



# Agenda

## Extraordinary Council Meeting

6.30pm, Monday 19 June 2023

Richmond Town Hall

## Council Meetings

Council Meetings are public forums where Councillors come together to meet as a Council and make decisions about important, strategic and other matters. The Mayor presides over all Council Meetings, and they are conducted in accordance with the City of Yarra Governance Rules.

Council meetings are decision-making forums and only Councillors have a formal role. However, Council is committed to transparent governance and to ensuring that any person whose rights will be directly affected by a decision of Council is entitled to communicate their views and have their interests considered before the decision is made.

## Arrangements to ensure our meetings are accessible to the public

Council meetings are held on the first floor at Richmond Town Hall. Access to the building is available either by the stairs, or via a ramp and lift. Seating is provided to watch the meeting, and the room is wheelchair accessible. Accessible toilet facilities are available. Speakers at the meeting are invited to stand at a lectern to address the Council, and all participants are amplified via an audio system. Meetings are conducted in English.

If you are unable to participate in this environment, we can make arrangements to accommodate you if sufficient notice is given. Some examples of adjustments are:

- a translator in your language
- the presence of an Auslan interpreter
- loan of a portable hearing loop
- reconfiguring the room to facilitate access
- modification of meeting rules to allow you to participate more easily

## Recording and Publication of Meetings

A recording is made of all public Council Meetings and then published on Council's website. By participating in proceedings (including during Question Time or in making a submission regarding an item before Council), you agree to this publication. You should be aware that any private information volunteered by you during your participation in a meeting is subject to recording and publication

## Order of business

1. **Acknowledgement of Country**
2. **Attendance, apologies and requests for leave of absence**
3. **Declarations of conflict of interest**
4. **Council business reports**

## 1. Acknowledgment of Country

*“Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra.*

*We acknowledge their creator spirit Bunjil, their ancestors and their Elders.*

*We acknowledge the strength and resilience of the Wurundjeri Woi Wurrung, who have never ceded sovereignty and retain their strong connections to family, clan and country despite the impacts of European invasion.*

*We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra.*

*We pay our respects to Elders from all nations here today—and to their Elders past, present and future.”*

## 2. Attendance, apologies and requests for leave of absence

### Attendance

#### Councillors

• Cr Claudia Nguyen	Mayor
• Cr Edward Crossland	Deputy Mayor
• Cr Michael Glynatsis	Councillor
• Cr Stephen Jolly	Councillor
• Cr Herschel Landes	Councillor
• Cr Anab Mohamud	Councillor
• Cr Bridgid O’Brien	Councillor
• Cr Amanda Stone	Councillor
• Cr Sophie Wade	Councillor

#### Council staff

##### *Chief Executive Officer*

• Sue Wilkinson	Chief Executive Officer
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##### *General Managers*

• Brooke Colbert	Governance, Communications and Customer Experience
• Sam Hewett	Infrastructure and Environment
• Kerry McGrath	Community Strengthening
• Mary Osman	City Sustainability and Strategy
• Jenny Scicluna	Corporate Services and Transformation

##### *Governance*

• Phil De Losa	Manager Governance and Integrity
• Rhys Thomas	Senior Governance Advisor
• Mel Nikou	Governance Officer

## 3. Declarations of conflict of interest

Any Councillor who has a conflict of interest in a matter being considered at this meeting is required to disclose that interest either by explaining the nature of the conflict of interest to those present or advising that they have disclosed the nature of the interest in writing to the Chief Executive Officer before the meeting commenced.

