



City of Whitehorse

AGENDA

Special Council Meeting 2017/18 Council Budget and Council Plan

To be held in the
Council Chamber
Nunawading Civic Centre

379 Whitehorse Road Nunawading

on

Monday 24 April 2017

at 7.00pm

Members: Cr Denise Massoud (Mayor), Cr Bill Bennett,
Cr Raylene Carr, Cr Prue Cutts, Cr Andrew Davenport,
Cr Sharon Ellis, Cr Tina Liu, Cr Andrew Munroe,
Cr Ben Stennett

Ms Noelene Duff
Chief Executive Officer



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AGENDA

- 1 WELCOME AND APOLOGIES**
- 2 DISCLOSURE OF CONFLICT OF INTERESTS**
- 3 COUNCIL REPORTS**

3.1 Proposed Budget 2017/18

SUMMARY

A Proposed Budget for the 2017/18 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:

- A Approves the Proposed Budget 2017/18 for the financial year, for the purposes of Sections 126 and 127 of the Local Government Act 1989;**
 - B 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 2017/18, on Tuesday 13 June 2017 at 8.00 pm at the Civic Centre, Nunawading;**
 - C 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 2017/18 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; and**
 - D Consider for adoption the Proposed Budget 2017/18 at the Council Meeting on Monday 26 June 2017, after consideration of any submissions received by the Special Committee at its Meeting on Tuesday 13 June 2017.**
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BACKGROUND

A Proposed Budget has been prepared for the 2017/18 financial year, which has been prepared in accordance with the requirements of Section 126 and 127 of the *Local Government Act 1989*. A copy of the Proposed Budget 2017/18 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 surpluses.
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The Proposed Budget 2017/18 incorporates the Annual Plan, Operating Budget, Capital Works Program and Strategic Resource Plan and details the resources required over the next financial year to commence delivery on the strategic directions in the new *Council Plan 2017-2021*.

The Proposed Budget 2017/18 provides \$195 million funding to enable the ongoing delivery of high quality services and the renewal and improvement of community facilities and infrastructure for the benefit of the Whitehorse community. 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 redevelopment of the Nunawading Community Hub and the Whitehorse Centre.

KEY HIGHLIGHTS OF THE BUDGET

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

- \$14.51 million Sustainability, Waste and Recycling
- \$14.33 million Home and Community Care
- \$12.34 million Leisure Facilities
- \$11.26 million Health and Family Services
- \$10.47 million ParksWide (maintenance of sports fields, parks and gardens)
- \$7.83 million City Works (depot operations, maintenance of footpaths, drains and roads)
- \$6.95 million Recycling and Waste Centre
- \$6.89 million Planning and Building Services
- \$5.61 million Arts and Cultural Services
- \$5.27 million Compliance (Community Laws, parking, school crossings, risk, insurance and emergency management)
- \$5.09 million Libraries
- \$4.69 million Engineering
- \$3.68 million Major Projects and Buildings
- \$2.08 million Community Development
- \$1.02 million Parks Planning and Recreation
- \$0.94 million Investment and Economic Development
- \$0.66 million Assets and Capital Works

A \$43 million Capital Works Program comprising:

- \$19.52 million for land, building and building improvements
- \$5.77 million for roads, bridges and off street car parks
- \$5.27 million for plant and equipment
- \$3.48 million for parks, open space and streetscapes
- \$3.19 million for drainage improvements and waste management
- \$3.03 million for footpaths and cycleways
- \$2.87 million for recreational, leisure and community facilities

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KEY PRESSURES AND CHALLENGES

In preparing the Proposed Budget 2017/18, 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 average rate increase will rise by 2.0% in 2017/18 in line with the order by the Minister for Local Government in December 2016 under the *Fair Go Rates System*
- Changing community needs and expectations as a result of an ageing and increasingly culturally diverse population
- The cost of maintaining Council's infrastructure assets. This is to ensure that infrastructure assets are provided to support services that are appropriate, accessible, responsive and sustainable to the community
- 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 Governments. Over time, the funds received by Council do not increase in line with real cost increases
- A further 2.0% increase in the State Government landfill levy to an anticipated cost of \$63.27 per tonne, representing a 603% increase over the past nine years
- Increasing community expectations for Council to be a leader in environmental sustainability
- Continuing low interest rates restricting Council's ability to generate earnings on cash and investments; and
- Enterprise Agreement wage increase of 2.0% or \$26 per week, whichever is greater effective from September 2017.

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 2017/18 fees and charges will achieve a budgeted income of 1.3% greater than the 2016/17 forecast. Excluding the impact of the planned closure of Central Box Hill Children's Services Centre at 31 December 2017, election non-voter fines and income from the provision of biennial revaluation data to the State Revenue Office (ie income that is not received on a continuous basis), a 2.7% increase in overall fees and charges has been budgeted.

