



3.3 COUNCIL PLAN 2021-2031 YEAR TWO - MUNICIPAL HEALTH & WELLBEING PLAN, FINANCIAL PLAN, REVENUE & RATING PLAN, AND BUDGET 2022-23: ADOPTION

EXECUTIVE MEMBER: CHRIS CARROLL, GENERAL MANAGER, CUSTOMER, OPERATIONS AND INFRASTRUCTURE

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1. PURPOSE

- 1.1 For Council to consider and respond to public submissions and adopt the Council Plan 2021-2031 updated for year two, including the Municipal Health and Wellbeing Plan, the Financial Plan, the Revenue and Rating Plan, the Budget 2022/23 and the declaration of rates and charges for 2022/23.

2. EXECUTIVE SUMMARY

- 2.1 The integrated Council Plan 2021-31 sets a 10-year direction for the City, with a four-year focus on specific actions Council will undertake to work towards achieving this longer-term direction. Each year Council reviews the Council Plan to determine whether the strategies, priorities, and measures require adjustment.
- 2.2 Council released the draft Council Plan 2021-2031 updated for year two and including the draft Budget 2022/23 for community consultation at an Ordinary Meeting of Council held on 27 April 2022. The draft updated Council Plan and draft Budget 2022/23 was prepared following a deliberative community and stakeholder engagement process that occurred in February 2022.
- 2.3 Consultation on the draft updated Council Plan and draft Budget 2022/23 occurred from 1 May to 27 May 2022. The Council's Have Your Say webpage received 2,586 views by 1,795 visitors. The online survey received 125 responses and Council received 89 submissions. The submissions and the feedback via the survey have informed the final Council Plan 2021-2031 Year 2 and Budget 2022/23 (**Attachments 1-3**).



- 2.4 Following Community Consultation, Officers have proposed changes to the draft Budget 2022/23. This is based on community and councillor feedback, new or updated information, and changes to our operating environment. These changes are outlined in **Attachment 4**. This has resulted in a proposed cumulative cash surplus for Budget 2022/23 of \$1.56 million.
- 2.5 The Council Plan updated for Year 2 and Budget 2022/23 demonstrate a prudent approach to financial management in recovering from the pandemic (and other risks) while still providing significant investment in services and infrastructure over the 10-year period to deliver on the Council Plan vision and outcomes related to an inclusive, liveable, sustainable, vibrant, and well governed Port Phillip.
- 2.6 Budget 2022/23 includes a combined increase on rates and waste charges within the rates cap of 1.75% while introducing new waste services (\$1.8 million), dealing with a 14% increase in existing waste services, accommodating increased costs of electrical line clearance compliance (\$300,000), and forecast inflation of 4.5 per cent.
- 2.7 Within the 1.75% cap we have also funded increased investment in looking after and growing community infrastructure (a \$54 million capital program) and improved maintenance of our drainage network to reduce the incidence and impact of flooding. We continue to invest in community services, sustainability, and economic development.
- 2.8 We have been able to achieve this with careful prioritisation of expenditure, appropriate use of reserves, setting fair and appropriate user charges, and commitment to efficiency.
- 2.9 This Budget includes efficiency savings of \$1.5 million. This adds to the \$2.3 million of savings delivered in Budget 2021/22 and \$12.6 million delivered over the four budgets in the previous Council. Cumulative savings since the introduction of rates capping in 2016/17 are more than \$70 million.
- 2.10 The organisation has committed to a further efficiency savings over the 10-year plan period to help bridge the \$89 million forecast funding gap.
- 2.11 The Budget forecasts \$487 million of capital expenditure over the next 10 years which including increased investment in public space. Over the long run, it is likely other levers will be required to balance the budget with further investments required in Fishermans Bend Urban Renewal, the South Melbourne Market, Childcare Facilities, Lagoon Reserve Sporting Facilities, Elwood Foreshore, and further cost shifting.
- 2.12 There is an increasing risk of Council being called on to contribute to a defined benefits superannuation scheme shortfall related to market volatility. While we have sufficient reserves to mitigate this risk, Council will need to be mindful of this and the growing capital investment needs outlined above in its budget decision making.
- 2.13 The updated Council Plan and Budget 2022/23 is informed by the *Waste Management Strategy 2022-25*, which includes the introduction of new waste services such as Food Organic Green Organic and Glass recycling services that will reduce the environmental impact of waste generation in our City.



