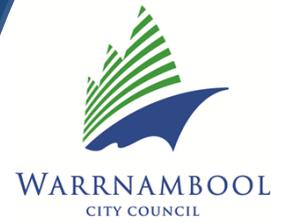


MINUTES

SPECIAL MEETING

WARRNAMBOOL CITY COUNCIL

5:45 PM - MONDAY 29 APRIL 2019



VENUE:

Reception Room

25 Liebig Street

Warrnambool

COUNCILLORS

Cr. Tony Herbert (Mayor)

Cr. Robert Anderson

Cr. Sue Cassidy

Cr. Kylie Gaston

Cr. Peter Hulin

Cr. Michael Neoh

Cr. David Owen

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Peter B. Schneider

CHIEF EXECUTIVE OFFICER

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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.

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MINUTES OF THE ORDINARY MEETING OF THE WARRNAMBOOL CITY COUNCIL HELD IN THE RECEPTION ROOM, WARRNAMBOOL CIVIC CENTRE, 25 LIEBIG STREET, WARRNAMBOOL ON MONDAY 29 APRIL 2019 COMMENCING AT 5:45 PM

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

Pursuant to Sections 77, 78 and 79 of the Local Government Act 1989 (as amended) direct and indirect conflict of interest must be declared prior to debate on specific items within the agenda; or in writing to the Chief Executive Officer before the meeting. Declaration of indirect interests must also include the classification of the interest (in circumstances where a Councillor has made a Declaration in writing, the classification of the interest must still be declared at the meeting), i.e.

- (a) direct financial interest
- (b) indirect interest by close association
- (c) indirect interest that is an indirect financial interest
- (d) indirect interest because of conflicting duties
- (e) indirect interest because of receipt of an applicable gift
- (f) indirect interest as a consequence of becoming an interested party
- (g) indirect interest as a result of impact on residential amenity
- (h) conflicting personal interest

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.

Nil

4. REPORTS

4.1. COUNCIL PLAN 2017-2021 (REVISED 2019)

PURPOSE:

This report provides information on the Draft Council Plan 2017-2021 (revised 2019).

EXECUTIVE SUMMARY

Section 125 of the Local Government Act (LGA) requires a Council to prepare and approve a Council Plan by the June 30 following a general election. The plan is reviewed annually. The Council Plan is the feature document in Council's suite of strategic planning documents, formulated to guide the work of Council over the next four years.

Over recent months Council has reviewed the Council Plan 2017-2021. The revised draft of the Council Plan strongly references the visions from the long-term community plan, Warrnambool 2040.

These 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 Council Plan retains Council's new vision is for Warrnambool to be a Cosmopolitan City by the Sea, which references our beautiful and unique location and proclaims that the city is striving to be more welcoming, open and inclusive.

Council will also continue with the theme for the Council Plan – Growing Pride and Confidence in the City, which emphasises the need to celebrate and promote our city, its attributes and its appeal to those in the region and beyond.

The Council Plan's key objectives have undergone some revision.

The objective to "Sustain and enhance the natural environment" becomes "Sustain, enhance and protect the natural environment".

The objective to "Foster a healthy city that is socially and culturally rich" becomes "Foster a healthy, welcoming city that is socially and culturally rich".

The objective to "Maintain and improve the physical fabric of the city" becomes "Maintain and improve the physical places and visual appeal of the city".

The objective to "Develop a modern economy with diverse and sustainable employment" becomes "Develop a smarter economy with diverse and sustainable employment".

The objective to "Practice good governance through openness and accountability" becomes "Practice good governance through openness and accountability while balancing aspirations with sound financial management".

The draft revision of the Council Plan lists key activities and initiatives Council will undertake over 2019-2020 to deliver on the five objectives described in the plan.

MOVED: CR. SUE CASSIDY
SECONDED: CR. KYLIE GASTON

1. That Council, pursuant to Section 125 of the Local Government Act 1989 gives public notice of the Draft Council Plan 2017-2021 (revised 2019) for the Warrnambool City Council as set out in Appendix A of this report, inviting interested persons to make a written submission relating to such plan, with written submissions to be received at the Warrnambool Civic Centre not later than 5pm, Wednesday May 29, 2019, and with any person who requests to be heard in support of his or her written submission to be so heard at a special meeting of Council (if required) to be held at 5.45pm Monday, June 3, 2019.
2. That Council consider any:
 - a) Submissions on the proposed Council Plan and;
 - b) Recommendations to adopt the 2017-2021 Council Plan (revised 2019), at a Special Meeting of Council to be held at 5.45pm Monday June 24, 2019, in the Council Chamber, Warrnambool Civic Centre, 25 Liebig Street, Warrnambool.

CARRIED - 7:0

BACKGROUND

The Council Plan 2017-2021 was developed in late 2016 and early 2017.

The consultation included a discussion document circulated within the community. The plan also drew on an extensive base of community engagement activities undertaken by Council over recent years. This includes engagement activities around public amenities, health and wellbeing, car parking, safer boating, economic investment, community services and infrastructure and coastal and open space management.