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. These are clearly identified in the schedule of fees and charges. The majority of Home and Community Care fees are set with reference to State and Commonwealth guidelines.

The following analysis details those programs with a significant variance in budgeted fees and charges income for 2017/18 when compared to the 2016/17 forecast.

Council Election (2016)

A \$0.09 million decrease in income is expected from non-voter fines subsequent to the 2016 Council election. The budget is based on income levels received after the 2012 election with approximately two-thirds of income received in the year of the election and one-third in the subsequent year.

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Compliance

Compliance income is budgeted to increase by \$0.33 million reflecting fee increases in meter money (\$0.11 million) and parking bay hire charges (\$0.05 million) and dog registration fees (\$0.10 million). Parking infringement income is budgeted to increase by \$0.07 million or 2.0% compared to the current year forecast.

Council Properties

Income is budgeted to be \$0.22 million lower in 2017/18 primarily relating to income which the State Revenue Office provides to Council for the provision of biennial municipal revaluation data, which will next be received in 2018/19.

Health and Family Services

A \$0.14 million decrease is expected mainly due to the planned closure of the Box Hill Children's Services Centre at the end of the 2017 calendar year (\$0.23 million decrease). The weekly childcare fee will increase by 5.0% and the daily fee by 3.4%, and the fee levels have been determined with regard to accessibility, competitive neutrality and the level of Council subsidy of these services being maintained.

Leisure Facilities

Overall, Leisure Facilities have budgeted a \$0.32 million (2.7%) increase on the current year forecast. Individual facilities with significant variances were as follows:

- Morack Golf Course has budgeted a \$0.07 million (5.3%) increase reflecting increases in fee levels (between 2.8%-5%) and an increase in patronage compared to 2016/17, which has been impacted by unfavourable weather conditions at times.
- Aqualink Nunawading income is budgeted to increase by \$0.06 million (1.7%) overall with fee increases partly offset by an expected decrease in casual attendances based on the current trend.
- Aqualink Box Hill shows an increase of \$0.14 million (2.3%) largely reflecting maintenance of membership and casual attendances at current levels.

Planning Services

Planning income is budgeted to increase by \$0.28 million primarily relating to the full year impact of the rise in statutory fees set by the State Government, which came into effect on 13 October 2016.

Engineering Services

A \$0.19 million increase in income is expected from garden green waste collection fees in the Sustainability, Waste and Recycling program, with a proposed fee increase of 7.3% to recover the anticipated increase in contract costs.

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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 new *Council Plan 2017-2021*, *Strategic Resource Plan* and other major plans and strategies.

Consultations that have informed the development of this Budget include the *Your Say Whitehorse* engagement campaign, the 2016 Community Satisfaction Survey, consideration of prior year public budget submissions, and consultation on various Council strategies and plans, including the Council Plan. Council held a five-week *Your Say Whitehorse* engagement campaign in late 2016, which included a survey, community workshop, online discussion forum and five pop-up events at various locations across the municipality, and has been used to inform development of the new *Council Plan 2017-2021*.

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.

Advertisements providing formal notice of the adoption of the Proposed Budget for consultation will be placed in *The Age* on Saturday 29 April 2017 and the *Whitehorse Leader* on Monday 1 May 2017.

It is proposed that Council hear submissions at a Special Committee meeting on Tuesday 13 June 2017 at 8.00 pm in the Civic Centre, Nunawading. The closing date for written submissions will be Sunday 28 May 2017.

Copies of the Proposed Budget 2017/18 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.

3.2 Proposed Council Plan 2017-2021

ATTACHMENT

SUMMARY

Council is required under the Local Government Act 1989 to develop a four-year Council Plan within six months of a general election or by 30 June. A proposed Council Plan has been developed, informed by feedback from Councillors, community and staff through a comprehensive community engagement campaign, Your Say Whitehorse. Council is required to give public notice that the proposed Council Plan is available for inspection and to consider submissions received in respect of the proposed Council Plan prior to its final adoption.

RECOMMENDATION

That Council:

- 1. Adopt the proposed Council Plan 2017-2021 including a Strategic Resource Plan for the purposes of Sections 125 and 126 of the Local Government Act 1989;***
- 2. Endorse the proposed Council Plan 2017-2021 and seek public feedback and comment;***
- 3. Consider and hear submissions received in respect of the proposed Council Plan 2017-2021, in accordance with Section 223 of the Local Government Act 1989, at the meeting of the Special Committee of Council to be held on Tuesday 13 June 2017 at 8.00pm in the Council Chamber, Whitehorse Civic Centre, 379-397 Whitehorse Road, Nunawading; and***
- 4. 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 proposed Council Plan 2017-2021, 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.***

BACKGROUND

As required by the Local Government Act 1989, Section 125, Council is required to prepare a council plan. The council plan must include strategic objectives, strategies for achieving these objectives and strategic indicators for monitoring achievement of the strategic objectives.

