**Background**

The Emerald Village Committee was formed over 20 years ago. Originally it operated as a Section 86 Committee of Cardinia Shire Council. In 2019 the Emerald Village Association Inc. (EVA) was established. The EVA seeks to have a close working relationship with the Shire Council, but it also operates as an independent incorporated body.

**Purpose of the EVA**

The EVA’s stated purpose is to:

* Strive to be the voice of Emerald, by representing and liaising with local groups and individuals so that matters of public interest can be identified and evaluated
* Liaise with Council and others such as the federal and state governments on matters of public interest
* Identify the unique strengths of the Emerald village community to build proposals from those strengths
* Provide a conduit for all local organisations and community members to the Council, its CEO, Ward Councillors, staff, and representatives
* Build and maintain a network of local community groups
* Develop an annual business plan which clearly identifies objectives that EVA Inc. aims to achieve, and
* Promote specific community projects which will enhance the sustainability, character and environment of Emerald village and the wellbeing and resilience of the whole community.

**EVA Comments**

The EVA appreciates the opportunity to make comments on the Shire’s 2022-23 draft budget, in doing so we recognise and understand that:

* we have all gone through a two-year period of quarantine and isolation.
* the road to normality is significantly dependent upon public Institutions like Cardinia Shire Council providing leadership and aiding the community to get to some level of normality.
* the population of Emerald township and surrounds has grown significantly since the last census in 2016. Council’s demographic consultants idconsulting estimate that the population in 2022 is 7340, representing an increase of 7.5% over the period. (https://forecast.id.com.au/cardinia/about-forecast-areas?WebID=160)
* the population of postcode 3782 has a medium age of forty-one. Almost 30% of the population is under 20 years of age, not significantly different to the population of Cardinia Shire as a whole. This is a significant cohort, and we submit that services to the Emerald area need to be focused on this cohort.

We recognise that the state government has imposed rate capping for 2022-23 of 1.75%. Superficially this appears to be appropriate when the community is trying to get back on its feet and there is a high proportion of residents and households in Cardinia Shire in rental and mortgage stress and that this proportion is likely to increase. However, it is unrealistic and counterproductive in the view of the EVA for a community like Cardinia where there is rapid population growth, a growing demand for a range of community infrastructure and services, considerable cost increases in many items Council needs to purchase and where there are considerable increases in building and construction costs. The EVA submits that Council should be submitting to the state government for approval to exceed the 1.75% rate cap. That action cannot now be taken for the 2022-23 budget, but work should commence for the 2023-24 budget.

We applaud and support Council for committing $318M in expenditure.

We are disappointed that there is only a 4-year horizon in Council’s budget papers and not the 10-year program which we understand is required by legislation.

We note Council’s $100M Capex Program for 2022-23 and that there is a $31.17M Carry Forward in Capex Programs from 2021-22. We question, what does the Carry Forward of $31.17M in effect mean?

* Is it underspend, savings or works not completed?
* Does this mean that there is a continual $30M or so carried forward every year?
* Why wasn’t Council able to achieve a 100% expenditure on its 2021-22 Capex Program? Was this Covid related?
* Is there an annual review to determine the reasons for incompletion of projects within the budget cycle? If not, we would urge Council to put one in place.

We applaud and note that the Capex Program for Renewal & Upgrade of Assets in 2022-23 is $59M [Asset Inventory is $2Billion – i.e., 2.95%]. This amount and proportion appear to be a solid investment strategy to maintain the value of Council’s assets. We urge Council to continue this practice on an annual basis. We are however, concerned that with the cost escalation of construction materials, which is reported to be in some cases more than 7%, it seems that Council needs to be building and making a case for increases to its budget beyond the 1.75 % rate cap through a submission to state government.

We would urge Council to consider increasing its capital expenditure beyond the $100M that has been set aside in its 2022-23 Budget.

We would urge Council to make a case for increasing its Revenue to meet its Service obligations and Asset Management commitments.

We at the EVA support Council’s key initiatives listed as:

* Road Construction Program
* Water Sensitive Urban Design
* Health & Well-Being Initiatives
* Sealing Collector Roads
* Energy Initiatives
* BioLinks Plan
* Assistance to Business and Advocacy Programs

We submit that Council needs to look forward to ensuring that it plays its part and assists the community’s return to normal by ensuring its expenditure is appropriate and targeted.

Council in its papers acknowledge that it is not keeping pace with cost escalations, and this is consequently of great concern to the EVA.

On a more specific note, we are concerned that several proposed and promised projects for the Emerald area appear not to have been funded in the 2022-23 financial year.
We make the following comments but not representing any order of priority.

