

# AGENDA

**ADDITIONAL COUNCIL MEETING  
WARRNAMBOOL CITY COUNCIL  
5:45 PM - MONDAY 28 JUNE 2021**



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## **VENUE:**

**Lighthouse Theatre Studio  
Lighthouse Theatre  
Timor Street  
Warrnambool**

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## **COUNCILLORS**

**Cr. Vicki Jellie AM (Mayor)  
Cr. Otha Akoch  
Cr. Debbie Arnott  
Cr. Ben Blain  
Cr. Angie Paspaliaris  
Cr. Max Taylor  
Cr. Richard Ziegeler**

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can be obtained online at [www.warrnambool.vic.gov.au](http://www.warrnambool.vic.gov.au)

**Peter Schneider  
CHIEF EXECUTIVE OFFICER**

## **AUDIO RECORDING OF COUNCIL MEETINGS**

All Open and Special Council Meetings will be audio recorded, with the exception of matters identified as confidential items in the agenda. This includes public participation sections of the meeting. Audio recordings of meetings will be made available for download on the internet via the Council's website by noon the day following the meeting and will be retained and publicly available on the website for 12 months following the meeting date. The recordings will be retained for the term of the current Council, after which time the recordings will be archived and destroyed in accordance with applicable public record standards. By participating in Open and Special Council meetings, individuals consent to the use and disclosure of the information that they share at the meeting (including any personal/sensitive information), for the purposes of Council carrying out its functions.

## ORDER OF BUSINESS

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## 1. OPENING PRAYER & ORIGINAL CUSTODIANS STATEMENT

Almighty God  
Grant to this Council  
Wisdom, understanding and Sincerity of purpose  
For the Good Governance of this City  
Amen.

### ORIGINAL CUSTODIANS STATEMENT

I wish to acknowledge the traditional owners of the land on which we stand and pay my respects to their Elders past and present.

## 2. APOLOGIES

## 3. DECLARATION BY COUNCILLORS AND OFFICERS OF ANY CONFLICT OF INTEREST IN ANY ITEM ON THE AGENDA

Section 130 of the Local Government Act 2020 (Vic) (**the Act**) provides that a relevant person must disclose a conflict of interest in respect of a matter and exclude themselves from the decision making process in relation to that matter including any discussion or vote on the matter at any Council meeting or delegated committee meeting and any action in relation to that matter.

Section 126(2) of the Act sets out that a relevant person (Councillor, member of a delegated Committee or member of Council staff) has a conflict of interest if the relevant person has a **general conflict of interest** within the meaning of section 127 of the Act or a **material conflict of interest** within the meaning of section 128 of the Act.

A relevant person has a **general conflict of interest** in a matter if an impartial, fair minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty.

A relevant person has a **material conflict of interest** in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken. Councillors are also encouraged to declare circumstances where there may be a perceived conflict of interest.

## **4. REPORTS**

### **4.1. COUNCIL PLAN 2021-2025**

#### **PURPOSE:**

***This report is for Council to consider adoption of the Council Plan 2021-2025.***

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#### **EXECUTIVE SUMMARY**

Council is required under Section 90 of the Act to prepare and approve a Council Plan by October 31 following a general election.

The Council Plan, reviewed annually, is the feature document in Council's suite of strategic planning documents, formulated to guide the work for which Council has responsibility and will provide to our community over the next four years.

The Draft Council Plan 2021-2025 supports the visions from the long-term community plan, Warrnambool 2040, which are.

- People: in 2040 Warrnambool will be a city where all people thrive.
- Environment: in 2040 Warrnambool will be most sustainable regional city in Australia.
- Place: in 2040 Warrnambool will be Australia's most liveable regional city.
- Economy: in 2040 Warrnambool will be Australia's most resilient and thriving regional economy.

The Draft Council Plan also lists key activities and initiatives Council will undertake over 2021-2025 to deliver on the five objectives described in the Plan.

These actions and initiatives demonstrate to the community important areas of effort in the delivery of the plan's key objectives.

These objectives are:

1. **A HEALTHY COMMUNITY:** To be a healthy, inclusive, and thriving community with equitable access to services, cultural opportunities and recreational activities.
2. **A SUSTAINABLE ENVIRONMENT:** To protect and strengthen local ecosystems, enhance biodiversity and enable sustainable communities.
3. **A STRONG ECONOMY:** Support a resilient local and self-sustaining regional economy that encourages economic growth and provides increased employment opportunities attracting ongoing investment.
4. **A CONNECTED, INCLUSIVE PLACE:** Provide quality places that all people value and want to live, work, play and learn in.
5. **AN EFFECTIVE COUNCIL:** To be recognised as a collaborative Council and a high-performing organisation that enables positive outcomes for Warrnambool's community, environment and economy and Victoria's south west.

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## RECOMMENDATION

1. **That Council acknowledges the assistance from the community in the development of the Draft Council Plan 2021-2025.**
2. **That Council, pursuant to Section 90 of the Local Government Act 2020, adopt the Council Plan 2021-2025, forward the document to the Minister for Local Government by June 30, 2021, and make a copy of the Plan available for public inspection at the Civic Centre, 25 Liebig Street, Warrnambool, and on Council's website, [www.warrnambool.vic.gov.au](http://www.warrnambool.vic.gov.au).**

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## BACKGROUND

The Community Vision, Warrnambool 2040, was developed over two years and involved thousands of Warrnambool residents and numerous clubs, groups, schools, businesses and community organisations who shared their 'Wishes for Warrnambool' and their aspirations for the future of the city.

The plan is owned by the community and the W2040 network partners including Warrnambool City Council.

Warrnambool's Council Plan seeks to align with and make a contribution towards achieving Warrnambool 2040.

In February this year, a two-day workshop was held involving all newly elected Councillors who reviewed Warrnambool 2040 and discussed their aspirations for the community over the next four years. This process considered the realities of resource limitations, new legislative requirements and the implications of COVID-19.

The engagement process continued with a staff workshop, community listening posts and two deliberative engagement workshops.

From this process a Draft Council Plan was developed and at its meeting on May 3, Council voted to release the Draft Council Plan for community feedback.

Council received submissions from three residents. The issues raised are in the submissions discussed below.

## ISSUES

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.

It is regarded as best practice to finalise and adopt a Council Plan in line with a Council Budget to help ensure the allocation of resources matches community needs and expectations that have been expressed through the deliberative engagement process. The Local Government Act states that "Council must ensure that the budget gives effect to the Council Plan."

## FINANCIAL IMPACT

Resourcing of the actions and initiatives described in the Council Plan are resourced in the Council Budget.

## **LEGISLATION / POLICY / COUNCIL PLAN CONTEXT**

### **5 Practice good governance through openness and accountability while balancing aspirations with sound financial management**

5.2 Develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness

#### **TIMING**

The proposed adoption of the Council Plan aligns with the proposed adoption of the Council Budget and this will be within deadlines identified in the Local Government Act 2020.

#### **COMMUNITY IMPACT / CONSULTATION**

In developing the Draft Council Plan 2021-2025 the Council undertook a comprehensive deliberative engagement process. This process established the foundation of what the community would like to see achieved over the next four years.

