section 123 of the *Local Government Act 1999* states:

### **123—Annual business plans and budgets**

- (1) A council must have, for each financial year—*
  - (a) an annual business plan; and*
  - (b) a budget.*
- (2) Each annual business plan of a council must—*
  - (a) include a summary of the council's long-term objectives (as set out in its strategic management plans); and*
  - (b) include an outline of—*
    - (i) the council's objectives for the financial year; and*
    - (ii) the activities that the council intends to undertake to achieve those objectives; and*
    - (iii) the measures (financial and non-financial) that the council intends to use to assess the performance of the council against its objectives over the financial year; and*
  - (c) assess the financial requirements of the council for the financial year and, taking those requirements into account, set out a summary of its proposed operating expenditure, capital expenditure and sources of revenue; and*
  - (d) set out the rates structure and policies for the financial year; and*
  - (e) assess the impact of the rates structure and policies on the community based on modelling that has been undertaken or obtained by the council; and*
  - (f) take into account the council's long-term financial plan and relevant issues relating to the management and development of infrastructure and major assets by the council; and*
  - (g) address or include any other matter prescribed by the regulations.*
- (3) Before a council adopts an annual business plan, the council must—*
  - (a) prepare a draft annual business plan; and*

- (b) *follow the relevant steps set out in its public consultation policy, taking into account the requirements of subsection (4).*
- (4) *For the purposes of subsection (3)(b), a public consultation policy must at least provide for the following:*
- (a) *the publication in a newspaper circulating within the area of the council of a notice informing the public of the preparation of the draft annual business plan and inviting interested persons—*
- (i) *to attend—*
- (A) *a public meeting in relation to the matter to be held on a date (which must be at least 21 days after the publication of the notice) stated in the notice; or*
- (B) *a meeting of the council to be held on a date stated in the notice at which members of the public may ask questions, and make submissions, in relation to the matter for a period of at least 1 hour, (on the basis that the council determines which kind of meeting is to be held under this subparagraph); or*
- (ii) *to make written submissions in relation to the matter within a period (which must be at least 21 days) stated in the notice; and*
- (b) *the council to make arrangements for a meeting contemplated by paragraph (a)(i) and the consideration by the council of any submissions made at that meeting or in response to the invitation under paragraph (a)(ii).*
- (5) *The council must ensure that copies of the draft annual business plan are available at the meeting under subsection (4)(a)(i), and for inspection (without charge) and purchase (on payment of a fee fixed by the council) at the principal office of the council at least 21 days before the date of that meeting.*
- (5a) *The council must ensure that provision is made for—*
- (a) *a facility for asking and answering questions; and*
- (b) *the receipt of submissions,*
- on its website during the public consultation period.*
- (6) *A council may then, after considering—*
- (a) *any submission made to the council during the public consultation period; and*
- (b) *any new or revised information in the possession of the council that is relevant to the material contained in the draft annual business plan; and*
- (c) *such other materials or information as the council thinks fit,*
- adopt its annual business plan (with or without amendment).*
- (7) *Each budget of a council must—*
- (a) *be considered in conjunction with the council's annual business plan (and must be consistent with that plan, as adopted); and*
- (b) *be adopted by the council after the council has adopted its annual business plan.*
- (8) *An annual business plan and a budget must be adopted by a council after 31 May for the ensuing financial year and, except in a case involving extraordinary administrative difficulty, before 31 August for the financial year.*
- (9) *A council must, after adopting an annual business plan and a budget—*
- (a) *ensure—*
- (i) *that a summary of the annual business plan is prepared so as to assist in promoting public awareness of the nature of its services and its rating and financial management policies, taking into account its objectives and activities for the ensuing financial year; and*
- (ii) *that a copy of the summary of the annual business plan accompanies the first rates notice sent to ratepayers after the declaration of its rates for the financial year; and*
- (b) *ensure—*
- (i) *that copies of the annual business plan and the budget (as adopted) are available for inspection (without charge) or purchase (on payment of a fee fixed by the council); and*

- (ii) that copies of the summary of the annual business plan are available for inspection and to take (without charge), at the principal office of the council; and
      - (c) ensure that electronic copies of the annual business plan and the budget (as adopted) are published on a website determined by the chief executive officer.
- (10) The regulations may prescribe requirements with respect to the preparation, form and contents of—
  - (a) an annual business plan (including a draft for the purposes of public consultation), and the summary required under subsection (9); and
  - (b) a budget.
- (11) However, in any event, the summary of the annual business plan must include an assessment of the extent to which the council's objectives for the previous financial year have been attained (taking into account the provisions of the annual business plan for that financial year).
- (12) Subject to complying with a preceding subsection, any relevant document under this section will be in a form determined by the council.
- (13) A council must, as required by the regulations, and may at any time, reconsider its annual business plan or its budget during the course of a financial year and, if necessary or appropriate, make any revisions.
- (14) A rate cannot be challenged on a ground based on non-compliance with this section, or on a ground based on the contents of a document prepared or adopted by a council for the purposes of this section.

