



Minutes Council Meeting

Tuesday 29 June 2021 at 6:00 PM

**Cunninghame Room (and by video conferencing)
Palmers Road Council Building
55 Palmers Road, Lakes Entrance 3909**

Councillors

Crs Mendy Urie (Mayor), Arthur Allen, Sonia Buckley, Tom Crook, Jane Greacen OAM, Trevor Stow, Kirsten Van Diggele (via Microsoft Teams) and John White

Vision

East Gippsland is the most liveable region in Australia. A place of natural beauty, enviable lifestyles, and opportunities.

Our Mission

A leading local government that works together with our communities to make East Gippsland the most liveable region in Australia.

Our Values

Accountability

We will take responsibility for our actions and decisions in an open and transparent way.

Inclusion

We will be accessible and active in engaging with our community. We will invite, listen to and seek to understand the views of others, and proactively share information about Council's plans, projects, services and activities.

Integrity

We will honour our commitments and conduct ourselves in an honest, ethical way.

Respect

We will value, support and help to develop our diverse community. We will respect the views and contributions of others and act with courtesy and consideration in all our interactions.

Resourcefulness

We will turn the challenges faced by our community into opportunities by being flexible and innovative in our response. We will actively seek better and more cost-effective ways to achieve the best outcomes for East Gippsland

Index

1 Procedural	4
1.1 Recognition of Traditional Custodians	4
1.2 Purpose of Meeting	5
1.3 Apologies	5
1.4 Declaration of Conflict of Interest	5
1.5 Next meeting	5
1.6 Open Forum	5
1.6.1 Petitions	5
1.6.2 Questions of Council	5
1.6.3 Public Submissions	5
2 Officer Reports	6
2.1 Good Governance	6
2.1.1 Adoption of the Draft East Gippsland Shire Shaping the Future Community Vision 2040	6
2.1.2 Adoption of the Council Plan 2021-25 (accompanied by the Annual Action Plan 2021-22)	12
2.1.3 Adoption of Council Budget 2021/22	17
2.1.4 Adoption of 10 Year Finance Plan 2021/22 to 2030/31	27
2.1.5 Four-Year Revenue and Rating Plan 2021/22 to 2024/25	32
3 Close of Meeting	36

1 Procedural

1.1 Recognition of Traditional Custodians

Welcome to East Gippsland Shire Council's meeting of Tuesday 29 June 2021.

East Gippsland Shire Council live streams, records and publishes its meetings via webcasting ([youtube.com/c/East Gippy TV](https://youtube.com/c/EastGippyTV)) to enhance the accessibility of its meetings to the broader East Gippsland community.

These recordings are also archived and available for viewing by the public or used for publicity or information purposes. At the appropriate times during the meeting, any members of the gallery who are addressing the council will have their image, comments or submissions recorded.

No other person has the right to record Council meetings unless approval has been granted by the Chair.

The Victorian Government has amended the COVID-19 Omnibus (Emergency Measures) and Other Acts Amendment Act 2020 that enables Council meetings to be conducted by electronic means (videoconferencing) until 26 April 2022. The Minister for Local Government re-issued the Ministerial Good Practice Guideline for Virtual Meetings on 20 October 2020 outlining the provisions relating to the Local Government Act 2020 allow Councillors to attend Council meetings electronically, and the requirement where Council meetings are open to the public will be satisfied where the meeting is livestreamed. The amendments do not preclude Councillors from attending a meeting in person in the Council chambers.

Members of the public are invited to view the Council Meeting livestreamed by following the link on Council's website or Facebook page.

East Gippsland Shire Council acknowledges the Gunaikurnai, Monero and the Bidjural people as the Traditional Custodians of the land that encompasses East Gippsland Shire.

We pay our respects to all Aboriginal and Torres Strait Islander people living in East Gippsland, their Elders past and present.

A member's attendance can only be recorded as present where the member can confirm that they meet all three of the following:

1. They can hear proceedings;
2. They can see other members in attendance and can be seen by other members;
3. They can be heard (to speak).

Councillors MUST confirm ALL of the above conditions to be noted as present for the meeting.

A quorum will not be made if these conditions are not met and the meeting will be adjourned until a quorum is met or postponed if a quorum cannot be met.

If technical difficulties are encountered by Council during the meeting including with the livestreaming, we will adjourn until resolution of the issue or postpone to later time and/or date.

I will now confirm with Councillor Van Diggele that she can see, hear and be heard and to note assurance that the location she is participating from is secure to ensure deliberations are confidential.

- Can you see and hear us?
- Can you confirm that the location you are participating from is secure to ensure confidential items are dealt with in a confidential manner?

Councillor Van Diggele confirmed.

1.2 Purpose of Meeting

In accordance with Rule 3.3 of East Gippsland Shire Council Governance Rules, Anthony Basford Chief Executive Officer, in consultation with the Mayor and Councillors, has called an unscheduled Council meeting to consider items relating to the 2021 – 2025 Draft Council Plan and 2021 – 2022 Draft Council Budget.

The Chief Executive Officer as required under Rule 3.3 of East Gippsland Shire Council Governance Rules, has given notice on the Council website of the unscheduled Council Meeting on Tuesday 29 June 2021 at 6.00 pm.

1.3 Apologies

Cr Mark Reeves (Deputy Mayor)

1.4 Declaration of Conflict of Interest

1.5 Next meeting

The next Council Meeting of Tuesday 13 July 2021 to be held at the Corporate Centre, 273 Main Street Bairnsdale commencing at 6.00pm.

1.6 Open Forum

1.6.1 Petitions

Nil

1.6.2 Questions of Council

Nil

1.6.3 Public Submissions

Nil

2 Officer Reports

2.1 Good Governance

2.1.1 Adoption of the Draft East Gippsland Shire Shaping the Future Community Vision 2040

Authorised by General Manager Place and Community

Conflict of Interest

Officers preparing this report have no conflict of interest to declare.

Executive Summary

The Local Government Act 2020 (the Act) requires Councils to update their Community Vision (the Vision), so it is reflective of the community's aspirations and priorities for a period of at least the next 10 financial years. A Council must develop or review the Vision in accordance with its deliberative engagement practices and adopt the Vision by 31 October in the year following a general election.

In alignment with the Act, a Community Panel of fifteen members was formed through an Expression of Interest process. They came from diverse backgrounds and communities with the mandate to understand feedback of the broader community and collectively develop a vision that could meet the current and future needs of East Gippsland. The Community Panel considered the aspirations, values, and priorities of over 470 community members and heard from a range of experts who shared their views about the key issues emerging through the consultation. Following a period of deliberation, the Community Panel worked together to design a set of recommendations that they presented to Council in March 2021.

Importantly, the Community Vision extends beyond Council's jurisdiction and provides a platform for collaboration with community, regional partnerships, and advocacy. The Community Vision is, in part, an expression of how Council will work with the community to apply and direct resources under its control towards achieving the desired future. The Community Vision will provide direction to the Council Plan and for other mandated plans and strategies.