The Council's engagement process in developing the Draft Council Plan 2021-2025 included an online survey, listening posts and two deliberative engagement workshops.

This process of deliberative engagement involves Council seeking help from the community to frame plans prescribed under the Local Government Act and its regulations. The deliberative engagement process provided an opportunity for participants to listen to and learn about each other's views, discuss similarities and differences, weigh evidence, and to deliberate in pursuit of a balance between competing values and interests. The deliberative engagement process in relation to the Council Plan and the previously developed Community Vision, W2040, sought to involve individuals, groups and the broader community.

The engagement process followed the following core activities and values as outlined in Council's Community Engagement Policy:

- community engagement includes the promise that the public's contribution will be included in the decision-making process;
- community engagement promotes sustainable decisions by recognising and communicating the needs and interests of participants, the broader community and Warrnambool City Council decision-makers;
- community engagement seeks out and facilitates the involvement of those potentially affected by or interested in, a decision;
- community engagement provides people with the information they need to participate in a meaningful way;
- engagement will recognise the diversity within a community including ages, abilities and cultures;
- the Council will report to those involved in an engagement process to complete the information loop from community input to outcome for the community; and
- people will be informed of community engagement outcomes via means which may include Council meeting reports, outcomes published on Council's website, on Council's social media platforms, in Council's newsletter to the community.

At its meeting on May 3 Council voted to release the Draft Council Plan for community feedback.

The issues raised in the three submissions and Council's response to those submissions are detailed below.

<b>Feedback on Draft Council Plan 2021-2025 and Council responses</b>		
<b>Feedback</b>	<b>Submitter</b>	<b>Council response</b>
Concerns over whether applying a commercial rate to Airbnb properties will be fair and equitable.	Alison Bonjer	Council received a number of submissions relating to the inclusion of short-term accommodation in the definition of the commercial property rating differential. Given the complex nature of this issue and in the absence of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the Commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.
Make Flagstaff Hill more active with: a) Having a market, opening the shops and selling items. b) Having live music with local performers. Bringing Fun4Kids back and use local talent to help cut costs.	N. Miller	Flagstaff Hill has the largest gift and souvenir shop in the Great Ocean Road region, tearooms and a licenced hotel which operates under normal circumstances, i.e. outside COVID-19 restrictions. The venue is activated with local performers over warmer months. Fun4Kids, originally established to bring visitors from outside the region, has been replaced with support for a diverse range of events across the year.
Great aspirations. Appreciate the ease in which we can comment/provide feedback	Anonymous	The comment is noted.

## **LEGAL RISK / IMPACT**

The Council Plan 2021-2025 is a requirement under the Local Government Act 2020.



## **OFFICERS' DECLARATION OF INTEREST**

Nil.

## **CONCLUSION**

Council is in a position to formally adopt a Council Plan that aligns with Warrnambool 2040 and the Council Budget.

## **ATTACHMENTS**

1. 2918 council plan DRAFT June 24, 2021 [4.1.1 - 38 pages]

## **4.2. REVENUE AND RATING PLAN**

### **PURPOSE:**

***To consider Council's proposed Revenue and Rating Plan for adoption.***

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### **EXECUTIVE SUMMARY**

- Section 93 of the Local Government Act 2020 requires a Council to 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 purpose of the Revenue and Rating Plan is to determine the most appropriate and affordable revenue and rating approach for the Warrnambool City Council which in conjunction with other income sources will adequately finance the objectives in the council plan.
- One differential rating category has been removed when compared to the previous rating strategy (Industrial 2) as there are no longer any properties that qualify for this rate.
- Council resolved to put the Plan out for community consultation at a Scheduled Meeting of Council on the 3<sup>rd</sup> May 2021 and received 22 submissions from the community.
- After consideration of the feedback from the community consultation process, it is proposed that short-term accommodation be removed from the definition of the Commercial property rating differential.
- Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality.

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### **RECOMMENDATION**

**That Council adopt the Revenue and Rating Plan 2021–25.**

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### **BACKGROUND**

Section 93 of the Local Government Act 2020 requires Council to prepare and adopt a Revenue and Rating Plan (the Plan) for a period of at least the next four financial years by 30 June after a general election. The Plan forms part of the new Integrated Strategic Planning and Reporting Framework and must be prepared in accordance with the strategic planning principles outlined in section 89 of the Act and the financial management principles in section 101 of the Act.

The strategic planning principles in section 89 include the following requirements:

- An integrated approach to planning, monitoring and performance reporting
- The Community Vision must be addressed
- Resources needed for effective implementation must be taken into account
- Risks to effective implementation must be identified and addressed
- Ongoing monitoring of progress and regular reviews to identify and address changing circumstances

The financial management principles in section 101 of the Act requires that the Revenue and Rating Plan must seek to provide stability and predictability in the financial impact on the municipal community.

The Council resolved at the Scheduled Meeting of Council on the 3<sup>rd</sup> May 2021 to put the Revenue and Rating Plan out for community consultation. Submissions were eligible to be received via post, email and online at [www.yoursaywarrnambool.com.au](http://www.yoursaywarrnambool.com.au) with the closing date for submissions being the 2<sup>nd</sup> June 2021.

## **ISSUES**

The Revenue and Rating Plan provides a medium-term plan for how Council will generate income to deliver on the activities from the Council Plan, services and capital works commitments over the next four years. It outlines the relevant assumptions, policies and decisions of Council with respect to each budgeted revenue source and provides transparency on these decisions to the community.

The Revenue and Rating Plan is a new strategic plan for Council and supersedes the Rating Strategy, which was adopted in June 2017.

Council has removed one of its differential rate categories (Industrial 2) which was established for a milk factory in Dennington and was set at a discounted industrial rate to incentivize the business to remain in Warrnambool. The property has subsequently been sold and it is no longer being used for milk production, therefore this differential rate category has been removed.

Following the community consultation process, Council received 22 submissions from the community. There is a table of the submissions and the Council's response to these submissions contained within the Community Impact/Consultation section of this report.

Council received a number of submissions relating to the inclusion of short-term accommodation in the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a State wide approach, it is proposed that short-term accommodation be removed from the definition of the Commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.

The Plan includes a broad pricing policy section, which outlines Council's approach to each major income sources including rates, fees and charges, grants, contributions and other income. It provides an overview of the different factors that are considered when setting Council fees and charges and highlights that Council actively seeks to obtain grant funding and grow its own-sourced revenue to reduce the burden on ratepayers.

The Plan also includes Council's rating strategy providing further information about the rating and valuation approaches and principles that are currently applied.

The Plan will be reviewed annually and updated when required to reflect any changes to Council's pricing policy or rating strategy that arise.

The Plan has been prepared with reference to the Better Practice Guide and supplementary guidance issued by Local Government Victoria.

## **FINANCIAL IMPACT**

The Revenue and Rating Plan outlines Council's assumptions, policies and decisions with respect to revenue streams which will fund the activities in the Council Plan.

## **LEGISLATION/POLICY/COUNCIL PLAN CONTEXT**

Section 93 of the Local Government Act 2020

## TIMING

Under the Act, the Revenue and Rating Plan must be adopted by the 30 June after a general election year.