#### 4. Council business reports

Item		Page	Rec. Page	Report Presenter
4.1	Adoption of Annual Budget 2023/24, Long Term Financial Plan 2023/24 to 2032/33 and Revenue and Rating Plan	6	11	Wei Chen – Chief Financial Officer

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## 4.1 Adoption of Annual Budget 2023/24, Long Term Financial Plan 2023/24 to 2032/33 and Revenue and Rating Plan

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<b>Reference</b>	D23/210491
<b>Author</b>	Dennis Bastas - Manager Financial Services
<b>Authoriser</b>	Chief Financial Officer

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### Purpose

1. The purpose of this report is to present for adoption the:
  - (a) Annual Budget 2023/2024 (Budget) (**Attachment One**);
  - (b) Long Term Financial Plan 2023/2024 to 2032/33 (Financial Plan) (**Attachment Two**); and
  - (c) Revenue and Rating Plan (**Attachment Three**).

### Critical analysis

#### History and background

2. Section 94 of the Local Government Act 2020 provides that Council must prepare and adopt a Budget for each financial year and the subsequent three financial years.
3. Section 96 of the Local Government Act 2020 provides that Council must develop the Budget in accordance with its community engagement policy.
4. Section 91 of the Local Government Act 2020 provides that Council must prepare and adopt a Financial Plan for a period of at least the next 10 financial years.
5. The Budget and associated plans were developed over six months through a rigorous process of review by Councillors and Council Officers.
6. At the meeting on 18 April 2023, Council resolved to adopt for the purpose of seeking feedback;
  - (a) The Draft Budget 2023/24;
  - (b) The Draft Revenue & Rating Plan 2023/24; and
  - (c) The Draft Long Term Financial Plan 2023/2024 to 2032/2033.
7. On 5 June 2023, Council held a Special Council Meeting to hear any person who wished to speak in support of written feedback to the draft Budget, draft Financial Plan and draft Revenue & Rating Plan.

#### Discussion

8. Council has worked hard to prepare a budget that aligns with Yarra's Council Plan 2021-25 and Community Vision and delivers what our community has told us it wants, while addressing ongoing financial challenges and prioritising financial sustainability.

#### Budgetary Pressures

9. Like all other councils across Victoria, Yarra is facing financial challenges with rising cost pressures, rate capping and cost shifting, coupled with unprecedented growth and increasing pressure and demand on its services.
10. More recently, changes to the current economic landscape have compounded these challenges with high levels of inflation and significant increases to cost of services, labour, utilities and construction materials.

11. Whilst COVID-19 significantly impacted Council's financial position, pre-existing budgetary structural issues have also contributed to Council's ability to generate adequate cash flow. Council has limited unrestricted cash and cash levels have been historically subsidised by borrowings.
12. Work to meet these challenges has already commenced and will need to be ongoing and require constant attention. There is no single solution- rather a holistic approach will be required.
13. The preparation of a long-term Financial Sustainability Strategy is underway which aims to provide Council with guidance for the long term sustainable management of its resources. The strategy will seek to articulate the challenges and opportunities for Council and to identify options to ensure long term financial sustainability including both strategic and systemic reforms.
14. Strategic reforms seek to ensure that future investment decisions are based on need, underpinned by evidence and guided by informed strategies including detailed asset management plans, contemporary property management and community infrastructure planning and an ongoing program of service reviews.
15. Systemic reforms include expenditure/cost controls, prudent management of debt, operational efficiencies, and capital works delivery management, among many others.
16. A thorough examination of the 2022/23 Budget including spend and project progress identified a number of efficiencies. These have informed the 2023/24 Budget along with a range of cost saving measures and cuts to expenditure supported by work to strengthen project management to improve capital works delivery.
17. Also of note is that whilst the 2022/23 budget allowed capacity for \$20m of borrowings, prudent financial management meant this was not required.
18. The surplus for the current financial year 2022/23 is expected to be \$16.1m. This is an improvement of \$3.9m on projections from the beginning of this financial year and is a result of significant cost-saving measures.

