



City of Whitehorse

AGENDA

Special Council Meeting - Proposed Draft Council Budget 2016-2017

To be held in the
Council Chamber
Whitehorse Civic Centre

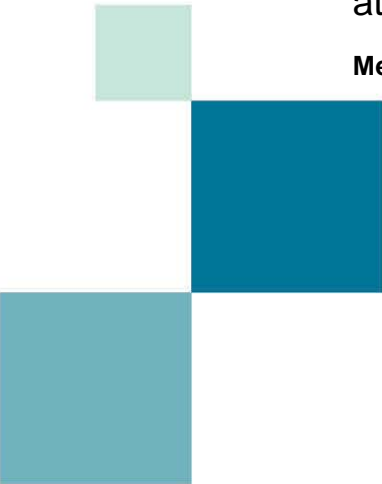
379 Whitehorse Road Nunawading

on

Wednesday 27 April 2016

at 7.00 p.m.

Members: Cr Philip Daw (Mayor), Cr Bill Bennett,
Cr Raylene Carr, Cr Robert Chong AM,
Cr Andrew Davenport, Cr Helen Harris OAM,
Cr Sharon Ellis, Cr Denise Massoud,
Cr Andrew Munroe, Cr Ben Stennett



WHITEHORSE CITY COUNCIL

27 APRIL 2016

1 WELCOME AND APOLOGIES

Cr Bennett and Cr Carr have previously sought and been granted (*at the Ordinary Council Meeting 18 April 2016*) a leave of absence for the Special Council Meeting 27 April 2016.

2 DISCLOSURE OF CONFLICT OF INTERESTS

3 REPORTS

3.1 Proposed Draft Council Budget 2016-2017

4 CLOSE MEETING

3.1 Proposed Draft Council Budget 2016 - 2017

ATTACHMENT

SUMMARY

A Proposed Budget for the 2016/17 financial year has been prepared. The Proposed Budget 2016/17 incorporates a draft four year Strategic Resource Plan 2016-2020. Under the Local Government Act 1989, Council is required to give public notice that the budget is available for inspection and to consider submissions received in respect of the budget prior to its adoption.

RECOMMENDATION

That Council:

- 1 Approves the Proposed Budget 2016/17 for the financial year, for the purposes of Sections 126 and 127 of the Local Government Act 1989;**
- 2 Pursuant to Section 223 (1)(b) of the Local Government Act 1989 determine that the Special Committee comprising the whole of Council will consider, and if requested, hear any submissions received in relation to the Proposed Budget 2016/17, on Tuesday 14 June 2016 at 8.00 pm at the Civic Centre, Nunawading;**
- 3 Authorise the General Manager Corporate Services to give public notice, in accordance with Sections 129 and 223 of the Local Government Act 1989 that Council has prepared a Proposed Budget for the 2016/17 year, and pursuant to Section 223 (3) to carry out the administrative procedures necessary to enable the Committee to carry out its functions under Section 223 of the Act;**
- 4 Consider for adoption the Proposed Budget 2016/17 at the Council Meeting on Monday 27 June 2016, after consideration of any submissions received by the Special Committee at its Meeting on Tuesday 14 June 2016.**

BACKGROUND

A Proposed Budget has been prepared for the 2016/17 financial year. *The Proposed Budget 2016/17 incorporates a draft four year Strategic Resource Plan 2016-2020.* These have been prepared in accordance with the requirements of Section 126 and 127 of the *Local Government Act 1989*. A copy of the Proposed Budget 2016/17 is included as an attachment.

DISCUSSION

The Budget has been prepared with reference to Council's long term financial plan. Council's long-term planning strategy is aimed at creating a sustainable fiscal environment to enable Council to continue to provide the community with high quality services and infrastructure into the medium and long term. The financial plan is a continuation of Council's responsible financial program. It is a financial plan aimed at:

- Balancing the community's needs and ensuring that Council continues to be financially sustainable in the long term.
- Increasing Council's commitment to sustainable asset renewal and maintenance of the community's assets.
- The maintenance of a strong cash position for financial sustainability.
- To achieve efficiencies through targeted savings and an ongoing commitment to contain costs.
- Rate and fee increases that are both manageable and sustainable; and
- Providing a framework to deliver balanced budgets including sustainable annual underlying surpluses.