- 2.14 The update Council Plan and Budget 2022/23 is also informed by the *Rating Strategy 2022-25*, which includes:
- 2.14.1 Shifting the rating system from Net Annual Value (NAV) to Capital Improved Value (CIV) and the introduction of differential rating at property class level. This will provide Council with greater flexibility to deal with issues associated with annual property valuation shifts between property classes.
- 2.14.2 Separating the cost of private benefits/direct waste services (Kerbside Bins Collection, Communal FOGO & Glass, Hard & Green Waste, and Resource Recovery Centre) from General Rates to a waste charge structure. This will:
- Enable Council to better deal with issues associated with changes in rates distribution within the residential property class
 - Provide more transparency on waste costs and incentivise better waste management behaviours
 - the capacity to raise sufficient income to fund new waste services and above rates cap increase in waste costs.
- 2.15 The *Enterprise Asset Management Plan 2022-2032* and other previously endorsed strategies such as Integrated Transport, Sustainable Environment, and Public Space strategies also informed the update of the Council Plan and Budget 2022/23.

Property valuation 2022 updates

- 2.16 The Council Plan and Budget incorporates the 1.75 percent Rate Cap increase prescribed by the Minister for Local Government with oversight from the Essential Services Commission.
- 2.17 The total amount of rates revenue is increasing by 2.7 percent this includes the 1.75 percent for existing ratepayers under the rates cap with the remainder related to growth in the ratepayer base (net 585 rateable properties mainly residential) which is outside the rates cap noting new ratepayers create growth in service costs.
- 2.18 Proposed changes to our rating structure include a shift to Capital Improved Value (market sale value basis) from Net Annual Value (rental income basis) and the introduction of a tiered waste services charges is included in Budget 2022/23.
- 2.19 Total rates revenue is generated from three classes of land; residential, commercial and industrial. The rates schedule on page 117 of **Attachment 2** provides a detailed breakdown. This includes \$13.7 million of new waste charges separated from total general rates revenue (reduced by \$9.7 million). The difference as explained in 2.12 represents the rates cap and property growth.
- 2.20 The Victorian Valuer General has prepared the annual general valuation on all properties in the Municipality as at 1 January 2022. This will be used to allocate rates to individual ratepayers.
- 2.21 The revaluation does not impact the overall quantum of rates collected by the Council – only the distribution of rates between individual ratepayers.



- 2.22 The January 2022 revaluation has seen an average increase of 7.3 percent Capital Improved Value (CIV) for the municipality. In contrast, between 2020 to 2021 this was a decrease of 0.73 percent.
- 2.23 Generally, residential property valuation changes (increase of 7.9 percent average) in 2021 were greater than non-residential properties (increase of 3.9 percent average). The major reasons for this change include a rebounding residential market post COVID, further weakening retail market, changing demands for office space, and a lower volume of commercial redevelopment sales.
- 2.24 In a normal year if a property value:
 - 2.24.1 Increases by more than the average increase of 7.3 percent, the ratepayer will get a rates increase higher than the 1.75 percent rates cap.
 - 2.24.2 Changes by less than the average increase of 7.3 percent, the ratepayer will get a rates increase lower than the 1.75 percent rates cap.
- 2.25 However, this year individual property rates will also be impacted by:
 - 2.25.1 The change in rating mechanism from NAV to CIV (this mainly impacts non-residential properties).
 - 2.25.2 The separation of waste charges general rates (revenue neutral) on a tiered fee for service basis rather than property value.
- 2.26 More information will be provided in the Rates Brochure 2022/23 and on Council's website to help explain the movements. The website will include examples of different properties types and values in different locations.
- 2.27 The Council continues to provide one of Victoria's most supportive rates and charges hardship relief schemes to individual and business ratepayers including payment plans, one-off waivers in cases of extreme financial hardship, and Council funded pensioner support.