#### 2023/24 Budget

19. The 2023/24 budget maintains current service levels, proposes no new debt and no increase to staffing numbers.
20. Fees and charges have been adjusted in line with the consumer price index (CPI).
21. General rates will increase by 3.5%, in line with the 2023-24 rate cap implemented by the Victorian Government, which is below the 4% recommended by the Essential Services Commission based on CPI forecast.
22. Council will continue to support vulnerable community members through its Hardship Policy and Pensioner Rebate.
23. Council's cash and cash equivalents will decrease from \$87.05m to \$86.81m over the four years of the budget, this in part reflects the repayment of borrowings. Non-current assets of property, infrastructure, plant and equipment is expected to increase from \$2.14b to \$2.25b over the four years of the budget.
24. The Capital Works Program is a comprehensive asset renewal, upgrade and new works program of \$26.7 million in addition to an expected \$7.2 million carried forward projects from the 2022/23 financial year.
25. By applying the abovementioned cost saving measures ongoing, along with a smarter and more efficient use of funds, a surplus for the 2023/24 Budget of \$15.2m is projected despite increasingly challenging economic circumstances. Generating sufficient levels of surpluses is critical to fund our capital works and other programs in the future.
26. An ongoing program of service reviews will begin in 2023/24 to ensure services are efficient, cost effective and align to community benefit.

### Waste Charge

27. Separate but related, is the responsibility of Council to also take action to limit the impacts of known future financial risks wherever possible.
28. This is the case with waste services, as the rising cost of providing waste services is a known risk. Separating the waste charge from general rates is critical to addressing this risk to ensure Council's financial sustainability is not eroded further.
29. Council has made the decision to separate waste and recycling costs from general rates and implement a separate rate for public and kerbside waste services. This is achieved by reducing general rates by the equivalent value.
30. Whilst in future years waste service charges would not be subject to the rate cap, any charges applied would be for cost recovery only, hence limited to the cost of providing waste and recycling services.
31. Without a separate waste charge, all future costs associated with waste services will need to be met using rate revenue noting that the costs of waste and recycling is continually outpacing the rate cap. This will directly impact Council's capacity to fund other priorities and its ability to deliver and maintain current services in other areas.
32. This approach has been implemented across the Victorian local government sector irrespective of each Council's specific financial circumstances.

### Budget Highlights

33. Key projects this year include investing in a better school commute for families, local liveable streets, parks and open spaces, tackling the climate emergency and improvements to bicycle and road infrastructure.
34. Project highlights for this year's budget include:
  - (a) Delivering and designing new parks through the Roads to Open Space project;
  - (b) Planning for the New Deal for Schools, a flagship transport program to support children to walk, cycle and scoot to school with the aim of reducing school traffic and improving the school commute for families;
  - (c) Enhancing youth engagement and participation, focussing on at-risk young people, promoting the voices of young people and participation in decision-making and employment opportunities;
  - (d) Ongoing funding for community street events and activations that celebrate the diversity and vibrancy of Yarra, like Lunar New Year and the Johnston St Fiesta;
  - (e) Improving the community's digital access and customer experience with upgrades to the Council website to make it easier for residents to interact with Council, anywhere, anytime;
  - (f) Replacing library resources across all libraries and expanding the Open Library program to ensure these vital community hubs are relevant, resourceful and accessible for our community;
  - (g) Making a range of improvements across Yarra's bicycle network with a focus on Strategic Cycling Corridors like Wellington Street's bicycle lanes;
  - (h) Improving road safety and amenity including major infrastructure upgrades and improvements to pedestrian and traffic management;
  - (i) Upgrading pedestrian infrastructure in Cremorne with a focus on key arterial intersections to improve community safety in the area;
  - (j) Continued rollout of the Zero Carbon Households and Better Energy Better Business programs to support Yarra residents and businesses to reduce emissions by creating efficient, electric homes and businesses powered by renewable energy;
  - (k) Supporting local trader groups and associations in placemaking and precinct activations to keep the local economy thriving;

- (l) Ongoing implementation of the community-led Local Liveable Streets initiative to turn our streets into liveable and dynamic spaces for the community;
- (m) Accelerating Yarra's Tree Planting program as a natural cooling climate emergency response by increasing annual planting of trees; and
- (n) Developing a parking strategy that seeks to balance parking need with sustainability objectives.