- Public exhibition of the draft plan – 5 May 2021 to 2 June 2021
- Closing date for written submissions to the draft plan – 2 June 2021
- Council meeting for the adoption of the Revenue and Rating Plan following consideration of the submissions – 28 June 2021

## COMMUNITY IMPACT/CONSULTATION

Community consultation has been undertaken via a four-week submissions period called for in writing or online there is not an opportunity to speak to submissions on this plan at a Council meeting.

<b>Feedback on Draft Revenue and Rating Plan 2021-2022 and Council response</b>		
<b>Summary of feedback</b>	<b>Submitter</b>	<b>Council response</b>
Endorsement of commercial rate for Airbnb properties. Airbnb properties should adhere to same health and safety standards as existing short-term accommodation providers	Anonymous	Comment is noted.
How would properties used occasionally through Airbnb be rated?  How would this be managed?  Applying a commercial rating to Airbnb properties would damage Warrnambool's reputation.  There would be legal reprisal in applying a commercial rating to Airbnb properties.	John Graham	Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.

<p>Rates are exorbitant.</p> <p>Airbnb income is not always highly profitable, it is seasonal, it is unreliable and sometimes a great deal of work.</p> <p>If commercial rates are applied to Airbnbs they should be applied to pop-up bars and shops.</p> <p>We are recovering from a pandemic and and still without international tourism.</p>	<p>Alison Bonjer</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Buisness is still recovering from the impacts of the pandemic.</p> <p>Still experiencing fewer tourists, events and the growth in Airbnbs impacts existing commercial accommodation providers.</p> <p>We are still paying off last year's rates and we cannot afford to pay a rate increase this year.</p>	<p>Steve Moore</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Hotels, motels, caravan parks and hostels are purpose-built to serve a specific commercial purpose whereas "short-term" accommodation is usually provided in houses specifically built for domestic use. Therein lies the loophole which allows paid holiday accommodation to be provided in domestic properties without the operators paying commercial rates or having to comply with health and safety regulations and relevant fees.</p> <p>I suggest a registration system which all accommodation operators large and small have to comply with. The subsequent property inspections and compliance regulations would improve the overall standard of accommodation across the city and provide a new revenue stream for council.</p>	<p>Peter Collins</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality.</p>

		<p>Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>AirBnB properties have been floating on the coat tails of all the regulated accommodation businesses.                  Registered businesses have multiple compliance regulations to ensure compliance such as council compliance with pools, food handling, land rates along with the most important compliance which is CFA and many more.</p> <p>Council needs to put processes in place to ensure AirBnb and Stays listings pay a levy to firstly register as a commercial operation and secondly, they then have to comply with the latest pool regulation for water testing, fencing, CFA requirements etc.</p> <p>It's time for the council to provide an even playing field for all accommodation providers to ensure the safety of everyone in our region.</p>	<p>Lisa</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Council should provide context and perimeters to fairly impose a commercial rating on Airbnb properties.</p> <p>If we are comparing short term accommodation providers with Motel operators then it is only fair that revenue and rates of both types of these services be provided and assessed.</p> <p>Further consideration should be discussed about:</p> <ul style="list-style-type: none"> <li>• the key criteria the WCC will use to determine which short term accommodation provider does or does not pay commercial</li> <li>• rates</li> <li>• the ratio of short term accommodation providers in context of the entire housing stock in Warrnambool</li> <li>• the exclusion of other service providers creating income from properties with residential rates (manufacturing, construction, hospitality, fitness, medical and professional services)</li> <li>• the key differences of services between motel operators and short term accommodation providers</li> <li>• the onflow of financial benefit by providing diversity of accommodation services to a regional city promoting tourism</li> <li>• the risk of loss of diverse accommodation services due to rate increases</li> <li>• the direct benefit to local employment with laundry services and cleaning services</li> </ul>	<p>Donna Monaghan</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>

<ul style="list-style-type: none"> <li>• justification of rates for long term rental income versus short term rental income</li> <li>• justification of the WCC employing staff to assess these properties vs the fiscal benefit</li> <li>• the types of buildings used as short term accommodation compared to motel accommodation</li> <li>• the freedom of choice by the property owner and holiday maker</li> </ul> <p>It is unclear how this proposed rate increase can be fairly enforced.</p>		
<p>The new Council all stated no rate rises.</p>	<p>Lynn Hudson</p>	<p>Comment is noted.</p>
<p>Applying a commercial rating to a property where just one room is used on Airbnb would be out of proportion.</p> <p>It should be a bed tax based on a per night stay.</p> <p>Alternatively the whole house should not be deemed commercial - just the room that is used for the Airbnb.</p>	<p>Monique Jeffries</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Local AirBnB owners are still trying to recover from the effects on tourism caused by the COVID pandemic. To hit them with a massive rate rise is unfair</p> <p>Many travellers choose AirBnB over motels because of the hard work of hosts to provide great holiday experiences. If traditional accommodation providers are suffering from the competition it's because many don't have the level of commitment to guest comfort and enjoyment that AirBNB hosts have.</p>	<p>Annette Sedgley</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>

<p>Many properties are only on Airbnb on a part-time basis.</p> <p>Airbnb owners would need at least a 12 month notice of intention to increase rates by a certain percentage so decisions about whether to continue operating Airbnb properties can be made.</p> <p>Multiple property owners pay council rates and land tax to State Revenue.</p> <p>I believe a drop in tourist numbers will result if the Council were to increase rates, this will effect the tourist dollar and give Warrnambool the reputation that it is too costly to stay.</p>	<p>Justin and Margaret Staunton</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Council rates should not increase</p>	<p>Melissa Johnstone</p>	<p>Comment is noted.</p>
<p>Reclassification of properties to apply a commercial rate should not be done unless legislated by Victorian or federal governments.</p>	<p>Liza McCosh</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Objection to rate increase. Ratepayers should choose which projects proceed and which are held over.</p>	<p>Glenda Thompson</p>	<p>Council has proposed a budget that will support the Council Plan. Council undertook an extensive community consultation which was in-line with the Community Engagement policy. This included a series of deliberative engagement workshops, listening posts and public submissions. The feedback received from the community consultation has influenced the preparation of the budget and the timing of the projects.</p>



<p>Proposal to rate single premises B&amp;B accommodation as commercial property is ill-conceived, inequitable and more likely to cost more than it earns.                  Increasing rates to commercial would breach the rule of equity in taxation.                  WCC argues that it is a matter of equity that single premises holiday accommodation providers are rated as a commercial property, and WCC Draft Revenue and Rating Plan 2021 1.4.4 justifies the higher rate for commercial properties on the provision of additional services.                  It would be inequitable to tax residential property as commercial as we already pay for extra services such as signage.                  Breaches Australian Valuation Property Classification Code (AVPCC)                  Item 23 includes in commercial classification only "accommodation in serviced rooms".                  Item 235 – we are not a guest house.                  Breaches the rule of efficiency in taxation                  Given it will cost extra to administer this scheme the additional funds raised are likely to be minimal with the other consequence of lost tourist income.</p>	<p>Wesley and                  Deirdre Obst</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Properties that are totally (or even mostly) devoted to Airbnb should pay commercial rates however properties which are not used commercially for long periods of the year should not be required to pay a full commercial rate.</p>	<p>Jo Thomson</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>The Revenue and Rating plan section 1.4.8 – Collection and Administration of Rates and Charges                  There is no reference to the Council ability to waive rate charges, in a recent report by ombudsman Deborah Glass it was stated that Councils should make clear all options available to ratepayers experiencing hardship including waivers.                  The ombudsman also stated: "The public sector is expected to act in the public interest more than the private sector – but in dealing with hardship, local councils lag behind utility and other companies, including banks."</p>	<p>Joan Kelson</p>	<p>Council has adopted a debt management policy which contains hardship provisions. Council is conscious of its responsibility to ensure that ratepayers are aware of their options in relation to financial hardship and will strive to continuously improve the accessibility of the hardship provisions to ensure that ratepayers experiencing financial difficulty can access the available resources. We encourage any ratepayer who is experiencing</p>