3. RECOMMENDATION

PART 1

That Council:

- 3.1 Notes the forecast financial improvement of \$2.81 million which brings the forecast cumulative cash surplus to \$5.27 million for 2021/22.
- 3.2 Notes the financial changes identified and incorporated into the proposed Budget 2022/23 in **Attachment 4** of this report including budget provisions for higher inflation at 4.5%, higher waste management costs, and the investment required to appropriately grow and look after our \$3.2 billion worth of community assets.
- 3.3 Notes that the Budget 2022/23 proposed by Officers includes a cumulative cash surplus of \$1.56 million providing contingency in a volatile and uncertain operating environment.
- 3.4 Notes the community engagement and consultation that took place summarised in Section 5 of this report.
- 3.5 Responds and thanks in writing to those that have made formal written submissions, to advise them of the outcome of Council's decision.

PART 2

- 3.6 That Council endorses a 1.75 percent average rate increase for 2022/23 in line with the rates cap set by the Victorian Government.

PART 3

- 3.7 Having considered all the submissions received and those heard at the Special Meeting of 14 June 2022, and having completed its budget deliberations, Council agrees to include the following community budget submissions in the Budget 2022/23:
 - 3.7.1 Port Phillip Community Group - additional funding of \$25,000 to be accommodated within the existing budgets for social recovery. This will allow PPCG to continue to provide food support until 30 June 2023.
 - 3.7.2 Business Advisory Group - funding of \$200,000 for promotion and marketing of the city to be accommodated within the existing budgets for economic recovery.
 - 3.7.3 Multicultural Advisory Committee - \$800 for 'Welcoming City' banners to be accommodated within the existing budget for diversity.
 - 3.7.4 Older Person's Advisory Committee - the request for additional library resourcing will be accommodated within the existing Library budget as part of implementing the Library Action Plan.
 - 3.7.5 Carlisle Street Traders Association - \$40,000 to build Association capacity in the first financial year of operation to be accommodated within existing budgets for economic recovery.
 - 3.7.6 Waterfront Welcomers - funding contribution of \$20,000 to be accommodated within existing budgets for economic recovery.
 - 3.7.7 JL Murphy Baseball Club Lighting Project - commencement to be brought forward to 2022/23 from 2023/24 with design and implementation over two years. Budget 2022/23 expenditure of \$100,000 and forecast 2023/24 expenditure of \$1 million.



PART 4

3.8 Declares rates and charges for Budget 2022/23 as required by Section 94 of the Local Government Act as follows:

3.8.1 An amount of \$125,688,871 to be raised by general rates and \$13,714,482 service charges for the period 1 July 2022 to 30 June 2023.

3.8.2 A differential rate in the dollar based on type or class of land on the 2022 Capital Improved Value of all rateable properties within the municipality:

Type or class of land	2022 Rate per \$ Capital Improved Value
General rate for rateable residential properties	0.001615
General rate for rateable commercial properties	0.002062
General rate for rateable industrial properties	0.002073

3.8.3 A Default Waste Charge for all rateable properties of \$176.20 and a Kerbside FOGO Collection Charge of \$88.10.

3.8.4 An annual garbage charge of \$402 per tenement on all non-rateable properties that receive waste management services from the City of Port Phillip.

3.8.5 An annual garbage bin surcharge of \$221 for tenements that are provided with a 240-litre bin for the collection of non-recyclable waste.

