



Murrindindi
Shire Council

Special Meeting of Council

Agenda

Wednesday 12 June 2024
Yea Council Chambers
The Semi Circle
5:00 PM

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1 ACKNOWLEDGEMENT OF COUNTRY AND COUNCILLORS' PLEDGE

1.1 Acknowledgement of Country

The meeting will be opened with the Mayor reading the following on behalf of the Murrindindi Shire Council:

“Murrindindi Shire Council is proud to acknowledge the Taungurung and Wurundjeri people as the traditional custodians of the land we now call Murrindindi Shire, we are committed to working together in the best interests of the people who live in our municipality, who conduct business here and those who visit.

We pay our respects to their Elders past, present and emerging, who are the keepers of history, traditions, knowledge and culture of this land.”

1.2 Councillors' Pledge

“The Councillors, democratically elected to represent our community as the Murrindindi Shire Council, are committed to working together in the best interests of the people who live in our municipality, those who conduct business here and those who visit.”

2 PROCEDURAL MATTERS

2.1 Privacy Note

This public meeting is being streamed live via our Facebook page and made available for public access on its website along with the official Minutes of this meeting.

2.2 Apologies and Request for Leave of Absence

2.3 Disclosure of Interest or Conflict of Interest

In accordance with section 130 (1)(a) of the *Local Government Act 2020* Councillors are required to disclose any “conflict of interest” in respect of a matter to be considered at a Council Meeting.

Disclosure must occur immediately before the matter is considered or discussed.

3 PUBLIC PARTICIPATION

3.1 Open Forum

Section 8 of the *Governance Rules 2020* allows for Community Participation in Council Meetings. Open Forum is an opportunity for the general public to present to Council on a matter listed on the Agenda or any other matter.

4 PEOPLE & CORPORATE PERFORMANCE GROUP

4.1 Adoption of 2024/25 Annual Budget

Presenter	D O'Keeffe, Manager Business Services (Interim)
Approved by	M Chesworth, Director People & Corporate Performance
Purpose	For decision
Attachment(s)	1. 2024/25 Annual Budget [4.1.1 - 81 pages]

Executive Summary

This report seeks Council's adoption of the Annual Budget 2023/24 (Budget) following a period of public exhibition and submission process in accordance with section 96 (1) of the *Local Government Act 2020* (the Act). The report also includes a summary of the budget submissions for consideration and proposed responses.

RECOMMENDATION

That Council:

1. Having considered all submissions received and in accordance with Section 94 of the *Local Government Act 2020*, adopt the Annual Budget 2024/25 (Attachment 4.1.1), noting the following changes to the exhibited draft Annual Budget:

- A note has been included in the financial statements disclosing the 3 Council properties that are intended to be leased in the 2024/25 financial year via an EOI process.
- The Fees and Charges schedule has been removed and will be presented to Council for endorsement at the 26 June Scheduled Council meeting.

2. Formally declares the Rates Levies and Annual Service Charges for the 2024-25 rating year as follows:

a) Declaration of Rates and Charges:

In accordance with section 158 of the *Local Government Act 1989*, the following rates and charges are declared for the rating year commencing 1 July 2024 and ending 30 June 2025.

b) Amount intended to be raised:

An amount of \$24.9 million be declared as the amount which Council intends to raise by general rates and the annual service charge, which is calculated as follows:

Category	Amount \$'000
General Rates	\$16,618
Municipal charge	\$ 3,686
Waste management charges	\$4,072
Supplementary Rates	\$146
Revenue in lieu of rates	\$240
Total	\$24,910

c) Rates Information - differentials:

General rates:

A general rate to be declared for the 2024-25 financial year. The rateable amount per property will be determined by multiplying the Capital Improved Value (CIV) of each rateable property by the rate in the dollar indicated in the following table:

Category	Rate
Residential (100% general rate)	0.001915 (0.1915 cents in the dollar of CIV)
Commercial (125% general rate)	0.002393 (0.2393 cents in the dollar of CIV)
Rural 1 (70% general rate)	0.001340 (0.1340 cents in the dollar of CIV)
Rural 2 (99% general rate)	0.001895 (0.1895 cents in the dollar of CIV)
Vacant Land (200% general rate)	0.003829 (0.3829 cents in the dollar of CIV)

No amount is fixed as the minimum amount payable by way of general rate in respect of each rateable property within the municipality.

d) Municipal charge:

The municipal charge declared in respect of the 2024-25 financial year is \$374.00.

