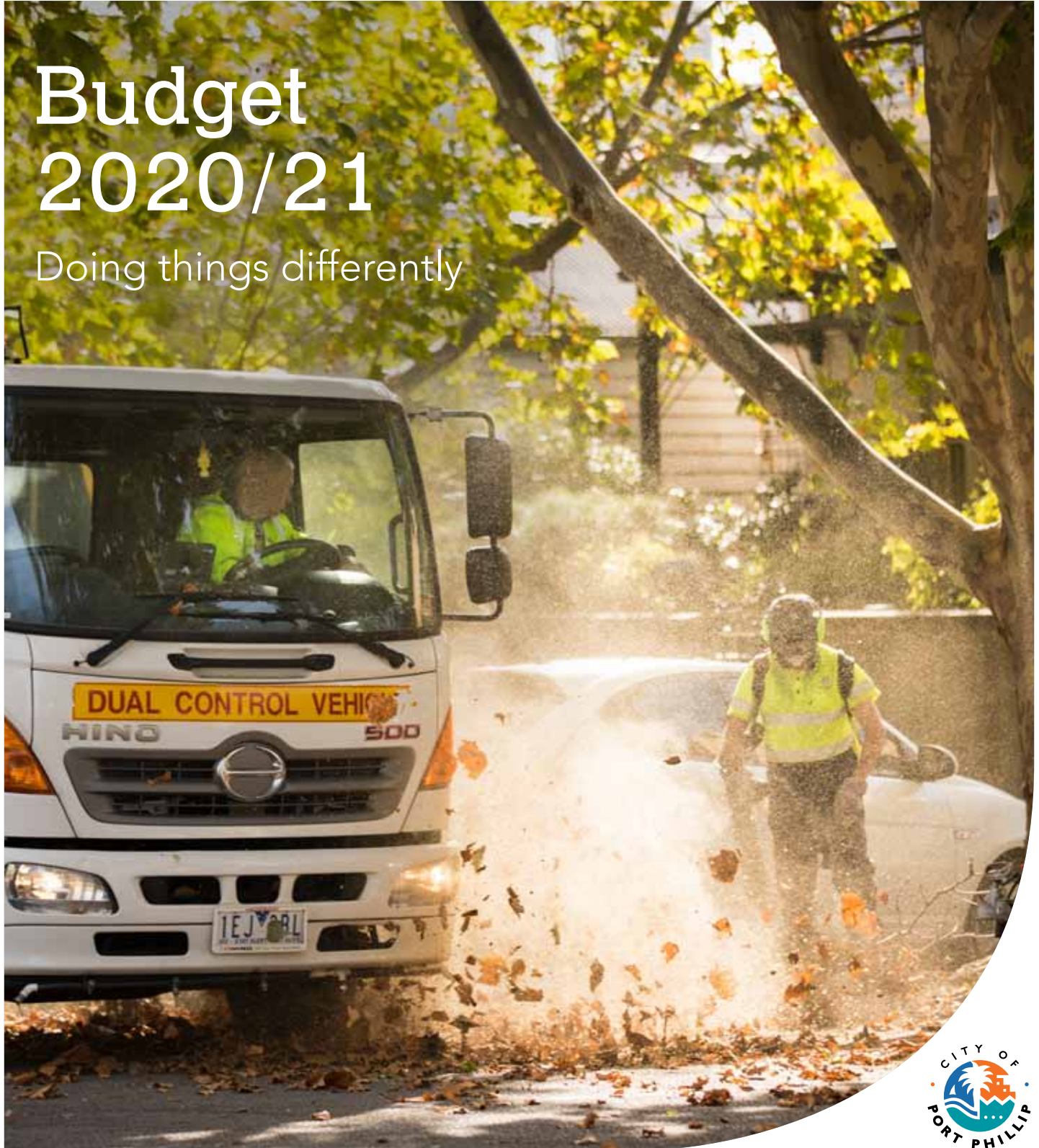


DIVERCITY

City of Port Phillip magazine - June 2020

Budget 2020/21

Doing things differently





Doing things differently

Since the COVID-19 pandemic began, we have been doing things differently - and this issue of **Divercity** is no exception.

Mayor, Cr Bernadene Voss

It's not too late to be involved in shaping the final year of our Council Plan 2017-27 and our Budget 2020/21, and your feedback has never been more important.

Plunging revenue caused by the pandemic, combined with already increasing costs and cost-shifting by other tiers of government, means we will need to make some very difficult decisions for our Budget 2020/21.

This is why we are urging you to have your say on our draft Budget, which will be released for comment around mid-June. Details about the budget, including how you can get involved in neighbourhood focus groups, are on pages 3 to 6.

Getting the balance right is critical to the future of our municipality and we hope you will take up this opportunity to help shape our City as we lay the foundation to recover from this unprecedented crisis.