Officer Recommendation

That Council:

- 1. receives and notes this report and all attachments pertaining to this report;***
- 2. adopts the East Gippsland Shire Shaping the Future Community Vision 2040, as detailed in Attachment 1; and***
- 3. Council formally writes to the community panel thanking them for their work***

Cr Sonia Buckley / Cr Tom Crook

THAT THE RECOMMENDATION BE ADOPTED

CARRIED

Background

The *Local Government Act 2020* (the Act) requires Councils to update their Community Vision (the Vision), so it is reflective of the community's aspirations and priorities for a period of at least the next 10 financial years. A Council must develop or review the Vision in accordance with its deliberative engagement practices and adopt the Vision by 31 October in the year following a general election.

Our Community Vision 2040 expresses the aspirations, values, and priorities of the East Gippsland Shire community, and will help shape what our community want to see achieved by 2040.

No one area of Council, community, agency or other levels of government can help to achieve the Community Vision alone. It extends beyond Council's jurisdiction, and provides a platform for collaboration with community, municipal and regional partnerships, and advocacy. It is, in part, an expression of how Council will work with the community to apply and direct resources under its control towards achieving our desired future.

As our community changes, the Community Vision will be reviewed and updated to reflect community aspirations, to ensure it maintains relevance.

According to the *Local Government Act 2020*, the Community Vision will guide Council's work through the development and implementation of its Council Plan and other strategic plans.

Council already had a Community Vision 2030 that was adopted in September 2012. As the *Local Government Act 2020* requires Councils to have a Community Vision that runs for a minimum of 10 financial years it was time for a refresh. Importantly, much has changed in East Gippsland since 2012, which provided further impetus to revisit the relevance of the Vision to ensure it reflects the community's current values and what is important to them to see change long term.

The Community Panel who volunteered to review and deliberate the refresh of the Community Vision, undertook a series of workshops where they analysed the community feedback, heard from experts and spent considerable time reviewing and sharing their experience and local knowledge. After much deliberation they recommended the changes that are shown in the Draft Community Vision 2040 and made the following recommendations to Council:

1. The addition of important information to help set the scene.
2. Increasing accessibility and including an overarching vision statement and a vision statement for each of four revised strategic themes of Community, Place, Environment, and Economy.
3. Content that aligns with current community values and priorities as identified through the community consultation process.
4. A process for measuring and reporting on progress against the priorities.

They also recommended some exciting innovations and revisions for the Community Vision 2040, including:

- Increasing access by using visual storytelling and clear, concise, and simple language
- Targeting efforts and clarifying roles by incorporating spheres of influence
- Incorporating the principles of the United Nations sustainable development goals, to guide a shift in thinking and acting
- Visible linkages between the Community Vision and the Council Plan and Budget
- Ensuring community planning leads, rather than follows, through the Community Vision

While **Attachment 1** is a text only format currently, through the graphic design of the document it will further improve the readability of document. Great care has been taken by Council Officers to ensure the recommendations of the panel are respected and are evident in the Draft Shaping the Future Community Vision 2040.

Legislation

On 24 March 2020, the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

This report has been prepared in accordance with *Local Government Act 2020* section 88:

Community Vision

- (1) A Council must maintain a Community Vision that is developed with its municipal community in accordance with its deliberative engagement practices.
- (2) The scope of the Community Vision is a period of at least the next 10 financial years.
- (3) A Community Vision must describe the municipal community's aspirations for the future of the municipality.
- (4) A Council must develop or review the Community Vision in accordance with its deliberative engagement practices and adopt the Community Vision by 31 October in the year following a general election.
- (5) The Community Vision adopted under subsection (4) has effect from 1 July in the year following a general election.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's Charter of *Human Rights and Responsibilities Act 2006*.

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

Good Governance Goal 1 - East Gippsland Shire Council is inclusive, engaged and open.

Council Policy

Our Community Vision 2030 was first developed in 2012 with six strategic themes identified by the community as critical to the future of the East Gippsland Shire including: Natural Environment, Local Economy, Community, Land use and the Built Environment, Infrastructure and Governance. The draft version for consideration before you capture a change in the strategic themes to: Community, Environment, Economy and Place.

To align with Section 88 of the *Local Government Act 2020*, Council is required to update the Community Vision so it is reflective of the community's aspirations and priorities for a period of at least the next 10 financial years. Therefore, the Draft Community Vision 2040 provided for Council's consideration meets requirements of the *Local Government Act 2020*.

Resourcing

Financial

The Community Vision will be used to guide strategic planning and decision making for East Gippsland. It will guide Council's priorities through the development of the Council Plan 2021–2025 and inform other statutory requirements as prescribed in the Local Government Act 2020.

As such, the adoption of the Community Vision does not have direct financial implications for Council. Council's existing processes for financial planning will not be changed as a result of the adoption of the Community Vision.

Human Resources

The Community Vision will be used to guide strategic planning and decision making for East Gippsland. It will guide Council's priorities through the development of the Council Plan 2021–2025 and inform other statutory requirements as prescribed in the Local Government Act 2020.

It will have reporting requirements, in the form of quarterly Council Plan progress updates and through the Council Annual Plan. This reporting process is already in place across the organisation and will not require further Human Resources to implement.

Risk

The risks of this proposal have been considered and it is important for Council to note that the Draft Community Vision 2040 is a review of the existing Community Vision 2030. The Community Vision 2030 was last updated in 2012, since which time there has been significant changes within East Gippsland.

Further, it is a requirement under the Local Government Act 2020 that Council has in place a Community Vision that is of the duration of a minimum of 10 financial years, which Council's current vision is not. The risk of not reviewing the Community Vision would therefore be in breach of the Local Government Act 2020 requirement.

The content of the Community Vision has been reviewed for risks to the community or Council and deemed minimal by Council Officers.

Economic

The Community Vision outlines values and priorities of the community who were consulted with, and economy featured as one of the key strategic areas. The aspirations captured in the draft vision express a desire for economic growth, support for emerging and existing industries and increasing resilience in our local economy.

The Community Vision is larger than the remit of Council and therefore it is plausible that impacts outside of Council's control or influence may impede the achievement of the vision. However, effective sector and community engagement, and additional investment to East Gippsland through recovery funding provides a platform for increased opportunities to collaborate and achieve economic change aligned with the Draft Community Vision 2040.

Social

The process for the review of the Community Vision was undertaken by the community, for the community.

The current Community Vision 2030 had been developed with intent to hold relevance well beyond 2021. However, due to significant unforeseeable natural disasters, a world- wide pandemic and a changing landscape across all strategic themes, it was timely to revisit the Community Vision 2030 and reflect on what has changed since its last review in 2012.

The impact this document has for the planning across East Gippsland, not just within Council's remit, but far broader across communities, other levels of Government, and other agencies is significant.

From a Council perspective, the Draft Community Vision 2040 if adopted will affirm the community aspirations and reflects an up-to-date view of our community. It reflects the feedback provided by community in 2020-2021 and includes a new vision statement developed the Community Panel who volunteered to share their lived experience and local knowledge to review, deliberate and refresh the Community Vision.

