

# 2023/24 Annual Business Plan, Budget & Long Term Financial Plan

Information Session 4

7 March 2023

# Today's Session

## Briefing

- Update on potential rates position
- Additional savings measures
- What we heard from Councillors
- Draft Budget Options (without savings measures)

## Workshop

- What additional savings measures would you like to make?
- Where would you draw the line on the draft budget options? (with additional savings measures)
- How many options to consult?

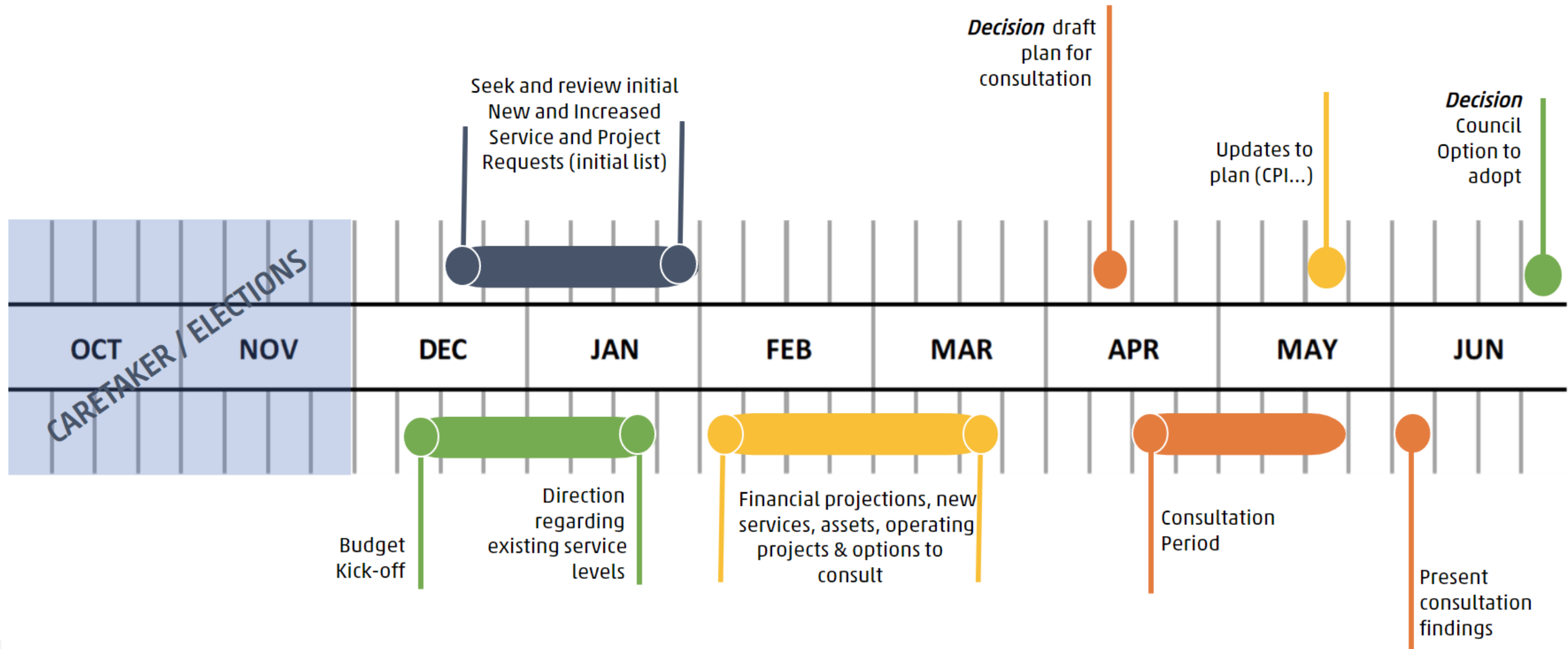
# Council Member Outcomes

- ✓ Understanding Council's updated potential rates position
- ✓ Familiarisation with draft Budget Options
- ✓ Opportunity to provide feedback on additional savings measures
- ✓ Opportunity to draw the line on your preferred draft Budget Option
- ✓ Opportunity to provide feedback on number of options to consult

