



City of Whitehorse

AGENDA

Special Council Meeting

Proposed Draft Council Budget 2015-16 and Council Plan

**To be held in the
Council Chamber
Whitehorse Civic Centre**

379 Whitehorse Road Nunawading
On

Monday 13 April 2015

at 6.30 p.m.

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

Ms Noelene Duff
Chief Executive Officer



WHITEHORSE CITY COUNCIL

13 April 2015

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3.1 Adoption of Proposed Budget 2015/16

ATTACHMENT

SUMMARY

A Proposed Budget for the 2015/16 financial year has been prepared. 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. Adopt the Proposed Budget 2015/16 for the financial year, for the purposes of Section 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 2015/16, on Tuesday 9 June 2015 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 2015/16 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 2015/16 at the Council Meeting on Monday 22 June 2015, after consideration of any submissions received by the Special Committee at its Meeting on Tuesday 9 June 2015.***

BACKGROUND

A Proposed Budget for the 2015/16 financial year has been prepared in accordance with the requirements of Section 127 of the *Local Government Act 1989*. A copy of the Proposed Budget 2015/16 is included as an attachment.

DISCUSSION

The Budget has been prepared with reference to Council's long-term financial plan, providing a responsible solution to the current demands facing the Whitehorse City Council.

The Proposed Budget 2015/16 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 with a total of \$108 million allocated to core services ranging from 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 focuses on major community facility projects and the continuation of maintaining our existing assets to a high standard.

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KEY HIGHLIGHTS OF THE BUDGET

A \$173 million budget delivering \$108 million for core community services including;

- \$14.82 million Home and Community Care
- \$13.91 million Sustainability, Waste and Recycling
- \$11.66 million Leisure Facilities
- \$11.28 million Health and Family Services
- \$ 9.89 million ParksWide (maintenance of sports fields, parks and gardens)
- \$ 7.32 million City Works (depot operations, maintenance of footpaths, drains and roads)
- \$ 5.69 million Recycling and Waste Centre
- \$ 5.67 million Compliance (Community Laws, parking, school crossings, risk, insurance and emergency management)
- \$ 5.33 million Planning and Building Services
- \$ 5.28 million Arts and Cultural Services
- \$ 4.81 million Libraries
- \$ 3.93 million Capital Works Management and Facilities Maintenance
- \$ 3.81 million Engineering
- \$ 2.41 million Community Development
- \$ 0.92 million Parks, Planning and Recreation
- \$ 0.82 million Business and Economic Development

A \$32 million Capital Works Program comprising the following:

- \$8.61 million for building and building improvements
- \$6.01 million for roads and bridges
- \$5.04 million for plant and equipment
- \$3.26 million for parks, open space and streetscapes
- \$3.09 million for footpaths and cycleways
- \$2.16 million for recreational leisure and community facilities
- \$1.87 million for drainage improvements and waste management
- \$1.48 million for open space land acquisitions

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KEY PRESSURES AND CHALLENGES

In preparing the Proposed Budget 2015/16, a number of external 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:

- Cost Shifting by other levels of government. Cost shifting occurs where local government provides a service to the community on behalf of the state or federal government. Over time, the funds received by Council do not increase in line with real cost increases. Examples of services that are subject to cost shifting include school crossing supervision, library services and Home and Community Care. In all these services the level of funding received from the state government does not reflect the real cost to Council of providing the service to the community. Changes in funding targets for Home and Community Care services in 2015/16 are expected to continue the cost burden on Council.
- The Victorian state government has announced that local government rates will be capped from 2016/17. Depending on the level at which rates are capped Council may need to undertake a review of services that are provided to the community with the aim of reducing the level of rate payer subsidy for services undertaken by Local Government on behalf of the State and Federal Government.
- Impact of market competition including the opening of new aquatic and gym facilities within the region.
- A 3.0% increase in the state government landfill levy has been assumed in the Proposed Budget 2015/16 as the levy cost for 2015/16 was not known at the time of budget preparation. The landfill levy is charged by the state government to all Victorian councils for every tonne of waste that goes to landfill, including kerbside waste collections, hard waste, street cleaning, and all other waste collected. A 3.0% increase would increase the state landfill levy to \$60.25 per tonne and this would represent a 569.4% increase over the past seven years from the \$9.00 levy charged in 2009/10.
- The federal government announced, as a cost saving measure in the 2013/14 Federal Budget, that there would be a pause in the indexation on the national pool of financial assistance grants for a three year period to 2016-17 which equates to forgone income of \$0.32 million over the period. As a result, Council has not budgeted for any increase in funding from the Victoria Grants Commission for 2015/16.
- 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*. However while the state will reimburse Council for some costs, the reimbursement will not cover the full cost to Council of collecting this levy on the state's behalf.
- Changing demographic 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.

