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## **AGENDA**

### **UNSCHEDULED MEETING OF COUNCIL** **FOR** **THURSDAY 9 MAY 2024** **TO BE HELD AT BRIEFING ROOM 44 STATION STREET COBRAM** **COMMENCING AT 4:00 PM**

#### **RECORDING**

Consistent with section 13.3 of our Governance Rules, Council officers have been authorised to record the public session of this meeting using an audio recording device.

#### **LIVE STREAMING**

Council meetings will now be lived streamed to allow those interested in viewing proceedings greater access to Council decisions and debate, without attending the meeting in person.

#### **1. WELCOME CALLING TO ORDER - CEO**

#### **2. PRAYER**

Almighty God we humbly ask you to guide our deliberations for the welfare and benefit of the Moira Shire and its people whom we serve.

Amen

#### **3. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**

We, the Moira Shire Council, would like to acknowledge the traditional owners of the land upon which we meet and pay our respects to their Elders both past and present.

#### **4. APOLOGIES / LEAVE OF ABSENCE**

#### **5. DISCLOSURE OF CONFLICTS OF INTEREST**

#### **6. OFFICER REPORTS FOR DETERMINATION**

##### **6 CORPORATE PERFORMANCE**

6.1 MOIRA SHIRE COUNCIL DRAFT 2024/25 BUDGET

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#### **7. CLOSE OF MEETING**

FILE NO: F21/395  
5. TRANSPARENT AND ACCOUNTABLE  
GOVERNANCE

ITEM NO: 6.1  
(FINANCE MANAGER, BEAU MITTNER)  
(CHIEF EXECUTIVE OFFICER, MATTHEW  
MORGAN)

## MOIRA SHIRE COUNCIL DRAFT 2024/25 BUDGET

### Recommendation

That Council approve the Draft 2024/25 Budget, as presented at Attachment A, to be placed on public display and be open for feedback in accordance with Council's Community Engagement Policy for a minimum period of 21 days ending at 5pm on Monday, 3 June 2024.

### 1. Executive Summary

This report requests Council's approval in accordance with Council's Community Engagement Policy to place the Draft 2024/25 Budget on public display and be open for community feedback until 5pm on Monday 3 June 2024.

The Draft 2024/25 Budget seeks to service the many and often competing needs of the Moira community in a financially sustainable manner that is equitable across a large geographic Shire.

If approved,

- The Draft 2024/25 Budget will be available for public inspection at Council Service Centres and on council's website (Moira Matters) from **Friday 10 May 2024**.
- Members of the community will be invited to view and provide feedback on the Draft 2024/25 Budget by **close of business Monday 3 June 2024**.
- Council will consider any feedback before considering a recommendation to adopt the 2024/25 Budget with or without amendments at the Scheduled Council Meeting to be held on **Wednesday 26 June 2024**.

The timelines will ensure Council fulfils its obligation to adopt the Annual Budget by 30 June 2024, in accordance with the *Local Government Act 2020* and consultation requirements in accordance with the Community Engagement Policy.

### 2. Conflict of interest declaration

There are no officer conflict of interest considerations.

### 3. Background & Context

Council commenced preparation of the 2024/25 Budget earlier than previous years and has undertaken a range of internal and external consultation in drafting the budget.

In November 2023, Council provided the opportunity for residents and community organisations to share their priorities and project ideas for the Draft 2024/25 Budget. The first round of community engagement commenced in November 2023 and ran through to January 2024.

In addition to the 214 budget contributions received from the community on Council's Moira Matters consultation page during this process, Council also received 14 formal submissions, which were considered in the development of the Draft 2024/25 Budget.

Council has also conducted five workshops with the Panel of Administrators in formulating the draft budget, which focused on the Long-Term Financial Plan, Capital Works Programs, Operational Budget and rating systems.

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## MOIRA SHIRE COUNCIL DRAFT 2024/25 BUDGET (cont'd)

The key objectives of this budget include:

- Re-setting and strengthening Council's governance and transparency
- Demonstrating financial restraint in recognition of the cost-of-living pressures being experienced by communities
- Delivering long-awaited, major community projects
- Maintaining important services for the community
- Managing financial pressures arising from expected constrained grant funding from other levels of government.

### 4. Considerations

#### A. Key Deliverables Enabled by this Budget

##### Key Initiatives and Services

Section 94 (2)(b) of the *Local Government Act 2020* requires that Council's Budget gives effect to the Council Plan and contains a general description of the services and initiatives to be funded in the budget.