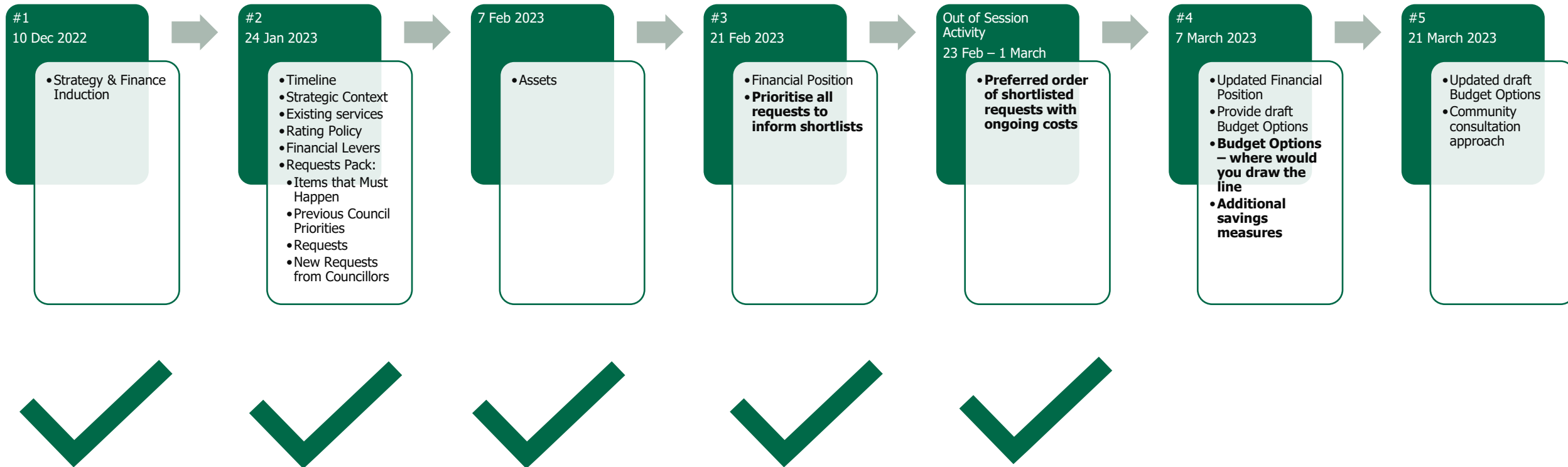
# Workshop Questions to keep in mind

1. What additional savings measures would you like to see undertaken?
2. Of the draft options presented...
  - Where would you 'draw the line' on *your* option?
  - Is there anything you would like to take off the list above your line?
  - Anything you want added?
3. How many options would you like to consult on and how?

# Timeline



# Information Sessions



# *Update* on Potential Rate Impacts

<b>Budget Items</b>	<b>%</b>	<b>Average (\$)</b>
Cost of existing services ( <i>forecast</i> )	9.0	173.20
Savings required to keep existing services at CPI	(0.8)	(15.40)
2022/23 Council decisions to date	0.20	3.80
Cost shifting ( <i>forecast</i> )	0.23	4.40
Infrastructure Backlog (renewal)	0.42	8.10
Previous Council Priorities (year 4 Delivery Plan / LTFP)	0.50	9.60

# 2023/24 Efficiency & Savings

- Deliver existing service levels for no more than a CPI increase requires \$500k of efficiency savings
- Seeking feedback tonight on additional savings measures up to \$512k
- Additional savings measures decrease service level



# Additional Savings Measures - Wade

- Operating Projects annual allocation - \$175,000
- Waste education – fund as required - \$30,000
- Australia Post Rates - \$20,000

# Additional Savings Measures - Kate

- Internal Audit Decrease – fund as required - \$10,000
- Community Survey – fund as required - \$10,000
- Profile ID – fund as required - \$17,000
- Mayoral Civic Receptions from four to two - \$4,000
- Catering at Council Meetings - \$5,000
- Murray Darling Association - \$10,000

# Additional Savings Measures - Dan

- Defer footpath Asset Backlog by one year - \$114,000
- After Hours Service Cuts (depot, library & community safety) - \$107,000
- Lynton Depot winter closure - \$10,000

# What we heard from Councillors

## Information Session 21 February

1. Do you have a preferred rate range?
2. Do you support the previous Council Priorities (Year 4 of the Four Year Delivery Plan / LTFP?)
3. Do you have any adjustments or additional funding requests?
4. What are your priorities?