The revised plan strongly acknowledges the community plan, Warrnambool 2040. An extensive community engagement process for this 20-year plan was undertaken in 2017 and 2018 and there is an ongoing effort to involve community partners in the delivery of Warrnambool 2040.

As required by the LGA the plan includes Strategic Objectives, Strategies for achieving the Objectives and Strategic or Key Performance Indicators for monitoring the achievement of the Objectives.

The Council Plan is a statutory requirement of the Local Government Act and is used by a number of other audiences and purposes including:

- A reference for the community.
- A framework for Council staff to build the annual Activities & Initiatives adopted by Council.
- A reference for State Government departments.
- Support for grant applications.
- Support for advocacy positions taken by Council.

Council is required to produce a Council Plan, Strategic Resource Plan, Budget and Activities and Initiatives which will be subject to public notice and submission processes under Sections 129 and 223 of the Act. The Strategic Resource Plan is included with the Council Plan.

FINANCIAL IMPACT

The Council Plan guides the allocation of resources as described in the Council Budget.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

A Council Plan is a requirement under the Local Government Act.

TIMING

The Local Government Act requires that Council must adopt a Council Plan, or revised Council Plan, by June 30 each year.

COMMUNITY IMPACT / CONSULTATION

The community will be invited to make submission on the Draft Council Plan (revised 2019).

ATTACHMENTS

1. Council plan 2017-2021 (2019 revision) with SRP April 26, 2019 **[4.1.1]**

4.2. WARRNAMBOOL CITY COUNCIL – PROPOSED BUDGET 2019-2020

PURPOSE:

This report presents two versions of the 2019-2020 Proposed Budget for Warrnambool City Council, including initial statutory processes.

EXECUTIVE SUMMARY

- The Budget is informed by the vision and objectives of the Council Plan.
- Warrnambool: A Cosmopolitan City by the Sea.
 - Council seeks to
 - 1. Sustain, enhance and protect the natural environment
 - 2. Foster a healthy, welcoming city that is socially and culturally rich
 - 3. Maintain and improve the physical places and visual appeal of the city
 - 4. Develop a smarter economy with diverse and sustainable employment
 - 5. Practice good governance through openness and accountability while balancing aspirations with sound financial management
- Resources are allocated to try to best achieve these outcomes for our community
- Council has made the decision on to submit an application to the Essential Services Commission (ESC) to apply for a higher rate cap (4.5%) 2% higher than the 2019/20 cap set by the minister (2.5%). Two budgets have been prepared, one which has a rate cap of 4.5% and the other which has a budget set at a capped rate of 2.5%.
- The ESC is expected to make a decision on the higher rate cap application by the end of May, in time for the proposed adoption of the 2019/20 budget set for a special meeting on the 24th of June 2019.
- Two proposed budgets for 2019-2020 financial year have been prepared in accordance with Section 127 of the Local Government Act 1989 (LGA) – refer **Attachment 1** – 2019-2020 Budget with rate cap variation and **Attachment 2** 2019-2020 Budget without rate cap variation.
- The Budget has been prepared in accordance with the budget principles set down by Council and follows a number of workshops by the Council and executive starting in November 2018.
- As required by the LGA and the Local Government (Planning & Reporting) Regulations 2014 and following the best practice guidelines of a model budget the Draft Budget includes prescribed information, including:
 - Financial Statements
 - Statement of Capital Works
 - Services and Initiatives funded in the budget
 - Fees and charges
 - Rating and borrowing details
- Public notice of the prepared budget must then be given, copies of the budget be made available for at least 28 days and persons given the opportunity to make submissions in accordance with Section 223 of the Local Government Act.
- Council proposes to adopt the Budget, with or without modification, on Monday 24th June 2019.
 - Warrnambool Council undertook an extensive series of consultations and communications with our community throughout the last eighteen months trying to establish both the wants in the community and an understanding around the prioritisation of the services Council offers and the ways in which these might be funded to be delivered. Some of the key activities undertaken in the last year were the finalisation of the Warrnambool 2040 process, an extensive survey and a series of community workshops. Council recognises the difficulty of adopting a budget with a proposed rate cap variation and has set about directing any

increases in revenue to be set against reducing our asset renewal backlog. The next phase of engagement follows with a statutory exhibition period of the budget through which the community may make submission for Council to consider.

- The budget is set to try to achieve many of the aspirations set out in Warrnambool 2040 Plan and the Council Plan. Council's budget and Strategic Resource Plan are the mechanisms which Council allocates funds to achieve the priorities of the Community and meet its financial obligations in a sustainable manner.

