

## **ADOPTION OF 2022-25 COUNCIL ACTION PLAN, 2022-23 BUDGET, INCLUDING 10-YEAR CAPITAL EXPENDITURE PROGRAM**

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Report Author: Corporate Planning & Performance Co-Ordinator, Manager Financial Services (CFO)

Responsible Officer: Director Corporate Services

Ward(s) affected: (All Wards);

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*The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.*

### **CONFIDENTIALITY**

This item is to be considered at a Council meeting that is open to the public.

### **SUMMARY**

This report presents the 2022-25 Council Action Plan, 2022-23 to 2025-26 Budget and the 2022-23 to 2031-32 Capital Expenditure Program (the documents) for adoption.

Council has complied with the statutory requirements contained in the *Local Government Act 2020* to enable it to adopt the documents.

The documents outline key activities that will be undertaken by Council and how the activities will be funded.

### **RECOMMENDATION**

***That Council, having completed the review and consideration of community feedback submissions at a Hearing of Submissions Committee on Wednesday 15 June 2022, resolves as follows:***

- 1. The 2022-25 Council Action Plan be adopted.***
- 2. The 2022-23 to 2025-26 Budget and 2022-23 to 2031-32 Capital Expenditure Program be adopted for the purposes of sections 91, 93 and 94 of the Local Government Act 2020.***
- 3. The declaration and levy of rates and charges for the 2022-23 financial year contained within the 2022-23 to 2025-26 Budget be adopted for the purposes of section 94 of the Local Government Act 2020.***
- 4. Write to all submitters who made a submission relating to the draft 2022-23 to 2025-26 Budget, the draft 2022-23 to 2031-32 Capital Expenditure Program and the draft 2022-25 Council Action Plan to thank them for their contribution and notify them of the decision and the reasons for that decision as it relates to their specific contribution.***

## **RELATED COUNCIL DECISIONS**

On 10 May 2022, Council resolved that the draft 2022-25 Council Action Plan, the draft 2022-23 to 2025-26 Budget including the draft 2022-23 to 2031-32 Capital Expenditure Program be received and advertised on 11 May 2022 for public comment.

## **DISCUSSION**

### ***Purpose and Background***

Council must prepare and adopt a rolling 4-year budget that contains financial statements and other matters. This must be approved and adopted by Council no later than 30 June each year. The purpose of this report is to present the Yarra Ranges Council's 4-year budget, including its 10-year Capital Expenditure Program for adoption.

The documents capture how Council will fund the initiatives in the 2022-25 Council Action Plan to achieve the strategic objectives and initiatives. The documents were made available to the community for inspection and written submissions were sought by the lodgement time of midnight on Tuesday 7 June 2022.

The budget is a financial plan that specifies the resources required to fund Council's services and initiatives for the next 12 months and the subsequent three financial years. The budget includes both strategic and operational information, and details how the services and initiatives to be funded will contribute to the achievement of the strategic objectives in the Council Plan as well as the indicators and measures to monitor service performance outcomes.

Yarra Ranges Council's 2022-23 to 2025-26 Budget seeks to deliver high quality services as well as deliver projects and infrastructure that are valued by the community, while ensuring Council remains financially sustainable in the long-term to continue to invest in the future generations of our people and communities. The Budget has been shaped through a lens of significant and targeted community recovery support, services and investment.

This budget includes an allocation of \$89.2 million towards a number of significant capital works projects (including \$3.5 million worth of projects carried forward from 2021-22). Of this, \$67.8 million is allocated for asset renewals, upgrades and expansions, while \$21.3 million will help fund the construction of new assets.

To enable Council to provide this support and investment, Council will be adopting a 1.75% general rates increase, in line with the State Government Rate Cap.

This report also proposes the adoption of the Schedule of Fees and Charges for the 2022-23 financial year as contained in the Budget document.

The adoption of these documents is the culmination of extensive consultation with Councillors and the Yarra Ranges community in relation to the strategic priorities for the coming four years and how they will be funded.

## **FINANCIAL ANALYSIS**

The Budget outlines:

- Council's management of financial resources for a four-year period; and
- The proposed resources allocated to the delivery of proposed capital works, delivery of services and funding for key community priorities.

## **APPLICABLE PLANS AND POLICIES**

Council's Vision 2036 articulates the future aspirations for our community and the municipality. The 2021-25 Council Plan sets a clear direction for Council whilst the revised 2022-25 Council Plan Actions articulate the focussed key initiatives and projects to be undertaken by Council.

The documents outline how these priorities will be funded.

Council's Community Engagement Policy 2021 sets out that Council will engage with the community for feedback and participation in the development of the Annual Budget.

## **RELEVANT LAW**

Council must prepare and adopt a budget for each financial year and the subsequent three financial years by 30 June each year in accordance with section 94 of the *Local Government Act 2020*.

The annual budget must be in the format outlined in the model prescribed by the *Local Government (Planning and Reporting) Regulations 2020*.

## **SUSTAINABILITY IMPLICATIONS**

The Budget includes a number of key environmental initiatives that enable the delivery of key goals outlined in Council's Environment Strategy and the Liveable Climate Plan to improve the health and biodiversity of our natural environment. These initiatives will aim to reduce resources and energy consumption through environmental best practice.

The Budget also outlines key initiatives that will enable Council to work toward providing the quality services, infrastructure, and programs to promote the health and wellbeing of all within the municipality.

The activities outlined in the Budget allocate funding to projects and initiatives to increase economic growth and support businesses and the community, especially in light of the pandemic and the June 2021 storm event.

## **COMMUNITY ENGAGEMENT**

In accordance with Council's Community Engagement Policy, the documents were advertised for a period of 28 days, with the community being invited to submit feedback for consideration by a Delegated Committee of Council.

As part of the community consultation process, the draft Council Plan Actions were also made available as a guiding document to provide information on the proposed strategic direction that is being funded by the budgetary assumptions in these documents.

A total of 10 public submissions were received, with these being considered by the Delegated Committee at a meeting held on Wednesday 15 June 2022. A report from the Committee to Council is included in this agenda.

## **COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT**

The 2022-23 to 2025-26 Budget, including the Capital Expenditure Program, have been prepared through rigorous consultation with Councillors and Council officers. These documents have been developed to respond to the current and future needs of the community considering the significant impact of the Covid-19 pandemic and storm events of 2021.

## **RISK ASSESSMENT**

The 2022-23 Budget, including the Capital Expenditure Program, represents an appropriate use of Council funds to deliver on the strategic objectives in the Council Plan in a fiscally constrained environment. Adoption of this budget helps to manage the risk of not delivering on commitments that Council has made to the community. It has been developed based on the best available information at the time of preparing and compiling the documents.

This information includes Council's Strategic Risk Register, which identifies the risks potentially affecting the ability of the organisation to achieve the strategic objectives of the Council Plan.

Council operates in a very dynamic environment, where many weather events and other factors will continue to influence and impact the municipality. These effects are felt for many months, even years, afterwards with substantial physical and financial resources directed to the recovery programs with some of these costs being recoverable through grant funding.

Council will continue to monitor its performance against budget, and should an event occur that could materially impact the budget, we may exercise our right under the *Local Government Act 2020* to formally revise the budget.

## **CONFLICTS OF INTEREST**

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have

any general or material conflict of interest as defined within the *Local Government Act 2020*.

## **ATTACHMENTS TO THE REPORT**

1. 2022-25 Council Action Plan
2. 2022-23 to 2025-26 Budget
3. 2022-23 to 2031-32 Capital Expenditure Program
4. Submissions received by 7 June 2022