The Council Plan was developed through an extensive community engagement campaign, *Your Say Whitehorse*, which provided Councillors, community and staff with an opportunity to inform and guide the new Council Plan.

Through this community engagement, Council has developed a series of goals (strategic objectives) which form the overarching guidance for Council in this Council Plan. These goals are underpinned by the Strategic Directions contained within our community's long-term vision, '*Council Vision 2013-2023*', which are a broad set of statements that articulate the aspirations of our community for the municipality's future.

Under each goal within the Council Plan, Council has listed the approach (strategies) to achieving that goal, including measures of success (strategic indicators).

Council has also featured the relevant strategies, plans and policies that are externally focused and which support the relevant goal/s. Furthermore, Council has also included the services it delivers. Service delivery is a key driver for the achievement of each goal.

DISCUSSION

The proposed Council Plan 2017-2021 will guide Council over the next four years to ensure the city continues to be a healthy, prosperous and sustainable community supported by strong leadership and community partnerships.

The proposed Council Plan 2017-2021 is underpinned by the five Strategic Directions contained within our community's long-term vision, '*Council Vision 2013-2023*'. These are as follows;

1. Strategic Direction 1 – Support a healthy, vibrant, inclusive and diverse community
2. Strategic Direction 2 – Maintain and enhance our built environment to ensure a liveable and sustainable city
3. Strategic Direction 3 – Protect and enhance our open spaces and natural environments
4. Strategic Direction 4 – Strategic leadership and open and accessible government; and
5. Strategic Direction 5 – Support a healthy local economy.

The proposed Council Plan has seven goals (strategic objectives) which form the overarching guidance for Council. This in turn is then supported by 33 related approaches (strategies) to be implemented over the next four years to help achieve these goals, including 74 measures of success (strategic indicators).

The proposed Council Plan also incorporates a Strategic Resource Plan which identifies the resources required over the next four years to deliver on the Council Plan. The Strategic Resource Plan includes a financial allocation based on Council's Long Term Financial Plan, Human Resource Strategy, Rating Information, Borrowing Strategy, and Asset Management Strategy. The Plan also contains a set of financial statements as required by legislation.

CONSULTATION

Whitehorse City Council embarked on one of its most comprehensive community engagement programs, *Your Say Whitehorse*. The *Your Say Whitehorse* campaign provided a range of avenues for engagement with the community during November and December 2016. *Your Say Whitehorse* was designed to help build and inform two key strategic and legislated documents, the Council Plan 2017-2021 and the Municipal Public Health and Wellbeing Plan 2017-2021 (it should be noted that the Municipal Public Health and Wellbeing Plan 2017-2021 has a different timeframe for completion and the development of this plan will continue during 2017).

During the five week *Your Say Whitehorse* community engagement process, Councillors, residents, visitors, community groups, employees, stakeholders and local businesses were invited to share their thoughts through various community engagement activities ranging from completing a survey (in person, in writing or online), to attending a community workshop, visiting a pop-up event or going online to the *Your Say Whitehorse* discussion forum/website.

The many opportunities to be involved were widely promoted, with the *Your Say Whitehorse* program reaching approximately 165,000 people through distribution of the Whitehorse Leader and Whitehorse News, and more than 10,200 people directly targeted through distribution of postcards and surveys. The program was also promoted through community networks. The program reached a wide group of people, including Whitehorse's harder to reach groups. In addition, Councillors actively participated in the program at the pop up events, soliciting feedback individually, through engaging with their networks to complete surveys, as well as facilitating sessions to gain community feedback.

The Whitehorse City Council Community Engagement Findings report describes the engagement program and the key findings from participant feedback and is available online on Council's website.

Advertisements providing formal public notification of the adoption of the proposed Council Plan 2017-2021 for consultation will be placed in The Age on Saturday 29 April 2017 and the Whitehorse Leader on Monday 1 May 2017.

Council will hear submissions on the proposed Council Plan 2017-2021 at a Special Committee of Council to be held on Tuesday 13 June 2017 at 8.00pm in the Council Chamber, Whitehorse Civic Centre, 379-397 Whitehorse Road, Nunawading. Closing date for written submissions will be Sunday 28 May 2017.

Copies of the proposed Council Plan 2017-2021 will be made available at Council's Service Centres (Nunawading, Forest Hill and Box Hill) and the four library branches, as well as Council's corporate website.

FINANCIAL IMPLICATIONS

The proposed Council Plan 2017-2021 identifies proposed 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. It aims to ensure that Council remains financially sustainable over the next four years and for the longer term.

POLICY IMPLICATIONS

Council Plan 2017-2021

ATTACHMENT

- 1 Proposed Council Plan 

4 CLOSE MEETING