

7.6 Proposed Budget 2022-23 for Public Exhibition

Executive Summary

Purpose

The purpose of this report is to present to Council the proposed Budget 2022-23 (**Attachment 1 - to be circulated publicly at the Council meeting on 26 April 2022**) for public review and comment.

Background

The proposed Budget has been prepared in accordance with the requirements of the *Local Government Act 2020* and in line with Council's commitment to sustainable budgeting, responsible financial management and the State Government's rate cap for 2022-23. The Budget also includes Council's services, initiatives and major initiatives to be delivered to the Boroondara community during 2022-23. The Budget will be circulated publicly at the Council meeting on 26 April 2022.

Key Issues

The proposed Budget 2022-23 is largely based on a post COVID-19 recovery of normal activity levels. There has been a continued reduction in some services, primarily in user fees and statutory fees and charges, which are anticipated to return to normal activity levels by July 2023. Due to the dynamic health and economic crisis created by the global COVID-19 pandemic, Council will continue to monitor the impacts and be responsive to the city's changing needs with the latest advice and guidance being received from State and Federal Governments in relation to the management of COVID-19.

As part of the development of the Budget, Council works diligently to balance the competing priorities and needs of our residents to provide appropriate infrastructure and services that will contribute to delivering community priorities and place our customers at the centre of everything we do.

The proposed Budget 2022-23 has been developed based on the ideas, aspirations and feedback we heard from our community through consultation to renew the Boroondara Community Plan 2021-31.

In 2022-23, Council will continue to progress significant major projects which are to be completed over the next few years. Some of these projects include:

- Kew Recreation Centre redevelopment (\$73.1 million over four years, completion in 2022-23);
- Tuck Stand refurbishment (\$17.2 million over four years, completion in 2024-25);
- Library Redevelopment Kew (\$17.0 million over four years, completion in 2025-26).

A series of environmental initiatives are also planned in order to continue to minimise Council's impact on the environment and work towards a healthier, more sustainable future for our city.

The proposed Budget will ensure Boroondara continues to be in a strong financial position. The Budget will enable Council to deliver residents' priorities outlined in the Boroondara Community Plan and continue to provide the services and infrastructure that contribute to Boroondara being a highly desirable place to live.

Next Steps

The community will be invited to comment on the budget. All submissions received will be presented and considered by Council on Monday 6 June 2022. The final Budget 2022-23 will be considered for adoption at the Council meeting on the 27 June 2022.

Officers' recommendation

That Council resolve to endorse the proposed Budget 2022-23 for public exhibition and community consultation as follows:

1. That the proposed Budget 2022-23, included in **Attachment 1**, circulated separately and annexed to the meeting minutes, be the proposed Budget 2022-23 developed by Council for the purposes of sections 94 and 96 of the *Local Government Act 2020*.
2. That Council invites submissions on the proposed Budget 2022-23 in accordance with its Community Engagement Policy 2021-26.
3. That Council notes all submissions relating to the proposed Budget will be considered at a meeting of Council to be held on Monday, 6 June 2022 commencing at 6.30pm.
4. The Chief Executive Officer be authorised to effect any minor administrative changes which may be required to the proposed Budget 2022-23.
5. That the proposed Budget 2022-23 with any changes required following community consultation be presented for adoption as Council's Budget for 2022-23, in accordance with section 94 of the *Local Government Act 2020* at a meeting of Council to be held on Monday, 27 June 2022.

Responsible director: **Phillip Storer, Chief Executive Officer**

1. Purpose

The purpose of this report is to present to Council for resolution the proposed Budget 2022-23 (**Attachment 1 - to be circulated publicly at the Council meeting on 26 April 2022**) for public exhibition and comment commencing 28 April - 25 May 2022.

2. Policy implications and relevance to community plan and council plan

The proposed Budget has been prepared in accordance with Council policies and the Victorian Government's rate capping legislation.

This report is consistent with the Boroondara Community Plan 2021-31 which incorporates the 10-year Community Vision, the Council Plan 2021-25 and the Municipal Public Health and Wellbeing Plan 2021-25. In particular, the theme of Leadership and Governance, Strategic Objective 7 - "Ensure decisions are financially and socially responsible through transparent and ethical processes".

3. Background

The proposed Budget 2022-23 (**refer Attachment 1 circulated separately**) has been prepared in accordance with the requirements of the *Local Government Act 2020* and *Council's Community Engagement Policy 2021-26*.

The Budget is in-line with Council's commitment to sustainable budgeting, responsible financial management and the Victorian Government's rate cap for 2022-23. It will ensure Council continues to deliver those facilities and services identified through the extensive consultation undertaken to develop the Boroondara Community Plan.

The proposed Budget 2022-23 is largely based on a post COVID-19 recovery of normal activity levels. There has been a continued reduction in some services, primarily in user fees and statutory fees and charges, which are anticipated to return to normal activity levels by July 2023. Due to the dynamic health and economic crisis created by the global COVID-19 pandemic, Council will continue to monitor the impacts and be responsive to the city's changing needs with the latest advice and guidance being received from State and Federal Governments in relation to the management of COVID-19.

As part of the development of the Budget, Council works diligently to balance the competing priorities and needs of our residents to provide appropriate infrastructure and services that will contribute to delivering community priorities and place our customers at the centre of everything we do.

The proposed Budget 2022-23 has been developed based on the ideas, aspirations and feedback we heard from our community through consultation to renew the Boroondara Community Plan 2021-31.