1. **Recreation Reserve resurfacing and lighting upgrades allocation is $4.1 M**
We note the significant allocation, however, do not see anywhere in the program funding to reinstall the lights at the Emerald Tennis Courts that were removed because of safety reasons. We are aware that the Tennis Club and the Worrell Reserve Committee of Management have raised the issue, but the EVA wish to add its voice and concern that there seems to be a failure to properly (asset) manage these tennis lights. Our point is one of timing and it seems to us that having removed the lights because of safety concerns, there was no plan in place to replace them within a reasonable time frame. We consider having to wait more than 6 months us is unreasonable.
We understand that the Worrell Reserve Committee have received verbal assurances that funding has been allocated. Written advice would be appreciated.
2. **Funding for a Youth recreation area** on Worrell Reserve or in Emerald appears to have been omitted and does not appear on the 2022-23 budget or the 4-year plan.
We would like to remind Council that the cohort 5 to 19 years is 25% of the estimated 7,700 Emerald population, well above the 14% Melbourne metro medium.

**A BMX circuit and Youth area would:**

* Meet the aspiration of young people in the district
* Meet the Sports needs of young people
* Add to the liveability of the Emerald area
* Enable young persons to improve their skills and resilience
* Enable young people and adults to stay connected and an improved sense of community
* Enable users of the BMX facility to improve their physical and mental Health.

This is an important issue for the mental and physical well-being of the youth in Emerald post Covid.
We note a recent announcement by our local State Member the Hon. James Merlino that $1 million has been allocated. Could Council advise on the scope and the consultation process to deliver this project.

1. **EVA supports the need for an ongoing investment and funding of all the projects outlined in the Worrell Reserve Master Plan**. We see the non-listing of specific projects identified in Master Plans as a deficiency in the Council’s Budget documents and limits the credibility of Council’s commitments to its stated Key Objectives.
EVA supports a clear articulation of all the designated projects to be identified, outlined and for the funding to be defined in an ongoing rolling programme.
2. **Emerald Tennis Club Pavilion**
The EVA understands that the Emerald Tennis Club has prepared a Business Case for the upgrade to its facilities and is seeking support from Council and the other levels of senior government.
We understand and agree that the current facilities are sub-standard.

The EVA supports the upgrade of the Tennis Pavilion in accordance with the Worrell Reserve Master Plan.
We add our voice to ask Council to list the project of upgrading the Tennis facility on its forward budget.

1. We note and support the **Emerald Lake Park Strategic Plan** Implementation and the Play Space renewal.
2. We note and support the **Tree Planting Programme** and suggest strongly that Emerald Village would benefit significantly with additional tree planting in and around the Emerald Shopping Precinct and around the Emerald puffing billy railway station.
3. The three **public toilets in the Emerald Village** are disappointing and below an acceptable standard. We are aware that Council has already budgeted for the upgrade of the toilets at the front of the Hills Hub, and we request that Council consider an upgrade of the other public toilets to a more hygienic standard. Particularly post Covid where hygiene is critical to avoid further spread of this infection.
4. **Pedestrian and Bicycle Strategy**.
We support this programme and suggest that additional funding could be allocated. We believe that safety around the Emerald area would be enhanced with additional paths.
5. **Township Strategy Review**

We note that the Council has commenced a review of the Emerald Township Strategy. We understand that similar reviews are also underway of the Township Strategies for Cockatoo, Gembrook, and Upper Beaconsfield. We support this coordinated approach. We are concerned that the Emerald Strategy is well out of date – that progress is slow – that there is a lack of consultation with the community about the mattes under review and a reluctance by the Shire to engage with the community, and a narrow focus on matters relating to the planning scheme rather than a holistic approach to the planning and development of Emerald Village and surrounds. From discussions with other township groups, it would appear that similar views in other townships exist. We urge Council to allocate sufficient resources to enable the Township strategies to be completed as a soon as possible and with a comprehensive community engagement program.

1. **Green Wedge Plan**

One of the critical elements to support the preparation of Township strategies is that the rural area context within which the townships are located needs to have a clear planning policy context. The administration of the existing zones in those areas requires that policy context. We understand that Cardinia Shire is the only Council in the Melbourne metropolitan area with designated Green Wedge areas that had not completed its suite of Green Wedge Plans. We urge Council to allocate the resources to enable those Green Wedge plans to be completed.

1. **Township Maintenance**

In May 2021, the EVA prepare an extensive list of longstanding township maintenance matters and provided that to Council. Council offices visited Emerald and walked around the townships with half a dozen members of the EVA. With a couple of exceptions basically no progress has been made on that list of items. We urge Council to allocate resources to enable those maintenance items to be completed as soon as possible.
The list is set out in an attachment to this submission

**Comments on the Budget Influences.**

**Lower Rate Environment**

EVA are of the view that the Cardinia Council should be making a case seeking support from State Government to raise its Rate Revenue beyond the Rate Capping threshold. We consider it essential that Council meets its commitments to the community and plays its part in the recovery to a normal post Covid pandemic environment.

Management of Council’s assets need to be consistent and ongoing.

The EVA supports the concept of a “stitch in time” approach rather than allowing failure to dictate timing of action. A clear example has been the Emerald Tennis Club experience with the lighting assets being removed (because of the risk issue) without an effective replacement plan.