Section 2 of the Draft 2024/2025 Budget contains a summary of Council's services and key initiatives that will be funded. Key initiatives proposed for the 2024/25 financial year include (but are not limited to):

- No increase in kerbside landfill and recycling services charges.
- Development of a Road Safety Strategy and Action Plan.
- Development of a plan for activating Thompsons Beach in Cobram.
- Complete initial stages for a Housing Needs Analysis.
- Celebrate business achievements with the Moira Business Awards.
- Continue to review tourism plans and arrangements with Moira tourism organisations.
- Commence developing an Open Space Strategy for Council's numerous parks, reserves and open spaces.
- Transition to a four-bin kerbside collection arrangement with the introduction of a separate glass collection service to reduce recycling contamination and landfill costs.
- Deliver an inaugural Moira Community and Civic Leadership Program.
- Collaborate with businesses and industry bodies to develop a new Moira Economic Development Strategy.
- Strategically map electrical vehicle charging station opportunities in townships to inform future installation opportunities.
- Development of a masterplan to inform the future use of the former Yarrawonga Primary School Site, including traffic management conditions around the site.
- Development of the Cobram Punt Road Precinct Masterplan.
- Undertake a Council building emissions assessment so prioritized carbon reduction measures can be implemented to reduce Council's carbon footprint.

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## MOIRA SHIRE COUNCIL DRAFT 2024/25 BUDGET (cont'd)

### Capital Works

As part of the development of the Budget, Council considered carried forward capital works and the commitments made to the community on these projects. A major emphasis continues to be placed on clearing Council's backlog of capital works, which have been delayed due to several adverse factors including staff shortages, the ability to source materials and availability of contractors and project managers.

The total value of capital work projects budgeted for the 2024/25 financial year is \$47.2 million. Of this amount, \$22.17 million is carried forward works that are being prioritised in 2024/25.

With regards to the types of projects being undertaken, \$31.52 million is budgeted for upgrade and renewal works and \$15.5 million for new projects.

Major projects that Council propose to prioritise during the 2024/25 budget year include:

- Construction of the Numurkah flood levy (stage 1)
- Construction of the new Yarrawonga Library (scheduled for completion in November 2025)
- Commence construction of the new Yarrawonga Multisport Stadium
- Complete the annual Road Resheeting and Resealing program to improve local roads
- Complete major flood restoration works to restore Council's road network damaged by the October 2022 flood event.\*
- Construct the Yarrawonga - 5 Ways' Roundabout\*
- Construct the Numurkah - Naring Rd / Numurkah Rd / Tocumwal Rd intersection upgrade and Naring Rd Heavy Vehicle Improvements\*
- Undertake improvements to the Strathmerton - Labuan Road Intersection\*
- Construct new footpath and shared pathways; and
- Acquisition of the former Yarrawonga Primary School site\*.

\* Denotes major projects that are subject to grant funding or contributions from third party organisations.

## B. Financial Considerations and Assumptions

### Budgetary Pressures

Budgetary pressures include:

- Persistent inflation above the rate cap with CPI at 3.6% over the 12 months to March 2024, compared to rate cap of 2.75%
- Planned increases to the Superannuation Guarantee rate from 11% to 11.5%
- Increases to employee costs in line with the recent Enterprise Agreement #10
- Annual increases in insurance premiums
- Changes in Federal and State Government funding allocations; and
- Cost-of-living pressures being felt by the Community.

Such budgetary pressures are anticipated to extend into future years, placing greater emphasis on longer-term financial planning to ensure Council's financial sustainability.

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## MOIRA SHIRE COUNCIL DRAFT 2024/25 BUDGET (cont'd)

### Financial Indicator Targets

Council's current projected financial indicators within the Draft 2024/2025 Budget are not within the desired target levels to provide assurance on the ongoing financial viability of the Council.

Administrators have set a target for Council to achieve an operating surplus position by the 2027/28 financial year. To bring the projected financial indicators within sustainable target ranges, the following principles will be applied over the next four years:

- Strong financial management including the pursuit of efficiencies.
- Effective asset planning and management; and
- The implementation of a service planning framework.

These principles will also align with and influence the development of the Council's new Council Plan, Asset Plan, Financial Plan and Workforce Plan, which are proposed to be developed over the next financial year.

Administrators have set targets so by the end of the 2027/28 financial year:

- the adjusted underlying result is to be at least breakeven (i.e. no operating deficit)
- asset renewal compared to depreciation expense is 100% or greater; and
- working capital to be around 150% or greater.

### Kerbside Collection Service Charges

Council's new kerbside landfill and recycling service contracts commence in November 2024. The financial impact of the new service contracts has been analysed by Council to determine if the pricing structure under the new contracts results in any changes to the service charges Council recovers from its rate payers. The analysis indicates that the new contracts will not place significant financial strain on Council and therefore no increase to the kerbside landfill and recycling service charges are proposed.

While consultation is currently open with the community on 3 potential options regarding collection frequency, the draft budget has assumed revised collection frequencies as per the community consultation along with the new contract processing rates. Importantly, the final decision on collection frequency is subject to Council approval outside of the budget process.