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The Proposed Budget 2016/17 has been prepared with emphasis for the coming year on a continuation of service delivery for our community, providing consistency and support for our residents. The budget funds a range of community services including health and family services, home and community care, the maintenance of community facilities, parks, gardens, playgrounds, infrastructure, waste and recycling collection, and building and planning services. In addition, the Capital Works Program provides for a sustainable level of funding for the renewal of the community's infrastructure and an investment in major community facilities such as the development of the Nunawading Community Hub.

KEY HIGHLIGHTS OF THE BUDGET

An operational budget that enables the delivery of services to the community including:

- \$14.79 million for Home and Community Care
- \$14.34 million for Sustainability, Waste and Recycling
- \$12.06 million for Leisure Facilities
- \$11.64 million for Health and Family Services
- \$10.33 million for ParksWide (maintenance of sports fields, parks and gardens)
- \$7.49 million for City Works (depot operations, maintenance of footpaths, drains and roads)
- \$5.77 million for the Recycling and Waste Centre
- \$5.54 million for Planning and Building Services
- \$5.43 million for Arts and Cultural Services
- \$5.19 million for Engineering
- \$5.04 million for Libraries
- \$4.51 million for Compliance (Community Laws, parking, school crossings, risk, insurance and emergency management)
- \$3.61 million for Capital Works Management and Facilities Maintenance
- \$2.14 million for Community Development
- \$0.94 million for Investment and Economic Development
- \$0.82 million for Parks Planning and Recreation
- \$0.46 million for Major Projects (operational expenditure)

A \$33 million Capital Works Program comprising:

- \$10.50 million for building and building improvements
- \$5.88 million for roads, bridges and off street car parks
- \$4.43 million for plant and equipment
- \$3.56 million for footpaths and cycleways
- \$3.21 million for recreational, leisure and community facilities
- \$3.05 million for parks, open space and streetscapes
- \$1.99 million for drainage improvements and waste management

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KEY PRESSURES AND CHALLENGES

In preparing the Proposed Budget 2016/17, a number of external and internal influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The introduction of rate capping by the Victorian State Government limiting the average rate increase at 2.5% in line with the forecast Consumer Price Index;
- Cost shifting by other levels of government. This occurs where Council provides a service to the community on behalf of the state and federal government. Over time the funds received by Council do not increase in line with the cost of service delivery. Examples of services that are subject to cost shifting include school crossing supervision, library services and Home and Community Care;
- A significant source of funding for Council (Victoria Grants Commission funding) has been frozen at 2013/14 levels until 2017/18 as part of an announcement by the Commonwealth Government in its Budget 2014/15. This equates to forgone income of \$0.32 million over the period;
- Statutory fees that do not enable full cost recovery. For example planning fees are set by the state and have been frozen for most of the past 14 years;
- The fire services property levy will continue to be collected by Council on behalf of the state government under the *Fire Services Property Levy Act 2012*;
- A projected 3.0% increase in the State Government Landfill Levy to \$62.34 per tonne. This represents a 592.7% increase over the past eight years from the \$9.00 levy charged in 2009/10. The cost to Council will increase by \$0.11 million to \$3.85 million;
- Increased monitoring, rehabilitation and maintenance required for compliance with EPA regulatory requirements on closed landfills to a total of \$0.43 million for 2016/17;
- Changing demographics as a result of an ageing and increasingly culturally diverse population resulting in the need for Council to develop facilities which are accessible and adaptable to inter-generational, diverse and multicultural community users;
- Community expectations for Council to be a leader in environmental sustainability by planning for the effects of climate change, education and awareness of the benefits of trees and natural bushland, and supporting the community in protecting and enhancing our natural assets and open spaces;
- Council is facing significant increases in green power electricity supply costs as retailers pass on rising costs;
- Impact of market competition including the opening of new aquatic and gym facilities within the region;
- Low interest rates restricting Council's ability to generate earnings on cash and investments.
- Ongoing objective to gain operational efficiencies and to maintain ongoing long term financial sustainability;
- Identified cost savings and efficiencies and any alternative additional revenue streams have been accounted for in this budget;

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- The continued requirement to invest in the renewal of ageing community infrastructure. Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of the all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance, renewal and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels;
- The investment in major community infrastructure and facilities over several years (such as the Nunawading Community Hub); and
- Council is in the process of negotiating a new Enterprise Bargaining Agreement to come into effect in 2016/17.