The Community Vision 2040 is an important, long term strategic document that helps inform other key documents and plans including:

- Council Plan 2021 - 2025
- Wellbeing Plan 2021- 2025
- Financial Plan 2021- 2031
- Asset Plan 2021- 2031

Environmental

In the Draft Community Vision 2040, Environment and Place are identified two key strategic themes. The community have contributed to the refresh highlighted those values and priorities that they considered of highest importance. Taken into scope were the Community Vision 2030 strategic themes of Land Use and Built Environment and Infrastructure, and the changing environment in the context what had changed since 2012. They also heard from experts in this area to provide them with information to deliberate on whilst identifying the priorities.

The identified priorities will influence effort across East Gippsland, and therefore lays the potential challenge of changing community priorities as the community continue to work through the process of recovery from drought and bushfires, which was slowed considerably due to the restrictions related to the pandemic. However, the Community vision will be reviewed periodically to ensure it continues to reflect the values and priorities of community.

Climate change

This report has been prepared and aligned with the following Climate Change function/category:

Corporate/Strategic/Council Plan: Consideration is given to climate change in corporate, strategic, or council plan(s) and includes responses to direct and indirect impacts.

The community panel were provided with the data from the 470 community members who provided feedback on their values and priorities. They heard from an expert on this topic and took into account the full scope of all available information provided to them when reviewing the Community Vision.

Engagement

The process for engagement was run concurrently with the deliberative engagement for the Council Plan by the Organisational Development Team.

The process included the distribution of the Community Perception survey which contained a series of questions relevant to Council Plan and the Community vision. The Community Vision focused on the responses related to values and priorities. The response from 337 community members were received.

In addition, 140 community members were engaged through nine community workshops facilitated across the East Gippsland Shire from 24 February - 5 March 2021:

Lakes Entrance and District
24 February 2021, Eighteen (18) participants.

Orbost and District
25 February 2021, Twenty (20) participants

Mallacoota and District
26 February 2021, Twenty-two participants (22)

Bairnsdale and District
2 March 2021, Thirty-five (35) participants.

Omeo Region
5 March 2021, Fifteen (15) participants.

Online session 1
1 March, Eight (8) Participants

Online session 2
4 March 2021, seven (7) participants

Diverse Community, Bairnsdale
4 March 2021, Seven (7) participants

Business Tourism Association, On-line Session
4 March 2021, Eight (8) participants

During the sessions Councillors and Officers were present, and they recorded notes of discussions from the community. The community were communicated with about the sessions by a news post on the website, social media, email from our databases and through networks and groups. Attendance was tracked and recorded through TryBooking. As it was during COVID restrictions, pre-register and details were required to be recorded. To extend access to the workshops, there were opportunities for community members to participate either face to face or online.

Concurrently, while the surveys and workshops were being held a Community Panel was established to deliberate over the Council Plan and the Community Vision. The panel was selected through an Expression of Interest process. 15 panel members were selected and formed the group who worked through a series of workshops to share their thinking, analyse data from the workshops and surveys, hear from experts, deliberate and identify recommendations for the refreshed Vision.

The Community Panel met with various experts in the areas emerging as priorities. The topics presented were:

- Profile spoke about community demographics and shift in trends.
- Ethos NRM sustainability
- Finance and revenue generation
- Commercial businesses and opportunities in the future
- Community programs
- Community recovery and lasting impact of the bushfires on the East Gippsland community.

The community panel provided a briefing Councillors of their recommendations and engaging with them to seek feedback and explain their process they were working through to come to the point of making the recommendations they settled on.

'Closing the Loop' sessions were held across the Shire to feedback to those who contributed to the process and to explain how their input had contributed to the draft document.

Attachments

1. Draft East Gippsland Shire Shaping the Future Community Vision 2040 - Text Only
June 2021 [2.1.1.1 - 16 pages]

2.1.2 Adoption of the Council Plan 2021-25 (accompanied by the Annual Action Plan 2021-22)

Authorised by General Manager Business Excellence

Conflict of Interest

Officers preparing this report have no conflict of interest to declare.

Executive Summary

The *Local Government Act* 2020 (the Act) requires Councils to adopt a Council Plan for a period of at least the next four financial years after a general election.

In line with Council's Community Engagement Policy a Community Panel of fifteen members was formed. The panel members came from diverse backgrounds and communities with the mandate to understand feedback of the broader community and collectively develop recommendations for Councillors to consider in the development of the Council Plan 2021-25 (the Council Plan) (**Attachment 1**).

The Community Vision 2040 was revised alongside the development of the Council Plan, which created an integrated connection between the two strategic documents. The strategic objectives contained within the Council Plan align with our community's values and priorities identified through the Community Vision 2040.

The Council Plan is accompanied by the Annual Action Plan 2021-22 (**Attachment 2**), which is the companion document to the Council Plan. The Annual Action Plan identifies the actions that the organisation will undertake within a given year to implement the Council Plan strategies.

The progress of the Annual Action Plan will be reported to Council and be available to the community on a quarterly basis.

Officer Recommendation

That Council:

- 1. receives and notes this report and all attachments pertaining to this report;***
- 2. adopts the East Gippsland Shire Council Plan 2021-2025 at Attachment 1; and***
- 3. endorses the Annual Action Plan 2021-22, at Attachment 2, as the companion document to the Council Plan 2021-25.***

Cr Jane Greacen OAM / Cr Tom Crook

THAT THE RECOMMENDATION BE ADOPTED

CARRIED

Background

The *Local Government Act 2020* (the Act) requires Councils to adopt a Council Plan for a period of at least the next four financial years after a general election.

In alignment with Council's Community Engagement Policy, in order to deliberately engage with the community a Community Panel of fifteen members was formed through an Expression of Interest process. They came from diverse backgrounds and communities with the mandate to understand feedback of the broader community and collectively develop recommendations that would be considered by Councillors for inputting into the Council Plan. The Community Panel considered the opportunities and challenges of over 470 community members and heard from a range of experts who shared their views about the key issues emerging through the consultation. Following a period of deliberation, the Community Panel worked together to design a set of recommendations for the Council Plan that they presented to Council in May 2021.

Councillors have been involved in five dedicated workshops designed to work through the priorities coming through the engagement process that helped to shape a Council Plan for the coming four years. These workshops also included information developed internally by Council Officers, through senior leader workshops to develop recommendations for Councillors to consider. The Council Plan is based on a framework of strategic objectives, strategies and strategic indicators, which build on the strengths and attributes of East Gippsland.

The Council Plan is accompanied by the Annual Action Plan 2021-22 (**Attachment 2**), which is the companion document to the Council Plan. The Annual Action Plan is an operational document that identifies the actions that the organisation will undertake within a given year to implement the Council Plan strategies.

The progress of the Annual Action Plan will be reported to Council and be available to the community on a quarterly basis.

The Council Plan (**Attachment 1**) is provided as a text only format currently and it is planned to complete the graphic design of the document following the adoption of the Council Plan.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

This report has been prepared in accordance with *Local Government Act 2020* section 90 from the Act – **Council Plan**.

(1) A Council must prepare and adopt a Council Plan for a period of at least the next 4 financial years after a general election in accordance with its deliberative engagement practices.