e) Annual service charges:

- i. An annual service charge, for the collection and disposal of refuse, be declared in respect of the 2024-25 financial year.
- ii. The annual service charge be in the sum of, and be based on the criteria, set out below:

Category	Rate
Kerbside Collection	\$428.35
Recycling	\$130.95

f) Interest on rates and charges:

- i. Interest is to be charged in accordance with section 172 of the *Local Government Act 1989*, on any amounts of rates and charges which have not yet been paid by the instalment dates fixed by the Minister in accordance with section 167 of the *Local Government Act 1989*;
- ii. That the interest to be charged is at the rate fixed under section 2 of the *Penalty Interest Rates Act 1983*, that applied on the first day of July immediately before the due date for payment; and
- iii. Interest on rates and charges is to be calculated from the date on which the instalment was due.

g) The due date for the full payment of rates is 17 February 2025. The due dates for rate instalments will be as follows:

- Instalment 1: 30 September 2024
- Instalment 2: 30 November 2024

- Instalment 3: 28 February 2025
- Instalment 4: 31 May 2025.

3. Endorse the Officer's responses to the budget submissions contained within this report
4. Authorise the Chief Executive Officer to make the final documents available for public viewing.
5. Authorise the Manager Business Services to advise submitters that Council has considered their submissions relating to the Draft Annual Budget 2024/25, noting that all submitters will be thanked and advised of the outcome of their submission.

Background

At the 24 April 2024 Council meeting Council endorsed the draft 2024/25 Annual Budget (draft Budget) for the purposes of public exhibition in accordance with the Local Government Act 2020 (the Act).

Submissions were sought from the public and the draft Budget was made available on Council's website. The public exhibition period and submission process was advertised on Council's Facebook page and in a range of local publications and newspapers. Submissions were due by 24 May 2024.

Three submissions were received prior to the 24 May. An acknowledgement has been sent to each submitter, confirming receipt of their submission. Submitters were informed of the opportunity to attend the Public Participation session at the Scheduled Meeting of Council on 22 May 2024 to speak to their submission. At the time of this report no submitter had requested to present to Council.

Discussion

The draft Budget details the resource requirements and project priorities that are in accordance with the key strategic objectives that have been set in the *Council Plan 2021-2025*.

The draft Budget has been prepared on the principles of responsible financial management to achieve an operating result that contributes to Council's long term financial sustainability while delivering services to the community.

The draft Budget key results and indicators are:

- 2024/25 operating surplus of \$2.3 million, includes capital income.
- 2024/25 underlying deficit of \$3.6 million, excludes capital income.
- 30 June 2025 budgeted cash balance of \$32.4 million includes -
 - reserves \$11.4 million.
 - provisions \$3.7 million.
 - trusts and deposits \$2.0 million.
 - grants (unearned income) \$2.0 million
- 2024/25 working capital is 354%.

The following key points are provided to assist the Council and the community in analysing the draft Budget:

- The draft Budget is prepared based on a 2.75% increase in overall rates and charges, in line with the increase in rates permissible under the 2024/25 Rate Cap set by the State Government. This increase is less than the forecast CPI (Consumer Price Index) increase of 3%.

- The weighting applied to the Vacant Land differential is amended, increasing from 150% to 200% of the General (Residential) rate. This is to encourage the development of land already zoned for residential or commercial/industrial purposes to support the growth needed to sustain our communities into the future and to address the emerging housing stock shortages. This will result in a movement of the allocation of the rate requirement from other differentials (rate classes) to vacant land.
- Waste charges are set to rise by 2.75%. Waste charges are based on a cost recovery model which includes the increases in Government Landfill Levy imposed on Council and the increasing costs of processing waste.
- Investment of \$55.8 million to deliver services and improve infrastructure.
- \$41.6 million in services and facility operating costs to ensure ongoing service provision and delivery on the Council Plan initiatives. This includes increases in costs of superannuation, insurances, materials, imposed levies and contracted services.
- CPI increased by 3.4% over the 12 months to December 2023. With prudent management, Council's total budgeted expenditure has been kept below this CPI increase.
- Capital works program of \$14.2 million to renew, upgrade and expand or acquire Council assets.
- Potential for new borrowings to a maximum of \$3 million in 2024/25 to fund additional capital works and other projects, subject to feasibility assessments, including the opportunity for a financial return from the project to Council to contribute to, or cover the cost of borrowing:
 - Key Worker Accommodation project \$1.5m
 - Flat Lead Road carbon offset project \$320k
 - Street light energy efficient upgrade \$108k
 - Special Charge Schemes \$175k
 - Pyrolizer for recycling of timber, carbon capture and reuse \$1.4m