FEES AND CHARGES

Fees and charges have been reviewed with consideration of several influencing factors including full costs, market comparison and an emphasis on accessibility, equity and social justice considerations. Total fees and charges income is budgeted to be 5.5% greater than the 2015/16 forecast.

A number of fees and charges are set by other levels of government regulation (statutory) and are not subject to discretionary change by Council. Statutory fees will be changed by Council when advised of a change by the relevant authorities. The majority of Home and Community Care fees are set with reference to State and Commonwealth guidelines. These are clearly identified in the schedule of fees and charges.

The following analysis details those Council programs with a significant variance in budgeted fees and charges income for 2016/17 when compared to 2015/16:

Council Election (2016)

The 2016/17 includes budgeted income anticipated to be received from non-voter fines subsequent to the 2016 Council election.

Parking Services

This increase mainly reflects higher service levels with an associated increase in volumes anticipated as a result of increased focus on parking enforcement.

Community Laws

This increase primarily reflects an increased emphasis on building site management and litter enforcement across the municipality.

Council Properties

This increase predominantly relates to income which the State Revenue Office (SRO) provides to Council for the provision of biennial municipal revaluation data, which will be received in 2016/17.

Home and Community Care Programs

This increase primarily relates to Direct Care Services (\$0.069m) and Food Services (\$0.062m) primarily reflecting an increase in fee levels as a result of benchmarking with neighbouring councils for those clients who have a capacity to pay. The Food Services budget also allows for an increase in the number of centre-based meals for dining room functions that will be held for clients in 2016/17.

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Children's Services Centres

This increase primarily reflects an increase in the proposed fees for 2016/17 and an adjustment for the expected mix of fees and federal government subsidies. The weekly fee will increase by 6.4% and the daily fee by 3.6%, and the fee levels have been determined with regard to accessibility, competitive neutrality and the level of Council subsidy of these services being maintained.

Morack Golf Course

Changes have been made to the driving range fee structure which is budgeted to generate a greater level of income than the current 2015/16 forecast.

Aqualink Nunawading

Membership income is expected to remain strong in 2016/17 despite competition from the new Ringwood Aquanation facility which opened in the second half of 2015.

Aqualink Box Hill

Membership and casual attendance levels are budgeted to be maintained.

Building

This increase mainly reflects a \$0.046m increase in Report and Consent dispensation application fees resulting from the introduction of new Planning zones and Building Regulation schedules to protect the Whitehorse neighbourhood character.

Engineering Assets

This primarily reflects a \$0.041m increase in asset protection permit income reflecting a 3.9% fee increase and an increase in the number of permits expected to be issued.

Recycling and Waste Centre

This mainly reflects the proposed increase in fee levels with no significant change expected in demand.

CONSULTATION

The budget document has been carefully prepared following community consultation throughout the year and is guided by priorities outlined in key strategic documents including the *Council Vision 2013-2023*, the current four year *Council Plan*, *Strategic Resource Plan* and other major plans and strategies.

A number of Council consultations on key Council strategies and plans were held throughout the year influencing the development of the budget including two community budget information sessions in April 2016 to discuss the development of Whitehorse's Proposed Budget 2016/17.

Councillors and officers also held a number of meetings to develop this fiscally responsible budget and longer term strategic resource plan in a time of significant external and internal pressures and challenges.

Council is required under the *Local Government Act 1989* to seek written public comment on the Proposed Budget. Council is required to give public notice that the proposed document will be made available for inspection for 28 days and that Council will receive submissions made under Section 223 in respect of the Budget. A person who has made a written submission may also request to be heard by a Committee of Council appointed to consider and hear submissions.

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Advertisements providing formal notice of the adoption of the Proposed Budget for consultation will be placed in The Age on Saturday 30 April 2016 and the Whitehorse Leader on Monday 2 May 2016.

It is proposed that Council hear submissions at a Special Committee Meeting on Tuesday 14 June 2016 at 8.00 pm in the Civic Centre, Nunawading. Closing date for written submissions will be Sunday 29 May 2016.

Copies of the Proposed Budget 2016/17 (including the draft four year Strategic Resource Plan 2016-2020) document will be made available at Council's Service Centres (Nunawading, Forest Hill and Box Hill), at the four library branches and will be placed on Council's web site.