- (2) A Council Plan must include the following—
- (a) the strategic direction of the Council;
 - (b) strategic objectives for achieving the strategic direction;
 - (c) strategies for achieving the objectives for a period of at least the next 4 financial years;
 - (d) strategic indicators for monitoring the achievement of the objectives;
 - (e) a description of the Council's initiatives and priorities for services, infrastructure and amenity;
 - (f) any other matters prescribed by the regulations.

(3) A Council must develop or review the Council Plan in accordance with its deliberative engagement practices and adopt the Council Plan by 31 October in the year following a general election

(4) The Council Plan adopted under subsection (3) has effect from 1 July in the year following a general election.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's Charter of *Human Rights and Responsibilities Act 2006*.

Collaboration

Pursuant of section 109(2) of the *Local Government Act 2020* this report has not been prepared in collaboration.

Council Plan

This report has been prepared and aligned with the following goals set out in the Council Plan 2017-2021:

Good Governance Goal 1 - East Gippsland Shire Council is inclusive, engaged and open.

Council Policy

No relevant Council Policy

Options

No options available

Resourcing

Financial

The Council Plan guides the development of the Annual Budget and therefore has a significant impact on the financial management of Council.

Under current legislation, the development of the Council Plan is a strategic exercise that is undertaken to provide the longer-term direction for a municipality. Once this document has been adopted, the detail that supports the strategic objectives and strategies are provided for in the Annual Budget.

The Annual Budget 2021/22, which incorporates the initiatives and activities for 2021-22 will be presented to Council following the adoption of the Council Plan.

Plant and equipment

Not applicable

Human Resources

The Council Plan guides the delivery of Council services and the level of resourcing required to maintain service levels. The human resourcing is outlined in the Workforce Plan 2021-25. It will have reporting requirements, in the form of quarterly progress updates and through the Annual Report.

This reporting process is already in place across the organisation and will not require further Human Resources to implement.

Risk

The risks associated with the development of this report have been considered.

Economic

The Council Plan outlines what strategies will be delivered to support the local economy of East Gippsland. The delivery links in with the development of Economic Development Strategy.

Social

The Council Plan outlines what strategies will be delivered to support the local communities. There is direct connection with the Municipal Public Health and Wellbeing Plan and other supporting strategic documents that support community and social wellbeing and connection.

Other existing strategic plans that guided the development of the Council Plan include:

- Disability, Access, and Social Inclusion Plan 2014-2017
- Ageing Well in East Gippsland – Age Friendly Communities Strategy 2017-2030
- Reconciliation Action Plan 2015-18
- East Gippsland Fires 2019-20 Culture & Healing Recovery Sub-plan
- East Gippsland Shire Regional Youth Plan 2016-2017
- 2022 Vision for Education in East Gippsland
- Place based Community Plans

Environmental

The Council Plan outlines what strategies will be delivered to support the natural environment. There is direct connection with the Environmental Sustainability Strategy in how Council will deliver the actions to support the environment.

Climate change

This report has been prepared and aligned with the following Climate Change function/category:

Corporate/Strategic/Council Plan: Consideration is given to climate change in corporate, strategic or council plan(s) and includes responses to direct and indirect impacts.

Engagement

The Council Plan has been the subject of a deliberative community engagement process in accordance with Council's Community Engagement Policy, which is required under *the Local Government Act 2020*.

Significant consultation with the community took place between December 2020 and April 2021. Input was sought through the following opportunities:

- The Community Perceptions Survey (3 December 2020 – 29 January 2021):
 - 337 people completed the Community Perceptions Survey;
 - Online survey was available through Council's online engagement portal;
 - Hard copies of the survey were available at all customer service centres;
 - Advertising in regional and town newsletters; and
 - Social media posts through Twitter and Facebook;
- Community Engagement Workshops (24 February – 4 March 2021);
 - 140 community members attended across the nine engagement workshops;
 - Face-to-face engagement workshops were conducted in Bairnsdale, Omeo, Lakes Entrance, Orbost and Mallacoota with Councillors and Council Officers present;
 - Online engagement workshops were also conducted to support increased participation;
 - The community were communicated with about the sessions by a news post on the website, social media, email from our databases and through networks and groups; and
 - During the sessions Councillors and Officers were present, and they took notes of discussions from the community.
- A 15-person Community Panel (11 March – 24 April 2021);
 - They were engaged with over seven workshops to develop recommendations for Councillors to consider inputting in the Council Plan;
 - During the workshops the group shared their thinking, analysed data and surveys, deliberated and identified recommendations for the Council Plan; and
 - The Community Panel met with various experts in the areas emerging as priorities. The topics presented were community demographics and shift in trends, environmental sustainability, Council's finance and revenue generation, Council's commercial businesses and opportunities in the future, Council's community programs, and the community recovery and lasting impact of the bushfires on the East Gippsland community.
- Closing the loop engagement (26 May – 6 June 2021);
 - Over 80 people have been engaged with the closing the loop engagement;
 - Council Officers have provided community with the ability to see how the engagement feedback is represented in the Draft Council Plan prior to being adopted.

Attachments

1. DRAFT East Gippsland Shire Council Council Plan 2021 25 [2.1.2.1 - 37 pages]
2. DRAFT Annual Action Plan 2021 22 [2.1.2.2 - 17 pages]

2.1.3

Adoption of Council Budget 2021/22

Authorised by General Manager Business Excellence

Conflict of Interest

Officers preparing this report have no conflict of interest to declare.

Executive Summary

The draft Budget 2021/22 (draft Budget) is submitted to Council for adoption in accordance with the provisions of the *Local Government Act 2020* (the Act) and the *Local Government (Planning and Reporting) Regulations 2020* (Reporting Regulations). Council must prepare and adopt a budget for each financial year and the subsequent 3 financial years by 30 June each year. The draft Budget document is provided at **Attachment 1**.

In accordance with section 94 of the Act, Council has developed the draft Budget in line with financial management principles and in accordance with its community engagement policy. There were five deliberative community engagement sessions held regarding the budget development across the Shire during February and March 2021. Information was also available on Council's website during the deliberative engagement process seeking comment and feedback from the community. The deliberative engagement process was undertaken in conjunction with the community engagement process for the development of the Council Plan 2021-25.

The draft Budget proposes a 1.5 percent rates and municipal charge increase in accordance with the rate cap announced by the Minister for Local Government in December 2020. Domestic waste collection charges sit outside of the rate cap and it is proposed that domestic waste collection charges be increased by 5 percent over the 2020/21 charges. User fees and charges (except waste fees) are proposed to increase at 1.5 percent in line with the increase for rates and municipal charge.

The draft Budget proposes the delivery of a range of projects and programs to the East Gippsland community in 2021/22, while forecasting an operating surplus of \$35.735 million for the year. Taking into account income to be received from grants and contributions for capital works, the underlying result is a deficit of \$7.362 million. The operating surplus and underlying result have been impacted by the advance payment of \$8.463 million of the 2021/22 Victoria Grants Commission allocation which will be received prior to 30 June 2021.