3.8.6 An 80-litre waste bin annual rebate of \$70 for properties that take up a small waste bin.

3.8.7 A private waste collection rebate of \$60 for residential properties that have private collection for waste.

3.8.8 A \$176.20 residential one-occupancy waste rebate for residential carparks and or storage areas.

3.8.9 A \$158.50 commercial one-occupancy waste rebate for car park space.

3.8.10 The properties on **Attachment 5** to be "Recreational and Cultural Lands" and that the level of general rates for these properties be set in accordance with percentages of the general rate also shown in this attachment.

3.8.11 Grants a rebate equivalent to half the general rate for the elderly persons flats as outlined in **Attachment 6**, in accordance with the agreement between Council and the Ministry of Housing.

3.8.12 Subject to the consent of the Minister for Local Government, treats any person(s) who has been excused the prescribed amount of the general rate for the year ending 30 June 2022 in accordance with the State Concessions Act 2004 as being similarly eligible for 2022/23.

3.8.13 A Council rebate of \$200 (maximum) to those persons who satisfy eligibility requirements noting that the total value of the combined State Government rebate of approximately \$241 (maximum) and Council rebate will not exceed 50% of the general rate payable for the financial year.

3.8.14 Penalty interest rate set in accordance with the Penalty Interest Rates Act 1983 at the prescribed rate (10%) as at 1 July 2022 fixed by the Governor in



Council for general rates and charges that remain unpaid after the payment dates prescribed by the Governor in Council.

3.8.15 A one-off waiver of a maximum of \$750 on application up to 50% of general rates and charges to the Chief Financial Officer in cases of extreme financial hardship.

3.8.16 Confirms the previously declared special rate schemes for 2022/23:

- Port Melbourne Business Precinct for Marketing, Management and Business Development to the Maximum of \$320,000.
- Fitzroy Street and Environs Business Precinct for Marketing, Management and Business Development to the Maximum of \$216,700.
- Acland Street Village Business Precinct for Marketing, Management and Business Development to the Maximum of \$195,000.

3.8.17 Adopts the following payment dates and due dates:

Payment Type Description	Due Date	Interest from
Full Payment	15 Feb, 2023	Same as instalments
1 st Instalment	30 Sept, 2022	1 Oct, 2022
2 nd Instalment	30 Nov, 2022	1 Dec, 2022
3 rd Instalment	28 Feb, 2023	1 Mar, 2023
4 th Instalment	31 May, 2023	1 Jun, 2023

3.8.18 Authorises the Chief Financial Officer and the Coordinator Revenue and Valuations to collect all rates and charges and the Fire Services Property Levy.

PART 5

3.9 Adopts Year 2 of the Council Plan 2021-31, which includes the updated (10-year) Financial Plan, the Revenue and Rating Plan, the Budget 2022/23 and the 10-year community vision as set out in **Attachments 1-3**, and incorporates all changes made by resolution in this special meeting.

3.10 Delegates authority to the CEO to reflect any changes made by Council at tonight's meeting, which are not reflected in **Attachments 1-3**, to make minor typographical corrections or changes to images before final publication and to make editorial changes to the Plan that reflect any changed obligations to Council required by state government agencies.

4. KEY POINTS/ISSUES

4.1 The integrated Council Plan 2021-31 sets a 10-year direction for the City, with a four-year focus on specific actions Council will undertake to work towards achieving this longer-term direction. Each year Council reviews the Council Plan to determine whether the strategies, priorities and measures require adjustment.

4.2 The Council Plan is supported by a financial strategy which provides clear direction on the allocation, management and use of financial resources. It aims to ensure that



Council remains financially sustainable while maintaining assets and services, responding to growth, and delivering on priorities.