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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. The proposed 2015/16 fees and charges will achieve a budgeted income of 0.9% greater than the 2014/15 forecast. When adjusted for the cessation of Family Day Care services, the proposed 2015/16 fees and charges will achieve a budgeted income of 3.5% greater than the 2014/15 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 attached report includes a summary table, which outlines variances in the fee income expected to be generated by the various departments. The schedule compares the 2015/16 income to be included in the Proposed Budget to the 2014/15 forecast.

The following analysis provides explanations of programs with a significant variance to the 2014/15 forecast or which do not achieve a 4.0% increase on forecast.

Parking Services (\$0.314m or 5.7% increase)

This primarily reflects additional parking infringement revenue expected from the expansion of Council's utilisation of electronic parking monitoring devices in 2014/15.

Animal Management (\$0.028m or 3.1% decrease)

A higher number of infringements have been issued in 2014/15 as part of a campaign targeting unregistered pets. It is expected that there will be less infringements issued in 2015/16 as a result of higher compliance levels. However, while the 2015/16 budgeted income is expected to be lower than the current forecast, it does represent a 7.5% increase on the adopted 2014/15 budget.

Community Laws (\$0.060m or 18.4% decrease)

A higher number of infringements have been issued in 2014/15 as part of a proactive campaign. However, while the 2015/16 budgeted income is expected to be lower than the current forecast, it does reflect a 16.4% increase on the adopted 2014/15 budget.

Rating (\$0.018m or 17.6% increase)

This increase reflects an expected increase in the demand for land information certificates based on current trend.

Council Properties (\$0.203m or 31.6% decrease)

This decrease primarily relates to income generated from the sale of biennial municipal revaluation data to the State Revenue Office. The next scheduled sale will occur in 2016/17 following the municipal revaluation.

Older Adults Community Support (\$0.015m or 100.0% decrease)

Senior Citizens' centre room hire income has been reallocated to the Minor Halls program under Cultural Facilities.

Home and Community Care Programs (\$925 or 0.0% increase)

This lower than expected increase mainly relates to changes in demand, changes in service allocation as a result of a reduction in government funded targets and a change in auspice for the provision of respite services for children and young adults.

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Family Day Care (\$1.160m or 100.0% decrease)

Council will no longer be coordinating the provision of Family Day Care services within the Whitehorse municipality from 1 July 2015 and therefore no fee income will be received.

Children's Services Centres (\$0.323m or 8.1% increase)

This increase primarily reflects an increase in the proposed fees for 2015/16 and an adjustment for the expected mix of fees and federal government subsidies. The weekly fee will increase by 6.8% and the daily fee by 3.7%, and the fee levels have been determined with regard to accessibility, competitive neutrality and there being no increase in the level of Council subsidy for these services.

Minor Halls (\$0.026m or 21.9% increase)

This increase is mainly due to the reallocation of Senior Citizens' Centre room hire income from the Older Adults Community Support program.

Aqualink Nunawading (\$0.078m or 2.3% increase)

Income growth is expected to be impacted by the opening of the new Ringwood Aquanation facility, which is expected in Spring 2015.

Aqualink Box Hill (\$0.235m or 4.7% increase)

This increase primarily reflects anticipated growth in memberships.

Statutory Planning (\$0.042m or 4.2% decrease excluding Public Open Space Contributions)

This decrease is primarily due to an expected decrease in the number of planning permit applications in 2015/16 as a result of changes to residential zoning which restrict development opportunities. This is partly offset by a 31.7% increase in revenue expected from planning infringement notices as a result of increased enforcement activity.

Strategic Planning (\$0.044m or 57.3% decrease)

This decrease is mainly due to the receipt of a one-off amount relating to the C153 Panel.

Building (\$0.018m or 3.2% decrease)

Decrease expected mainly due to reduced demand for Class 1b permits as a result of a legislation change which has made it more onerous to convert residential houses into student accommodation, as well as a reduction in demand for Council's building services.

Sustainability Waste and Recycling (\$0.335m or 13.1% increase)

This increase is mainly due to the additional income expected as a result of the commercial property 80 litre garbage bin roll out.

Engineering Services – Asset Approval (\$0.054m or 10.6% increase)

This primarily reflects a \$0.045m increase in asset protection permits expected to be issued.

Recycling and Waste Centre (\$0.334m or 4.9% increase)

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

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CONSULTATION

The Budget has been carefully prepared following community consultation throughout the year and is guided by priorities outlined in key strategic documents including the revised *Council Plan 2015-2019*, *Draft Strategic Resource Plan* and other major plans and strategies. Consultation is a major area of focus for the Whitehorse City Council. Consultation on the Proposed Budget 2015/16 included:

- Annual Residents' Survey including Budget specific questions mailed to 1,600 randomly selected residences in October 2014.
- Councillor Budget Committee chaired by the Mayor which included all Councillors and met monthly from December.
- Review and consideration of early Budget submissions.
- Two community information sessions held in March 2015 to discuss the development of Whitehorse's Budget 2015/16.
- A number of other Council consultations held throughout the year impacting on the development of the Budget 2015/16.

Council is required under Sections 126 and 127 of 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.