New initiatives

New initiatives included in the draft Budget to support the achievement of our goals under the *Council Plan 2021-2025* are:

- \$70,000 per annum to maintain Aquatics with Splash - Eildon Splash Park Management
- \$18,000 to develop a new Council Plan with community engagement
- \$20,000 to undertake efficiency reviews and productivity improvements
- \$10,000 for ongoing support of Council's Reconciliation Action Plan
- \$108,000 to install energy efficient street lights (upgrade) (rebate \$33,000 on completion)
- \$30,000 for a Stormwater Management Study to undertake a catchment analysis of urban areas in Murrindindi Shire and identify flooding and drainage issues.
- \$23,000 to support the recovery of Council's IT and communications systems following a disaster or serious business interruption
- \$412,000 to support the digital transformation of Council's business systems including:
 - \$208,000 for Council committed contribution to grant funded project (year 3)
 - \$77,000 for implementation of HR/Payroll and Accounts Payable automation
 - \$127,000 for business system testing and training
- \$228,000 for ongoing subscription costs for cloud-based enterprise , partially offset by savings in retirement of legacy system licencing

- \$190,000 for Council general election costs, updating voters' roll register and new Councillor induction program
- \$6,000 to support Community communications

Capital Works Program

Highlights of the Capital Works Program are:

- \$4.5 million towards roads, footpaths and cycleways including:
 - \$1.6 million to fund the resheeting and resealing programs (shire wide)
 - \$1.1 million for road safety strategy implementation (shire wide)
 - \$0.45 million for Castella Road reconstruction
 - \$0.4 million for Whanregarwen Road reseal
 - \$273,000 to fund the Pathway renewal program
 - \$60,000 to support compliance with the Disability Discrimination Act (DDA)
 - Yea pedestrian ramps
- \$ 465,000 towards bridges including
 - \$230,000 for the Coonans Road Culvert replacement Stage 2 (Homewood)
- \$791,000 towards the building renewal program, including:
 - \$205,000 for Shire Community Building upgrades
 - \$151,000 to refurbish the Alexandra Customer Service Reception area.
 - \$100,000 for the Kinglake Community Centre renewal works
 - \$80,000 from the Yea Saleyards reserve to fund a crush and forcing pen
 - \$80,000 to support Council's compliance with the DDA including works at:
 - Toocom Cottage, Toolangi
 - Yea pedestrian ramps
 - Glenburn Community Centre
- \$3.6 million towards recreational facilities, including
 - \$2.7 million to complete the Eildon Reserves Redevelopment project.
 - \$113,000 to renew Swimming Pool equipment
- \$2.3 million for waste management (funded from reserves) including
 - \$2 million for cell and capping constructions at Alexandra Landfill (funded from waste reserve)
 - \$150,000 to build a tip ship and undercover storage facility at Kinglake Resource Recovery Centre.
- \$713,000 on drainage in Flowerdale Yea and Alexandra.
- \$25,000 for Council's annual street tree renewal program.
- \$255,000 to complete subdivision works on Council property in Eildon
- \$1.4 million towards plant and equipment, including renewal of plant and fleet, IT equipment and library books.

Borrowings

Council is forecast to hold no debt from loan borrowings as at 30 June 2024.

Under the *Local Government Act 2020* Section 104, Council is declaring an interest in the potential to borrow to fund critical projects in 2024/25. These borrowings are included in the budget as \$3 million over a term of 7 years at 5% interest. If borrowings are required, Council will undertake the necessary governance steps including the required procurement process and a resolution of Council to borrow to fund specific capital expenditure. If no borrowings are required, this will not be undertaken.

Leases

Council proposes to lease council land to external parties in the 2024/25 financial year, subject to the outcomes of public expression of interest processes. The table below shows those lease agreements which are proposed to have terms greater than 10 years.

Location	Term
174 Grant Street, Alexandra	More than 10 years
94 Nhil Street, Alexandra	More than 10 years
20 North Street, Yea (Former Yea Depot)	More than 10 years

Public Submissions

Three submissions have been received in relation to the draft Budget. Councillors have received copies of all submissions.