The capital works program for 2021/22 totals \$88.759 million, which includes an estimated \$21.529 million for projects carried over from the 2020/21 year that will be completed in 2021/22. Capital grant income to be received for a range of these projects is estimated to be \$44.288 million.

The draft Budget also includes major projects totalling \$4.445 million, the most significant being \$1.467 million for streetlight LED upgrades, \$1.3 million for Raymond Island Ferry slipping and \$1.3 million for the South Bairnsdale Industrial Estate Water upgrade.

The draft Budget includes financial information for the four years from 2021/22 to 2024/25 as required by the Act and the Reporting Regulations. The financial information and associated financial indicators that are used to assess financial sustainability, indicate Council's ongoing financial sustainability over the short to medium term.

Officer Recommendation

That Council:

1. receives and notes this report and the attachment pertaining to this report;
2. adopts the Budget 2021/22 as provided at Attachment 1 (including the schedule of fees and charges) in accordance with section 94 of the Local Government Act 2020;
3. in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020, declares the following:
 - (a) An amount of \$61,430,327 be declared as the amount that Council intends to raise by general rates, municipal charge and waste collection charges, which is calculated as follows:

CATEGORY	INCOME
General Rate	\$34,053,437
Commercial / Industrial	\$ 6,108,899
Farm Rate	<u>\$ 5,473,554</u>
TOTAL RATES	<u>\$45,635,890</u>
 Municipal charge	 \$ 7,279,619
 Waste Charges	
Kerbside Waste/recycling collection (120 litre bin)	\$ 1,163,620
Kerbside Waste/recycling collection (240 litre bin)	\$ 12,150
Kerbside Waste/recycling/green waste collection (120 litre bin)	\$ 7,172,880
Kerbside Waste/recycling/green waste collection (240 litre bin)	\$ 65,145
Rural Waste Collection Charge	<u>\$ 101,023</u>
Total Waste Charges	<u>\$ 8,514,818</u>
 TOTAL CHARGES	 <u>\$15,794,437</u>
 TOTAL RATES AND CHARGES	 <u>\$ 61,430,327</u>

- (b) The general rate be declared for the period commencing 1 July 2021 and concluding on 30 June 2022:
 - i) It be further declared that subject to paragraph (iii) of this Part, the general rates be raised through the application of differential rates.
 - ii) The following rates in the dollar apply to property classifications:

Category	% of General rate	Rate in the \$
General/Residential Rate	100	0.00370130
Commercial/Industrial Rate	145	0.00536688
Farm Rate	80	0.00296104

- iii) Differential rates apply to rateable properties with the following characteristics:
 - (a) General

General land is any land that is:

- **Used primarily for residential purposes; or**
- **Unoccupied but zoned Residential, Township or Rural Living under the East Gippsland Shire Council Planning Scheme; or**
- **Any land that is not defined as Farm Land or Commercial/Industrial Land.**

(b) Commercial and Industrial

Commercial and Industrial Land is any land used primarily for:

- **the manufacture, or production of, or trade in, goods or services; or**
- **Obviously adapted for the primary use of commercial or industrial purposes; or**
- **Occupied primarily for the purpose of service delivery for tourism leisure and/or accommodation; or**
- **Unoccupied but zoned Business, Industrial, Mixed Use, Special Use or Comprehensive Development Zone under the East Gippsland Shire Council Planning Scheme; or**
- **Conforming to East Gippsland Shire Council guidelines for the classification of property as Commercial/Industrial Land.**

(c) Farm Land

Farm land is defined as any land which:

- **Is used primarily for a farming or agricultural business; and,**
- **Conforms to the definition of “farm land” as specified within the Valuation of Land Act 1960; and,**
- **Conforms to East Gippsland Shire Council guidelines for the classification of property as “farm land” as stipulated within East Gippsland Shire Council’s “Application for Farm Rate”; and**
- **The ratepayer has Primary Producer status with the Australian Taxation Office and be located in a Farm Zone in accordance with Council’s planning scheme, or have a permit from Council to operate a farming business.**

iv) Council has determined that the application of a differential rate for Farm and Commercial/Industrial Land will contribute to the equitable and efficient carrying out of its functions.

i) Council has determined it will provide a rate rebate equivalent to \$59.33 to eligible properties in the ownership of pensioners who qualify for a Victorian Government approved pension rebate. This rebate is provided in accordance with section 169(1)(a) of the Local Government Act 1989 and supports the development of the municipality in that it helps support pensioners to keep and stay in their own homes.

- ii) **Council has determined that it will provide a rate rebate of \$600,000 to be proportionally allocated based on 2021/22 rates to be raised at 1 July 2021 to all properties classified as farm properties as at 1 July 2021. This rebate is provided in accordance with section 169(1)(a) of the Local Government Act 1989 and supports farm properties that were financially impacted as a result of the 2019/20 bushfires.**

(c) Municipal Charge

- i) **A municipal charge be declared for the period commencing 1 July 2021 and concluding on 30 June 2022.**
- ii) **A municipal charge be declared for the purpose of covering some of the administrative costs of Council.**
- iii) **The municipal charge be the sum of \$233.00 per each rateable property in respect of which a municipal charge can be levied.**

(d) Waste Collection Charge

- i) **A charge for kerbside collection of waste with recycling, and for kerbside collection of waste with recycling and green waste, and a rural waste collection charge be declared for the period commencing 1 July 2021 and concluding on 30 June 2022 as follows:**

Kerbside Waste/recycling collection (120 litre bin)	\$365.00
Kerbside Waste/recycling collection (240 litre bin)	\$450.00
Kerbside Waste/recycling/green waste collection (120 litre bin)	\$418.00
Kerbside Waste/recycling/green waste collection (240 litre bin)	\$505.00
Rural Waste Collection Charge	\$247.00

- (e) **Authorises the Chief Executive Officer to levy and recover the general rates, municipal charge, kerbside waste with recycling collection charge, kerbside waste with recycling and green waste collection charge and rural waste collection charge as per section 167 of the Local Government Act 1989.**

- (f) **Council allows the following payment options in accordance with section 167 of the Local Government Act 1989:**

<i>In Full</i>	<i>Four Instalments</i>	<i>Nine Instalments</i>
<i>15 February 2022</i>	<i>30 September 2021</i>	<i>30 September 2021</i>
	<i>30 November 2021</i>	<i>31 October 2021</i>
	<i>28 February 2022</i>	<i>30 November 2021</i>
	<i>31 May 2022</i>	<i>31 December 2021</i>
		<i>31 January 2022</i>
		<i>28 February 2022</i>
		<i>31 March 2022</i>
		<i>30 April 2022</i>
		<i>31 May 2022</i>

- (g) **Interest on unpaid rates and charges will be charged in accordance with section 172 of the Local Government Act 1989.**

Cr Trevor Stow / Cr Tom Crook

THAT THE RECOMMENDATION BE ADOPTED

CARRIED

Background

The draft Budget presented at **Attachment 1** proposes the delivery of a range of projects and programs to the East Gippsland community in 2021/22 and a proactive asset renewal program, while continuing to safeguard Council's long-term financial sustainability.