#### Options

35. There are no options to be considered in this report.

#### **Community and stakeholder engagement**

- 36. Stage 1 of community engagement on the Budget took place from November to December in 2022.
- 37. Council invited the community to share its priorities and ideas for the Budget and received feedback from almost 500 people in the community.
- 38. Feedback was invited online via 'Your Say Yarra' and through a series of in person pop ups at various locations across the City of Yarra. A youth forum was also held to capture the priorities of young people living in the city.
- 39. The draft Budget and associated documents were presented to the Ordinary Council meeting on 18 April 2023. These were adopted in principle, to seek community feedback.
- 40. Stage 2 of community engagement included a public exhibition period which closed on 19 May, seeking feedback on the draft Budget, draft Financial Plan and draft Revenue and Rating Plan. Engagement during the exhibition period included:
  - (a) Online engagement portal - Your Say Yarra feedback opportunities;
  - (b) Hard copy draft budgets available at town halls and posted if requested; and
  - (c) Community engagement sessions (incorporating separate waste services charge sessions), four pop-up information sessions across the municipality and two waste station events and dedicated engagement for young people during April and May 2023.
- 41. A dedicated Your Say Yarra webpage was created for both the draft Budget and waste charge and attracted 4,776 views from 2,112 unique visitors. The page and in-person pop ups were promoted through the following communications channels:
  - (a) 31 social media posts;
  - (b) Social media advertisements reaching approximately 258,633 people;
  - (c) Ten Council email newsletters reaching an approximate total of 33,748 subscribers;
  - (d) Seven-page spread in the April/May edition of Yarra News;
  - (e) Three news items featured on the home page of the corporate website;
  - (f) Static information stations of printed collateral available at events and all Council venues;
  - (g) A stakeholder webinar was held via Zoom to provide key community partners information about the separation of waste service charges;
  - (h) Direct mail-outs to 47,785 properties with a focus on the waste charge and promoting local pop-up sessions; and
  - (i) The in-person pop up events were also promoted through a direct mail out to people living in close proximity to the event site.
- 42. In recognition of the diversity of our community, the following activities aimed to support engagement with our CALD community:

- (a) Our Bicultural Liaison Officers attended all in person events. The Bicultural Liaison Officers represented the top five ratepayer language groups. Additional language support in other languages was available if needed;
  - (b) Information on Your Say Yarra is able to be instantly translated into ten languages through our translations tool to further assist people who speak a language other than English;
  - (c) In-language translations of brochures;
  - (d) In-language advertisements in CALD newspapers (Neos Kosmos, Asian Multi Media, II Globo and Viet Times); and
  - (e) Promotion through CALD radio stations.
43. A significant number of in-person engagement opportunities were also created:
- (a) Eleven in-person engagement events to promote the draft Budget 2023/24 and explain the separation of the waste services charge;
  - (b) A dedicated youth event was held at the Yarra Youth Centre;
  - (c) A family-friendly Depot Open Day was held to provide an insight into a variety of Council services; and
  - (d) Events were held in almost every suburb in the municipality.
44. Council received feedback on draft Budget and draft Financial Plan and draft Revenue and Rating Plan from 73 contributors. Some contributors raised multiple issues in their feedback with a total of 108 issues referenced.
45. Council also received 65 comments on the separation of waste services charges.

## Policy analysis

### Alignment to Council Plan

46. The Council Plan 2021-25 and Yarra Vision – Yarra 2036 has been adopted in accordance with the *Local Government Act 2020*.
47. The Budget and Financial Plan has been structured according to the Strategic Objectives in the Council Plan 2021-25 and Yarra Vision 2036.

### Climate emergency and sustainability implications

48. The Budget, Financial Plan and Revenue and Rating Plan preparation and adoption process shows a commitment to continue funding appropriate environmental initiatives.