A summary of the submissions received and associated officer recommendations is included in the table below:

No.	Summary of submission
1	<p>Submitter: Phillip Slattery</p> <p>Seeking a new roadside Avenue planting into the approaches to Yea, particularly that of the Melba Highway would be most beneficial Avenues would help beautify the area, provide a warm welcome to tourists and in time becoming a tourist attraction in their own right, enhance the sense of wellbeing, would further warn motorists that they were approaching a built up area with the necessity to slow down and contributing to carbon sequestration.</p> <p>Proposed Council response: Inform the submitter that:</p> <ul style="list-style-type: none"> • Council has applied through Tiny Towns Program for grant funding for street tree planting. If successful we could consider reviewing this request in the context of making it part of the program of works. <p>Recommend no change to the budget.</p>
2	<p>Submitter: Kate (surname not provided)</p> <p>Seeking effective mechanical ventilation installation into council owned buildings, particularly kindergartens. Consider roof mounted Heat Recovery Systems to</p>

No.	Summary of submission
	<p>significantly reduce airborne virus transmission, including COVID19, influenza & RSV, whilst maintaining good climate control</p> <p>Proposed Council response: Inform the submitter that:</p> <ul style="list-style-type: none"> • Council will investigate options for improving ventilation outcomes in its buildings in the context of lessons learnt from the COVID-19 pandemic, risk assessments and best practices for ventilation systems. Any agreed installation of new systems will be either be considered for funding from existing budgets allocations or considered as part of future annual budget considerations. <p>Recommend no change to the budget.</p>
3	<p>Submitter: Julie Palmer</p> <p>Murrindindi Shire had one of the highest rates of Bushfire Buyback Properties after the 2009 fires, so this affects many other property owners within Murrindindi apart from myself.</p> <p>While the council's stated objective of using the differential rate for Vacant Land in order 'to encourage property owners to develop vacant land identified by Council as suitable for development, rather than simply acquire or hold land for the purpose of future investment without developing it.', no-one who purchased the land under this scheme, was under any illusion that this purchase could be used for future profit.</p> <p>Murrindindi Shire needs to address the overall issue of Bushfire Buyback Properties, where they are actually situated within town, how much revenue is lost by Council and does the Council have the ability to have the Section 173 lifted if requested by the owner.</p> <p>Other Councils were also part of the Bushfire Buyback Scheme and it would be interesting to know how they classify Vacant Land.</p> <p>Proposed Council response: Inform the submitter that:</p> <ul style="list-style-type: none"> • Council's initial investigation of this matter has identified 5 properties out of the 688 classified as Vacant & Developable that may be impacted by the issue raised in this submission. Council officers will investigate this matter further including liaison with the Valuer General with a view to clarifying the correct property classification for rating purposes. Properties on which development has been legally restricted due to the Bushfire Buyback Scheme will be exempt from the Vacant Land Differential Rate. • Council does not lose revenue resulting from this issue as Council's total rates revenue is set, then allocated across rateable properties subject to capital improved value of the property and the differential rating category that applies. • Council is not able to have a Section 173 agreement restricting development on a Bushfire Buyback block lifted from the title of the block at the request of the owner.

No.	Summary of submission
	<p>All ratepayers have the opportunity within 2 months of receiving their rate notice to make a formal objection regarding the valuation to the Valuer General.</p> <p>Recommend no change to the budget.</p>

The outcome from these submissions does not impact the 2024/25 Annual Budget. Therefore, no budget changes are recommended.

It is noted that the Schedule of User Fess and Charges appended to the draft 2024/25 Budget document has been removed from the final document attached to this report. This is to enable the updating of statutory fees for the 2024/25 year following recent advice received from the Department of Treasury and Finance. The Schedule of User Fees and Charges will be presented to the 26 June Scheduled Meeting of Council for endorsement.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2021-2025 Transparency, Inclusion and Accountability* strategy to “ensure Council remains financially-sustainable through sound management, forward planning, innovative service delivery and asset consolidation as appropriate”.

Relevant Legislation

Local Government Act 1989

Local Government Act 2020.

Financial Implications and Risk

The 2024/25 Budget is fiscally responsible in its scope of discretionary spending. The Budget details how Council can manage its requirement to keep average rate increases within the rate cap of 2.75% legislated by the State Government for 2024/25, whilst providing a responsible and viable financial plan for the ensuing year.

Conflict of Interest

There were no conflicts of interest declared by Council officers in relation to the matters contained in this report.

Community and Stakeholder Consultation

The draft Budget was made available to the community on Council’s website from 26 April 2024 and advertised on Council website, Facebook page, and in a range of publications, with written submissions sought by 24 May 2024.