The Regulations referred to in Subsections 123(2)(g) & (10) above are as follows from the *Local Government (Financial Management) Regulations 2011*:

#### **6—Annual business plans**

*Pursuant to section 123(2)(g) of the Act, an annual business plan (including a draft for the purposes of public consultation) must include information with respect to the following additional matters:*

- (a) the reason why the council has adopted its valuation method for rating purposes;
- (b) if differential rates are used, the reasons and justifications for the differentiation, and the expected level of revenue to be raised by each differential rate;
- (c) if applicable, the use and level of a fixed charge component of a general rate;
- (d) the use and level of any separate rate, service rate or service charge, including the reasons for the rate or charge;
- (e) the council's policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than 1 financial year and including information on how a rebate is designed to meet the purpose behind the rebate;
- (f) issues concerning equity within the community and the impact of rates across the area;
- (g) the application or operation of a minimum amount payable by way of rates (if applicable).

#### **7—Budgets**

*Pursuant to section 123(10)(b) of the Act, each budget of a council under the Act must—*

- (a) include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the *Model Financial Statements*; and
- (b) state whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year; and
- (c) include a summary of operating and capital investment activities presented in a manner consistent with the note in the *Model Financial Statements* entitled *Uniform Presentation of Finances*; and
- (d) include estimates with respect to the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio presented in a manner consistent with the note in the *Model Financial Statements* entitled *Financial Indicators*.



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Council commenced the Annual Business Plan (ABP) / Budget / Long Term Financial Plan (LTFP) process in January 2019 with the release of the Rating Discussion Paper 2019-2020.

The Rating Discussion Paper 2019-2020 informed Elected Members of the history, current legislation and available methodology in regard to the setting of rates.

The following outlines the subsequent processes undertaken to date:

- ✓ Council sought input from Elected Members, staff and ratepayers in the Council newsletter with regard to any projects / services to be introduced, improved or terminated;
- ✓ A series of Workshops were undertaken with Elected Members and senior staff culminating in a draft ABP/Budget/LTFP/Fees & Charges(FC) & Rating Policy(RP);
- ✓ At the 28 May 2019 Special Meeting, the finalised draft ABP/Budget/LTFP/FC & RP was developed and approved for public consultation;
- ✓ Public consultation of the draft ABP/Budget/LTFP/FC & RP for 21 days in May/June 2019 closed 21 June 2019;
- ✓ Two Community Information Forums were convened, one in Hawker and one in Quorn, on Tuesday 11 June and Wednesday 12 June respectively;
- ✓ At the June Ordinary Council Meeting on 18 June 2019, Council provided opportunity for any verbal submissions on the draft ABP/Budget/LTFP/FC & RP to be made
- ✓ At the Special Meeting to be held 27 June 2019 Council will consider all written and any earlier verbal submissions before considering the final ABP/Budget/LTFP & FC will be presented for adoption.

Elected Members have been encouraged to actively participate throughout this process as it is the Councils (i.e. Elected Members) ABP/Budget/LTFP/FC & RP. The Finance & Administration Manager and staff formulate the ABP/Budget/LTFP/FC & RP based on the Council's strategic plan and make additional recommendations on information received from Elected Members, community groups and ratepayers, and include any changes required due to changes in legislation.

Council received 0 written submissions and 0 verbal submissions during the public consultation period which would have been tabled and considered at this Special Meeting for consideration, and no ratepayers requested to address Council on the ABP/LTFP/F&C/RP at the beginning of the 18 June 2019 Ordinary Meeting.

The Rating Policy will be formally considered at the next stage of the process in conjunction with the consideration and formal adoption of the rates for 2019-2020 at a Special Meeting likely to be held in the week commencing 8 July 2019.

Plant Hire rates were formally adopted last year with the Fees & Charges. It is proposed that this year they will be reviewed and updated following the closure of the end of financial year accounts.

A number of minor corrections and adjustments (relating to identified errors) have been made to draft documents that were previously approved for Public Consultation as follows:-

**Annual Business Plan**

- Page 2 + 4 – Wording changes to reflect adopted Community Plan
- Page 5 Graph - correction of label percentage for administration
- Page 7 Graph – correction of label percentage for rates
- Page 7 Council's Revenue is sourced from – removal of second dot point relating to separate rates which was not considered in this year's draft documents
- Page 8 Rating Policy – removal of last dot point relating to separate rates which was not considered in this year's draft documents



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- Page 9 – Updated Uniform Presentation of Finances included following correction of the two Budget adjustments (refer below)
- Page 10 – Minor wording changes to reflect past tense in suggestions and feedback section

**Budget & Long Term Financial Plan**

- Economic Development Schedule – Lines 346 and 347 – the amounts shown at Line 346 should be shown for Line 347 and Line 346 should be shown as \$0
- Economic Development Schedule – Line 350 – Drought Assistance Rates Relief – should be showing as \$17,000 and not \$10,000 (following change in the level of rate increase to 2.5 per cent)
- All Statutory Budget Statements shown at the start of the document (7 individual statements / reports) have been updated to reflect these changes

The v4 documents attached reflect these changes and are included in the above resolutions as attachments “A”, “B” & “C”.