

Appendix to Preliminary Survey Results – 2021-22 Budget

Council type	What has been the biggest challenge for the development of your 2021/22 budget?
Interface	Escalation of operational costs greater than revenue
Interface	Rate Cap resilience
Interface	Timelines for deliberative engagement, including doing revenue and rating plan and council plan/vision all at the same time
Interface	Community engagement, timing of the council plan and budget document, new LGA 2020 requirements, timing of financial plan and asset plan.
Interface	Impact of compounding effect of reduced income based reduced rate increases (compared to the cap) or no rate increase at all from previous budgets based on Councillor decisions
Interface	Time to also educate the Councillors. Keeping to the deadlines but not moving too quickly that we did not engage with the Councillors and get them onboard. We went for a separate waste charge which was rejected by the Councillors as being 'too much' on the back of FOGO. There has been lot for Councillors to absorb in the first 6 months with understanding the core responsibilities and issues of Council (along with LGA2020 changes). Another challenge was getting executive approval for EFT requests to support the services and risk areas. Capital works always a challenge to balance funding with extensive list of project 'wants'.
Interface	Challenges in rate capped environment and post-COVID recovery/support for community. Also working with new Councillors.
Interface	No major challenges.
Interface	Covid related support activities and Council's ability to collect rates
Large Rural	Loss of \$502,500 (1.96%) in investment interest (\$700,000 in FY2021 down to \$197,500 in FY2022). Increased cost of waste collection and recycling (\$381,775), and increased EPA levies (276,290). Increase in cost of general insurances (\$285,000). The need to provide more resources to achieve our capital works program and find Communications & Engagement Officers to assist in the requirements of implementing the new LG Act.
Large Rural	Understanding the impact of Covid and the corresponding impact on Cash flow
Large Rural	COVID recovery - what is COVID normal and how this has impacted our budget Timing of the new Financial Plan
Large Rural	Working with new Councillors and educating them about a number of issues, particularly rate increases and the impact of the rate capping legislation. Completing a budget before completing the Council Plan. Not having final property valuations from VGV (and still won't have them for a number of weeks yet). The very long wish-list of projects submitted by Officers that cannot be funded, and whittling that down to a reasonable sized program. Operating costs are increasing at a faster rate than operating

	income is, but this isn't really being addressed by the organisation, so where does that leave us from a long-term financial sustainability perspective?
Large Rural	Minimising the underlying deficit of the budget. With rates capped at 1.5% and other costs increasing by more than the cap it is not possible to continue to deliver the same level of service without running a deficit. This is not sustainable in the long term. The budget shows deficits over the projected years.
Large Rural	COVID -19
Large Rural	Having a significant number of new Councillors who have not been part of the process previously
Large Rural	Difficulty with the finance system at a new Council.
Large Rural	Financial impacts of rate cap, FAGS unfavorable compounding impact from 20/21, decrease in interest income offset against the cost pressures such as EB, super guarantee increase, service level increases for compliance
Large Rural	Aligning all of the other strategic documents so that the budget actually makes sense in terms of aligning the Council Plan, the 10 Year Financial Plan and the Revenue and Rating Plan so that we can have consistent data across all of the documents. Even though the LGA 2020 allows a transition year for some of the documents our Council made the decision to align all of these documents and have them adopted by 30 June 2021. We also undertook Deliberative Engagement which took significant time given the number of Community sessions we held across our vast geographic area.
Large Rural	Funding a record capital program with a lower rate cap and low interest rates
Large Rural	EBA increase in staff costs, ensuring sufficient funds available to undertake a comprehensive capital works program.
Large Rural	Internal resourcing issues
Large Rural	Working with new Councillors and bringing their knowledge up to the level they need to be confident in making decisions
Large Rural	Timelines with deliberative engagement.
Metro	Alignment of key documents: As the Council Plan is not being adopted until October, we had very little information available to put into the budget document. Using the previous plan didn't seem appropriate given this is not applicable for 21-22. This may be a issue after each election.
Metro	Having to build a budget based on the previous year's COVID effected budget - therefore no decent baseline
Metro	Assessing status of post COVID recovery and impact on revenue.
Metro	COVID impact uncertain
Metro	COVID impact on revenue to user fees and statutory fees & fines
Metro	New Councillors, implementing the LGA 2020
Metro	Adjusting for changes to services post COVID e.g. Before & After School & Family Dare Care service demand has dropped, as more people work from home & can balance caring for children.
Metro	What is new normal service delivery (COVID normal), Zero based Budget, New Councillors and the changes with the LG Act 2020.

Metro	Impact of COVID-19 on current forecast and therefore 21/22 outcomes
Metro	Number of new Councillors and delays to the process due to lack of understanding and trust
Metro	Driving enough surplus to fund the projected capital program Other revenue losses from Covid which are not anticipated to normalize until 23/24 Working within borrowing thresholds (low risk) Balancing major projects with reoccurring capital spend
Metro	A new Council seeking a wealth of information well in excess of what we have previously provided. Councillors have not been able to reach a consensus position, making it difficult to produce a budget to adequately satisfy all.
Metro	Changes to the Act and misalignment of the timing of the council plan.
Metro	new council appetite for community and Council support whilst cash requirements are under pressure
Regional City	Aligning with draft Council Plan and Community Vision Financial sustainability
Regional City	Balancing community expectations with reality.
Regional City	Brand new Council and not having a CEO
Regional City	Continued desire from Councillors to continue COVID eco dev and other support.
Regional City	Trying to deliver same level of service as previous years, whilst increased costs of Salaries and operating costs, utilities, materials etc increasing more than 1.5% rate cap.
Regional City	Resourcing within the finance team
Regional City	The reduction or non-increase VGC grant income and the reduction in interest rates which has caused a significant decrease in investment income. This is on top of the additional costs and loss of fees and charges due to COVID. This has turned a healthy budget position into deficits and Council now needing to develop strategies to return the budget back into the black.
Regional City	Funding operation costs associated with government grant funded infrastructure (Leisure Centre) on the back of a 0% rate increase from 20/21
Regional City	Working with new Councillors and their understanding of the budget process (the level of operational detail they wanted to get into versus the level of detail we could realistically provide).
Small Rural	New council and time it takes to go through the process
Small Rural	Staff resourcing and inability to recruit and train professionals with LG finance experience in a timely manner.
Small Rural	Keeping within the cap whilst other costs are rising above 1.5% e.g., EBA increase 2% + .5% Super Increase
Small Rural	Timing of the availability of Stage 3 revaluation data - ours was delayed and pushed back our budget timetable. Usual challenge of balancing priorities - capital vs operating, etc.
Small Rural	Impact on cumulative effect of rate cap is really affecting revenue.
Small Rural	Council Plan, gone with existing due to later deadlines for this to be adopted.

Small Rural	Unlimited demands with a restricted income
Small Rural	Revenue and Grant recognition and how this will be impacted by Covid restrictions. Waste charges and expected timing of approvals for EPA on cell construction and cell capping and rehabilitation costs.
Small Rural	Extra grant funding and timing of grants. Delivery of projects within the timeframe.
Small Rural	Not having a Council plan in place and having to work with a new council (majority are new Councillors)
Small Rural	Councillors making financial decisions based on their election platforms and promises with no regard to the long-term financial sustainability.