- 4.3 The financial strategy is embedded in a 10-year Financial Plan and forms part of the updated Council Plan. It sets the parameters within which Council agrees to operate to maintain acceptable financial outcomes over the short, medium, and long term.
- 4.4 Council released the draft Council Plan 2021-2031 updated for year two and Budget 2022/23 for community consultation at an Ordinary Meeting of Council held on 27 April 2022. The draft updated Council Plan and draft Budget 2022/23 was prepared following a deliberative community and stakeholder engagement process that occurred in February 2021.
- 4.5 Consultation on the draft updated Council Plan Year 2 and Budget 2022/23 occurred from 1 May to 27 May 2022. The Council's Have Your Say webpage received 2,586 views by 1,795 visitors. The online survey received 125 responses and Council received 89 submissions. The submissions and the feedback via the survey have informed the final Council Plan Year 2 and Budget 2022/23 (**Attachments 1-3**).

Updates to the Budget 2022/23 since public consultation:

- 4.6 Since the release of the Draft Budget 2022/23, officers have factored in the following changes to a range of budget items to reflect new and better information:
 - 4.6.1 A \$2.8 million improvement to our 2021/22 forecast year end results from what was presented with the Draft Budget 2022/23. This is predominantly due to lower rates hardship (\$0.5 million), rental waivers to commercial tenants & South Melbourne Market (\$0.5 million) and continued enterprise staff vacancies (impacting project and service delivery).
 - 4.6.2 Rising interest rates has allowed for a projected increase in investment and interest income of \$0.45 million for 2022/23 due to improved yields coupled with increasing cash holdings. The average interest rate on our portfolio was 0.67 percent, however new term deposits entered into for 6 months at April are receiving 1.35 percent. The recommended increase allows for the timing of rolling over investments at higher rates and the fluctuation in cash holdings with average investment yield at approximately 1.0 percent.
 - 4.6.3 Grant income in 2022/23 has improved due to \$0.23 million in Victorian Government Department of Transport funding secured for the Pedestrian Safety Program at Clarke and Market Street and a small improvement of \$0.03 million in the Victorian Grants Commissions Financial Assistance Grant allocation for 2022/23 above the Draft Budget 2022/23 assumption.
 - 4.6.4 Additional cost increase of \$1.35 million caused by rising inflation. The draft budget included inflation projected at 3.0%, however since this, there has been rising inflationary pressures on goods and services which has seen inflation of 4.5% for 12 months (March to March) Melbourne All Groups CPI. Based on current economic conditions, inflation is likely to continue to rise into 2023/23. This has a significant impact to the City of Port Phillip, as services contracts are generally tied to inflation and indexed annually each year.



- 4.6.5 Additional \$50,000 funding (reserve funded) for independent advice on the expected impact that the changes to the aged care legislation, quality framework and funding will have on the delivery of Aged Care in a Council context.
- 4.6.6 An additional 0.4 FTE resource (\$50,000) to administer implementation of community gardens and nature strip guidelines. This role will provide a direct point of contact and a hands-on resource for the community.
- 4.6.7 St Kilda Junction Underpass Safety Upgrade works (\$450,000), to reduce pedestrians avoiding underpass and crossing informally. Project design has commenced in 2021/22 with construction to occur in 2022/23.
- 4.6.8 Due to increase increased size of the Project Portfolio over the next four years, additional staffing is required to ensure deliverability targets can be achieved. Therefore, 4 FTE (\$220,000) has been included in operating budgets, with the balance of the cost allocated to projects within the portfolio.
- 4.6.9 A further reduction of \$20,000 in estimated budgeted rental income for Stokehouse to align with latest market rental valuation.
- 4.6.10 A \$1.01 million cost escalation in Waste Management costs as approved by Council on 18 May 2022.
- 4.7 Adjusting for the financial changes above and consideration of submissions, officers have included the following Community Requests in the Budget 2022/23:
 - 4.7.1 Port Phillip Community Group request for additional funding of \$25,000 to be accommodated within the existing budgets for social recovery. This will allow PPCG to continue provide food support until 30 June 2023.
 - 4.7.2 Business Advisory Group request for \$200,000 for promotion and marketing of the city to be accommodated within the existing budgets for economic recovery.
 - 4.7.3 Multicultural Advisory Committee request for \$800 for 'Welcoming City' banners to be accommodated within the existing budget for diversity.
 - 4.7.4 Older Person's Advisory Committee request for additional library resourcing will be accommodated within the existing Library budget as part of implementing the Our Library Action Plan.
 - 4.7.5 Carlisle Street Traders Association request to build Association capacity in the first financial year of operation to be accommodated within existing budgets for economic recovery to a value of \$40,000.
 - 4.7.6 Waterfront Welcomers funding contribution of \$20,000 to be accommodated within existing budgets for economic recovery.
 - 4.7.7 JL Murphy Baseball Club Lighting Project - commencement to be brought forward to 2022/23 from 2023/24 with design and implementation over two



