

## BUDGET 2025-2026 FOR ADOPTION

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Report Author: Manager Financial Services

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 recommends that Council formally adopts the annual Budget and declare the rates and charges for the 2025-2026 financial year. The Draft Budget 2025-2026 has now been updated and finalised following the public Hearing of Submissions Committee meeting on the 6 May 2025.

A summary of the changes and updates include:

- A reallocation of funding in the Capital Expenditure Program in response to public submissions. This includes advanced design funding for Wesburn dog fence, new footpath design investigation works and Warburton Bowling Club bowling green assessments.
- Fees and Charges 2025-2026 – amendments were made to a small number of statutory fees that are subject to annual changes via State Government gazettes released during May 2025 (Attachment 2).

### ***Rates and charges for 2025-2026***

The 2025-2026 Budget has been prepared in compliance with the rate capping legislation introduced by the Victorian Government and proposes a three percent increase in rates per property.

### ***Capital Works***

The Budget proposes a number of significant capital works projects that have been identified through planning and community consultation.

### ***Policy, planning and services initiatives***

The Budget also includes resources for a range of initiatives regarding policy, planning and services.

## RECOMMENDATION

***That Council having advertised the proposed Annual Budget 2025-2026 and having considered all submissions received in respect of such Budget resolves:***

- 1. To adopt as presented the Budget 2025-2026 (Attachments 1 and 2) and be adopted for the purposes of sections 91, 93 and 94 of the Local Government Act 2020.***
- 2. To authorise the Chief Executive Officer to submit a copy of the adopted Budget to the Minister for Local Government.***
- 3. The amount of rates and charges intended to be raised are an amount of \$187,635,562 million (or such greater amount as is lawfully levied as a consequence of this recommendation being adopted) be declared as the amount which Council intends to raise by general rates and waste service charges (described later in this recommendation). The amount declared is calculated as follows:***

***General Rates                      \$151,849,543***

***Waste Service Charges      \$35,786,019***

- 4. That general rates be declared in respect of the 2025-2026 Financial Year. declaration and levy of rates and charges for the 2025-2026 financial year contained within the 2025-2026 Budget be adopted for the purposes of section 94 of the Local Government Act 2020.***
- 5. That it be further declared that the general rates be raised by the application of differential rates.***
- 6. That a differential rate be respectively declared for rateable land having the respective characteristics specified below, which characteristics will form the criteria for each differential rate so declared.***

***(a) Residential Land***

***Any land which does not have the characteristics of Vacant Substandard land, Farm Land, Commercial Land or Industrial Land.***

***(b) Vacant Sub Standard Land***

***Any land which is vacant land on which by reason of locality or zoning under the relevant Planning Scheme, no building can be erected except in accordance with an adopted restructure plan.***

***(c) Farm Land***

***Any land which is 'farm land' within the meaning of section 2(1) of the Valuation of Land Act 1960.***

***(d) Commercial or Industrial Land***

***Any land which is used or adapted to be used primarily for commercial or industrial purposes.***

- 7. That the quantum of rates payable in respect of each rateable land will be***

**determined by multiplying the Capital Improved Value of such land (categorised by the characteristics described in point 6 above) by the relevant rates indicated in the following table:**

- (a) Residential Land - 0.0025283 (or 0.25283 cents in the dollar of Capital Improved Value)**
- (b) Vacant Sub-Standard Land - 0.0025283 (or 0.25283 cents in the dollar of Capital Improved Value)**
- (c) Farm Land - 0.0017698 (or 0.17698 cents in the dollar of Capital Improved Value)**
- (d) Commercial or Industrial - 0.0037925 (or 0.37925 cents in the dollar of Capital Improved Value)**

- 8. That it be recorded that Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions, and that the:**
- (a) respective objectives, uses and levels of each differential rate be those specified in section 4.1.1 of the Budget document (Attachment 1).**
  - (b) respective types or classes of land which are subject to each differential rate be those defined in part (n) above.**
- 9. That it be confirmed that no amount is fixed as the minimum amount payable by way of general rate in respect of each rateable land within the municipal district.**
- 10. That in accordance with section 4(4) of the Cultural and Recreational Lands Act 1963, the amount of rates payable in respect of each of the rateable lands to which that Act applies be determined by multiplying the Capital Improved Value of that rateable land by 0.0015170 (or 0.15170 cents in the dollar of Capital Improved Value).**

#### **Waste Services Charge**

- 11. That waste service charges be declared in respect of the 2025-2026 Financial Year.**
- 12. That the waste service charges be declared on a full cost recovery model in line with Council's Resource Recovery and Waste Services Policy.**
- 13. The amount of the waste service charges is dependent upon the use of a property, and the bins chosen or required on that property reflective of Council's waste policy. Waste Service charges are calculated as follows;**
- (a) A minimum base charge:**
    - i. Residential \$128**
    - ii. Non-Residential \$48**
  - (b) The food and garden organics (FOGO), recycling, general garbage bin.**
    - i. FOGO 80 litre – Residential \$142**
    - ii. FOGO 120 litre – Residential \$157**
    - iii. FOGO 240 litre – Residential \$201**
    - iv. FOGO 80 litre – Non Residential \$142**