In accordance with section 94 (2) of the Act the draft Budget gives effect to the Council Plan and contains information in regard to the services and initiatives to be funded in the budget as well as major initiatives identified by the Council as priorities in the Council Plan, to be undertaken during the financial year. Section 55 (d) of the Act requires the Council's Community Engagement Policy is capable of being applied to the Council's budget. The deliberative engagement practices included in the Community Engagement Policy have been applied in the development of the 10 Year Financial Plan and through the Council Plan development process. This deliberative engagement for both plan developments have informed the draft Budget. There were five deliberative engagement sessions held at various locations across the municipality during February and March 2021. There was also information provided on Council's website during the community engagement time to allow the community to provide feedback and comment.

An indicator of the sustainable operating result required to enable Council to continue to provide core services is the adjusted underlying surplus/deficit. This measure adjusts the operating surplus/deficit by removing non-recurring income that is used to fund capital works as well as other non-monetary capital contributions. For the 2021/22 year it is estimated that the underlying operating result will be a deficit of \$7.362 million, noting that the advance Victoria Grants Commission 2021/22 payment of \$8.463 million will be received in the 2020/21 year and therefore has had a significant impact on this result for the 2021/22 year.

The draft Budget 2021/22 forecasts an operating surplus of \$35.735 million, after raising rates and charges of \$62.182 million and capital grants \$44.288 million.

The draft Budget 2021/22 proposes a rate rebate totalling \$600,000 to be proportionally applied to farm classified properties as at 1 July 2021. The rebate is part of the allocation of the Council Assistance Fund grant provided by the Victorian government following the 2019/20 bushfires.

The financial performance indicators used to analyse Council's financial position indicate that Council has developed a budget for the 2021/22 year and projections for the years 2022/23 to 2024/25 that provides financial sustainability over the four years of the budget.

Included in the revised draft budget is a wide range of initiatives and projects that will be delivered in 2021/22. A summary of the capital program and significant projects within it is shown in the following table:

Project Highlights	Proposed Budget
Roads - including <ul style="list-style-type: none"> • Reseal program, Shire wide - \$2.59 million • Gravel Road Renewal program, Shire wide - \$1.2 million • Upgrade of Moroney Street, Bairnsdale - \$1.842 million • Omeo Valley Road Major Rehabilitation - \$0.983 million • Marine Parade Lakes Entrance upgrade - \$1.396 million • Bailey Street reconstruction - \$0.96 million • Soldiers Road upgrade - \$0.885 million 	Total Roads \$13.775 million
Bridges – including <ul style="list-style-type: none"> • Genoa Pedestrian Bridge - \$0.817 million • Bullock Island Bridge - \$2 million 	Total Bridges \$4.217 million
Drainage – including <ul style="list-style-type: none"> • Marlo Town drainage upgrade - \$0.11 million 	Total Drainage \$0.185 million
Footpaths and Cycleways– including <ul style="list-style-type: none"> • Omeo Mountain Bike Trails - \$2.926 million • Kruatungalung Walk - \$2.28 million 	Total Footpaths \$6.586 million
Buildings and improvements - including <ul style="list-style-type: none"> • Building renewal (Council owned), Shire Wide - \$0.7 million • Eagle Point Foreshore Hub - \$2.32 million • Gymnastics Pavilion, Lucknow Recreation Reserve - \$1.222 million 	Total Property and Buildings \$6.163 million
Recreation, Leisure, Parks and Open Spaces – including <ul style="list-style-type: none"> • WORLD Sporting Precinct Stage 1 - \$11.181 million • Bullock Island Masterplan implementation - \$5.025 million • Livingston Park, Omeo - \$1.576 million • Slip Road Maritime Precinct - \$4.2 million • Lakes Entrance Foreshore and streetscape works - \$1.924 million • Streetscapes in Mallacoota, Buchan and Bruthen - \$3.039 million • Forest Park, Orbost - \$1.206 million • Jemmy's Point – Stage 2 - \$1.38 million • Bairnsdale City Oval Changeroom upgrade - \$0.979 million • Mallacoota Hall upgrade - \$0.863 million 	Total Recreation \$36.357 million
Plant and Equipment - including <ul style="list-style-type: none"> • Renewal of vehicles, plant and machinery - \$2.134 million • Information and Communications Technology systems, Shire wide - \$4.377 million 	Total Plant/Equipment \$6.750 million
Waste Management - including <ul style="list-style-type: none"> • Lakes Entrance Transfer Station upgrade - \$1.15 million • Bairnsdale Landfill – Cell 4 construction - \$2.8 million • Cann River Waste Transfer Station - \$0.75 million 	Total Waste \$5.866 million

Project Highlights	Proposed Budget
Other Infrastructure - including <ul style="list-style-type: none"> • Mallacoota Seawalls Construction - \$3.106 million • Cann River Off Street Parking - \$0.756 million • Newmerrella – Upgrade of Princes Highway Rest Area - \$0.299 million • Bairnsdale Airport Potable Waste Reticulation - \$0.475 million • Seawalls reconstruction shire wide - \$1.815 million • Electric Vehicle Charge Points - \$0.45 million 	Total Other \$8.860 million

There are a number of non-capital initiatives included in the draft Budget, the largest being the Street Light LED upgrade \$1.467 million, Raymond Island Ferry Slipping \$1.3 million and the South Bairnsdale Industrial Estate Water Upgrade project \$1.3 million.

Overview of Financial Performance

The draft Budget 2021/22 proposes a rates and municipal charge total income increase of 1.5 percent on the base rates and municipal charge for 2020/21 in line with the rate cap set by the Minister for Local Government. Fees and charges will also generally increase at 1.5 percent except waste fees and charges that will increase on average by 5 percent. The impact of the increase in the EPA levy charges by the State government for the 2021/22 year has seen the cost for waste services increase significantly. Total rates and charges, excluding supplementary rates, valuation objection adjustments and rating agreements, are forecast to be \$61,430,327 for 2021/22. The impact of this is reflected in the following tables:

Type of Property	% of General Rate	Proposed rate in the dollar	Total Income
General/Residential	100	0.00370130	\$34,053,437
Commercial / Industrial	145	0.00536688	\$6,108,899
Farm	80	0.00296104	\$5,473,554
Total Rates Income			\$45,635,890

Type of Charge	Charge per rateable property	Total Income
Municipal Charge	\$233	\$7,279,619
Kerbside waste with recycling collection (120 litre Bin)	\$365	\$1,163,620
Kerbside waste with recycling collection (240 litre Bin)	\$450	\$12,150
Kerbside waste with recycling and green waste collection (120 litre Bin)	\$418	\$7,172,880
Kerbside waste with recycling and green waste collection (240 litre Bin)	\$505	\$65,145
Rural Waste Collection Charge	\$247	\$101,023
Total		\$15,794,437

Some key financial statistics for the draft Budget 2021/22 as compared with the forecast results for the 2020/21 year are shown below:

Key Statistics	2020/21 Forecast Actual \$'000	2021/22 Budget \$'000
Total expenditure	\$117,835	\$102,286
Surplus for the year *	\$16,997	\$35,735
Adjusted underlying surplus/(Deficit) *	\$2,032	(\$ 7,362)
Cash and investment balance at year end	\$65,206	\$40,237
Cash flows from operations	\$36,617	\$59,477
Capital works expenditure	\$41,154	\$88,759

* The forecast results for 2021/22 are impacted by the prepayment of \$8.463M of the 2021/22 Victoria Grants Commission allocation in the 2020/21 year.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

The relevant provisions of the *Local Government Act 2020* prescribes and informs the preparation of the annual Budget as follows:

- Section 55 (d) includes information on community engagement.
- Section 94 outline the information that is required to be contained within the budget document.
- Section 96 outlines the requirements relating to the preparation of the budget.
- Section 104 outlines the requirements is Council is proposing borrowings.