MOVED: CR. MICHAEL NEOH
SECONDED: CR. ROBERT ANDERSON

1. That the two Warrnambool City Council Proposed Budgets 2019-2020 attached to this report, be the Budgets prepared by Council (in respect of the 2019-2020 Financial Year) for the purpose of Section 127(1) of the Local Government Act 1989 as amended ("the Act").
2. That Council:
 - a) Give public notice of the preparation of the two Budgets in accordance with Section 129 of the Act; and
 - b) Make the two Budgets and the information required to be made available by Regulation 8 of the Local Government (Planning and Reporting) Regulations 2014 available for inspection at the Council Civic offices and on Council's website for at least 28 days, and
 - c) Invite interested persons to make a written submission relating to either or both of the budgets, with written submissions to be received at the Warrnambool Civic Centre not later than 5pm Wednesday 29 May 2019, and
 - d) Hear any person who wishes to be heard in support of a submission at the Ordinary Meeting of Council on Monday 3 June 2019; and after considering any submissions adopt the 2019-2020 Budget and the Council Plan inclusive of the updated Strategic Resource Plan (with or without amendments) and declare rates and charges at a Special Meeting of Council to be held at 5.45pm, Monday 24 June 2019 in the Council Chamber, Warrnambool Civic Centre, 25 Liebig Street, Warrnambool.

CARRIED - 7:0

BACKGROUND

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.

Council is required to prepare a budget for each financial year in accordance with Section 127 of the Local Government Act 1989.

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

The Model Budget 2019-2020 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

Once Council has prepared a Proposed Budget it is required to give public notice for at least 28 days advising that copies of the budget are available for inspection at the council offices and that it is also published on the council internet site.

Persons have the right to make a submission, in accordance with Section 223 of the LGA, in relation to any proposal contained in the budget.

Any person wishing to be heard must indicate this in writing in their submission. The maximum time permitted for any submitter to speak to their submission is 5 minutes. Debate will not be entered into or further questions to Council this is an opportunity for submitters to state their case.

ISSUES

Council has prepared a Proposed Budget for the 2019-2020 financial year in accordance with Council's budget principles.

The Budget has been reviewed over a series of workshops with the executive and council. The 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 financial year.

For 2019-2020 the Minister has set the average rate cap at 2.50%. Council has made the decision on to submit an application to the Essential Services Commission (ESC) to apply for a higher rate cap of 4.5% for the next 3 years. The purpose of the application is to assist with reducing the backlog of the asset renewal demand and ensuring that Council's assets will be maintained for future use by the community.

The two proposed budget aim to balance the ongoing service and infrastructure needs of the Warrnambool community within the financial capacity of the Council.

The key drivers for the budget were:

- To fund ongoing service delivery – business as usual
- To fund renewal of infrastructure and community assets
- To cope with growth in the population of Warrnambool residents
- To cope with cost shifting from the State Government
- The increase in the waste management charge covers the full rollout of the Food Organics, Garden Organics collection and also reflects the increased cost of processing recyclables passed on to Local Government as a result of the collapsed market for recyclable materials.

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 for from the Victorian Auditor General) and assesses the changing environment within which it operates and the budget impacts of these changes.

The Budget comprises:

	Proposed 2019/20 Budget (with higher rate cap)	Proposed 2019/20 Budget (without higher rate cap)
Recurrent (operational) Budget	\$73.0 million	\$72.8 million
Capital Works	\$19.4 million	\$18.7 million
Total Budget	\$92.4 million	\$91.5 million

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 the current wide range of services to the community.

Council is also required to adopt a Strategic Resource Plan which relates to the next four financial years. The Strategic Resource Plan is a component of the Council Plan and an extract is included as part of the Warrnambool City Council Budget Report 2019-2020.

LEGISLATION / POLICY / COUNCIL PLAN CONTEXT

5 Practice good governance through openness and accountability

5.2 Annual Budget

TIMING

- Public exhibition of the two proposed budgets – 1 May 2019 to 29 May 2019
- Closing date for written submissions to either or both proposed budgets – 29 May 2019
- Opportunity to be heard in support of a written submission at an ordinary Council meeting – 3 June 2019
- Special Council meeting for the proposed adoption of the 2019/20 budget – 24th June 2019

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 the last few years has reinforced the view that the community wishes to see a strong vibrant and growing city. All of this is tempered within lenses of affordability to rate payers and services users who pay for the services and infrastructure provision.

Improved services and facilities continue to be asked for and are reasonably expected by a growing and engaged community

Our leadership role in the region in attracting investment and as a major tourist destination this all adds complexities to choices on resource provision.

Frank conversations have been held with our community as to the trade-offs possible to help inform our decision making on a financially sustainable future in a constrained environment.

All of these pieces of consultation have helped frame a picture of the community's views and aspirations but do not provide a binary yes no answer in the making decision around resource allocation and taxation.

Warrnambool City Council undertook an extensive series of consultations with our community through the Warrnambool 2040 process, a series of community workshops and an extensive survey.

ATTACHMENTS

1. Budget 2019-2020 [4.2.1]
2. Budget 2019-2020 without variation [4.2.2]

5. CLOSE OF MEETING

The meeting closed at 6.07pm.

CHAIRMAN