		<p>financial difficulty to contact Council.</p> <p>The recent Local Government Rating System Review by the State Government confirmed that Local Government rates are to be classified as a tax. Other levels of Government generally do not provide waivers or rebates on the tax they collect (ie. income tax, stamp duty, GST, etc). Based on this principle, comparisons between local government and private companies are not a like-for-like comparison.</p> <p>The debt management policy has the following statement regarding rate waivers:          "Council does not allow the waiver of rates or charges except in exceptional circumstances. This is to ensure that financial hardship assistance offered to one group of ratepayers does not adversely impact other ratepayers. Any waiver of rates or charges must be approved by the Chief Executive Officer."</p> <p>Council's hardship provisions are available online at <a href="http://www.warrnambool.vic.gov.au/rates-and-valuations">www.warrnambool.vic.gov.au/rates-and-valuations</a></p>
<p>No commercial rates on Airbnb property where multiple units exist on one title. These already have multiple lots of ratepayers on one title of land. Whereas a motel can have multiple units on single land title but pays only one set of rates.</p>	<p>Tanya</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
<p>Income relating to a personal residential property has nothing to do with Council.</p>	<p>Fiona Hill</p>	<p>Council received a number of submissions relating to the inclusion of short-term accommodation under the definition of the Commercial property rating differential. Given the complex nature of this</p>

		<p>issue and a lack of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.</p>
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### **LEGAL RISK/IMPACT**

There needs to be an appropriate evidence base associated with the differential rates which proves out the equity of the distribution. This plan is intended to be in place for a 4-year period to provide certainty and stability to rate payers about the distribution of the rate burden.

### **OFFICERS' DECLARATION OF INTEREST**

No officers' interests declared.

### **ATTACHMENTS**

1. WCC Revenue and Rating Plan 2021 [4.2.1 - 25 pages]

### **4.3. WARRNAMBOOL CITY COUNCIL BUDGET 2021-2022**

#### **PURPOSE:**

***This report presents the proposed 2021-2022 Budget for Warrnambool City Council, including a recommendation to adopt the Budget.***

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#### **EXECUTIVE SUMMARY**

- Preparation and adoption of the Annual Budget in accordance with Section 94 of the Local Government Act 2020 is a major responsibility of Council.
- Council has proposed a \$98.4m budget which balances the ongoing services to the community (\$79.8m) with the infrastructure needs of Warrnambool (\$18.6m).
- Council has applied the rate cap under the Victorian Government's 'Fair Go Rates System' of a 1.5% increase to rates.
- In accordance with its Budget timetable, Council has worked through an extensive process to prepare a Proposed Budget for 2021/2022.
- Council advertised the preparation of the Budget at the Ordinary Council meeting held on May 3, 2021.
- Following the public notification of the Proposed Budget several submissions were received.
- It is proposed that short-term accommodation be removed from the definition of the Commercial property rating differential following consideration of the community feedback.
- Council is required to adopt the 2021-2022 Budget by the June 30, 2021.

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#### **RECOMMENDATION**

##### **1. THAT THE BUDGET BE ADOPTED**

- a) That Council pursuant to Section 94 of the Local Government Act 2020 adopts the Budget for the financial year, being for the period 1 July 2021 to 30 June 2022 ("the Financial Year") attached as Attachment 1 and annexed to the recommendation.**
- b) That the rate applicable in the budget has been calculated at a rate amount pursuant to section 185C of the Local Government Act 1989 the applicable cap on rates in respect of the 2021-2022 financial year for the Warrnambool City Council is 1.5 per cent.**
- c) That a copy of the adopted Budget be kept available at the Warrnambool Civic Centre for public inspection.**

##### **2. THAT THE AMOUNT TO BE RAISED IS**

**\$42,826,000 (or such greater amount as is lawfully levied as a consequence of the adoption of the Recommendations) be declared as the amount which Council intends to raise in general rates by the application of differential rates, application of the annual service charge (waste management charge) and the application of a municipal charge (all described later in this Recommendation), which amount is calculated as follows;**

General Rates (including Recreational Lands & supplementary rates)	\$31,186,000
Annual Service Charge (waste management charge)	\$6,606,000
Municipal Charge	\$5,034,000
Total	\$42,826,000

### **3. THAT A GENERAL RATE BE DECLARED**

- a) In respect of the Financial Year, being for the period 1 July 2021 to 30 June 2022.
- b) That it be further declared pursuant to Sections 158, 158A and 161 of the Local Government Act 1989 that the general rate be raised by the application of differential rates having regard to the objectives of each differential rate and characteristics of the land which are the criteria for declaring each differential rate as set out in the Revenue and Rating Plan.
- c) That it be confirmed that the differential rates for all rateable land within the municipal district be determined by multiplying “Capital Improved Value” of each rateable land by a percentage specified as the percentage of each uniform rate (which percent may be alternatively expressed as cents in the dollar of the Capital Improved Value):

<b>Type of Rate</b>	<b>Rate in the Dollar on Capital Improved Value</b>
Industrial Land Rate	0.006180
Vacant Land Rate	0.006306
Commercial Land Rate	0.006699
Other Land Rate	0.003652
Farm Land Rate	0.002293
Recreation Land Category 1	\$24,148.52
Recreation Land Category 2	0.003583

### **4. THAT A MUNICIPAL CHARGE BE LEVIED**

- a) Pursuant to Section 159 of the Act, a Municipal Charge be declared to cover some of the administrative costs of Council;
- b) The Municipal Charge be in the sum of \$281.29 per rateable land.

### **5. THAT AN ANNUAL SERVICE CHARGE (WASTE MANAGEMENT CHARGE) BE LEVIED**

- a) Pursuant to Section 162(1)(b) and Section 221(1)(b) of the Local Government Act 1989, an Annual Service Charge in respect of rateable and non-rateable land (excluding vacant land, being land on which no buildings are erected) be declared in respect of the 2021/2022 Financial Year.
- b) That the Annual Service Charge be declared  
That this Charge be referred to as the “Waste Management Charge”.
- c) That the Annual Service Charge be based on \$386.00 per assessment.

### **6. THAT CULTURAL AND RECREATIONAL LAND BE LEVIED**

In accordance with Section 4(1)(3) of the Cultural and Recreational Lands Act 1963, the amounts payable in respect of recreational lands under this act shall be in accordance with Appendix A of the Proposed Budget report 2021/2022.