<b>v. FOGO 120 litre – Non Residential</b>	<b>\$157</b>
<b>vi. FOGO 240 litre – Non Residential</b>	<b>\$201</b>
<b>vii. Recycling 80 litre – Residential</b>	<b>\$51</b>
<b>viii. Recycling 120 litre – Residential</b>	<b>\$55</b>
<b>ix. Recycling 240 litre – Residential</b>	<b>\$69</b>
<b>x. Recycling 80 litre – Non Residential</b>	<b>\$51</b>
<b>xi. Recycling 120 litre – Non Residential</b>	<b>\$55</b>
<b>xii. Recycling 240 litre – Non Residential</b>	<b>\$69</b>
<b>xiii. Garbage 80 litre – Residential</b>	<b>\$126</b>
<b>xiv. Garbage 120 litre – Residential</b>	<b>\$155</b>
<b>xv. Garbage 240 litre – Residential</b>	<b>\$242</b>
<b>xvi. Garbage 80 litre – Non Residential</b>	<b>\$126</b>
<b>xvii. Garbage 120 litre – Non Residential</b>	<b>\$155</b>
<b>xviii. Garbage 240 litre – Non Residential</b>	<b>\$242</b>

**Payment**

- 14. That in accordance with Section 167 of the Local Government Act 1989, Council determines that rates and charges may be paid by:**
  - (a) Four equal quarterly instalments due on:**
    - i. 30 September 2025**
    - ii. 30 November 2025**
    - iii. 28 February 2026**
    - iv. 31 May 2026**
  - (b) Where a ratepayer does not meet the first instalment by 30 September 2025, the total outstanding amount is due to be paid in full by 15 February 2026.**
  - (c) Ratepayers also have the option of flexible payment plans which can be accessed during the year.**
- 15. That the Manager Financial Services be authorised to levy and recover the general rates and annual service charge in accordance with the Local Government Act 1989 and the Local Government Act 2020.**
- 16. To endorse the submissions to the 2025-2026 Budget received at the Hearing of Submissions Committee meeting on 6 May 2025 and authorise the Manager Financial Services to write to all those who have made a submission, providing them with the officer response and thanking them for their input.**
- 17. That pursuant to section 172(1) of the Local Government Act 1989, Council records that it will require the payment of interest on any amounts of rates and charges which have not been paid by the date specified under section 167 of the said Act for their payment.**

## **RELATED COUNCIL DECISIONS**

Council endorsed the Draft Budget 2025-2026 to be released for community exhibition at its meeting held on 25 March 2025.

## **DISCUSSION**

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

The 2025-2026 Budget details how Council proposes to fund the initiatives in the Council Plan over the next four years to achieve its strategic objectives and strategies.

The Budget and Capital Expenditure Program will enable the delivery of more than 120 services to our community, while supporting the maintenance, renewal and construction of community facilities and infrastructure projects, including parks, trails, sporting grounds and pavilions, footpaths, roads, drainage and bridges.

It has been prepared through rigorous and extensive consultation with Councillors and Council officers, as well as significant engagement with the Yarra Ranges community. This has informed the development of the Budget – noting the competing tensions for scarce resources and the diverse views and needs of over 165,000 residents across 55 townships.

Yarra Ranges Council remains committed to providing value for money to rate payers. We have continued our approach to identifying opportunities to improve processes and reduce overhead costs in delivering our key services.

The 2025-26 Budget has been developed based on our community's ongoing feedback throughout the year as well as through the formal Budget consultation and submission process.

Cost of living pressures are being felt by our community and careful consideration has been given in applying the three per cent rate increase in 2025-26. Through our Community Survey, 75% of the community supported the council generating other income to reduce the reliance on rates.

## **FINANCIAL ANALYSIS**

The costs of preparing the Budget are funded from operating budget allocations.

## **APPLICABLE PLANS AND POLICIES**

The development of the 2025-2026 Budget contributes to the delivery of strategic financial information on the current and future projections of Council to the community to deliver on the Council Plan and Council Vision.

## **RELEVANT LAW**

Council must prepare and adopt a budget for each financial year and the subsequent three financial years, 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**

Council's financial sustainability is informed by the indicators set by the Victorian Auditor General's Office (VAGO).

These indicators comprise of both short term and longer term measures. The indicators are calculated and considered as part of the budget process.

## **COMMUNITY ENGAGEMENT**

Council's *Community Engagement Policy 2024* sets out how Council will engage with the community for participation and feedback through the process of developing and adopting its annual budget.

Throughout the year we heard from the community through one of the many roadshows held across the municipality, our online feedback portal 'Shaping Yarra Ranges', via Councillors and at Council meetings or from customer feedback.

Feedback from consultation activity has provided invaluable and strategic input to the development of the 2025-2026 Budget.

A process of formal community engagement and submissions to the Draft Budget 2025-2026 was open from Wednesday 26 March 2025 to Sunday 27 April 2025. 49 written submissions were received in this process and nine submitters presented their submissions to a Hearing of Submissions Committee meeting on 6 May 2025. Officer responses to the 49 public submissions following the public hearing will be sent to submitters shortly after this Council meeting.

## **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 by Council and the 2025-2026 Budget and supporting documents have taken these into account to provide a balanced and prudent 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*. Wsq2trfg2

## **ATTACHMENTS TO THE REPORT**

1. Budget 2025-2026
2. Fees and Charges Schedule 2025-2026