## Short list prioritisation activity

# Draft Budget Options

# Budget Option – 8.9%

- Existing Services
- Efficiency Savings
- 2022/23 Council Decisions & Pending Council decision
- Brown Hill Keswick Creek
- Cost Shifting (*forecast*)
- Solar projects at four Council sites



# Budget Option – 9.7%

Yellow option, PLUS:

- Infrastructure Renewal Backlog (roads & footpath)
- Government funded projects
- Water Sensitive Urban Design
- Stormwater Network
- Community Facilities Grant



# Budget Option – 9.9%

Orange option, PLUS:

- Open Space Volunteer Coordinator
- Blackwood Lions Bargain Centre, Eden Hills, Proposed Extensions
- Maintenance of Water Sensitive Urban Design Projects (WSUD)
- Minor new capital requests in open spaces
- Sustainable Living Subsidy Program – Sustainable Products





# Budget Option – 10.3%

Green option, PLUS:

- Cyber Security Program
- Community Networker
- Flinders Drive Pedestrian Crossing – Flashing twin lights upgrade



# Budget Option – 10.7%

## Blue option, PLUS:

- New Pasadena Community Centre Options\*
- Suffolk Reserve Public Toilet Installation\*\*
- CC Hood Reserve, Panorama, Christmas Activation
- Circular Economy Management System with CQG Consulting Group
- Hawthorn Bowling Club Entrance Upgrade and Meeting Room relocation
- Green Buildings Fund
- Mitcham Court Precinct Capital Works Improvements and Activation\*\*



# Budget Option – 11.2%

## Red option, PLUS:

- South Road Garden Beds
- City Image (Signage & Furniture) Pilot Scheme
- Manson Oval Public Toilet and Storage Facilities
- Extending the Summer Leaf Street Sweeping program
- Spatial Software for Weed Management in the City of Mitcham
- Upgrading the upper part of Brownhill Creek Road\*\*\*



# Workshop – Draft Options feedback



## Draw a Line

### 2023/24 Budget Options

Task:

1. Draw a line on the list below to indicate your comfort level with rates and the included services (e.g. the further down the list you draw a line, the higher rate and more services included – refer to example).

2. Is there anything you would like to take off the list (above the line you have drawn)?

3. Is there anything you would like added to the list (e.g. a service from below the line you have drawn or anything else?)

Council Member Name:

Requests and associated Rate Impact (%)	Options - Rate Impact (%) / Average Residential Equivalent Increase (\$)					
	8.9% / \$171	9.7% / \$186	9.9% / \$191	10.3% / \$198	10.7% / \$206	11.2% / \$215
<b>Current Services &amp; Commitments</b>						
Maintain Existing Service Level (incl \$500k efficiencies) 9.0%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
2022/23 Council decisions 0.20%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Implement Brown Hill Keswick Creek Stormwater Master Plan 0.05%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Forecast Cost Shifting 0.23%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%
<b>Current Services &amp; Commitments</b>	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%
<b>2022/23 Council decision pending 14 March (CLMP) 0.25%</b>						
	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
<b>Additional savings through service cuts (0.00%) \$0K</b>						
	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
<b>Solar - no rates impact, short term debt impact</b>						
Belair Community Centre Solar and Battery	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Blackwood Community Hub Solar Panels	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Depot Rooftop Solar Panel Expansion	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Mitcham RSL Solar and Battery	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
<b>Current Services &amp; Commitments + Solar Projects less additional savings</b>	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
<b>Final year of Four Year Delivery Plan</b>						
Investing in the asset renewal backlog (to be completed by 2027) 0.42%	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
Enhance AA Bailey Reserve, Clarence Gardens 0.05% <sup>^</sup>	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%
Greening St Marys 0.06% <sup>^</sup>	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%
Upgrade <del>Mortlock</del> Park Oval Facilities, Colonel Light Gardens 0.06% <sup>^</sup>	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Upgrade Rozelle Reserve, Melrose Park 0.02% <sup>^</sup>	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Continue the Water Sensitive Urban Design (WSUD) Program 0.01%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
Extend & upgrade the Stormwater Network 0.10%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
Provide Annual Community Facilities Grants 0.01%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
Extend the Footpath Network 0.11%						9.8%
<b>Current Services &amp; Commitments + Solar Projects+ Final year of Four Year Delivery Plan less additional savings</b>	8.9%	9.7%	9.7%	9.7%	9.7%	9.8%