### **7. THAT THE FOLLOWING REBATES BE GRANTED**

A \$35 rebate be made available to ratepayers who qualify for help under Council’s hardship provisions.

## 8. THAT NO INCENTIVES BE OFFERED

Or declared for early payment of the general rates, annual service charge and municipal charge for 2021/2022.

## 9. THAT ALL CONSEQUENTIAL MATTERS

- a) That may be recorded that Council requires any person to pay interest on any amounts or rates and charges which:  
that person is liable to pay; and,  
have not been paid by the date specified for their payment.
- b) The interest rate fixed under Section 2 of the Penalty Interest Rates Act 1983 be noted as the rate set out in accordance with Section 172(2) of the Act.
- c) That the Director Corporate Strategies be authorised to levy and recover or defer the general rates, annual service charge, municipal charge and amounts payable under the Act and the Cultural and Recreational Lands Act 1963.

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## BACKGROUND

At the Ordinary Council Meeting held on 3 May 2021, Council considered the 2021/2022 Proposed Budget and resolved to give public notice of the Proposed Budget and call for written submissions in accordance with Councils Community Engagement policy.

- a) Public notice was published in the Warrnambool Standard on Wednesday 5 May 2021. A number of articles appeared in the Warrnambool Standard focusing on the Proposed Budget 2021/2022 and the Proposed Budget was posted on Council's website and copies made available at the Civic Centre Customer Services desk.
- b) The 2021/2022 Budget is attached – refer **Attachment 1**.

The budget allocates resources on an annual basis to try and achieve the objectives of the Council Plan in the most financially sustainable manner possible and whilst trying to continue to provide quality services to all sections of our community.

Section 94 of the Local Government Act 2020 provides that Council must prepare and adopt a Budget for each financial year and the subsequent 3 financial years.

The Local Government Act 2020 and the Regulations prescribe the information and format of the Budget, now commonly referred to as the "Model Budget".

The Model Budget 2021-2022 includes a range of information including:

- Financial Statements
- Statement of Capital Works
- Services and Initiatives funded in the budget.
- Fees and charges
- Rating and borrowing details.

Council in the development of its proposed Council plan has gone through a comprehensive deliberative engagement process. This process has established the foundation of what the community would like to see achieved. As always there is more that the community wants to see achieved than there are the resources to deliver. The budget is Council's demonstration of how it will resource these aspirations and deliver on the core important services it provides to the community. A constant tension exists between different interest groups in our diverse community.

Council is required to consider both all the evidence presented to it on the most prudent way forward for the use of the communities' resources.

The following activities and values aid in decision-making which reflects the interests and concerns of the community:

- community engagement includes the promise that the public's contribution will be included in the decision-making process;
- community engagement promotes sustainable decisions by recognising and communicating the needs and interests of participants, the broader community and Warrnambool City Council decision-makers;
- community engagement seeks out and facilitates the involvement of those potentially affected by or interested in, a decision;
- community engagement provides people with the information they need to participate in a meaningful way;
- engagement will recognise the diversity within a community including ages, abilities and cultures;
- the Council will report to those involved in an engagement process to complete the information loop from community input to outcome for the community; and
- people will be informed of community engagement outcomes via means which may include Council meeting reports, outcomes published on Council's website, on Council's social media platforms, in Council's newsletter to the community.

The formation of the key objectives of the budget were deliberated through the development of the Council plan and how Council would resource these objectives.

The current stage of deliberation of the budget is focussed mainly on the consultation level given the broad ranging impacts of a budget and the breadth of community members affected. This is a meaningful form of engagement that allows for specific views to be raised and considered.

Council has now prepared a Budget for adoption having considered the wide range of views from the community.

## **ISSUES**

Council has prepared a proposed Budget for the 2021-2022 budget year in accordance with Council's budget principles.

The proposed Budget has been reviewed over a series of workshops with the executive and Council.

The proposed budget has been prepared under the State Government's Fair Go Rates System. This system results in the Minister for Local Government determining the average rate cap for the next fiscal year.

The proposed budget attempts to find a balance between the ongoing service and infrastructure needs of the Warrnambool community whilst being compassionate to the recovery of the community from COVID19.

The key drivers for the budget are:

- To maintain important community services.
- To fund renewal of infrastructure and community assets

- Focus on opportunities for our community to thrive in partnership with other levels of government.
- To consolidate a financial position that creates an opportunity to remain financial sustainable.
- To finalize delivery of some major capital projects that will enhance the communities' outcomes around learning, commerce, and recreation.

Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50, the other \$96.50 goes to the State and Federal Governments.

Council delivers a diverse and wide range of services to the community and the budget process requires the review and construction of annual income and expenditure budgets to assess the ongoing levels of resources necessary to deliver these services.

Council is mindful of its requirement to be financially sustainable (low risk rating achieved from the Victorian Auditor General) and assesses the changing environment within which it operates and the budget impacts of these changes.

The Budget comprises:

	<b>Draft 2021/22 Budget</b>
Recurrent (operational) Budget	\$79.83m
Capital Works	\$18.59m
<b>Total Budget</b>	<b>\$98.42m</b>

The Budget also contains a range of activities and initiatives that contribute to achieving the strategic objectives contained in the Council Plan as well as providing financial resources to continue the delivery of services to the community.

## **LEGISLATION/POLICY/COUNCIL PLAN CONTEXT**

### **5 Practice good governance through openness and accountability**

#### **5.2 Annual Budget**

Section 94 of the Local Government Act 2020 details the requirement of Council in the preparation and adoption of the budget.

The rating elements in the budget refer back to the Local Government Act 1989 as a State Government commissioned Rating Review was finalised in the first half of 2021. It is anticipated that the Local Government Act 2020 will be updated to include the rating elements following consideration of the outcomes from the Rating Review.

## **COMMUNITY IMPACT/CONSULTATION**

The budget process has again been an extensive review process that commenced in 2020 and has included:

- Review of the Capital Works & Projects evaluation criteria.
- Review and evaluation of submitted major capital works and projects budget bids.
- Adoption of budget principles.
- Councilor workshops to review proposed budget.
- Call for public submission to the proposed budget.

The budget considerations have concentrated on and responded to the Covid-19 Pandemic and has looked to ensure that Warrnambool is well placed to respond to emerging budget pressures.



The budget is also informed by the variety of projects and working groups that consider and refer items to budget from across the preceding year. The majority of these submissions are informed from strategic plans worked on by service areas in conjunction with extensive community consultation as to future service needs.

