

BUDGET PACK DRAFT AND COMMUNITY CONSULTATION CONFIRMATION

Report Author: Manager Financial Services (CFO)
Responsible Officer: Director Corporate Services
Ward(s) affected: (All Wards);

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

A draft Budget FY2025-2026 and subsequent three-year outlook to FY2028-2029 (Attachment 1) and Revenue and Rating Plan (Attachment 3) have been prepared following extensive consultation and development. These documents articulate the financial and resource strategies to fund the activities and services planned to support the community through this period.

The draft Budget provides for the ongoing delivery of Council services and allocates significant resources to the development and maintenance of infrastructure across the municipality.

The 2025/26 Budget, Fees and Charges Schedule (Attachment 2), Capital Expenditure Program (Attachment 4) and Revenue and Rating Plan have been prepared in draft form to provide an opportunity for community feedback and submissions as required under the *Local Government Act 2020* and Council's *Community Engagement Policy 2024-2028*. This report seeks Council's approval to release these documents for community consultation.

Submissions received from community members will be considered at a Hearing of Submissions Committee meeting on 6 May 2025.

Following the incorporation of any changes following community consultation, the final Budget pack inclusive of Council's Fees and Charges, Capital Expenditure and Revenue and Rating plan will be presented at a Council meeting in June 2025 for consideration.

RECOMMENDATION

That Council

- 1. Approves the draft Budget 2025-2026, Revenue and Rating plan prepared in accordance with sections 94 and 96 of the Local Government Act 2020 for the purpose of giving public notice and undertaking consultation with the community.**
- 2. Authorises the Chief Executive Officer to give public notice in accordance with section 96 of the Local Government Act 2020 of Council's intention to adopt the Budget 2025-2026 at the Council meeting on 10 June 2025.**
- 3. Authorise the Chief Executive Officer, in accordance with Rule 12 of the Governance Rules, make all arrangements for a meeting of the Hearing of Submissions Committee to be held on 6 May 2025 to consider presentations to be heard in support of written submissions received on any matter contained in the draft Budget and that the Committee subsequently provide a report on its proceedings, including a summary of hearings, to Council.**
- 4. Authorises the Chief Executive Officer to undertake any and all administrative procedures to enable Council to carry out its functions under sections 94 and 96 of the Local Government Act 2020 and the Community Engagement Policy.**

RELATED COUNCIL DECISIONS

Council is required to consider and adopt an annual budget each financial year.

DISCUSSION

Purpose and Background

The draft Budget 2025-2026 captures how Council proposes to fund the initiatives to achieve the strategic objectives and strategies of Council for the next year.

The draft Revenue and Rating Plan establishes the most appropriate and affordable revenue raising framework within which the Council proposes to work for the next four years.

In a challenging environment of increasing costs and significant reductions in State and Federal Government funding, the Budget has a focus on maintaining and improving existing assets, continuing several significant multi-year projects, and delivering vital community services and support, whilst remaining mindful of the current economic situation impacting community.

FINANCIAL ANALYSIS

Council's draft Budget document provides the financial roadmap for the future sustainable operations of Council.

The draft Budget 2025-2026 proposes a three per cent increase in property rates, in compliance with, and as set by, the Minister under the Fair Go Rates System.

The costs of preparing and exhibiting the draft Budget and Revenue and Rating Plan are funded from the current operating budget.

APPLICABLE PLANS AND POLICIES

The development of the draft Budget 2025-2026 and Revenue and Rating Plan contributes to the delivery of strategic financial information on the current and future projections of Council to the community, as outlined in the 'High Performing Organisation' key strategic objective in the current Council Plan.

RELEVANT LAW

In accordance with Section 94 and 96 of the *Local Government Act 2020* 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 93 of the *Local Government Act 2020* Council must prepare and adopt a Revenue and Rating Plan by 30 June after a general election for a period of at least the next four financial years.

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

SUSTAINABILITY IMPLICATIONS

Economic Implications

The draft Budget highlights the importance of responsible financial management in a constrained environment with the overall cash position needing to be monitored.

We are confronted with significant strain on our resources to maintain services and our infrastructure at current levels while the costs of delivery continue to outpace funding. In real terms this means it is very difficult to balance community expectations and deliver in the same way we have in the past.

We continue to advocate to other levels of Government highlighting this situation with a focus to minimise future impact to Community. We are also exploring alternate revenue sources and cost-saving measures across the organisation with the underlying aim of maintaining financial responsibility and overall sustainability

Social Implications

The draft Budget and Revenue and Rating Plan allows for the implementation of strategic actions arising from the Health and Wellbeing Strategy, including improving community preparedness and adaptation to climate and extreme weather related events, improving community connection and mental wellbeing, increasing healthy eating and active living, reducing the harms of alcohol, tobacco and other drugs and improving community safety. All priorities use the lenses of gender, age, culture and place to ensure an equitable approach.

Environmental Implications

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

Provision has also been made for continued work on energy saving initiatives to reduce resources and energy consumption through environmental best practice.

COMMUNITY ENGAGEMENT

In developing the draft Budget and Revenue and Rating Plan extensive community feedback and engagement has already been undertaken. Including, throughout the year during community pop ups sessions, community engagement campaigns community summits and as part of Council's community panel workshops. This feedback has been considered as part of the attached documentation.

In accordance with the requirements of the *Local Government Act 2020*, Council is required to give public notice that it intends to adopt the Budget and Revenue and Rating Plan. These draft documents will be made available for inspection at Council's Community Links and on its website during the submission period. The community is invited to make written submissions of feedback in line with the requirements of participatory engagement outlined in Council's *Community Engagement Policy 2024-2028*.

Submissions will be accepted at any Community Links and online via Council's website from 26 March 2025 to 27 April 2025.

A delegated Hearing of Submissions Committee meeting will be held on 6 May 2025 to hear verbal presentations from any submitters wishing to speak to their submission, and to consider all of the submissions received.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration with other councils, governments or statutory bodies has been sought.

RISK ASSESSMENT

There is inherent risk in developing a budget based on assumptions that are unknown or uncertain. Further, a constrained financial environment adds additional financial risk to the operations of the organisation. These risks have been considered and the development of the draft budget and supporting documents are appropriate and responsible.

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. Yarra Ranges Council Budget 2025-2026 (Draft)
2. Appendix A – Fees and Charges Schedule
3. Yarra Ranges Council Revenue and Rating Plan 2025 – 2029 (Draft)
4. FY 2025-26 Capital Expenditure Program Budget Development