The *Local Government Act 1989* prescribes and informs the preparation of the annual Budget in relation to rates and charges. Relevant provisions include:

- Sections 160 and 161 outline the requirements for the declaration of rates, including differential rates.
- Section 167 outlines the requirements relating to payment of rates and charges.
- Section 169 allows Council to grant a rebate or concession.
- Section 171 outlines the requirements if a waiver of rates is being given.
- Section 172 allows Council to charge interest on unpaid rates and charges.

The *Local Government (Planning and Reporting) Regulations 2020* (Reporting Regulations) outline the reporting requirements for the budget document.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's Charter of *Human Rights and Responsibilities Act* 2006.

Collaboration

Not applicable to this report.

Council Plan

This report has been prepared and aligned with the Strategic Objective number 5 of the draft Council Plan 2021-25 and, also the goal set out in the Council Plan 2017-2021:

Good Governance Goal 3 - Council is in a strong financial position and can provide for future generations of East Gippslanders.

Council Policy

Not applicable to this report.

Options

Not applicable to this report.

Resourcing

Financial

Refer to the draft Budget 2021/22 at **Attachment 1**.

Plant and equipment

Not applicable.

Human Resources

Not Applicable

Risk

The risks of this proposal have been considered and if the Budget is not adopted by 30 June 2021 then Council would be in breach of the requirements of the Act.

Economic

The draft Budget 2021/22 details the financial resources required to support the strategic objectives of the Council Plan 2021-2025.

Social

The draft Budget 2021/22 details the financial resources required to support the strategic objectives of the Council Plan 2021-2025.

Environmental

The draft Budget 2021/22 details the financial resources required to support the strategic objectives of the draft Council Plan 2021-2025.

Climate change

This report has been prepared and aligned with the following Climate Change function/category:

This report is assessed as having no direct impact on climate change.

Engagement

Council undertook community engagement in accordance with its Community Engagement Policy in February and March 2021 as part of the draft budget development. Community information sessions were held in five locations across the shire and information was also available on Council's website to allow the community to provide comment and feedback regarding the drafting of the budget. This consultation was undertaken in accordance with the *Local Government Act 2020*.

The community engagement sessions were advertised in local newspapers, through press releases and via Council's website.

Attachments

1. Draft Council Budget 2021-22 [**2.1.3.1** - 111 pages]

Attendance

Cr Sonia Buckley was absent from the Council Chamber from 6.57 pm – 6.59 pm

2.1.4 Adoption of 10 Year Finance Plan 2021/22 to 2030/31

Authorised by General Manager Business Excellence

Conflict of Interest

Officers preparing this report have no conflict of interest to declare.

Executive Summary

In accordance with section 91 of the *Local Government Act 2020* (the Act) Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices. The scope of the Financial Plan is a period of at least the next 10 financial years.

The Act requires Council to adopt the Financial Plan by 31 October in the year following a general election. The Financial Plan has been developed in conjunction with the Council Plan 2021-2025 and the annual budget 2021/22 to ensure the financial resources required to give effect to the Council Plan and other strategic plans of Council are aligned.

The Financial Plan provides information about the decisions and assumptions that underpin the forecasts in the statements describing the financial resources and has effect from 1 July 2021.

The Financial Plan at **Attachment 1** provides 10 year financial and human resource projections and the assumptions that underpin those projections.

The 10 year financial indicators included in the Financial Plan are projecting that Council is in a financially sustainable position for the medium to long term. Whilst the underlying surplus projects are less than the target of \$1 million for three of the 10 years, the average result over the 10 year period is a surplus of \$1.303 million. The underlying deficit forecast for the 2021/22 year is a result of the advance payment of \$8.463 million of the 2021/22 Victoria Grants Commission allocation in the 2020/21 year. Whilst the asset renewal percentage also drops slightly below the target 100 percent in the out years, it is expected that potentially there will be funding available from grant funds in those years that would be provided for renewal projects and increase the forecast to greater than 100 percent.

Council's unrestricted cash position remains positive and provides an appropriate level of cash to fund a number of non-discretionary reserves.

The assumptions included in the Financial Plan and the annual budget 2021/22 and the following three financial years are aligned and support Council's financial sustainability into the future.

Officer Recommendation

That Council:

- 1. receives and notes this report and all attachments pertaining to this report; and***
- 2. adopts the 10 Year Financial Plan 2021/22 to 2030/31 as provided at Attachment 1 in accordance with section 91 of the Local Government Act 2020.***

Cr Tom Crook / Cr Arthur Allen

THAT THE RECOMMENDATION BE ADOPTED

CARRIED

Background

The Financial Plan at **Attachment 1** includes financial statements and statements of human resources for the next 10 years. The assumptions that underpin the Financial Plan are included and provide information regarding the basis of the projections.

The Financial Plan will be reviewed annually and updated as relevant based on amendments to assumptions and decisions of Council.

The Financial Plan was developed in accordance with the requirement to undertake a deliberative engagement process and in accordance with Council's Community Engagement Policy.

Five community engagement sessions were held at locations across the shire in February and March 2021. Information was also provided on Council's website to allow members of the community to provide comment/feedback.

The Financial Plan is projecting that Council will remain in a sound financial position in the medium to longer term based on the assumptions used for the 10 year period. Whilst the asset renewal projections fall slightly below that target of 100 percent in the out years it is expected that in those years there would be grant funding that would be utilised for renewal projects that would see the target of 100 percent met.

Whilst the underlying surplus is forecasting a deficit in 2021/22 this is the result of the advance payment of \$8.463 million of the 2021/22 Victoria Grants Commission payment in the 2020/21 year. There are two other years where the result is expected to be less than the target of \$1 million surplus as a result of the bi-annual cyclic maintenance for the Raymond Island Ferry which is approximately \$1.4 million in each of those years. The average underlying surplus over the 10 years is \$1.303 million.

The projections also assume that service levels to the community will remain at acceptable levels and that Council will continue to embed efficiencies in all areas of service delivery.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act* 1989 or the *Local Government Act* 2020 as in force at the date of the decision.

The relevant provisions of the *Local Government Act 2020* prescribes and informs the preparation of the Financial Plan as follows:

- Section 91 outlines the requirements for the Financial Plan
- Section 55 (g) outline the requirement for deliberative engagement for the Financial Plan.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's Charter of *Human Rights and Responsibilities Act* 2006.

Collaboration

Nil for this report.