### Community and social implications

49. The Budget, Financial Plan and Revenue and Rating Plan support Council's social policies and services.

### Economic development implications

50. The Budget, Financial Plan and Revenue and Rating Plan preparation and adoption process has wide-ranging economic implications for Yarra's citizens, particularly those reliant on Council infrastructure, services and funding, which in turn continue to support and contribute to economic activity in the municipality.

### Human rights and gender equality implications

51. There are no human rights and gender equality implications considered in this report.

## Operational analysis

### Financial and resource impacts

52. The Budget, Financial Plan and Revenue and Rating Plan have major financial implications for Council's current and future operations and financial direction into the future.

### Legal Implications

53. The Budget, Financial Plan and Revenue and Rating Plan have been prepared in accordance with the Local Government Act 2020.

### Conclusion

54. Council's 2023/2024 Budget process commenced in November 2022 and has involved multiple workshops with Councillors over the past seven months.
55. Council has satisfied the legislative requirements of the process and is now in a position to adopt its Annual Budget 2023/2024 Long Term Financial Plan 2023/2024 to 2032/33 and Revenue and Rating Plan.
56. Any further changes resulting from the budget deliberation and resolution will be incorporated in the final version of the documents.

## RECOMMENDATION

1. That Council, following a community engagement process conducted in accordance with its community engagement policy:
- (a) notes that the Budget, Financial Plan and Revenue and Rating Plan are updated to reflect the changes that have occurred since mid-April 2023, which led to a minor reduction of operating surplus for 2023/2024 from \$15.4m to \$15.2m;
  - (b) notes that the current Council Plan 2021-2025 and Yarra Vision 2036 was used to develop this Budget, Financial Plan and Revenue and Rating Plan;
  - (c) adopts the Annual Budget 2023/2024 as its budget for the 2023/2024 financial year and the subsequent 3 financial years (**Attachment One**);
  - (d) adopts the Long Term Financial Plan 2022/23 to 2031/32 (**Attachment Two**);
  - (e) endorses the Revenue and Rating Plan (**Attachment Three**);
  - (f) declares rates and charges as per pages 35-38 of the budget document (**Attachment One**). In summary, an amount of \$132.118m (or such greater amount as is lawfully levied as a consequence of this resolution) as the amount which Council intends to raise by General Rates and other charges, which is calculated as follows:

Category	\$000
General Rates	\$ 111,493
Public waste rate	\$7,192
Kerbside waste rate	\$11,874
Service rates and charges	\$50
Special rates and charges	\$143
Supplementary Rates and rate adjustments	\$1,500
Interest on rates and charges	\$300
Revenue in lieu of rates	\$39
Council Pension Rebate	(\$439)
Cultural & Recreational Lands and EPU's	(\$35)
Total Rates and Charges	\$132,118

- (g) advises in respect to General Rates:

- (i) a general rate be declared in respect of and for the entire duration of the 2023/2024 financial year;
- (ii) it further be declared that the general rate be raised by application of a uniform rate;
- (iii) a percentage of 0.032237540 be specified as the percentage of the uniform rate which may be alternatively expressed as 0.032237540 cents in the NAV dollar;
- (iv) it be confirmed that no amount is fixed as the minimum amount payable by way of a general rate in respect of each rateable property within the municipality; and
- (v) the Council funded Pensioner Rate Rebate be declared at \$204.10 for 2023/24;
- (h) declares no Annual Service Charge in respect of the 2023/24 financial year;
- (i) declares no Municipal Charge in respect of the 2023/24 financial year; and
- (j) authorises the Chief Executive Officer to effect administrative and wording changes to the Annual Budget 2023/2024, Financial Plan 2023/24 to 2032/33 and Revenue and Rating Plan, which may be required.

## Attachments

- 1 Attachment 1 - Annual Budget 2023/2024
- 2 Attachment 2 - Long Term Financial Plan 2023/2024 to 2032/33
- 3 Attachment 3 - Revenue and Rating Plan

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