On behalf of all the Councillors, I'd like to thank those who have already shared their feedback. We are looking forward to receiving more views and ideas as our extensive community consultation rolls out.

In the spirit of doing things differently, you can receive **Divercity** online later this year. This means the latest news from Council and your community will be delivered straight to your inbox, instead of your mailbox.

Please join our mailing list; details are on the back page.

Also Council meetings are being held online due to the pandemic, with the public able to participate, submit written questions and watch proceedings live or access an archived version.

I'd like to sign off by thanking our wonderful Port Phillip community. Whether it's obeying government restrictions or helping others, so many of you have shown we really can make a difference together during this terrible time.

Budget 2020/21

Each year, Council develops an annual budget that outlines how we will deliver projects, programs and services to our community. We are currently finalising our draft Budget for 2020-21, which will soon be available for you to review and comment on.

COVID-19 has presented challenges unlike anything our City, our world, has faced in generations. As we look to recovery, the financial impact must be addressed, and this will be reflected in our Budget. In this issue of **Diversity**, we detail the costs of the crisis, what this might mean for our City and how you can have your say.

Council response to COVID-19

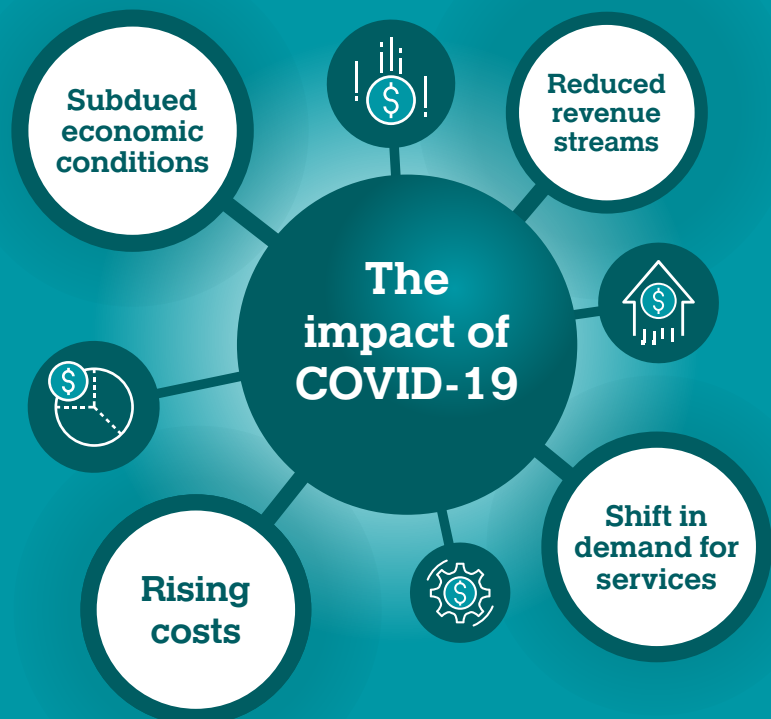
Since the COVID-19 outbreak occurred, keeping our community safe and well has been our priority. Early on, Council activated the emergency pandemic plan to reduce the risk of exposure and prevent the spread of the virus.

We had to be agile, to make effective decisions as the landscape changed every day.

Support has included providing a \$2.95 million emergency relief package for those most affected in our community, including many of our traders. We are also providing up to \$500,000 from our social housing fund for services supporting people experiencing homelessness.

Why will the Budget 2020/21 be different?

There are various factors that will affect our Budget, with response and recovery from the COVID-19 pandemic the major one.



Counting the cost of COVID-19

The financial impact of COVID-19 has been immense. Subdued economic conditions are forecast for Australia. This aligns with our view, informed by University of Sydney modelling.

The following will impact Council:

- productivity loss and supplier delays for at least three months
- restricted ability to deliver some services and engage with the community for six months
- while delivery of capital projects may be limited for the time being, we can continue to focus on completing designs and plans during this period.

We need to be prepared for:

- **Medium-term** reduction in planning, building, and development income
- **Low consumer spend** affecting South Melbourne Market, footpath trading and parking revenue

- **High unemployment rates** changes to demand for childcare services
- **Low money market yield** reduced interest income.

Before the COVID-19 emergency, we were on track and had achieved productivity and service improvements and efficiency savings. Over the past five budgets, Council delivered \$13 million of efficiency savings.

In December, we reported that Council expected to achieve a cumulative cash surplus of \$0.61 million for 2019/20. But now, we have had to revise our budget as the necessary restrictions have significantly impacted our revenue streams.

Impacted revenue streams

We estimate the overall impact on Council finances is around \$32 million, with \$12.7 million to be felt in 2019/20 followed by another \$19.3 million in 2020/21. As our total Council budget is about \$230 million each year, this is an immense challenge.

In terms of revenue sources, user fees account for 17 per cent of Council's total revenue, at approximately \$41 million per year. This revenue stream has been hardest hit by the COVID-19 pandemic.