Council Plan

This report has been prepared and aligned with the Strategic Objective number 5 of the draft Council Plan 2021-25 and, also the goal set out in the Council Plan 2017-2021:

Good Governance Goal 3 - Council is in a strong financial position and can provide for future generations of East Gippslanders.

Council Policy

The development of the 10-Year Financial Plan was undertaken in accordance with Council's Community Engagement Policy.

Options

Nil for this report.

Resourcing

Financial

The table below is a summary of projected key financial indicator results for the 10 years

Measure	Target	Forecast Actual 20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Adjusted underlying result	>\$1M	\$2.032M	(\$7.3)M	\$6.4M	\$2.1M	\$3.9M	\$1.7M	\$2.7M	\$0.9M	\$1.5M	\$0M	\$1.2M
Current Assets/Current Liabilities	>1.50	3.71	2.15	2.21	2.01	1.78	1.87	1.97	1.72	1.87	1.87	1.92
Asset Renewal/Dep'n	>100%	149%	219%	159%	125%	107%	101%	101%	95%	98%	96%	93%
Borrowings/Rate revenue	<60%	6.1%	12.4%	15.7%	14.1%	12.6%	11.2%	8.1%	6.8%	5.5%	3.5%	2.3%
Unrestricted cash/current liabilities	>80%	220%	129%	129%	104%	94%	97%	103%	91%	98%	97%	103%
Capital outlay as a % of own source revenue	>30%	45%	113%	61%	47%	39%	31%	33%	32%	30%	31%	31%

Refer to the 10 Year Financial Plan 2021/22 to 2030/31 **Attachment 1** for further financial information.

Plant and equipment

Not Applicable

Human Resources

Not Applicable

Risk

The risks of this proposal have been considered and there appears to be no risks at this point in time, given that the plan will be endorsed before the legislated date for adoption.

Economic

The 10-Year Financial Plan is aligned to the Council Plan 2021-2025 and provides information that supports the ongoing provision of services to the community.

Social

The 10-Year Financial Plan is aligned to the Council Plan 2021-2025 and provides information that supports the ongoing provision of services to the community

Environmental

The 10-Year Financial Plan is aligned to the Council Plan 2021-2025 and provides information that supports the ongoing provision of services to the community

Climate change

This report has been prepared and aligned with the following Climate Change function/category:

This report is assessed as having no direct impact on climate change.

Engagement

Council undertook community engagement in accordance with its Community Engagement Policy in February and March 2021 as part of the Financial Plan development. Community information sessions were held in five locations across the shire and information was also available on Council's website to allow the community to provide comment and feedback regarding the Financial Plan. This consultation was undertaken in accordance with the *Local Government Act 2020* and Council's Community Engagement Policy.

The community engagement sessions were advertised in local newspapers, through press releases and via Council's website.

Attachments

1. 10 Year Financial Plan 2021-22 to 2030-31 [2.1.4.1 - 35 pages]

Authorised by General Manager Business Excellence

Conflict of Interest

Officers preparing this report have no conflict of interest to declare.

Executive Summary

In accordance with section 93 of the *Local Government Act 2020* (the Act) Council prepare and adopt a Revenue and Rating Plan by the next 30 June after a general election for a period of at least the next 4 financial years.

The Four-Year Revenue and Rating Plan 2021/22 to 2024/25 (the Plan) at **Attachment 1** includes information regarding rating legislation and principles together with information on Council's current rating differentials, service charges and other administrative rating matters.

The Plan also includes information in regard to all other forms of revenue as well as the assumptions that underpin the Plan for the four years.

The Plan supports the 10 Year Financial Plan 2021/22 to 2030/31 and the annual budget 2021/22.

Officer Recommendation

That Council:

- 1. receives and notes this report and all attachments pertaining to this report; and***
- 2. adopts the Four-Year Revenue and Rating Plan 2021/22 to 2024/25, as provided at Attachment ,1 in accordance with section 93 of the Local Government Act 2020.***

Cr Arthur Allen / Cr Jane Greacen OAM

THAT THE RECOMMENDATION BE ADOPTED

CARRIED

Background

The Four-Year Revenue and Rating Plan (the Plan) at **Attachment 1** rating and other revenue information that supports the 10 Year Financial Plan 2021/22 to 2030/31 and the annual Budget 2021/22. The Plan provides legislative information in relation to rating as well as information regarding Council's application of the legislation in setting of rates and charges, including differential rating.

Information regarding all other sources of income is included in the Plan along with the assumptions that underpin the Plan.

The Plan will be reviewed annually and updated as relevant based on amendments to assumptions and decisions of Council.

A copy of the draft Plan was provided on Council's website to allow members of the community to provide comment/feedback.

Legislation

On 24 March 2020 the Government passed the *Local Government Act 2020* (the new Act). Provisions from the new Act are being commenced in four stages. The first tranche of provisions commenced on 6 April 2020 with other tranches commencing on 1 May 2020 and 24 October 2020. All remaining provisions are commencing on 1 July 2021. The *Local Government Act 1989* applies in circumstances where the new Act has not commenced.

The East Gippsland Shire Council is required to make decisions under both Acts as the transition occurs. Council has implemented mechanisms to ensure decisions are made according to the relevant provisions of either the *Local Government Act 1989* or the *Local Government Act 2020* as in force at the date of the decision.

The relevant provision of the *Local Government Act 2020* regarding the Revenue and Rating Plan is as follows:

- Section 93 outlines the requirements for Council to adopt a Four-Year Revenue and Rating Plan.

The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights detailed in the Victorian Government's Charter of *Human Rights and Responsibilities Act 2006*.

Collaboration

Not applicable to this report.

Council Plan

This report has been prepared and aligned with the Strategic Objective number 5 of the draft Council Plan 2021-25 and, also the goal set out in the Council Plan 2017-2021:

Good Governance Goal 3 - Council is in a strong financial position and can provide for future generations of East Gippslanders.

Council Policy

Not applicable to this report.

Options

Not applicable to this report.

Resourcing

Financial

Refer to the Four-Year Revenue and Rating Plan 2021/22 to 2024/25 at **Attachment 1**

Plant and equipment

Not Applicable

Human Resources

Not Applicable

Risk

The risks of this proposal have been considered and if the Plan is not adopted by 30 June then Council would be in breach of the requirements of the Act.

Economic

Not applicable for this report.

Social

Not applicable for this report.

Environmental

Not applicable for this report.

Climate change

This report has been prepared and aligned with the following Climate Change function/category:

This report is assessed as having no direct impact on climate change.

Engagement

Whilst there is no legislative requirement to undertake any consultation in regard to the Plan, the draft Four Year Plan was available on Council's website for 14 days in May 2021 to allow the community to provide comment and feedback regarding the Plan. There was no feedback received during the feedback period.

The feedback period was advertised in local newspapers and via Council's website.

Attachments

1. East Gippsland Four Year Revenue and Rating Plan 2021-22 to 2024-25 [**2.1.5.1** - 27 pages]

3 Close of Meeting

Cr Mendy Urie declared the Council Meeting closed at 7.08 pm

Confirmed

Cr Mendy Urie Mayor

13 July 2021