### **Response to budget submissions**

<b>Feedback on Draft Budget 2021-2022 and response from Council</b>		
<b>Feedback</b>	<b>Submitter</b>	<b>Council response</b>
<b>Clubrooms at the Brierly Recreation Reserve require upgrading.</b>	Anonymous	The proposed budget allows for minor changeroom improvements to be prioritised at sportsgrounds which support female and junior participation. Consultation with the Brierly Recreation Reserve stakeholders will begin early in the new financial year with a view to revisiting the Brierley Master Plan and prioritizing actions that support active participation with scoping works to be included in future funding applications. The Recreation and Culture Branch has earmarked 2021-2022 Active Warrnambool funding to commence design documentation for sporting infrastructure.
<b>Do not invest in the saleyards. Land on which the saleyards operate would realise \$10 million if sold for development. Then there is the ongoing annual rates that will come from such a sale.</b>	Don Evans	The South-West Victorian Livestock Exchange continues to operate profitably and to attract strong numbers of livestock, sellers and buyers.  Additional upgrades will extend the life of the saleyards and complement the recent roof upgrade funded by the Commonwealth Government.
<b>With the hardships of Covid it really is time for the council to give the ratepayers a break. No to any rates increase for this year.</b>	Davena	Council recognises that a rate increase may cause hardship and has introduced a \$35 rebate for those who qualify for help under Council's hardship provisions.
<b>Airbnb owners should not only pay the commercial rate but should also be regulated and undergo the council inspections, along with CFA regulations and fire extinguisher checks.</b>	Anonymous	Council received a number of submissions relating to the inclusion of short-term accommodation in the definition of the commercial property rating differential. Given the complex nature of this issue and in the absence of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the Commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community

		consultation process in any future proposal.
<b>Need to address the lack of baby-change/feeding facilities in the city centre.</b>	Anonymous	Comment is noted. The new library will have a Changing Places Room and baby change room.
<b>Rates are above the national cap.</b>	Anonymous	The cap is set by the Victorian Government. Last year Council applied a rate rise that did not exceed the cap set by Victorian Government. Council is again proposing a rate increase that does not exceed the cap.
<b>Commercial rate applied to Airbnb properties that are also used by owners is unfair. How will the council know if a property is being used by owners, friends or relatives on a non-commercial basis when the property is always visible on Airbnb?</b>	Casey O'Keefe	Council received a number of submissions relating to the inclusion of short-term accommodation in the definition of the commercial property rating differential. Given the complex nature of this issue and in the absence of a state-wide approach, it is proposed that short-term accommodation be removed from the definition of the Commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal.
<b>Applying a commercial rate to Airbnb properties creates a level playing field.</b>	Anonymous	Council received a number of submissions relating to the inclusion of short-term accommodation in the definition of the Commercial property rating differential. Given the complex nature of this issue and a lack of a State wide approach, it is proposed that short-term accommodation be removed from the definition of the Commercial property rating differential. Council will continue to consider the most efficient and effective treatment of short-term accommodation properties to ensure rating equity across all properties within the municipality. Council will consider the feedback received through the community consultation process in any future proposal..
<b>Has Council taken into account the hardship ratepayers have faced due to COVID-19? Freeze rates this year and defer some projects. Deferring rate payments does nothing</b>	Anonymous	Council recognises that a rate increase may cause hardship and has introduced a \$35 rebate for those who qualify for help under Council's hardship provisions.
<b>Disagree with rate increase</b>	Melissa Johnstone	Comment is noted.

<p><b>There needs to be money invested in the Bushfield Oval to bring it up to the high standard of the Hampden Football Netball League. Bushfield Recreation Reserve should match those of other venues that are part of the League.</b></p>	<p>Kim Wines</p>	<p>Ms Wines made a presentation to Council at the June 7 Council meeting to expand further on her written submission about the Bushfield Recreation Reserve. The Mayor is following up on this presentation directly with Ms Wines to learn more about the needs and resourcing at the reserve.</p>
<p><b>A rate rise is not justified especially in these uncertain and difficult times. Council budget shows a surplus. Stop pouring money into Flagstaff Hill it is just a complete waste. Flagstaff Hill is not an appropriate site for a shipwreck museum as it is not accessible to all ages or abilities due to the steep site and uneven cobblestones. A more appropriate site for a comprehensive shipwreck coast museum would be at Worm Bay site which could display majority of the artefacts in Warrnambool City Council's possession.</b></p>	<p>Christine Thompson</p>	<p>Flagstaff Hill Maritime Village serves as one of the City's tourism products that attracts 50,000+ persons annually driving economic benefit to our City's accommodation providers, dining and hospitality businesses, and other tourism product for the City of Warrnambool itself, and the broader region. The precinct also serves as the Visitor Information hub which services 150,000 visitors + each year to our City. Flagstaff Hill Maritime Village precinct also contributes to local community cohesion and participation through its support of volunteer and community based organisations. Any proposal to develop an alternative museum site at Worm Bay would, in the first instance, require expenditure in a Master Plan and Business case for investment. Such expenditure is not presently provided for in the draft 2021.22 budget.</p>
<p><b>The Warrnambool Ratepayer Association are asking our newly elected Councillors to give the ratepayers a break by not increasing rates for the financial year 21-22. The previous council hit ratepayers with a 2.5% increase during the Covid pandemic, many other Councils opted to hold rates to soften the impact on residents. Residents are still recovering from the financial effects of the pandemic and now with a new lockdown and no job keeper, rent rebates, leniency on housing loans the impact is only going to increase. The association sees a rate freeze as a great opportunity for the new Councillors to show they are really listening to residents and what they need.</b></p>	<p>Joan Kelson</p>	<p><b>Rates</b>                  In 2020-2021 Council increased rates by 2 per cent.                  Across Victoria, 81 per cent of Councils increased their rates for the 2020-2021 financial year with 91 per cent of these Councils also increasing rates by 2 per cent.                  Council's Debt Management Policy includes hardship provisions and Council encourages any ratepayer who is experiencing financial difficulty to contact Council.                  Council is proposing a \$35 rebate for people who apply and qualify for help under Council's hardship provisions.                  Rates are a major source of income to Council and help to fund the important services that Council provides to the community.</p>

**The Councils Financial report at March 31st. states a financial favorable position of \$982,000 and at the end of the financial year it is expecting a surplus of \$1.68 million, this shows that a rate freeze would certainly be achievable. This position would have been even more favorable if our caravan parks were able to operate at full capacity the same as Port Fairy over the Christmas – New Year period.**

**It is disappointing to see increases in parking fees of 42% for 1P, 2P & 4P and 33% for all day parking when 70% of our retail workers drive to work and a further 10% are passengers in a car. Wages are budgeted to be \$37.689 million an increase of 12%, when Ratepayers are being asked to dig a bit deeper into their pockets it is reasonable to expect Council also do their bit. We understand that rate increases are inevitable, however it is certainly possible for ratepayers to be spared the impost of a rate rise this year.**

**The Warrnambool Ratepayers Association are concerned that a budget model with a zero percent increase was not presented to Councillors, it would appear that despite requesting community feedback the only option presented was a 1.5% increase. Residents have to budget for their expenses and living costs from the income they have coming into the household, this at times is difficult for many with just enough money to buy food and certainly nothing leftover to spend on going to the movies or perhaps out for dinner. With the high cost of housing rental and the financial impact from Covid that is being felt, WRA would expect to see election campaign promises upheld and not broken.**

Council is currently in a strong financial position as the 2020-2021 budget included significant cuts to capital projects and the standing down of staff because Council staff were ineligible for JobKeeper payments.

Fortunately, Council has been able to operate its facilities at a greater capacity than was originally forecast. However, the uncertainty of COVID-19 restrictions remain and the recent lockdown has been estimated to cost Council about \$250,000 per week in lost income and additional expenses.

The expected surplus has been factored into the 2021-2022 budget to help fund the proposed rectification and upgrade works at the South-West Victorian Livestock Exchange.