The introduction of the fourth glass bin may result in a change to the frequency of kerbside collection for the FOGO bins, which may transition from fortnightly collection to weekly. The disposal cost of FOGO materials is also increasing from December 2024 under the new contract with the service provider. Should Council approve the weekly collection option for the FOGO kerbside service, in combination with the increased disposal costs, this will increase the annual FOGO service charge by \$37 per rateable property.

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**MOIRA SHIRE COUNCIL DRAFT 2024/25 BUDGET (cont'd)**

The following is a summary of the waste service charges proposed in the 2024/25 Draft Budget:

Type of Charge	Per Rateable Property	Per Rateable Property	Increase/ Decrease
	2023/24	2024/25	
	\$	\$	\$
Kerbside landfill collection service	267.50	<b>267.50</b>	-
Kerbside recyclable collection service	135.00	<b>135.00</b>	-
Kerbside organic waste collection service	110.00	<b>147.00</b>	37.00

**Minister’s Good Practice Guidelines on Service Rates**

In late December 2023, the *Local Government Service Rates and Charges, Minister’s Good Practice Guidelines for their use* were released. The guidelines were to take effect from 1 March 2024; however, an extension of 12 months has since been granted. Modelling and analysis of waste related income and expenditure is required by Council Officers to determine the financial impact of complying with the guidelines.

**Rates – Capital Improved Value (CIV) Valuations**

The Draft 2024/25 Budget includes preliminary property CIV valuation data for 2024/25 with valuations performed as of 1 January 2024. All rating information contained in the budget, including rates in the dollars, are based on these updated valuations. However, the preliminary valuations are yet to be certified by the Valuer-General Victoria and are therefore subject to change prior to the budget adoption.

Current draft valuation data indicates a 9.5% average increase in Capital Improved Valuations (CIV) across the municipality, however, this does not lead to additional rates revenue. While complying with the 2.75% rate cap, movements between valuations in rating differential groups and for individual properties will have an impact on individual rates notices. This will not be known until the 2024/25 annual rates notice are calculated for each property.

The following is an extract from the Essential Services Commission’s Compliance model, which demonstrates Council’s adherence to the rate cap set by the Minister for Local Government:

2023/24 Average Base Rate*	\$1,869.54
Minister’s Rate Cap (2024/25)	2.75%
2024/25 Maximum Capped Rate	\$1,920.95
2024/25 Average Rate	\$1,920.24
<b>Minister’s Rate Cap applied</b>	<b>2.71%</b>

\*Includes 2023/24 supplementary valuations.

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## MOIRA SHIRE COUNCIL DRAFT 2024/25 BUDGET (cont'd)

### Community Budget Submissions

During the 2024/25 budget consultation period, Council received and considered 214 budget contributions and 14 formal submissions from the community on Council's Moira Matters consultation page.

The proposed outcomes of the formal submissions as responses from Council are included in **Attachment B** of this report.

Council will also provide formal written responses to community members that made a formal budget submission to advise of the outcome of their submission.

### 5. Strategic Alignment

#### Council Plan

5. Transparent and accountable governance

### 6. Internal & External Engagement

#### Engagement

Internal Mangers, Executive Leadership Team, and the Panel of Administrators have been engaged in developing the Draft 2024/25 Budget.

External Moira Shire Residents had the opportunity to submit Budget Proposals either in person or online via the Moira Matters webpage. Members of the Community also had the opportunity to speak to their submission in front of the Panel of Administrators prior to the January 2024 Council Meeting.

### 7. Budget / Financial Considerations

The Draft 2024/25 Budget enables the Council to fund its approved operational activities and capital projects for the year ending 30 June 2025.

Section 2 of the Draft 2024/25 Budget provides a description of the services and initiatives to be funded and how these will contribute to achieving the strategic objectives outlined in the Council plan.

### 8. Risk & Mitigation

The Draft 2024/25 Budget seeks to balance the competing needs and interests expressed by the community with Council's legal obligations that are defined in many Acts and regulations.

#### Risk

Financial (General)

#### Mitigation

Financial risks are considered as part of the Budget process and development.

Financial (Viability)

Target financial indicators established along with financial management principles to be implemented over 4 years.

Financial (Good practice guidelines service rate and charges)

Modelling and analysis of waste service charges to be completed. Recommendations to be made on whether Council complies, should seek rate cap variation, or not comply with guidelines.

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Economic (regional context or broader economic impact)	Economic risks are considered as part of the Budget process and development.
Environmental	Environmental risks are considered as part of the Budget process and development.
Reputational	All councils are required to adopt their budget by 30 June 2025. Consultation with community undertaken.
Legislative Compliance	The Draft 2024/25 Budget has been prepared in accordance with the <i>Local Government Act and Regulations</i> and the Model Financial Report.

**9. Conclusion**

The Draft 2024/25 Budget seeks to service the many and often competing needs of the Moira community in a financially sustainable manner that is equitable across a large geographic Shire.

**Attachments**

- 1 Attachment A - 2024/25 Draft Budget
- 2 Attachment B - Community Budget Submissions || Council Responses