In 2022-23, Council will continue to progress with significant major projects which are to be completed over the next few years. Some of these projects include:

- Kew Recreation Centre redevelopment (total cost \$73.1 million to be completed in 2022-23);
- Tuck Stand refurbishment (total cost \$17.2 million to be completed in 2024-25);
- Library Redevelopment Kew (total cost \$17.0 million to be completed in 2025-26).

Council's commitment to providing quality infrastructure remains a high priority, with the delivery of \$79 million of renewed and new community assets in the coming year.

Some other exciting commitments include:

- \$4.26 million on a range of environmental initiatives including:
 - \$2.0 million to implement our Sustainable Council Building Policy requirement to deliver a minimum 5 Star Green Star equivalent standard for all new buildings and applicable retrofits.
 - \$1.00 million to reduce greenhouse gas emissions including LED lighting and heating and cooling upgrades.
 - \$675,000 to support our ongoing park and street tree renewal program.
 - \$279,100 to enhance and maintain urban biodiversity across the municipality by implementing initiatives including the Backyard Biodiversity project, Wildlife not Weeds program, interpretive signage and to extend the areas of Boroondara which are actively managed for their significant biodiversity values.
- Upgrading of our sporting pavilions to ensure they are accessible for everyone in our community including Willsmere Park Pavilion (\$1.3 million) and Greythorn Park Pavilion (\$1.3 million) and (\$2.2 million) on Lewin Reserve.

We plan to continue implementation of the placemaking project for Mailing Road in Canterbury. So far we have made significant progress to upgrade the laneway connecting Canterbury Station to the shopping strip and we also plan to fund smaller arts and culture events and experiences to activate the shopping strip.

Council will also continue its investment in a number of transformation projects that will enhance the way we provide services to our community and place the customer at the centre of everything we do (\$11.23 million). These projects will continue to provide increased choice and convenience of services and ways of interacting with Council. This will enable customers to connect with us anytime, in their preferred way, using any device and receive a consistent customer experience.

The *Local Government Act 2020* provides that a Council must:

- Prepare and adopt a budget for each financial year (and subsequent 3 financial years) – Section 94(1); and
Ensure that the budget contains financial statements, a general description of the services and initiatives to be funded in the budget, major initiatives identified as priorities in the Council Plan and the total amount to be raised by rates and charges – Section 94(2)(a)-(e)
- Develop the budget in accordance with the financial management principles and Council's Community Engagement Policy - Section 96(1).

Part 8A - Section 185A through to G provides for the Minister to set a rate cap by General Order.

The proposed Budget has been prepared with a focus on responsible financial management and is in accordance with the *Local Government Act 2020* and *Australian Accounting Standards*. Boroondara's financial risk rating remains at satisfactory levels according to the Victorian Auditor General's Financial Sustainability Risk Assessment Criteria. A full description of the risk assessment criteria is listed in Council's 2022-23 Budget document.

Adherence to the Boroondara Planning Framework has ensured that the proposed Budget is closely aligned to the Boroondara Community Plan and is an accurate reflection of the services and initiatives that will be resourced in the next financial year in order to contribute to the strategic objectives as identified in the Plan.

4. Outline of key issues/options

The development, contents and structure of the proposed Budget 2022-23 are mandated by legislation and regulation.

The Budget document has been developed with reference to the Local Government Victoria Model Budget format, which is prepared by Local Government Victoria each year. Hence the Boroondara Council's proposed Budget meets all legislative requirements.

For the 2022-23 financial year, Council's rate rise will be consistent with the Victorian Government rate cap at 1.75% in line with the period's CPI forecast and advice from the Essential Services Commission.

The 2022-23 Budget proposes an average increase of 0.6% in waste charges (inclusive of the Victorian government landfill levy, which contributes the bulk of this increase as the levy is expected to increase by \$490,000 from 2021-22) which is linked directly to the cost of providing the waste services, priced on a full cost recovery basis.

The proposed Budget uses preliminary valuations (Capital Improved Value - CIV) provided by the Victorian Valuer General. Council may receive minor adjustments to the preliminary valuations and these changes may occur throughout the public exhibition period. The cumulative effect of these changes may require small adjustments to the Rate in the Dollar which is currently expressed to 8 decimal places (**Section 8 of Attachment 1**), prior to the Budget being endorsed by Council in June.

These will not be material adjustments as the total revenue levied by Council is not expected to change.

5. Consultation/communication

Internal consultation

The proposed Budget which includes the development of operating and capital budgets for the 2022-23 year has been developed over a series of workshops with Councillors and each Council department.

Public comment

The proposed Budget 2022-23 will be available for public inspection from Wednesday 28 April 2022 and will be made available on Council's website and at Council's Camberwell Office, 8 Inglesby Road Camberwell in accordance with *Council's Community Engagement Policy 2021-26*.

Submissions will be received until 5:00pm on Wednesday 25 May 2022 via Council's 'Engage Boroondara' website. All community feedback and submissions will be considered at the Council Meeting to be held on Monday 6 June 2022.

Notices will be included in the Boroondara Bulletin and on our website to promote the availability of the proposed Budget.

6. Financial and resource implications

The financial and resource implications are documented in detail in the proposed Budget document.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

8. Social and environmental issues

There are no direct impacts resulting from this report.

9. Conclusion

The proposed Budget 2022-23 meets all legislated and regulatory requirements under the *Local Government Act 2020* and *Local Government Planning and Reporting Regulations 2020*.

Manager: Amy Montalti, Chief Financial Officer

Report officer: Sapphire Allan, Coordinator Management Accounting