The impact of a one-year rate freeze to all properties has a cumulative impact to the long-term financial position of Council. Over a 10-year period, the impact of a one-off rates freeze would reduce Council's income over the 10-year period by \$6.2m. This would have a significant impact on Council's ability to deliver services to the community and on maintaining and upgrading community assets.

#### **Parking**

Council is offering free one-hour parking in Council-owned off-street carparks at any time of the day.

This is consistent with Council's parking strategy, which encourages shoppers to use off-street carparks and seeks to increase parking turnover.

Council currently provides over 2,000 free car parks within the CBD, which are available for workers.

Parking fees are an important source of income for Council and assist with the provision of enforcement officers, infrastructure renewal and the provision of new parking facilities.

Under the current carparking strategy a number of paid parking spaces were changed to become free short-term spaces. This includes spaces outside the Blood Bank.

#### **Cost of wages**

The wages forecast for 2020-2021 took into account the standing down of staff who were based at Council facilities that were closed to comply with COVID-19

		<p>restrictions. This included AquaZone, the Lighthouse Theatre, Warrnambool Stadium, Flagstaff Hill Maritime Village, Visitor Information centre, Surfside Holiday Park and the Warrnambool Art Gallery.</p> <p>It has been assumed in the 2021-2022 financial year that these facilities will be open and Council will not be required to stand down staff.</p> <p>Warrnambool City Council is exiting the Corangamite Regional Library Corporation June 30, 2021. This will result in library staff being transferred to Council and being included in wages and salaries expenses in 2021-2022.</p> <p>The 2021-2022 Budget was prepared in order to deliver the activities set out in the Council Plan. Council undertook an extensive community consultation to develop the Council Plan, a process which was guided by its Community Engagement Policy. This included a series of deliberative engagement workshops, listening posts and public submissions. The budget is an iterative process and the feedback received from the community has influenced the direction of the Council in the short, medium and long-term.</p>
<p><b>Parking fees should not be increased, it is unfair and unjust due to COVID-19.</b>  <b>It will drive people away from shopping in Warrnambool, parking fees should not be changed until the parking review is completed, so the best outcome for the city is achieved,</b>  <b>To increase the hourly parking fees by 42.5% is absurd, the all-day parking should be increased to \$4, it should have never been reduced from \$4 to \$3, three years ago.</b>  <b>An increase of 5 per cent to all users' fees should be considered to help make up the shortfall, or cover the increasing costs, I see in the</b>  <b>budget that some areas are unfairly targeted and other areas have no fee increases.</b>  <b>The biggest cost is staff. This needs to be reviewed. We as ratepayers can't just hand over money to top-up other people's wages and super funds. At present</b></p>	<p>Willy Benter</p>	<p><b>Parking</b>                  Council is offering free one-hour parking in Council-owned off-street carparks at any time of the day.                  This is consistent with Council's parking strategy, which encourages shoppers to use off-street carparks and seeks to increase parking turnover.                  Council currently provides over 2,000 free car parks within the CBD, which are available for workers.                  Parking fees are an important source of income for Council and assist with the provision of enforcement officers, infrastructure renewal and the provision of new parking facilities.                  Under the current carparking strategy a number of paid parking spaces were changed to become free short-term spaces. This includes spaces outside the Blood Bank.</p> <p><b>User fees</b>                  When setting user fees, Council must take a number of factors into account.                  Council must balance the affordability and accessibility of services and infrastructure</p>

<p><b>you will have to have a rate increase of 3 per cent every year just to cover the wage increases. Reduce staff numbers or reduce wages. The average wage for a council staff member is \$85,000, the average Warrnambool residents wage is \$55,000.</b></p>		<p>with its financial capacity and in the interests of long-term financial sustainability.</p> <p>Councils must also comply with the government's Competitive Neutrality Policy for significant business activities they provide and adjust their service prices to neutralise any competitive advantages when competing with the private sector.</p> <p>In providing services to the community, council must determine the extent of cost-recovery for particular services consistent with the level of both individual and collective benefit that the services provide and in line with the community's expectations.</p> <p><b>Wages</b></p> <p>The wages forecast for 2020-2021 took into account the standing down of staff who were based at Council facilities that were closed to comply with COVID-19 restrictions. This included AquaZone, the Lighthouse Theatre, Warrnambool Stadium, Flagstaff Hill Maritime Village, Visitor Information centre, Surfside Holiday Park and the Warrnambool Art Gallery.</p> <p>It has been assumed in the 2021-2022 financial year that these facilities will be open and Council will not be required to stand down staff.</p> <p>Warrnambool City Council is exiting the Corangamite Regional Library Corporation June 30, 2021. This will result in library staff being transferred to Council and being included in wages and salaries expenses in 2021-2022.</p>
<p><b>Oppose the rate rise, some people not doing well due to lost jobs.</b></p>	<p>Anonymous</p>	<p>Council recognises that a rate increase may cause hardship and has introduced a \$35 rebate for those who qualify for help under Council's hardship provisions.</p>
<p><b>Parking increases of up to 42.8% are not justified. Wages budgeted at \$37.689 Million – increase of 12 per cent is not justified. Make money available for the Foreshore Precinct Development including the boat ramp, dredging and Breakwater maintenance.</b></p>	<p>Steve Tippet</p>	<p>Council has adopted hardship provisions included in the debt management policy. Council is conscious of its responsibility to ensure that ratepayers are aware of their options in relation to financial hardship and will strive to continuously improve the accessibility of the hardship provisions to ensure that ratepayers who are experiencing financial difficulty can access the available resources. We encourage any ratepayer who is experiencing financial difficulty to contact Council.</p>

		<p>Council has introduced a \$35 rebate for those who apply and qualify for help under Council's hardship provisions.</p> <p>The Victorian Government recently announced a \$3.5 million investment into the Port of Warrnambool for improvements to the boat ramp.</p>
<p><b>The people of Warrnambool need a break. If there is a surplus it should be used to avoid the rate increase.</b></p>	<p>Davena Edwards</p>	<p>Council is currently in a strong financial position as the 2020-2021 budget included significant cuts to capital projects and the standing down of staff because Council staff were ineligible for JobKeeper payments.</p> <p>Fortunately, Council has been able to operate its facilities at a greater capacity than was originally forecast. However, the uncertainty of COVID-19 restrictions remain and the recent lockdown cost Council about \$250,000 per week in lost income and additional expenses.</p> <p>The expected surplus has been factored into the 2021-2022 budget to help fund the proposed rectification and upgrade works at the South-West Victorian Livestock Exchange.</p> <p>The impact of a one-year rate freeze to all properties has a cumulative impact to the long-term financial position of Council. Over a 10-year period, the impact of a one-off rates freeze would reduce Council's income over the 10-year period by \$6.2m. This would have a significant impact on Council's ability to deliver services to the community and on maintaining and upgrading community assets.</p>
<p><b>The parking fees are a disgrace.</b></p>	<p>Robert Stephen</p>	<p>Council is offering free one-hour parking in Council-owned off-street carparks at any time of the day.</p> <p>This is consistent with Council's parking strategy, which encourages shoppers to use off-street carparks and seeks to increase parking turnover.</p> <p>Council currently provides over 2,000 free car parks within the CBD, which are available for workers.</p> <p>Parking fees are an important source of income for Council and assist with the provision of enforcement officers, infrastructure renewal and the provision of new parking facilities.</p> <p>Under the current carparking strategy a number of paid parking spaces were changed to become free short-term</p>