years. Budget 2022/23 expenditure of \$100,000 and forecast 2023/24 expenditure of \$1 million.

Updated overall Budget 2022/23 financial position:

- 4.8 The impact of the further updates to the Draft Budget results in the cumulative cash surplus increasing from \$1.22 million to \$1.56 million (increase of \$0.34 million)
- 4.9 As outlined in the Financial Strategy in this report, the Plan operates within the rates cap, maintains financial sustainability and an overall low financial sustainable risk rating as measured by the VAGO Financial Sustainability Indicators, whilst investing in essential assets and services.
- 4.10 The updated financial sustainability table is as follows:

Indicator	Indicator Targets	Forecast Projections										
		2021/22	2022/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
Net Result %	Greater than 0%	9.3%	(1.4%)	2.5%	6.6%	3.6%	4.1%	4.4%	4.5%	4.5%	4.4%	4.4%
Adjusted underlying result	Greater than 5%	1.9%	(6.5%)	(0.9%)	0.6%	0.7%	1.3%	1.6%	1.8%	1.8%	1.8%	1.8%
Working Capital	Working Capital Ratio >100%	395%	344%	287%	255%	245%	251%	258%	265%	272%	279%	284%
Internal Financing	Net cashflow from operations to net capital expenditure >100%	458%	56%	60%	81%	97%	119%	120%	121%	120%	119%	118%
Indebtedness	Indebtedness ratio <40%	2.0%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%
Capital Replacement	Capital to depreciation >150%	107%	215%	289%	258%	181%	151%	151%	150%	150%	150%	150%
Infrastructure Renewal Gap	Renewal & upgrade to depreciation >100%	96%	177%	216%	226%	154%	129%	129%	127%	127%	127%	127%
Overall Financial Sustainable Risk Rating		Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

4.11 The proposed Budget 2022/23 includes:

- 4.11.1 A rate increase of 1.75 per cent, which is equivalent to the rates cap set by the Victorian Government, with this incremental revenue to be used to fund above rates cap increase inflation on services and infrastructure investments.
- 4.11.2 Project investment of \$71.2 million to maintain, grow and improve services and infrastructure including \$48.2 million of capital investment in our \$3.2 billion worth of community assets including roads, footpaths, drains and stormwater, parks and foreshore, sport fields and facilities, and community facilities.
- 4.11.3 Additional funding of \$2.6 million for the Waste Management Strategy which includes new Food Organic Garden Organic (FOGO) and communal glass recycling services commencing early 2023 to achieve environmental benefits for our community.
- 4.11.4 Extension of business support with an Economic Recovery Package of greater than \$1.0 million including outdoor activation and footpath trading permit relief.
- 4.11.5 Efficiency savings of \$1.5 million built into the proposed Budget 2022/23. This is in addition to \$2.3 million achieved in 2021/22.
- 4.11.6 No debt - some finance lease liabilities will remain as part of our financing strategy.



