

**ATTACHMENT TO MINUTES
ORDINARY MEETING OF COUNCIL, MONDAY, 23 JUNE 2008**

Public Question Time – answers to questions taken on notice*

Question/s regarding Draft Budget (question/s from John Middleton)

Question 1

The two tables listed on page 50 of the draft budget document have been prepared on the following basis:

The first table compares the actual percentage rate increases at Port Phillip Council against three inner metropolitan peer councils (Stonnington, Glen Eira and Yarra). This information has been compiled by comparing the budgeted rates revenue in 2007/08 to the actual rates revenue in 2006/07. In all the other years we have compared actual to actual. The reason for the 3.08% result for 2007/2008 being less than the 5.76% shown for in the second table is the impact of supplementary rates which has increased the base amount in 2006/07 from \$66.986 million used when setting the budget to \$68.732 million being the actual rates revenue (including supplementary rates) for the 2006/2007 year.

Council does not make a specific budget allocation for supplementary rates on the basis that these can fluctuate significantly from year to year and that bringing on extra properties has an impact on Council costs.

The rates budget of \$73.680 million represents a 4.0% increase on the \$70.846 million that was budgeted in 2007/2008. This will result in an average increase of 2.9% on rates bills and the additional 1.1% represents the growth in properties during 2007/2008.

Question 2

Council has been transparent about the movement in rates revenue in 2008/09 with the table on page 5 of the draft budget document clearly depicting the increase in rates revenue as 4.0% with this being broken down into components, price (2.9%) and volume (1.1%).

Question 3

Council determines rates according to the Net Annual Value (NAV) method of rating which bases rates on the rental returns of the different property classes. Councils that use NAV rating are not allowed to charge differential rates for different property classes and they accordingly will have the same rate increases going forward. The budget is a forward looking document and it is not proposed to publish historical information on the breakdown of rates between residential, commercial and industrial properties. This information can be accessed from Council's annual reports.

Question/s regarding ANAM (question/s from Michael Sabada)

1. A public advertising process would present the proposed lease for public comment. The draft agreement was for discussion with ANAM prior to proceeding to a public process. The conditions of a lease required by the Council were detailed in the progress reports to the community.
2. The proposed term of the lease was from 1 January 2009 – 31 December 2016
3. The rent of \$311,285.00 is for the existing and new space within the South Melbourne Town Hall only.
4. An independent survey of the occupied area indicated that 54% of the annual operating cost is the contribution to be sought from ANAM. These costs would be additional to the annual rent valued at \$311,285.00
5. An assessment of the refurbishment requirements of the main hall floor has been commissioned to include an assessment of the condition of the substructure, as well as the sanding and polishing of the floor.
6. The rent for the existing and new space in South Melbourne Town Hall has been valued independently twice – once in 2007 and again in 2008 to ensure an accurate valuation of the net lettable area. Both of these valuations have been included in public documents, ie the Council report of the July 2007 meeting cycle and the progress report of June 2008. The figure of \$750,000 referred to in the question was not presented or considered as a formal valuation. It was only mentioned verbally as an estimate, prior to a formal valuation and prior to the Council consideration of the matter

**Note: answers to any questions in Public Question Time which were answered at the meeting are included in the minutes of that meeting.*