**Cost Pressures**

As above and ask Council to seek State support to meet cost escalation pressures. We would also support State and Federal governments providing clear plans to support the Council’s 10-year plan. We would like to see in Council’s budget provision for the preparation of Business Cases so that other levels of government can provide support to Council’s long-term plans.

**Covid Impact**

Target increases in expenditure to enable recovery to be expedited and make a case to increase revenue.

**Natural Disasters**

Again, same above.
Recovery and clean up in the Emerald area has been slow and trees are still on the ground in road reserves and open space areas.
Refer to earlier comments on increasing revenue to address this continuing backlog of work.

**Cost Shifting**

Seems that this alone should encourage Council to advocate for removing the rate capping and make a case to increase revenue as well as lobby harder to other levels of Government to provide support and meet community needs and obligations.

**Public Infrastructure Maintenance**

With the cost escalation of materials and the supply chain disruptions, there seems to be a fair case for greater support from State and Federal Governments.
Further, we suggest that the 2.95% allocated for Budget renewal may well prove to be inadequate.

The Superannuation Guarantee and Waste Levy requirements are a further case for Council to make a case to raise revenue beyond 1.75% and/or for more support from senior levels of government.

**Internal Influences.**

**Continued demands on Council Resources**

1. Does Council mean that the demands and needs of the community outstrip the Council’s budget capabilities?
If that is the cases, then we at EVA believe that it is essential for Council to publish its 10-year plan and enable thorough community consultation and input.
2. Council should develop a mechanism to prioritise projects and asset renewals so that the community have confidence that is primary objectives are being addressed by a systematic and rational process.

**Increased costs driven by Council’s risk associated with Community Asset Committees and Management of reserve surrounds.**

1. **We do not understand this comment. It would seem to us that this is saving Council considerable resources.**
Our observations are that Council has limited its support to Asset Committees. This is understood whilst the pandemic lockdowns were in place, however, we would observe that properly serviced, the Asset Committees provide significant savings rather than being a cost pressure.

We would comment that each asset committee should have “Master Plan” proposals for their areas of responsibility, and it would appear appropriate that each have a project list that can be defined within a programme time frame (i.e., The 10-year plan). We would further suggest that each activity or project on that programme can be prioritised (and scored) against Councils Key Objectives and Strategies.

1. **The value of developer contributed assets and completed capital works are increasing depreciation and maintenance expenditure**.

We would disagree that the new developer contributed assets together with the increase in the value of existing assets are adversely increasing depreciation and maintenance expenditure.
We would suggest the following:

* 1. That new assets are not depreciating to a point of causing actual expenditure at this point in time, rather it is notional increase only and allows expenditure on older assets.
	2. That Additional rateable properties are generating income and the cost pressures are not for asset maintenance, but for service expansion. However, the revenue raised is appropriately adequate and, in our view, generates a funding surplus.

The cost pressure on managing Council’s assets is the external pressures of cost escalation of materials etc. as mentioned earlier, and in our view, needs to be urgently addressed.

**Council’s Strategic Objectives**

1. **Empower our communities to be Healthy, Connected and Resilient**
2. **Support the Creation of Liveable spaces and Places**
3. **Value our Natural Assets and support our Biodiversity to thrive**
4. **Support our Productive Land to Grow Local Industries.**
5. **Be Responsible Leaders.**

We note and support these.

**Service and service performance indicators - Initiatives**

That in regard to those services listed between pages 8 to 18, our observations are as follows:

1. Many of the strategic objectives do not have performance indicators or specific metrics to enable the effectiveness to be measured or opportunities for improvements to be undertaken.
2. The is a need to develop a municipal wide community infrastructure plan and include relevant projects in the 10-year capital program.

Does the apparent absence of a 10-year plan mean that Council has a 10-year plan that it has not made public or is such a plan still being developed?

1. That many items are being “developed” and that these are still in the planning phase.
This is disappointing as expectations in the community is that much of this work would have been up-to-date and ongoing, and actual actions would be specific rather than strategic intents (initiatives) still being developed.
We comment that where Implementation of specific initiatives are stated it is not clear the actions or the budget provision is included.
2. We would urge Council to ensure all its Strategies are up-to-date or within a 3-year horizon so that these are relevant and can inform the 10-year plan.

Based on the Financial Statements, EVA believes that Council is in a solid financial position and can afford additional borrowings if needed or raise additional revenue.

Specifically, the Capital Works Statement (page 26), the values appear inconsistent over the 4-year term. That is, the capital expenditure significantly increases in 2023-23 from the current year and then significantly reduces the subsequent years. Particularly given our earlier comments for the requirements to continue to meet the needs of the expanding community and cost increases. We ask why this is the case and what does it mean?

We thank the Cardinia Council for the opportunity to comment.

Yours Sincerely

Emerald Village Association Inc.

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