Over the next 15 months, for example, we expect our parking revenue will be reduced by over \$15 million, income from development activities will reduce by \$8 million and revenue from property leases and rent will decrease by over \$7 million.

Reduced user fees (next 15 months)	
Parking revenue	DOWN \$15M
Income from development	DOWN \$8M
Property leases and rent	DOWN \$7M

This has unfortunately coincided with increasing costs, including a higher landfill levy (from 1 January 2021) and cost shifting from other tiers of government in areas including childcare - which is anticipated to cost over \$4.5 million.

The draft Budget 2020/21

This budget is going to mean change for our community. Efficiencies and hard decisions have to be made and we will have to closely consider if, when or how often some projects or programs will be delivered.

This is an immense challenge but one that is critical to our City's future, and we are committed to ensuring that this significant piece of work is undertaken with great care and as quickly as possible.

Despite the challenges, however, we have kept this year's proposed rate increase (2 per cent) within the Victorian Government rate cap. The extra \$2.7 million derived from this will be put back into the community for the people who need it most.

Other disciplines we are applying

Not undertaking additional borrowing.

Examining our priorities and opportunities to save costs.

Protecting the wellbeing of our community, particularly the vulnerable.

Providing additional support to our community during the recovery.

Minimising the impacts of service closures and reductions.

Increasing cost of waste management

Before COVID-19, we were already faced with the significant challenge posed by the increasing cost of waste management outstripping the rate-capped budget allocation for this service.

The cap gap from waste services is projected to be \$64 million over a 10-year period, which is an increase of \$13 million since Council endorsed the 10-year financial outlook in December.

This increase in costs is primarily driven by the landfill levy increasing by \$20 per tonne per year, for the next three years.

Although the increase has been deferred, the overall increase for the coming years has not been, so we must still plan for their introduction.

Help shape the Budget

From 19 June to 17 July 2020, the draft Budget will be available for you to review on our Have Your Say website. You will be able to share your feedback in a number of ways, including through neighbourhood focus groups.

We have already started engaging with our community, holding two online Q&A sessions as well as several online forums in May. If you missed the online

Q&A sessions, recordings of these sessions are available on our Have Your Say website.

The feedback gained through this consultation will shape the final Budget and our City over the next 12 months.

The Budget will be finalised in August.

Sign up for Budget updates

📧 haveyoursay.portphillip.vic.gov.au

This year's proposed rate increase has been kept within the rate cap.

The extra \$2.7 million derived from this will be put back into the community for the people who need it most.

Have Your Say

Our draft Budget for 2020-21 will soon be available for you to review and comment on.

This Budget will affect us all and we want you to have the best possible opportunity to help shape our City as we all recover from this crisis.

We are committed to making the right decisions today to help our City and our community recover and provide a solid foundation for Port Phillip into the future.

To receive the latest news, event updates and information about how to have your say on the draft Budget, we encourage all members of the Port Phillip community to sign up online.

 haveyoursay.portphillip.vic.gov.au

SIGN UP



HELP SHAPE OUR CITY


Sign up today to receive the latest news, event updates and all the information about the draft Budget.

 haveyoursay.portphillip.vic.gov.au



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Stay up-to-date on Council services and programs

Port Phillip Council takes the health of our staff, community and visitors very seriously.

We are working to keep our community safe during the COVID-19 outbreak and are closely monitoring the changing situation.

For the most up-to-date announcements on changes please visit:

 portphillip.vic.gov.au

Council livestreaming

Council meetings are available online by streaming on our livestreaming site or via our Facebook page.

You can submit a statement on an agenda item by 4 pm on the day of the meeting.

Forthcoming meetings are scheduled for Wednesdays at 6.30 pm on 3 June, 17 June, 1 July and 15 July.

Join Council online

 portphillip.vic.gov.au




Contacting Council


City of Port Phillip town halls remain closed for the time being.

To contact Council


 [portphillip.vic.gov.au/
contact-us](https://portphillip.vic.gov.au/contact-us)

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Polski	9679 9812	Other	9679 9814


Information in this magazine is accurate at the time of publishing but may be subject to change.

 portphillip.vic.gov.au

We're going virtual

The 2020 St Kilda Film Festival is coming to a couch near you from **12 to 20 June**.

Enjoy Australia's top 100 short films and much more from home.

 stkildafilmfestival.com.au



Womin djeka

Council respectfully acknowledges the Yalukut Weelam Clan of the Boon Wurrung. We pay our respect to their Elders, both past and present. We acknowledge and uphold their continuing relationship to this land.



Your Community. Your Council. In your inbox.

Because we listened to your feedback, starting later this year Divercity will be available to you online.

Keep up to date with news
about your City and Council.

Sign up for Divercity online

🖱️ portphillip.vic.gov.au/divercity