1. Where would you draw the line?
2. Is there anything you would like to take **off** the list **above** your line?
3. Anything you want added?

BUT FIRST....

# Workshop – Additional Savings Options



## Indication of Support

### 2023/24 Additional Savings Measures

Task:  
1. Please tick if the savings measures you support (e.g. ceasing each item ticked)

Council Member Name: .....

Item	Ongoing Annual Savings (\$)	Ongoing Rate % Saving	<input checked="" type="checkbox"/>
<b>Operating Projects</b> <i>Reduces current rate funded annual allocation for one off projects from \$475,000 to \$300,000, future financial projections would be based on an annual spend of \$300,000 for one off items.</i>	175,000	0.29%	
<b>Internal Audit Decrease – fund as required</b> <i>Limited impact on Council's assurance program through number and scope of internal reviews undertaken each year.</i>	10,000	0.02%	
<b>Community Survey – fund as required</b> <i>The Community Insights survey will be prepared as an Operating Project every other year and be subject to comparison with other once-off projects through the budget setting.</i>	10,000	0.02%	
<b>Profile ID – fund as required</b> <i>Cancelling the Profile ID subscription will remove Council and community access to the id web platform. Demographic analysis will then need to be undertaken as required, either internally (subject to resourcing) or as an Operating Project.</i>	17,000	0.03%	
<b>Waste education – fund as required</b> <i>Reduces ongoing program of waste education events and programs which will be brought to Council on case by case basis for funding. i.e. – Plastic free July activities and promotions, educational videos, calendars, biodegradable bags, contamination audits, and other materials etc</i>	30,000	0.05%	
<b>Mayoral Civic Receptions from four to two</b> <i>The number of standalone civic receptions held over the year is reduced from four to two, incorporating the two events no longer held at one of our four citizenship ceremonies.</i>	4,000	0.01%	
<b>Defer footpath Asset Backlog by one year</b> <i>The impact to the community of deferring footpath renewals (asset backlog funding) would include a decrease in service provided to the community (having to use poorer condition footpaths for longer) and a revised footpath 'backlog' clearance date of 2028.</i>	114,000	0.19%	
<b>After Hours Service Cuts (depot, library &amp; community safety)</b> <i>After hour call outs and associated staff costs are reduced across various areas and slight reduction to library staff hours.</i>	107,000	0.18%	
<b>Catering at Council Meetings</b> <i>Reducing the catering budget will mean that Council will no longer have access to alcohol after a Council Meeting or Information Session.</i>	5,000	0.01%	
<b>Murray Darling Association</b>			

1. Tick if you support this savings measure (e.g. ceasing the current item)

**10 Minute  
Break**

# Workshop – Draft Options feedback



## Draw a Line

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<b>Current Services &amp; Commitments + Solar Projects+ Final year of Four Year Delivery Plan less additional savings</b>	8.9%	9.7%	9.7%	9.7%	9.7%	9.8%

Given the majority supported budget savings...

1. Where would you draw the line?
2. Is there anything you would like to take **off** the list **above** your line?
3. Anything you want added?

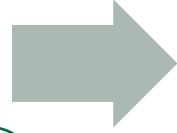
Around the room..