Advertisements providing formal notice of the adoption of the Proposed Budget for consultation will be placed in *The Age* on Wednesday 15 April 2015 and the *Whitehorse Leader* on Wednesday 22 April 2015.

It is proposed that Council hear submissions at a Special Committee meeting on Tuesday 9 June 2015 at 8.00 pm in the Civic Centre, Nunawading. Closing date for written submissions will be Wednesday 13 May 2015.

Copies of the Proposed Budget 2015/16 document will be made available at the Council's Service Centres (Nunawading, Forest Hill and Box Hill), at the four library branches and will be placed on Council's web site.

3.2 Council Plan Annual Review

FILE NUMBER: 15/883
ATTACHMENT

SUMMARY

Council is required under the Local Government Act to review its Council Plan each year to determine whether the Plan requires any adjustment. This report recommends that the strategic objectives contained within the Council Plan continue to be relevant and reflective of the broad direction of Council activity, however a number of changes have been made to the Strategic Indicators to ensure they remain relevant measures of performance, particularly with the introduction of the Local Government Performance Reporting Framework. In addition, the Strategic Resource Plan has been updated to identify resources required over the next four years.

RECOMMENDATION

That Council:

- 1. Adopt the proposed revised Council Plan 2015-2019 including a draft Strategic Resource Plan for the purposes of Sections 125 and 126 of the Local Government Act 1989***
 - 2. Consider and hear submissions received in respect of the revised Council Plan 2015-2019 and draft Strategic Resource Plan, in accordance with Section 223 of the Local Government Act 1989, at the meeting of the Special Committee to be held on Tuesday 9 June 2015 at 8.00 pm in the Council Chamber, Whitehorse Civic Centre, Nunawading***
 - 3. Authorise the General Manager Corporate Services to give public notice, in accordance with Section 223 of the Local Government Act 1989, that Council has prepared a revised Council Plan 2015-2019 and draft Strategic Resource Plan, 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 revised Council Plan 2015-2019 Strategic Resource Plan at the Ordinary Council meeting on Monday 22 June 2015, after consideration of any submissions received by the Special Committee at its Meeting on Tuesday 9 June 2015.***
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BACKGROUND

At least once in each financial year, Council must consider whether the current Council Plan requires any significant adjustment in respect of the remaining period of the Council Plan. If Council wishes to make any significant adjustment it considers necessary to the Council Plan the adjustment is subject to a public consultation process as outlined under section 223 of the Local Government Act 1989 (a process similar to that used with the annual budget).

DISCUSSION

In March 2015, Council considered adjustments to the current Council Plan, resolving there would be no significant changes made to the Strategic Objectives and Strategies as they remain relevant and reflective of the broad direction of the Council Plan.

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A review of the Strategic Indicators was then completed by officers to ensure they provide the most accurate indication of performance. Recommendations from this review have incorporated into the *revised* Council Plan 2015-2019.

The Council Plan also incorporates a *draft* Strategic Resource Plan (SRP) that identifies the resources required over the next four years to support the implementation of the strategic objectives. The SRP has three components – a financial allocation plan based on Council's Long-Term Financial Plan; an asset management strategy based on Council's 4-year Capital Works Program and a Human Resource Strategy. The SRP must be updated on an annual basis. Council is required to adopt the SRP no later than 30 June each financial year.

The *revised* Council Plan 2015-2019 has five key strategic objectives and 39 strategies to be implemented over the four years. These are:

1. **Strategic Objective:** Appropriate multi-purpose programs, services, facilities and initiatives that promote and deliver wellbeing and inclusive connected communities.
2. **Strategic Objective:** Maintain, develop and enhance our built environment.
3. **Strategic Objective:** Increase in the amount of quality open space and improvement in the sustainability of our natural environment.
4. **Strategic Objective:** Strong leadership and governance in partnership with the community and supported through regional collaboration and cooperation.
5. **Strategic Objective:** Dynamic local economic environment that is regionally connected.

CONSULTATION

The ongoing development of integrated planning processes is a priority for Whitehorse City Council. In the development of the current term Council Plan, Council combined the consultation and engagement process of Council's 4 year Council Plan, 10 year Vision and the Community Health and Wellbeing Plan. The integrated process was broadened to include a range of opportunities for residents, community groups and business to provide input into the strategic direction of Whitehorse.

FINANCIAL IMPLICATIONS

The *revised* Council Plan 2015-2019 identifies broad strategies that will guide Council's actions over the next four years and in so doing, inform the development of the next four Council budgets. The *draft* Strategic Resource Plan, included in the Council Plan, is a rolling four year plan that outlines the financial and non financial resources that Council requires to achieve the strategic objectives described in the Council Plan. It aims to ensure that Council remains financially sustainable over the next four years and for the longer term.

In preparing the *draft* Strategic Resource Plan, Council has also been mindful of the need to comply with the following principles of sound financial management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities.
- Provide reasonable stability in the level of rate burden.
- Consider the financial effects of Council decisions on future generations.
- Provide full, accurate and timely disclosure of financial information.

4 CLOSE MEETING