

2023-24 DRAFT BUDGET INCLUDING CAPITAL EXPENDITURE PROGRAM FOR ADOPTION IN PRINCIPLE

Report Author: Manager Financial Services

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 2023-24 to 2026-27 Budget including the 2023-24 to 2032-33 Capital Expenditure Program has been prepared following the outcomes of extensive internal consultation as well as a period of community engagement earlier in the year.

These documents articulate Council's financial and resource strategies to fund its activities for the relevant period. They have been prepared in draft form to provide an opportunity for community exhibition prior to Council considering the adoption of the Budget at the Council meeting to be held on 11 July 2023.

RECOMMENDATION

That

- 1. The draft 2023-24 to 2026-27 Budget (including the draft 2023-24 to 2032-33 Capital Expenditure Program) prepared in accordance with section 94 of the Local Government Act 2020 be approved in principle for the purpose of giving public notice and providing a period of public exhibition of the draft Budget.***
- 2. The Chief Executive Officer be authorised to***
 - (a) Give public notice in accordance with section 96 of the Local Government Act 2020 and Council's Community Engagement Policy of Council's intention to adopt the 2023-24 to 2026-27 Budget (including the 2023-24 to 2032-33 Capital Expenditure Program) at the Council meeting to be held on 11 July 2023.***
 - (b) Undertake any and all administrative procedures necessary to enable Council to carry out its functions in accordance with its Community Engagement Policy.***

RELATED COUNCIL DECISIONS

Not applicable.

DISCUSSION

Purpose and Background

The 2023-24 to 2026-27 draft Budget (and the supporting Capital Expenditure Program) captures how Council proposes to fund the initiatives in the Council Plan and Council Action Plan over the next four years to achieve its strategic objectives and strategies.

The draft Budget will enable the delivery of more than 120 services to our community, while supporting the construction of new community facilities and maintenance and upgrade of existing facilities and infrastructure, including parks, trails, sporting grounds and pavilions, footpaths, roads and bridges.

The draft 2023-24 to 2026-27 Budget, including the Capital Expenditure Program, has been prepared through rigorous consultation with Councillors and Council officers, as well as an extensive period of community engagement which has informed the development of the draft Budget – noting the competing tensions for scarce resources and the diverse views and needs of approximately 165,000 residents across 55 townships.

Yarra Ranges Council remains committed to providing increased 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.

There is a common misconception that as properties are revalued, Council receives a “windfall gain” of additional revenue. This is not the case, as the revaluation process results in the redistribution of total rates revenue across all properties in the municipality based on relative changes in property values. The proposed increase in total rates revenue in 2023-24 (excluding waste service charges) is determined by the rate cap (3.5% for 2023-24).

Council invites the Yarra Ranges community to review the draft Budget documents prior to them being considered for adoption at a Council meeting to be held on 11 July 2023.

FINANCIAL ANALYSIS

The draft 2023-24 to 2026-27 Budget outlines Council’s management of financial resources for a four-year period. The draft Budget outlines the proposed resources to be allocated to the delivery of proposed capital works, delivery of services and funding for our key community priorities and initiatives.

APPLICABLE PLANS AND POLICIES

The development of the 2023-24 to 2026-27 draft Budget contributes to the delivery of strategic financial information on the current and future projections of Council to the community, as outlined in the strategic objective of 'High Performing Organisation' in the Council Plan.

RELEVANT LAW

Local Government Act 2020

Local Government (Planning and Reporting) Regulations 2020

SUSTAINABILITY IMPLICATIONS

Economic Implications

The draft Budget enables the important initiatives in the Council Action Plan that will increase economic growth and support businesses to be funded.

Social Implications

The draft Budget outlines key initiatives that will be funded and enables Council to work towards providing the quality services, infrastructure, and programs to promote the health and wellbeing of all within the municipality.

Environmental Implications

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

COMMUNITY ENGAGEMENT

This year Council embarked on a revised community engagement process to help us better understand the views and priorities of our community before developing the 2023-24 draft budget.

Feedback from these engagement activities, as well as information from prior engagements throughout the last year, has provided valuable input to the 2023-24 budget development process, helping ensure resources are being allocated to priority areas identified by the community, while also ensuring Council can continue to meet its legislative obligations.

Specific community engagement budget activities were undertaken over a six-week period, from 30 January to 12 March 2023.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration with other Councils, Governments or statutory bodies was sought.

RISK ASSESSMENT

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*. Council's Community Engagement Policy 2021 sets out how Council will engage with the community for feedback and participation through the process of adopting its annual budget.

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

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. Draft 2023-24 to 2026-27 Budget
2. Draft Fees & Charges Schedule
3. Draft 2023-24 to 2032-33 Capital Expenditure Program