# Consultation Approaches

## Approach 1

- One draft ABP Document with one budget option
- One survey with ability to seek feedback on reducing services/rate



## Approach 2

- One draft ABP Document comparing two budget options
- One survey seeking preferred budget option



## Approach 3

- Two draft ABP Documents
- Two separate surveys (questions repeated in each survey) seeking feedback on each draft ABP



# Consultation Approaches

## Approach 1

- One draft ABP Document with one budget option
- One survey with ability to seek feedback on reducing services/rate

### One draft ABP



### Survey to include:

- What is your overall level of support for the draft Plan?

Strongly support      Support      Oppose      Strongly oppose

- The draft Plan includes some additional services, shown in the table below. The additional services make up x% of the rate rise (\$x average residential increase). Please indicate whether you would like each of the additional services included in the budget or removed (which would reduce the rate rise).

Additional Service	Include in Budget	Remove from Budget
e.g. Open Space Volunteer Coordinator (Average Rate \$x or x%)	<input type="checkbox"/>	<input type="checkbox"/>
e.g. Blackwood Lions Bargain Centre (Average Rate \$x or x%)	<input type="checkbox"/>	<input type="checkbox"/>

- Simple and easy for the community to understand
- Does not provide messaging of two distinct rate options, rather one rate option with the ability for further reductions

# Consultation Approaches

## Approach 2

- One draft ABP Document comparing two budget options
- One survey seeking preferred budget option

### One draft ABP



### Survey to include:

- Do you prefer draft Budget A or B?

Draft Budget A	<input type="checkbox"/>	Draft Budget B	<input type="checkbox"/>
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- What is the main reason for your choice of Budget A or B?

Comment:

- Budget B includes some additional services, shown in the table below. The additional services make up x% of the rate rise (\$x average residential increase). Please indicate whether you would like each of the additional services included in the budget or removed (which would reduce the rate rise).

Additional Service	Include in Budget	Remove from Budget
e.g. Open Space Volunteer Coordinator (Average Rate \$x or x%)	<input type="checkbox"/>	<input type="checkbox"/>
e.g. Blackwood Lions Bargain Centre (Average Rate \$x or x%)	<input type="checkbox"/>	<input type="checkbox"/>

- Easy to compare options side by side in one document; provides two distinct options
- Requires two budget options and financial statements, making a long document and providing detail which many in the community may not read

# Consultation Approaches

## Approach 3

- Two draft ABP Documents
- Two separate surveys (questions repeated in each survey) seeking feedback on each draft ABP

### Two draft ABPs



### Two Surveys (one for Budget A and one for Budget B) to include:

- What is your overall level of support for the draft Plan A / B?

Strongly support      Support      Oppose      Strongly oppose

- The draft Plan A / B includes some additional services, shown in the table below. The additional services make up x% of the rate rise (\$x average residential increase). Please indicate whether you would like each of the additional services included in the budget or removed (which would reduce the rate rise).

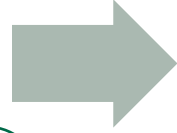
Additional Service	Include in Budget	Remove from Budget
e.g. Open Space Volunteer Coordinator (Average Rate \$x or x%)	<input type="checkbox"/>	<input type="checkbox"/>
e.g. Blackwood Lions Bargain Centre (Average Rate \$x or x%)	<input type="checkbox"/>	<input type="checkbox"/>

- Each budget option is provided in an individual plan as they would be presented in a final document
- Significant amount of work; requires community to compare across two documents; requires two separated surveys to be completed (questions repeated in each survey), may be confusing for community

# Consultation Approaches

## Approach 1

- One draft ABP Document with one budget option
- One survey with ability to seek feedback on reducing services/rate



## Approach 2

- One draft ABP Document comparing two budget options
- One survey seeking preferred budget option



## Approach 3

- Two draft ABP Documents
- Two separate surveys (questions repeated in each survey) seeking feedback on each draft ABP

# Next Steps

- 21 March Information Session
  - Updated draft Budget Options
  - Community consultation approach
- Council Report: Draft ABP & LTFP for consultation
  - 28 March (published on website)
  - 11 April (decision)
- Consultation period April 23<sup>rd</sup> – 20<sup>th</sup> May
  - 10 May Audit and Risk Committee
  - 16 May Public Meeting