- 4.11.7 Cash reserves for operational needs including staff leave and contingency of \$25.5 million.
- 4.11.8 A cash surplus of \$1.56 million providing additional contingency for likely enterprise financial risks, particularly as this is a budget post COVID-19 pandemic.
- 4.12 The updated 10-year Financial Plan included a rates cap challenge of \$89 million which increased from \$73 million due to higher inflation. Noting however, this still reduced from the \$103 million in the adopted 10-year Financial Outlook due to the inclusion of waste charges to be at cost recovery and realised efficiency savings.
 - 4.12.1 It is expected that the rates cap challenge will be addressed through ongoing efficiency savings with a 1% efficiency target included in the Financial Plan. Over the long run it is likely other levers will be required to balance the budget with further investment required in Fishermans Bend, the South Melbourne Market, and further cost shifting.
- 4.13 In the Council Plan, significant investment continues to be projected over the 10-year period on important initiatives to deliver on the Council Plan outcomes and priorities:
 - 4.13.1 Integrated Transport Strategy \$33 million
 - 4.13.2 Sustainable Environment Strategy \$43 million
 - 4.13.3 Public Space Strategy – \$88 million
 - 4.13.4 Don't Waste It! Waste Management Strategy (2022-2025) - \$15.4 million

Updates to the Council Plan since public consultation

- 4.14 Following engagement with the community, some changes that have been made to respond to feedback or to update information. Changes include:
 - 4.14.1 **City and Council Indicators** - Indicators provide a snapshot of our performance each year and are reviewed annually to ensure targets are realistic. Indicators are reported on in the monthly CEO report and Annual Report. Updates have been made to ensure the language and metric for each indicator is expressed correctly, with new measures that support the picture of our performance.
 - 4.14.2 Council **Indicators** - Targets have been captured for the Council Indicators.
 - 4.14.3 **Asset Information in Volume 3** – Asset data for the service profiles has been updated with the most current data.
 - 4.14.4 Leasing **Information in Volume 2** – leasing information has been updated with the most current data.

Gender Impact Assessment

- 4.15 Officers have incorporated consideration of gender equity in developing the budget, including initiatives such as improved safety and gender equitable sporting facilities.



- 4.16 Council will continue to undertake gender impact assessments on a range of new or reviewed services, policies, and programs, including such things as Council's waste strategy, procurement policy, events strategy, social media policy, open space, and infrastructure projects.
- 4.17 Gender impact assessments currently underway include assessments for the Positive Ageing Policy, bike corridor on Inkerman Street, Car Share Policy, Public Toilet Plan, improvements to early education and care facilities, and the South Melbourne Town Hall redevelopment.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 The updated draft Council Plan 2021-31 Year 2 including the draft Budget 2022/23 was resolved by Council to be released for public consultation on 27 April 2022. At that same meeting, Council also resolved to release the draft Enterprise Asset Management Plan, draft Rating Strategy 2022-25, and draft Waste Strategy 2022-2025 for public consultation.
- 5.2 Consultation occurred from 1 May to 27 May 2022. Council's Have Your Say webpage received 2,586 views by 1,795 visitors. The online survey received 125 responses and Council received 89 submissions.
- 5.3 A full report on the consultation activities undertaken, results of the Have Your Say survey and summary of submissions was presented at the Special Council Meeting on 14 June 2022.
- 5.4 Each person who made a submission received an acknowledgement and was invited to speak to their submission at the Special Council Meeting on 14 June 2022.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The Local Government Act 2020 requires Council to undertake an annual review of the Council Plan and to develop an annual Budget, for adoption by 30 June. The Act also requires Council to engage with our community on these proposed changes and the draft budget in accordance with Council's Community Engagement Policy.
- 6.2 The financial and non-financial tables supporting the proposed Budget 2022/23 and Financial Plan have been prepared in accordance with regulations laid down by the Local Government (Planning and Reporting) Regulations 2020.
- 6.3 Officers continue to monitor and put in place plans to address financial risks that the organisational is facing. The risk assessment can be found on page 32 to 35 of **Attachment 2**.