		spaces. This includes spaces outside the Blood Bank.
<p><b>Putting up parking fees again will definitely stop people from shopping in the CBD.</b></p>	<p>E. Sparrow</p>	<p>As above.</p>
<p><b>Rates rise is not justified Given the rate rise in 2020                  Parking increase will ruin the CBD.                  Make cutbacks in other areas to cover shortfalls</b></p>	<p>Barbara Porter</p>	<p>Council is currently in a strong financial position as the 2020-2021 budget included significant cuts to capital projects and the standing down of staff because Council staff were ineligible for JobKeeper payments.</p> <p>Fortunately, Council has been able to operate its facilities at a greater capacity than was originally forecast. However, the uncertainty of COVID-19 restrictions remain and the recent lockdown cost Council about \$250,000 per week in lost income and additional expenses.</p> <p>The expected surplus has been factored into the 2021-2022 budget to help fund the proposed rectification and upgrade works at the South-West Victorian Livestock Exchange.</p> <p>The impact of a one-year rate freeze to all properties has a cumulative impact to the long-term financial position of Council. Over a 10-year period, the impact of a one-off rates freeze would reduce Council's income over the 10-year period by \$6.2m. This would have a significant impact on Council's ability to deliver services to the community and on maintaining and upgrading community assets.</p> <p>Council is offering free one-hour parking in Council-owned off-street carparks at any time of the day.</p> <p>This is consistent with Council's parking strategy, which encourages shoppers to use off-street carparks and seeks to increase parking turnover.</p> <p>Council currently provides over 2,000 free car parks within the CBD, which are available for workers.</p> <p>Parking fees are an important source of income for Council and assist with the provision of enforcement officers, infrastructure renewal and the provision of new parking facilities.</p> <p>Under the current carparking strategy a number of paid parking spaces were changed to become free short-term spaces. This includes spaces outside the Blood Bank.</p>



## **OFFICERS' DECLARATION OF INTEREST**

No declaration.

## **CONCLUSION**

Council has worked through an extensive process and provided opportunity for the community to comment as part of developing the Council Budget for 2021/2022.

Council is required to adopt a Budget for 2021/2022 by 30 June 2021.

## **ATTACHMENTS**

1. Warrnambool City Council Budget 2021-2022 [4.3.1 - 111 pages]

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## **4.4. FINANCIAL PLAN**

### **PURPOSE:**

***To consider Council's proposed Financial Plan for 2021/22 to 2030/31 for adoption.***

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### **EXECUTIVE SUMMARY**

- Section 91 of the Local Government Act 2020 provides that Council must develop and adopt a Financial Plan in accordance with its deliberative engagement practices.
- The scope of a Financial Plan is a period of at least the next 10 financial years.
- The Financial Plan links to the achievement of the Community Vision (Warrnambool 2040) and the Council Plan.
- Council resolved to put the Plan out for community consultation at a scheduled meeting of Council on the 3<sup>rd</sup> May 2021 and received 1 submission from the community.

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### **RECOMMENDATION**

**That Council adopt the Financial Plan for 2021/22 to 2030/31.**

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### **BACKGROUND**

Section 91 of the Local Government Act 2020 provides that Council must develop and adopt a Financial Plan in accordance with its deliberative engagement practices. The scope of a Financial Plan is a period of at least the next 10 financial years.

The Financial Plan must include the following in the manner and form prescribed by the regulations:

- a) statements describing the financial resources required to give effect to the Council Plan and other strategic plans of the Council;
- b) information about the decisions and assumptions that underpin the forecasts in the statements specified in paragraph (a);
- c) statements describing any other resource requirements that the Council considers appropriate to include in the Financial Plan;
- d) any other matters prescribed by the regulations.

Council must develop or review the Financial Plan in accordance practices and adopt the Financial Plan by 31 October in the year following a general election.

The Council resolved at the Scheduled Meeting of Council on the 3<sup>rd</sup> May 2021 to put the Revenue and Rating Plan out for community consultation. Submissions were eligible to be received via post, email and online at [www.yoursaywarrnambool.com.au](http://www.yoursaywarrnambool.com.au) with the closing date for submissions being the 2<sup>nd</sup> June 2021.

### **ISSUES**

Council has prepared a Draft Financial Plan that covers the years 2021-2022 to 2030-2031 and this is based on the following strategic actions.

- Review the services and structure of Council to ensure the most efficient use of resources are occurring now and into the future.
- Reduce corporate operational costs and risks by implementing shared services with neighbouring Councils.

- Investigate opportunities for new revenue generation.
- Continue to be at the forefront of waste minimisation and innovation.
- Explore partnerships with other organisations to deliver better outcomes for the community.
- Increase investment in renewal capital to reduce the escalating risk and maintenance of ageing infrastructure.
- Continue to invest in climate change initiatives and decreasing Councils emissions output.
- Debt funding to be applied to growth infrastructure and generational assets where necessary.
- Maintaining current service levels for the next 4 years to enable Council sufficient time to complete a full review of its service delivery programs.

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision (Warrnambool 2040).

## **LEGISLATION/POLICY/COUNCIL PLAN CONTEXT**

### **5 Practice good governance through openness and accountability while balancing aspirations with sound financial management**

5.2 Develop policies, strategic plans and processes to address local and regional issues, guide service provision and ensure operational effectiveness

5.3 Ensure financial sustainability through effective use of Council's resources and assets and prudent management of risk

## **TIMING**

- Public exhibition of the draft plan – 5 May 2021 to 2 June 2021
- Closing date for written submissions to the draft plan – 2 June 2021
- Special Council meeting for the adoption of the Financial Plan following consideration of the submissions – 28 June 2021

## **COMMUNITY IMPACT/CONSULTATION**

The long-term viability of Council's services and infrastructure has key impacts on the community. Much of the consultation work undertaken by Council over recent years has reinforced the view that the community wishes to see a strong, vibrant and growing city.

This again has been reinforced through the Council Plan deliberative engagement processes.

Our leadership role in the region in attracting funds for a growing future will be essential. Council through the Council plan deliberations understands many of the key priorities for our community lay outside of Councils direct control, but the community wants to make sure that Council is doing its utmost to advocate for these critical issues on their behalf. Like improved rail services, upgraded highways, retention of tertiary education centers, improved health infrastructure.

Frank conversations have been held within our organisation as to the trade-offs possible to help inform our decision making on a financially sustainable future, in an environment that requires us to respond to a long and sustained emergency environment.

<b>Feedback on Long-Term Financial Plan 2021-2031 and Council response</b>		
<b>Feedback</b>	<b>Submitter</b>	<b>Response</b>
It would be a great first step if people with no relevant skills and experience refrained from standing for Council.	Steve	The submitter has the option to be a candidate at future Council elections.

## **ATTACHMENTS**

1. WCC Financial Plan 2021-22 to 2030-31 [4.4.1 - 35 pages]

## **5. CLOSE OF MEETING**