7. FINANCIAL IMPACT

- 7.1 Direction 5 of the Plan "Well Governed" highlights the importance of '*a financially sustainable, high performing and community focused organisation*' to underpin delivery of the direction and outcomes defined in the Plan.
- 7.2 As outlined under Financial Strategy in this report, this Plan operates within the rates cap and maintains financial sustainability while maintaining or improving service delivery and community assets.
- 7.3 Any resource implications of proposed adjustments to the updated Council Plan have been represented in the Financial Plan (10-year) and Budget 2022/23.



8. ENVIRONMENTAL IMPACT

- 8.1 The strategic direction, Sustainable Port Phillip is a key outcome for our City with a sustainable future, where our community benefits from living in a bayside city that is cleaner, greener, cooler, and more beautiful.
- 8.2 In response to Climate change and to support environmental sustainability, we aim to reduce our own emissions and prepare our City and community for a changing environment. This requires investment in our assets, changing how we deliver our services, and working with our community and partners to mitigate and adapt to climate change.
- 8.3 This focus aims to underpin Council's resolution of calling a climate emergency.
- 8.4 There are several additional investments designed to improve environmental outcomes including:
 - the Waste Management Strategy which includes new waste services such as FOGO and Glass recycling
 - Elwood Foreshore Stage 1 (which includes greater climate resilience of infrastructure)
 - enhanced drainage cleaning to mitigate impacts of flooding
 - fully funded Public Space Strategy
 - investment in high-cost engineering solutions to improve electrical line clearance compliance while reducing the impact on tree canopy coverage
 - Greater focus on climate resilience and environmental sustainability in asset management as outlined in the draft *Enterprise Asset Management Plan*.

9. COMMUNITY IMPACT

- 9.1 Direction 1 of the Council Plan '*Inclusive Port Phillip*' supports outcomes related to making our community supported and comfortable being themselves and expressing their identities.
- 9.2 Direction 2 of the Plan '*Liveable Port Phillip*' ensures the city is a great place to live, where our community has access to high quality public spaces, development and growth are well-managed, and it is safe and easy to connect and travel within.
- 9.3 Direction 4 of the Plan '*Vibrant Port Phillip*' envisages a City that has a flourishing economy, where our community and local businesses thrive, and we maintain and enhance our reputation as one of Melbourne's cultural and creative hubs. The importance of action in this area is emphasised by Council declaring an Economic Emergency in 2020.
- 9.4 There are several initiatives designed to improve gender equity including improved participation in sports and recreation by women and girls. Council is also conducting a gender impact assessment in relation childcare and kindergarten facilities planning and will also consider this as part of upcoming Enterprise Bargaining Agreement negotiations.



10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 The proposed updated Council Plan 2021-31 for year two, once adopted, will replace the current version of the plan.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 A rates brochure will be distributed in conjunction with the issuing of rate notices in August 2022.
- 11.1.2 Officers will provide a final copy of the Council Plan to Department of Health following its adoption by Council.

11.2 COMMUNICATION

- 11.2.1 Each person or organisation that has lodged a submission will be notified in writing, thanking them for their submission, advising them of the Council decision and the reasons for that decision
- 11.2.2 The final design presentation for the updated Council Plan 2021-31 document, which includes the Budget 2022/23, will be promoted on Council's website as an interactive document, with hard copies made available at local libraries and service centres
- 11.2.3 Council and the community will continue to receive updates on the Council's financial performance against the Council Plan and Budget through regular CEO reports and the Annual Report.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

- ATTACHMENTS**
- 1. Council Plan 2021-31 (Year Two) and Budget 2022-23 Volume 1**
 - 2. Council Plan 2021-31 (Year Two) and Budget 2022-23 Volume 2**
 - 3. Council Plan 2021-31 (Year Two) and Budget 2022-23 Volume 3**
 - 4. Financial changes identified and incorporated into Budget 2022-23**
 - 5. Schedule Cultural and Recreational Lands Act 1963 - Rates Grants 2022-23**
 - 6. Office of Housing Elderly Persons - General Rates Waiver Agreement 2022-23**